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Friday, March 22, 1985
Chaitra 1, 1907 (Saka)

LOK SABHA DEBATES (English Version)

**Second Session
(Eighth Lok Sabha)**



(Vol. II contains Nos. 1 to 10)

**LOK SABHA SECRETARIAT
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LOK SABHA DEBATES

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LOK SABHA

Friday March 22, 1985 | Chaitra 1, 1907
(Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*Translation*]

Availability of Coal in Chandrapur, Nagpur and Yeotmal Districts of Maharashtra

*141. SHRI VILAS MUTTEMWAR : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government are aware that coal is available in abundance in Chandrapur, Nagpur, and Yeotmal districts in Maharashtra;

(b) if so, the quantity of coal available there;

(c) the production and requirement of coal in the country at present and the quantity of coal likely to be required after ten years;

(d) the time by which mining work in coal mines of these areas will be started with a view to meet the coal requirement of the country; and

(e) whether preference will be given to the people of Vidarbha in the matter of providing employment therein?

[*English*]

THE MINISTER OF STEEL MINES AND COAL (SHRI VASANT SATHE): (a) Yes Sir.

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(b) Wardha Valley Coalfield spread over Chandrapur and Yeotmal Districts and Umrer, Kamptee Silewara Coalfields spread over to Nagpur District of Maharashtra have proven reserves of coal nearly 1257 and 785 million tonnes respectively.

(c) In 1984-85, the estimated total production of coal is 146.57 million tonnes. At this level of production, the requirements of consumers would be met. In fact, pithead stocks of coal have increased from 22.69 million tonnes at the beginning of the current financial year to 26.29 million tonnes as on 1.3.1985. The production of coal in 1994-95 is estimated to be around 325 million tonnes. This level the production will fully take care of the estimated demand.

(d) Coal mining in these coalfields has been going on for many years and the present production from the mines under Wardha area is 6.24 million tonnes. The mines of Nagpur area are presently producing 3.35 million tonnes of coal. A number of new mining projects have been identified to be opened in these two coalfields during the 7th Five Year Plan. Some of the projects that have been identified to be opened in the Districts of Chandrapur and Yeotmal are Rayatwari-Mahakali opencast, Paili-Bhatadih opencast, Mungeli opencast, Gauri opencast, Gauri underground, Behraband, Kolar-Pipri, Wirurchinchuli, Babupeth and Bander. Geological investigation in some of the mining blocks have already been completed and the work in some other areas is in progress.

In case of Nagpur District, new mines to be taken during the 7th Five Year Plan include Gondegaon, Patanaongi Shaft Mine, Saoner Expansion and Kamptee opencast. The project reports for some of these mines are under formulation.

(e) All recruitment is done by the coal company from out of names recommended by the local employment exchange, with

reference to norms and eligibility and suitability of applicants.

Over and above this, land losers are also provided employment as per laid down norms for this purpose.

SHRI VILAS MUTTEMWAR : Mr. Deputy Speaker, Sir, I would like to know from the hon. Minister whether the Ministry of Coal has sufficient stock of coal to run the two Super Thermal Power Stations of 4000 megawatt capacity which have been sanctioned by the Central Government in District Chandrapur, keeping in view the huge deposits of coal in Chandrapur, Nagpur and Yeotmal Districts, and if not, how Government propose to meet the requirement of coal.

May I also know what financial provision has been made for mining work in these mines and how many people will get employment thereby?

SHRI VASANT SATHE : Mr. Deputy Speaker, Sir, the coal required for the proposed two Super Thermal Power Stations is available. We propose to produce at least 14.93 million tonnes of coal during the Seventh Plan period. Out of that twelve million tonnes of coal will be required in the two Super Thermal Power Stations when they are completed. The coal is available with us. Financial provision has been made for it. The work has started and coal will be available from all the mines to the full extent.

So far as employment is concerned, it is estimated that about 10 million tonnes of coal will be produced and at least ten thousand persons will get employment thereby.

SHRI VILAS MUTTEMWAR : The hon. Minister has mentioned in his reply that coal mining is likely to be started at several places. In this context, I would like to know from the hon. Minister whether his Ministry intends to give priority to backward areas for mining of coal. I would also like to know when the mining work will be started in the Bandar mine in Cheemur tehsil which has a capacity of 90 lakh tonnes and whether any financial provision has been made therefore, if so, whether a pragmatic approach would be adopted at the time of giving compensation to those whose lands would be acquired and whether preference

would be given to the people of that area in employment.

SHRI VASANT SATHE : Yes, Sir, backward areas are paid, and would be paid, more attention. So far as Bandar is concerned, it has been included in the Seventh Plan and work is in progress there. In the Plan, about 90 lakh tonnes of coal is estimated to be extracted and the investment on it will be of the order of Rs. 9 crores. Initially, we have made a provision of Rs. 1½ crores this year and the work is in progress there. As per our present policy, wherever mining operations are undertaken, the local people are given employment to the maximum extent.

SHRI SHANTARAM POTDUKHE : An open cast mine is proposed to be operated in Chandrapur for which the lands of the farmers are being acquired. I would like to know whether any compensation has been demanded in lieu thereof and whether any memorandum has been received by the hon. Minister in that connection, and if so, what decision is being taken in the matter?

SHRI VASANT SATHE : I have not received any memorandum. We will be able to take a decision only after a memorandum has been received keeping in view their demand and the amount of compensation that could be given.

[*English*]

SHRI D.B. PATIL : Sir, it has been stated in reply to part (e) of the question that employment is made available to the agriculturists, whose lands have been acquired, as per the norms laid down by the Government. I would like to know what are the norms and whether those norms are followed strictly so far as his Ministry is concerned.

SHRI VASANT SATHE : I do not have the standard norms here with me. I will pass them on to the hon. Member. But I can assure him that every effort is made to follow the norms strictly.

[*Translation*]

SHRIMATI KRISHNA SAHI : In view of the fact that modernisation of coal mines has been under Government's consideration for long, I would like to know whether the

Government have fixed any time-limit for completion of this work, and if so, the details thereof.

SHRI VASANT SATHE : Mr. Deputy Speaker, Sir, it has always been our endeavour to see that modern techniques are used in every field to the maximum possible extent, and it is all the more needed in the field of coal mines. For modernisation of coal mines, a Central Mine Planning and Design Institute has been set up at Ranchi. It is their constant endeavour to see how new techniques can be used, such as for example the techniques of open cast mining. It is their endeavour to find out how to achieve maximum production of coal at minimum cost by adopting new techniques.

[English]

Reorganisation of NTC

*142. **SHRI INDRAJIT GUPTA :** Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether any study has been undertaken regarding organisational structure of the National Textile Corporation and also to assess the manpower requirement of the Corporation;

(b) if so, the details thereof;

(c) whether Government have examined the recommendations; and

(d) the action taken thereon?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and (b). Yes, Sir. A study has been entrusted to a consultant regarding organisational structure and manpower requirement of National Textile Corporation (Holding Company). The study includes determination of the role/function of National Textile Corporation (Holding Co.) and streamlining the functions of various divisions as well.

(c) and (d). The report of the Consultant has not yet been received.

SHRI INDRAJIT GUPTA: In view of the fact that the National Textile Corporation over the years has mainly, or perhaps wholly, been engaged in taking over mills, which were sick or closed by the private

employers, it is not surprising that the financial performance of the NTC has been somewhat dismal and there have been losses continuously, though I find that in 1983-84 the cumulative result seems to indicate some profit for the first time, according to the volumes which have been given to us recently. I would like to know whether this enquiry or study, which is going to be undertaken or is under way now, is going to concern itself with any complaints, which have been coming to the Government regularly, regarding the mismanagement of these mills, some corruption, the shortage of raw materials at reasonable prices, the inadequacy of textile machinery, the inadequacy of stores and spares. Is the enquiry going to cover all these things, or is it only to deal with the structural changes in the management?

SHRI VISHWANATH PRATAP SINGH : It is mainly confined to the structural changes to determine the role and function of the National Textile Corporation (Holding Co.) vis-a-vis the subsidiary corporations; streamlining the functioning of the divisions of the corporate office, study of the organisational structure of the corporate office and manpower. This is the main idea of the study, which the hon. Member has mentioned. He has rightly stated that it is only the sick and closed mills that we have taken over. There has been a handicap right from the start. But, he would be glad to know, that in January 1985, 35 mills have shown cash profits. There has been an improvement in recent years.

SHRI INDRAJIT GUPTA : It has always been the contention of the Government that they have to take over sick and closed mills, most of these mills were functioning with very out-dated and ramshackle machinery and it requires huge investment for modernisation and so on. May I know from him why Government has been reluctant or unwilling to take over the mills, which are far from being in an out-moded condition, which are functioning with very good and up-to-date machinery, which had very good export markets, but which, nevertheless, were closed by the private mill owners? I am referring in particular to the case of the Anglo-French Textile Mill in Pondicherry, where the hon. Prime Minister, as reported in the press, during his election meeting recently in

Pondicherry, assured the people there that steps were going to be taken soon to reopen this mill, which is lying closed for over 2-1/2 years, and 7,000 workers are out of jobs. I think the hon. Minister will not contradict me when I say that he also agreed with us in the past, that it was a very good mill technically, with up-to-date machinery and an excellent export market. Why is it that mills of this kind are never taken over, only ramshackle mills are taken over, and that is being pleaded as a ground for losses?

PROF. MADHU DANDAVATE : The Finance Minister likes patients very much'

SHRI VISHWANATH PRATAP SINGH : It is not correct to say that only ramshackle mills are taken over. But when the mills are in a ramshackle condition, then the hon. Members from the other side also join in the demand that the Government should take them over. And when we take them over, we are told that we have taken over only ramshackle mills.

SHRI INDRAJIT GUPTA : Why don't you take over good mills, which are closed down?

SHRI VISHWANATH PRATAP SINGH : The hon. Member will remember that in Bombay we took over 13 mills. According to our norms, they were the right mills to be taken over, but the High Court of Bombay has adjudged that those mills, the Elphinston and other mills, were not in that category of sick mills. We have gone in appeal. Because it is *sub judice*, I will not make any further mention.

About the Anglo-French Mills, under the IDR Act we are contemplating investigation in depth. But one thing I want to put before this august House is that the net loss of the NTC since inception has been Rs. 529 crores, it is true, but what it has contributed in excise is Rs. 300 crores, and what it has paid as wages is about Rs. 1400 crores. It has gone to a social cause of giving livelihood to so many people at only this much of cost.

SHRI INDRAJIT GUPTA : I am not against the NTC. Do not misunderstand me.

SHRIMATI MAMTA BANERJEE : In West Bengal, the Textile Processing Corpo-

ration is not getting sufficient orders from the National Textile Corporation. If this Corporation does not get sufficient orders, its factory will be closed down and its workers will be rendered unemployed. Because this factory is dependent on the orders of the National Textile Corporation, I would like to know whether the Government has any proposal to allot sufficient orders to the Corporation to enable it to continue its operations.

SHRI VISHWANATH PRATAP SINGH : I have no information at this moment on this specific question.

SHRI ASUTOSH LAW : In West Bengal, the Bengal Enamel Company is one of the biggest companies which is lying closed. As a result there are 1,800 workers who are now out of employment. I would like to know whether there is any proposal to take over this company.

SHRI VISHWANATH PRATAP SINGH : This question relates to those mills which are under the NTC. The question which the Hon. Member has asked relates to a company other than those falling under this category. Therefore, I think, this question is out of the ambit of the question.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : The condition of the Jute Mill in Gaya district of Bihar has deteriorated due to its mismanagement and it is on the verge of closure. Four hundred workers have not been paid their wages for as many as four months. I would therefore, like to know, whether Government will institute an enquiry to bring about improvement in its condition.

[English]

SHRI VISHWANATH PRATAP SINGH : This question is regarding the general organisation of the NTC. There are 103 nationalised mills. In total there are 125 mills and it is not possible to have a discussion on each specific mill. Therefore, I think I need not reply.

SHRI P. C. SETHI : I would like to know from the Minister whether any of these mills which have been taken over by the Government are likely to be closed. In this connection I would particularly refer to some of the mills in my Constituency,

Indore, like the Swedeshi Cotton mill and others, which have been taken over.

SHRI VISHWANATH PRATAP SINGH : There is no such decision as yet.

**Export of Levy Sugar by
factories**

*143. **SHRI BALASAHEB VIKHE PATIL** : Will the Minister of **COMMERCE AND SUPPLY** be pleased to state :

(a) the quantity of levy sugar exported by factories during 1983-84, State-wise ;

(b) whether targets were fixed for 1984-85 for export of levy sugar ; if so, the details thereof ; and

(c) whether the targets have been achieved and if so, the extent thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) Export of sugar is canalised through the STC. The State Trading Corporation exported 8.135 lakh MTs of sugar, during 1983-84.

(b) and (c). Under the International Sugar Agreement, 1977 India had an export quota of 6.5 lakh MTs for the calendar year 1984. It was originally intended to fulfil this quota. However, after a review of estimates of production, consumption trends, prices and the position regarding the new International Sugar Agreement, it was decided to limit the exports to about 3 lakh MTs during the calendar year 1984. The actual exports during the calendar 1984 was 2.87 lakh MTs. The actual exports during the financial year 1984-85 are expected to be about 1.56 lakh MTs, earning foreign exchange worth Rs. 37.10 crores.

[Translation]

SHRI BALASAHEB VIKHE PATIL : Mr. Deputy Speaker, Sir, the hon. Minister has said that a statement has been laid on the Table. I wanted to know the Statewise figures of sugar exported during 1983-84. But Statewise figures have not been given. Sugar is exported through S.T.C. only after concluding an agreement with every sugar mill. I do not know the difficulty in supplying Statewise figures. The share of Maharashtra in export of sugar is the largest

whereas sugar production in Maharashtra is declining. I want clarification in this regard. I would also like to know the foreign exchange earned by exporting sugar in 1983-84. The sugar exported in 1984-85 was less than the quantity earmarked for that year. What is the reason therefor? As the price of Sugar has been fixed on the lower side in the country, the price paid for sugarcane was also less. The low price of sugarcane has resulted in less production of sugar even today. We are not exporting sugar proportionate to production. I would like to know the quantity of sugar imported and the amount spent thereon.

SHRI VISHWANATH PRATAP SINGH : Sir, in 1983-84, 4.17 lakh tonnes of sugar was procured from the factories in Maharashtra, 1.33 lakh tonnes from Tamilnadu, 1.01 lakh tonnes from Karnataka, 0.85 lakh tonnes from Andhra Pradesh, 0.61 lakh tonnes from Uttar Pradesh and 0.48 lakh tonnes from Gujarat. It is true that the maximum quantity of sugar was procured from the factories in Maharashtra for export. In the year 1983-84, a total of 8.14 lakh tonnes of sugar was exported which yielded Rs. 210.92 crores. Now the question is why we have not further increased the export of sugar. We had proposed to export 6.5 lakh tonnes of sugar in 1984-85, but keeping in view the fact that our total production of sugar was 59 lakh tonnes as against the production of 82 lakh tonnes in the preceding year, we had to give up that proposal because if we had exported more sugar the sugar price would have gone up in the country. Hence, we did not feel the necessity of export. We had concluded contract for only 3 lakh tonnes for which the Government had given permission. A total of 2.51 lakh tonnes of sugar was exported in the year 1984.

SHRI BALASAHEB VIKHE PATIL : I wanted to know about import also.

SHRI VISHWANATH PRATAP SINGH : 4.96 lakh tonnes of sugar were imported during that year.

SHRI BALASAHEB VIKHE PATIL : Secondly, I would like to know this also from the hon. Commerce Minister we used to have import and export of sugar in accordance with the International Sugar Agreement but since this arrangement is no longer in existence, what would be the mode of

import now? What target has been fixed for import of sugar in the Calendar year, 1985 and how much foreign exchange will be spent thereon. Besides, what measures do government propose to adopt to reduce the import and increase the production of sugar in the country?

SHRI VISHWANATH PRATAP SINGH : In so far as the new sugar agreement is concerned, that arrangement is still in existence. But it is a fact that they could not agree among themselves on certain issues; problems arose in the matter of quota etc. and as such the quota could not be fixed. But the new Agreement is still in existence and it will continue in future also. Only distribution of quota could not be agreed upon. So far as the import of sugar in the year 1985 is concerned, I would request the hon. Member not to put any question in this respect because it would affect our international prices. You can take it for granted that we shall not spend more than what is reasonable. The Commerce Ministry and the Agriculture Ministry both are striving to increase the production. If you desire to give any suggestion in this respect, I shall certainly convey it to them.

[*English*]

SHRI V.SOBHANADREESWARA RAO : The hon. Minister, having previously been the hon. Chief Minister of the biggest State in this country, is well versed with the subject. I would like to know whether he will take necessary action through the Ministry of Agriculture so that this country produces enough sugar for our internal consumption as well as to honour our export commitments and see that more sugar is exported and more foreign exchange earned. So, I would like to know whether instead of importing, he will take necessary action through the Agriculture Minister by asking him to announce a remunerative price for sugarcane growers.

SHRI VISHWANATH PRATAP SINGH : I quite agree with the hon. Member.

[*Translation*]

SHRI RAM NAGINA MISHRA : There was shortfall in the production of sugar in 1983-84 and as a result we had to import. The main reason was that remunera-

tive price was not paid for sugarcane. I would like to know from the hon. Minister whether there were other reasons also for the shortfall in sugar production. Do Government propose to import sugar, in view of shortfall in sugar production, in order to ensure that the price of sugar does not increase further in the country.

SHRI VISHWANATH PRATAP SINGH : I have already requested the hon. Member not to insist on knowing the quantum to be imported. Nothing will be done which is in excess of the requirement, whether it is import or export.

[*English*]

SHRI P. KOLA-NDAIVELU : Sir, what is the total production of sugar in India for the year 1984-85? What is the actual price we are getting in the world market? I think, we are getting a low price in the world market. If it is true, is there any proposal of getting more money in the world market by India by selling sugar at an increased price?

Is there any such proposal from the Government?

SHRI VISHWANATH PRATAP SINGH : It is true that our domestic sugar prices are higher than international prices. The main causes are the productivity of the sugarcane and, of our factories. In the world market, they can sell cheaper. That is one problem as to how to get better prices. I think, we have to go in for added value items like refined sugar in package form. This form of added value will give us better prices.

SHRI H.M. PATEL : There is one question that you have not answered. It is felt that because of the prices given to the producers of sugarcane are low that the production is not increasing. Is there any truth in this? I think, this was the original question put.

SHRI VISHWANATH PRATAP SINGH : Sir, I would not be handling areas of other Ministries.

SHRI H. M. PATEL : It is true that it may be with other Ministry. But you are also vitally concerned as the Minister in-charge of exports. I think, it is necessary

because you export sugar and you decide upon the quantum of export with reference to the availability of sugar in the internal market. If it is so, I think, it is incumbent on you to approach the other concerned Ministries and tell them that they must raise the prices to be given to the growers.

