

(d) if not, whether there is a proposal to do so?

THE MINISTER OF STATE IN THE MINISTRY OF IRRIGATION AND POWER (DR. K. L. RAO) :
(a) 300 M.W.

(b) The estimated cost of the power station is

	Rs. crores
Stage I	(250 MW) 28.53
Stage II	(150 MW) 18.50
Stage III	(200 MW) 23.36

(c) No, Sir.

(d) The question of supply of power from Neyveli to other States in times of exigency, is under consideration.

CENTRAL ASSISTANCE FOR GUJARAT

*63. SHRI M. C. SHAH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Government of Gujarat has requested the Central Government for an *ad hoc* assistance of Rs. 4.5 crores to improve its ways and means position for meeting expenditure on relief works; and

(b) if so, what is the Government's decision thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI L. N. MISHRA) : (a) Yes, Sir.

(b) A loan of Rs. 1.50 crores has been sanctioned.

SHRI M. C. SHAH : May I know, Sir, whether a Central team visited the State in the month of May to assess the expenditure incurred by the State for this relief measure? If the answer is "yes", what is the report of the study team?

SHRI L. N. MISHRA : A study team was sent in January 1966 and also a second study team was sent in May 1966. They reported to us that the State was in need of some assistance and we gave them assistance.

SHRI M. C. SHAH : May I know, Sir, on what basis this assistance has been given and whether any part of it is subsidy, or the entire amount is loan?

SHRI L. N. MISHRA : A part of it is grant and a part of it is loan. Fifty per cent. is grant and 25 per cent. is loan, and 25 per cent. they have to manage for themselves.

SHRI M. C. SHAH : May I know, Sir, whether the other States in the country have been given some assistance to meet this situation of drought? If the answer is "Yes", what was the amount given to these States?

SHRI L. N. MISHRA : A number of States have asked for it and we are giving assistance to them also. If the hon'ble Member is interested to know the details, I can read out the list. It is a long list. They have also asked for it and we have given a part of the amount asked for.

*64. [The questioner (Shrimati Sarla Bhadauria) was absent. For answer, vide cols. 370-376 infra]

PL-480 FUNDS SPENT BY U.S. EMBASSY

*65. SHRI S. K. VAISHAMPA-PAYEN :†

SHRI A. D. MANI :

SHRIMATI SEETA JUDH-VIR :

SHRI MAHABIR DASS :

SHRI NIREN GHOSH :

Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to the statement made by the former Finance Minister Shri T. T. Krishnamachari at Bombay on the 22nd May, 1966 to the effect that only Rs. 48 crores out of Rs. 95 crores spent by the United States Embassy in India out of PL-480 Funds standing to the credit of the United States Government could be accounted for;

(b) if so, whether the rest of the spendings by the Embassy have not been accounted for so far; and

†The question was actually asked on the floor of the House by Shri S. K. Vaishampayan.

(c) if not, whether the Government propose to enquire into this matter?

THE MINISTER OF FINANCE
(**SHRI SACHINDRA CHAUDHURI**):

(a) Yes, Sir

(b) No, Sir A statement showing the U.S. rupee expenditures incurred in India from 1956 till 31-3-66 is laid on the Table of the House.

(c) Does not arise.

STATEMENT

U.S. Expenditures from their Rupee holdings in India (incurred from 1956 till 31st March, 1966)

(Rs. in crores)

I. Expenditure of the U.S. Embassy on—			
(i) Educational exchange programmes in India. ..	7.14		
(ii) Agricultural programmes in India. ..	4.13		
(iii) Other administrative and programme expenditures.	24.50	35.77	
II. Expenditure of the US AID Mission.	4.39		
III. Expenditure of the U. S. Information Service.	15.04		
IV. Aid to Nepal.	28.96		
V. Aid to Burma.	2.19		
VI. Conversions into foreign currencies—			
(i) for agricultural market development.	3.79		
(ii) for educational exchange.	2.40		
(iii) for sale to American Tourists.	0.02		
(iv) for sale to U.S. citizens and foundations	0.97	7.18	
TOTAL EXPENDITURE	93.53		

SHRI S. K. VAISHAMPAYEN : According to the statement an amount of Rs. 28.96 crores and an amount of Rs. 2.19 crores have been given as aid to Nepal and Burma. May I know, Sir, if this P.L. 480 Agreement provides for such an external transfer of funds allocated by the U.S. and will the Minister clarify the implications of such transactions from P.L. 480 Funds on the economy of India?

