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McNamara papers

Travel
Oct. 2



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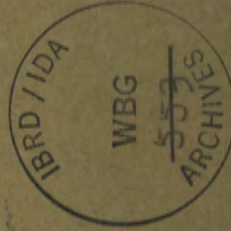
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Travel briefs, India 02

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F. New Delhi
Visit

F. NEW DELHI VISIT

1. Cabinet
2. Ministerial Biographies
3. Other Biographies:
 - (i) Central Government
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4. Meeting with Prime Minister
 - (i) Note on Policy Options
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(sent to Mr. McNamara
separately by Mr. Stern)
5. Meeting with Finance Minister
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6. Meeting with Minister of Health and
Family Planning
7. Meeting with Minister of Agriculture
and Irrigation
8. Meeting with Deputy Chairman of
Planning Commission
9. Meeting with Minister of Industry
10. Note on Import Policy
11. Note on Exports

INDIA

Biographical Data on:

President

Mr. Fakhruddin Ali Ahmed

Cabinet Members

Mr. Bansi Lal	Minister of Defense
Mr. T.A. Pai	Minister of Industry
Mr. Jagjivan Ram	Minister of Agriculture and Irrigation
Dr. Karan Singh	Minister of Health and Family Planning
Mr. C. Subramaniam	Minister of Finance

Ministers of State

Mr. D.P. Chattopadhyaya Minister of State for Commerce
Dr. Shankar Ghose Minister of State for Planning
Mr. Pranab Mukherjee - = Minister of State for Revenue and Banking

October 15, 1976

INDIA

List of Cabinet Members

Indira Gandhi

Prime Minister; also Planning, Atomic
Energy, Electronics and Space

Jagjivan Ram

Agriculture and Irrigation

Y. B. Chavan

External Affairs

Bansi Lal

Defense

C. Subramaniam

Finance

K. Brahmananda Reddy

Home Affairs

G. S. Dhillon

Shipping and Transport

Kamlapati Tripathi

Railways

H. R. Gokhale

Law, Justice and Company Affairs

K. D. Malaviya

Petroleum

P. C. Sethi

Chemicals and Fertilizers

T. A. Pai

Industry

K. Raghu Ramaiah

Works, Housing and Parliamentary
Affairs

Raj Bahadur

Tourism and Civil Aviation

S. D. Sharma

Communications

Karan Singh

Health and Family Planning

Syed Mir Qasim

Civil Supplies and Co-operation

October 15, 1976

During his tenure in Parliament, he came in close contact with Gulzari Lal Nanda, and became his political follower. In the 1967 elections, he joined the State Assembly and a year later was appointed Chief Minister of Haryana. In that capacity, he revealed himself as an administrator concerned "only with results". He dispensed with a great deal of red tapism and made the economy of Haryana hitherto neglected, as prosperous as that of neighbouring Punjab. His theme was to carry electricity to every village, and in doing so he has brought about a total transformation in the former drought-prone backward state on the edge of Rajasthan.

Bansi Lal is said to be Mrs. Gandhi's confidante. He is said to be particularly close to the Prime Minister's son. He was brought to the Center in December 1975.

Mr. T.A. Pai - Minister of Industry

Age 54. T.A. Pai comes from a well-known family in Karnataka with a reputation for its social concerns. His father, T.M.A. Pai, a physician, founded the Manipal Industrial Trust which includes an array of industrial and educational institutions. The largest enterprise, founded by the Pai family, is the Syndicate Bank established in the 1920s. On the basis of mobilising small rural savings deposits, the Syndicate Bank is now one of the largest, nationalized, commercial banks in India.

Mr. Pai graduated in Commerce and Economics from the Sydenham College, Bombay. In 1943, he joined Syndicate Bank as Deputy Manager and became its General Manager a year later. Under his guidance, the Syndicate Bank expanded widely; set up a very enlightened policy of rural banking, being the first financial institution to initiate schemes for credit facilities to small farmers.

In 1965, Mr. Subramaniam, the then Food Minister, approached Mr. Pai to be the first Chairman of the Food Corporation of India, which was set up at a time when the Government decided to enter the food trade. He was responsible for formulating the policies of the Corporation and setting up the organization with branches in many states.

In 1966, Mr. Pai went back to the Syndicate Bank and a year later became its Chairman.

In 1970-71, he became Chairman of the government-owned Life Insurance Corporation. In 1971, he resigned to contest a seat in the Rajya Sabha (Upper House of the Indian Parliament) from Mysore. In 1972, he joined the Central Council of Ministers. He was Cabinet Minister for Railways, 1972-73; for Heavy Industry 1973-74, holding additional charge of Ministry of Steel and Mines July 1973-January 1974; and also Civil Supplies until mid-August 1976.

Now, Minister for Industry (since October 1974), he has the reputation of being one of the most pragmatic, dynamic and efficient ministers in the Cabinet. His effectiveness in this Ministry is attributed to the particular understanding he has of the problems of the private sector. With a healthy disregard for red tape, he does not seem to hold any rigid views on the respective roles of public and private sectors in Indian industry.

Mr. Pai is married to Vasanta Pai, a prominent social worker.

Mr. Jagjivan Ram - Minister of Agriculture and Irrigation

Age (68). Mr. Jagjivan Ram was born at Arrah in Bihar and received his education in Banaras and Calcutta. Quite early in life, he took active interest in the emancipation of his community, the Harijans, and became Secretary of the Harijan Sevak Sangh in Bihar. Since then, he has been closely associated with movements for Harijan uplift and for improving the condition of agricultural labor.

He entered politics in 1937, when he was elected to the Bihar Assembly. In 1942, he went to jail in the Quit India movement. After release, he toured the country to strengthen the depressed classes organization. In 1946, he joined the Interim Government under Jawaharlal Nehru as Member for Labor. On August 15, 1947, he became Minister for Labor. After the 1952 elections, he became Minister for Communications and it was under him that air transport was nationalized and communication facilities in the country were substantially expanded.

For six years, from 1957-62, he handled the Railway portfolio. After a spell out of office under the Kamaraj Plan (Mr. Nehru's strategy for getting the Congress old guard to leave office and work at revitalizing the Party), Mr. Jagjivan Ram was back in the Cabinet in 1966, when he became Minister for Labor, Employment and Rehabilitation and then Minister of Food, Agriculture, Community Development and Cooperation from 1967 - 1970; holding, in addition, charge of the Ministry of Labor, Employment and Rehabilitation from 1960 - 1970. He was appointed Defense Minister on June 29, 1970 and became Minister of Agriculture and Irrigation in the Cabinet reshuffle in October 1974.

For a time, he was active on behalf of India in the ILO and also in the FAO.

Being a Harijan himself, Mr. Jagjivan Ram has had a firm grip on the bulk of India's harijans and had a considerable political following from the Hindu belt of North India. At one time, he commanded a major block of votes in Parliament. His support was crucial in Mrs. Gandhi's early years of Prime Ministership in giving her a majority in Parliament. A shrewd politician and an able administrator with a broad political base, Mr. Jagjivan Ram was until 1975 considered one of the most powerful politicians in the country after Mrs. Gandhi.

Mr. Jagjivan Ram was widowed and is remarried.

Dr. Karan Singh - Minister for Health and Family Planning

Age 45. Known as "Tiger", Karan Singh, the only son of the Maharaja of Kashmir, was born in March 1931 at Cannes, educated at the elitest Doon School in Dehra Dun, and received his Ph.D. in Philosophy from Delhi University. Deeply religious and committed to Hindu philosophy, he has been referred to as the "austere prince". When the issue of abolition of Princely purses and privileges came up in Parliament, Dr. Karan Singh voluntarily surrendered his privy purse to a charitable trust.

Catapulted into political life at the age of 18 in 1949, when his father quit, Dr. Karan Singh was head of the State of Jammu and Kashmir for 18 years. As Regent from 1949-52, elected Sadar-i-Riyasat (Chief of State) from 1952-65, Governor from 1965-67.

In March 1967, at the age of 36, soon after India's fourth General Elections, Dr. Karan Singh came to the Central Cabinet as Minister for Tourism and Civil Aviation. From 1967-73 he put together a dynamic team and a very ambitious program to build the basic infrastructure for tourism in India.

In November 1973, he took over the portfolio of Health and Family Planning. One of his opening statements was "Development is the best contraceptive".

Dr. Karan Singh has been Chancellor of the Jammu and Kashmir University as well as Banaras Hindu University. Actively interested in Public Affairs, he is Secretary of the Jawaharlal Nehru Memorial Fund, Chairman of the Indian Board for Wild Life and of Project Tiger.

Dr. Karan Singh is author of several books on political science, essays of a philosophical nature, travelogues, translations of Kashmiri folk songs and original poems in English. He has written popular devotional songs and is a keen student of Indian classical music.

He is married to Shrimati Yasho Rajya Lakshmi of Nepal, a social worker in the field of mental retardation. They have three children: a girl and two boys.

Mr. C. Subramaniam - Minister of Finance (October 1974 to present)

Age 66. Has a reputation of being a man of high personal integrity. A lawyer by profession, he moved into active politics fairly early in his career and became a prominent member of the Congress Party in the South. For his participation in the freedom movement he served spells of imprisonment in the years 1932-41.

In the post-Independence period, he was a member of the Madras Assembly in 1952, and held portfolios for Finance, Education and Law. In 1962, he came to the Center as a Member of Parliament, and between 1962-67 held in quick succession portfolios of Steel and Heavy Industry; Steel, Mines and Heavy Engineering; Food and Agriculture and Community Development. As Minister for Food and Agriculture (1965-67) he initiated major programs which eventually paved the way for the green

revolution. In the general elections of 1967, he lost his parliamentary seat and remained out of politics for the next four years. Between 1967-69, he served as Chairman of the Aeronautic Committee, followed by a six months tenure as President of the Indian National Congress and a further year as Chairman of the National Commission on Agriculture.

He staged a comeback into politics in the 1971 elections, and was appointed Minister for Planning and Deputy Chairman of the Planning Commission. In July 1972, he joined the Ministry of Industrial Development and Science and Technology. He was responsible for introducing greater pragmatism in the industrial licensing policy of 1973 and, in general, streamlining procedures for monitoring India's complex system of administrative controls. In October 1974, he replaced Mr. Y.B. Chavan as Finance Minister.

Mr. Subramaniam has been in poor health lately; he has had two heart attacks in the course of the past year. Mr. Subramaniam is without a personal political base and followership. His influence is based on the respect he enjoys as an able and experienced governmental leader. This influence is said to have declined somewhat however since the emergency; the fact that his Ministry was for all practical purposes split into two last December, with the Minister of State, Mr. Pranab Mukherjee, independently in charge of the Departments of Revenue and Banking, is generally taken as evidence of this diminished influence.

Ministers of State

Mr. D. P. Chattopadhyaya - Minister of State for Commerce

Age 43. Educated at the University of Calcutta and the London School of Economics with a Ph.D. from London University. He began his teaching career at the University of Jadavpur where he rose to the rank of Professor of Political Science. He has taken a keen interest in student movements and politics. Prior to his election to Rajya Sabha in 1969, he was a member of All India Congress Committee. He was appointed Minister of State for Health and Family Planning in 1971 and after the tenure of two years he took charge of the Commerce Ministry. His special interests are Philosophy and Sociology. He is an author of many books and papers. Important among these are:

Individuals and Societies, A Methodological Inquiry

Societies and Cultures

Individuals and Worlds: Essays in Anthropological Rationalism.

Dr. Shankar Ghose - Minister of State for Planning

Age 51. He obtained a Master's degree from the University of Calcutta and a Ph.D. from London University. Subsequently, he was also called to the Bar from the Inner Temple. He practised as a senior advocate until 1971, when he joined the West Bengal Assembly. As Minister for Finance, Development and Planning, he showed remarkable administrative capability. Within two to three years, the overdues of the State Government with the Reserve Bank of India had been settled and general financial discipline imposed. There was notable success in one sector - namely, the co-operatives where the overdues to the State Government amounting to over 80 per cent, were reduced to less than 20 per cent within a year. His success with the State Government brought him to the notice of the Prime Minister, who invited him to join the Cabinet as Minister of Planning in April, 1976. He has several publications to his credit. These are:

- The Western Impact on Indian Politics (1967)
- The Renaissance of Militant Nationalism in India (1969)
- Socialism and Communism in India (1971)
- Socialism, Democracy and Nationalism in India (1975)
- Political Ideas and Movements in India (1975)

Mr. Pranab Mukherjee - Minister of State for Revenue and Banking

Age 41. Educated at the University of Calcutta. He spent the first ten years of his career as a university lecturer and journalist. In 1967, he joined the "Bangla Congress", a breakaway Congress group in Bengal, founded by Ajoy Mukherjee. In 1971, however, with the merging of Bangla Congress with the main body, he was elected to the Parliament as a member of the Rajya Sabha (upper house). In 1973, he was appointed Deputy Minister of Industrial Development under Mr. C. Subramaniam, who was the Minister. He served as a Minister of State for Shipping and Transport during the greater part of 1974. In October 1974, he was shifted to the Finance Ministry where he was responsible for the departments of Revenue and Banking, under the overall charge of Mr. C. Subramaniam. However, in December 1975, these departments were delinked from the Finance Ministry, and Mr. Mukherjee was placed in independent charge.

During the short spell he has been in the Center, he has gained the confidence of the Prime Minister. More recently, after the emergency he has come fairly close to the Prime Minister's son. He is said to be pragmatic, hard working and able to initiate bold measures if he is convinced about the wisdom of doing so.

Mr. S. Chakravarty - Member, Planning Commission

Age 43. He is an outstanding economist and econometrician. Educated at the University of Calcutta and the Netherlands School of Economics, Rotterdam. He taught at the MIT for a short spell before returning to India where he was professor at the Universities of Calcutta and Delhi. He joined the Planning Commission in early 1971. He was Chairman of the Fuel Policy Committee 1974, and he has been generally responsible for all matters relating to energy and exports. He is also largely responsible for having introduced in the Planning Commission, modern techniques of project appraisal for the evaluation of public sector projects.

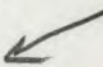
Mr. A. Chandrasekhar - Additional Secretary, Ministry of Health and Family Planning

Age 52. Mr. A. Chandrasekhar belongs to the Andhra Pradesh cadre of the Indian Administrative Service. He was officer on Special Duty in the Ministry of Home Affairs and later Additional Registrar General of India. He was promoted Registrar General and Census Commissioner in 1969 and held this position until 1972, being in charge of the 1971 Population Census.

In 1972 he was transferred to the Ministry of Health as Joint Secretary and made responsible for the national family planning program. Within the Ministry of Health he was promoted to Additional Secretary in late 1975 in charge of Department of Family Planning. He was further promoted to Special Secretary in June 1976 but was kept on in charge of family planning.

He has attended several international population conferences, including the Bucharest Conference in 1974, and he was a member of the IBRD Panel on Population. A few months ago his son went to the United States for studies at MIT.

Professor P. N. Dhar - Secretary to the Prime Minister

Age 57. A Kashmiri Brahmin, P. N. Dhar received his M.A. from Delhi University in 1940. Professor Dhar, as he is known, is an economist by profession. He started his career as a teacher, first in Peshawar (now in Pakistan) and later in Delhi. In 1963 he became the Director of the Institute of Economic Growth and held this position until he was invited by Mrs. Gandhi to join the Government. The Institute is attached to the Delhi University and concentrates on applied economics. Professor Dhar's own field was Industrial Development, and he has always had a strong focus on political economics. 

In 1962 he was sent on a UN assignment as Economic Advisor to Cheddi Jagan in British Guiana.

In 1970 Professor Dhar joined the Government as Economic Advisor to Mrs. Gandhi. After Mr. Haksar's retirement, the job of Principal Private Secretary to Mrs. Gandhi was abolished but Professor Dhar was appointed as Secretary to the Prime Minister. In Government, Professor Dhar's tolerant, accommodating personality and his skill in negotiating between contrary points of view have been a great asset. He was closely connected with Mrs. Gandhi's Bangladesh Policy in 1971, and rapprochement with Sheikh Abdullah in 1975.

Professor Dhar is married to Sheila Dhar, who was with the Government of India Publications Division and is the author of two books on India for children. She is an accomplished Indian musician and has participated in many concerts. They have two children.

Mr. P. N. Haksar - Deputy Chairman, Planning Commission

Age 63. A Kashmiri Brahmin, Mr. Haksar studied Law at Lincolns Inn, and is a graduate of the London School of Economics. He started his career by practicing law in Allahabad.

Mr. Haksar joined the Indian Foreign Service in 1947. After 21 years in diplomacy, in 1968 he was appointed Secretary to the Prime Minister (Mrs. Gandhi) until 1971. He retired and was then re-employed as Principal Secretary to the Prime Minister.

Again, after retiring from Government service in 1973, Mr. Haksar was invited by Mrs. Gandhi to rejoin as the Deputy Chairman of the Planning Commission in 1974. A close confidant of Mrs. Gandhi, and one of the most powerful and committed men in government during his tenure as Principal Private Secretary to the PM (1968-73), he was responsible for the organization of the PM's secretariat making it the major policy making apparatus in the country. In line with his personal ideology, Mr. Haksar supported policies with a strong socialist ideological base. Bringing into power people like Kumaramangalam, Wahdud Khan who also had strong left inclinations and belonged to the group of young brilliant radical students who attached themselves to Krishna Menon when they were students or lived in England in the 1940s. In Indira Gandhi's Secretariat he represented the radical conscience in a government that was basically middle of the road. He supported the expansion and development of the Public Sector, socialization of key sectors like the grain trade etc., and in his policies he ran contrary to the emerging interests of Sanjay Gandhi especially in connection with Maruti (the small car project which Mr. Gandhi runs in the private sector).

Before joining the PM's Secretariat as its chief, Mr. Haksar was Deputy High Commissioner to the United Kingdom for two years, and earlier Secretary, Indian High Commission, London during 1948-49 and Counsellor during 1952-55.

Mr. Haksar functioned as External Affairs Ministry spokesman during 1955-58, having been Director, External Publicity Division. He was a member of the UN Expert Committee on Public Information from March to September 1958; a delegate to the diplomatic conference in Geneva for Red Cross Conventions in 1949 and later adviser and alternate chairman, Neutral Nationals Repatriation Commission, Korea during 1953-54.