SHRI VISHWANATH PRATAP SINGH : Sir, Government have a policy in this regard and they are announcing the prices regarding sugarcane. The States are also ensuring that the prices are paid, remunerative prices are paid to the farmers. That is the general policy of the Government.

But apart from protection, we have to concentrate on the aspect of productivity, and the Ministry of Food is taking steps along with the States to increase the productivity of sugar.

Licences given to lead Banks for opening new branches in West Bengal

*144. **SHRI SAIFUDDIN CHOWDHURY :** Will the Minister of FINANCE be pleased to state :

(a) the number of licences given to lead banks to open new branches in West Bengal during the last three years;

(b) how many of them have been implemented;

(c) the number of licences which remain unutilised ; and

(d) the reasons for the non-implementation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). A statement is laid on the Table of the House.

Statement

Three Nationalised Banks namely United Bank of India, United Commercial Bank and Central Bank of India have lead responsibilities in West Bengal. The Reserve Bank of India, during the last three years had issued 112 licences to these banks for opening branches in their lead districts of West Bengal. Out of these 112 licences, 10 have been utilised and 102 are pending.

Under the current branch licensing policy covering the period April 1982 to March 1985, the State Governments identify in consultation with the District Consultative Committees centres in rural areas for locating branches. The centres so identified by the State Government are forwarded to Reserve Bank of India for considering allotment among banks for branch opening. Reserve Bank of India has reported that there has been some delay in this process in case of West Bengal with the result that most of authorisations/licences could be issued only in the second half of 1984 or early 1985. The banks are also facing problems like non-availability of suitable premises, clearance from security angle by Police authorities and lack of infrastructure like roads.

SHRI SAIFUDDIN CHOWDHURY :

Sir, the reply given by the Minister gives a distorted picture of neglect and non-performance of lead banks in West Bengal. It says out of 112 licences issued in three years, 10 had been utilised and 102 licences are pending. The reasons for this are quite unconvincing. It says : Non-availability of suitable premises, clearance from security angle by police authorities and lack of infrastructure like roads.

Now, we had seen just some months ago when there was a serious effort to open branches of some banks in a particular district in West Bengal under the active guidance of the previous Finance Minister, nothing stopped him to do that. In fact, it was contrary to the suggestion of the State Government that the branches should not be concentrated in one particular district and they should be rationally distributed to other districts also.

If the clearance from security from police is an important factor, I want to know how many licences are held up due to this reason. Regarding the infrastructure like roads, any person who is travelling in West Bengal will agree that during the last 7 years—unlike the previous years—roads are improved very much and they are jeepable and motorable also, thanks to the State Government and the Panchayats. (*Interruptions.*) So, these are not the actual reasons. I want to know whether there are also other reasons behind this non-implementation. If he says that the delay of the State Govern-

ment's recommendation to the RBI caused non-implementation—he stated that it came in the latter part of 1984—then, I want to know how many recommendations they got by 1982 and 1983 from the State Government and how many of them remain unutilised.

SHRI JANARDHANA POOJARY : I have confined my reply to the question itself. So far as the lead banks' performance is concerned, in West Bengal, I have stated that out of 112, 102 are pending. So far as West Bengal is concerned, we have opened branches, including RRB, of commercial banks. 373 branches have been opened during the current branch licensing policy. As per the branch licensing policy of the Reserve Bank of India, the centres have to be identified by the District Consultative Committee of which the District Collector is the Chairman. The proposal will go to the State Government; the State Government will send the proposal to the Reserve Bank of India and the Reserve Bank of India will allot and authorise the centres in consultation with the State Government.

In the month of December, 1981, the Reserve Bank of India has written to the State Governments to identify the centres. The State Government of West Bengal submitted the first list in the month of January, 1983. Subsequently, they submitted the proposal in piecemeal. The last proposal came in the month of March, 1985, that is, this month. The current licensing policy is for the period between April, 1982 to March, 1985.

We are also not satisfied with the performance of the banks and also the State Government. That is why the Reserve Bank of India has set up a Committee with the representatives from NABARD and RBI to monitor the implementation of the programme. 1,062 authorisations have been issued. The major portion of authorisations have been issued after June, 1984.

The hon. Member has asked for certain details, as to how many proposals have been issued in the first list. All these particulars I have sought for and, if the hon. Member is going to write to me, I will definitely furnish the information to him. At the same time, I request for the cooperation from the State Government. The State Government should also expedite and also

provide infrastructure facilities. It is not a party issue; it is a national issue. We want also the cooperation of the State Government. The infrastructure facilities should be provided; roads should also be there; the accessibility should be there and the police clearance from the security angle should also be there.

PROF. MADHU DANDAVATE : Who is the representative of the State Government here? There is nobody. Whom is he appealing to?

SHRI JANARDHANA POOJARY : The representatives from West Bengal are here. I hope, the State Government will show a better performance.

SHRI SAIFUDDIN CHOWDHURY : My particular question has not been answered. What he has said is that the implementation will be taken up very seriously and in that matter the State Government is very much ready, I believe, to cooperate.

SHRI PRIYA RANJAN DAS MUNSHI : Are they functioning? (*Interruptions*)

MR. DEPUTY SPEAKER : Please don't interrupt. I will give you a chance. (*Interruptions*)

During this period you have given licences to some foreign banks to open their branches here. But you have not given licence to the West Bengal Government to set up a bank.

I would like to know why you have discriminated against your own State Government and shown favour to foreign banks.

SHRI JANARDHANA POOJARY : The proposal of setting up bank for the West Bengal Government is under consideration. Every State Government is coming forward with the request to set up a separate bank. How many banks will have to be opened? This is being considered by the Reserve Bank of India.

SHRI SAIFUDDIN CHOWDHURY : You should take a decision on this matter.

SHRI PRIYA RANJAN DAS MUNSHI : The hon. Minister has admitted the performance of the State Governments and the State Banks. (*Interruptions*)

SHRI PRIYA RANJAN DAS MUNSHI : The late lamented Prime Minister Shrimati Indra Gandhi specifically provided that the self-employment programme should be implemented, that the loan applications should be disposed of by 31st March this year and that the IRDP should be financed 50% by the Centre and 50% by the State. But, due to political obstacles and pressures, the programme for the youth in the urban and rural areas and the loan programme, have not been implemented till now.

Will the hon. Minister enquire into the matter and take steps to implement the programmes? It is a fundamental question.

(Interruptions)

SHRI JANARDHANA POOJARY : It is the duty of the Central Government to monitor and supervise the performance. We have been receiving complaints and we are going to look into it.

Proposal to set up new steel plants

*145. **SHRI CHITTA MAHATA :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether recently there was a round table conference on the steel industry in the country ;

(b) if so, the details thereof;

(c) whether there is any proposal to set up new steel plants in the country for raising the steel production ;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE)

(a) Yes, Sir.

(b) The round table conference was held on the 18th and 19th February, 1985. Eminent steel men in the country, both past and present, from the Government, public and private sectors were invited to the round table. The conference deliberated upon key issues before the steel sector such as investment priority for the future, improving operations in short term, market development, labour and personnel policies and project management.

(c) Yes, Sir.

(d) Government have decided, in principle to set up two new steel plants, one at Daitari region in Orissa State and the other at Vijayanagar in Karnataka State.

(e) Does not arise.

SHRI CHITTARANJAN MAHATA : In reply, the hon. Minister has stated that the Government have decided to set up two new steel plants in Orissa and Karnataka considering the less production capacity of existing steel units.

Under the circumstances, I would like to know from the hon. Minister what remedial measures have been taken for raising the production capacity of Durgapur, Burnpur, Bokaro, Bhilai, and Rourkela so as to meet the country's demand. What positive steps have been taken for modernisation of these plants?

What would be the installed capacity of the proposed new steel plants to be opened in Orissa Karnataka and when would they be set up?

SHRI VASANT SATHE : As far as the existing steel plants are concerned, it is true that most of the steel plants in Durgapur, Rourkela, Burnpur, TISCO and others do need to be modernised and we have definite plans for modernising these plants. That is why, we have all these efforts, not only—Round Table Conference but also Working Groups. Yesterday I had a meeting for the whole day with the executives of these Plants to find out what are the immediate steps that can be taken and what are the long-term measures that are required to be taken. And we feel that the best way to increase production would be to modernise the existing plants and make them operate to their rated capacity. That is one major objective that we have.

The second thing is this. As far as new plants are concerned, our thinking is that technology in the steel industry is moving very fast, developing very fast, and, therefore, we must go in for the best and cost-effective technology. We are looking into it. That is why, in these two Plants, both in Karnataka and Orissa, we are thinking of the latest technologies known as DR, INRED and KR technologies. If they are successful

and we think they will be—then it will practically revolutionize the production of steel in the country. With the resources that we have, particularly lack of coking coal, the existing technology does not suit us and that is why we want to go in for the latest technology; that is what we are aiming at.

SHRI CHITTARANJAN MAHATA : What is the allocation for the new Plants? Also I would like to know from the hon. Minister whether Government is considering setting up of more steel plants in the backward areas of the country, particularly in the eastern region.

SHRI VASANT SATHE : I have said about these two Plants. In addition, we have no thinking at present. I know, the need of the country for steel is very great. We have practically stagnated at 9 million tonnes. At one stage, as late as in 1976, the Working Group on Steel has projected production of 75 million tonnes by the turn of the Century, that is, in 15 years hence. But we do not think, seeing the way in which we are going at present, we would even be able to reach 22 million tonnes by the turn of the Century. (*Interruptions*). It is for the House to decide ultimately as to what are the resource priorities. If we want steel in the country, we have the best resource in the world, one of the highest, and we can, instead of exporting the iron ore, convert it into steel. The only question is of cost effective technology and methods. We are looking into it. If there is cooperation and if there is resource availability—we are going to consider it with the Finance Minister and the Planning Commission—then I think we can produce more steel in the country.

DR. KRUPASINDHU BHOI : I want to know from the hon. Minister as to what is the present installed capacity of the steel plants in the private as well as public sector and whether, due to faulty professional management, there are leakages in the public sector plants and also whether, in the name of modernisation and expansion, they are asking for improving the design parameter to have a better rated capacity.

For example, the TISCO plant which was set up three decades ago is now working to its full rated capacity with only a slight innovative measure—not modernisation or expansion. Why not our public sector steel

plants follow the same practice the TISCO is following incorporating the professional expertise of the TISCO and see that our installed capacity comes to the rated capacity in both saleable steel and the hot iron matter?...

MR. DEPUTY SPEAKER : Please put your supplementary.

DR. KRUPASINDHU BHOI : It has already been decided last time that the Daitari and the Vijayanagar steel plants will be importing the upto-date technology which is already prevailing in Japan. In Japan they have already started production of saleable steel based on this upto-date technology at a lower cost. Why not the Government allocate more funds in the Seventh Plan? It was said by his predecessor on the floor of the House that Rs. 400 crores will be required for the Daitari and the Vijayanagar plants whereas only a paltry amount of Rs. 1 crore has been allotted.

SHRI VASANT SATHE : I am thankful for the information given.

SHRI SUDINI JAIPAL REDDY : In the answer the Minister dealt with the agenda of the Round Table Conference held in February 1985. He did not disclose the recommendations made by the Round Table Conference.

I would like to know from the Minister what the recommendations of the RTC were in regard to investment priorities, whether the RTC recommended a high investment priority for the Visakhapatnam Steel Plant as it is an on-going project and whether the budget provision this year is in conformity with that recommendation.

SHRI VASANT SATHE : The Round Table does not go into specific plants. General recommendations only they make.

PROF MADHU DANDAVATE : It only went round and round.

SHRI VASANT SATHE : That a Round Table normally does.

Their recommendation was to create a National Steel Development Council and then to specifically set up groups for different sectors. Now it is these Groups which will go into the specifics regarding each sector and will make recommendations. ...

SHRI INDRAJIT GUPTA : Sector means plant ?

SHRI VASANT SATHE : That means that they will make recommendations relating to labour productivity, plant modernisation, technology, etc. Under different heads they will make recommendations.

I entirely agree that the objective of the Round Table or any effort must be to identify how best we produce more steel whether at Visakhapatnam or at any other place and that is what we are trying to do and that is where the latest technology becomes relevant. We are examining that. I entirely agree with the hon. Member that our objective must be to produce more steel. No industrialisation can take place without steel and, therefore, we must produce more steel. In fact I jocularly said in the Round Table that our slogan should be 'Beg, borrow or steal and produce more steel.' Now what more do you want?

SHRI SUDINI JAIPAL REDDY : The question was whether he the Minister is prepared to steel from the Finance Minister to get the Visakhapatnam Steel Plant come up early.

SHRI VASANT SATHE : I am willing, Sir, if he allows me.

AN HON MEMBER : How will he allow?

SHRI VASANT SATHE : Or if you will allow.

SHRI CHINTAMANI JENA : I am very glad that our new Steel Minister is very enthusiastic of the country producing more steel. In this connection, may I know whether he has gone through the proceedings of the House? His predecessor has given a commitment that the Daitari steel plant will be installed with modern technology and the cost was estimated at Rs. 400 crores.

Secondly, may I know whether the meagre amount allotted in the 1985-86 budget could be increased so that the Daitari steel plant is installed in a time-bound programme and completed before the Seventh Five Year Plan. Sir, I am grateful to the beloved Prime Minister, Shri Rajivji as well as the Steel Minister that they have included this much awaited steel plant in the Seventh Plan.

SHRI VASANT SATHE : Sir, as far as Daitari in Orissa and Vijaynagar in Karnataka are concerned provision has been made in our report for Rs. 400 crores each approximately. But in this new technology electricity is a must. When we talk of the plant invariably the State governments assure us that they will supply power but our experience has been both in Karnataka and in Orissa that after the plant is set up with huge cost from public exchequer they do not supply power and power is the most essential input for such new technology. I also want to say with the permission of the Chair that the State government can tell us right from now that they will not give us power then we can think in terms of captive power plants of our so that government can look into it with the support of the Parliament but the questions is unless power is assured, I am afraid, these plants will not work.

PROF. MADHU DANDAVATE : You have been given 402 horse power. What you want !

SHRI VASANT SATHE : We are horse power but you are what!

Recommendation made by Committee of Reserve Bank of India on Mechanisation in Banking Industry

*146. **PROF. MADHU DANDAVATE :** Will the Minister of FINANCE pleased to state:

(a) whether the Reserve Bank of India Committee on Mechanisation in the Banking Industry have made their recommendations;

(b) if so, the recommendations of the Committee;

(c) whether Government have accepted the recommendations; and

(d) whether mechanisation/computerisation is considered necessary for ensuring speedy and timely service to customers?

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

Statement

The Committee set up by Reserve Bank of India on introduction of computers and

machines in banks has submitted its report. The Committee has recommended a phased programme of mechanisation/computerisation in different areas of work and different tiers of bank offices. It has suggested standardised procedures in various areas of work and recommended appropriate types of equipment suitable for various levels. The programme is to be so implemented that no dislocations arise and a gradual and smooth swith-over is possible. The Committee has also recommended that in addition to the existing checks and counter checks, the banks should devise some additional safeguards against errors and frauds.

Government have requested the Reserve Bank of India to consider implementing the programme within two to three years. Government considers mechanisation and computerisation necessary to improve the internal house-keeping of the banks and for rendering better customer service and build-up a better management information system.

PROF. MADHU DANDAVATE : Sir, I would like to know in what particular areas of the bank this computerisation and mechanisation is likely to be introduced. As a result of that from the concerned departments how many employees are likely to be displaced. I would also like to know what is the response of various trade unions in the banks for this proposal for mechanisation and computerisation.

SHRI JANARDHANA POOJARY : We have selected one branch from each major bank for the introduction of this mechanisation and computerisation on trial basis. About fifteen branches have been selected. We want smooth switch-over. We do not want any dislocation. There may not be any retrenchment also and nobody will be allowed to go home. There will be minimum displacement. The information is not readily available with me about the fifteen branches which have been selected but Reserve Bank of India has decided to introduce mechanisation in the Clearing Department in Delhi, Bombay and Madras and there is resistance from Calcutta area particularly from the Unions which are having leaning towards CPI (M) party are opposing it.

(Interruptions)

SHRI JANARDHANA POOJARY : All the Unions, in the beginning, opposed. That was before 1982. Now, as per the

recent bipartite agreement, these Unions have agreed. Sir, the purpose, as the House is well aware, is to introduce a better customer service in the banking system as a whole. There are many reports that if mechanisation or computerisation is introduced there will be easier detection of frauds. So, by this, the Banking system will definitely improve. As you know, for the past 15 years there has been a tremendous expansion in the banking system. We are keen to see that the next 15 years see a period of growth. We want to enter the 21st Century with a definite qualitative change in the customer services.

PROF. MADHU DANDAVATE: Sir, he has not answered the first part of my question. However he has agreed to lay it on the table of the House.

My second question is this.

There are two models available for computerisation in banks. I would like to know from the Minister as to which of the models he is going to adopt.

Model I is the following: —

Standalone Electronic Ledger Posting Machines with attached Memory Modules will be installed to perform dedicated functions at different counters.

Then Model II is as follows: —

A single Micro-Processor-based system will be installed in a Branch. Vouchers will be posted manually in primary ledgers as at present and thereafter the information will be entered into the Micro Processor System to generate Supplementaries, Day-Book, General Ledger and other Statistical Returns.

Which of these two Models is going to be adopted?

SHRI JANARDHANA POOJARY : As the House is aware, I am not an expert. Even my hon. friend, Prof. Madhu Dandavate is not an expert. As I have stated, the Reserve Bank of India has already set up a High Powered Committee. The Deputy Governor of the Reserve Bank of India is the Chairman. Also, the Reserve Bank of India has written to all the Chairmen of the Banks to set up a special committee in this regard.

PROF. MADHU DANDAVATE : Sir, I am not an expert; but I can tell you what question I have.

SHRI JANARDHANA POOJARY : These special committees will be there which are set up by the Banks. We are adopting Model I only, to start with.

[*Translation*]

SHRI GIRDHARI LAL VYAS : Mr. Deputy Speaker, Sir, the hon. Minister has just stated that there is resistance from the employees of the Calcutta unit to the introduction of computerisation. I would like to know whether the resistance is due to the workers of the Union controlled by CPI (M) with the employees of the Calcutta unit..... (*Interruptions*).

I also want to know whether the bank frauds will be checked by introducing computerisation, whether it will be possible to check frauds of the dimension that occurred in the Punjab National Bank in London and in other banks; and whether the workers of the union controlled by the Marxist Communist Party in Calcutta have some role in such frauds.

(*Interruptions*)

WRITTEN ANSWERS TO QUESTIONS

[*English*]

Decline in Export of Decorticated Cotton-Seed Cake

***147. PROF. RAMKRISHNA MORE :** Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether exports of decorticated cottonseed cake have considerably fallen during the last five years;

(b) if so, the reasons thereof; and

(c) the measures being adopted to step up the export?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) India's export of decorticated cottonseed extraction since 1980-81 are given below:—

Year	Quantity M.T.	Value Rs. Crores.
1980-81	2,09,497	27.88

1981-82	1,99,090	28.30
1982-83	1,74,868	22.86
1983-84	1,26,780	17.75
1984-85	44,707	6.17
(April-Jan., Provisional)		

(b) The prescription and enforcement of low levels of tolerance of aflatoxin in the compound animal feed by the member countries of the European Economic Community (EEC) and a reduction in the imports from India by USSR have adversely affected our exports.

