

SHRI ANADI CHARAN DAS: My next question is about the national highway. It is not coming direct from Calcutta. It takes a turn at Jharpokharia and takes another route. There is no straight way. Many buses clandestinely carry goods through the road on the newly constructed bridge on river Suvarnarekha. Does the Government propose to convert it into a national highway? I have reasons to say. If one travels from Calcutta to Bhubaneshwar via Balasore, the distance is reduced by 70 kilometre whereas now one has to take a round about way. I, therefore want to know whether the Government proposes to take it over. If so, the details thereof.

SHRI ASHOK GEHLOT: At present, there is no such proposal.

[*English*]

SHRI K.P. SINGH DEO: Sir, in the Part (a) of the answer it is said that the National Highway No.5 running close to the coast is the primary route for long distance traffic. It is no more the primary route from Cuttack to Calcutta. There are two other routes which have become primary routes, as a result of NALCO and other mineral industries. Since the Eighth Plan is in the formulation, as said by the hon. Minister, I would like to know from the Government whether they would consider upgrading these two routes, namely the Expressway through the Chandikkol via Sukinda, Bhuban, Kamakhyanager and Talcher and the other one being Chowdwar to Dhenkanal to Sambalpur. Both these routes are taking traffic upto 30 tonnes of weight and the classification of the same is only upto ten tonnes.

[*Translation*]

SHRI ASHOK GEHLOT: Sir, there are so many proposals from all the states. I am not in a position to say anything at all about the road the hon. Member made a mention of, till the Eighth Five Year Plan is finalised. We will see what can be done in this regard.

Foreign Loans

28. **SHRI ANAND RATNA MAURYA:**
SHRI BHUVNESHWAR PRASAD MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) the amount of foreign loans taken by the Government so far from various sources, separately under the new financial policy;

(b) the steps being taken by the Government to pay back these loans;

(c) the amount of interest to be paid on these loans and the likely impact of such huge amount of interest payments on the Indian economy; and

(d) the future plans of the Government to repay the loans and improve the economic condition of the country?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d). A Statement is laid on the Table of the House.

STATEMENT

(a) There is no separate category of loans being taken by the Government under any new financial policy. Financial policy measures are a part of a number of policy initiatives taken for enabling continued and enhanced access to the traditional sources of obtaining foreign loans.

(b) to (d). The repayment of loans and amount of interest to be paid would depend on the drawal schedules and terms & conditions of individual loans. The Government will ensure that this burden does not exceed the capacity of the economy to service such loans. The Government have already introduced a programme of economic reforms aimed at short-term stabilisation combined

with longer terms restructuring. These reforms would improve the economic condition of the country and revitalise our growth process including our export earning capacity so as to enhance our capacity to repay the loans.

[*Translation*]

SHRI ANAND RATNA MAURYA: Mr. Speaker, Sir, I would like to know the per-capita amount of foreign indebtedness in India. Everybody in India knows that loans have been taken from the foreign countries. So, would the hon. Minister be pleased to state the amount of foreign indebtedness each person of the country is burdened with?

SHRI RAMESHWAR THAKUR: I would like to tell the hon. Minister about the total amount of foreign loans which can be divided into four categories. Firstly, the loans granted by the foreign Government and the financial institutions of the those Governments to the Government of India. Under this head Rs 66,000 crore have been taken upto 31 March of 1991; The Second type of loans granted by the foreign Governments to India..(*Interruptions*)

SHRI ANAND RATNA MAURYA: Mr. Speaker, Sir, I only want to know that the total amount of loans and its per-capita ratio(*Interruptions*)

SHRI RAMESHWAR THAKUR: Upto September 1991 the total amount of loan is Rs. 1, 34, 000 crores. You know the total population of India which is increasing day by day. So you may calculate it yourself by dividing the figures. (*Interruptions*)

SHRI ANAND RATNA MAURYA: The hon. Minister may give the last year's figure only. what is in that. (*Interruptions*)

[*English*]

MR. SPEAKER: The total amount of loan divided by the number of population.

(*Interruptions*)

MR. SPEAKER: Is the Minister in a position to give the latest position?

SHRI RAMESHWAR THAKUR: I have given the total accumulated loan amount up to September 1991 Rs. 1,34,000 crore which is the total outstanding including interest and everything. (*Interruptions*)

[*Translation*]

SHRI ANAND RATNA MAURYA: Mr. Speaker, Sir, please help me. I have asked the hon. Minister about the per-capita amount of loan. He may tell me about the per-capita only, not in toto.