He was High Commissioner in Nigeria during 1960-62 and Ambassador to Austria during 1964-65.

In addition to being Deputy Chairman, Planning Commission, he is also chairman of the National Council of Science and Technology, The Environmental Protection Agency and the Indian Statistical Institute.

Since June 1975 he has maintained a fairly low profile. With the declaration of the Emergency, the Planning Commission work has also receded in the background.

Married to Urmilla Haksar who was a member of the Status of Women Committee and has recently published an autobiographical novel. They have two young daughters. Mr. Haksar is a superb amateur cook.

Dr. G. S. Kalkat - Agricultural Commissioner and Ex Officio
Joint Secretary, Ministry of Agriculture
and Irrigation, Government of India

Dr. Kalkat holds the highest technical position in the Ministry of Agriculture. He is responsible for the technical aspects of all agricultural programs. He exercises this responsibility by playing a crucial role in the GOI's analysis of statewide agricultural problems, the planning of state agricultural production programs and the evaluation of those programs.

A realistic and plain-spoken Punjabi, Dr. Kalkat has a keen appreciation for the practical problems of program implementation. He has been actively involved in most World Bank financed agricultural projects. He was one of the first GOI officials to appreciate the potential of the extension reforms introduced in Rajasthan. He was also instrumental in launching the joint Bank/GOI reviews of the Eastern States.

He was handpicked for his present job over many more senior colleagues by the Prime Minister in June 1973. Prior to that he was Director of Agriculture for the Punjab State Government. As one of the youngest Directors of Agriculture in the country, he earned an excellent reputation for his work in planning and coordinating the supply of credit, inputs and minor irrigation. In 1957 he received a two-year Rockefeller Foundation Fellowship for advanced studies in agriculture in the U.S.

In recognition of his valuable contributions to planning and implementation of agricultural development programs, his term in office has been extended by one year.

Dr. Kalkat is fifty years old, married and has four children.

Mr. Jagat S. Mehta - Foreign Secretary, Ministry of External Affairs

Age 54. When Mr. Mehta took over as Foreign Secretary from Kewal Singh in April 1976, he became the first non-ICS career Indian Foreign Service officer to hold this post. Educated at Allahabad University and at Cambridge UK, Mr. Mehta started his career as a lecturer in Allahabad. Then did a short stint in the Indian Navy (1945-46).

In 1947 he joined the Indian Foreign Service. In 1960 he led the Indian official team for discussion on Sino-Indian Boundary question. From 1966-69, he served as Joint Secretary and first Head of Policy Planning Division in the Ministry of External Affairs. Since 1974, he was additional Secretary, in charge first of Administration and Policy Planning and later of Administration and Africa. In October 1975, he led the Indian Delegation for settlement of compensation of Indian nationals in Uganda. His service abroad has included senior appointments in India's Missions in London, Berne, Bonn, Peking and his last foreign assignment was in Dar-es-Salaam, as Indian Ambassador to Tanzania.

Jagat is a specialist in Chinese Affairs and in 1969/70 was a fellow at the Kennedy Centre for International Affairs in Harvard. Since his assignment as Foreign Secretary, Mr. Mehta implemented the normalization of relations with Pakistan and attended the Non-Aligned Conference at Colombo this year.

His wife, Rama Mehta, also served in the Indian Foreign Service during the period 1948-51. An M.A. from Delhi University and Columbia University, Mrs. Mehta was a Fellow of the Radcliffe Institute for Independent Study for three years. A sociologist, she is the Author of Ramu, Keshav, Western Educated Hindu Women, Divorced Hindu Women, and co-author with Mrs. Catherine Galbraith of India Now and Through Time.

The Mehtas have four grown children.

Mr. K. S. Narang - Secretary, Ministry of Agriculture

Mr. Narang joined the Indian Administrative Service and was a successful candidate in the 1948 batch from the Punjab cadre.

Mr. Narang was Secretary, Agriculture, Government of Punjab and later Financial Commissioner of the Government of Punjab. He joined the Central Government in 1972 as Joint Secretary, Ministry of Commerce. Later he was made the Additional Secretary, Cabinet Secretariat. In January 1976 he became Secretary, Department of Agriculture in the Ministry of Agriculture and Irrigation.

Mr. Narang is married and has two children.

Mr. Gian Prakash - Secretary, Ministry of Health and Family Planning

Age 52. Mr. Prakash holds an M.A. degree and is a member of the Indian Administrative Services.

Mr. Prakash was appointed the Health Secretary in 1975. In this position he has administrative charge of the Ministry of Health and Family Planning. Prior to his appointment in the Ministry, Mr. Prakash was Additional Secretary in the Department of Cabinet Affairs.

Mr. Prakash is a versatile administrator, who has served in various responsible positions both at the Center and Uttar Pradesh Governments, as a District Magistrate, Collector, Secretary, Local Self Government (Municipal Corporations), and Chairman, Town and Country Planning. The Ministry of Health is not new to him, since he served as a Joint Secretary (Department of Health) in 1963. He was the Chief Secretary in Uttar Pradesh in 1973 when Presidential rule was imposed on the State due to failure of the popular government.

Dr. D. P. Singh - Chairman, National Seeds Corporation

Age 60. He has a Master's degree in Arts and a Bachelor's degree in Law. He began his career as lecturer in Rural and Agricultural Economics in Government College, Kanpur (1940). In 1941 he joined the UP State Government service, and after Independence was absorbed into the Indian Administrative Service. As a civil servant he has served in various capacities, but a considerable part of his career has been in the area of agriculture, irrigation and community development. Between 1957-61 he served as a UN Expert on Community Development. On his return he was appointed Chief of Agriculture and Community Development Division, Planning Commission. Between 1966-74 he served as the Vice Chancellor of UP Agricultural University, Pantnagar. He was also a member of the National Commission on Agriculture. In 1969 he was awarded Padma Shri by the Government of India, and an Honorary LLD by the Illinois University, USA.

After retirement in December 1974 he was appointed as Chairman of the National Seeds Corporation and States Farms Corporation of India, posts he continues to hold to date.

Dr. Man Mohan Singh - Chief Economic Advisor
to the Government of India

Age 44. After taking his Master's degree in Economics from the Punjab University, he went on to Cambridge for Tripos in Economics. He stood first in the University in order of merit and was awarded the Adam Smith Prize for 1956 and was elected Wrenburg Scholar for 1957. In 1962 he took his D. Phil. from the Oxford University. In the years 1957-1965 he was teaching at the University of Punjab, where he rose from senior lecturer to full fledged professor. In 1966 he joined the UNCTAD for a brief period, after which he was appointed Chief, Financing for Trade Section at the UN Secretariat, New York.

In 1969 he returned to India, and joined the Delhi University as Professor of International Trade, Delhi School of Economics. Two years later in 1971 he moved to the Government of India as Economic Advisor in the Ministry of Foreign Trade. In the course of his work he attended the Ministerial Meeting of the Group of 77 held in Lima October 71, and the Third Session of the UNCTAD held in Santiago, Chile in May 72. Since May 1972 he has functioned as Chief, Economic Advisor, Ministry of Finance. He represented India on the IMF Ministerial Committee on the reform of the international monetary system 1972-74.

Dr. Singh has a number of books and articles to his credit. He is currently working on a book entitled "The International Environment for Development." This book deals with the whole range of aid and trade policies which have a bearing on development prospects of the poor countries. He is also preparing a monograph on "International Monetary System in Developing Countries."

Mr. B. Sivaraman - Member, Planning Commission

Age 64. Educated at the University of Madras where he obtained a Master's degree in arts. Joined the Indian Civil Service in 1933 and was assigned to the State of Bihar, which he served in various capacities as District Magistrate and Sessions Judge. In 1946 his services were transferred to the State of Orissa. In Orissa, he was in turn Secretary of Transport, Divisional Commissioner, Member, Board of Revenue, and finally Chief Secretary in 1961. He came to the Center in 1965 as Secretary in the Ministry of Agriculture. He functioned in that capacity for the next three years, and with Mr. C. Subramaniam who was then Minister of Agriculture, he was instrumental in introducing the "green revolution". In 1968 he was appointed Cabinet Secretary.

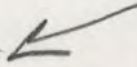
He retired in November 1970 from the Civil Service and in February 1971 he took over as Chairman of the National Commission on Agriculture. With the completion of the task of the Commission he was appointed Member, Planning Commission (March 1973). His special responsibilities are agriculture, irrigation and rural development. Between 1973-75 he was a member of the Bank's Agricultural Panel, and in 1975-76 he was member of the Consultative Committee of the Asian Development Bank on updating the Asian Agricultural Survey.

Mr. Mantosh Sondhi - Secretary, Department of Heavy Industries

Age 53. After taking a Master's degree in mathematics from the University of Punjab, he graduated in automobile engineering from Loughborough College, UK in 1948. He joined the Industrial Management Pool and was appointed General Manager of Heavy Vehicles Factory at Avadi in September 1960. He remained in that capacity for the next seven years, showing a rare combination of administrative skill and specialist knowledge. He was responsible for the negotiation with the collaborators for the development of a suitable design for a tank, plan the factory and arrange for the setting up for the infrastructure facilities to sustain a program for the manufacture of armored fighting vehicles.

His next assignment was Chairman and Managing Director of the Bokaro Steel Plant (1969-1973). Here also the entire responsibility for the execution of the Project was given to him. The Blast Furnace was commissioned ahead of time, in spite of the fact that 85% of the equipment was procured domestically, and manpower had to be trained from scratch. Since 1973, he has been Secretary to the Government of India in the Department of Heavy Industries. His specific responsibility continues to be public sector enterprises, and in the three years he has been at the Center he has once again distinguished himself by bringing about a performance oriented approach in a number of public sector enterprises. His responsibilities cover formulation of national policy relating to heavy industries in general, and preparing guidelines and providing coordination in the matter of administration and production in 18 public sector undertakings in heavy engineering, with a total investment of Rs 550 crores.

He was awarded "Padma Shri" in January 1968. In 1973 the Indian Council of the Institution of Production Engineers awarded him the Sir Walter Puckey Prize, for the most outstanding contribution to production engineering.

More recently, Mr. Sondhi was Chairman of a committee to study the export prospects of engineering industries. One of the most important recommendations of the committee was to allow automatic growth in capacity to 15 selected engineering industries, and this was accepted by Government in an announcement in August 1975. Several other modifications have also been made in licensing and export policy in response to the Sondhi Committee Recommendation. 

Mr. R. C. Sood - Joint Secretary and Extension Commissioner,
Ministry of Agriculture

Mr. Sood is 52 years old. Since 1958 he has been an IAS officer of the Rajasthan cadre.

Mr. Sood's present position was created specifically for him in August 1976 in recognition of his achievements in reforming the extension service in Rajasthan, where he had been Agricultural Production Commissioner and Secretary, Command Area Development and Water Use Department since 1974. In that post he worked closely with Benor in developing the proposals for extension reorganization in the Chambal and Rajasthan Canal CAD areas. Strongly committed to this extension approach he pushed successfully for its expansion throughout most of Rajasthan and prepared the report for the Rajasthan Research and Extension Project expected to be

appraised in October. He has been an effective spokesman for the extension approach with officials from the GOI and other states. In his present position he could play a key role in strengthening extension more widely throughout India.

While Mr. Sood's primary concern in the past several years has been with extension reform, he also played a major role in preparing Rajasthan's component for the upcoming Seeds II project. Before he became Agricultural Production Commissioner, he was Area Development Commissioner for the Chambal Project and in that capacity was involved in the preparation of the Bank-financed Chambal CAD project.

Most of Mr. Sood's earlier career also involved work in agriculture and animal husbandry. During his posting with the Central Government he was Chairman of the Delhi Milk Scheme and before that Director of Administration in the then Directorate of Extension. His first assignment in Rajasthan in 1958 was as Special Officer preparing the master plan for development of the Rajasthan Canal Project Area.

Dr. M. S. Swaminathan - Director General, Indian Council of Agricultural Research

Age 51. Ph.D. from Cambridge University. Started his career as Assistant Botanist at the Central Rice Research Institute, Cuttack, later became Director of the Indian Agricultural Research Institute, Pusa. He then became Director General of the ICAR (the national autonomous body dealing with all agricultural research and education in India). The ICAR is linked with the Government of India through the Department of Education and Research in the Ministry of Agriculture, and Dr. Swaminathan is also Secretary of this Department. He is a Fellow of the Royal Society, London, Indian National Science Academy and Academy of Science. He was also nominated President of the Science Congress Association in 1976 and Vice President of the Protein Advisory Group of the UN.

Shy, soft spoken, thoughtful, prudent and pragmatic, he has been largely responsible for building up the ICAR to its present stature. Until a few years ago, the ICAR was very bureaucratic. Dr. Swaminathan pioneered a review of the organization after a series of suicides by scientists and a lot of unsavory publicity. Consequently, as an integral part of the new organization, an Agricultural Research Service and a Staff College have been established to provide promotion and advancement to scientists solely on the basis of their merit and achievements, as well as in-service training in research management and administration.

One of Dr. Swaminathan's main achievements has been his work in introducing dwarf wheat into India and in developing the high-yielding varieties program. He is particularly interested and actively involved in home science and education of rural women. In 1971 he received the Ramon Magsaysay Award for Community Leadership.

Dr. Swaminathan is married to Mina, only daughter of S. Boothalingam and they have three children. A teacher by profession, Mina Swaminathan is in her own right a leading figure in the field of education. Formerly, Member of the Central Board for Secondary Education, Member Governing Body of the Mobile Creches; Founder/President of the All India Nursery Schools Association, Mrs. Swaminathan has worked on a number of UNICEF Projects and publications.

Miss Usha Bhagat - Social Secretary to Prime Minister

Age approximately 50 years. BA in Liberal Arts from Kinnaird American Presbyterian College, Lahore. Belonging to a large Punjabi family which moved from Lahore in 1947 to Delhi.

Miss Bhagat started her career as a teacher in a Nursery School, where she taught Rajiv and Sanjay Gandhi. Through this contact developed a long association with the Nehru and Gandhi families. In 1953 she started to work on an informal, part-time basis with Mrs. Gandhi who was then living at Teen Murti House with Pandit Nehru as the official hostess to the Indian PM. Gradually, as Mrs. Gandhi emerged more and more into public life, Usha also became more and more involved and her work with Mrs. Gandhi increased. Through the years, she has been personal secretary to Mrs. Gandhi, Information and Cultural Affairs Officer attached to the Ministry of Information and Broadcasting when Mrs. Gandhi was Minister and later joined the PM's Secretariat as Social Secretary to the PM Mrs. Gandhi with the rank of Deputy Secretary in the Government of India. Loyal and dedicated to Mrs. Gandhi and her family Usha has recently been on a long leave and abroad on a trip with a delegation of folk artists, musicians and artisans to this summer's Washington Folk Festival sponsored by the Smithsonian Institution.

Usha is a talented folk singer herself and has done a lot of research on folk melodies and ballads, particularly of North India and Kashmir. She has been Mrs. Gandhi's main communications link with artists, painters and musicians and through her they have found a very sympathetic hearing to their problems.

A person with great charm, informality and simplicity, Usha is one of the few people around the PM who keep her in touch with people and events on a very human level.

Prof. Y. Nayudamma - Secretary to the Government of India in the Department of Science and Technology and Director General, Council of Scientific & Industrial Research

Age 54. Prof. Nayudamma graduated in industrial chemistry from the Banaras Hindu University and was associated with the Institute of Leather Technology, Madras from 1943-45. In 1946, the Government of Madras sent him for advanced training in leather technology to UK (1946-47) and USA (1947-51) where he worked at the Lehigh University for his Ph.d under the renowned leather technologist the late Dr. Edwin R. Theis.

On return to India in 1952, he associated himself with the Central Leather Research Institute (CLRI), Madras, which he helped plan and organize into a full-fledged national laboratory. He became the Director of CLRI in 1958. Under his leadership,

CLRI has emerged as one of the most renowned centers of leather research in the country.

In 1971 he was appointed Director General, CSIR, and Secretary to the Government of India in the Department of Science and Technology. His immediate task was to implement the major recommendations of a Government of India Committee to institute structural changes in CSIR, in order to delegate more autonomy to the national laboratories and to turn the central office into a technical headquarters from a merely administrative one.

'Science for the common man' has always been one of the missions of Prof. Nayudamma's life. Towards this end, he introduced the adoption of some backward districts with a view to change the face of underdevelopment through the application of science and technology. Karim Nagar in Andhra Pradesh was the first district to be adopted for development. He has also attempted to establish closer links between the CSIR and industry, and introduced the scheme by which CSIR scientists could put up their own enterprises based on CSIR technologies.

In the field of international collaboration, he organized the International Seminar on Transfer of Technology in 1972, and the third meeting of the Association for Science Cooperation in Asia in 1974, to foster greater scientific collaboration between India and other Asian countries. He is a consultant to the FAO, and has also been an adviser to the OAS (South American) countries.

Mr. B. D. Pande - Cabinet Secretary and Principal Secretary, Planning Commission, Government of India.

Age 59. One of the very few ICS (Imperial Civil Service) Officers still serving the government, and a batchmate of Peter Cargill, Mr. Pande hails from UP, was educated in Allahabad and Cambridge (UK) and joined the ICS in England in 1938.

Spent the first 20 years of his service in Bihar in various capacities. From 1956 - 60 he was Development Commissioner for that state and moved to Delhi in 1960 a Joint Secretary in the Ministry of Community Development and Cooperation. 1960 - 63 Joint Secretary, Ministry of Economics and Defence Production; and 1963 - 65 Additional Secretary Ministry of Finance and Gold Control Administrator. In 1965 he moved to Bombay as Chairman of the Life Insurance Corporation. In 1967 he was appointed Commissioner General and Chief Secretary Bihar during the period of the Bihar drought and Famine. In August 1967 Mr. Pande moved back to the Central Government as Secretary, Planning Commission. In 1970 he became Secretary, Heavy Industries and later Secretary Ministry of Industrial Development and Internal Trade. From 1970-72 he was Finance Secretary, and thereafter appointed Cabinet Secretary - the highest ranking

Civil Service post in the country. In 1975, upon retirement Mr. Pande was given an extension of service.