(c) A three pronged plan has been launched to counteract the falling trend. The elements of the plan are:

- Reduction in levels of toxicity by better application of known methods of toxicity control;
- Research and development of new detoxification techniques; and
- Diversification of markets.

Price of Iron Ore

***148. SHRI MOOL CHAND DAGA :** Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether the price of iron ore, which reached a reasonable level in 1981-82 was reduced by 12.5 per cent in 1982-83 and by another 12.5 per cent for shipments in 1983-84;

(b) whether the current price is that which prevailed in 1980 ; and

(c) if so, the reasons for (a) & (b) above?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) to (c). A statement is laid on the Table of the House.

(a) Iron Ore prices world over increased between 11 to 17 % during 1982-83 over the prices prevailing in 1981-82. However, thereafter, due to severe recession in the steel industry world over leading to reduction in demand of iron ore, the prices of iron ore in the world market during 1983-84 went down by between 10.8 % to 12.9 % over the

prices for 1982-83 and were reduced further by between 8.5 % to 12.4 % during 1984-85 over the preceding year prices.

(b) As a result of reduction in iron ore prices continuously for 2 years during 1983-84 and 1984-85, iron ore prices during the current year, have more or less come down to the level of prices prevailing during 1980-81.

(c) Recession in steel industry and reduced demand of iron ore coupled with the efforts of major iron ore exporters to increase their production, leading to a situation of over supply of iron ore have been the main reasons for decline in iron ore prices during the last two years.

Interest to be paid to I.M.F.

*149. SHRI PIYUSH TIRKI : Will the Minister of FINANCE be pleased to state :

(a) the percentage of interest to be paid to the International Monetary Fund and the time and amount of the instalments thereof; and

(b) whether Government will have to seek another foreign loan to be able to pay the interest on the IMF loan?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) Drawals from IMF under Extended Fund Facility are in a mix of 1 : 1 of ordinary and borrowed resources. There are separate schedule of charges for the ordinary and borrowed resources of the IMF. The current rate of charges are as under :—

Ordinary resources :— 7 %

Borrowed resources :—

Enlarged Access to

resources (EAR) 10.97 %

Supplementary 12.45 %

Financing Facility (SFF)

*India is entitled to subsidy on use of SFF resources at full rate of 3 %.

The charges are payable quarterly in respect of outstanding drawals from Fund's ordinary resources and half yearly in respect of borrowed resources.

The estimated charges at current interest

rates payable during the next three years are as under :—

(a)	In SDR Million
1985/86	376.10
1986/87	348.20
1987/88	292.10

(b) No, Sir.

Raids to Unearth Black Money

*150. SHRI CHINTAMANI JENA :
SHRI MOHANLAL PATEL :

Will the Minister of FINANCE be pleased to state :

(a) the various measures taken by Government to unearth the accumulated black money in the country;

(b) whether any raid has been conducted during the first two months of the current year; and

(c) if so, the results achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Such measures as are necessary to check circulation and to prevent proliferation of unaccounted income including administrative, legislative and institutional are being taken from time to time under the Direct Taxes Acts.

(b) and (c) . During January and February 1985 Income-tax Department conducted 1133 searches resulting in seizure of prima facie unaccounted assets valued at Rs. 6.61 crores approximately.

Loans by LIC for purchase of D.D.A. Flats in Delhi

*151. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether the LIC is giving loans for the purchase of flats and houses in Bombay, Calcutta and Madras;

(b) if so, whether this facility is being extended by LIC in Delhi for the purchase of DDA flats and other private flats; and

(c) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The LIC gives loans for the purchase of flats under "Own Your Apartment" Scheme, and house in Bombay and Calcutta and only for the purchase of houses in Madras.

(b) No, Sir.

(c) There is no Apartment Ownership Act in Delhi by virtue of which each apartment together with its undivided interest in the common areas and facilities appurtenant thereto is a separate unit of immovable property within the meaning of Transfer of Property Act, 1882 which is capable of being transferred by way of sale, mortgage, lease, gift, exchange etc. For the purpose of LIC loan under "Own Your Apartment" Scheme, mortgage of the flat is essential.

Foreign Debt Repayment Liability as a result of rise in value of Dollar

*152. SHRIMATI GEETA MUKHERJEE :

SHRI C.P. THAKUR :

Will the Minister of FINANCE be pleased to state :

(a) the foreign debt repayment liability for the years 1984-85, 1985-86, 1986-87 and 1987-88 according to the current reckoning;

(b) whether our annual burden of debt servicing obligation will increase as a result of rise in the value of dollar; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) The present estimate of India's foreign debt repayment liability is as follows :—

Years	(Rs. in Crores)
1984-85	1175
1985-86	1438
1986-87	2010
1987-88	2396

(b) and (c) . The entire external debt is not repayable in U.S. Dollars but in a mix of currencies. The debt denominated in Dollar is not affected by the changes in

Rupee—Dollar exchange rates as the repayments are to be made in Dollars. However, the debt burden expressed in rupees would change as a result of changes in value of dollar depending upon the exchange rate changes.

Loss to Indian Banks due to Non-Payment of loans by a Shipping Company of Singapore.

*154. SHRI C. JANGA REDDY :

DR. A.K. PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether six Indian banks are likely to suffer a loss of about Rupees 10 crores due to default in re-payment of loans amounting to several crore dollars by a shipping company of Singapore:

(b) if so, the detailed facts in this regard;

(c) the lapses committed by each of these banks including any loopholes in the procedure of granting loans; and

(d) the precautionary measures taken by the banks to safeguard their loans completely against any possibilities of losses and details of the action taken immediately on getting first indications of heavy recession in the shipping industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). In accordance with the provisions contained in the relevant statutes and in accordance with the practices and usages customary among banks, information in relation to the individual constituents of banks cannot be divulged.

However, in view of the importance of the transaction in question, Reserve Bank has been requested to look into the matter and examine whether sound banking norms have been observed by the concerned Indian banks in respect of their exposure to the Shipping Company.

Income tax raids in Bombay

*155. SHRI SYED MASUDAL HOSSAIN : Will the Minister of FINANCE be pleased to state :

(a) whether the Income Tax authorities have conducted raids in Bombay in the recent past;

(b) whether the said raids covered film personalities also;

(c) if so, the results of the said raids on film personalities together with their particulars;

(d) whether they were also arrested and are being prosecuted;

(e) if so, the details thereof; and

(f) if not, the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) No, Sir.

(c) to (f). Does not arise.

Supply of Sub-standard Firebricks to Indian Iron and Steel Company Limited

*156. SHRI PURNA CHANDRA MALIK: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether the firebricks supplied to Indian Iron and Steel Company Limited are sub-standard;

(b) if so, the details thereof;

(c) whether any action has been taken against those who are supplying the firebricks;

(d) if so, the nature of action taken; and

(e) if not, the reasons therefor?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) No, Sir.

(b) to (e). Do not arise.

Stagnation in output of saleable Steel

*157. SHRIMATI JAYANTI PATNAIK: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether there has been a stagnation in the output of saleable steel in the country;

(b) if so, the reasons thereof; and

(c) the steps taken to raise the output of saleable steel?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) to (c). The production of saleable steel in the country during the last five years and production plan for 1985-86 is tabulated below:

Year	Main Producers	('000 tonnes)	
		Mini Steel Plants	Total
1980-81	6304	1954	8258
1981-82	7257	2032	9289
1982-83	7293	2040	9333
1983-84	6397	1976	8273
1984-85 (est.)	6980	1795	8775
1985-86 (Plan)	7620	1900	9520

Production depends on various factors like the health of the plants, adequate availability of the right quality of inputs and the market needs. Efforts are made to attain high capacity utilisation by proper maintenance and inputs of the desired quality.

As a long term measure output of steel in the country will also be increased by technological upgradation of existing plants and setting up of new steel plants.

For improving the capacity utilisation of mini steel plants, facilities like expansion of existing units, free diversification, forward integration, installation of contiguous casting machines etc. have been extended.

India's Position in World Diamond Market

*158. SHRI R. ANNANAMBI: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether the value of diamonds exported during the year ended on 31 December, 1984 was Rs. 1182 crores which indicated only a marginal increase over the previous year's export of Rs. 1162 crores;

(b) if so, whether the declining value of the export indicates that India is losing its grip on the world diamond market; and

(c) if so, the reasons therefor?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI

VISHWANATH PRATAP SINGH) : (a) Yes, Sir, according to the Gem and Jewellery Export Promotion Council, exports of cut and polished diamonds from India during the period January—December, 1984 aggregated to Rs. 1,182 crores, against Rs. 1164 crores during January—December, 1983.

(b) and (c). Exports of processed diamonds from India during January-December, 1984 showed no decline in comparison with those during January-December, 1983.

Pithead Coal Stocks

*159. **SHRI BASUDEB ACHARIA :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Minister of Railways has promised to initiate substantial and immediate steps to provide adequate number of wagons to clear pithead coal stocks ;

(b) whether the said promise has been fulfilled by the Railways ;

(c) if so, the number of wagons provided in February, 1985; and

(d) the latest position of coal stocks at the pithead ?

THE MINISTER OF STEEL, MINES AND COAL) SHRI VASANT SATHE): (a) to (c). In the meeting between the Minister of Steel, Mines & Coal and the Minister of Railways held on 6th February, 1985, it was decided that the target for coal loading should be kept at 13,200 wagons per day on the average, till May'85, out of which 11,600 wagons per day were to be supplied to Coal India Ltd. and 1200 to Singareni Collieries Co. Ltd. The actual loading during February 1985 per day on the average was 10,755 by Coal India Ltd. and 924 by Singareni Collieries Co. Ltd.

(d) The coal stocks as on 1.3.85 were as follows :

	(In million tonnes
Coal India Ltd.	— 25.40
Singareni Collieries Co. Ltd.	— 0.72
Others	— 0.17
Total	— 26.20

New Textile Policy

*160. **SHRI AMARSINH RATHAWA: SHRI B.V. DESAI :** Will the minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether Government are considering to formulate a new textile policy;

(b) if so, the salient features of the policy and by when it is likely to be announced ;

(c) whether the new textile policy will cover the handloom industry also; and

(d) if so, the steps taken to develop handloom industry in the country, particularly in the backward areas?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) The new Textile Policy is under formulation and will be announced as soon as possible.

(c) Yes, Sir.

(d) A number of measures have been initiated for the development of the handloom industry. The main schemes that have been initiated are as follows:—

- (i) Grant of special rebate on sale of handloom cloth.
- (ii) Share capital assistance for primary and apex handloom cooperative societies and the State handloom development corporations;
- (iii) Assistance for creation of pre-loom and post-loom processing facilities;
- (iv) Loan and grant assistance to handloom weavers in the cooperative sector for improvement and modernisation of looms;
- (v) Managerial subsidy to handloom cooperative.
- (vi) Handloom janata cloth schemes for providing sustained employment to handloom weavers.
- (vii) Intensive Development Projects/Exports Production projects for the benefit of weavers outside the cooperative fold;

The schemes detailed above are meant for all areas including backward areas. However, for handlooms situated in hill areas, the provisions for some of the schemes have been liberalised.

Excise Duty Evasion by Bombay Manufacturers

750. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether excise evasion to the tune of about Rs. 5 crores by manufacturers of brass and copper pipes was detected in Bombay on the 28th February, by a top official of the Directorate of Anti-Evasion (Excise) :

(b) if so, the details thereof ;

(c) the action taken against the evaders;

(d) whether raids have also been carried on in other States to find out evasion of excise duty ; and

(e) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes Sir, Searches were conducted in the premises of the manufacturers of shelts/blanks, pipes/tubes of copper and copper alloys on 28th February, 1985 by the Directorate of Anti-Evasion (Central Excise) at Bombay and other places. The amount of duty estimated to be evaded is Rs. 5 crores.

(c) Appropriate action under the provisions of Central Excise Law will be taken for adjudication and prosecution of the offenders.

(d) and (e). Yes, Sir. During the first two months of 1985 about 1103 cases involving an estimated evasion of excise duty of Rs. 2734 lakhs have been detected. The main commodities involved are computers, office machines, cotton fabrics, copper and copper alloys, and P.S.C. Poles.

Setting up of Mineral-based Industries in Raigarh District (M.P.)

751. KUMARI PUSHPA DEVI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the number of mineral-based indus-

tries which have been set up in Madhya Pradesh ;

(b) whether Government have a proposal to set up some mineral based industries in Raigarh District of the State ;

(c) if so, the number of such mineral-based industries proposed to be set up there; and

(d) the details of the steps taken in the matter?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) to (d). The following principal mineral based industries are located in Madhya Pradesh :

- (1) One Steel Plant
- (2) One Aluminium Plant
- (3) Nine Cement Plants
- (4) Two Fertilizer Plants
- (5) Two Asbestos Cement Plants
- (6) Three Ceramic Units
- (7) Seven Refractory Units

In addition, there are three sulphuric acid plants and three caustic soda units.

It is understood that three mini-cement plants are also proposed to be located in Raigarh District.

The exact number of other smaller mineral based industries, if any, will be furnished as soon as the information awaited, is received from the Government of Madhya Pradesh.

Five Working Days in a Week in Public Sectors

752. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) whether some public sector organisations are observing a five day week; and

(b) if so, the names of such public undertaking?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The information is being collected and will be laid on the Table of the House.

**West Bengal Government Proposal for
Nationalisation of Bharat Jute
Mills**

753. SHRI ANANDA PATHAK : Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether Government have received a proposal from the Government of West Bengal to nationalise Bharat Jute Mills in order to get the mills modernised and make it viable; and

(b) if so, reaction of Government thereto?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and (b). A reference was received from the State Government of West Bengal in December, 1983, stating that as the proposal for nationalisation of a few jute mills was under consideration of the Central Government, the question of nationalisation of M/s. Bharat Jute Mills Ltd., Howrah might also be taken into consideration. The State Government was informed in March 1984 that no proposal for nationalisation of a few jute mills was under consideration of the Central Government. However, the RBI had constituted a Standing Committee on Co-ordination of Institutional Finance to study the financial problems of the jute industry. The State Government was advised to get in touch with the Jute Commissioner's office and the said Committee with necessary details about this mill. The State Govt. accepted the above suggestion,

**Induction of New Technology in Jute
and Tea Industries**

754. SHRI R.P. DAS: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether Government are aware that the jute and tea industries were languishing because their owners did not induct new technology and diverted capital elsewhere;

(b) whether Government propose to take steps in this matter to save these industries; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI

VISHWANATH PRATAP SINGH): (a) to (c). In so far as jute industry is concerned, it may be mentioned that there is an imperative need for modernisation/renovation of plant and machinery in jute industry. Although the financial institutions such as Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Reconstruction Corporation of India (IRCI) are providing financial assistance to jute mills at reduced rate of interest under soft loan scheme, for their modernisation and rehabilitation programme, the response from the industry is not encouraging. The Reserve Bank of India has set up a Standing Committee to study viability of jute mills and to suggest a package of financial measures for the rehabilitation of potentially viable units. The Government is continuing to help the jute industry in domestic and international markets through various measures.

In so far as tea industry is concerned, it may be mentioned that after several years the improvement in tea prices has led to a strong revival of the tea industry accompanied by a trend of increased investments in tea industry. Tea Board is already operating a number of schemes for the assistance of the tea industry and a new incentive for ploughback of profits from part of the budget proposals.

Default in Payment of Income-tax

755. SHRI C.D. GAMIT : Will the Minister of FINANCE be pleased to state:

(a) whether many film stars, producers and directors are still defaulters in payment of income-tax;

(b) if so, the details of the cases against them in courts; and

(c) the steps Government have taken to recover the tax dues from them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). There were 194 film stars, producers and directors against whom Income-tax demands exceeding Rs. 1 lakh were outstanding as on 30.9.1984. Court proceedings are pending against four assesses, namely: —

(a) Smt. S. Shankaramma

(b) Shri Ashish Kumar Sen Gupta

(c) Mahaboob Ali Mumtaz Ali

(d) Suchitra Sen.

(c) Depending upon the facts and circumstances of each case, appropriate steps are taken from time to time by the concerned income-tax authorities for recovery/reduction of outstanding demands. These steps include, inter-alia, requesting the appellate authorities for expeditious disposal of the pending appeals. These also include resorting to proceeding u/s 226(3) and 179 of the Income-tax Act, and attachment of movable and immovable properties after issuing recovery certificate to the Tax Recovery Officer u/s. 222 of the Income-tax Act.

Shifting of Administrative Body Dealing with Enemy Property from Bombay to Calcutta

756. SHRI ANIL BASU: Will the Minister of COMMERCE AND SUPPLY be please to state:

(a) whether Government are considering to shift the entire administrative body dealing with the disposal of claims against the enemy property from Bombay to Calcutta for quick disposal of the claims;

(b) if so, when and the details thereof;

(c) the progress made so far to shift that office from Bombay to Calcutta; and

(d) the time by which it would be shifted and the details thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) No, Sir.

(b) to (d). Do not arise.

Ostentatious Expenditure: Cases Detected by Income-tax Authorities

757. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) the particulars of cases involving 'ostentatious expenditure' within the meaning of the Income Tax Act, 1961 as amended in 1974 which have been detected by the

Income Tax Department during the years 1983-84 and 1984-85 (uptill 28.2.1985) and processed;

(b) the guidelines, if any, laid down for determining 'ostentatious expenditure'; and

(c) whether such expenditure on lavish weddings in 5-star hotels in the metropolitan cities is subjected to any scrutiny about the source of expenditure and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). According to the information available, enquiries u/s 133A(5) of the Income-tax Act, 1961 were carried out in 454 cases during the financial year 1983-84 and 458 cases upto January, 1985. Guidelines have been issued and results of the enquiries are forwarded to the Assessing Officers for tanking appropriate action under the Direct Taxes Acts.

Investment Companies

758. SHRI K. PRADHANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have widened the definition of investment companies to bring into the stock exchange fold almost all those dealing in investment business;

(b) if so, the broad outlines of the new definition;

(c) whether there has lately been a mushroom growth of leasing and investment companies;

(d) the names of investment companies those paid-up capital exceeds Rs. one crore; and

(e) the check, if any, being exercised over the activities of these companies particularly their role in whitening black money by way of investment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). As per the earlier guidelines, only companies which have in their Main Object Clauses underwriting or dealing in shares or debentures or other securities as one of the Object Clauses, are to be considered as investment

companies. Further, investment companies with a paid-up capital of not less than Rs. 1 crore with at least 2,000 shareholders other than promoters, the number of shareholders increasing proportionately with the increase in the paid-up capital, will only be permitted to be enlisted on stock exchanges. The shares of these companies shall be delisted if the number of shareholders other than promoters falls below 1,000 for a company with a paid-up capital of Rs. 1 crore and correspondingly higher number of shareholders for companies with proportionately higher capital.

