

- (ii) Persuade our developed country partners to factor our specific developmental dilemmas and special requirements into global economic policy-making not only for our sakes but as their investment in reaping our potential as big and growing markets as well as locomotive economies.
- (iii) Revive the traditional development cooperation agenda consisting of fundamental issues of concessional resource transfers, favourable technology transfers and special and differential treatment in trade to developing countries, blending this with the new agenda and demands of liberalisation.
- (iv) Continuously evaluate globalisation and its processes and identify ways of effective and just governance of globalisation, seeking wide-ranging overhaul of systems and institutions and ensure involvement of developing countries in decision-making and benchmark-setting.
- (v) Put in place necessary safeguards to help developing countries protect their food, energy and social security and their access to international markets and finance at all times without being held hostage to globalisation or whims of developed countries.
- (vi) Make our intervention for reinvigoration of development cooperation and sound international global governance, issue and event-specific, present it in a positive spirit of engagement, mutual benefit and practicality.

The G-77 meeting underscored the need to revive and promote a more meaningful North-South dialogue on economic cooperation and development. It called for full and effective participation of the developing countries in the process of decision making, standard setting and in the resolution of world economic problems through strengthening multilateralism aimed at promoting equitable growth in the world economy. The meeting also underlined the importance of addressing the various issues of financing for development more squarely with the aim of devising a comprehensive approach that revitalizes international development cooperation.

#### Fiscal Deficit

1013. SHRI N.K. PREMCHANDRAN : Will the Minister of FINANCE be pleased to state:

- (a) the steps proposed to be taken by the Government to lower the rate of inflation;
- (b) the specific plan formulated by the Government to reduce the fiscal deficit; and
- (c) the short term measures proposed to be adopted by the Government to achieve 6% growth of GDP?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) A number of policy initiatives have been taken by the Government to check the prices. State Governments were requested to take action against hoarders, black

marketees, anti-social elements. Government has reduced duty on import of edible oils from 25% to 15% to moderate further the prices of edible oils. Govt. itself is importing 1.5 lakh tonnes of edible oil for supply through PDS. Import of pulses are allowed under OGL and export has now been banned and import duty of 10% on pulses has been abolished. Export of Onions has been banned and it's imports has been allowed under OGL duty free to increase domestic availability. Some States, especially Delhi arranged the supply of onions through the retail outlets such as Super Bazar, Kendriya Bhandar and Mother Dairy etc.

(b) Measures taken by the Government to reduce fiscal deficit includes augmentation of revenue receipts by widening the tax base, rationalisation of tax structure and controlling expenditure.

(c) The Government is constantly monitoring the growth rate of GDP. A number of steps have recently been announced for boosting the economic growth.

#### Economic Sanctions

1014. PROF. P. J. KURIEN :

SHRI MADHUKAR SIRPOTDAR :

SHRI ANANT GANGARAM GEETE :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have since made an assessment of the impact of sanctions (in the Post Pokharan context) on the financial and economic scenario of the country;

(b) if so, the results thereof;

(c) the extent to which the economy has slow-down due to these sanctions; and

(d) the steps taken by the Government to salvage the situation?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir.

(a) Yes, Sir.

(b) and (c) Since the sanctions/suspensions of official loans were mostly applicable to new loans, the disbursements of loans already agreed upon were by and large unaffected. The impact on the economy and on on-going projects was quite limited.

(d) The general approach of the Government in countering the effect of sanctions is to try to get a better understanding of our position on the part of other countries and also to encourage private capital flows to substitute for whatever reduction takes place in official flows. To this end the Government is pursuing its stated policies of encouraging inflows of foreign direct investment or NRI flows and

ensuring that our economic situation is strong and such as to create confidence in financial markets. It is also expediting various programmes and changes which will improve the general climate for investment, growth and equity.

#### Assistance to Handloom Weavers

1015. SHRI BIJOY KUMAR "BIJOY" :

SHRI RAJ BANSHI MAHTO :

Will the Minister of TEXTILES be pleased to refer to the reply given to Unstarred Question No. 2749 on July 3, 1998 and state :

(a) whether a High Power Committee on handlooms has made recommendations for giving assistance to handloom weavers;

(b) if so, the details of recommendations made and the action taken by the Government thereon;

(c) whether the Government have received any proposals from the Government of Bihar for providing assistance to handloom weavers in the State; and

(d) if so, the action taken by the Government thereon?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Yes, Sir.

(b) A statement is attached.

(c) Yes, Sir.

(d) The Central assistance for Rs. 233760 under New Insurance Scheme during 1998-99 covering 3896 weavers and Rs. 8,50,000 under project Package Scheme have been released to State Government of Bihar. However, proposals for Rs. 22.58 lakhs under Market Development Assistance/Rebate claims were returned to Government of Bihar for State Share release order and Utilisation Certificates for earlier releases.

#### Statement

*Details of Main Recommendations of High Powered Committee on Handloom Sector and Action thereof.*

1. All major handloom concentrated States may set up a separate Department of Handlooms, State Handloom Corporations and Apex Societies should be revitalised by providing suitable rehabilitation package.

The State Governments have been requested to set up separate department wherever these have not been formed yet.

2. A National Handloom Credit Fund with a Corpus of atleast of Rs. 500 crores may be set up for providing credit to the weavers outside the co-operative fold.

A study has been entrusted to Agriculture Finance Corporation to go into various aspects of problems of weavers.

3. NABARD may consider waiving the provisions with regard to the guarantee cover in respect of limits sanctioned. Loss Guarantee Scheme may be introduced to protect the interest of the Banks. The Credit for trading in yarn may also be re-financed at 9½% interest rate.

NABARD has provided refinance facility for banks for working Capital requirement of handloom weavers and for providing additional credit limit. NABARD has made a major shift in policy for sanction of credit limit to certain categories of scheduled State Cooperative Banks without the requirements of State Government guarantees in respect of good working banks and societies. Refinance to commercial banks for working capital requirements of handloom weavers has also been provided for. The rate of interest has been reduced on refinance. Reduction in interest rates have been made for marketing activities and trading in yarn.

4. All State Governments may exempt Hank Yarn and Handloom products from any tax, including sales tax and octroi.

The State Governments have been requested to consider exemption of hank yarn and handloom products from any Tax etc.

5. Marketing complexes including handloom haats and permanent exhibition sites at Village, sub-division, district and town level in large numbers may be set up by the Central/State Governments or their agencies.

Marketing Complexes have been set up in Jaipur, Ahmedabad, Hyderabad, Kanpur, Mumbai, Indore, Cochin, Calcutta and Kollam.

6. A comprehensive project package for development of exportable products should be developed.

A budget provision of Rs. 500 lakhs was made during 1998-99 under the scheme for Handloom Export.

7. Calamity Relief Scheme may be introduced to provide support for purchase of handlooms and other accessories, subsidy on purchase of Hank Yarn under Yarn Subsidy Scheme, enhanced availability of credit, ensured buy-back of production and to provide immediate relief under various ongoing schemes of the State Governments.

The New Insurance Scheme has been introduced wherein calamity relief together with accidental death, loss and damage of dwelling units due to flood, fire and earth quake has been included.

8. Welfare schemes may include all handloom workers and not just weavers. Coverage of Handloom workers under the Welfare Schemes of the Handlooms should be substantially stepped