Married to Vimla Pande, they have 3 children. Arvind Pande is currently desk officer dealing with Bank and IMF affairs at the Department of Economic Affairs. He and his wife spent some time in the US as Technical Assistant to the Executive Director S. R. Sen.

Dr. A. Ramachandran - Secretary, Department of Science and Technology

Is in his early fifties. After completing basic engineering studies from the University of Madras in 1943, he obtained a masters degree and a Ph.d from Purdue University. Upon return to India in 1950, he joined the faculty of the Indian Institute of Science at Bangalore, where he rose to be head of the Department of Mechanical Engineering. In 1967 he took over as Director of the Indian Institute of Technology at Madras, and six years later, joined as Secretary to the Department of Science and Technology.

In the mid fifties he was in turn a post doctoral fellow at MIT and Columbia University. He has a number of professional publications to his credit, and is member of the major scientific institutions in the country, and of important national committees such as The National Committee on Science and Technology, and The National Committee on Environmental Planning and Coordination. He has represented India in various UNESCO conferences on scientific matters; and has served as rapporteur and chairman of some of the sessions.

INDIA

Biographical Data on Industrialists and Others

Mr. M.V. Arunachalam	President, Federation of Indian Chamber of Commerce and Industry
Mr. B.M. Birla	Industrialist
Mr. S. Boothalingam	Adviser, NCAER
Mr. R.C. Maheshwari	Chairman, Engineering Export Promotion Council (EEPC)
Mr. H.P. Nanda	Managing Director, Escorts Limited, New Delhi
Dr. Bharat Ram	Chairman and Managing Director, Delhi Cloth and General Mills Co. Ltd.
Mr. Raunaq Singh	Industrialist - Bharat Steel Tubes
Mr. P.L. Tandon	Director General, National Council of Applied Economic Research, New Delhi

October 18, 1976

Mr. M. V. Arunachalam - President, Federation of Indian Chamber of Commerce and Industry

Age 49. Mr. Arunachalam graduated in Geology from the University of Madras and completed the Advanced Course from Harvard in 1965. As an entrepreneur, young, dynamic and an able administrator, he has helped his Uncle, Mr. A. M. Arunachalam, increase the family enterprises into one of the major industrial groups in the South. In the field of business, he heads several large companies in India. He is the Managing Director of Tube Investments of India and Carborundum Universal. He has also been nominated by the Government of India to serve on a number of public committees and financial institutions. Recently appointed Member of the Indirect Taxation Enquiry Committee, he is also a Director of the Reserve Bank of India for the Southern region, as well as a Trustee of the Unit Trust of India. In addition, Mr. Arunachalam is a member of the Company Law Advisory Committee, constituted by the Government. He also serves as Director on the Board of ICICI.

He was President of the Indian National Committee of the International Chamber of Commerce in 1972 and 1973. Since 1964, he has been associated closely with the affairs of some of the largest chambers of India: he was President of the Southern India Chamber of Commerce and Industry, Madras, and the Madras Management Association. In that capacity he was also actively involved in the effort of setting up a small private Development Finance Corporation in Madras with Bank support.

In 1964, he served as Chairman of the Governing Council of the Central Electro-Chemical Research Institute, which is one of the national research laboratories under the Council of Scientific and Industrial Research.

As a professional manager, he has participated as member in the Governing Council of the Indian Institute of Management, Ahmedabad, as well as on the Executive Committee of the All India Management Association. Currently, he is a member of the Board of Governors of the Indian Institute of Management, Bangalore.

Mr. Arunachalam as Chairman of FICCI is coordinating all functions connected with the Golden Jubilee Celebrations of the FICCI: among these is a meeting of the International Chamber of Commerce, Paris, which will hold its Council session in New Delhi from December 5 to December 8.

He is married and has three children.

Mr. B.M. Birla - Industrialist

Age 71. Member of the distinguished Marwari family of Birlas. B.M. Birla has no formal education, but he is regarded as an outstanding business leader. In the family business hierarchy, he is next in importance to his brother, G.D. Birla.

The Birlas, one of the so-called "large industrial houses", have extensive interests in a number of industries including textiles, automobiles and engineering products. As a business group, Birlas are second only to the Tatas in terms of gross fixed assets. To a large extent, the rapid expansion of the assets of the company and the varied spheres of involvement are due to the energetic leadership provided by B.M. Birla in the late 1950s and mid 1960s. He is the Chairman of Hindustan Motors - the makers of the popular Indian car "Ambassador" and "Bedford" trucks. He is also Director of several of the other Birla Companies.

Mr. Birla has taken a leading role in forming associations of manufacturers of sugar and paper. He was a member of the First Fiscal Commission (1950) and Chairman of the West Bengal Financial Corporation. He served a tenure of one year as President of the FICCI (Federation of Indian Chambers of Commerce) in 1954/55; and is at present a member of its Standing Advisory Body.

The Birlas as a family have been strong supporters of Mrs. Gandhi. In recent months, K.K. Birla, a nephew of B.M. Birla, is reported to be particularly close to her son.

Mr. S. Boothalingam - Adviser, NCAER

Age 67. Educated at the Universities of Madras and at Cambridge where he obtained a Tripos in Economics in 1931. Shortly thereafter he joined the Indian Civil Service. After spending the first ten years of his service in various district and secretariat postings he came to the Center in 1940. He rose rapidly to the rank of Joint Secretary by 1946, and was posted alternately in the departments of Industry and Commerce. In 1955 he was appointed Secretary to the Department of Iron and Steel, and during the six years he was there, was actively involved in the establishment of three public sector steel plants. Between 1961 and 1966 he served as Finance Secretary (1961-63), Secretary, Economics and Defence Coordination (1963-64) and Secretary, Economic Affairs, Ministry of Finance (1964-66).

As Secretary, Finance, and Defence Coordination, he was connected with important defence negotiation in the years 1961-64. During the two years at the Department of Economic Affairs his work brought him into close association with the Bank's Bell mission. Upon retirement in 1966, he was appointed Chairman of a one-man member committee to study the Reform of the Tax System. The report was published in 1968. In June 1967 he took over as Director General of the National Council of Applied Economic Research, and remained in that post till March 1974. Mr. Boothalingam is one of India's most brilliant administrators, who subsequently came to be highly respected for his independent thinking as reflected in the issues of the "Margin" -- the monthly publication of the NCAER. He has been a champion for the relaxation of India's rigid administrative controls system. He is currently associated with a number of important private sector companies. Prominent of these are:

- Chairman: Glaxo Laboratories
- Chairman: Molins of India
- Chairman: Triveni Tissues.

Mr. R. C. Maheshwari - Chairman, Engineering Export
Promotion Council (EEPC)

Age 43. Has a Master's degree in commerce and a bachelor's degree in law. After a brief time as a tax consultant he joined the Ratnakar Shipping Company, where he rose to the rank of General Manager by the age of 32. Four years later in 1969 he was appointed General Manager of Texmaco -- one of the leading engineering complexes managed by the Birla's and particularly noted for the manufacture of textile machinery.

Mr. Maheshwari is actively associated with a number of institutions and trade bodies. Prominent of these are: Member of the Steering Committee of the Trade Development Authority, Member of the Executive Councils of the Textile Machinery Manufacturer's Association, and the Association of Indian Engineering Industry. He is also on the Board of Directors of several large corporations. He was a member of the Reserve Bank's Study Group on National Bank Credit Policy, and the Calcutta Port Commissioner's Task Force for Rehabilitation of Calcutta Port.

As Chairman of the EEPC, Mr. Maheshwari has been crusading for the improvement of capacity utilization in engineering concerns. In the field of exports, he has been articulate about the need to examine the ocean freight rate structure, which places Indian exporters at a considerable disadvantage.

Mr. H. P. Nanda - Managing Director, Escorts Limited,
New Delhi

Age 58. Mr. Nanda is currently President of the Associated Chambers of Commerce and Industry of India. Mr. Nanda is a past President of the Indo-American Chamber of Commerce and is also Member of the Executive Committee of FICCI.

He began his business career at an early age with family enterprises in transport in what is now West Pakistan. At the time of Partition he moved to Delhi and started Escorts Agents Ltd., initially as an agency house and later as a manufacturer of agricultural machinery and ancillaries.

Mr. Nanda has a joint venture with Ford Motor Company of the United States for the manufacture of tractors and has recently also concluded a joint venture with a French firm for the manufacture of medical electronics equipment and X-ray equipment in the Santa Cruz Free Trade Zone. Escorts is also a recipient of a 16 million dollars IFC Foreign Exchange loan combined with a consortium of rupee finance from India-based institutions for Mahle Pistons manufacture in Bangalore. Just started, the factory is expected to be ready by November 1977.

Mr. Nanda contested the 1971 general elections on a Swatantra Party ticket from the Ballabgarh constituency but suffered an overwhelming defeat by a candidate of the ruling Congress. After losing the 1971 elections, he resigned as Treasurer of the Swatantra Party, a position he had held for about four years.

Although Mr. Nanda is highly regarded within the business community, he continues to suffer in his dealings with Government, due to his earlier association with the Swatantra Party. Sophisticated, smooth and articulate he has emerged as one of North India's leading industrialists and a spokesman for the business community.

Mr. Nanda is married and has four children. His two sons -- Rajan is Vice Chairman, Escorts Limited and Anil is Consumer Manager, Goetze Piston Ring Plant.

Mr. Raunaq Singh - Industrialist - Bharat Steel Tubes

Age 54. He is the founder of what is known as "Raunaq Enterprises" - a conglomerate of several companies, prominent amongst which are Bharat Steel Tubes, Bharat Gears, Apollo Tyres and Raunaq International. Raunaq Singh was educated in a village high school in West Punjab and at the age of sixteen began his life as a scrap collector. He soon rose to be a dealer in pipe products and after consolidating himself financially ventured into pipe manufacturing with an American collaboration in 1964. This was the birth of the Bharat Steel Tubes. Then began a phase of continuous expansion into new areas of activity and the founding of the Raunaq enterprises.

Mr. Singh is a member of several important institutions such as the Indian Engineering Export Council, All India Shippers' Council, Indian Institute of Foreign Trade Council, Indo-German Chamber of Commerce, Indo-American Chamber of Commerce. His most prominent involvement is as President of the Federation of Indian Export Organization (FIEO). He has emerged as the chief spokesman of the community of exporters. Recently, at the Annual General Meeting of the FIEO, he presented the outline for a ten-point program to develop an integrated export strategy.

His own organization has shown a remarkable export consciousness. Bharat Steel Tubes increased its exports from Rs. 3.85 million in 1966 to Rs. 20 million in 1968 and over Rs. 90 million by 1974/75. In 1969, he was awarded the First Prize by FICCI for the highest export performance by any individual manufacturing unit in the country.

Raunaq Singh is one of India's most brilliant rising entrepreneurs. He is never embarrassed about his relatively unsophisticated background, on the contrary, he is rather proud of it.

Dr. Bharat Ram - Chairman and Managing Director,
Delhi Cloth and General Mills Co. Ltd.

Age 62. Educated at St. Stephen's College, Delhi with a degree in Economics. He joined the Delhi Cloth Mills, a family venture, as an apprentice in 1935 and became Joint Managing Director in 1948. In 1958 he was elected Chairman of the Board of Directors.

Bharat Ram is also Chairman of the Coromandel Fertilizers Ltd., Shriram Bearing Ltd., Bengal Potteries Ltd., Director of New India Assurance Co. Ltd., Escorts Ltd., and Bajaj Electricals Ltd. Dr. Bharat Ram has served on a large number of professional and advisory bodies. He was member of the National Commission on Labor and President International Chamber of Commerce in 1969, and for a short while Chairman, Indian Airlines Corporation during 1968-69.

The Shriram and DCM group is the leading, oldest and most established industrial house in Delhi. The two sons of Sir Shri Ram (the founder), Bharat Ram and Charat Ram run this great conglomerate of industries. Dr. Bharat Ram combines sophistication with the traditionalists instinct for husbanding ones inheritance, and at least up to this generation -- Bharat Ram and Charat Ram run the Empire on very paternalistic lines.

Extremely social, suave, jaunty and gay, Dr. Bharat Ram is a Founder Member of the Delhi Golf Club, a keen bridge player, and a great patron of music and sport. The House of Ram is equally well known for its educational institutions. These include the Lady Shree Ram College for Girls, the Shree Ram College for Commerce, the Shree Ram Industrial Research Institute, as well as hospitals and other public endowments.

In recognition of his services to the cause of education, the Aligarh Muslim University conferred the honorary degree of Doctor of Laws on him in 1964.

Mrs. Sheila Bharat Ram, educated, widely travelled and cultured, was for many years the leading light on Delhi's cultural scene. Founder of the Indian National Theatre -- now the Shri Ram Institute of Arts and Culture, she sponsored major music and cultural festivals in Delhi. Ravi Shankar was launched by them in Delhi. Dr. Bharat Ram is a keen gardener and owns one of the finest rose gardens in Mehrauli just outside Delhi.

They have three sons, all of whom head various enterprises in the family Business House.

Mr. P. L. Tandon - Director General, National Council
of Applied Economic Research, New Delhi

Age 65. Educated in Lahore and Manchester, a Chartered Accountant (CPA) by education and training, Mr. Tandon was the first Indian Director and also later the first Indian Chairman of the multi-national Unilever subsidiary in India, Hindustan Lever (1941-68).

After retiring from Hindustan Lever, Mr. Tandon was appointed Chairman of the public sector State Trading Corporation of India (1968-72), the first private sector incumbent to hold this position and was Chairman of the Punjab National Bank from 1972-74. He has also been Director of a number of public sector companies.

Mr. Tandon is presently Director General of the National Council of Applied Economic Research, an autonomous economic research organization supported by grants made by the GOI and initially established with funds provided by the Ford Foundation.

Mr. Tandon is widely acknowledged as one of the pioneers of modern business management in India. He is associated with several management organizations and has contributed articles on the subject to Indian and foreign publications.

Mr. Tandon is a Visiting Professor at the business schools at Harvard, Columbia, and Berkeley (UCLA) where he lectures on international business planning.

Mr. Tandon is the author of two outstanding books dealing with life and social customs in the Punjab. These are the Punjabi Century; and Beyond Punjab.

Mr. Tandon is married to a Swede and has two daughters. His oldest daughter is married to Promod Malhotra, a staff member of IFC.

INDIA

Biographical Data - Industrialists and Others
(addendum)

Mr. Harish Mahindra - Chairman, Mahindra UGINE Steel Co. Ltd. and
Executive Director of Mahindra & Mahindra Ltd.

Age 53. Has a B.Sc. in Political Science from Harvard University and an M.A. from the Fletcher School of Law and Diplomacy. He intended to join the Foreign Service but was persuaded instead to join the family business. Mahindra and Mahindra one of the 10 top family business houses in the country, is currently being run by two cousins, Harish and Keshab Mahindra. They are in Steel, Automotive Industry (they produce Willys Jeeps in India) Machine Tools, Textiles and Chemicals. IFC assisted Mahindra UGINE Steel Co. Ltd. through two operations in 1964 and 1975; it has at present \$1 million in equity and \$11.8 million in loans.

Harish Mahindra had political ambitions and contested in the 1967 elections the Central Bombay seat on a joint Congress ticket but lost to Mr. Dange, the Communist Party Chief. He was Chairman of the Federation of Indian Chamber of Commerce and Industry 1975-76. During his tenure he tried to establish a pre-budget dialogue between Government and top industrialists. As a direct result of this, 1976 was the first year when such a dialogue took place with Mr. C. Subramaniam, the Finance Minister and a number of prominent industrialists. During his term with FICCI he seems to have had some kind of a falling out with the powers that be.

Mr. Mahindra is very much interested in rural development and has been sponsoring several rural development projects in Gujarat through the Mahindra Foundation to which companies of the Mahindra group donate resources. He is also on the Board of Directors of various other companies associated with Mahindras.

His wife, Indira Mahindra, has literary leanings and writes articles; she has just finished a novel. They have one son studying at Harvard and two daughters, one of whom is married.

November 2, 1976

INDIA

Brief for Meeting with the Prime Minister, Mrs. Indira Gandhi

1. You will be meeting Mrs. Gandhi on November 10, 1976, at 12:30 p.m., immediately preceding a lunch for you which she will be hosting.
2. You will want to compliment Mrs. Gandhi on recent economic developments and on the emphasis she is placing upon performance in the key areas of population, agriculture, energy and exports.
3. There are two key points for discussion -- economic policy and the Eastern Waters.
 - (i) A note on the Eastern Waters has been sent to you separately.
 - (ii) The economic policy issues should be addressed in terms of the opportunity to start effective implementation of Mrs. Gandhi's pledge to abolish poverty, recently reemphasized in her 20 Point Program. (The detailed points are sketched in Section C.4.) It is appropriate to indicate the importance we attach to dealing with poverty directly in development strategy and to express our hope that the present opportunity will be exploited.


The scheduled time for the meeting is too brief to deal adequately with both points and we have queried whether we could not start the meeting earlier. If we cannot, we shall need to decide which subject to start with. If discussions in Bangladesh are successful, we should start with the Eastern Waters question which can only be handled in private. The economic points can be expanded on during lunch. (See Background Note on Policy Options attached at F.4.(i).)

4. Although every effort has been made to ward this off, it is possible that Mrs. Gandhi will raise the issue of an industrial import credit this year, especially since a significant further liberalization of imports is now under consideration. (See Background Note on the Import Policy, Section F.10.) It would be appropriate to indicate that such a credit cannot be justified in accordance with the Bank's present policy because:

- (i) India's reserve position is likely to remain very comfortable and possibly may improve further this fiscal year;
- (ii) For that reason we could not demonstrate need. In these circumstances, an effort to push such a credit through the Board would, in our view, not be in India's longer term interest because:
 - (a) the credit would be very controversial and, in the context of negotiations for the IDA replenishment, possibly harmful;
 - (b) it is likely to damage the case for future industrial import lending.
- (iii) In any event, the sum that could be advanced, given IDA's current resource position, would be of negligible value to India.