According to the widened definition of investment companies issued recently by the Government, any company which has underwriting, investing or dealing in shares or debentures or other securities as an Object Clause in the incidental/ancillary or other objects of its Memorandum of Association shall be deemed to have become an investment company if its holding of shares or debentures exceeds 30% of its net worth, i.e. share capital plus free reserves, or its business in shares and debentures exceeds 50% of its total turnover in monetary value at any point of time in an accounting year. It is also likely that some of the listed companies with a paid-up capital of less than Rs. 1 crore, which did not have underwriting or dealing in shares or debentures or other securities as one of the Main Object Clauses at the time of enlistment of their shares, may adopt such business in their Main Objects after obtaining the approval of the shareholders by way of special resolution and filing the special resolution with the Registrar of Companies. The auditors of all the listed companies shall be required to give a certificate in their annual report regarding the companies becoming investment companies in terms of the aforesaid criteria or situation. Both the categories of companies referred to above shall be delisted from the Stock Exchanges unless they comply with the requirements for enlistment of investment companies as given in sub-para above, within a period of six months from the date they become/deemed to have become investment companies.

(c) and (d). The Controller of Capital Issues who accords consents for raising capital has given 55 consents aggregating Rs. 83.92 crores to companies having the object, inter-alia, of leasing and investment in 1984-85 (upto 15-3-1985) in comparison to 40 con-

sents aggregating Rs. 65.81 crores for such companies in 1983-84. Under the Industrial Classification of Joint Stock Companies followed by the Department of Company Affairs, which maintains statistics about registration of companies, while leasing companies are not shown separately, investment companies are classified under Code Number 6.52 i.e. "Investments & Trusts". The number of companies under this Code at work at the end of the last four years is shown below:

Year	Number
1980-81	3122
1981-82	4584
1982-83	6102
1983-84	7433

As per the latest analysis of Balance Sheets of non-Government companies made by that Department, there were 26 companies under the Industry Code 6.52 having paid-up capital of more than Rs. 1 crore as on 31st March, 1982. A list of such companies is given in the Annexure.

(e) The companies engaged in investment and/or leasing are like any other company, registered under the Companies Act, 1956 and are required to comply with relevant provisions thereof. They have also to abide by the rules and regulations, wherever applicable, made under the Capital Issues (Control) Act, the Securities Contracts (Regulation) Act, Foreign Exchange Regulation Act, Monopolies & Restrictive Trade Practices Act, Banking Regulation Act, etc. The guidelines for listing of investment and leasing companies on Stock Exchange are acting as a check on the activities of these companies. As regards their role in whitening black money, no such case has come to the notice of the Government.

ANNEXURE

S. No.	Name of the Company
1.	Alkapuri Investments Private Limited
2.	Arvalli Investments Private Limited
3.	Bharat Nidhi Limited
4.	Dhaulgiri Investments Private Ltd.
5.	Digvijay Investments Limited
6.	Eastern Investments Limited
7.	Elscope Private Limited
8.	Himalaya Investments Private Limited

9. Investment Corporation of India Ltd.
10. Jayabharat Credit & Investment Company Ltd.
11. Kailash Investments Private Limited
12. Kanchanjunga Investments Private Limited
13. Madan Mohan Lal Shriram Private Limited
14. Narmada Investments Private Limited
15. Nilgiri Investments Private Limited
16. Offsade Private Limited
17. Pilani Investment Corporation Limited
18. Premier Construction Company Limited
19. Sarabhai Chemicals Private Limited
20. Scindia Investments Private Limited
21. Shyamnagar Investment Company Limited
22. Sundaram Finance Limited
23. Surac Holdings Limited
24. Tata Sons Limited
25. Wadi Finance and Investments Limited
26. Wadi Holdings Limited

Plans for Placing big Orders for Coking Coal with Foreign Suppliers

759. SHRI MAHENDRA SINGH : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether his Ministry has announced its plans for placing big orders for coking coal with foreign suppliers; and

(b) if so, the reasons therefore?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). For the year 1985-86, it has been estimated that the shortfall between demand and domestic availability of coking coal for SAIL steel plants would be around 1.5 million tonnes. To meet this requirement, the Steel Authority of India Limited has floated a global tender for import of 1 million tonnes of low ash prime coking coal, offers have been received and are under evaluation.

Sanction of Loan to Unemployed Matriculates

760. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state:

(a) whether any review has been made of programme for the sanction of loans to the unemployed matriculates for self-employment by the various nationalised banks during 1983-84 and 1984-85;

(b) if so, the findings of the review along with the details regarding the total number of applications received by each bank during the above period; State-wise as also the total number of cases in which such loans were sanctioned, actually paid in each State;

(c) whether any cases for sanction of loans are still pending for disposal;

(d) if so, the reasons for delay;

(e) whether any complaints were received by the banks in this regard; and

(f) if so, nature of complaints received by Government till date bank-wise from each State and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (f). The progress of the scheme for providing Self-employment to the Educated Unemployed Youth is monitored by the Government of India and also the Reserve Bank of India, from time to time. The State-wise progress under the Scheme for the year 1983-84 a-s on 31st March, 1984 is given in *Statement-I* and the progress for the year 1984-85 till 21st March, 1985 is given in *Statement-II*. Being an on going scheme there will always be cases pending for disposal. However, banks have been instructed that every application under this scheme has to be disposed of within a period of 14 days from their receipt in the branch. Complaints are generally in regard to delay in sanction, rejection of applications etc. Complaints whenever received, are looked into for necessary action.

Statement-I

Progress under the Scheme for providing self-employment to the Educated Unemployed Youth for the year 1983-84 (As on 31.3.1984) as per the Reports received from State Government/Union Territory Administrations.

Sl. No.	Name of the State/UTs.	targets for 1993-84	No. of applications recommended by DICs	No. of applications sanctioned by banks	Amount Sanctioned (Rs. in lakhs)
1.	Andhra Pradesh	20,000	25401	14781	2936.00
2.	Assam	6,700	10944	8021	1540.44
3.	Bihar	29,000	36766	14230	2278.64
4.	Gujarat	11,200	19585	10497	1538.88
5.	Haryana	5,300	9682	6189	998.99
6.	Himachal Pradesh	2,000	6126	2465	449.69
7.	Jammu & Kashmir	1,800	2399	1416	287.95
8.	Karnataka	12,100	27667	12307	1960.00
9.	Kerala	15,100	20967	13091	2110.00
10.	Madhya Pradesh	17,500	39243	18786	2857.80
11.	Maharashtra	20,800	52009	24579	4024.28
12.	Manipur	1,000	1462	991	179.82
13.	Meghalaya	400	632	353	75.09
14.	Nagaland	250	253	189	39.25
15.	Orissa	8,600	9722	6823	1368.62
16.	Punjab	6,700	15856	9047	1689.60
17.	Rajasthan	10,000	23414	15054	2365.30
18.	Sikkim	100	28	15	3.65
19.	Tamilnadu	17,500	33472	21247	3316.00
20.	Tripura	900	962	696	97.33
21.	Uttar Pradesh	36,000	47585	36857	5382.85
22.	West Bengal	25,500	41967	23680	4481.92
23.	A. & N. Islands	100	112	66	15.22
24.	Arunachal Pradesh	200	62	36	6.91
25.	Chandigarh	500	599	325	56.50
26.	Dadra & Nagar Haveli	100	174	54	10.71
27.	Goa, Daman & Diu		DIC was not in operation		
28.	Mizoram	200	179	196	42.61
29.	Pondicherry	450	470	414	40.00
Grand Total		2,50,000	457738	242405	40154.05

Source : Ministry of Industry.
Data Provisional.

Statement-II

Progress Report under the Scheme for providing self-employment to the Educated Unemployed Youth for the year 1984-85 as per the Reports received from States/Union Territory Administrations on 21-3-1985.

S. No.	State/U.T.	Target (1984-85)	No. of appli- cations re- commended to banks by DICs	No. of appli- cations sanc- tioned by banks.	Amount (Rs. in lakhs)	Position as on.
1.	Andhra Pradesh	15,100	24,295	9550	1300.00	15.3.85
2.	Assam	8,200	6,424	1923	73.60	28.2.85
3.	Bihar	14,500	19,453	8220	1461.84	31.1.85
4.	Gujarat	10,700	NR	3392	620.64	28.2.85
5.	Haryana	2,500	3,138	2065	413.04	31.10.84
6.	Himachal Pradesh	6,300	NR	NR	NR	—
7.	Jammu & Kashmir	1,400	1,500	400	61.98	18.3.85
8.	Karnatka	12,500	13,087	3084	498.01	28.2.85
9.	Kerala	13,300	12,494	3490	NR	28.2.85
10.	Maharashtra	25,000	22,335	2931	NR	15.2.85
11.	Manipur	1,000	1,459	1014	186.13	28.2.85
12.	Meghalaya	400	297	294	NR	28.2.85
13.	Nagaland	200	NR	NR	NR	—
14.	Madhya Pradesh	19,100	24,233	3675	NR	28.2.85
15.	Orissa	7,000	5,063	2179	523.73	31.1.85
16.	Punjab	12,000	6,813	572	98.48	31.12.84
17.	Rajasthan	15,000	19,739	4850	NR	16.2.85
18.	Sikkim	50	NR	NR	NR	—
19.	Tamil Nadu	21,700	27,584	9394	1729.39	28.2.85
20.	Tripura	700	NR	NR	NR	—
21.	Uttar Pradesh	37,600	4,843	403	22.62	31.12.84
22.	West Bengal	24,100	36,097	5581	NR	15.3.85
23.	A & N Islands	100	NR	22	4.80	31.12.84
24.	Arunachal Pradesh	50	82	42	9.17	31.1.85
25.	Chandigarh	300	176	95	13.00	31.1.85
26.	Dadra & N. Haveli	100	67	56	10.89	31.1.85
27.	Goa, Daman & Diu	300	NR	NR	NR	—
28.	Mizoram	200	200	105	22.61	28.2.85
29.	Pondicherry	400	316	124	14.40	31.12.84
Total		2,50,000	2,29,695	63,462	7064.33	

N.R. NOT REPORTED

SOURCE: MINISTRY OF INDUSTRY
DATA PROVISIONAL

Racket about Bogus Firms and Foreign Exchange Remittance Busted by C.B.I. in Bombay

761. SHRI ANAND SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether a racket involving floating of several bogus firms and remittance of foreign exchange to Dubai was busted in Bombay by C.B.I. with the arrest of at least seven persons around January 24, 1985;

(b) if so, the details of the racket, including its modus operandi, as revealed by the investigations; and

(c) the steps taken or being taken to effectively curb such rackets?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). The C.B.I. has registered a case, u/s. 120-B I.P.C. r/w. section 420 I.P.C. and section 56 r/w. section 8 (3) (4) of Foreign Exchange Regulation Act, on the basis of a complaint received by it from the Enforcement Directorate, alleging that certain persons had fraudulently remitted foreign exchange, in the name of some fictitious firms, to Dubai again forged documents for imports.

In this case, eight persons were arrested by the C.B.I. on 22nd and 23rd January, 1985. On the same days, the promises of these persons had earlier been searched by the C.B.I., after obtaining warrants from the Court, resulting in seizure of incriminating documents. The arrested persons were produced before the Court. Two of them were released on bail while six were remanded to Police Custody till 31.1.1985 and subsequently released on bail on orders from the Court.

As investigations, by the C.B.I., in the case are in progress, it would not be expedient to disclose further details at this stage. On completion of investigations, appropriate action will be taken in the matter.

[*Translation*]

Employment of Persons of Affected Areas in M/s Bharat Refractories, Uttar Pradesh

762. SHRI HARISH RAWAT: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether Government are aware that contrary to their previous assurance/claim, M/s Bharat Refractories, Devalthal, Uttar Pradesh are appointing persons belonging to areas outside the limits of the affected areas as Class III and Class IV employees; and

(b) if so, the total number of such appointments made so far and the details of the action proposed to be taken by the Government to check such appointments in future?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH): (a) and (b). The Pithoragarh Magnesite Project of Bharat Refractories Limited at Devalthal in Pithoragarh District of Uttar Pradesh is at present in the pre-constructional stage. While making recruitment, Bharat Refractories Limited give preference to persons displaced on account of the project, scheduled classes, scheduled tribes and ex-servicemen in accordance with instructions issued by the Government of India. Out of thirty persons employed so far against Class III and Class IV posts, only four persons belong to areas other than those which are going to be affected by the project. Out of these four persons, three belong to Districts of Pithoragarh and Almora, and one person, who is posted at the railhead at Tanakpur, belongs to Azamgarh District of Uttar Pradesh.

Frauds Committed in State Bank of India, Gandhinagar Branch, Gujarat

763. SHRI R P. GAEKWAD: Will the Minister of FINANCE be pleased to state:

(a) whether a number of frauds were committed in the State Bank of India, Gandhinagar Branch, Gujarat, involving lakhs of rupees since the Gandhinagar Branch was opened;

(b) whether employees of the said branch were involved in the fraud;

(c) if so, the number of such employees, the total amount involved in each fraud and the action taken against these employees; and

(d) the steps taken to prevent recurrence of such frauds in other nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). State Bank of India has reported that seven cases of fraud involving an amount aggregating Rs. 3.26 crores (approx.) have occurred at

its Gandhi Nagar branch ever since it was opened in 1970. Out of the seven cases, in five cases 19 officials of the bank were involved.

(c) The information is as under:—

Sl. No.	No. of employees*	Amount involved in Rs.	Action taken
1.	1	12,100/-	Suspended, Police have filed chargesheet.
2.	2	1,500/-	Both suspended in connection with another fraud at Sl. No. 6. Police complaint lodged.
3.	Nil (outsiders only)	1,200/-	—
4.	Nil (outsiders)	1,400/-	Police is investigating.
5.	1	80,500/-	Suspended in connection with fraud at Sl. No. 6.
6.	12	1.50 lakhs	(a) Dismissed—1 (b) Suspended—2 (c) As per recommendation of CBI minor penalty proceedings against 8 are in final stages, and (d) CBI has recommended major penalty proceedings against one.
7.	8	3.23 crores	(a) Dismissed—1 (b) Under Suspension—7

* Some of the officials figure in more than one case.

(d) Government and the Reserve Bank of India have advised the public sector bank to strengthen their vigilance, inspection and audit machinery and to make them effective so as to eliminate the scope for frauds and malpractices. Banks have also been advised to take a serious view of the irregularities committed by their employees and to give, to the erring staff members, punishment befitting the seriousness of the irregularity.

Exploring of new markets for Export of Cardamom

764. PROF. P.J. KURIEN: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether India's cardamom export is confined mainly to Middle East;

(b) whether any effort is being made to explore new markets for this spice; and

(c) if so, the results achieved so far in this regard?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Middle East is the principal market for cardamom where around 80% of India's total cardamom export is absorbed.

(b) and (c). A market survey was conducted to explore market in Libya, Jordan and Egypt. A study was also made to find out prospects for new end-uses for cardamom in U.S.A./West Europe under assistance from ITC/SIDA. It has been possible to export some cardamom to Jordan as a new

market on the basis of market information gained. Since Indian prices were high till last year, it has not so far been possible to establish a good lead in new markets.

**Recovery of Loans taken from Banks
by Sick Units**

765. SHRI AMAL DATTA : Will the Minister of FINANCE be pleased to state:

(a) the amount of money taken so far by the sick units from the banks;

(b) the amount of money so far recovered by the banks; and

(c) the steps Government propose to take against those who have already wound up their units without paying back the loan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) As per the latest available information furnished by the Reserve Bank of India, as at the end of December, 1983 the outstanding advances of Scheduled Commercial Banks to large, medium and small scale sick units amounted to Rs. 3101.29 crores.

(b) The account of any industrial unit with a bank is a running account and the financial assistance is granted on a 'roll over' basis. It is therefore not possible to say how much amount has been recovered by the banks from the sick units in their assistance portfolio.

(c) In the case of sick units, banks may resort to recall of advances, enforcement of securities and legal remedies for recovering the amounts due to them. In the case of units which have been wound up, the banks can take recourse to legal measures to recover their dues.

**Dacoity in Union Bank Branch of Anand
Niketan, New Delhi**

766. SHRI DHARAM PAL SINGH MALIK: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the news item appeared in 'The Hindustan Times' of the 5th March, 1985 wherein it has been stated that four un-totting youths in a daring day-light

dacoity stormed into a Union Bank Branch in the posh Anand Niketan in South Delhi and after a smooth four minute operation, escaped with about Rs. 45,000 cash;

(b) if so, the details of the incident;

(c) whether any arrest has since been made; and

(d) the action taken to avoid such recurrence?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir, the news-item has come to Government's notice.

(b) and (c). The Union Bank of India has reported that at about 12.45 P.M. on 4th March 1985, four persons, brandishing country made revolvers, entered its Anand Niketan (New Delhi) Branch and looted cash amounting to Rs. 44,994/-. The police was immediately informed of the incident. The police investigations are in progress. No arrests have been made so far.

(d) State Governments, who are primarily responsible for the maintenance of law and order, have been requested to take suitable preventive measures for curbing the incidents of bank dacoities/robberies. Government have also issued guidelines to all public sector banks to tighten security measures within their premises.

**Commercial Borrowings by Premier
Financial Institutions**

767. SHRI AMAR ROYPRADHAN Will the Minister of FINANCE be pleased to state:

(a) whether premier financial institutions in the country have considered "safe" external commercial borrowings by India upto Rs. 7,500 crores during the Seventh Five Year Plan for financing the country's various crucial industrial projects; and

(b) if so, the details in this regard and the decision of Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Premier financial institutions like IDBI, ICICI and IFCI have reported that no such assessment of "safe"

limit of external commercial borrowings during Seventh Five Year Plan period has been made by them.

(b) Does not arise.

Supply of Coal to Tripura

768. SHRI AJOY BISWAS : Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) the quantity in metric tonnes of coal allotted to Tripura during 1981-82, 1982-83 and 1983-84;

(b) the actual requirement of coal of the State during these periods; and

(c) the actual supply of coal to Tripura during these periods?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE):

(a) to (c). Since coal is not a controlled commodity, there is no system of allotment by the Department of Coal or Coal India Ltd. However, allotments for movement of different States are made by the Railways within the State-wise ceiling limits fixed by them. There is no such ceiling limit for rail movement to Tripura State. Tripura Government had also not placed any indent on CIL till November, 1984. CIL have, however, received a demand from the Government of Tripura in November, 1984 for supply of 6,000 tonnes of brick manufacturing coal from North-Eastern Coalfields, Assam, which is rational source of supply of coal to the North Eastern States. CIL have given its consent to meet the full requirement of Tripura. However, the actual lifting has been only about 1,000 tonnes till March, 1985.

