

(e) the opinion of India in regard to remaining economic sanctions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Following the Nuclear test explosions by India in the month of May, 1998, the U.S. Government announced sanctions on India which include the following:

- 1) termination of assistance under the Foreign Assistance Act of 1961, except for humanitarian assistance or food or other agricultural commodities;
- 2) termination of sales of defence articles, defence services, or design and construction services under the Arms Export Control Act, and termination or licenses for the export of any item on the United States Munitions list;
- 3) termination of all foreign military financing under the Arms Export Control Act;
- 4) denial by US Government of any credit, credit guarantees, or other financial assistance by any department, agency or instrumentality of the U.S. Government;
- 5) the US opposition to extension of any loan or financial or technical assistance by any international financial institution;
- 6) prohibiting US Banks from making any loan or providing any credit to the GOI, except for purposes of purchasing food or other agricultural commodities;
- 7) prohibiting the EXIM Bank from giving approval to guarantee, insure or extend credit, or participate in the extension of credit and support of US exports to India; and
- 8) prohibiting the exports to India of specific goods and technologies subject to export licenses by the Commerce Department.

(b) and (c) The US President was recently provided authority by the US Congress to waive for a period of one year some restrictive measures imposed on India. In partial exercise of this authority, the US Government has decided to waive measures relating to:

- i) Restrictions on assistance through the EXIM Bank, Overseas Private Investment Cooperation (OPIC) and the Trade Development Authority.
- ii) Restrictions on US Banks and
- iii) Resumption of International Military Education and Training (IMET) programme to facilitate limited education and training cooperation between the uniformed forces of the US and India.

These waivers are in addition to removal of restrictions on finance and credit guarantees for agricultural commodities, medicines and fertilisers, which were exempted earlier in July 1998.

(d) India has been engaged in an intensive dialogue on a range of issues relating to disarmament and non-proliferation with the United States. These discussions have led to a narrowing of gaps of perceptions. It appears it is in recognition of this that the United States has lifted some of the measures.

(e) India has always maintained that unilateral and restrictive economic measures are unjustified and counter productive and therefore should be fully lifted.

[English]

F.E.M.A.

2254. SHRI K.P. NAIDU : Will the Minister of FINANCE be pleased to state :

(a) whether some drawback have been pointed out in F.E.M.A. (New Act replacing FERA) by the experts with particular reference to its clause 49,

(b) if so, the details thereof; and

(c) the steps proposed to be taken to rectify the deficiencies in the Act?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Associated Chambers of Commerce and Industry of India (ASSOCHAM) and the Money Changers Association of India have represented to the Government regarding Clause 49(3) of Foreign Exchange Management Bill, 1998. Both these Associations have suggested that the Government may provide that all offences under FERA, 1973 which may be inconsistent with the new Act, should be compounded under the new Act within a period of six months by either adjudicating authorities or by the RBI. Similarly, APEX Chambers of Commerce and Industry, Punjab, have represented that all cases of foreign exchange contravention pending under FERA, 1973 should be dealt with according to the provisions of Foreign Exchange Management Bill, 1998.

(c) The Foreign Exchange Management Bill, 1998, is presently under examination of Standing Committee on Finance. On receipt of the recommendations of the Standing Committee on Finance, Government will take a view in the matter.

Purchase of Drilling Machine

2255. SHRI MAHBOOB ZAHEDI : Will the Minister of COAL be pleased to state :

(a) whether the Eastern Coalfields Limited, a subsidiary of Coal India Limited procured a Drilling Machine from Germany.

(b) if so, the cost of the Drilling Machine and the expenses incurred for training of the ECL personnel;

(c) whether the parts of the Machine were allowed by ECL authority to expose to sun and rains and lose its mechanical efficiency during the complete year of 1997;

(d) whether the Mines Safety Department considered that its shape is too large and heavy to carry it to the Mines Locations;

(e) if so, the steps taken by the Government against the management of ECL for procurement of this valued machine at the cost of foreign exchange, who failed to assemble the parts and put it into operation?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) Coal India Limited has procured a large DIA boring machine from Germany for emergent rescue of miners trapped below in any underground mine in any subsidiary of Coal India Limited. The machine has been stationed at mine rescue station, Sitampur. The total cost of the machine is Rs.14.97 crores. Coal India Limited did not incur any expenses for the training of its personnel. However, an expenditure of Rs.3.5 lakh was incurred by Coal India Limited on their forward and return journey to Germany.

(c) No, Sir.

(d) No, Sir.

(e) Question does not arise in view of reply of part (d).

Temporary Workers in MCL

2256. SHRI JUAL ORAM : Will the Minister of COAL be pleased to state :

(a) whether the Government are aware that some workers in the Basundhara Area of MCL in Sundargarh district of Orissa are working on casual basis since long;

(b) if so, the details thereof and the reasons therefor; and

(c) the remedial steps taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) As reported by Coal India Limited, no worker is working on casual basis in the Basundhara area of Mahanadi Coalfields Ltd (MCL) in Sundargarh District of Orissa.

(b) and (c) Do not arise in view of reply given to part (a) above.

Scholarships to Trainees of ITDC

2257. SHRI AJAY KUMAR S. SARNAIK :
SHRI MANIKRAO HODLYA GAVIT :
SHRI C.D. GAMIT :

Will the Minister of TOURISM be pleased to state :

(a) whether ITDC has got its own Institute for imparting training by giving scholarships;

(b) if so, since when and the number of these apprentices have been absorbed on the post of House-keeper, Cook, and Receptionists etc;

(c) whether ITDC is not giving preferences to their own trained staff but filling up the vacancies taking from outside;

(d) if so, the reasons thereof;

(e) whether the Government propose to absorb their own trained staff first on whom ITDC has incurred a lot of money for giving them training; and

(f) if not, the details of the difficulties are being experienced in this regard.

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) and (b) No. Sir. ITDC neither runs an open training institute nor imparts training by giving scholarships. However, ITDC has an in-house Manpower Training Centre for imparting training to its employees. Under the provisions of Apprentices Act 1961, various hotels of ITDC provide training for various trades as per training quota fixed by the Ministry of Labour. The Apprenticeship Act does not provide for absorption of apprentices.

(c) and (d) ITDC Recruitment Rules do not provide for giving preferential treatment to the apprentices. Selection of candidates for filling up vacant posts under different categories is made on merit basis following the recruitment procedure. The apprentices are also considered alongwith others, if they fulfil the criteria.

(e) and (f) The quota for apprenticeship training being fixed by the Government far exceeds the requirement/vacancies of individual hotels. Hence, neither it is possible nor the recruitment rules provide for absorption of apprentices.

Compensation from French Firm

2258. SHRI MAHBOOK ZAHEDI : Will the Minister of COAL be pleased to state :

(a) whether the Coal India Limited entered into an agreement with a French organisation for introduction of low powered support long wall face at the Samla Seam of Khottadiah Colliery;

(b) whether the powered support system miserably failed most of the machinery supplied by the French firm were badly damaged and were out of utilisation due to crumbling of the roof and seizing of fire;

(c) whether the CIL asked for a compensation from the French Firm on account of their failure to fulfill the terms and conditions;

(d) if so, the amount asked for compensation;

(e) whether the French Company had paid the compensation; and

(f) if not the present position thereto?