October 19, 1976

ECONOMIC POLICY OPTIONS

1. It is clear that GOI should seize the opportunity afforded by the recent improvement in the economy to achieve a faster rate of growth. There is a need to take some immediate steps as well as to include policies and programs that will make the short term expansion the start of longer term growth. The alternative has been sketched in the CPP -- i.e. continued low per capita income growth with a constrained economy facing continuous foreign exchange shortages. Though undesirable from many points of view, it is important to remember that the low growth path is a sustainable option. 
2. Two concerns on the part of the Indians may inhibit them from adopting a more expansionary policy: fear of the re-emergence of inflation and a desire to reduce dependence upon foreign aid.
3. Against this background, the principal points to be stressed are:
 - the alleviation of rural and urban poverty is much easier in a rapidly growing economy than in a slowly growing one. Not only does the momentum of more rapid growth increase income and employment opportunities, but the implementation of many policy proposals is politically less costly;
 - the present economic situation provides a major opportunity, since expansion is not constrained by shortages of wage goods and industrial inputs, for the first time for many years. Should such shortages develop, India has the resources to supplement domestic supplies with imports;
 - measures taken so far to expand the economy, though in the right direction, may not be as vigorous as circumstances would permit. The budget as a whole seems to have no net expansionary effect, although the rise in Plan outlays over what was actually spent last year is about 15-20% in nominal terms, or about 10-15% in real terms, depending on this year's rate of inflation;

- while there is some risk of inflationary pressure being created by expansion, and this is Mrs. Gandhi's principal bugaboo, it is important that this be placed in context. First, what is to be avoided is a high rate of inflation; an increase in the index of 3-5% per annum is not at all unusual in developing countries and may be a necessary cost of an aggressive development policy. Second, since September, 1974, prices declined because of a sharp fall in the price of agricultural products. Non-agricultural prices did not decline. This shift in the terms of trade of agriculture is unsustainable and, given the need for accelerated agricultural growth, also undesirable. Restoring the previous terms of trade for agriculture is bound to show itself as a temporary rise in the overall index. Such a rise need not cause concern. Third, India's generous foodgrain stocks and high foreign exchange reserves can be used to make scarce wage goods available when needed; with regard to the latter, the foreign exchange reserves amounted to US\$ 2.5 billion at the end of June, 1976, and are still continuing to rise;
- although there are many ways of expanding the economy, we believe the most suitable approach is expanded public investment in agriculture and private investment in export production -- the two major sectors which determine demand and the adequate availability of inputs. This will permit the most rapid rate of progress in rural areas while continuing to provide the foreign exchange cushion to deal with any potential inflationary problems. In this context, it may be appropriate to stress the Bank's satisfaction with its continuing close involvement in India's agricultural program;
- since a major cushion to the expansion is the availability of aid, some means of affecting the necessary transfer is required. The

utilization of foreign resources, both reserves and aid, means additional imports. These will, in any event, be required by an expanding economy but, to minimise the risk of inflationary pressures, an expansion of the investment programs should be accompanied by a general import liberalization. In the absence of import liberalization, reserves will continue to grow on the one hand, while shortages will bedevil the investment program. Reasonable reserves are important, but their continued growth is a poor use of scarce resources and quickly will lead to a reduction of external aid. Once reduced, this important supplement to India's own resources will be hard to restore;

- it should be noted that the indications we have received of recommendations contained in the report of Mr. Kaul's Committee on Utilization of Foreign Exchange Reserves are very encouraging. A significant import liberalization and investment step-up is apparently recommended;
- it should be stressed that, unless the effort to sustain vital agricultural and export progress in the longer term is kept up, the present comfortable situation could quickly become a memory. Thus, efforts to expand the economy to take advantage of the opportunity should not lead to neglect of those long term programs, whose initial success has created it.

how much longer do they plan to allow them to grow

October 19, 1976

NOTE:

GANGES WATERS

(F.4. (ii))

Material for Ganges Waters
is in the Bangladesh Briefing
Book.

October 21, 1976

Antenna no. for performance
+ D2 important for next 3 yrs
at least -
if doubts may cause central.
on imports

New discipline - inside Parlia + 5/5 Parlia
Democ has no meaning 4/5 also Prof.

Prog. credit - psychol. bad -
dis slow

Kaul Report - only the beg. + INDIA

Dilapidated - plan on 15th Nov for pc
6/4 - then tomorrow

SD/SD 12A/24 Brief for Meeting with Minister of Finance
Mr. C. Subramaniam

Bkaid -

level depends on oil price

1. Biographical data on Mr. Subramaniam are attached
at Section F.2.

Small figure for - subsidy?

4 parts -

Ex - im

Bein ?

Indian

contractor

2. During your meeting with the Minister in Manila,
you expressed our concern that the Government is not
exploiting fully the opportunities afforded by the recent
improvements in the economy (see Annual Meeting Brief paras.
5-7 at Section C.7. and note on your meeting with the Minister
at Section C.8.). There are certain questions which you might
pursue further during this visit to India, namely:

- (i) Is GOI being unduly cautious towards stimulating more expansion of both public and private sector investments largely on account of undue concern with the re-emergence of inflation?
- (ii) On the basis of notes sent to the Bank, we are concerned about the thoroughness of the export monitoring process. In addition, export volume growth last year, and in the early part of this year, was overly dependent on exports of sugar and iron and steel, which do not provide a satisfactory basis for sustained long-term growth. In this context, it would be useful to enquire of the Minister how he sees the export program developing.
- (iii) Is there any danger that the recent monsoons have created a euphoria? Is the need for longer term production objectives to be set and to be associated with an investment program and supporting policy measures being met?
- (iv) You should mention our interest in the recommendations of Mr. Kaul's Committee on the utilization of foreign exchange reserves and enquire what measures are being proposed to liberalize imports.

3. A Background Note on (i) is to be found at Section F.4.(i) with your brief for the Prime Minister. A note on (ii) is at F.11. Background on (iii) is to be found at para. 6 of Section F.7. (the brief for your meeting with the Minister for Agriculture and Irrigation) and on (iv) is to be found in the attachment to the brief for your meeting with the Minister of Industry (Section F.10).

Operational Matters

4. Disbursement: Performance last fiscal year was dis-appointing. The Minister and the Secretary (Mr. M.G. Kaul) have made efforts to ensure an improvement this year. You should emphasize the importance of effective utilization of our assistance (a note on the disbursement position is to be found at Section H.3.).

5. Other Matters: The Minister of Finance may raise the possibility of an industrial import credit this year. We refer you on this to para. 4 of the brief for the meeting with Mrs. Gandhi (Section F.4.). He may also mention the Government's interest in Bank Group assistance for oil and gas development. The relevant discussion of this subject is included in the Annual Meeting Brief (Section C.7.), and the memorandum summarizing Mr. Stern's discussions with the Indian delegation in Manila (Section C.8.). Even more information on the subject is to be found in Mr. Wall's letter of October 7, 1976 (Attached).

October 15, 1976

October 7, 1976

Mr. Bilsel Alisbah,
Chief, India Division,
World Bank,
1818 H Street, N. W.
Washington, D. C. 20433

Dear Bilsel,

I met today with Dr. Ramaswami and, as I mentioned in my Telex, he explained the reason for the delay since July/August in discussion of the Consultants' preliminary report as due to the need to consider other possible alternatives for the pipelines that arose from the discovery of new structures near Bombay High and the last minute delay due to the need of the consultants to revise certain technical data. Dr. Ramaswami has requested the participation of Bourcier, Schober and myself in the discussions of a draft report which the consultants are to present in India the week of October 18. He has assured me the date is quite definite but suggested it could be altered somewhat to fit the availability of Bourcier and Schober or to fit a special review procedure; that is, say, to have the consultants' report arrive by the 18th and have ONGC and Bank staff review it; then have the consultants come the following days for discussion. Ramaswami very much wanted our participation at the draft stage because there are several alternatives as to which parts of the pipelines to develop in what order. ONGC may well want to specify an option different than the one recommended by the consultants. I received the impression that ONGC very much would like our assistance as a third opinion in discussing and deciding on the options.

I am writing this basically to support ONGC's request and to help overcome what now might be a reluctance in the Bank to send Bourcier and Schober back again. The remainder of this is simply to indicate the nature of the alternatives, and to demonstrate the selection of one will be a complex matter with important implications.

As you know, ONGC has struck oil in several fields surrounding Bombay High. In the process, they have identified other structures in the area, some of which are virtually certain to prove commercially exploitable even though exploratory wells have not yet been sunk. The new strikes are:

...2

a gas/oil field at Bassein (called North Bassein) 50 miles due east of the Center of the BH field; an oil gas field just east of, and contiguous with, the BH north/south fault line (called BH fault); a free gas field (called South Bassein) 50 miles east by south-east of the center of BH and just south of the North Bassein field. The two Bassein fields are roughly equidistant between and on a line connecting BH and Trombay. There is another structure between BH and the two Bassein fields, also on the line to Trombay, that is very promising. In addition oil was struck in a structure about 50 miles south west of BH (called DCS structure) in the deeper continental shelf area; it is an exception to ONGC's policy of finding oil in a straight line and therefore does not affect the pipeline under consideration. To recap, below are data on the structures that are on the pipeline route; except for the original BH structure, all need a good deal of further testing and delimiting and therefore the peak production figures are approximate.

<u>Structure</u>	<u>Type</u>	<u>Oil MT/year</u>	<u>Gas MM³/day</u>
BH	Oil/gas	10	3-6
BH fault	"	1-2	?
N. Bassein	"	3	1
S. Bassein	free gas	-	5-10
Total		<u>14-15</u>	<u>9-17</u>

(Evaluation of the DCS structure is far from complete but it may produce as much as 5 MT/year at its peak.)

In a preliminary evaluation by Pipeline Technologists given to ONGC, the consultants made the following recommendations:

- 1) Whatever the development schedule, there should be two pipelines, one oil, one gas;
- 2) each pipeline should go from BH to one of the Bassein structures and from there to Trombay;
- 3) the Bassein fields should be developed for the purposes of the pipeline before BH;
- 4) the first pipeline should link the South Bassein gas field to Trombay.

The reason for developing the Bassein fields first is their proximity to Trombay, their shallower depths and the much higher gas pressure in the

S. Bassein field. There is the suggestion that a 50 mile gas pipeline could be built between South Bassein and Trombay first, because the high pressures would alleviate the need for compressors and the initial field development would require relatively few wells and production platforms. Although the consultants did not mention a time schedule in the preliminary evaluation report, Ramaswami suggested the line might be built before on-set of monsoon, 1977. I can speculate that in the minds of the consultants is the thought that if ONGC wants a pipeline quickly to utilize the gas, this is the best chance. However, this solution ignores one of the main reasons for wanting a gas line quickly - the flaring at sea of gas associated with BH production. (ONGC says Tata Power is converting to use 1.8 MM³/d of gas by mid-1977.) Prasad evidently suggested investigating another alternative: linking BH to Trombay with a gas line before monsoon, 1977. His thinking is that the large size of the line relative to the initial gas flow would enable the gas to get to Trombay with the help of relatively small compressors which, presumably, are easier to procure quickly.

A clear but unstated implication of Pipetec's recommendation is the infeasibility of laying a pipeline from BH to Trombay by monsoon, 1977. In fact, no one is speaking of laying an oil pipeline in this period; Ramaswami mentioned it as a project to start October, 1977.

There are a few other straws in the wind. As noted, there is a lot of gas at high pressure in the South Bassein structure. In addition, ONGC is evidently considering more seriously the on-shore utilization of the free gas at BH, as opposed to reserving it for possible injection into the oil/gas structure for pressure maintenance. Ramaswami mentioned the possibility of running a separate gas line from S. Bassein to some place other than Trombay; perhaps to a fertilizer plant somewhere in Gujarat. In any case, there now is much more gas to exploit than was thought of in January or April and its off-shore development is easier than that of the oil structures. This opens a lot of additional alternatives, although the consultants have not been asked to consider any other than pipelines to Trombay to my knowledge.

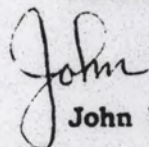
As you can see, ONGC is again in the position of having to decide among a variety of good alternatives under the time pressures of trying to produce now rather than later. They have requested our assistance in sorting the alternatives and have left me with the impression they would find our help very valuable. I, of course, do not have the technical expertise or oil industry background to be of much help to them by myself in finding the best technical solution. (Besides doubts considering the various alternatives mentioned, I sense that ONGC has some lingering doubts about the recommendation of two lines rather than one.) So, I urge that Bourcier and Schober arrange to come to Delhi the week of October 18th if at all possible. If they had time and signals from Manila are not to the contrary, then perhaps Bourcier and Schober could stay and discuss the white paper ONGC is preparing

on the intermediate term (over 15 years) financial requirements of developing BH and surrounding structures. Ramaswami said the White Paper was being prepared at the request of GOI and, he assumed, would be presented to Parliament. He was not sure why GOI wanted it, but he suggested ONGC could discuss it with us informally by the end of October. I feel the combination of the new alternatives, ONGC's earnest request and our presumably ongoing willingness to give technical assistance to ONGC warrants another special effort in this case.

I apologize for the length of this. The work on public expenditures on Agriculture is a little slow getting started. DEA has been working on our data request but Pande, being almost the only person in station, is very busy. As expected, there is lots going on in the Bank office that is distracting with Sir John's visit and all. Still, it's great fun being back in Delhi, rushing to important meetings in slow, precarious taxis and eating oily numbu pickles. Armand was excited to receive his slides.

I am meeting Mr. Prasad early next week and will cable any changes.

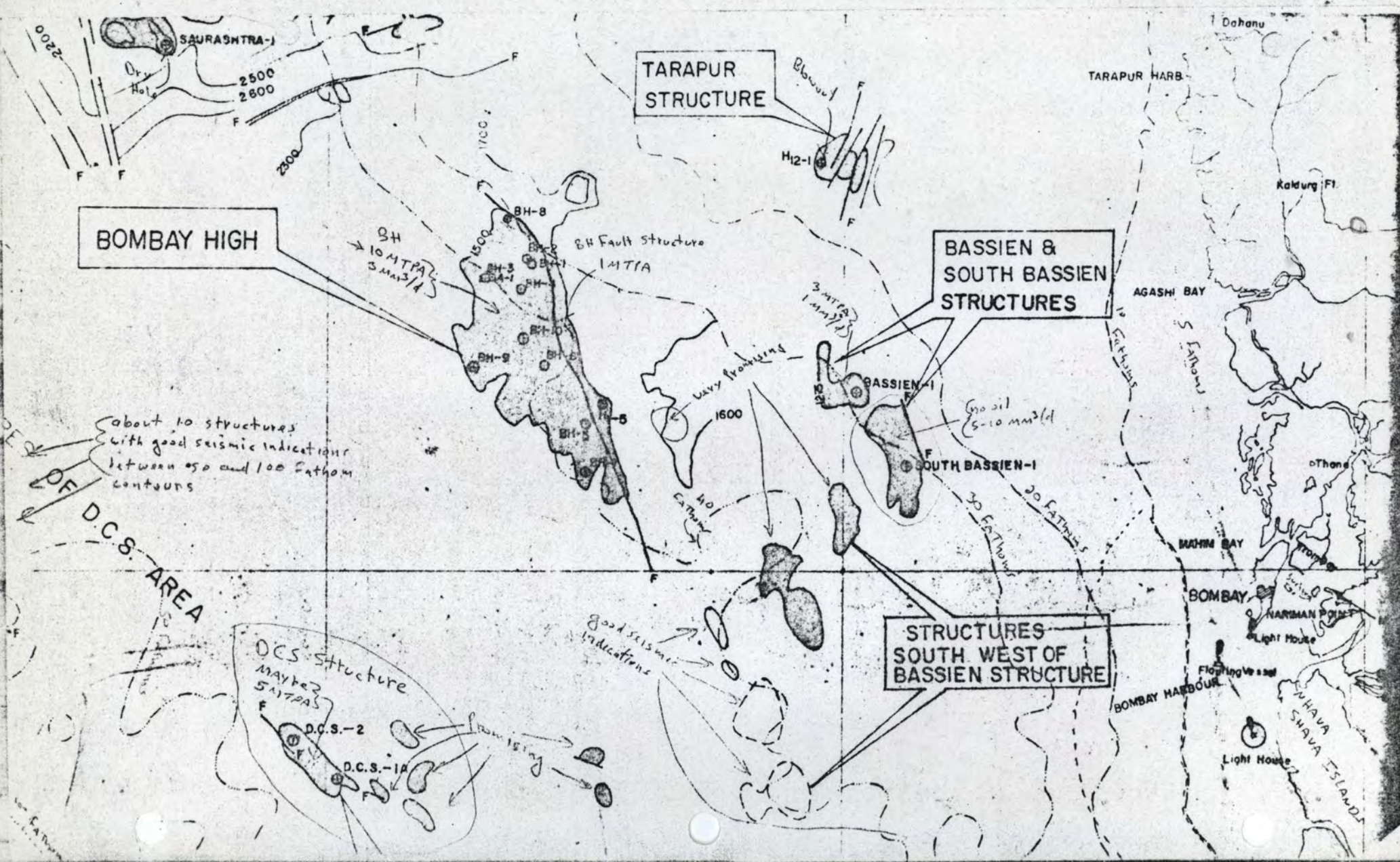
Sincerely,



John Wall

cc: Mr. Kraske

cc: Mr. Kraske



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Subramaniam
stated:

3827 districts for 10 yrs
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INTEGRATED RURAL DEVELOPMENT

A Background Note for the briefing on the Karimnagar development project and the meeting on Integrated Rural Development with the Minister of Finance, Mr. C. Subramaniam

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The problem

1. Between the 1961 and 1971 population censuses the male agricultural workforce is reported to have increased from 82 to 100 million while non-agricultural rural employment failed to expand. The major increase came in the landless laborer category which grew by 15 million to 32 million in the ten year period. By 1971 27% of the rural households had no land while 33% had less than one hectare. Thus 60% of the rural households operate 10% of the land while 10% of the households operate 50% of the land. At the same time it is apparent that the land reform efforts will not involve any major redistribution of land. Even if the existing ceiling laws were applied in earnest it has been estimated that only some 1.8 million hectares or about 1.1% of total cultivated area could be transferred.