So far as soft coke is concerned, bulk quantity has been offered to North Eastern Council with the request to make allocation for different States in North Eastern Region. North Eastern Council has so far not made any allocation of soft coke for the constituent States. However, based on past experience, CIL have allocated a quota of 200 metric tonnes of soft coke per month for the period November, 1984 to March, 1985 for Tripura. The actual lifting for the last three years, yearwise, is as follows:—

1982-83	—	212 tonnes
1983-84	—	24 tonnes
1984-85	—	316 tonnes.

(upto Feb., 1985)

Role of non-official Directors of the Board of Nationalised Banks

769. SHRI Y.S. MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether the non-official directors of a number of nationalised banks have been wielding considerable influence over the banks lending policies which have resulted in huge losses to the banks non-fulfilment of their objective of production, finance as well as personal loans to villagers;

(b) whether there has been a system of monitoring and reviewing the lending policies/practices followed by the banks and by the Department of Banking and what role Government directors have been playing in deciding the leading policies; and

(c) the steps Government have taken or propose to take to counter these unhealthy practices ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POJARY): (a) In terms of Sections 7(2) of the Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980, the general superintendence, direction and management of the affairs and business of a nationalised bank vest in the Board of Directors. As members of the Board of Directors, the non-official Directors also have to share the collective responsibility of directing the affairs of respective nationalised banks, including observance by them of the broad parameters of the lending policies laid down by the Government and the Reserve Bank of India. Government are not aware of any 'huge losses to the banks' or 'non-fulfilment of their objective of production, finance as well as personal loans to villagers' attributable to the non-official directors of the nationalised banks.

(b) Besides, conducting periodical inspections of the banks, the Reserve Bank of India also exercises overall supervision over the banks and issues guidelines on various aspects of banks' operations, includ-

ing quantum and direction of credit, implementation of programmes and management of credit portfolio. Government and Reserve Bank nominees on the Boards of Directors also keep a watch over the functioning of the banks.

(c) Guidelines have been issued to non-official directors to refrain from sponsoring individual cases or pressurising bank officials for sanction of specific loans. Appropriate action is taken whenever specific instances of a non-official director behaving in a manner not befitting his status, come to the notice of the Government.

Proposal to set up a National Council and Action Group on Steel

770. SHRI SATYAGOPAL MISRA :
SHRI LAKSHMAN MALLICK:

Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether there is any proposal under the consideration of Government to set up a National Council and five Action Groups on steel;

(b) if so, the details thereof ; and

(c) the reasons for setting up of such a council and groups ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH): (a) A Steel Advisory Council and five Action Groups on steel have been set up.

(b) and (c). Steel Advisory Council has been set up under the Chairmanship of Minister, Steel, Mines and Coal and consists of representatives of the Government, steel industry, experts, consumers and labour leaders. The Council has been set up to advise the Central Government on matters concerning the development and growth of the steel industry and to provide a forum to ensure flow of fresh ideas to improve the functioning of the steel industry in the country.

Five Action Groups have been set up consisting of experts on steel, representatives of steel industry and the Government to identify the most appropriate strategies to deal with the problems of the steel industry

and to focus on the priorities to which the Government should address itself. Five Action Groups have been set up on the following subjects :—

- (1) Investment Priorities for the Future.
- (2) Improving operations in the short term.
- (3) Market Development.
- (4) Labour and Personnel.
- (5) Project Management.

Items of Handicrafts Exporter from Bihar

771. SHRIMATI MADHURI SINGH:
Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) the details of the items of handicrafts exported to various countries from Bihar ;

(b) the steps proposed by Government to increase the export of handicraft from Bihar so that the people of Bihar can be self-reliant ;

(c) whether Government will simplify the export documentation process in the remote areas of the countries where there are possibilities of export exist; and

(d) other incentives proposed by Government in this regard ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) State-wise export statistics are not available. However, the major items of export from Bihar are hand-knotted woollen carpets, hand-made paintings, items made of grass leaves, fibres and horn, stone craft and tribble crafts.

(b) Following steps are being taken to promote exports to handicrafts from India which also include handicrafts from Bihar:--

(i) Exhibitions of handicrafts are proposed to be organised in the USA and France as part of Festival of India.

(ii) India Promotion programme is being organised in West Germany in April-May 1985 during which

live demonstration of handicrafts are being presented.

- (iii) A selling out let for hand-made carpets is being opened in Jeddah, Saudi Arabia.
- (iv) Promotional programmes for handicrafts are being organised in the Middle East under which an exhibition has been held in Doha and another is proposed in Kuwait.

(c) Government keeps export documentation under constant review with a view to simplification.

(d) The major incentives which are provided for promotion of exports of handicrafts are as under:—

- (i) Exports of handicrafts are eligible to get cash compensatory support of 10%.
- (ii) Eligibility criteria for the grant of Export House Certificate have been liberalised for small scale and cottage units.
- (iii) For the purposes of grant of additional licences to Export Houses, the FOB value of the exports by Small Scale and Cottage Industry is computed at a higher percentage than the FOB value of such products manufactured by the other units.
- (iv) During 1984-85, in order to encourage linkage between domestic production and export marketing, as also to support entrepreneurial initiative in exports from the Small Scale/Cottage Sector, a new category of Entrepreneur Merchant Exporter (EME) has been introduced.

Proposal to Revamp Entire Coal Industry in Dhanbad and Jharia Coal Belts

772. DR. KRUPASINDHU BHOI :
Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government propose to revamp the entire coal industry and eliminate

'mafia' gangsterism in the Dhanbad and Jharia coal mine belts;

(b) if so, the steps taken or proposed to be taken in this direction ;

(c) the results achieved so far ; and

(d) the time by which the 'mafia' gangsterism will be completely eliminated ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE):
(a) to (d). Activities of anti-social elements, which are commonly referred to as 'Mafia' in coalfields, have been affecting to some extent the operations of the Coal Company, that is Bharat Coking Coal Limited. Besides strengthening watch and ward, taking action against employees conniving or linked with anti-social elements, the management have approached the local State Administration for initiating steps for strengthening the police and criminal Justice Administration to curb such activities.

State Government of Bihar have directed Dhanbad District Administration to take firm legal action against gangsters and Mafia elements irrespective of personalities. They have earmarked three courts in Dhanbad for disposal of important cases. Important cases against Mafia leaders are being expedited in earmarked courts. On account of the measures taken, the Mafia activities have been contained to a considerable extent. However, law enforcing agencies are taking continuous and co-ordinated action to curb these activities.

News-Items Captioned "Richest Gold Haul off sea in Bombay"

773. SHRI HANNAN MOLIAH :
SHRI MAHENDRA SINGH :
Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the news-item captioned "Richest Gold Haul off sea in Bombay" in the Statesman of 24th February, 1985 ;

(b) if so, the actual amount of gold retrieved from the sea off South Bombay ;

(c) the total quantity of gold, diamond and unaccounted money retrieved by the Income-Tax and Customs Departments in the country during the year 1984 ; and

(d) the extent to which smuggling of gold is causing a rise in price of the gold?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) On 23.2.1985 customs authorities at Bombay recovered and seized gold weighing 1565 tolas and 12 kgs, alongwith 1162 pieces of wrist watches collectively valued at Rs. 4.9 crores from the Sea bed off Haji Bunder, Bombay.

(c) During the year 1984, gold, diamond and Indian/foreign currency collectively valued at Rs. 13.62 crores were seized by the Customs authorities throughout the country. During the same period, prima-facie, unaccounted assets (including jewellery cash and other assets) valued at Rs. 20.96 crores were seized in the course of searches by the Income-tax Department.

(d) Rise in price of gold cannot be attributed to smuggling of gold.

[*Translation*]

Constitution of New Boards of Directors of Nationalised Banks

774. SHRI DILEEP SINGH BHURIA: Will the Minister of FINANCE be pleased to state:

(a) the names of nationalised banks where Boards of Directors have been dissolved this year or new Boards of Directors have been constituted before the expiry of their terms ;

(b) whether members from tribal areas have been included in these Boards of Directors ; and

(c) if so, their names and of the area they represent ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). The Boards of Directors of nationalised banks have not been dissolved. However, in terms of the provisions of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/1980, the Central Government had notified that the non-official Directors on the Board of Directors of the nationalised banks listed in the statement attached shall cease to hold office from the dates they

completed a three-year term. The resultant vacancies have not yet been filled.

Statement

1. Canara Bank
2. Union Bank of India
3. Central Bank of India
4. United Commercial Bank
5. Bank of India
6. Syndicate Bank
7. Punjab and Sind Bank
8. Punjab National Bank
9. Bank of Baroda
10. Allahabad Bank
11. Bank of Maharashtra
12. New Bank of India
13. Dena Bank
14. Indian Overseas Bank.

[*English*]

News-Item Captioned "Customs Block Winter Clothings for Riot-Hit"

775. SHRI VIJAY KUMAR YADAV : Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the news-item captioned "Customs Block Winter Clothings for riot hit" appeared in the 'Indian Express' on 20 February, 1985; and

(b) if so, the details thereof and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) 6 packages declared in the manifest to contain used clothes addressed to "Peoples' Relief Committee" were received in the Air Cargo Complex, Delhi in December, 1984. A representative of the "Peoples' Relief Committee" met Customs officials in January, 1985 and he was advised that these goods could be eligible for exemption from Customs duty under the provision of Notification No. 85-Customs, dated 15.3.1982 subject to fulfilment of the conditions prescribed therein. Some more consignments were received thereafter. These consignments remained uncleared as no one came up till 19.3.1985 for clearing them by filing a Bill

of Entry, required under the law, for clearance of any imported goods. On the 19th March, 1985, "Peoples' Relief Committee" filed clearance documents for two consignments of 134 packages, and these were allowed clearance on the same day. No documents for clearance of remaining consignments have yet been filed.

Ban on Bringing T.V. Sets by Tourists

776. SHRI V.S. KRISHNA IYER: Will the Minister of FINANCE be pleased to state:

(a) whether nearly 1000 television sets are brought to India by tourists every day from different ports and airports under baggage rules;

(b) whether it will not effect the indigenous T.V. manufacturers; and

(c) whether Government propose to ban bringing of T.V. sets into the country by tourists under baggage rules or withdraw the concession given under baggage rules?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) No, Sir.

(b) Having regard to the relief already given to the indigenous television manufacturers, by way of reduction in Customs and Excise duties on components, the import of televisions as part of passenger's baggage, at the rates of duty applicable to baggage, is not likely to adversely affect the indigenous industry.

(c) No, Sir.

Absorption of Displaced Persons in Visakhapatnam Steel Plant

777. SHRI S.M. BHATTAM: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether Government are committed to the policy of providing employment at the rate of one person per family of the displaced persons in Visakhapatnam Steel Plant area;

(b) if so, the total number of such displaced persons under Visakhapatnam Steel Plant in the first and second phase put

together and the number of persons out of them who have been provided jobs so far;

(c) the year-wise and category-wise absorption of all such displaced persons;

(d) whether the Visakhapatnam Steel Plant Authorities have expressed inability to absorb and provide jobs for more than five thousand persons; and

(e) if so, the manner in which Government propose to provide jobs to the remaining displaced persons?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) It is the policy of the Government of India to consider for employment in the steel plants one able-bodied persons from each family displaced on account of acquisition of land for the construction of the steel plant.

(b) Total number of households shifted so far is 4964. Approximately another 4600 households are yet to be shifted. So far 1275 displaced persons have been employed on the regular rolls of the Visakhapatnam Steel Plant. As on 28.2.1985, 4404 displaced persons are employed with the contractors engaged on the construction of the steel project.

(c) The yearwise absorption of displaced persons on the regular rolls of VSP is as follows:—

Till December	1982	—	541
	1983	—	583
	1984	—	150
	1985	—	1 (Till 28.2.1985)

			1275

Out of the above 1275 displaced persons, 511 are absorbed in Group 'C' posts i.e. skilled and semiskilled and 764 in Group 'D' posts i.e. unskilled.

(d) and (e). The scope of total employment in a potential steel plant like V.S.P. planned to adopt most modern sophisticated technologies is very limited. Further, its requirements would be mainly for highly skilled and experienced personnel. The project authorities have been giving preferences to displaced persons in matters of employ-

ment. In order to facilitate their employment, they are being given relaxation with regard to age. In several cases they have been trained in order to make them employable.

Considering that the total employment in the projects is estimated to be only 12,000 and the above mentioned position, the total employment of the displaced persons may not exceed 5,000 as currently assessed by the project authorities. The feasibility of providing self-employment to the displaced persons, employment in ancillary industries/services etc. are being explored.

Better International Market for Jute

778. SHRI PRIYA RANJAN DAS MUNSHI: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether his Ministry will treat the problems of jute industry of West Bengal like the textile industry in Maharashtra and Gujarat; and

(b) if so, the specific economic measures Government propose to take to create better international market for jute and to save the sick or closed units of jute industry in West Bengal?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and (b). The problems of Jute and Textile industry are not identical. However, the problems of the jute industry are receiving the desired attention of the Government and the Government has been taking necessary corrective steps, from time to time, to improve the functioning and viability of jute mills and its competitiveness in the international markets. The steps taken by the Government include:—

- (i) Grant of increased CCS on export of jute goods;
- (ii) Involving STC in assisting exports of CBC to North American Markets by forming STC-Jute Industry Consortium on 50:50 loss sharing basis;
- (iii) Constituting a new Jute Manufactures Development Council and a Jute Fund out of proceeds of

jute cess to give boost to R. & D efforts and export promotion;

- (iv) Purchase of jute goods by Govt. (DGS&D) from jute industry on cost plus basis;
- (v) Introduction of compulsory use of 100% new jute bags by cement industry;
- (vi) Persuading other user departments to use more jute bags instead of synthetic substitutes for packing of fertilizers;
- (vii) Free import of raw jute from Nepal through Jute Corporation of India;
- (viii) Setting up of a Standing Committee under the auspices of RBI to study viability of jute mills and to suggest a package of financial measures for the rehabilitation of potentially viable units;
- (ix) With a view to improving the supply position of raw jute, the Government have taken the following steps:—
 - (a) Regulating the stock holdings of jute mills under the Jute (Control and Licensing) Order, 1961 to bring about more equitable distribution of raw jute;
 - (b) Authorising Jute Corporation of India to arrange for import of 5 lakh bales of raw jute from abroad. However, against the above authorisation, JCI have been able to contract for import of about 3 lakh bales.

Overdrafts by Government of West Bengal in five years

779. SHRIMATI PHULRENU GUHA: Will the Minister of FINANCE be pleased to state:

- (a) the number of occasions for which Government of West Bengal had to resort to overdraft from the Centre during the last five years; and

(b) the steps taken by the Union Government to bring fiscal discipline in the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The table below gives the number of days on which the State was in overdraft with the Reserve Bank of India:

Year	No. of days
1980—81	303
1981—82	303
1982—83	251
1983—84	297
1984—85	253 (upto 14th March, 1985)

(b) The State Government have been advised to avoid recourse to overdraft. The Reserve Bank of India stopped payments on the State Govt.'s account for one day on 22nd March, 1984 as the State had exceeded the limit of overdraft indicated to it for more than seven continuous working days. Recently, Government of India informed the State Government alongwith others that they should not exceed the overdraft level reached by them as of 28.1.1985. The States were also informed that if they exceed this level for more than seven continuous working days, the R.B.I. would stop their payments. Since then, West Bengal have not exceeded this limit for more than seven continuous working days.

Declaration of Raw Jute As Essential Commodity

780. SHRI PIYUSH TIRAKY : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether various trade union leaders have demanded that raw jute should be declared as an essential commodity and immediate steps should be taken to unearth the excess stocks lying with affluent mills and speculating traders;

(b) if so, the action being taken by Government in the matter;

(c) whether more than twelve jute mills have been closed down for lack of raw material rendering above 50,000 workmen

(d) if so, the steps being taken by Government for reopening these mills ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and (b). Raw jute has already been declared as essential commodity under the Essential Commodity Act, 1955. In the Tripartite meeting held under the Chairmanship of Labour Minister, Govt. of West Bengal on 26-2-1985, trade union representatives stressed the need for undertaking drive to unearth excess stocks lying with affluent mills and traders. It was clarified in the said meeting by the Jute Commissioner that if the State Government, on the basis of enquiry reports from its authorised field officials, brings the fact to the notice of the Jute Commissioner, appropriate action could be taken under the Jute (Control and Licensing) Order, 1961.

(c) One more jute mill in West Bengal is reported to have closed down on 13-3-85 bringing the total number of closed jute mills in West Bengal to 13 and the number of workers affected to about 39,000. This figure is exclusive of 3 permanently closed mills affecting 6,900 workers.

(d) Under the Industrial Disputes Act, the State Government is the appropriate authority for dealing with industrial disputes and it is for them to take appropriate action in the matter.

Per Hectare Yield of Mulberry

781. SHRI MOHANLAL PATEL: Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) the average per hectare yield of mulberry cultivation in terms of cocoons;

(b) how does it compare to China, Japan and other countries producing silk; and

(c) the efforts being made to maximize the per hectare yield of mulberry ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). The average yield of cocoon per hectare of mulberry in India and other major silk producing countries during the

S.No.	Name of the country	Yield of cocoon per hectare (kgs.)
1.	India	342
2.	China	625
3.	Japan	415
4.	Republic of Korea	389
5.	USSR	355

(c) Several steps are being taken for increasing the production of mulberry and cocoons per hectare on land. Some of the important steps are as under :

- (i) To extend irrigation facilities for cultivation of mulberry.
- (ii) to increase area under high yielding varieties of mulberry.
- (iii) to increase use of silkworm seed of improved quality.
- (iv) to strengthen and step up research and development activities for sericulture in the country.
- (v) to expand extension services for motivating and training farmers and reelers for use of improved varieties of mulberry, silkworm seeds and improved methods for silk reeling.

Request of Kerala Government for Special Assistance

782. SHRIMATI GEETA MUKHERJEE: Will the Minister of FINANCE be pleased to state :

(a) whether Government of Kerala have requested the Union Government to provide special assistance of at least Rs. 800 crores during the Seventh Five Year Plan to cover the revenue gap as Kerala did not get its due on account of an unfavourable Report of the Eighth Finance Commission ; and

(b) if so, the details thereof and Union Government's reaction thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Government of Kerala had requested for special dispensation to meet their revenue deficit as assessed in the Planning Commission while working out the State's resources for the 7th Five Year Plan.

(b) The State Government had stated that the Finance Commission had accepted 1982-83 actuals as the base for its projections which was the year in which the State Government had taken special efforts to reduce the expenditure under non-Plan which had resulted in the Finance Commission declaring Kerala a revenue surplus State after devolution. Government of India have already informed the State Government that the resources assessment made by the Finance Commission and the Planning Commission are not comparable and cannot therefore become the basis for any special treatment.

[Translation]

Loan Advanced by Indian Bank Branch in Darbhanga District

783. SHRI RAM ASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the amount of loan advanced during the last three years by the Indian Bank in Jale Block in Darbhanga District in Bihar for installing tube-wells for irrigation purposes ;

(b) whether interest is being charged after deducting the subsidy amount from the amount advanced; and

(c) the details of the interest charged from various categories of farmers on the loan so advanced ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Data reporting system does not yield purpose-wise and bank-wise information for each block of the country in the manner desired.

