

Q. But ties for all the original Indian railways came from Burma, did they not?—A. I think many of them did, but that was completely disrupted during and after the war.

By Mr. Cannon:

Q. Mr. Chairman, I am particularly interested in two of the projects which Mr. Cavell mentioned. A few questions have already been asked concerning the generation of rupee counterpart funds, but I have two or three others. I understood that wheat was one of the commodities which was given to the countries we helped under the Colombo Plan. I wonder what the other commodities are?—A. It would be true to say that wheat was given, but that is not so now because they do not need wheat, as I told you.

Q. You gave wheat, did you not?—A. Yes, in the early stages we gave it.

Mr. FLEMING: In the amount of \$10 million.

The WITNESS: Yes. \$10 million to India and \$5 million to Pakistan plus \$5 million to Pakistan as a further gift outside the Colombo Plan.

By Mr. Cannon:

Q. What are the others?—A. Copper and aluminum and flour.

Q. Exactly how does this work? You said we give these goods—to the central government, I suppose?—A. Yes.

Q. And they sell them?—A. That is right.

Q. And thereby get money which is the rupees that are being generated by these gifts?—A. Yes.

Q. How is that money spent, by the central government?—A. Yes, it is spent by the central government in cooperation with us, on such projects as Mayurakshi, the one which will grow 400,000 tons of food which was not grown before in that area of west Bengal, for instance. The wheat counterpart funds went into that project to help develop their rupee expenditures on it, and we sent generating equipment from Canada to complete the project.

Q. You said that money was spent in collaboration with you. I suppose that means that you exercise control over the spending of the money?—A. We do not have control over the spending of the money, but we exercise control over where it is spent.

Q. Is there any control exercised over the use of the funds?—A. There is control over the use of the funds. They devote those funds only to projects which we approve, and usually to projects with which we are helping by the gift of capital goods.

Q. Suppose they do devote these funds only to projects which you approve, is there any actual control over the actual use of the money? Is there any auditing?—A. The Auditor General takes care of that, and statements are called for and submitted to him, and he checks them.

Q. It is controlled all the way through?—A. Yes.

Q. There is one other thing I wanted to ask about. Someone said there are 16 nations under the Colombo Plan and that Japan and Burma came in recently?

Mr. FLEMING: Japan and Thailand.

The WITNESS: Yes.

By Mr. Cannon:

Q. I want to have this clear in my mind. Under the Colombo Plan there are donor countries and donee countries—giving countries and receiving countries?—A. Yes sir.