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Special poverty programs

2. Due to deficiencies in the extension, input distribution and credit services it has been difficult to reach the smaller farmers in the course of the normal agricultural development effort. Small Farmer Development Agencies (SFDA) have thus been established in about 160 (out of 358) districts to activate existing public agencies in implementing schemes to increase production on small (below 2 ha rainfed or 1 ha irrigated) and marginal (below 1 ha rainfed or 0.5 ha irrigated) farms, and to induce existing credit institutions to provide funds for such schemes. The principal schemes refer to groundwater development and improved animal production. To overcome risk aversion and to transfer resources the Central Government finances a subsidy amounting to 25% for small and 33% for marginal farmers. In the past abuses of the subsidy program have been frequent but some considerable strengthening appears to have taken place during the past year. The SFDA program has not in any significant way been able to deal with the problems of the landless labor.

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3. Only 25% of the cultivated area can presently be irrigated, a proportion which with full exploitation of the irrigation potential may rise to about 50%. Rainfed farming is thus of prime importance but has received relatively little attention in the past. Some 600,000 km² containing 66 million people are particularly subject to the erratic nature of the Indian monsoon and in 1970 the Government launched a Drought Prone Areas Program (DPAP) which presently covers some 85 districts (other than the SFDA districts). Over the past years DPAP has evolved from a purely employment oriented program (irrigation,

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conservation, roads) to one which is intent on "drought-proofing" the selected areas by addition of activities such as ecological restoration and crop, livestock and community development. In some areas this comprehensive approach has reportedly been beyond the administrative capabilities to handle. The DPAP program in six districts has received IDA support since 1975.

A new approach

4. The Indian Science Congress devoted its January 1976 session to "Science and Integrated Rural Development" and on the basis of its recommendations the Minister of Finance, Mr. Subramaniam last March presented a Strategy for Integrated Rural Development (IRD) and launched an experimental program in 20 districts throughout the country. The Indian Council of Agricultural Research (ICAR) and its director, Dr. M.S. Swaminathan, play a prominent role in the formulation of the new strategy. The IRD program is aimed at five distinct target groups: rural women, children below 10 years of age, landless laborers, marginal farmers and rural artisans. In each of the selected districts the planning phase consists of three steps:

- a) Resource inventory including
 - i. compilation of biological, physical, ecological and other resources;
 - ii. identification of target groups;
 - iii. listing of public and voluntary agencies that can be utilized for implementing an action program.
- b) Malady-Remedy analysis that in relation to each target group serves to pinpoint specific constraints and ways to overcome these constraints making optimum use of available local resources. On the basis of this analysis a "portfolio of tasks" will be compiled.
- c) Vetting of draft action plans which will be done through meetings between interdisciplinary teams and each of the target groups.

5. The tasks remaining in the vetted action plan will be costed and assigned to agencies -- official, voluntary, scientific, educational, industrial, etc. -- best equipped to handle such tasks. Each agency will set a realistic time table for completing the task. A project coordination and monitoring group is meant to be established in each district together with a Rural Science and Technology complex. The latter would provide facilities for visiting scientists and for training.

Strengths and weaknesses

6. The integrated rural development program has not yet reached an implementation stage^{1/} and concepts as well as organization and financing is still in an evolutionary phase. The program can thus only be analyzed on the basis of its potential or conceivable strengths and weaknesses. Among the strengths must be counted the clear identification of priority target groups, the opportunities it affords to bring scientists in direct contact with the rural poverty problems, the attempted mobilization of all local development capacity and the intended monitoring of progress.

7. Among conceivable weaknesses it may be mentioned:

- a) that the intention appears to be a simultaneous and comprehensive improvement of the living conditions of the rural poor (productivity, health, nutrition, education, physical infrastructure, etc.) which will tend to overtax the organizational and administrative capacity. A sequential approach with an early emphasis on raising the productivity may be more appropriate;
- b) that the amelioration of technological constraints (science) appears to be overplayed while the amelioration of administrative and organizational constraints through improved management systems (e.g. the new extension approach) has been given insufficient attention;
- c) that the integration of different activities and agencies have been left pretty much open since the coordinator, except for controlling some supplementary funds, will have little direct influence over staff and resource allocation. In attempting coordination the program thus stands the risk of degenerating into a giant "talkshop" conducted at village, block, district, state and central levels;
- d) that the association between scientists and the target groups appears to be a teacher-student relation and not a partner in development relation. The latter approach would require working together in specific projects for a longer period of time to bring the venture (e.g. agro-industry, soil conservation structure) to a successful completion.

World Bank program

8. As noted above India's rural poverty problem has very serious proportions and deserves priority attention. Although not focussed on smaller farmers and landless laborers the Bank's lending particularly

^{1/} None of the 20 districts have completed the Planning phase. An earlier experiment in the Karimnagar district under the auspices of the Council for Scientific and Industrial Research may provide some guidance but the approach there appears to be more academic.

for irrigation (surface as well as groundwater) has no doubt contributed directly and indirectly (employment, keeping food prices reasonable) towards an amelioration of the situation. The new extension approach being introduced in the Eastern and several other states will facilitate the dissemination of new technology also to the smaller farmers. The DPAP project aims directly towards one aspect of rural poverty and although limited in coverage has contributed to strengthen the national DPAP program.

9. As to the future lending program we hope to support a strengthening of cooperative input distribution and seasonal credit to allow the smaller farmers to have access to these services. A start will be made in Eastern Uttar Pradesh in connection with the preparation of an intensification project there. At present we are also trying to identify a project for neglected but high potential rainfed farming areas. These subjects as well as other aspects aimed at benefitting the poorer farmers (e.g. state tubewells) are on the agenda for the discussions between GOI and the Bank during the visit by Sir John Crawford next January.

10. At the same occasion there will also be a review of the special poverty programs with the hope that it will be possible to find a basis for collaboration. With respect to the small farmer the best vehicle would no doubt be the SFDA program and the main aim of possible Bank support would be to strengthen the implementation in selected areas (as was the case with the DPAP project). With regard to landless laborers the new integrated rural development program may become a suitable institutional basis but it is difficult to visualize a joint effort unless a close collaboration between the Government and the Bank is established during the present formative stage.

November 1, 1976

INDIA

Brief for Meeting with Minister of Agriculture
and Irrigation, Mr. Jagjivan Ram

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1. Mr. Jagjivan Ram, one of the political powers of pre-emergency India and still an influential Cabinet Member, has been instrumental in settling long-standing water disputes between Indian states. He is also very much involved in the Ganges issue. Biographical data on Mr. Ram are attached at Section F.2.

The Agricultural Sector

2. A record foodgrain harvest of 116-118 million tons was achieved in 1975/76, largely on account of an excellent monsoon during the summer of 1975, as well as favorable weather conditions and quantities of irrigation water during the winter of 1975/76. This success facilitated a high level of procurement so that stocks of foodgrains by August 1976 had reached 17 million tons, compared with the previous peak level of 9 million tons in 1971. These stocks were being supplemented by imports running at an annual rate of 7 million until purchases from overseas were halted in mid-1976. The cost of foodgrain stocks to the Government is proving to be very high and this fact, combined with the difficulties India has faced in procuring foodgrains on certain occasions in the past, has led the Government to press for an internationally financed buffer stock.

3. Production from other crops in 1975/76 has been mixed. Oilseeds registered an increase of 26%, raw cotton was down 4% over last year's good crop, sugarcane continued at the relatively high level of the previous two years, while jute continued at the disappointingly low level of last year.

4. Prospects for the 1976 harvest are now good, as summer monsoon rainfall has been improving considerably, especially during August. However, even with normal weather, India will do well to reach last year's level of foodgrain production.

5. Notwithstanding the encouraging results of the past twelve months, we remain concerned that investment in the agriculture sector may not be adequate to ensure the long-term growth needed to raise the nutritional standards of India's growing population; and that there are serious weaknesses in planning and implementation.

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6. Estimates of what is being invested in agriculture are exceedingly difficult to make but GOI's provision for development in this sector indicates that if current trends are continued, the Fifth Plan period (1974/79) will result in lowest percentage allocation so far under India's Plans to agriculture and irrigation. More specifically, in the first two years of the Plan period (1974/75 and 1975/76) planned development expenditures in these sectors declined in both proportional and real terms over the preceding two years. The large increases in total Plan outlay for the current year (1976/77) have redressed this situation somewhat, but proportionally outlays still are below those allocated in the past. These indicators should be treated with caution as the agriculture sector benefits from numerous other Government expenditures and, of course, from private sector investment. However, our own assessment is that aggregate resources for agriculture have not shown any significant increase and are almost certainly inadequate if India is to meet her most pressing needs. The weaknesses in planning and implementation cover the whole spectrum of agricultural activity, but of special note is poor project preparation, inefficient use of existing investment, the possible unsuitability of pricing controls and inadequate research and extension efforts.

Points for the Minister - You will want to comment on the excellent harvests of 1975/76 and the prospects for a good summer harvest this year.

- You will also wish to urge GOI to press ahead with evolving a strategy for sustaining longer term growth in production. In this connection, you may wish to note that allocations for irrigation were raised substantially (+40%) in the Annual Plan for 1976/77 and this raises the question of whether or not GOI intends to maintain, and perhaps improve on, such levels of expenditure. Other questions arising from the need to evolve an appropriate strategy are

- (i) the appropriateness of new extension and adaptive research programs introduced in several states in Bank Group projects for wider replication;
- (ii) the need for improvements in grain handling and storage;

- (iii) commitment to a national seeds program, which could be adversely affected if State Governments are permitted to go their own way in this matter and there are signs that GOI may be giving way to the States in this matter;
- (iv) the requirements for raising productivity of crops other than foodgrains; and
- (v) the potential and problems of expanding production in the Eastern Region where the Bank Group is active.

- If you have the chance of a relatively private discussion with him, you may wish to raise the question of the international waters issue with Bangladesh (see attachment to brief for your meeting with Mrs. Gandhi, Section F.4. (ii)).
- It would also be appropriate to mention the Bank Group's growing operational involvement in Indian Agriculture and to express your appreciation for the co-operation accorded to Sir John Crawford.
- You should also mention our concern about GOI's project preparation capability and inquire about the status and staffing of the unit being established for this purpose in the Ministry.
- Sir John Crawford will be preparing a note on his visit in October and there may be some points which he will suggest you should raise.

Questions from the Minister - He may press for the National Storage Project to which GOI attaches great priority. We expect the project submission this month (October) and have made plans for Appraisal in January, 1977.

October 15, 1976

INDIA

Brief for Meeting with Minister of Industry,
Mr. T.A. Pai

1. Along with the Minister of Finance, Mr. Pai is one of the two technocrats in the cabinet and as such one of the leading architects and proponents of the encouraging trends in economic policies. Biographical data on Mr. Pai are attached at Section F. 2.

Recent Developments in Industry

2. In 1975/76, industry began to recover from the 1973/75 recession. The industrial production index, which covers the organized sector^{1/} showed output increasing by 5.7% compared with only 2% in the previous two years. Underlying this growth have been large increases in the output of key public sector industries, especially steel, coal and power, where the respective outputs in 1975/76 compared with 1974/75 were 14%, 11% and 20% higher. Provisional data for the period January-July, 1976 indicate that the upward trend has been maintained with production about 12% higher than during the same period of 1975/76. If this rate were to be maintained for a full year, it would represent the highest growth rate achieved by India since 1955.

3. In 1975/76, growth in output came very largely from improvements in electricity generation, mining, and the manufacture of intermediate goods. Consumers items (durables, textiles and food) and capital goods were generally depressed. The former on account of a rather slow pick-up in consumer demand after the drought years of 1972 and 1974; the latter because no real increases in public sector investments were taking place, on account of budgetary constraints, until about 12-18 months ago and these increases are only now having an effect upon demand for capital equipment. Also exports of manufactured goods did not fare well in 1975/76. Jute, in particular, was sharply down in real terms. Exports of engineering goods were a disappointment (a small, nominal increase of just under 6%) although this had been partly anticipated on account of the difficult trading conditions prevailing over this period.

1/ The unorganized sector accounts for perhaps one-quarter of total industrial output and comprises much of small scale industry. Recovery in these industries is estimated to have been even more impressive, so that the overall growth was certainly higher than 5.7%.

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4. During the first half of 1976, as already mentioned, the situation has improved considerably. Domestic consumer demand is up, while output of the capital goods industry is showing a marked increase.

5. In the face of past poor industrial performance, the Government has been reconsidering parts of its strategy and simplifying administrative controls. For instance, licensing of new capacity and expansion for exports is now freely available for most industries and processing time for licenses has been very much reduced, so that the obstacle posed by licensing procedures has been virtually eliminated. However, many restrictions still apply to the large houses and foreign majority companies, although even for them the number of hurdles is fewer. By the beginning of 1975, price control had been lifted from all finished manufactures. Certain intermediate products are still subject to price controls, largely as a result of the fact that the Government is the main producer.

6. Despite these changes, major problems remain. The private sector is still subject to serious constraints especially, of course, the large industrial houses and foreign majority companies. Although the efficiency of the public sector, which is now the main supplier of most industrial inputs, has been improving, it is still a long way from being internationally competitive. Furthermore, policies to date have led to industrial fragmentation, inadequate expansion of efficient firms, and high levels of protection. The dilemma before the Government is how to formulate a new strategy which will still be consistent with its social goals.

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Points for the Minister - You will wish to comment favorably on the recovery in the industrial sector which has been taking place over the past eighteen months.

- You may also wish to commend the more pragmatic approach to industrial policy which has been due in large part to initiatives taken by the Minister.

- You may then wish to ask the Minister

(i) what further changes in industrial policy are foreseen; in particular, measures which will permit expansion of efficient firms;

(ii) what does GOI have in mind for the modernization of certain key industries -- cotton textiles, cement and engineering goods and is there a role for the Bank Group to play; and



(iii) what measures are proposed to improve export performance of manufactured goods especially engineering goods.

- You may also wish to ask the Minister what is GOI's current thinking on how India's comfortable foreign exchange reserve position might be used to permit an increased flow of imports, including industrial materials. A background note on Import Policy is included in Section F. 10.

Questions from the Minister - The Minister may ask you if, in view of the decision to drop the industrial imports credit this fiscal year, we will continue to support the Technical Development Fund set up under the last credit to facilitate modernization of IDA-assisted and export industries. Our present plan is to review progress made under this Fund later in November and if satisfactory, we are prepared to make a separate credit for this purpose.

October 14, 1976

INDIA

Note on Import Policy

1. One of the problems now facing India - though a pleasant one - is how to use its comfortable foreign exchange position. The point the Bank has stressed, especially in the note on aid requirements prepared for last year's consortium meeting, is the need for securing an efficacious transfer of resources. This implies, of course, either a reduction in exports, which is not acceptable, or an increase in imports. The latter, in turn, entails a change in import policy, as well as expansion of effective demand in the economy, if possible through acceleration of investment. In view of the extremely rapid build-up in reserves that is now occurring, as well as the prospects for further export expansion and import substitution, this need is still more pressing than last June.
2. While the Bank emphasizes the need to expand imports, and the benefits this can bring - both direct and indirect-it is probably not desirable to become involved in the details of how this is to be done. Import policy in India is, of course, dominated by the idea that there should be complete protection for any Indian production. While initially a policy designed to save foreign exchange, it has now a life of its own, with substantial vested interests at stake, both among industrialists and bureaucrats. It will be extremely difficult to change. Thus, it is likely that India will choose largely to liberalize imports of raw materials like cotton, and mass consumer goods like edible oils.
3. A committee chaired by Secretary Kaul of the Ministry of Finance has recently completed a report on utilization of foreign exchange reserves. We have received a completely unofficial indication of its recommendations. These include increased investment, financed by import of wage goods and expanded import of foreign equipment, establishment of buffer stocks of sensitive commodities, and consideration of freer import of capital goods, including elimination of "indigenous angle" scrutiny from many imports. These recommendations are generally welcome. We would caution, however, that there is a danger of increased economic inefficiency in the emphasis on liberalization of the imports only of capital goods, raw materials and mass consumer goods, as well as the likelihood that the recommendations will make only a small dent in India's foreign exchange position. In any case, a proper assessment cannot be made until the full report has been seen and the recommendations of the Working Group on liberalization of import of capital goods have been made.
4. It should be noted that the Government has recently announced expenditure of US\$450 million on increased import of raw materials like cotton, polyester fibre and plastic resins.

October 15, 1976

INDIA

Background Note on Exports

Export Performance in 1975/76

1. Table I shows details of India's exports and the results can be summarised as follows:

- (a) total exports rose by at least 8% during 1975/76; India's export performance in 1975/76 came near to or surpassed GOI's volume targets for almost all export categories. This is encouraging, especially taking into account the generally unfavorable world trading conditions during 1975/76.
- (b) the bulk of this increase is accounted for by sugar and silver. Exports of sugar rose to the GOI target of 1.2 million tons, which is 73% higher than in 1974/75 and more than ten times the 1973/74 level. Exports of silver rose 119% in volume terms. These two categories accounted for at least 70% of total volume growth, and probably more;
- (c) exports of engineering goods which had increased in constant prices by over 25% per annum between 1967/68 and 1974/75, appear to have risen only marginally during 1975/76;
- (d) the only other major export categories to show appreciable volume growth during 1975/76 were cotton textiles and apparel, oilcakes, and leather manufactures. In general the traditional export items declined. In some cases, this was due to adverse trading conditions (e.g. jute manufactures and tea); in others, exports were constrained by inadequate supplies of raw materials (e.g. cashew kernels).
- (e) more encouraging, some previously minor export items rose strongly during 1975/76 (e.g. fish and fish preparations, iron and steel, coffee, and raw cotton).

Policy Changes During 1975/76 and 1976/77

2. During the past eighteen months the Government has taken a number of decisions to assist exports. Although they are not revolutionary, together they indicate a real change in emphasis - a change which is supported by public statements of several key ministers. These measures include: automatic expansion at a rate of 5% per annum for certain specified engineering industries; extension of cash assistance to a number of new industries; a decision in principle to guarantee rates of cash assistance for a period of three years; increases in replenishment licence rates for exporters, extension of replenishment licences to more industries, and increased transferability of replenishment licences; inclusion of domestically produced goods, which are uncompetitive in price, quality or sheer availability, in the list of permissible imported items under replenishment licences; speedy advance of funds due to exporters under duty drawback and establishment of the Cabinet Committee on exports. In the Bank's view, this increased emphasis should translate into some improvement in export performance.