(b) Yes, Sir.

(c) Short-term loans for agriculture are provided by the banks at the following rates of interest :—

A. Upto Rs. 5,000/-	11.5%
B. Rs. 5,000/- to 10,000/-	12.5%
C. Rs. 10,000/-to 25,000/-	Not exceeding 14%
D. Above Rs. 25,000/-	Not exceeding 16.5%

Rates of interest on terms loans for agriculture are as under :—

A. Minor irrigation and Land Development	10.0%
B. Other purpose	
(i) Small farmers	10.0%
(ii) Other farmers	12.5%

[English]

Export of Mica

784. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) the total quantity of mica exported every year and the amount involved during the last three years ;

(b) the names of the countries to which the mica is exported ; and

(c) the steps being taken to increase export of mica during the year 1985-86 ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) The exports of processed mica for the last three years are as under :—

	Qty : 000) tonnes	
	Value : Rs. in	
		Crores.
Year	Qty.	Value
1982-83	11.75	21.58
1983-84	10.80	24.22
1984-85	14.40	*21.50

(April-84—Feb.85)

*Provisional

** (Source : MITCO)

(b) Mica is exported to USSR, GDR, Poland, Romania, Czechoslovakia, Australia, Austria, Belgium, Bulgaria, Chile, France, Greece, Hong Kong, Italy, Japan, North Korea, South Korea, Malaysia, Philippines, Singapore, Switzerland, Syria, Taiwan,

Holland, Thailand, U.K. USA and West Germany.

(c) Mica Trading Corporation of India (MITCO) proposes to confine, in 1985-86, its efforts towards maintaining contact with foreign buyers to negotiate increased business, undertake export promotion tours, participation in trade fairs and exhibitions and publicity through Indian Missions.

World Bank aid to Various Projects in the Country

785. SHRIMATI JAYANTI PATNAIK : Will the Minister of FINANCE be pleased to state :

(a) whether Government have sought World Bank aid for implementing various projects in the country ;

(b) if so, the amount of World Bank aid expected to be received by the country in 1985-86 ; and

(c) the details of the projects for which World Bank aid has been sought ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). Each year the Government of India prepares a pipeline of projects which is posed to World Bank Group for assistance. The exact number of projects for which assistance can be tied up in 1985-86 and the quantum of such assistance depends upon availability of Bank Group Funds and the status of project preparation and processing and no clear picture can be given at this stage.

The World Bank's financial year is from 1st July to 30th June and the ongoing year is FY 85 for which a clear picture will emerge only after 30th of June 1985. However, the details of projects for which agreements for World Bank Group assistance have been signed in FY 1984 i.e. from 1st July 1983 to 30th June 1984 are given in the attached statement.

**Data in respect of exports of fabricated mica is not yet available.

Statement
**LIST OF PROJECTS FOR WHICH AGREEMENTS HAVE BEEN
 SIGNED IN FY 84.**

Sl. No.	Name of the Project	Amount of Assistance (US \$million)	Date of signing
1.	Orissa Irrigation II Project	105.00	16.9.83
2.	Upper Ganga Moderanisation Irrigation Project.	125.00	29.6.84
3.	Gujarat Medium Irrigation II Project.	172.00	29.6.84
4.	Cambay Basin Petroleum Project.	242.5	25.5.84
5.	Second Farakka Thermal Power Project	300.8	29.6.84
6.	M.P. Urban Development Project.	24.1	19.7.83
7.	Third Population Project	70.0	8.2.84
8.	Madhya Pradesh Fertiliser Project	203.6	25.5.84
9.	Nhava Sheva Port Project	250.0	25.5.84
10.	Dudhichua Coal Project	151.0	25.5.84
11.	Railway Electrification and Workshop Moderanization Project.	280.7	25.5.84
12.	Pilot Project for Watershed Development	31.0	8.2.84
13.	Karnataka Social Forestry Project.	27.0	8.2.84

Trade Relations with Brazil

786. SHRIMATI JAYANTI PATNAIK: Will the Minister of COMMERCE AND SUPPLY be Pleased to state :

(a) whether Government have a proposal to establish trade relations with Brazil;

(b) if so, from when and the items on which Indo-Brazil trade relations are going to be established; and

(c) the details thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) to (c). Trade between India & Brazil has always been allowed subject to the Import and Export laws and policy of each country. With a view to further expand and strengthen trade relations, a Trade Agreement was signed on 3rd February, 1968 between the two Governments.

The principal commodities being imported into India from Brazil are soya oil, chemicals, pig iron, steel and railway wheels. The principal items of exports from India to Brazil are Shellac, Bicycle parts, readymade garments certain machinery and parts thereof spices etc.

Coal Projects with UK collaboration

787. KUMARI PUSHPA DEVI: Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the number of coal projects which have been started in India with the joint collaboration of the United Kingdom;

(b) the names of the places where these coal mining projects are located; and

(c) the performance of these coalfields in production of coal during the last three years?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). The projects being taken up for development in collaboration with U.K. in the coal sector are Ghusick, Asnapani, Radhamadhavpur and Bhartchak in Easter Coalfields. However, these projects are still in the preliminary stages of investigation, preparation or examination of Feasibility Report etc. Another project viz. Amlori in the Singrauli coalfield has been taken up for development with grant and credit from U. K. , but it is still to commence coal production.

(c) Does not arise as none of the projects have started production.

Joint Ventures Between India and West Germany

788. SHRI B. V. DESAI: Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether the West Germany Economic Mission which visited India in February

1985 has found a potential market here as well as possibilities of joint ventures;

(b) if so, whether they have also impressed upon the Union Government to make more liberal policies to ensure expanded collaboration;

(c) if so, whether the delegation had a number of taken with the various concerned authorities in India;

(d) if so, whether they have submitted to Government certain suggestions which require liberal policies to be made so that their collaboration would be more active and on an increasing rate;

(e) if so, whether Government have considered their views; and

(f) if so, the details thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) to (f). A delegation of industrialists from West Germany led by Dr. R. Jochimsen Minister of Economic Affairs of the State of Northrhine Westphalia, West Germany, visited Delhi from 17th to 20th February, 1985. It was a private visit, though at the request of the German Embassy, a few calls were facilitated. The main interest of this delegation was to find out Government of India's policy regarding the developments among other areas, in the fields of energy, coal, and machine manufacture in the context of India's 7th Five Year Plan. During their visit, the German delegates were broadly apprised of India's industrial and economic developments and opportunities for their participation in different schemes. It was clarified that, wherever necessary, Government has been simplifying procedures and liberalising policies and schemes.

R.B.I. Directive to Chief Executive of Banks

789. **SHRI B.V. DESAI :** Will the Minister of FINANCE be pleased to state:

(a) Whether the Reserve Bank of India has issued a directive to the Chief Executives of the banks stating that the Executive Directors/Chairmen of the banks are morally and legally responsible for the effective supervision and monitoring of the large advances of the banks; and

(b) If so, the other points of the directive issued by the Reserve Bank during February, 1985 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). In the context of irregular lending and non-review of large advances and non-reporting of irregularities in advance to chief executives of banks in time, the Reserve Bank had advised the chief executives of the banks in December, 1984 to evolve an effective and efficient information system to keep themselves posted with all the developments in regard to major advances in the banks, as they are morally and constitutionally responsible for effective supervision and monitoring of the larger advances of their banks. They have also been advised to discuss, during the course of their tours, large advances with controlling officers and issue instructions for handling of such accounts.

Measure to Boost Production and Export of Horticultural Crops During the Seventh Plan Period

790. **SHRI R. ANNANAMBI :** Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether Government are considering measures to boost production and export of horticultural crops like fruits, vegetables and spices during the Seventh Five Year Plan Period ; and

(b) if so, the details thereof ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) Union Government has requested the State/Union Territory Governments to prepare year-wise targets of production of items of horticulture within the overall targets for the Seventh Five Year Plan period. For increasing exports during the period, periodic discussions are held with State Agricultural Export Commissioners and measures of export promotion which are being undertaken include cash compensatory support on exports of various items of horticulture, import replenishment to registered exporters, facility of duty drawback, assistance for

publicity and exhibition campaigns, product promotion, market surveys, allocation of adequate cargo space for exports of fresh fruits and vegetables, and package of incentives and assistance on exports of the products in approved consumer packs.

New Currency Note Printing Press at Panagarh

791. SHRI AJIT KUMAR SAHA : Will the Minister of FINANCE be pleased to state :

(a) whether a detailed project report for setting up a new Currency Note Printing Press at Panagarh has been undertaken ;

(b) if so, the details thereof ;

(c) if not, the reasons for the delay ; and

(d) the steps taken by Government to expedite the project report so that its work could start as soon as possible in view of the country facing currency note shortage ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The task of formulating detailed project report would be undertaken after the site has been selected. The availability of land based on the recommendations of the Site Selection Committee is being explored.

Debt Payment as a Result of Rise in Value of Dollar

792. SHRI PIYUS TIRAKY : Will the Minister of FINANCE be pleased to state :

(a) Whether his Ministry is aware that in relation to U.S. dollar, Indian rupee has depreciated very significantly by as much as 45 percent between 1981 and now;

(b) the details of the deficit of India's balance of payment and details of the effects of the rise in dollar price;

(c) the plans of Government to earn more dollars required for the payment of debt liabilities of 200 million U.S. Dollar for the current year;

(d) whether Government intend to acquire fresh debt for this purpose; and

(e) if so, from which countries or financial agencies and under what terms and conditions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). The balance of payments position is essentially an exercise in the management of our foreign exchange reserves. Various factors including changes in exchange rates would affect the complexion of our balance of payments. It would, however, be difficult to assess in isolation the impact of change in the value of any one currency since the exchange rates are not constant. Further the balance of payments exercise also takes into consideration the servicing of debt liabilities. The balance of payments position is constantly kept under review and appropriate steps are taken from time to time.

The Indian Rupee has depreciated by 30.85% in relation to the U.S. dollar between 31.12.81 and 14.3.85. The details of our balance of payments position are presently available for the period 1982-83 and have been published in the Economic Survey 1984-85 which has been laid before Parliament on March 15, 1985.

New Policy on Tea Marketing

793. SHRI PIYUS TIRAKY : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether Government are going to have a new policy on tea marketing;

(b) if so, the details of the new policy ;

(c) the target of tea export for 1985-86 ;

(d) whether it has been decided to increase the percentage of obligatory sales through Indian auction by all tea manufacturing units from 70 to 75; and

(e) the incentives being given to the sick tea gardens?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP: SINGH) (a) to (c). The Tea Marketing Plan 1985 has been formulated with the objective of optimising the export earnings while simultaneously

ensuring adequate domestic availability of tea at reasonable and stable prices. The Plan provides for increasing the obligatory through out of tea through auctions from 70 to 75% in accordance with the provisions of the Tea Marketing Control Order 1984. The total exports as well as the phasing in each quarter are to be regulated along with bying for exports in auctions. Separate allocations have been made for the different methods of exports from North and South India. There will be a Minimum Export Price regime. The total exports are to be restricted to 220 million kgs. However, within the ceiling, there will be no restriction on the export of value-added tea.

The Tea Board operate a number of schemes for giving assistance in the form of loans and subsidies for the development of tea gardens for which even weak gardens are eligible.

Appointment of non-official Directors on Board of Directors of Nationalised Banks

794. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether there exist any guidelines regarding the appointment of non-official directors on the Board of Directors of the nationalised banks, I. D. B. I., NABARD, Industrial Financial Corporation of India particularly under the category of 'social workers', representatives of 'trade, commerce and industry;

(b) if so, the details thereof;

(c) the manner in which these names are selected and their suitability determined for being put on a particular Board; and

(d) whether the Boards have since been reconstituted; if so, whether he proposes to lay on the Table a copy of the reconstituted Boards of the various nationalised bank, I.D.B.I., NABARD, and Industrial Financial Corporation of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). Appointments of Directors on the Boards of Directors of nationalised banks, National Bank for Agriculture and Rural Development

(NABARD), Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) etc. are made in accordance with the relevant statutory provisions governing these institutions. In making these appointments, the Government keeps in view the knowledge and experience of the persons concerned and their ability to subserve the interests of the institution and, through it, of the people at large.

(d) Boards of Directors of nationalised banks have not been dissolved. However, in terms of the provisions of the Nationalised Banks (Management and Miscellaneous Provisions) Schemes 1970 and 1980, Government had notified that non-official Directors on fourteen nationalised banks shall cease to hold office from the dates they completed a three-year term. The resultant vacancies have not yet been filled.

Lists of Directors of NABARD, IDBI and IFCI as on date are set out in the statements laid on the Table of the House (Placed in Library. See No. LT-610/85).

Guidelines for Raising multi-currency loan in Eurodollar market by private companies

795. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has laid down any guidelines for raising multi-currency loans in the Eurodollar market by private sector companies, if so, the details thereof;

(b) the names of the companies in private sector which have raised such loans during the years 1984-85 and 1985-86 (uptil 28 February, 1985); the amount of loan raised, the country/currency in which raised; the purpose of the loan; interest payable on such borrowing-in Indian or foreign currency; and mode of its repatriation; and

(c) the check being exercised by Government and the Reserve Bank of India over the raising, utilisation and repatriation of principal and interest thereon on these loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Companies in the Private Sector are selectively permitted to raise commercial loans abroad mainly

for the import of Capital Goods and services for approved projects and schemes. Such borrowings are permitted after taking into account, inter alia, the foreign exchange requirements of the project, the availability of concessional funds from bilateral and multilateral sources, and keeping in view the need to confine the debt service liability within prudent limits. In approving loans, care is also taken to see that rate of interest and other terms are reasonable and consistent with the country's international credit standing.

(b) The details of the foreign currency loans permitted to the Companies in the Private Sector in Euro-dollar market during

1984-85 (April, 1984 to February, 1985) are given in the attached statement.

(c) Government approves the proposals for undertaking external commercial borrowing, as well as the terms and conditions for such borrowings. The Reserve Bank of India scrutinizes the proposals under the relevant provisions of FERA, and ensures that the terms of the Government sanction are complied with and that no additional foreign exchange liability either express or implied is assumed under the arrangement. Prior approval of the Reserve Bank of India is required for repayment of loans and payment of interest and other charges.

Statement

Statement referred to in part (b) of the answer to the question
Name of the Companies in Private Sector who had been permitted to raise
Euro-currency loans during the period 1-4-84 to 28-2-85.

S. No.	Name of the Borrower	Amount in Foreign currency (in Million)	Purpose of the loan	Rate of interest
(1)	(2)	(3)	(4)	(5)
1.	(a) M/s. Reliance Textile Industries	US\$ 11.88 US\$ equivalent of DM. oP. 53, Sw. Fr. oP. 45 & J.Y. 771,18	Import of Capital Goods	5/8% p.a. over SIBOR
	(b) —do—	US\$ equivalent to Rs. 47.00 lakhs.	—do—	5/8% p.a. over SIBOR
	(c) —do—	US\$ 26,076	—do—	0.5% p.a. over 6 months LIBOR for the first 4 years and 5/8% p.a. over 1 LIBOR thereafter after 0.5% p.a. over Punjab National Bank Pound sterling base rate (at present 9% p. a.)
2.	M/s. Tribune Trust Publications	£ 0.19	Import of Photo typesetting equipment	0.5% p.a. over 6 months SIBOR
3.	M/s. Aurangabad Steel Industries (P) Ltd.	US\$ 1,714	Import of Capital goods & Technical Know-how fees.	5/8% p.a. over LIBOR
4.	M/s. Lokmat Newspapers(P) Ltd.	FF 1.02	Import of Off-set Rotary Printing Machine	5/8% p.a. over LIBOR

(1)	(2)	(3)	(4)	(5)
5.	M/s. Bata India Ltd.	DM equivalent to Rs. 80 lakhs	Import of Capital goods.	5/8% p.a. over SIBOR for 3 years. 0.75% p.a. over SIBOR thereafter.
6.	M/s. Thomson Press (India).	Sw. Fr. 0.14 DM 3.84	Import of Web Off set High speed Printing Press	0.5% p.a. over LIBOR
7.	M/s. Bajaj Auto Ltd.	(a) US\$ 5.5 (b) US\$ 16.5 (equivalent in DM)	Import of Capital goods.	(a) 14.25% p.a. (b) 5/8% p.a. over 6 months LIBOR
8.	M/s. Gwalior Rayon Silk Mfg.	(a) DM 15.80 (b) DM 11.00	—do—	(a) 10.5% p.a. (b) 5/8% p.a. over LIBOR
9.	M/s. Associated Journals	US\$ 1.40	Import of Web Offset Rotary Printing Machine and Photo Composing Machine.	5/8% p.a. over LIBOR
10.	M/s. Hindustan Development Corpn. Ltd.	DM 0.60	For the payment of Technical Know-how fee and Engg. fee etc.	0.5% p.a. over LIBOR for 1st 4 years. 5/8% p.a. over LIBOR for balance 4 years.
11.	M/s. Modern Insulators Ltd.	DM 9.00	Import of Capital goods.	0.5% p.a. over 3/6 month LIBOR
12.	M/s. Great Eastern Shipping Co. Ltd.	US\$ 5.01	Acquisition of two product carriers	5/8% p.a. over LIBOR
13.	M/s. Mangalore Chemical Fertilizers	Sw. Fr. 2.48	Import of D.G. Sets.	1/2% p.a. over SIBOR for the first 4 years, and 5/8% p.a. over SIBOR for the last 4 years.
14.	M/s. Indian Charge Chrome Ltd.	US\$ 1.75	Import of Capital goods.	0.5% p.a. over LIBOR for a period of 4 years and 0.625% p.a. over LIBOR thereafter.
15.	M/s. Nirlon Synthetics Fibres & Chemicals Ltd.	DM 13.45	—do—	9% p.a. fixed.

(1)	(2)	(3)	(4)	(5)
16.	M/s. Hauers Lines (P) Ltd.	N Kr.3.510	Acquisition of Second Hand Dry Cargo Vessels	5/8% _o p.a. over LIBOR
17.	M/s. Essar Bulk Carriers	£ 11.25	Acquisition of 1 NDT Vessel	5/8% _o p.a. over LIBOR
18.	M/s. Ballarpur Industries	US\$ 3.690	Acquisition of second hand chemical/edible oil carriers	5/8% _o p.a. over 6 months LIBOR
19.	M/s. Sakal Papers (P) Ltd.	FF 1.59	Import of Web-Offset Rotary Printing Machine	5/8% _o p.a. over 6 month LIBOR
20.	M/s. Bombay Off-Shore Suppliers Services Ltd.	US\$ 3.150	Acquisition of second hand Motor Towing Tug, Ocean Falcon-I	5/8% _o p.a. over LIBOR
21.	M/s. SML Diagnostic Centre	US\$ 0.10 } DM 2.07 }	Import of Medical equipments etc.	5/8% _o p.a. over SIBOR

Notes :— 1. LIBOR : London Inter-bank Offered Rate.

