

damaging practice in the coal field of Assam? (*Interruptions*).

MR. DEPUTY-SPEAKER: You repeat the question.

SHRI PARAG CHALIHA: The open cast mining from the top by felling trees in vast areas has resulted in lot of environmental problems, specially in the coalfield of Assam. This is being indulged by the contractors engaged by the Coal India Ltd. This has resulted in evacuation of a large number of tribal people, besides other problems. Will the Minister inform the House whether any steps have been taken to do away with the very damaging practice indulged by the Coal India Ltd?

SHRI Z. R. ANSARI: As far as we are concerned, when any mining case comes to us for clearance, we try to discourage this open cast mining. It is because, I know the hazards of open cast mining. Unless it is not possible to have the other system, we do not normally agree to the open cast mining. I know the hazards which are there.

SHRI PARAG CHALIHA: It is not more economical or more viable technologically.

SHRI Z.R. ANSARI: There are many things. If the report of the expert is that the open cast mining is only possible and the other system is not possible, only then, we allow open cast mining. Otherwise normally we do not allow open cast mining which is certainly a hazard.

[*Translation*]

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI BHAJAN LAL): Mr. Deputy Speaker, Sir, I would like to clarify the position regarding pollution caused due to mining of coal. If coal-mining is stopped, it will create great difficulty for us. We have to develop the country also. I would like to

inform the hon. Member that it will be the sole responsibility of the mine or the factory management to check the emission of ashes and smoke which creates pollution problem. If they do not take any action in this direction, legal action will be taken against them.

[*English*]

### Cut in US Aid

\*440. SHRIMATI  
BASAVARAJESWARI †:  
SHRI K.V. SHANKARA  
GOWDA:

Will the Minister of FINANCE be pleased to state:

(a) whether India has conveyed to the United States its unhappiness over the decision of the House of the Representatives Foreign Affairs Committee to cut by one third American Development assistance for India during 1988;

(b) if so, the reaction of the U.S. Government;

(c) whether the U.S. Government has agreed to reconsider its decision; and

(d) if not, to what extent it will affect India's development projects and the steps being taken to meet it?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) to (d). A statement is given below.

### STATEMENT

While considering the Foreign Aid Bill proposed by the US Administration for US FY 1988, the Foreign Affairs Committee of the US House of Representatives passed a

Resolution in March '87 that development assistance to India be reduced to \$35 million instead of \$50 million proposed by the US administration. The House Foreign Affairs Committee considers Foreign Aid Bill proposed by the US Administration as a part of their legislative approval process. The Aid Bill is to be further debated by the full House of Representatives. The full Senate is also yet to discuss the Aid Bill. The Foreign Relations Committee of the Senate which has already discussed the Aid Bill has not made any recommendation of a cut for India. Therefore, at this stage, it is not possible to state what the final quantum of development assistance to India for the Fiscal Year 1988 will be. the proposed reduction in US development assistance to India will not have any overall impact on our development being a very small proportion of our investment, the preponderant part of which is financed through our own resources.

**SHRIMATI BASAVARAJESWARI:** I would like to ask the hon. Minister what are the various reasons given by the Foreign Affairs Committee of the House of the Representatives for such a cut of \$15 million as against \$50 million during the year 1988 by U.S.A.

Has any assurance been given by the Reagan Administration at the time of our Prime Minister visit to U.S.A. for the developmental assistance? What is the outcome of the final committee?

**SHRIB.K. GADHVI:** This is only recommendation of one of the committees. For final decision on the aid, the procedure is that as soon as the U.S. Admn. sends its proposal, it is considered by the Committee for Foreign Affairs in the House of Representatives and the Foreign Relations Commit-

tee in the Senate. Then it is considered both by the House of Representatives and by the Senate and thereafter, if necessary, a Conference between the Committees is held with a view to sort out the differences and thereafter ultimately the aid is decided. Therefore, if one of the Committees has recommended cut in the aid, then it is not final. I am hopeful that perhaps aid of 50 million dollars would be forthcoming. But I would say that we are receiving this aid not on our own request. They are giving the aid to us as they are giving to all other nations and, therefore, there should not be any apprehension. Even if the help is not to the extent of 50 million dollars, it would not have any adverse effect on our economy because most of our projects are financed by us from our own resources.