Prospects for 1976/77 and the Medium Term

3. According to recent reports, exports during the period April - July, 1976 were US\$ 1,600 million, which is equivalent to US\$ 4,800 million for the fiscal year 1976/77^{1/}. This latter figure is close to the lower of GOI's announced targets, which is Rs 43,500 million (or roughly US\$ 4,850 million at current exchange rates). Last year's exports were US\$ 4,550 million; the value growth would, therefore, be 6.5%, if the target were achieved. According to the Bank's projections, the export price index will rise by about 3%, (which is below the projected international inflation rate of 7%, because of sugar's expected price fall). Thus, the implied volume growth rate is a mere 3.5% in what is expected to be a year of rapid growth of world trade. However, GOI has also announced a higher target of Rs 45,000 million (or roughly US\$ 5,000 million). This implies value growth of 10% and volume growth of 7%. It should be noted that, given performance in the first quarter, this higher target will take an effort to achieve, but certainly seems feasible. It is, however, slightly below the 8-10% rate, which we consider should be attained.

4. The Bank has identified engineering goods, clothing, leather and leather manufactures, handicrafts, and marine products as categories with good potential. All of these, except engineering goods, have shown high value growth in the first third of this fiscal year. However, in the case of marine products, we know that this was due to price changes alone. More recently also, exports of garments have been running into trouble, perhaps because of vulnerability of India's exports to fashion changes. Most disturbing, the 2.4% value growth of engineering goods in the first third of 1976/77 over the same period of 1975/76, after 5.8% growth last year, indicates considerable sluggishness in this key category. This is possibly the result of the continued lack of attractiveness of exports and of a surge of domestic demand. There are two other disturbing signs. First, the

1/ Economic Times, Monday, September 20, 1976

government has indicated that sugar exports may be deferred to preserve price stability. Secondly, in order to contain edible oil prices, a complete ban has been imposed on exports of HPS groundnuts. This ban has apparently even affected existing contracts. HPS groundnuts were a boom item last year, (at US\$ 58 million), and are found for pound more valuable than the groundnut oil and cake that can be made from them. Further, groundnut oil is more valuable than most other edible oils. Consequently, India could have achieved the aim of price stabilization at lower cost, by exporting HPS groundnut and importing edible oils. It is disturbing that this was not done, when the cost is apparently quite high in terms of distribution of established trade relationships. Thus, in all, there are discouraging signs for this year and for the medium term, both about performance of key categories and about government intentions.

Policy Issues

5. For improved longer term performance the key issues for manufactured exports, on which growth will largely depend, are profitability and investment, the two being closely related. At present, it still appears that firms, on whom the success of the export drive depends, have inadequate incentive to invest exclusively for exports. However, free domestic expansion of such firms, with exports growing rapidly at the margin, is also restricted. Thus, the current sluggishness of engineering exports is not surprising. Another key issue is trade policy, which continues to restrict imports of some key raw materials - for example, cloth for garment exporters. While the potential for increased exports of homogenous goods like iron ore and steel is good in the medium term, and this should enable targets to be achieved, in the longer term the policy issues referred to above will need to be addressed.

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10.6.76

INDIA
EXPORT EARNINGS

Table 1

	<u>1974/75^{a/}</u>		<u>1975/76^{a/}</u>		<u>1975/76</u>					
	1974/75 Prices US\$ mil.		GOI Estimates 1974/75 Prices US\$ mil. % incr.		GOI Targets 1975/76 Prices US\$ mil. % incr.					
Engineering Goods	447.1		419.8 ^{b/}	- 6.1	472.3	5.6	410.9 ^{b/}	- 8.1	462.3	3.4
Sugar	425.0		734.4	72.8	545.9	28.4	734.4	72.8	520.1	22.4
Jute Manufactures	372.1		326.0	-12.4	287.0	-22.9	345.9	- 7.0	288.1	-22.6
Tea	285.9		261.3	- 8.6	273.7	- 4.3	262.3	- 8.3	267.0	- 6.6
Handicrafts	233.9		230.2 ^{b/}	- 1.6	259.0	10.7	229.1 ^{b/}	- 2.1	257.7	10.2
Iron Ore	201.1		210.2	4.5	247.1	22.9	220.9	9.8	226.5	12.6
Cotton Piecegoods	199.2		225.0	13.0	183.5	- 7.9	225.1	13.0	189.5	- 4.9
- Mill-made	(162.6)		(182.4)	12.2	(138.0)	-15.1	(188.2)	15.7	(149.1)	- 8.3
- Handloom	(36.7)		(42.6)	16.0	(45.5)	24.0	(36.9)	0.5	(40.4)	10.1
Cotton Apparel	121.5		148.9 ^{b/}	22.6	167.5	37.9	102.8 ^{b/}	-15.4	115.6	- 4.5
Leather and Leather Manufactures	207.2		225.1 ^{c/}	8.6	257.1	24.1	217.8 ^{b/}	5.1	245.0	18.2
- of which, footwear	(25.4)		(18.3)	-27.8	(24.5)	- 3.5	(18.5) ^{b/}	-27.2	(20.8)	-18.1
Cashew Kernels	148.1		123.0	-16.9	111.1	-25.0	113.8	-23.2	109.8	-25.5
Oilcakes	120.3		141.9	18.0	99.5	-17.3	146.7	21.9	105.5	-12.5
Chemicals	116.5		86.8 ^{b/}	-25.5	97.6	-16.2	123.3 ^{b/}	5.8	138.7	19.1
Tobacco	103.1		104.4	1.3	113.7	10.3	96.4	- 6.5	123.1	19.1
Fish and Fish Preparations	83.0		110.7	33.3	146.3	76.3	118.2	42.4	113.2	36.1
Coffee	64.4		76.0	18.0	77.0	19.6	70.2	9.0	68.6	6.1
Pepper	43.2		39.9	- 7.7	39.2	- 9.3				
Mineral Fuel, Lubricants etc.	25.6		36.5 ^{b/}	42.6	41.1	60.5				
Raw Cotton	19.1		48.7	155.0	44.7	134.0	1,059.9 ^{c/}	1.4	1,149.2	10.1
Iron and Steel	16.8		70.0 ^{b/}	316.7	78.8	369.0				
Others	940.5		900.5 ^{b/}	- 4.3	1,013.1	7.7				
TOTAL	4,173.6		4,519.3	8.3	4,555.2	9.1	4,477.7	7.3	4,380.0	4.1

a/ Source: First Annual Review of exports for 1975/76 as agreed under the Eleventh Industrial Imports Credit (attached to letter of July 27, 1976 from Mr. Malhotra, Joint Secretary, DEA).

b/ For these export categories, no estimates of volume growth are available - the constant price data for 1975/76 have been derived assuming prices rose 12.5% (based on EPD's Index of International Inflation).

c/ For most items, footnote b/ applies.

Note: The export data have been converted from rupees using the following annual average market exchange rates from the IMF's International Financial Statistics: For data in 1974/75 prices: US\$ = Rs 7.976
For data in 1975/76 prices: US\$ = Rs 8.653

Table 2

India - Principal Exports: April-June 1975 & April-June 1976

Commodity	Unit	Quantity		Value (\$ million)		% Growth	
		1975 (April-June)	1976 (April-June)	1975 (April-June)	1976 (April-June)	Quantity	Value
Agricultural Products							
Fish	000 tonnes	13.4	13.5	25.7	42.4	0.7	58.8
Cashew	000 tonnes	13.0	18.0	29.8	37.8	38.5	26.8
Sugar	000 tonnes	155.4	209.1	105.7	65.9	34.6	-37.7
Coffee	000 tonnes	22.5	17.3	24.7	35.5	-23.1	43.7
Tea	000 tonnes	28.1	28.9	39.0	38.7	2.8	-0.8
Spices	000 tonnes	10.8	11.9	14.9	12.7	10.2	-14.8
Oilcakes	000 tonnes	182.1	413.1	20.2	43.5	126.9	115.3
Vegetable Oils	000 tonnes	2.8	4.2	1.3	2.1	50.0	61.5
Essential Oils	-	-	-	1.8	0.6	-	-66.7
Crude Materials							
Unmanufactured Tobacco	000 tonnes	31.0	35.4	56.8	53.9	17.4	-5.1
Raw Cotton	000 tonnes	5.9	12.9	5.6	12.4	118.6	121.4
Nica	000 tonnes	8.5	5.9	7.2	5.2	-54.1	-27.8
Iron Ore	Million tonnes	5.3	6.2	59.1	63.0	17.0	6.6
Manganese	000 tonnes	148.7	146.1	4.2	3.3	-1.7	-21.4
Manufactured items							
Mineral Fuels	-	-	-	9.8	8.1	-	-17.3
Chemicals	-	-	-	28.4	22.7	-	-20.1
Cotton yarn and thread	000 tonnes	0.4	2.8	0.8	4.2	600.0	425.0
Coir manufactures	000 tonnes	8.1	10.3	4.9	6.8	27.2	38.8
Leather & Leather manufactures	-	-	-	57.5	85.7	-	49.0
Cotton Textiles:							
1) Mill Made	Mill. sq. metres	64.1	114.5	24.6	40.6	78.6	65.0
ii) Handloom	Mill. sq. metres	10.8	9.7	8.2	7.8	-10.2	-4.9
Jute Manufactures	000 tonnes	134.5	102.6	85.1	50.2	-23.7	-41.0
Gems	-	-	-	24.2	21.1	-	-12.8
Silver	Mill. grams	154.2	85.0	30.8	12.0	-44.9	-42.3
Handicrafts (excluding gems)	-	-	-	19.3	24.5	-	26.9
Iron & Steel	-	-	-	12.3	73.2	-	495.1
Engineering goods	-	-	-	175.2	118.0	-	2.4
Clothing	-	-	-	41.9	82.0	-	95.7
Sub-Total	-	-	-	860.4	973.9	-	13.2
Total Exports (including others)	-	-	-	1005.3	1169.9	-	15.7

Notes:- Export data have been converted into US\$ using par rate/market rate given in IMF & International Financial Statistics:

April-June 1975: US\$ = Rs. 8.053
 April-June 1976: US\$ = Rs. 9.063

Sources: Department of Commercial Intelligence and Statistics, Monthly statistics of Foreign Trade of India Vol.1, March 1975 & Vol.1, March 1976 (manuscript).

INDIA

Brief for Meeting with Mr. P. N. Haksar,
Deputy Chairman, Planning Commission

1. Biographical data on Mr. Haksar are attached at Section F. 3.
2. The Planning Commission is the guardian of orthodoxy on Indian development strategy. It has consistently supported the heavy industry strategy, with its emphasis on higher public savings and import substitution, while de-emphasizing agriculture and exports. It has been the Bank's view - shared by some in Government - that this is a strategy that has failed during the last decade, will continue to fail, and, even if successful, will bring the benefits of higher incomes and employment to India's poor much too slowly. However, in the context of the recent finalization of the Fifth Plan (of which we do not have a copy), it would be useful to discover how the Planning Commission now views these central issues in development strategy.

Questions for the Deputy Chairman

- (1) What is the strategy now recommended by the Planning Commission and in what ways has it changed from the earlier draft? In particular, how does the agricultural development program fit in, given that the share of agriculture in plan investment appears to have been falling over the past four years, and is now only 20% of total Plan outlay? What progress is expected in assisting the rural poor, and what is the strategy for this?
- (2) What role does he see exports playing in Indian development? Can export growth provide dynamism to the industrial sector, and, if so, what policies should be pursued to achieve more dynamic growth? Does he think that the current more relaxed foreign exchange position justifies a lower emphasis on exports than has recently been the case?
- (3) How should the current opportunity be exploited? Is there room for substantial expansion of the economy, and, if so, where should expenditures be increased and how?

Questions from the Deputy Chairman

We do not know of any questions the Deputy Chairman may raise.

10.14.76

G. Rajasthan
Visit

G. RAJASTHAN VISIT

1. Biographies
2. Rajasthan Canal Project
3. Suratgarh Seeds Farm
4. Bank Group Involvement
in Rajasthan

INDIA

Biographical Data on Officials

in

(iii) Rajasthan

Mr. Heera Lal Devpura

Minister for Irrigation,
Power and P.W.D.

Mr. Mohan Mukerji

Chief Secretary

Mr. G.S. Shastri

Chairman of the Rajasthan
Canal Board

October 18, 1976

Mr. Heera Lal Devpura - Minister for Irrigation, Power and P.W.D.

Age 50 years. He was formerly Secretary to the District Congress Committee before becoming State Minister for Panchayat, Development and Planning, Home, Tourism and Public Relations.

Mr. Mohan Mukerji - Chief Secretary

Age 57 years. He has held various posts in the State Civil Service of Rajasthan, including Financial Commissioner and then Development Commissioner. He went to the Central Government as Additional Secretary, Ministry of Education, Government of India and returned to his present post of Chief Secretary. He attended the EDI for six months in 1967-68.

Mr. G.S. Shastri - Chairman of the Rajasthan Canal Board

Age 54 years. He was trained as a Civil Engineer and has worked on a number of major projects over the past ten years as Chief Engineer. In particular, he worked on the Chambal Irrigation project.

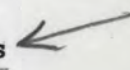
Background Note on Rajasthan Canal Project

1. The project, which is a joint venture of the Government of India (GOI) and GOR, diverts water from the Sutlej River, following the Indus Water Treaty, and will ultimately serve over one million hectares of desert-steppe. IDA's present involvement is currently limited to a 200,000 hectare Command Area Development (CAD) area, i.e. completion of infrastructure, such as canal lining, village water supplies, road network and afforestation, together with land levelling and field channels on the farms. The principal crops are cotton, wheat and other cereals, and pulses grown by 33,000 farm families, each of whom have been settled on 6.24 hectare farms. Credit 502-IN (Report 447-IN dated July 1, 1974) provides US\$ 83 million out of a project cost of US\$ 174 million.

*Low selected
now inc.
per family*

2. Key features of the project (the first IDA-assisted CAD project) are:

- (a) a Command Area Authority to integrate all development activities, overcome planning and implementation problems without delay, and bridge departmental boundaries (often a constraint to development in bureaucratic-prone India);
- (b) medium-term credit to all farmers, to complete their on-farm development. This is organized by the Rajasthan Land Development Corporation and commercial banks, refinanced by the Agriculture Refinance Development Corporation (ARDC); the latter a subsidiary of the Reserve Bank of India;
- (c) detailed land shaping and water distribution to conserve the scarce water supplies and provide timely and equitable irrigation to each farm;
- (d) extensive shelter belts and dune stabilization to improve the harsh environment;
- (e) the new type Agricultural Extension Services pioneered by Danny Benor.



3. These are all 'firsts' in the development of irrigated agriculture in India. After initial teething problems, the project is now progressing well. There is no complacency, however, as you may learn, from the outspoken officials in charge. Their enthusiasm and skill is outstanding.
4. GOI and GOR are now planning subsequent development stages and have requested the Bank's assistance in project preparation prior to appraisal for further financial assistance.
5. Extracts from the President's Report and a map are attached.

10.6.76

INDIA

Extract from President's Report on the Proposed Credit to India for the Rajasthan Canal (Command Area Development) Project

(July 3, 1974)

The Project

1. The proposed project is the development of two blocks totalling 200,000 ha in the command area of the existing Rajasthan Canal (Irrigation) Project (RCP), one of India's largest irrigation schemes, in the northeastern desert region of Rajasthan. Under this project, Rajasthan's share of the Beas and Ravi river waters is diverted by the Harike Barrage in Punjab and fed through a 214 km feeder canal into the Rajasthan Main Canal. The Rajasthan Canal irrigation system is designed to provide perennial irrigation ultimately for 1.14 million hectares of cultivable land. Presently, the distributary system is completed to serve nearly the whole of RCP's 540,000 ha Stage I in the Ganganagar District of the Bikaner Administrative Division. About 33,000 farmer families drawn from landless agricultural laborers in adjacent areas and from temporary tenants dwelling in the project area are being settled on 6 ha farms. The present cropping intensity in the project area is 90%, with 41% occurring in the wet summer and 49% in the dry winter season. Main wet season crops are cotton and pulses, and the main dry season production is wheat and gram. In addition, mustard, millet, sorghum, berseem, groundnuts, paddy, and sugar cane are grown in the area. Present yields of the main crops, cotton and wheat, are low, mainly because of the limited supply of water and other farm inputs - such as fertilizer, quality seeds and pesticides - and unimproved farm practices. Agricultural production on the whole has been disappointing due to these and other constraints, such as inadequate roads, lack of on-farm development and ineffective supporting services. Leakage from unlined channels, deficient operating procedures and inadequate on-farm water management have resulted in an overall irrigation operating efficiency of 35% to 40% against the potential 65%.

2. The proposed project would be a major step in a program to correct these deficiencies. It would consist of land development, including leveling of 32,000 ha, reclamation of 17,000 ha of saline soils, and construction and lining of 5,800 km of watercourses; lining of 915 km of existing branch, distributary, and minor canals; afforestation to provide shelter belts for roads and canals, and sand dune stabilization; construction of 430 km of roads; provision of 46,000 nutrient tons of fertilizer to restore soil fertility on farms developed under the project; facilities for the supply of filtered and disinfected water to 100 new project area villages; provision of vehicles, equipment and housing for project administration and agricultural support services.

Project Implementation

3. Together with the Chambal Command Area Development Project (Rajasthan), the proposed project is expected to serve as a prototype in India for command area development. Consequently, particular care has been given to the institutional and organizational aspects of the implementation. To ensure full cooperation between all the departments concerned with command area development, the Government of Rajasthan (GOR) has set up a Command Area Development and Water Utilization Department at state level and is establishing a Rajasthan Canal Command Area Authority (CAA). The CAA would be responsible for water utilization and integrated area development in the irrigation command, for all colonization activities in the project area and the setting up of village cooperatives, for research and extension and for coordinating the supply of inputs. It would be in charge of implementing and managing the project. Its Board would be headed by an Area Development Commissioner, who would also be the CAA's administrator. The CAA would have four departments: irrigation and land development, agriculture, revenue, and cooperatives and colonization. The establishment of the CAA, with organization, board membership and powers satisfactory to the Association, would be a condition of effectiveness for the proposed credit. 1/

4. On-farm development within the project area would be compulsory to ensure efficient project execution and optimal use of the available land and irrigation facilities. To assist in this objective, the Rajasthan Land Development Corporation (RLDC) would be set up as a statutory corporation by GOR with an authorized share capital of Rs 100 million and a 50% equity participation by the Government of India (GOI). Its Board of Directors would be chaired by the Secretary of the Command Area Development and Water Utilization Department and would comprise representatives of GOI and the CAA. RLDC's establishment with capitalization, board membership and powers satisfactory to the Association, would be a condition of effectiveness for the proposed credit. 2/ RLDC's functions would be to act as a financial intermediary for on-farm development in the State. It would channel all land development funds to the CAA in line with the progress of on-farm works. RLDC would prepare applications for land development loans on behalf of

1/ See Section 5.01(e) of the draft Development Credit Agreement.