2. SIBOR : Singapore Inter-bank Offered Rate.

Ban on Recruitment in Government Service

796. SHRI NARAYAN CHOUBEY : Will the Minister of FINANCE be pleased to state :

(a) whether a ban on recruitment has been ordered by Government for Government Service including Railway Service ;

(b) if so, upto what date the order is operative ; and

(c) whether Government will fill up authorised vacancies and start recruitment early, if so, when ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). As a part of anti-inflationary measures, Ministries/ Departments of the Government of India were advised not to fill up existing vacancies till 31st March, 1985. Exemptions have however been allowed in a few selective cases like appointment of dependents of deceased employees on compassionate grounds and handicapped persons, redeployment of personnel surplus to one organization in another regularisation of casual labourers against Group 'D' vacancies, filling up of vacancies purely by promotion etc.

Expert Terms to study Processes of Quality Testing of Shrimps in Japan and U.S.

797. SHRI K. PRADHANI : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether his Ministry have decided to send two expert teams to Japan and U.S. to study the processes of quality testing of shrimps supplied by India ;

(b) if so, the composition of these teams and the outcome of the study made by them of testing process particularly in Japan and the change suggested by them in the existing process of quality testing ; and

(c) the step being taken by Government to implement these suggestions ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). It is proposed to send a delegation to Japan for exchange of views regarding testing methods and precautionary measures against Cholera contamination in shrimps meant for exports. The composition of the delegation is under finalisation.

(c) Does not arise.

**Enforcing of Minimum Discipline
Among Bank Borrowers**

798. SHRI K. PRADHANI: Will the Minister of FINANCE be pleased to state :

(a) whether the commercial bank borrowers have failed the "fast track" facility provided by the Reserve Bank of India in April last to obtain their credit needs speedily from the banks ;

(b) if so, the reasons therefor ; and

(c) the steps which his Ministry propose to take to enforce a minimum of discipline among the bank borrowers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). No, sir. The concept of the "fast track" being a new one, the progress in availing of the facility is, however, slow.

(c) As regards discipline among the borrowers, circular instructions have been issued by Reserve Bank of India to banks from time to time in regard to adherence of inventory/receivables norms, lending norms and information system. While authorising credit proposals, RBI also insists on compliance with these norms where applicable. Instructions in a consolidated form have also been issued in January, 1985.

Introduction of Direct Reduced Iron Technology in Public Sector Steel Plants

799. SHRI K. PRADHANI: Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government have at any stage considered the economics of introduction of DRI (Direct Reduced Iron) technology in the public sector steel plants;

(b) if so, when and where;

(c) whether the Orissa Sponge Iron, which started commercial production through DRI technology in September, 1983, had to stall the production due to movement of coal by rail; and

(d) if so, the assistance proposed to be rendered to this Orissa project which has re-started production last year, particularly in the supply of coal?

**THE MINISTER OF STEEL, MINES
AND COAL (SHRI VASANT SATHE):**

(a) Yes, Sir.

(b) In the context of finding out economic viability of production of steel at the new steel plant proposed to be set up at Vijayanagar, MECON made a techno-economic study on alternatives with conventional and Direct Reduction route of steel making in November, 1983.

A 30,000 tonnes per annum of Direct Reduction demonstration plant was commissioned by the Sponge Iron India Ltd. (SIIL) at Paloncha in 1980. The plant has shown good performance and SIIL is now setting up another similar module of 30,000 tonnes per annum which is likely to be commissioned in June, 1985.

SAIL have also set up a pilot plant of 10 tonnes per day capacity of sponge iron at Ranchi in 1982.

(c) and (d), During 1983 the Orissa Sponge Iron Ltd., represented about inadequate wagon allotment by the Railway for movement of coal. The matter was taken up with the Railway Board and thereafter with the Cabinet Secretariat. In view of the importance of the sponge iron route to the steel making in the country, the priority for movement of coal by rail for sponge iron plants including Orissa Sponge Iron Ltd. was upgraded to 'Steel Priority'.

Proposed Nationalisation of Krishna Glass Works Limited in West Bengal

800. SHRI SYED MASUDAL HOSSAIN: Will the Minister of FINANCE be pleased to state:

(a) the reasons for delay in nationalisation of the Krishna Glass Works Limited in West Bengal; and

(b) the reasons why the State Government has been asked to accept the pre-take-over liabilities of this unit when private entrepreneurs had mismanaged it and due to which Government propose to take over the unit ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) There has been no delay on part of the Government of India.

(b) The present policy of the Central Government relating to protection of dues of banks and financial institutions in cases of nationalisation is that the entire pre take-over and post take-over dues should be fully protected. In accordance with the above policy, the State Government of West Bengal has been requested to ensure Protection of the entire pre take-over and Post take-over dues of banks and financial institutions in the instant case.

Production Target of Tea in 1985

801. SHRI CHITTA MAHATA : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) the production target of tea in 1985; and

(b) the steps Government propose to take for its marketing ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) Target of production of tea during 1985 is 655 Million Kgs.

(b) The Government has already announced the Tea Marketing plan for 1985 which seeks to optimise export earnings while ensuring adequate domestic availability at reasonable and stable prices. The obligatory throughput in auctions has been increased from 70 to 75%. Exports are to be restricted to 220 million Kgs. on the basis of a quarterly phasing with separate allocations among the different methods of exports in North and South India. Similarly buying for export in auctions will also be regulated and exports will be subject to MEP. Within the ceiling, there will be no restriction on exports of value-added tea and promotional activities will be constantly reviewed to give the necessary fillip to such exports.

Steps Proposed to Revive Sick Jute Mills

802. SHRIMATI JAYANTI PATNAIK: SHRI AMAR ROY PRADHAN : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether some jute mills have fallen sick in the country ;

(b) if so, the number of such jute mills in different states; and

(c) the steps taken to revive those sick mills?

THE MINISTER OF FINANCE COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) to (c). Of late, with steep rise in raw material prices and due to other associated factors, some jute mills in the country have fallen sick and 15 jute mills in have closed down, excluding 3 permanently closed mills.

Government's role is primarily to monitor and coordinate measures aimed at revival of the sick units, coupled with assistance from the banking and financial institutions who are primarily responsible to take remedial measures, inclusive of financial, and managerial restructuring of the units in order to rejuvenate the industry.

The Government have been taking several steps, from time to time, to improve the viability of the jute industry, which include:-

- (i) Grant of increased CCS on export of jute goods;
- (ii) Involving STC in assisting exports of CBC to North American Markets by forming STC-Jute Industry Consortium on 50:50 loss sharing basis;
- (iii) Constituting a new Jute Manufacturers Development Council and a Jute Fund out of proceeds of jute cess to give boost to R&D efforts and export promotion;
- (iv) Purchase of jute goods by Govt. (DGS&D) from jute industry on cost plus basis;
- (v) Introduction of compulsory use of 100% new jute bags by cement industry;
- (vi) Persuading other user departments to use more jute bags instead of synthetic substitutes for packing of fertilizers;
- (vii) Free import of raw jute from Nepal through Jute Corporation of India;

- (viii) Setting up of a Standing Committee under the auspices of RBI to study viability of jute mills and to suggest a package of financial measures for the rehabilitation of potentially viable units;
- (ix) With a view to improving the supply position of raw jute, the Government have taken the following steps:-
- (a) Regulating the stock holdings of jute mills under the Jute (Control and Licensing) Order, 1961 to bring about more equitable distribution of raw jute;
- (b) authorising Jute Corporation of India to arrange for import of 5 lakh bales of raw jute from abroad. However, against the above authorisation, JCI have been able to contract for import of about 3 lakh bales.

Proposal to Decanalise Imports of Alloy Steel wire Rods and Non-bulkable wire Rods

803. SHRI R. ANNANAMBI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

- (a) whether Government would decanalise imports of alloy steel wire rods in all grades and non bulkable wire rods and ban imports of some grades of carbon steel wires and alloy steel wires :
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH): (a) to (c). The annual import-export policy for 1985-86 is under formulation. This will be announced by the Ministry of Commerce.

Places identified for location of Dry ports

804. KUMARI PUSHPA DEVI : Will the Minister of COMMERCE AND SUPPLY be pleased to state:

- (a) whether Government have taken steps for the establishment of dry ports in the country;

(b) if so, the name of the places where such dry ports facilities have been provided; and

(c) the other places in the country identified for the location of dry ports?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Government has considered providing facilities for inland exporters such as customs examination, issue of negotiable shipping documents, payment of duty drawback, export inspection, at suitable inland locations.

(b) For this purpose, inland container depots (ICD) have been set up at Delhi, Bangalore, Coimbatore, Guntur and Anaparty.

(c) Amingaon in Assam and Ludhiana in Punjab have been identified for setting up FCDs.

Supply of good quality coal to Power Houses

805. SHRI BALASAHEB VIKHE PATIL : Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether a directive has been issued by his Ministry to power houses and coal mines to enter into agreement for supply of quality coal to power houses;

(b) if so, the details thereof;

(c) the number of power houses which have since entered into such agreements;

(d) the way in which Government propose to check the time old problem of inferior coal with high percentage of ashes and stones which is the basic reason for fall in production of power and damage to the power units; and

(e) the steps taken in this regard?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) and (b). A model draft agreement to be entered into by Coal Companies and State Electricity Boards for coal supplies to power houses was circulated by the Deptt. of Power to all Electricity Boards. This draft agreement contains provisions relating to joint sampling and analysis, terms of pay-

ments, and other issues relating to coal supplies.

(c) So far, the following power stations/ Electricity Boards have signed the agreement :—

1. Badarpur Thermal Power Station.
2. Punjab State Electricity Board.
3. Haryana State Electricity Board.
4. Uttar Pradesh State Electricity Board.
5. Bihar State Electricity Board.
6. Delhi Electricity Supply Undertaking.
7. Tamilnadu State Electricity Board.
8. Rajasthan State Electricity Board; and
9. Damodar Valley Corporation.

(d) and (e). Power Houses have been linked with certain sources from which coal is being supplied to them according to their boiler parameters. Efforts are always made to adhere to the parameters. Due to opening of a number of opencast mines without Coal Handling Plants, complaints have been received from some power stations about the size of coal, low calorific value and presence of extraneous material in the coal.

To ensure proper sizing and removal of extraneous material, coal handling plants are being constructed at the collieries. At present, 55.90% of the coal produced in the country passes through CHP's Construction of more CHP's has been planned. By 1987-88, 94% of the coal produced will pass through CHP's. In the meanwhile, the coal Companies have been directed to ensure manual breaking of bigger pieces and picking of extraneous material.

Coal Controller has been given powers to determine the grade of coal seams in the mines as also the coal supplied to consumers and for this purpose to take samples and arrange for the testing of coal suo-moto or if any complaint is made in this regard. The Coal Controller's decision in the matter shall be final and binding.

[*Translation*]

**Donation given by Nationalised Banks
to Educational Institutions**

806. SHRI VILAS MUTTEMWAR: Will the Minister of FINANCE be pleased to state:

(a) the amount of donation given by each nationalised bank to different educational institutions during the last three years, indicating the names of such institutions;

(b) the level at which decision of giving donation was taken; and

(c) whether giving donation to the private educational institutions by the nationalised banks is considered appropriate by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). A Information is being collected and to the extent available, will be laid on the table of the House.

(c) Government does not consider it inappropriate for public sector banks to assist educational institutions for promotion of education through small donations, within the ceilings for aggregate donations prescribed by Reserve Bank of India.

[*English*]

**Rise in Value of Dollar and Depreciation
in Rupee**

807. SHRI INDRAJIT GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether there is an unprecedented phenomenon of continuous and uninterrupted rise in the value of dollar in relation to every other currency in the world;

(b) if so, the extent to which rupee has been depreciated since 1980; and

(c) the extent to which our debt repayment liabilities will increase due to this depreciation in value of rupee compared to 1980?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) There has been a rise in the value of U.S. dollar though not uninterrupted in relation to most of the major currencies in recent years.

(b) The down-ward variation in the value of rupee in relation to US dollar during the period 31st December, 1980 to 14th March, 1985 has been of the order of 39.87 per cent.

(c) Changes in the exchange rate between the rupee and the dollar and other major currencies do not affect India's debt liabilities as the foreign currency amount of repayment of debt denominated in dollar or such other currencies would remain unaltered. However, these changes may alter the amount of repayments expressed in rupees. The extent of such changes depend on future exchange rate movements which cannot be estimated.

Allied 12-Crore shady deal by Bangalore Branch of State Bank of India

808. SHRI BALASAHEB VIKHE PATIL:
SHRI CHINTAMANI JENA:
SHRI DHARAM PAL SINGH MALIK:

SHRI INDRAJIT GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether State Bank of India manager of Bangalore Branch has been held for his role in a 12-crore shady deal;

(b) if so, the particulars of the case;

(c) whether any enquiry has been conducted, if so, the results thereof;

(d) whether the rules for advancing loans for industry and trade need to have a fresh look to avoid such incidents; and

(e) if so, the likely time by which this will be done?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). The State Bank of India has reported that a fraud of Rs. 3.5 crores has occurred at its Shivaji Nagar Bangalore Branch between 5th February 1985 and 12th February 1985. The Bank has lodged a complaint with the police authorities who are investigating the matter. The Branch Manager has been arrested by the police. Preliminary investigations of the bank have revealed that it was a fraud committed with the collusion of the Branch Manager. The bank has placed two officers under suspension.

(d) and (e). The Reserve Bank of India scrutinises the reports of the banks relating

to frauds continuously and keeps reviewing the systems and inspections in the banks and, whenever necessary, issues suitable instructions to the banks.

Coal movement by Railways

809. SHRI BALASAHEB VIKHE PATIL: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether an official Working Group has established that coal movement by Railways would go up from 116 million tonnes in 1984-85 to 173 million tonnes in 1989-90;

(b) whether this will call for substantial increase in rail wagon offering which is not likely to mature due to resource constraint; and

(c) if so, the details of long-term alternatives which are being contemplated to deal with this situation so that pace of industrialisation in the country is not thwarted.

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) The Working Group on Coal and Lignite for the Seventh Five Year Plan has estimated the demand of coal for the Seventh Plan period and the movement of coal, by rail, that will be required to meet this demand. The Working Group has estimated that the total quantity of coal that will be required to be moved by rail will increase from 125.98 million tonnes in 1985-86 to 166.33 million tonnes in 1989-90. The Working Group has not made any projections of movement to be required in 1984-85.

(b) and (c). The Report of the Working Group on Coal and Lignite for the Seventh Five Year Plan is under examination by the Planning Commission. Appropriate decisions will be taken regarding movement of coal by the railways after targets of coal and related sectors are finalised for conclusion in the Seventh Plan.

Lumpsum amount for L.T.C.

810. SHRI V.S. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received a suggestion that a lumpsum amount should

be paid to every Central Government employee in place of the present leave Travel Concession and that it should be made taxable; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). A suggestion for replacement of the present system of holiday travel concession by a small addition to the salary without any travel condition attached to it has been received by the Government. The suggestion has been referred to the 4th Central Pay Commission who are already considering the structure of emoluments and conditions of service of Central Government employees.

Assessment of Tax of Big Houses

811. SHRI CHITTA MAHATA: Will the Minister of FINANCE be pleased to state;

(a) whether Government have assessed the tax on big houses in the country during the years 1981-82, 1982-83, 1983-84 and 1984-85;

(b) if so, year-wise details thereof;

(c) the total amount so far recovered from them; and

(d) the time by which the remaining balance would be recovered from them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). As per the list prepared by the Department of Company Affairs, there were 113 large industrial houses, as on 31.12. 1983, which controlled 1230 companies/undertakings. In addition to these companies/undertakings, there are other assessable units belonging to these houses. The Income-tax assessments in these cases are being handled by the field officers at different places all over the country. The collection and compilation of the information called for in these cases in respect of 4 years would require a lot of time and labour, which may not be commensurate with the results sought to be achieved by collection of the information. In case the Hon'ble Member of Parliament desires to have some specific information in respect of any of

these cases then the same can be collected and furnished.

Appropriate steps are taken from time to time by the concerned Income-tax authorities for recovery/reduction of outstanding demands as and when they become due and payable.

Leather Exports

812. PROF. RAMKRISHNA MORE: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether leather exports have registered a rapid increase during the current year;

(b) if so, the details of the exports made; and

(c) further steps being taken to boost exports of leather goods?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) Exports of Leather and Leather products during April-November, 1984 are estimated provisionally at Rs. 380.97 Crores as against Rs. 258.63 Crores during the corresponding period of last year, according to the information supplied by the Council for Leather Exports, Madras.

(c) Provision of essential inputs for export production of value-added leather products, apart from publicity, participation in overseas leather fairs, sponsoring of salescum-study teams and market surveys, etc. are some of the further steps being taken to boost exports of leather products.

Dry Port At Jaipur

813. SHRI MOOL CHAND DAGA: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether the dry port being established at Jaipur would give impetus to exports;

(b) if so, the items that would be handled by it; and

(c) the time by which this dry port is likely to start operating?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) There is no proposal to establish a Dry Port at Jaipur.

(b) to (c). Do not arise.

Complaints regarding supply of coal to consumers

814. SHRI CHINTAMANI JENA :

SHRI AMARSINH RATHAWA : Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether Government have received certain complaints from the consumers particularly from the power plants in regard to the supply of over-sized and adulterated coal which affect their Production ;

(b) if so, whether any study has been made to find out the causes;

(c) if so, the findings thereof; and

(d) the steps being taken to supply the coal to the consumers according to their requirements so that their production may not suffer ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) to (d). There have been complaints from power stations about the size of coal, low calorific value and presence of extraneous material in the coal. It has been found that the quality of coal supply in terms of calorific value, mostly conform to the boiler parameters of the Thermal Power Stations concerned. Regarding the receipt of over-sized coal and presence of shale and other extraneous material in the coal, the problem arises because of the opening of a number of opencast mines without Coal Handling Plants.

To ensure proper sizing and removal of extraneous material, Coal Handling Plants are being constructed at the collieries. At present, 55.90% of the coal produced in the country pass through CHP's. Construction of more CHP's has been planned. By 1987-88, 94% of the coal produced will pass through CHP's. In the meanwhile, the Coal Companies have been directed to ensure manual breaking of bigger pieces and picking of extraneous material to

ensure that coal of proper size and quality is supplied.

Shortage of coal faced by Thermal Power Houses

815. SHRI K. RAMAMURTHY: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether there is an acute shortage of coal being faced by thermal power houses in the country though there is abundance of coal at the pitheads;

(b) whether Government have assured that the power houses in the North alone will be given adequate coal supply to maintain their current requirement and also to build up stock for a month; and

(c) if so, the way in which Government propose to maintain adequate supply of coal to power houses in southern parts of the country?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) The coal stocks at some power stations are low because of transportation problems, inadequate facilities at the power stations for handling of coal wagons and also due to inadequate production by the Singareni Collieries Company Ltd.

