

POINT FOUR GENERAL AGREEMENT FOR TECHNICAL COOPERATION
BETWEEN INDIA AND THE UNITED STATES OF AMERICA

The Government of the United States of America and the Government of India

Have agreed as follows:

Article I
Assistance and Cooperation

1. The Government of the United States of America and the Government of India undertake to cooperate with each other in the interchange knowledge and skills and in related activities designed to contribute to the balanced and integrated development of the economic resources and productive capacities of India. Particular technical cooperation programs and project will be carried out pursuant to the provisions of such separate written agreements or understandings as may later be reached by the duly designated representatives of India and the Technical Cooperation Administration of the United States of America, or by other persons, agencies, or organizations designated by the governments.
2. The Government of India through its duly designated representatives in cooperation with representatives of the Technical Cooperation Administration of the United States of America and representatives of appropriate international organizations will endeavor to coordinate and integrate all technical cooperation programme being carried on in India.
3. The Government of India will cooperate in the mutual exchange of technical knowledge and skills with other countries participating in technical cooperation program associated with that carried on under this Agreement.
4. The Government of India will endeavor to make effective use of the results of technical projects carried on in India in cooperation with the United States of America.
5. The two governments will, upon the request of either of them, consult with regard to any matter relating to the application of this Agreement to project agreement heretofore or hereafter concluded between them, or to operations or arrangements carried out pursuant to such agreements.

Article II
Information and Publicity

1. The Government of India will communicate to the Government of the United States of America in a form and at intervals to be mutually agreed upon:
 - a) Information concerning projects, programs, measures and operations carried on under this Agreement, including a statement of the use of funds, materials, equipment and services provided thereunder;
 - b) Information regarding technical assistance which has been or is being requested of other countries or of international organizations.
2. Not less frequently than once a year, the Governments of India and of the United States of America will in mutual consultation make public in their respective countries periodic

reports on the technical cooperation programs carried on pursuant of this Agreement. Such reports shall include information as to the use of funds, materials, equipments and services.

3. The Governments of the United States of America and India will endeavor in mutual consultation to give full publicity to the objectives and progress of the technical cooperation program carried on the under this Agreement.

Article III Program and Project Agreements,

1. The Program and project agreements referred to in Article I, Paragraph 1 above will include provisions relating to policies, administrative procedures, the disbursement of and accounting for funds, the contribution of each party to the cost of the program or project, and the furnishing of detailed information of the character set forth in Article II, Paragraph 1 above.

2. With respect to any funds, materials and equipment introduced into India by the Government of the United States of America pursuant to such program and project agreements, the Government of the United States of America shall not be liable for taxes, service charges, and investment or deposit requirements, and will be exempt from exchange restrictions.

3. The Government of India agrees to bear a fair share, as may be mutually agreed upon, of the cost of technical assistance programs and projects.

Article IV Personnel

→ 1. All employees of the Government of the United States of America assigned to duties in India in connection with cooperative technical assistance programs and projects and accompanying members of their families shall be exempt from Indian income taxes with respect to (1) salaries and emoluments paid to them by the Government of United States of America and (2) any non-Indian income upon which they are obligated to pay income or social security taxes to the Government of the United States of America.

2. Such employees and members of their families shall receive exemption with respect to the payment of customs and import duties on personal, household and professional effects and supplies including one personal automobile on certificates being furnished, by such employees, to the Collector of Customs concerned, through the Technical Assistance Unit of a the Finance Ministry of the Government of India, to the effect that these effects and supplies are for the personal use and consumption of such employees an members of their families. Duty is liable to be paid in respect of any such article imported without payment of duty and sold or disposed of within three years, but there shall be no liability if such articles are re-exported within the period.

Article V Entry into Force, Amendment, Duration

1. This Agreement shall enter into force on the day on which it is signed. It shall remain in force until three months after either government shall have given notice in writing to the other of intention to terminate the Agreement.
2. If, during the life of this Agreement, either government should consider that there should be an amendment thereof, it shall so notify the other government in writing and the two governments will thereupon consult with a view to agreeing upon the amendment.
3. Subsidiary project and other agreements and arrangements which may be concluded may remain in force beyond any termination of this Agreement, in accordance with such arrangements as the two governments may make.
4. This Agreement is complementary to and does not supersede existing agreements between the two governments except insofar as other agreements are inconsistent herewith.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present agreement.

DONE at New Delhi, in duplicate, this twenty-eight day of December, 1950.