**SHRIMATI BASAVARAJESWARI:** What are the main reasons given by the Foreign Affairs Committee of the US House of Representatives for such a cut of 15 million dollars during 1988 by US?

**SHRIB.K. GADHVI:** United States fiscal year starts from October 1 to September 30th. The major neighbouring countries which receive aid are Pakistan, Bangladesh, Sri Lanka, Indonesia and Philippines and India. But so far as Pakistan and other countries are concerned, they are given military aid also. So far as India is concerned, we are only getting developmental aid.

**SHRIMATI BASAVARAJESWARI:** Which are the main projects wherein development assistance has been given by US during 1988?

**SHRIB.K. GADHVI:** So far as 50 million dollars are concerned, we have signed the following agreement.

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One agreement is about the Hill areas and Water Development.	8	million dollars.
National Social Forestry.	11.50	-do-
Agricultural Research.	3	-do-
Irrigation Management Projects.		
Bio-Medical Research Support.		
Programme for the advancement of Commercial Technology.		
Vaccine Immunology Project.		

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These seven agreements have already been signed.

SHRI MURLI DEORA: I think that US assistance whether it is 30 million dollars or 50 million dollars, it is a very small portion of our over-all development expenditure. In view of the fact that US Government has given to Pakistan, over 4.04 million dollars for military assistance, I would like to ask the hon. Minister whether the Government themselves will visit the place where the House of US Congress is proposing to reduce 50 million dollars to 35 million dollars. Will the Government consider it or reject this?

SHRI B.K. GADHVI: This US aid is coming to us, as I have already stated, not on our request; we do not go and request them to give this. They started this aid long time back. In 1972, they suspended this and again in 1978, they started it.

[*Translation*]

DR. DATTA SAMANT: The question is very simple.

SHRI B.K. GADHVI: I am giving the reply. The difficulty is that. You become very impatient.

[*English*]

So far as India is concerned, we do not avail any military assistance from United States of America.

So far as Pakistan is concerned, last year i.e. 1987, military assistance was given to the extent of 313.4 million dollars and so far as 1988 is concerned, it is 290.0.

So far as India is concerned, last year we received \$ 53 million. This year, American Administration suggested an outlay of \$ 50 million. We will think about the cut when the final decision comes.

SHRI BRAJAMOHAN MOHANTY: I would like to know whether Foreign Affairs Committee thought about this decision and influenced the IDA from 18% to 15% and with observation and direction to India to improve our relations with Israel. If so, what is the reaction of the Government? I will put my question again so that it would be clear to you. My question is whether the Foreign Affairs Committee's decision has influenced the IDA and it has reduced the assistance to 15 per cent from 18 per cent with the recommendation to improve our relations with Israel. If so, what is the reaction of the Government?

**SHRI B.K. GADHVI:** So far as the Foreign Affairs Committee of the United States House of Representatives is concerned, this is only a recommendation...

*(Interruptions)*

**SHRI BRAJAMOHAN MOHANTY:** My question is: whether the decision of the Foreign Affairs Committee has influenced the IDA authority to reduce the aid to 15 per cent from 18 per cent with the recommendation that we have to improve our relations with Israel.

**SHRI B.K. GADHVI:** That is what I was about to tell you. What prompted them to take a particular decision and suggest a cut in the aid, we are not concerned with it. So far as the aid to us is concerned, it has not been constant of a similar figure of a similar percentage. But it has varied from year to year. Therefore, we would not like to go into the details as to what were the guiding factors for that recommendation.

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI):** I would like to supplement what my hon. colleague has said. The question pertains to U.S. Aid cut. It does not pertain to IDA Aid. Regarding IDA, what is required is a separate question. But this question is entirely a different one. But I might make it clear that any influence, any resolution passed by any Foreign Affairs Committee, is not going to change our policy regarding Israel. We are standing firm on that.