[*English*]

SHRI HARIN PATHAK: What is the per-capita. (*Interruptions*)

[*Translation*]

SHRI HARI KISHORE SINGH: Mr. Speaker, Sir, through you, I would like to know about the total amount of foreign loans on India before devaluation and about the effect on it after devaluation?

[*English*]

MR. SPEAKER: Now, there are good questions, there will be good answers also.

[*Translation*]

SHRI RAMESHWAR THAKUR: Mr. Speaker, Sir, through you I would like to state that upto 31 March of 1991 before devaluation of currency it was Rs. 99,485 crore which came to be Rs. 1,28,800 crore in July, 1991 after devaluation and during the same period between April to September, 1991 an additional loan of Rs. 5,200 crores was taken. So, upto September, 1991 it comes to Rs. 1,34,000 crore in total.

SHRI HARI KISHORE SINGH: Mr. Speaker, Sir, the hon. Minister is speaking very loudly that "loans were taken" as if it was a matter of glory. (*Interruptions*)

SHRI RAMESHWAR THAKUR: Mr. Speaker, Sir, as an hon. Member wanted to know the per-capita ratio of loans, so I am stating it. It is Rs. 1200 per-capita at old rates but it would be Rs. 1583 according to revised rates if we take the current amount of Rs. 1 lakh 34 thousands crores in account. (*Interruptions*)

Since the hon. Member wants to know the per-capita indebtedness. So, I would like to tell them that according to our present economic system this ratio in our country is more conducive in comparison to other developing countries.

[*English*]

The total debt service as percentage of exports and gross invisible earnings comes to 21 percent.

[*Translation*]

The ratio is 21 percent of our total earnings and the same is less than 10 percent of the amount of interests we are liable to pay. So this percentage is quite normal. The debt service which is called interest is 10 percent of the total earnings. This 10 percent is quite normal rate for a developing agricultural country if we consider all the figures together. (*Interruptions*)

[*English*]

MR. SPEAKER: He is replying to the question. Please hear him properly.

[*Translation*]

SHRIRAMESHWAR THAKUR: Thirdly, I would like to state that in Seventh Five Year Plan which had an outlay of Rs. 3,20,000 crores, the only 7 percent amount was from foreign loan and the remaining was from internal resources. Thus, considering our economic system and total production we find out that this rate is not higher in comparison to any development sector (developing country) All the International Financial Institutions admit it that India is the only country

among the developing countries, which has always paid its loan balance without committing any delay. We have never asked for the re-schedulement of loan.

[*English*]

SHRI MURLI DEORA: Sir, thanks to the economic mismanagement of Shri V.P. Singh Government supported by the BJP and my Left friends here, the debt service ratio of India was the highest during that time. I must congratulate the hon. Finance Minister and the new Government for putting more emphasis on foreign investment rather than on foreign loans. I would like to ask the hon. Finance Minister, through you, as to what is his experience during the last three months.

SHRI SOMNATH CHATTERJEE: What has President George Bush told you?

SHRI MURLI DEORA: I will tell you privately.

Sir, today more than 70 billion dollars are foreign debt while the investment is less than 1.5 billion dollars. Has the international community responded favourably to this emphasis? I would further like to ask the hon. Finance Minister whether the new Government's policies are directed more towards foreign investment rather than getting more and more foreign loans.

(*Interruptions*)

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, it is true that India has not got large scale foreign investment compared with most other developing countries. I am not going to mention countries of East Asia and South East Asia, but even in a country like China since 1979, the total commitment of foreign direct investment is close to 50 billion dollars. According to the latest figures that I have seen, the actual disbursement with respect to China is about 20 billion dollars. So, all that I am trying to say is that all over the world there is a recognition that this old path of preferring loans to direct investment is counter-productive.

tive beyond a point. It added debt service obligation even if our economy does not perform, even if an enterprise does not make money. So, this is a bind in which we have got ourselves. I think we have started to reverse this direction only recently. All the signals which we have got indicate that over a period of time we will change the direction. We will change the mix. But I think, today it is too early to say after three months, how much proportion is the change.

SHRIMATI GEETA MUKHERJEE: Since my Question may not come up and it is directly related to the subject, may I ask the Minister that in reply to my Question.....

MR. SPEAKER: No. This will be supplementary to this Question.

SHRIMATI GEETA MUKHERJEE: Naturally I will put supplementary. The answer that he has given is less revealing and more hidden.

Would he kindly come out with a clear-cut statement that after his appeal during the Budget speech, how many NRIs have come forward for investing, in which fields, the names of such NRIs and the amount of money already committed. I also want to know the names of the sick industries that he has mentioned, which are the four sick industries which he has mentioned.