FOR THE GOVERNMENT OF INDIA:

/s/ G.S. Bajpai
Secretary General
Ministry of External Affairs

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

/s/ Loy W. Henderson
Ambassador

***TEXT OF SUPPLEMENTARY BILATERAL ECONOMIC ASSISTANCE
AGREEMENT - 1952***

INDO-AMERICAN TECHNICAL COOPERATION AGREEMENT
January 5, 1952

The Government of the United States of America and the Government of India;

Pursuant to the General Agreement for Technical Cooperation signed on behalf of the two Governments at New Delhi on December 28, 1950.

Recognizing that individual liberty, free institutions, and Independence, on the one hand, and sound economic conditions and stable international economic relationships on the other hand, are mutually interdependent;

Desiring to cooperate in promoting and accelerating the integrated economic development of India;

Agreeing that increase in the interchange between the two countries of technical knowledge, skills and techniques in the field of economic development is mutually advantageous; and considering that the Government of the United States of America and the Government of India agree to join in promoting international understanding and good will and in maintaining world peace, and to undertake such action as they may mutually agree upon to eliminate causes for international tension;

Have agreed to carry out the Technical Cooperation Programme and its separate project as follows:-

Article I

1. The obligations assumed herein by the Government of India will be performed by it through a duly designated Ministry (hereinafter referred to as the designated Ministry). The obligations assumed herein by the Government of the United States of America will be performed by it through the Technical Cooperation Administration, an agency of the Government of the United States of America (hereinafter referred to as the Administration).
2. The immediate representative in India of the Administration in connection with the Technical Cooperation Programme shall be the Director of Technical Cooperation (hereinafter referred to as the Director). He and his staff shall be a part of the diplomatic mission of the Government of the United States of America in India and shall share fully in the privileges and immunities enjoyed by that mission and its personnel.
3. The Administration shall furnish a field party of specialists to collaborate in carrying out the Technical Cooperation Programme. The party shall be under the direction of the Director. The Director and other members of the party of specialists shall be selected and appointed by the Government of the United States of America, but shall be acceptable to the Government of India. The Government of India shall make available adequate facilities to the Director of Technical Cooperation as well as to the field party of specialists for observing and aiding in the execution of the programme and the use to which the assistance furnished under the programme is put.
4. The Government of India agrees that the Administration, being an agency of the United States of America, wholly directed and controlled by the Government of United States of America, will share fully in all the privileges and immunities, including immunity from suit in the courts of India, which are enjoyed by the Government of the United States of America.

Article II

1. The two Governments agree that there shall be established an Indo-American Technical Cooperation Fund (hereinafter known as Fund A) in which the Government of the United States of America will deposit, up to the 30th June, 1952, the sum of 50 million dollars for agreed projects. This Fund shall be jointly administered by a duly appointed officer of the Government of India and by the Director and shall be utilized only for the execution of agreed projects of technical cooperation. Allocations will be made pursuant to Article V paragraph 2 of this Agreement, whereby agreed amounts shall be transferred from Fund A to the Consolidated Funds of the Government of India of

shall otherwise, be authorized to be expended. Such transfers and/or authorizations to expend shall be in the forms of grants-in-aid and loans - in proportions to be agreed - to the Government of India in support of the Technical Cooperation Programme which, by this Agreement, the two Governments undertake to execute. The allocations will be subject in each case to the terms and conditions of the relevant project agreements executed pursuant to the provisions of Article V, paragraph 1 of this Agreement. The Government of the United States of America will, from time to time, notify the Government of India of additional amounts that may be deposited in Fund A subject to the availability of appropriations for the purposes of this Agreement.

2. The Government of India has an established Special Development Fund (hereinafter referred to as Fund B) which exceeds 25 crores of rupees. The Government of India agrees that, for each duly agreed project, it will, itself or in co-operation with the Government of the States in India, make available supplementary finance, in rupees, in agreed proportions, as required, by authorizing expenditures against Fund B or otherwise.

Article III

1. The two Governments agree that with respect to the funds to be made available by the Government of the United States of America to Fund A, any part thereof may, with the concurrence of the Government of India, be withheld in the United States of America for the procurement of agreed goods, materials and contractors' services from sources outside of India; funds so withheld shall be regarded as having been deposited in Fund A.

2. Sums disbursed in furtherance of projects may be disbursed either as grants-in-aid or as loans, or any combination thereof. If funds are disbursed as loans, there shall be stipulation for repayment of rupees to the Government of India; funds accruing to the Government of India by virtue of such repayments of loans attributable to Fund A as well as sales proceeds of saleable goods imported under this Technical Cooperation Programme shall be deposited in Fund B and shall, during the period this Agreement remain in force, be utilized only for the prosecution of further projects of economic development agreed to between the two Governments.