*(Interruptions)*

**PROF. G.G. SWELL:** Sir, although the quantum of this aid is small, I do not agree with the Minister when he said that "we are not concerned with the reasons as to why this United States House Committee has arrived at this particular decision". Now, I

would like to know whether on our part, we have tried to ascertain whether there are some economic reasons for this Committee to take this kind of a decision or it is an act of peevishness. If it is peevishness, what are the reasons to make them feel peeved about it. Have we done anything on our part from our Embassy there to try to ascertain the reasons? To say that we are not concerned with it, that does not give any proper reply.

**SHRI B.K. GADHVI:** As I said earlier, the U.S. Aid decision would finally be known after the scrutiny or decision by many Committees, the Senate and the Congress.

Now, one of the Committees has decided this. Therefore, we should not prejudge the matter and jump to conclusions because still there is some process yet to be followed. But, I can tell you as my hon. Minister has said that if anybody wants to put the economic shackles on the feet of India, then we would like to forego the aid rather than allow them to put the shackles on our feet for getting aid.

*(Interruptions)*

**PROF. G.G. SWELL:** I have asked you whether we have on our own tried to find it out. We have an Embassy in Washington. We have other organisations in Washington, in the U.S. Have we, on our own part, tried to ascertain as to what are the reasons as to why they have arrived at this decision? Your answer is something else.

**SHRI B.K. GHADVI:** Presently, on this count, I don't have any information. I will pass it on to him later when it is available.

*[Translation]*

**SHRI SHYAMLAL YADAV:** Mr. Deputy Speaker, Sir, I would like to know from the hon. Minister if the request for development assistance was made by the Government of

India or the Government of U.S.A. Will this assistance be given in the form of grant-in-aid or it will have to be repaid? What are the schemes for which this assistance is being given or proposed to be given? Are those schemes included in our plans and form part of our Five Year Plans? Perhaps, works we are going to do with this assistance may not be beneficial for us, because in lieu of that a burden and an obligation is being imposed on us. Can we not reject this assistance keeping in view our self-respect?

SHRI NARAYAN DATT TIWARI: Sir, in reply to hon. Member's question, I would like to clarify that this assistance is not in the form of a donation for which we made any sort of request. There is nothing of the sort. As has already been said by my colleague, the U.S.A. has been giving this assistance since long. It is being received in the form of loan as well as grant-in-aid. The portion covered under loan is repaid in 40 years and there is grace period of 10 years. In other words repayment starts after 10 years. The rate of interest for first ten years is 2 per cent and thereafter, it is 3 per cent. The schemes to be implemented with the help of this assistance include some such schemes which are continuing since long. A list of these schemes has been given by my colleague. For example, we have been receiving assistance for Medium Irrigation Scheme in Gujarat, M.P. Minor Irrigation Scheme, Hill Area Land and Water Development Scheme, Integrated Rural Health, Population and Family Planning, HUDCO, Survival Health Support Project etc. etc. and it is still being received. This assistance was also received for these schemes.

So far as the national honour is concerned, I would like to tell that there is no question of national honour being sacrificed. We would never like to receive assistance in any form at the cost of our national honour.

### **Pollution from Badarpur Thermal Power House**

\*441 SHRI BHARAT SINGH: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether the high efficiency electrostatic precipitators to replace the three units of the Badarpur Power House in Delhi, which were not functioning satisfactorily, have been installed;

(b) whether there are still complaints that Badarpur Thermal Power House continues to cause pollution and spreads ash on the animal fodder and on the roof tops of the houses in the nearby villages; and

(c) if so, what further steps Government are contemplating to prevent the pollution caused by this Power House?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI Z.R. ANSARI): (a) No, Sir.

(b) Yes, Sir.

(c) The steps taken to prevent the pollution include the following:

The Thermal Power House has been directed to install high efficiency precipitators to replace those three units which are not functioning satisfactorily by May 1988.

Improvement in coal handling and ash disposal facilities;

Emission and effluent standards have been prescribed; and