SHRI MANMOHAN SINGH: Mr Speaker, Sir, I do not think this particular question relates to the Question under discussion. But I would like to inform the hon. Member that with regard to non-resident Indian investors, this is not a partisan question. In fact, the hon. Chief Minister of West Bengal has been one who has been saying

SHRI SOMNATH CHATTERJEE: We want the particulars.

SHRI MURLI DEORA: Are you allergic to the West Bengal Chief Minister?

SHRI SOMNATH CHATTERJEE: The

Finance Minister wants the blessings of the Chief Minister of West Bengal. But that is not the point. The point is, we want the particulars. (*Interruptions*)

MR. SPEAKER: The Minister can give proper reply. You do not get worried about it.

SHRI MANMOHAN SINGH: Attracting the non-resident investment is not a partisan issue in our country. It has the support of all the political parties including the Hon. Chief Minister of West Bengal.

But I have already stated on the floor of this House that no NRIs are going to put money into our country unless we get our economy in good shape. If the fiscal system of India continues to be mismanaged, if the banking system of India continuous to be mismanaged, if a lot of bank money is given to enterprises, without due consideration, which do not reply and if bank loans are written off, do not expect non-resident Indians to come and invest. We are trying to reverse that process. That process has just begun. It is too early, I think, to give concrete figures.

[*Translation*]

SHRI RAM VILAS PASWAN: Mr. Speaker, Sir, is it a fact that all the loans have been taken during the regime of the Congress (I) ? These loans have not been taken during Janta Party Government from 1977 to 1979 or National Front and Shri V.P. Singh's Government for 11 months. Have all the foreign loans been taken during the regime of Congress Government?

[*English*]

SHRI MANMOHAN SINGH: It is not true to say that all these loans were taken during the Congress Government. When the Congress Government was in power, it certainly took some loan. But when the Janata Dal Government or National Front Government was in power, they also took loan. In July, 1990, the Government withdrew quietly from the International Monetary Fund the

gold draft without anybody at that time being told that this had been done.

SHRI MURLI DEORA: You were the Minister at that time. You did not even know it. (*Interruptions*)

SHRIMATI MALINI BHATTACHARYA: Unless the conditionalities attached to the foreign loans are made known, we cannot really answer the question as to when and how soon these loans are going to be repaid. So, I would like to know from the hon. Minister whether he would place it before this House the conditionalities of the loans, the foreign loans, that have been taken and the conditionalities of the foreign investment.

SHRI MANMOHAN SINGH: Mr. Speaker, Sir, as far as the conditionalities attached to the loans that we have got from the IMF are concerned, I have promised to this House that I would make the whole letter of intent which sets out all the conditionalities to be placed on the Table of this House. I propose to do it in this very session.

[*Translation*]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, there was a meeting of Congress Parliamentary Party a day before yesterday after the recent elections. In that meeting, the Prime minister said that he had been able to maintain a foreign exchange reserve for Rs. 6000 crores. First, I want to know from the hon. Minister how much foreign loan out of this reserve of Rs. 6000 crores has been taken recently. Secondly, if we convert Rs. 6000 crores into dollars, how many dollars would it be? I would also like to ask what was the value of dollar which we had as foreign reserve last year?

[*English*]

SHRI MANMOHAN SINGH: I think that I have answered that question that today our reserves in dollar terms are over two billion dollars. When we came into office, these reserves were less than one billion dollars.

SHRI SOMNATH CHATTERJEE: What is the loan taken ?

[*Translation*]

SHRI GEORGE FERNANDES: I would like to know the amount of loan taken during the 3 to 6 months from I.M.F. and other financial institutions amongst these reserves?

[*English*]

SHRI MANMOHAN SINGH: I would also like to point out that during this period, we have repaid a large number of previous loans which were taken. The Prime Minister has already mentioned that the Reserve Bank of India at the time when our Government came into office had to send 46 tonnes of gold abroad. That was the decision not taken by our Government. It was the decision taken by the previous Government. That loan has been fully repaid last month.

SHRI SOMNATH CHATTERJEE: Dr. Manmohan Singh is playing politics here. The specific question is how much is the foreign loan which is a part of the Rs. 6,000 crores. It is a simple question. He has not replied this.

[*Translation*]

SHRI GEORGE FERNANDES: I would like to know the amount of foreign loans taken by the Govt. at present, out of this amount. I have not asked the amount having been repaid but have asked the amount of loan.

Visakhapatnam Port

*29 **SHRI M.V.V. S. MURTHY:** Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the financial assistance given to Visakhapatnam Port trust during the last three years;

(b) the total amount of demurrage col-