SHRI SACHINDRA CHAUDHURI: Well, Sir, what should be understood is this. The entirety of the P.L. 480 Funds when they come here are at the disposal of the United States Government; it is their money. Then they make allocations under their laws. Nearly 80 per cent. is for the use of India and the balance is for the use of the United States Government and some for pool loan. If the hon'ble House wants to know the details of it, I might be able to give them that also. But this is the allocation. Out of these allocations, they are entitled to spend money as they want to. We cannot restrict them from doing that.

SHRI S. K. VAISHAMPAYEN : The question is: Can such external transfer be made by the U.S. Embassy in India? That is my point.

SHRI SACHINDRA CHAUDHURI: I do not quite follow. Will the hon'ble Member repeat his question?

SHRI S. K. VAISHAMPAYEN : A certain sum was given from this Fund to Nepal and Burma as aid. Can such an external transfer from funds by an Embassy in India be allowed under that Agreement?

SHRI SACHINDRA CHAUDHURI: So far as the money is concerned, I have stated that the money is in two parts which is allowed to the United States Government. They are a sovereign Government and they can use it if they want to.

SHRI NIREN GHOSH : Some time back, there was a report in the Press that the former Finance Minister, Mr. T. T. Krishnamachari, said that a part

of this unaccounted money they are entitled to spend under the Agreement. They gave no account to the Indian Government so far. May I know, Sir, if this account has been given, and is the Government satisfied that these huge funds placed at the disposal of the United States Government are not utilised for spying activities in the country and whether the Government propose to enter into negotiations with the Government of the United States in order to scrap the Agreement and enter into a new agreement so that no unaccounted funds can be placed at the disposal of the United States Government which is injurious and harmful to the national interest of the country?

SHRI SACHINDRA CHAUDHURI: So far as the Government is concerned, naturally we cannot make comments. But so far as the question is concerned, the position as I have explained is this. I have got knowledge of the fact that my predecessor, Mr. T. T. Krishnamachari made certain statements. I am not readily acquainted at this moment with the suggestion made by the hon'ble Member opposite. But I am prepared to accept that this is the statement made. I am prepared to assume that and no more than that. I will say that when Mr. T. T. Krishnamachari was here he did not get the accounts at that time. Since then we have got the accounts. And from the accounts we have got, there is no question of any money being spent for spying purposes. And, therefore, there has not been anything illegal done to harm the interest of the country and there is no question of negotiating another agreement with the United States Government and putting further restrictions.

SHRI BHUPESH GUPTA: May I know, Sir, if the hon. Minister's attention has been drawn to the five articles plus an editorial which appeared in the 'New York Times' last April, in which a very vivid and authentic account of spying activities by the C.I.A. has been given? In that article it will have been noticed that a mention was made of how the funds etc. were being used? May I know, Sir, why in the light of

these revelations made from so authentic a quarter as the 'New York Times', the Government is not taking any steps in order to see how the crores of rupees which are placed in the hands of the United States Government Missions here are used? I would also like to know whether after the statement of Mr. T. T. Krishnamachari, the present Finance Minister had a talk with the former Finance Minister over this serious matter and tried to elicit from him any information and judgment over this matter; if not, why did he not do so? I should also like to know, finally, from the hon'ble Finance Minister whether he has considered that the amount placed at the disposal of the American Embassy here is far too much in excess of any reasonable requirements for the expenditure even of the United States establishments and Missions in this country? These are matters of serious concern and I should like to know what guarantee and assurance we have from the Government that the funds will not be used and are not being used for espionage and subversive activities even in very high quarters. The 'New York Times' revealed that the C.I.A. put a man next to President Nasser's room in the Ministry.

MR. CHAIRMAN: You seem to imply that the United States have no other monies at their disposal?

SHRI BHUPESH GUPTA: I do not imply anything. The United States have a lot money. dollars. But rupee they cannot easily get unless, of course, the Government is making secret arrangements. Therefore, this is rupee which they spend.

SHRI SACHINDRA CHAUDHURI: In the first place, I am afraid, I have not read the particular article or five articles in the 'New York Times' that Mr. Gupta referred to. I do not accept the fact that 'New York Times' is always absolutely correct in its information.

Secondly, Sir, so far as the money is concerned, I have already explained that the money is allocated under the Agreement in a certain way. So far as we are concerned, we can use the

money which is generally known as "Money for country's use". It is nearly 80 per cent. of the money. Having regard to the fact that over Rs. 1,300 crores is flooded into this country over the years of the P.L. 480 Funds, even a portion—20 per cent. of that or even less than that—is quite substantial. That is at the disposal of the U.S. Government, not necessarily for the carrying out of the day-to-day expenses of the U.S. Embassy here.

