

**INDO-AMERICAN TECHNICAL CO-OPERATION AGREEMENT**

\*61. **Shri Nanadas:** Will the Minister of Finance be pleased to state:

(a) the total amount of aid sanctioned and received up to date under the Indo-American Technical Co-operation Agreement;

(b) whether it is a fact that, in addition to the initial aid of 50 million dollars, American Government has signed an agreement allocating another 38.5 million dollars of aid to India;

(c) if the answer to part (b) above be in the affirmative, whether any separate operational agreement has been signed for the disbursement of this 38.5 million dollars; and

(d) whether Government propose to lay copies of these operational agreements on the Table of the House?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) The total amount of aid allocated for two years is 88.5 million and out of this procurement of goods worth \$ 50.45 million has been ordered.

(b) Yes, Sir; a copy of the Supplementary Agreement is in the Library of the House.

(c) and (d). Six Operational Agreements have been signed so far involving use of \$ 23.5 million out of these \$ 38.5 million and copies of these Agreements are in the Library of the House. Further operational agreements for the balance of the amount are under consideration.

**Shri Nanadas:** May I know, Sir, whether any amount out of the total aid received from U.S.A. has been spent outside U.S.A.; if so, what is that amount?

**Shri C. D. Deshmukh:** Sir, I have not the figures here showing separately the quantities ordered from outside U.S.A.

**Shri Nanadas:** May I know, Sir, before what date the aid sanctioned by U.S.A. should be spent?

**Shri C. D. Deshmukh:** That is very difficult to say. Most of the amount has already been allocated and we are hoping that we shall utilise these amounts more or less to the fullest possible extent.

**Mr. Deputy-Speaker:** The hon'ble member evidently wants to know if there is any agreement that the aid ought to be spent within a particular date.

**Shri C. D. Deshmukh:** There cannot be any agreement. The appropriation is made for a particular year and we use our best endeavours to utilise the allocation for a particular purpose during that year, receiving the goods ordered in respect of approved schemes.

**Shri H. N. Mukerjee:** Sir, I find from Article 2 of the original Technical Co-operation Agreement that the funds provided for shall be utilised for the execution of agreed projects which would have to be agreed to by the American contractor. I want to know, Sir, if in regard to this 38.5 million dollars the same kind of American veto over expenditure continues.

**Shri C. D. Deshmukh:** Well, agreement does not mean a veto, Sir, in the first place. It means a process of persuasion with which the hon'ble member is not perhaps very familiar, and also 'projects' are an over-ambitious term. What it means that we shall use fertilisers for a certain purpose. Thus we both agreed that it shall be fertilisers and up to a certain extent and up to a certain value. For instance, out of the 38.5 million, import of fertilisers is 6 million dollars; then import of iron and steel. Surely, the import of iron and steel could not strictly be called project. We say that for various projects in the country we require so much iron and steel and that is 8.5 million dollars. Then community development. Now, that is not something which is specifically agreed to with the U.S.A. Then malaria control; then village workers' training and river valley development. Now, these happen to be projects which were approved long before this aid was thought of.

**Shri H. N. Mukerjee:** Referring to matters referred to in article 2, I would like.....

**Mr. Deputy-Speaker:** The hon. Member gives one interpretation which is not accepted by the hon. Minister. Am I to decide between the two?

**Shri H. N. Mukerjee:** I do not want you to decide, Sir. I want clarification. In article 2 there is a very specific provision that the Fund shall be jointly administered by a duly appointed officer of the Government of India and the American Director of Technical Co-operation and shall be utilised only for the execution of

agreed projects of technical co-operation. There are other articles to which I have no time to refer. I want to know whether in this case also there is this kind of condition.

**Mr. Deputy-Speaker:** Order, order. The hon. Member may kindly resume his seat. The hon. Minister has read out item after item. Some of these projects were sanctioned or approved long before this agreement was entered into. In any case all these projects are there, fertilisers are there, they may be distributed all over this country for various purposes. Under these circumstances what is the good of trying to impress upon the hon. Minister that what he is reading is wrong? It is a matter of debate.

**Shri H. N. Mukerjee:** I want to know, Sir, whether there is something of this nature.

**Mr. Deputy-Speaker:** There is nothing. There is sufficient explanation of this in the answer.

**Shri Nanadas:** May I know whether any efforts have been made by Government to amend the original agreement with regard to these things, such as the Government of India agreeing to give the United States the right to withhold money contributed to Fund A of the agreement for the procurement of agreed goods, materials and contractors' services from sources outside India and providing for diplomatic immunity of U.S. personnel working in India?

**Shri C. D. Deshmukh:** No revision of this is contemplated.

**Shri Damodara Menon:** May I know, Sir, whether this aid is received only in the form of goods?

**Shri C. D. Deshmukh:** Yes; unless it is technical assistance, it is goods.

**Shri Nanadas:** May I ask whether the original agreement does not provide for amending the agreement?

**Mr. Deputy-Speaker:** The hon. Minister said, it is not contemplated.

**Shri A. K. Basu:** May I know whether the prices of the goods are such that prevail at the time of the agreement or is the price to be fixed at the instance of the American Government?

**Shri C. D. Deshmukh:** They are purchased at the most favourable rates that they can obtain. Certainly they are not fixed at the time of the agreement.

**Shri Nanadas:** The U.S.A. allocated 88.5 million dollars. Under the agreement, may I know the proportion of Indian capital?

**Shri C. D. Deshmukh:** I am not able to follow.

**Shri Nanadas:** Whether India allocated funds and what is the proportion?

**Shri C. D. Deshmukh:** Supposing now we have 1.85 million dollars for river valley developments. How much are we spending on river valley developments. It is over Rs. 500 crores. I do not know what he means. If he means whether for any particular project what is the proportion which is contributed from this aid and what is the proportion which constitutes the expenditure by authorities in India, then it is a very small percentage.

**Shri B. S. Murthy:** After this agreement began to operate may I know whether there has been disagreement between the Indian officer and the officer appointed by the U.S.A. in the utilisation of the aid in India?

**Shri C. D. Deshmukh:** These agreements follow the usual course of agreements, that is to say, proposals are put forward by us and then it may be that the American authorities say, "Well, we shall not be able to obtain for you so much by way of fertilisers or so much by way of iron and steel. Can you reduce your requirements in that respect and increase it in other respects?" Now, those kinds of—I would not call them disagreements—but those kinds of differences in proposals arise off and on. But they never come to Government. Finally, there is an agreed conclusion and it is acted upon.

**Mr. Deputy-Speaker:** Disagreements are inherent in agreements. Next question.

#### OFFICIALS UNDER SUSPENSION

\*35. **Dr. Ram Subhag Singh:** Will the Minister of Home Affairs be pleased to state the number of senior officials in higher grades of service of the Central Secretariat who are under suspension at present?

**The Deputy Minister of Home Affairs (Shri Datar):** There is no senior officer in higher grades of service actually serving at present in the Central Secretariat under suspension. Six officers, however, who were formerly serving in the Central Secretariat and its Attached Offices,