2/ See Section 5.01(d) of the draft Development Credit Agreement.

those farmers who - because of their credit standing - are eligible for such loans from the Rajasthan State Cooperative Land Development Bank (LDB) or from commercial banks. Other farmers would receive special loans from RLDC, using GOI funds. Subsidies would be available for several categories of disadvantaged farmers under the existing GOI program for small farmer development.

5. The extension service in the project area would be reorganized and would make use of progressive farmers as part-time extension workers. A special group will be created in the CAA to monitor the progress of the project.

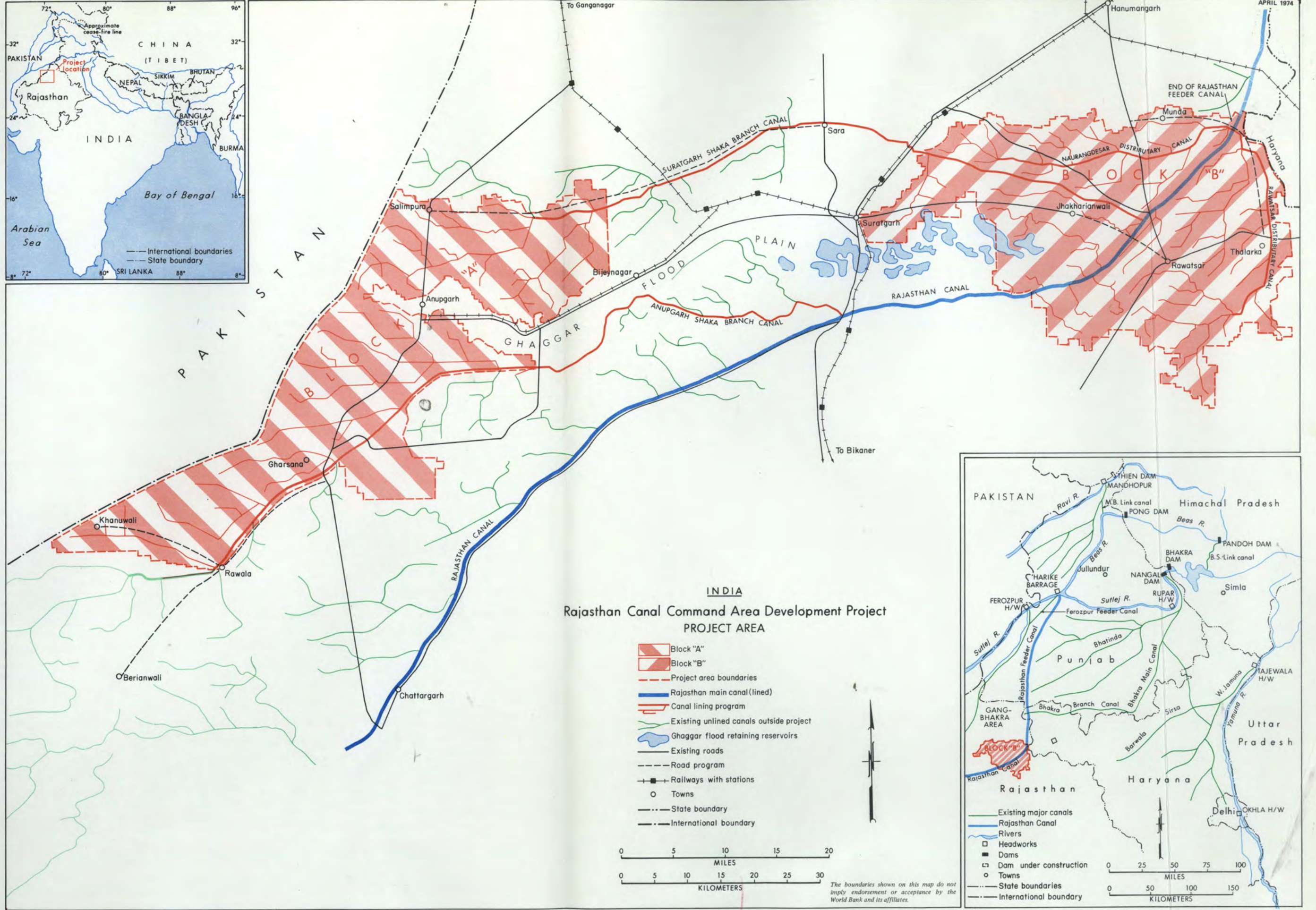
6. On-farm development, in particular land shaping, would disturb the soil profile and result in a temporary loss of fertility. Under the present conditions of fertilizer shortage, GOI allocations are likely to fall short of requirements. In order to ensure the availability of fertilizer needed to restore the fertility of disturbed soil, the project provides for the import of 46,000 nutrient tons of fertilizer which would supply the difference between present allocations and recommended levels over a three-year period. Proposed arrangements for the distribution of this fertilizer to the farmers affected by land development are satisfactory.

Project Costs and Financing

7. The estimated total cost of the project is US\$174 million equivalent, including US\$47.1 million in foreign exchange. The principal cost components are: Canal lining, road construction and afforestation works (US\$47.7 million), land development and village water supply (US\$38.6 million), supplementary fertilizer (US\$19.7 million), and project administration (US\$8.7 million). The balance is made up by physical and price contingencies (US\$59.3 million).

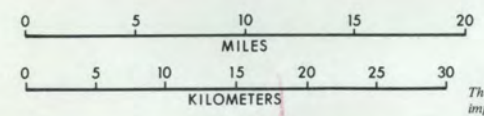
8. The proposed credit would cover 48% of total project cost. GOR would finance 42% and GOI 5%. The balance would be contributed by the Agricultural Refinance Corporation (ARC) and by the participating commercial banks and LDB. Of the proceeds of the credit, GOI would use US\$18.7 million for the procurement of fertilizer. US\$41.8 million would be on-lent by GOI to GOR on the normal terms on which development funds are being provided to state governments by the center. The remaining US\$22.5 million would be passed on to ARC with 9 and 15 years maturity at 6.25% and 6.75% annual interest respectively. ^{1/} ARC in turn would refinance about 80% of the land development loans extended to farmers by participating commercial banks and LDB at not less than 7%, repayable in accordance with the terms of the loans to farmers. Farmers would repay a commercial bank or LDB loan over a period of not more than 15 years, including not more than two years of grace, with interest at the rate of not less than 9-1/2%. Farm loans would be secured by mortgages. The exchange risk associated with the proposed IDA credit would be borne by the Borrower.

^{1/} This amount of US\$22.5 million on-lent to ARC becomes part of the overall funding provided to ARC by GOI at the terms mentioned in the text. Consequently, there is no way of stating which of the terms mentioned apply to the funds stemming from the proposed loan.

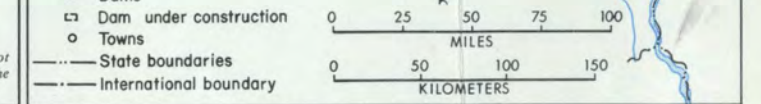


INDIA
Rajasthan Canal Command Area Development Project
PROJECT AREA

- Block "A"
- Block "B"
- Project area boundaries
- Rajasthan main canal (lined)
- Canal lining program
- Existing unlined canals outside project
- Ghaggar flood retaining reservoirs
- Existing roads
- Road program
- Railways with stations
- Towns
- State boundary
- International boundary



The boundaries shown on this map do not imply endorsement or acceptance by the World Bank and its affiliates.



Centimetres
TIPFEN Color Control Patches
 © The Tiffen Company, 2007

Blue
Cyan
Green
Yellow
Red
Magenta
White
3/Color
Black



RAJASTHAN CANAL PROJECT
STAGE II

The Government is considering an extension of the present Rajasthan Canal Project and is seeking Bank Group assistance in financing the proposed second stage. The project is included in our program for FY 1978. However, the project still requires extensive preparation and raises a number of difficult issues. The two principal questions which will require answers before the project can be designed are:

- (i) the amount of water available after the needs of the Stage I Project have been satisfied, and
- (ii) the area to be irrigated under Stage II or, in other words, the intensity of irrigation proposed.

The water supplies for the Rajasthan Project originate in the Ravi and Beas rivers and are diverted to the Rajasthan Canal through the Harika Barrage on the Sutlej River below its confluence with the Beas. Some 9 billion m³ are available for the two stages of the Rajasthan Project in seven years out of ten. The projected cropping pattern for the IDA financed portion of the Stage I project, which covers 200,000 ha, has a gross annual water requirement of 1.9 billion m³. If the entire 540,000 ha included in the Stage I area are to be developed to similar standards, requirements would be in the order of 5.1 billion m³ per annum leaving for the proposed Stage II area less than 4 billion m³ per annum. Yet, the area proposed to be served by Stage II covers some 610,000 ha.

In fact, the area to benefit from the Stage II development has yet to be chosen, a choice which understandably requires difficult political decisions. The original concept of the Stage II development was to extend the present main canal by up to 200 km and to introduce gravity irrigation in the areas adjacent to the canal. The poor quality of the soils in the areas commanded by the canal so extended now seems to have persuaded the Government to include in the second stage a scheme for lifting water from the main canal to irrigate a large area located to the southwest of the Stage I area near Bikaner which because of its elevation could not be irrigated by gravity flow.

It is obvious that detailed design, cost estimates, cost benefit analysis and economic justification will all have to await the settlement of the basic issues mentioned above.

BACKGROUND TO
SURATGARH FARM VISIT

Introduction

1. The Rajasthan State Seed Project proposal, which is likely to form part of Phase II National Seeds Programme, includes the development of Suratgarh Farm as the State's largest producer of certified seed. In order that the farm's development can be seen in perspective the following paragraphs outline the Phase I National Seed Project objectives, indicate what Phase II is likely to cover, and explain the role Suratgarh Farm is expected to play in Phase II.

National Seed Project - Phase I

2. The project, which became effective on 8 October 1976, aims to increase food-grain production by increasing the availability of high quality cereal seed. It covers development of certified seed production and processing facilities in four States: Punjab, Haryana, Maharashtra and Andhra Pradesh. The project will help improve storage, marketing, breeder and foundation seed production and seed technology research.

3. The project is designed to increase cereal seed output by 73,000 tons a year or 60% of present output. Estimates are that the annual incremental cereal production at full development of the project will be 200,000 tons of wheat, 170,000 tons of paddy, 95,000 tons of maize, 200,000 of sorghum and 280,000 tons of pearl millet. The value of these crops will be about \$145 million a year. The project will also increase and improve the production of cotton seed, valued at \$3.7 million a year.

4. Total project costs are \$52.7 million. The Bank loan of \$25 million will be channelled two ways: about \$18 million through the ARDC for investments in seed processing, production and storage facilities; and the remainder through GOI for seed technology research, quality control, training and technical assistance.

National Seed Project - Phase II

5. The need for a national seed policy and the National Seed Corporation's (NSC's) key coordinating role were established in Phase I. To implement such a policy it was considered necessary for all States with serious seed production potential (estimated at between 12 and 14 in total) to be part of the National Seed Programme. Phase II, due for appraisal in early 1977, is expected to include 6 States which either have projects fully or partly prepared: Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Karnataka, and Tamil Nadu. A line of credit may be included in the second loan so that NSC can itself appraise the remaining 2 to 4 States under Phase III.

Suratgarh Farm's Role in Phase II

6. The Rajasthan government selected Suratgarh Farm to play a key role in certified seed production because it is large (11,194 ha), mechanized and at full development will be well irrigated. Moreover the farm's location in an arid zone is expected to result in high quality seed (reduced incidence of seed-borne diseases) and excellent storage facilities during the monsoon. As one of the National Seed Programme objectives is to encourage small farmer participation in the production of certified seed the appraisal mission will have to consider carefully whether the development of one large State Farms Corporation of India farm is justified.

7. Attachment 1 contains additional information and data on Suratgarh Farm. Map 1 shows the farm's location in relation to Delhi; Map 2 the farm.

SURATGARH CENTRAL STATE FARMAdditional Information and Data

Location: Rajasthan State, Srigangar District (See maps 1&2)

Area: 11,194 ha.

History: 1965 - Established by GOI with land from Rajasthan and machinery/equipment from U.S.S.R.
1969 - Transferred to State Farms Corporation of India.

Soils: Stratified alluvial sands which once formed the bed of the Ghaggar River. During kharif some 16,000 acres are usually subject to flooding.

Climate: (a) Rainfall - 250-300 mm a year
(b) Mean daily maximum temperature - 20.5°C (January) to 42.1°C (June)
(c) Relative humidity - 80% (Jan.), 18% (May)

Status of Irrigation & Future needs: Water (sufficient to irrigate 2800 ha in rabi and 2000 ha in kharif) is currently being supplied from the Bhakra (78 cusecs) and Ganga (15 cusecs) canals. Actual requirement based on rabi cropping is some 120 cusecs. The Rajasthan Canal Board has agreed to meet the farms water requirements from the Rajasthan Canal provided the SFCI agrees to pay higher irrigation charges and the cost of the distribution system required to deliver the additional amount of water (i.e. 27 cusecs).

<u>Total Crop Production:</u>	<u>Tons</u>		<u>Tons</u>
1970/71	8,351	1974/75*	10,030
1971/72	10,837	1975/76	19,328
1972/73	14,056	1976/77 (Est)	22,558
1973/74	10,219		

* Switched over to the production of certified seed only.

Farm Development Cost Estimates: The following capital expenditure proposals have been put forward by the Rajasthan government as part of the Phase II National Seeds Project.

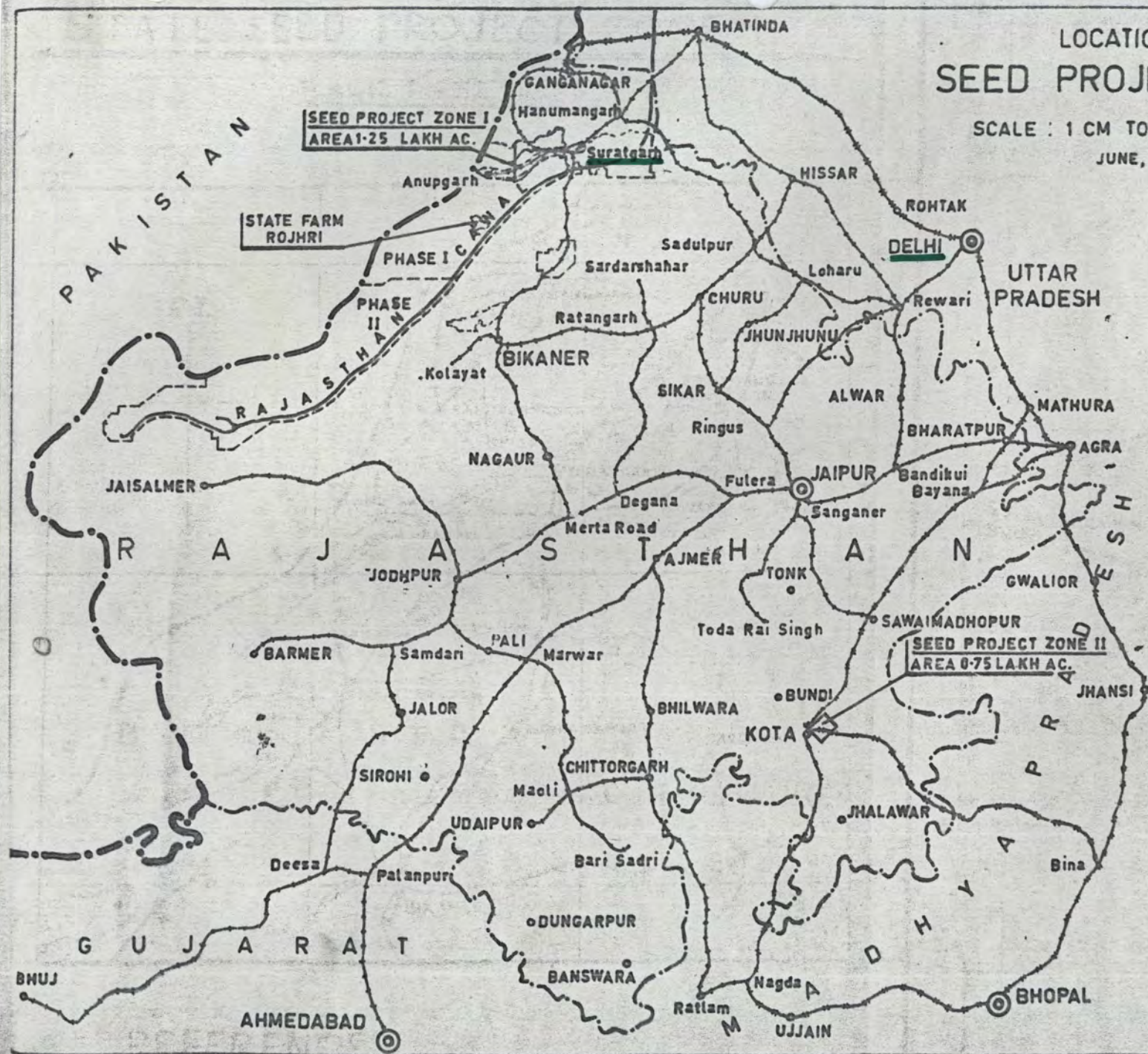
	<u>Rs. million</u>
Farm development equipment & machinery	2.0
Land levelling machinery	6.3
Land development - irrigation	8.0
- land levelling	3.2
Crop production machinery	17.6
Farm structures and buildings	6.1
Communications	2.0
Spares (20% of machinery cost)	4.8
Furniture and office equipment	0.3
Seed processing and storage	<u>13.9</u>
Total:	64.2

(U.S. \$7 million)