SHRI BHUPESH GUPTA : Why do you say 'not necessarily'?

SHRI SACHINDRA CHAUDHURI : If the money is at the disposal of the U.S. Government, it can spend the money in a particular way; 'not necessarily' means not included in the Agreement.

SHRI M. GOVINDA REDDY : Are they accountable?

SHRI SACHINDRA CHAUDHURI : So far as accounts are concerned, we have got the accounts.

SHRI ARJUN ARORA : The statement that Rs. 47.6 crores withdrawn by the American Embassy from the Reserve Bank of India have remained unaccounted for was made by the ex-Finance Minister more than two months back in the presence of the present Finance Minister and myself and many others. May I know if during these two months the Finance Minister has tried to ascertain when these Rs. 47 crores were actually withdrawn and when the account, if any, was rendered? The Finance Minister has said that it has been rendered after the exist of Mr. T. T. Krishnamachari. May I know why this has been done? Was it deliberate? Were they waiting for the exist of Mr. Krishnamachari and then rendered the account or was it only that the money was withdrawn in recent times and the accounts came later?

SHRI SACHINDRA CHAUDHURI : As I said, the entire amount making up to Rs. 93.56 crores has been withdrawn from time to time over the years. It has not been done recently. So far as

the accounts are concerned, Mr. Krishnamachari made that statement. What efforts he made to get those accounts is something which I do not know because I have not got anything in the files but I do know that there are accounts which are put before the House. I have got the accounts and I have put them before the House. What had happened in the past, I am afraid, I cannot say.

SHRI A. D. MANI : May I know whether the substance of the long statement that the Minister has been making is that Mr. Krishnamachari made an unfounded allegation in respect of the P.L. 480 funds? I want a straight answer to that.

SHRI SACHINDRA CHAUDHURI : I always give a straight answer. How can I comment on what Mr. T. T. Krishnamachari did?

SHRI A. P. CHATTERJEE : May I know, if Rs. 47 crores are unaccounted for as Mr. Krishnamachari, the previous Finance Minister, said, why actually did not the Finance Minister look into the accounts so far during his tenure of service to find out whether Mr. Krishnamachari assessment is correct or not? Why is he giving evasive replies to the House and the House is kept absolutely in ignorance about the truth or otherwise of the figures given by Mr. Krishnamachari in this very House?

Secondly, I want him to tell the House whether, out of these funds which are placed at the disposal of the U.S. Government, it is not a fact that monies are given to organisations and individuals directly by the U.S. Embassy and, if so, has the Government taken any steps to discourage the U.S. Embassy from doing that? Has the Government taken any steps to tell the U.S. Embassy that the U.S. Embassy cannot disburse any amounts out of these funds, even though these may be at their disposal? Even though the U.S. Government may be sovereign in their land, they are not sovereign in our land. Has the Government taken any steps to tell them that they cannot disburse these funds to private organisa-

tions and individuals without the approval and prior sanction of the Indian Government ?

MR. CHAIRMAN : You have put only two questions in one, this time. You put four last time.

SHRI A. P. CHATTERJEE : I am improving.

SHRI SACHINDRA CHAUDHURI : All that I can say is this. When Mr. Krishnamachari had made that statement that there was no account, I do not remember the exact amount, it may be Rs. 47 crores or Rs. 95 crores, he had not the accounts before him, but I have the accounts and I have placed them on the Table. So far as private charities are concerned or payments of money to private parties are concerned, that is a matter which has got to be looked into to find out whether they are objectionable or not, before you start negotiations or dialogues with sovereign Governments.

DR. D. R. GADGIL : May I know from the Finance Minister whether the implication of his reply to Mr. Vaishampayan is that all the sums that are completely at the disposal of the U.S. Government or the U.S. Embassy here, they can spend either in India or transfer any part of it abroad ?

SHRI SACHINDRA CHAUDHURI : So far as transfer abroad is concerned, the transfer is not made. The payments are made in India. If Mr. Gadgil wants further information on that, I will have to look into it. I cannot answer straightaway.

DR. D. R. GADGIL : I merely wanted to know whether under the Agreement a transfer abroad has to be with the consent of the Government of India or not.

SHRI SACHINDRA CHAUDHURI : As I have said, broadly I have given Mr. Gadgil the answer. Probably he himself knows more about the Agreement than myself. If he does not, I will look into it and give it to him.