3. The two Governments agree that the salaries and expenses of all technical experts employed for the programme by the Government of the United States of America, the travel outside India, tuition and other expenses of any nationals of India to whom training facilities outside India are made available by the Government of the United States of America, and the costs of technical assistance provided by the Government of the United States of America through contract with private agencies, shall be borne by the Government of the United States of America out of funds other than those agreed to be deposited in Fund A. The Government of India on its part shall arrange to provide such local facilities as may be required and agreed in each case (including exemption from customs duties for the personal effects and professional and technical equipment of technicians coming into India under contract with private agencies).

Article IV

1. The Government of India agrees to constitute a Central Committee (hereinafter referred to as the Committee). The Committee shall lay down the broad policies and provide the general supervision under which agreed projects of Technical Cooperation

shall be executed. The membership of the Committee shall consist of such persons (not to exceed 7) as may be appointed by the Government of India.

2. The Committee shall be responsible for developing, in consultation with the appropriate authorities in the various States in India, programmes of economic development and technical cooperation in which the assistance provided by the Government of the United States of America can be most advantageously utilized.
3. The Director shall make his services available as a consultant to the Committee and he shall be consulted with respect to all programme recommendations of the Committee and his concurrence shall be required with respect to any recommendations involving the allocation or expenditure of funds made available by the Government of the United States of America.
4. The Government of India shall ensure that all projects undertaken pursuant to this Agreement are properly coordinated with the economic development programmes and activities of the Government of India, including those carried on with the cooperation of other governments, of international organizations, and of private agencies.

Article V

1. Pursuant to the recommendations of the Committee, specific project agreements shall be executed by an officer of the designated Ministry on behalf of the Government of India any by the Director on behalf of the Government of the United States of America. Each project agreement shall define the scope and the specific character of the project to be undertaken, the method by which it is to be carried out, the period within which and the agency or agencies through which it shall be executed and all other matters required for its effective implementation.
2. Pursuant to each such project agreement, the joint administrators of Fund A shall make agreed allocations by which funds shall be transferred or otherwise authorized to be expended in furtherance of that project; and the Government of India, and/or the Government of the States in India as the case may be, shall make available the required supplementary finance, by authorization against Fund B or otherwise.
3. With respect to each project the Committee shall render to the Government of India a quarterly report of operations and progress of the project, the precise form and coverage of such report to be determined in consultation with the Director at the time of the execution of the relevant project agreement. Copies of this report shall be furnished to the Director.
4. As each project of Technical Cooperation is completed, the Committee shall submit to the Government of India a Completion Memorandum which shall provide a record of the work done, the objectives sought to be achieved, the financial contribution made, the problems encountered, and those solved and related basic data. Copies of the Completion Memorandum shall be furnished to the Director.

Article VI

The Government of India shall have an annual report on the activities under this Technical Cooperation Programme prepared. This report shall cover, inter alia, the stage

which each project has reached; contribution made by this Programme to the economic development of India; accruals to and disbursements from Fund A; accruals to and disbursements from fund B in connection with this Programme; contributions made to the Programme from shall be made available to the Government of the United States of America.

Article VII

Unexpended amounts deposited in Fund A shall, on request, be returned to the Government of the United States of America in the event that:

- (a) agreement cannot be reached on suitable projects of technical cooperation, or
- (b) statutory requirements of either party conflict with the continued operation of the arrangements envisaged with respect to this fund.

Article VIII

The two Government will establish procedures whereby the Government of India will so deposit, segregate or assure title to all funds allocated to or derived from any programme assistance undertaken by the Government of United States of America so that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization or Government when in the opinion of the Government of the United States of America any such legal process would interfere with the attainment of the objectives of such programme of assistance.

Article IX

The two Governments agree to take such action as is necessary to enable them to discharge their responsibilities under this Agreement.

Article X

This Agreement shall enter into force upon signature by both parties and shall remain in force until 30th June, 1957, unless previously terminated by either party upon three months' written notice to the other. It may be amended by agreement of the parties from time to time as may be necessary.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Government, have signed the present Agreement.

DONE at New Delhi, in duplicate, this 5th day of January, 1952.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

/s/ Chester Bowles
Ambassador Extraordinary and Plenipotentiary
for United States of America in India.

FOR THE GOVERNMENT OF INDIA:

/s/ Jawaharlal Nehru
Prime Minister and Minister for External Affairs.