The foreign exchange component would be about 25%

LOCATION MAP SEED PROJECT AREA

SCALE : 1 CM TO 45 KILOMETERS
JUNE, 1975



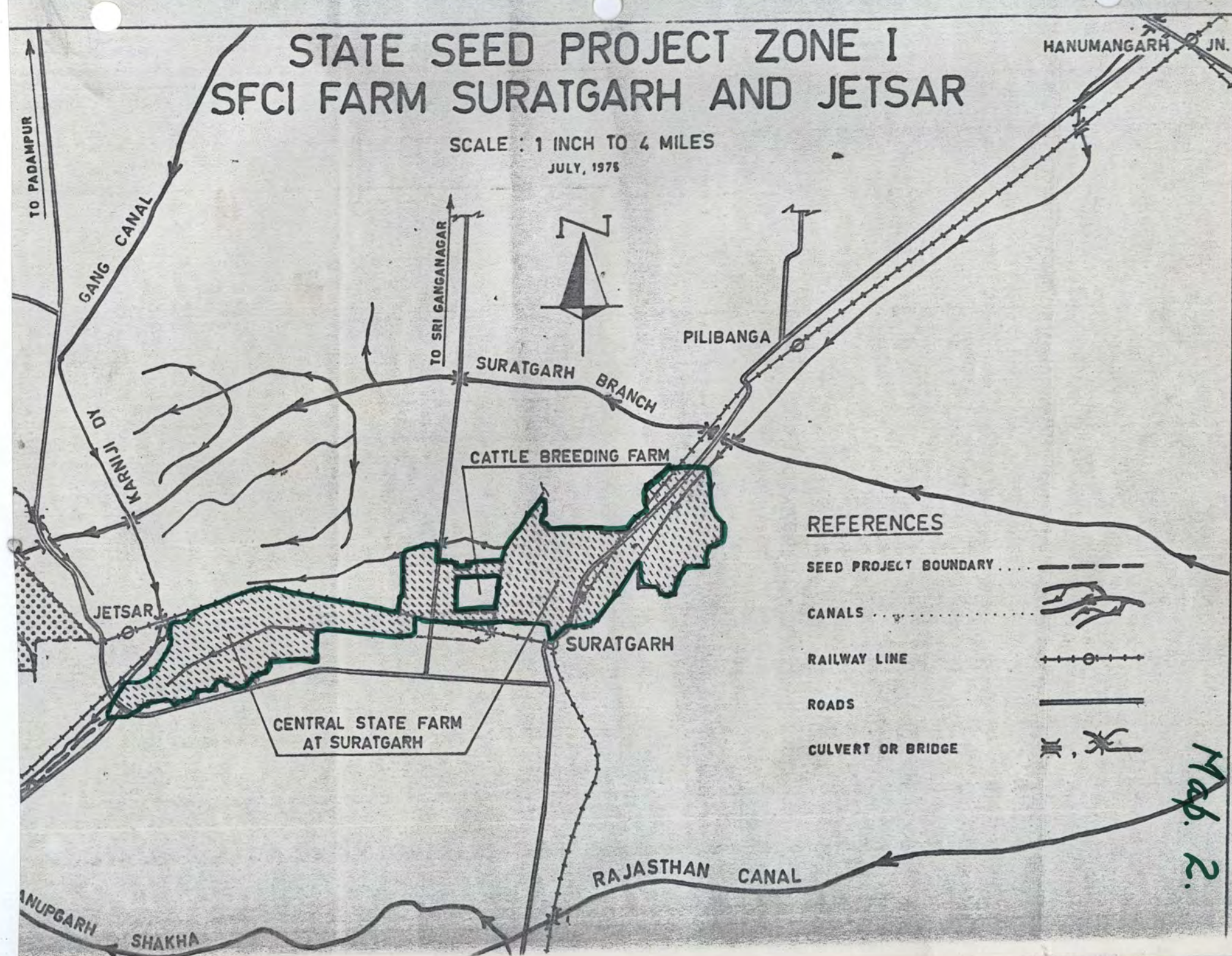
REFERENCES

- INTERNATIONAL BOUNDARY
- STATE BOUNDARY
- CAPITAL: COUNTRY; STATE
- DISTRICT TOWN
- RAILWAY BROAD GAUGE
- " " METER GAUGE
- SEED PROJECT AREA

Map. 1

STATE SEED PROJECT ZONE I SFCI FARM SURATGARH AND JETSAR

SCALE : 1 INCH TO 4 MILES
JULY, 1975



Map. 2.

CENTRAL STATE FARM, SURATGARH

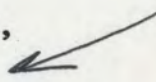
The following note has been extracted from a paper prepared by the Government. Bank staff are not familiar with this particular seed farm which you are visiting at the suggestion of the Minister of Finance.

Background

The Central State Farm, Suratgarh, is a shining illustration of how a combination of scientific agriculture, irrigation facilities, financial resources, machinery and modern methods of management, can convert a desert into fertile fields and an important source of quality seeds of high yielding varieties. It is also an inspiring example of national and international cooperation between the State Government of Rajasthan and the Government of India, on the one hand, and the latter and the USSR on the other.

The farm was set up in 1966 by the Government of India, land being provided by the Rajasthan Government and machinery and equipment by USSR.

The management of the Suratgarh Farm was directly under the Ministry of Agriculture of the Government of India until 1969 when it was transferred to the State Farms Corporation of India, established the same year for the management of this and other similar farms set up or proposed to be set up in other parts of India.

Before the establishment of the farm, the area was inhospitable wasteland in a desert area with scanty rainfall. The prospect of getting irrigation water from the Rajasthan Canal, however, made the project attractive. Suratgarh is the biggest irrigated mechanized farm in Asia, the area being 11,194 hectares. 

Cropping Program

As per the cropping program drawn up for the farm, it is planned to cultivate about 6,400 ha. (16,000 acres) in Kharif and 9,600 ha. (24,000 acres) in Rabi. The crop-wise breakup, is given below:

	<u>CROP</u>	<u>HECTARES</u>
<u>Kharif:</u>	Paddy	3,000
	Bajra	800
	Soyabean	1,000
	Urd	400
	Moong	400
	Guar	800
		<u>6,400</u>
<u>Rabi:</u>	Wheat	6,400
	Mustard	200
	Gram	1,600
	Berseem	400
	Potato	400
	Onion	200
	Sugarbeet	400
		<u>9,600</u>

100 ha. (250 acres) area will be under orchard.

Land Development

While most of the reclamation and farm development work has been completed, fine levelling and land shaping with a view to more efficient use of limited irrigation water is still required on a substantial area of the farm. Also, there are pockets within the Suratgarh farm area, which need reclamation. This work has also been started in the current year. It is estimated that an additional 200 ha. (500 acres) will be available for cultivation during the next year.

Organization

The farm is divided into five blocks. In view of the increasing intensity of cropping and the need for close supervision, guidance and control by technical staff for the purposes of quality seed production, the farm has been split into two, Suratgarh and Sardargarh, for operational purposes.

Management by Objectives: Doubling the Yield and Trebling the Turnover

Soon after assuming office the present Chairman, Dr. D.P. Singh, announced in January 1975, the following short-term goals for the State Farms Corporation of India:

- i) Setting up of clear-cut goals of "doubling the yield, trebling the turnover, and quadrupling the income in two and a half years."

- ii) Launching of an ambitious program of development of the farms.
- iii) Introduction of a system of management by objectives with a detailed Calendar of Operations, fortnightly review, grading of staff and linking of material incentives with the performance of each individual.
- iv) Inner democratization or participation by the members of the staff in the management and operations of the Corporation.
- v) Provision of a number of additional facilities and incentives for the staff.

Achievements: 68% Increase in a Year and a Half

The performance of the Corporation has been outstanding. The production in 1975-76 went up by 68% from 1,00,303 quintals in 1974-75 to 1,93,282 quintals last year. The cropped area increased from 21,521 acres in 1974-75 to 26,749 acres in 1975-76 and is further proposed to be increased to 28,962 acres in 1976-77. ← how?

The Central State Farm, Suratgarh, is mainly dependent on the Nali flood water during Kharif. By increasing the protected area with Bunds and by adopting improved water technology, the cropping intensity has been increased from 85% in 1974-75 to 107% during the year 1975-76 and is further proposed to be increased to 116% during the year 1976-77.

There has been substantial increase in the average yield per acre in the case of almost all major crops. It is expected to go up further during the current year 1976-77.

The cropping pattern has been changed in the light of the economics of various crops.

Prior to 1974-75, the Corporation was engaged in the production of certified seeds as also the commercial crops. However, from the year 1974-75, the Corporation has switched over to the production of only certified seeds.

The quantity of seeds produced has more than doubled. During 1975-76, there was a total production of 1,55,900 quintals of seeds as against 76,244 quintals during 1974-75.

Future Prospects

It is hoped that the short-term goals of doubling the yield and trebling the turnover in terms of production will be achieved within the time limit of two and a half years. This is being done by expansion of cultivation and reclamation of potentially fertile land, reducing the area unsuitable for efficient cultivation, increasing the intensity of cropping, increasing the yields by increasing irrigation facilities, adopting up-to-date package of practices, providing necessary inputs, ensuring timely operations, developing and shaping land, growing more valuable and more easily marketable crops and varieties, provision of technical staff, financial resources, technical guidance and modern techniques of management.

Role and Place of the Suratgarh farm in the National Seeds Program

The farm occupies a key position in the National Seeds Program, not only because it will be the largest single producer of seed but also because the quality of the seed is expected to be the highest and the viability the longest. Being located in a dry area with little incidence of seed-borne diseases, such as, smut and Karnal Bunt, the seeds are expected to be of the highest quality. For the same reason, the farm will be an excellent place for storage during the monsoon season to meet the requirements of the Eastern and Southern states.

The farm is proposed to be developed as part of the State Seeds Project, Rajasthan, under the National Seeds Program by undertaking the following categories of development:

- i) Accurate levelling of the farm.
- ii) Adequate supply of water for irrigation.
- iii) Remodelling of canals and lining of water courses.
- iv) Supply of cultivation equipment and machinery.
- v) Seed processing and storage facilities.

INDIA

Bank Involvement in Rajasthan

The State of Rajasthan is a beneficiary under the India wide Bank Group operations for power transmission, IDBI/SFC for on-lending through the Industrial Development Bank of India and the State Financial Corporation to small and medium scale industries, Brought Prone Areas, and the line of credit to the Agricultural Refinance and Development Corporation (ARDC).

Lending for specific projects in Rajasthan is of fairly recent origin^{1/} starting in FY74 with the Chambal Command Area Development (CAD) Project (loan of US\$ 52 million). In FY75, credits were approved for the Rajasthan Canal (US\$ 83 million) and Rajasthan Dairy (US\$ 27.7 million). The Chambal (CAD) project is a continuation of the CAD approach adopted in our credits for Andhra Pradesh and it has been progressing well. Background on the Rajasthan Canal has already been set out in Section G.2. The Rajasthan Dairy project is based upon the very successful AMUL dairy co-operative scheme in Gujarat and is one of the three credits we have already made for supporting the extension of the AMUL approach, the other credits were made to Karnataka and Madhya Pradesh. Disbursements are several months behind schedule but progress in general has been satisfactory. Four milk unions have been formed and excellent progress has been made in organizing 350 dairy co-operatives at the village level.

Over the next four years, we are planning two further projects in this state. First, is the Rajasthan Extension and Research Project, which adopts the same approach as the other projects proposed for West Bengal and Madhya Pradesh. This project has just been appraised and the total project is estimated to be US\$ 50 - 60 million. Secondly, we have had under consideration for some time a project to mine rock phosphate in the Kota area. The Bank was the executing agency for a UNDP financed feasibility study which was completed in 1972. Since then, there has been a long and complicated history of disagreement

^{1/} The Beas Equipment credit for US\$ 23 million indirectly benefited Rajasthan through the Beas-Sutlej Scheme which made possible the Rajasthan Canal project.

between the Central and State Governments on the financial arrangements. The failure of the Indians to exploit this important resource has been of great concern to us, as we have been financing imports of rock phosphate through our Industrial Imports Credits. Accordingly, we told the Indians earlier this year that we could not continue to finance rock phosphate imports or, indeed, Fertilizer Industry Credits, unless appropriate actions were taken. Under the current XI Industrial Imports and Fertilizer Industry Credits, the Indians agreed to follow a schedule for preparing this project for appraisal. At present, this schedule is being followed and the project is in our lending program for FY 1979.

October 15, 1976

INDIA

Brief for Meeting with the
Minister of Health and Family Planning
Mr. Karan Singh

1. Biographical data on Mr. Karan Singh are attached at Section F.2. A note on India's Population and Family Planning situation is included in Section C.6.

Bank Group Operations

2. World Bank involvement in the family planning program started with a project (co-financed with SIDA) to strengthen facilities and seek new methods of motivation in selected districts of two states, Uttar Pradesh and Karnataka. The project comprises a substantial civil works element for the construction of health centers. This work has been proceeding satisfactorily. The other major component is the establishment of Population Centers to assess the impact of family planning programs. The selection of staff and setting up of these centers took longer than expected but now implementation is going well. In order to take full benefit of the experimental programs now in operation, the GOI has asked the Association to extend the life of the project by one year from the present closing date of June 30, 1978. A supervision mission in October will review the consequences of the request; no additional funds will be required.
3. A second project is now being discussed with the GOI; it will be designed to assist the national program by strengthening the staff and facilities available as well as the demand for family planning by focusing inter alia on community involvement, female literacy and improved nutrition education. The most likely states to be covered are: Bihar, Andhra Pradesh, Jammu and Kashmir, Assam, Madhya Pradesh, Orissa and Rajasthan. None of these states are currently considering legislation on compulsory family planning measures.

Points for the Minister - You may wish to complement the Minister on the Government's renewed determination and more vigorous approach to national policy on family planning.

- You may wish to ask the Minister whether, in his opinion, the present momentum can be sustained and what he sees as major obstacles.

Questions from the Minister - We are not aware of any question which the Minister might raise, beyond pressing for a second project.

October 15, 1976

Assam

Mr. Fakhruddin Ali Ahmed - President of India

Age 71. A lawyer by profession, he was trained in UK as a barrister. Upon return to India he began practice as an advocate in the Punjab High Court. Shortly thereafter, he joined the Congress in November 1931, and four years later was elected to the Assembly in his home state of Assam. He was Minister in Charge of Finance and Revenue in Assam during 1938/39; thereafter, he underwent spells of imprisonment for active association with the freedom movement. During 1946-52, he served as the Advocate General of Assam. In 1952, he joined the Rajya Sabha as a Member of Parliament and led several delegations abroad. He returned to state politics in 1957 and was in turn Minister of Finance, Law, Community Development, Panchayat and Local Self Government. In January 1966, when Mrs. Gandhi came to power, he was brought to the Center as member of the Rajya Sabha, and was placed in charge of the Ministry of Irrigation and Power.

He successively held charge of Education, Industrial Development and Company Affairs and Agriculture. His tenure in Agriculture was over four years, from June 1970 to July 1974. He was elected as President of India in August 1974.

His wife, Abida Begum, is deeply involved in social work. She is the founder President of the Lok Udyog, a newly formed organization to promote schemes for self-employment among the urban slum dwellers and rural poor. She is also a patron of arts, and is an artist by her own right.

Cabinet Members

Mr. Bansi Lal - Minister of Defense

Age 49. Is a law graduate from the University of Punjab. Has been totally involved in politics from the very beginning. His initiation into politics began as a member of a Congress-backed movement for democratic rights in the princely state of Loharu. Later, after Independence, he took active part in the local politics of his own district - Hissar. In 1960, he was nominated as a member of the Rajya Sabha.



PROGRAMME

OF

THE VISIT OF

**Mr. McNAMARA
PRESIDENT, WORLD BANK**

TO

RAJASTHAN CANAL PROJECT AREA

Tuesday, November 9, 1976.

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COMPOSITION OF PARTY
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Mr. William Clark, Vice-President,
North West Region

Mr. William Clark, Vice-President,
Internal Relations

Mr. [Name], General Assistant

PROGRAMME

Tuesday, November 9, 1976.

- 8.00 A.M. Leave Delhi by special aircraft.
- 9.10 A.M. Arrival at Suratgarh.
- NOTE:—The aircraft will leave for Nal Aerodrome, Bikaner.
- 9.15 A.M. Leave Suratgarh for Lakhuwali Helipad (Matorianwali) by Helicopter.
- 9.45 A.M. Reach Lakhuwali Helipad and leave for RD 50 of Naurangdesar Distributary.
- 9.50 A.M. Reach RD 50—Inspection of Canal Lining works.
- 10.00 A.M. Leave for Chak 11 NDR.
- 10.05 A.M. Reach 11 NDR Chak.

- 10.05 A.M. Inspection of Extension Works to Chak 11 NDR and discussions with farmers and Extension Workers.
- 10.35 A.M.
- 10.35 A.M. Drive from 11 NDR to Chak 5 MW through fields.
- 10.55 A.M.
- 10.55 A.M. Inspection of OFD works and fields in Chak 5 MW and discussions with farmers.
- 11.25 A.M.
- 11.25 A.M. Drive to Lakhuwali Helipad and departure for Chhattargarh by Helicopter inspecting First Stage of Rajasthan Canal and part of Bhakra Project area.
- 11.30 A.M.
- 12.20 Noon Reach Chhattargarh.
- 12.20 Noon Drive from Chhattargarh Helipad to Chhattargarh Rest House.
- 12.25 Noon
- 12.25 Noon Discussions regarding achievements of First Stage and scope of Stage Second of Rajasthan Canal Project through Maps and Exhibits.
- 1.00 P.M.

- 1.00 P.M. Lunch.
to
- 2.00 P.M. Inspection of site of Main Canal
by Station Wagon.
- 2.00 P.M. to
- 3.00 P.M. Leave Chhattargarh for Bikaner
by Helicopter inspecting flow
and lift areas of Second Stage of
Rajasthan Canal.
- 3.00 P.M.
- 4.10 P.M. Arrival at Nal Aerodrome,
Bikaner.
- 4.15 P.M. Leave Nal Aerodrome for Delhi
by aircraft.
- 5.30 P.M. Arrival at Delhi.

Bradt
Faci
Timbueya
Arthur Lewis
L.K. Jan
Janak