SHRI BHUPESH GUPTA : I just now got the statement. It shows—I am

not going into the past—that the expenditure of the U.S. Information Service was Rs. 15 crores. Then expenditure on other administrative and programmes expenditure Rs. 24.50 crores. Here we get an idea about Rs. 40 crores. It is Rs. 40 crores under two heads spent by the U.S. Information Services and for other expenditure—God knows what they are. May I know whether the Government is not considering that Rs. 40 crores is too heavy a sum, almost equal to the budget of Nepal or some such countries or very near it ? This much has been said here. Why is the Government not asking for details as to what they mean by administrative expenditure and so on ? Why should they not ask in order to satisfy themselves that these monies are spent or part of it is spent properly for their normal diplomatic activities because the amount is far too big for their normal requirements ? May I know why the Government is not at the same time comparing this expenditure with the expenditure of the U.K. Embassy or other Embassies in order to find out what should be the normal requirements for the functioning of diplomatic missions in this country including the Information Services ?

SHRI SACHINDRA CHAUDHURI : I am afraid this Government is not in a position to dictate to another Government as to how to maintain their Embassies or how much their High Commission or Embassy can spend.

SHRI LOKANATH MISRA : May I know from the Finance Minister whether these cultural programmes include direct negotiations and purchase of cultural centres like film studios ? My information is that one of the film studios of Madras has been purchased by the U.S. Embassy and I am told that it is Gemini. Is there any truth in it and for such direct negotiations with parties in India, is it necessary that the U.S. Embassy should take the permission of the Government of India or can they do it on their own without the permission of the Government ?

SHRI SACHINDRA CHAUDHURI : If there was a question of sale or transfer of Indian assets, then there would

be a question of permission from the Government of India or the Reserve Bank. Therefore I am not sure that my friend's information is correct.

SHRI B. K. P. SINHA : May I know if there is any clause in the P.L. 480 Agreement or connected agreements which casts an obligation on the U.S. Government or the U.S. Embassy to expose their accounts of the money which they have withdrawn from P.L. 480 funds, to expose to the public or to the Government of India or to the Parliament? Because they have submitted the accounts, I want to know whether they have done this merely as a friendly gesture and to remove certain misconceptions created by certain statements by a certain person?

SHRI SACHINDRA CHAUDHURI: I will have to look into these Agreements very carefully to give an answer.

MR. CHAIRMAN : Next question. I would beg Members to apply some self-denial. We have done only four questions in half an hour and it is a very painful duty for me to disallow Members from putting questions.

SHRI ARJUN ARORA : This was a Rs. 47 crores question

MR. CHAIRMAN : That is in the American style

UNAUTHORISED OCCUPATION OF GOVERNMENT ACCOMMODATION

*66. SHRI U. S. PATIL :

SHRI D. THENGARI : †

Will the Minister of WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to refer to the reply given to Starred Question No. 184 in the Rajya Sabha on the 11th May, 1966 regarding unauthorised occupation of Government accommodation and state :

(a) what is the concessional period allowed in each of the categories of persons in unauthorised occupation of Government accommodation; and

†The question was actually asked on the floor of the House by Shri D. Thengari.

(b) whether operation of the penalty imposed on account of unauthorised occupation of Government accommodation is stayed pending decision on an appeal received against such penalty?

THE DEPUTY MINISTER IN THE MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI B. BHAGAVATI): (a) The concessional period allowed for retention of General Pool accommodation in each of the categories of persons mentioned in reply to Starred Question No. 184 on the 11th May, 1966, is as follows :

(i) Transfer of allottees—

- | | |
|-------------------|----------|
| (a) in India | 2 months |
| (b) outside India | 4 months |

(ii) Unauthorised sub-letting of Government accommodation .. 60 days

(iii) In cases of allottees owning houses, there is now no disentitlement for retention of Government accommodation.

(b) No, unless there is a stay-order from a competent court or administrative authority.

SHRI D. THENGARI : Sir, under common law, when a period for appeal is prescribed by law against an order, the execution of that order is stayed pending disposal of the appeal if made within that time.

AN HON. MEMBER : Not necessarily.

SHRI D. THENGARI : May I know, Sir, why in these cases the execution is not stayed till the disposal of the appeals?

SHRI B. BHAGAVATI : I have already stated that when there is stay-order by a competent court or an administrative authority then only execution is stayed; otherwise not.

SHRI D. THENGARI : When the execution of the orders of eviction is not stayed pending disposal of appeals, and the incumbents are most likely to