(b) Power stations in all parts of the country are being supplied coal to meet their requirements and build up stocks.

(c) Due to shortfall in production in Singareni Collieries Co. Ltd., some of the power stations in South India have low stocks. Government have taken the following steps to meet the situation:—

1. Government of Andhra Pradesh and the management of Singareni Collieries Co. Ltd., have been impressed upon the need to take all necessary steps to curb strikes and absenteeism in SCCL and improve production.
2. Coal is being supplied to Southern India from Coal India Ltd., to the extent feasible, depending on the movement possibilities, by rail, road and sea routes.

Import of coal from Australia

816. SHRI K. RAMAMURTHY: Will the Minister of STEEL MINES AND COAL be pleased to state:

(a) whether Government have permitted import of one lakh tonne of coal from Australia by the Minerals and Metals Trading Corporation on the ground that the imported coal is cheaper and also the quality is of high grade; and

(b) if so, the steps being taken to bring down the cost of indigenously mined coal and also to improve the quality of coal?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE):

(a) Tamilnadu Electricity Board had been permitted to import 1 lakh tonnes of coal from Australia through Minerals and Metals Trading Corporation, having regard to the constraints in moving coal to Tuticorin Thermal Power Station via Haldia Port, to enable the Power Station to build up a buffer stock.

(b) Pithead prices of coal are fixed by Government. While revising the coal prices necessitated due to escalation in the cost of inputs, wage increases, higher incidence of depreciation and interest charges etc., its impact on the consumers and on the national economy is always kept in view and prices are kept as low as possible.

On the quality front, several measures have been taken for improving the quality of coal supplies. These: include

1. Setting up of an independent quality control organisation in each coal company.
2. Installation of more coal handling plants with provision for sizing and screening of coal wherever required.
3. Breaking up of sized coal and segregation of extraneous material by manual means, where CHP's do not exist.
4. Introduction of a clause in the agreement with major consumers providing for joint sampling and analysis and payment on that basis; and

5. The Coal Controller as an independent authority has been given the powers to determine the grades of coal seams in the mines as also of the coal supplied to consumers and for these purposes to take samples and arrange for the testing of coal suo-moto or if any complaint is made in this regard by any consumers. The Coal Controller's decision in the matter shall be final.

Plans for Renovation Programme for the Bengal Nagpur Cotton Mills in Rajnandgaon

817. SHRI SHIVENDRA BAHADUR SINGH: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether there is any plan for renovation of Bengal Nagpur Cotton Mills at Rajnandgaon; and

(b) if so, the total estimated expenditure thereon?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir. An amount of Rs. 471.29 lakhs has been sanctioned for renovation, modernisation of this mill.

(b) Against the sanctioned amount, a sum of Rs. 367.16 lakhs has been spent upto December, 1984.

Labour Problem in Bengal Nagpur Cotton Mills at Rajnandgaon

818. SHRI SHIVENDRA BAHADUR SINGH: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether the management of Bengal Nagpur Cotton Mills at Rajnandgaon is facing any labour problem at present; and

(b) if so, the steps proposed to be taken to solve the problem?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and

(b). There were labour-problems in the mill during the year 1984. A settlement was reached on 6th December 1984 between the

management and the representatives of Rajnandgaon Kapda Mazdoor Sangh in the presence of the Deputy Labour Commissioner, Madhya Pradesh. Production in all three shifts was restarted on 8th December 1984. There was a demand for parity of wages in certain occupations with wages prevailing in textile mills in Indore. A Committee, consisting of representatives of the Workers' unions and the management, has been constituted to look into this matter.

Setting up of an Inland Container Depot at Ahmedabad

819. SHRI R.P. GAEKWAD: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether his Ministry has decided to set up an inland container depot at Ahmedabad;

(b) whether a site at Thaltej in Ahmedabad was selected for such a depot but as the landowner has gone to Court, the project is delayed;

(c) whether an alternative site at Sabarmati station has been suggested for the depot; and

(d) if so, the present position thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) Yes, Sir.

(c) & (d). The location of Sabarmati has not been found suitable for a regular Inland Container Depot (ICD).

Gold Refinery at Ahmedabad

820. SHRI R.P. GAEKWAD: Will the Minister of FINANCE be pleased to state;

(a) whether Government have decided to set up a gold refinery at Ahmedabad;

(b) if so, whether a suitable place for setting up the refinery has been located; and

(c) if so, the time by which the refinery at Ahmedabad is likely to start work?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANAR-

DHANA POOJARY): (a) to (c). There is only one Gold Refinery in the country and it is located in the Bombay Mint. There is no proposal to set up a gold refinery at Ahmedabad. However, a Collection-cum-Delivery Centre for gold has set up at Odhav, Ahmedabad. The Centre receives gold ornaments and other articles from merchants and the public and gives back equivalent amount of gold in standard gold bars.

Shortage of coins and small Denomination currency notes in Gujarat

821. SHRI R.P. GAEKWAD: Will the Minister of FINANCE be pleased to state;

(a) whether Government are aware that there is acute shortage of coins and small denomination currency notes in Gujarat for over two years;

(b) whether Government are aware that this is causing considerable hardship to people in their day to day business;

(c) whether State Government represented the matter to the Reserve Bank of India and the Ministry of Finance some time in July 1982 and in December 1983; and

(d) if so, the concrete steps taken or proposed to be taken to meet the shortage of small coins and notes in Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Reports of shortage of coins and small denomination currency notes have been received from various parts of the country including Gujarat.

(b) Yes, Sir.

(c) Yes, Sir.

(d) The Reserve Bank of India was advised to take remedial action and the Bank had stepped up supply of currency notes and small coins to Gujarat consistent with stock position. In addition, Government have taken various steps to ease the supply position of coins and small denomination currency notes. Incentive schemes have been introduced alongwith the increased working hours in all the three Mints, i.e. Bombay, Calcutta and Hyderabad and two Currency Note Presses at Nasik Road and Dewas,

Twenty-two new Coining Presses are being procured for the three Mints to increase production of coins. Modernisation and expansion of the existing Currency Note Presses is also in hand. It has also been decided to establish a new Mint and a new Currency Note Press and steps are being taken to implement these decisions. As a result of these measures supply of coins and small denomination currency notes has already improved.

Demand for International cardamom Community

822. PROF. P.J. KURIEN: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether any suggestion has been received from the United Planters Association of Southern India for the formation of an International Cardamom Community through the association of Food and Agricultural Organisation and; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) Efforts are being made by India as well as Guatemala to set up an International Cardamom Community of Cardamom producing countries. Chairman, Cardamom Board paid a visit to Guatemala in July, 1983 and a delegation from Guatemala under the leadership of the Ambassador of Guatemala to International Commodity Organisations also visited India in July, 1984. In the discussions it was recommended that both the countries should cooperate in the field of research, improved cardamom cultivation practices, market development programmes and stabilisation of prices in the international market.

Programme for Development of Cardamom

823. PROF. P.J. KURIEN: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether a Rs. 25 crore programme has been drawn up for the development of Cardamom; and

(b) if so, the main features thereof?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and (b). Yes, Sir. The Draft 7th Five Year Plan, under consideration of the Planning Commission envisages a total investment of Rs. 25,63 crores for the development of the cardamom plantation industry; of which 21.43 crores are for the development of small cardamom, Rs. 2.50 crores are for research programme on small cardamom, Rs. 1.00 crore is for the development of large cardamom, Rs. 0.50 crores is for research Programme on large cardamom and Rs. 0.20 crore is for census of cardamom holdings. During the 7th Plan period, the average annual production aimed at is 5,000 M.T.

Sail's decision to delink its units in loss.

824. SHRI AJIT KUMAR SAHA: Will the Minister of STEEL, MINES AND COAL be pleased to state:

(a) whether the Steel Authority of India Ltd., has decided to delink all such units as are in continuous loss;

(b) if so, the details of such units;

(c) whether all of them will be delinked by the SAIL; and

(d) the details of the SAIL units which are earning profit?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) No, Sir.

(b) and (c). Do not arise.

(d) The Bhilai and Bokaro Steel Plants of SAIL made profits in three years out of the last four years. Both the plants are also expected to make profits during the current year (1984-85).

Seizure of Goods by customs Authorities

825. SHRI LAKSHMAN MALLICK: Will the Minister of FINANCE be pleased to state :

(a) whether Government have noticed the increase in the activities of smuggling in India ;

(b) whether this is due to the lack of vigil by Customs Department officials ;

(c) the details regarding the electronic gadgets, wrist watches etc. seized by the Customs officials during the last two years upto February, 1985 ;

(d) the number of persons arrested during the above period on charge of smuggling and ceases registered against them; and

(e) the steps being taken to check smuggling ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Smuggling, being a clandestine activity, does not lend itself to any definitive assessment as to the actual volume in relation to any

particular periods. However, there is no let-up in the anti-smuggling efforts as is evident from the increase in the value of the contrabands seized during the years 1982, 1983 and 1984 as is furnished below :

Year	Value of goods seized (Rs. in crores)
1982	66.39
1983	89.92
1984	100.56

(Figures for 1984 are provisional).

(c) and (d). The total value of the contraband goods seized and the number of persons arrested under the Customs Act, 1962, during the years 1983, 1984 and 1985 (upto February) are furnished below, indicating also the major commodities seized :—

(Value : Rs. in crores)

Year	Gold	Watches	Synthetic fabrics	Electronic goods	Others	Total	Number of persons arrested.
1983	4.18	5.68	15.00	8.40**	56.66	89.92	2281
1984*	10.09	11.14	18.41	19.99	40.93	100.56	2165
1985* (upto February)	12.60	0.43	1.31	0.340	6.19	20.87	152@

*Figures are provisional

**Separate figures maintained with effect from September, 1983.

@Figures for the month of January, 1985 only.

(e) Stringent action is taken against smugglers both departmentally as well as through prosecution in Court of Law. In appropriate cases, detention under the COFEPOSA Act is also resorted to. Further, the drive against smugglers has been intensified. The Customs field formations have been instructed to remain vigilant against smuggling activities. The preventive and intelligence machinery of the Customs Department in vulnerable areas has been reinforced in terms of man-power and equipment. In addition, appropriate anti-smuggling measures are taken in close co-ordination with the concerned Central and State Government authorities. The matter is also kept under constant review for appropriate action. However, it will not be expedient to disclose as to what further specific steps are being taken by the Government to curb smuggling activities.

Shortages of Small Coins in the Country

826. SHRI ZAINAL ABEDIN : Will

the Minister of FINANCE be pleased to state ;

(a) whether there is acute shortage of small coins in the country forcing people to use postage stamps, revenue stamps etc. to supplement coins.

(b) if so, the reasons for the shortage ; and

(c) the remedial measures being taken to ease the situation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) There have been reports of shortage of small coins from various parts of the country.

(b) and (c). The shortage of coins is due to constraint in the overall capacity of the Mints in relation to demand. Government have taken various steps to meet the demand of coins. Incentive Schemes alongwith the

increased working hours have been introduced in all the 3 Mints located at Bombay, Calcutta and Hyderabad. As part of the modernisation and expansion scheme, 22 new coining presses are being installed in the 3 Mints. A second shift in the Calcutta Mint has been introduced with effect from 22nd February, 1985. As a result of all these measures production has reached 1063 million pieces in 1983-84 against 660 million pieces in 1982-83 and 525 million pieces in 1981-82. The estimated production of coins for the year 1984-85 is 1,350 of which 1240.44 million pieces have been produced during the first 11 months of the year. The estimated production during 1985-86 is 2,000 million pieces.

It has also been decided to establish a new mint and steps are being taken to implement this decision.

Income Tax Arrears Against Individual/ Firms/Companies

827. SHRI DHARAM PAL SINGH MALIK: Will the Minister of FINANCE be pleased to state :

(a) the particulars of individuals/firms/private companies against whom Income-tax of more than Rs. 1 lakh has been outstanding in the country for the more than five years ;

(b) whether any effort has been made by Government for its recovery ; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The particulars of individuals/firms/companies against whom income-tax of more than Rs. 1 lakh has been outstanding for the last over 5 years has to be collected from field formations which will involve huge efforts and time. However, if any such information about any particular individual/firm/company is required, the same can be collected and made available to the Hon'ble Member.

(b) and (c). Depending upon the facts and circumstances of each case, appropriate steps are taken from time to time by the concerned income-tax authorities for recovery/reduction of outstanding demand. These steps include, inter-alia, requesting the appellate authorities for expeditious disposal

of the pending appeals. These also include resorting to proceeding u/s. 226(3) and 179 of the Income-tax Act, and attachment of movable and immovable properties after issuing recovery certificate to the Tax Recovery Officer u/s. 222 of the Income-tax Act.

Economic Assistance of \$ 179 Million for India

828. SHRI AMAR ROYPRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the U.S. Agency for International Development requested the House sub-Committee on Foreign Affairs (U.S. Congress) \$ 179 million for India as economic assistance for fiscal year 1986 ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). According to indications received from our Embassy in Washington, the U.S. Administration has presented its foreign aid proposals to the U.S. Congress. These include assistance to India during the US Fiscal Year 1986 (October 1985 to September 1986) as follows:—

	\$Million
1. Development Assistance	85.00
2. PL 480 Title II Programme	93.54
3. International Military Education and training.	0.35
Total:	178.89

The quantum of assistance to India in US FY 1986 will be determined only after the US Congress has considered these proposals.

Income tax arrears

829. SHRI AJOY BISWAS: Will the Minister of FINANCE be pleased to state:

(a) the total amount of income tax arrears at present ;

(b) the total amount of income tax which has been written off in 1984;

(c) the maximum amount written off during 1984 in respect of first twenty cases and the reasons for writing off ; and

(d) the steps proposed to be taken to collect income tax arrears ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The detailed figures of arrears are compiled at the end of each quarter. The latest figures of 'tax-in-arrear' are available as on 30th September, 1984. The requisite information in respect of 'tax-in-arrear' and 'demand created but not fallen due' as on that date is as under :—

(In crores of rupees)

Tax-in-arrears	...	1169.11
Demand created but not fallen due	...	767.79

(b) The amount of income tax written off in the calendar year 1984 are not available, as figures are collected at the end of financial year. The total amount written off during the financial year 1983-84 was Rs. 7.40 crores.

(c) The information for the calendar year 1984 is not available as statistical data is collected financial year-wise. However, the maximum amount of income-tax written off during the financial year 1983-84 in a case was Rs. 53.05 lakhs; the reasons being that the assessee died leaving behind no assets ;

(d) The Income-tax Act, 1961 provides for several steps for enforcing collection and recovery of 'tax-in-arrears', such as levy of penalty, attachment of monies due to the defaulters, distraint and sale of movable property, committing the defaulter to civil imprisonment, etc. Depending upon the facts and circumstances of each case, suitable steps are taken from time to time by the income-tax authorities concerned for recovery of tax arrears.

Income Tax and Excise Duty Arrears Against Monopoly Houses

830. SHRI AJOY BISWAS: Will the Minister of FINANCE be pleased to state:

(a) the total amount of income tax and central excise duty outstanding against the top twenty monopoly houses ;

(b) the break-up of amount outstanding against each monopoly house ; and

(c) the steps proposed to be taken to realise the outstanding amount ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). A statement showing the Income-tax dues outstanding against the top 20 monopoly houses as on 30.9.84 is annexed.

Depending upon the facts and circumstances of each case, appropriate steps are taken from time to time by the concerned Income-tax authorities for recovery of outstanding demands. These include requesting the Appellate Authorities for expeditious disposal of the pending appeals, resorting to proceedings u/s. 226 (3) and 179 of the Income-tax Act, attachment of movable and immovable properties after issuing recovery certificate to the Tax Recovery Officer u/s. 222 of the Income-tax Act, etc.

So far as the Central Excise duty is concerned, the same is leviable on goods manufactured and cleared from each factory and figures of arrears of duty are maintained accordingly. These are, therefore, not readily available in respect of the top 20 monopoly houses. If the Hon'ble M.P. desires information with regard to any specified factory, the same can be collected and furnished.

Recovery of arrears of Central excise duty is an ongoing function and administrative legal and other measures aimed at realising the arrears as are considered necessary are taken from time to time.

Statement

Sl. No.	Name of the Industrial House	Total demand outstanding	Demand not enforceable	Demand enforceable
1	2	3	4	5
(Amount in lakhs of Rupees)				
1.	TATA	36.35	36.35	—
2.	BIRLA	1350.13	1299.67	50.46
3.	J.K. SINGHANIA	1237.48	1125.03	112.45
4.	MAFATLAL	—	—	—
5.	RELIANCE TEXTILES	—	—	—
6.	A.C.C.	445.55	0.28	445.27
7.	THAPAR	51.79	—	51.79
8.	I.C.I.	—	—	—
9.	SARABHAI	230.29	230.29	—
10.	MODI	1109.30	1109.30	—
11.	KIRLOSKAR	45.95	45.95	—
12.	BANGUR	245.19	245.19	—
13.	BAJAJ	34.23	31.39	2.84
14.	SHRIRAM	82.64	3.45	—
15.	LARSON & TOUBRO	560.81	485.67	75.14
16.	ASHOK LEYLANDS	—	—	—
17.	HINDUSTAN LEVER	—	—	—
18.	T.V.S. IYENGAR	—	—	—
19.	WALCHAND	—	—	—
20.	MOHINDRA & MOHINDRA	—	—	—
TOTAL		5429.71	4612.57	817.14

Export of Contaminated Shrimps to Japan.

831. SHRI B.V. DESAI: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether taking a serious view of the press reports about export of contaminated shrimps to Japan, the Union Government have directed the Commerce Ministry to investigate into the whole issue in detail;

(b) if so, whether the enquiry report has been submitted to Government;

(c) the details of the same and the action taken against those held responsible;

(d) whether orders of exports in this regard have been cancelled; and

(e) the extent to which this has affected the exports to Japan?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) to (d). On receipt of reports regarding cholera contamination in shrimps, testing in cholera was introduced by Export Inspection Agency on compulsory basis. Simultaneously an Expert Committee was appointed to go into the causes of cholera contamination and suggest preventive measures. In pursuance of the recommendations of the Committee, instructions have already been issued by Export Inspection Agency for use of chlorinated water for processing. Action has also been initiated for exchange of views on testing methods and precautionary measures with Japanese Quarantine Authorities. Export Inspection Agency has also issued Show Cause Notice with regard to the two cases detected after introduction of compulsory testing.

(e) These are stray incident and have not so far adversely affected our exports to Japan.

Increase in exports to West European Countries

832. SHRI B.V. DESAI: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether India's trade with countries in the West European region during the

first six months of 1984-85 has registered an increase of 21.3 per cent;

(b) if so, whether Indian export to West European countries aggregated to about Rs. 1,057 crores as against Rs. 883 crores in the first six months of 1983-84;

(c) the extent to which these exports will be increased during the current financial year; and

(d) the steps being taken in this regard?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) Exports to countries in West European region (excluding Yugoslavia) in the first six months of 1984-85 are estimated to be Rs. 1,057 crores as against Rs. 871 crores during the corresponding period of 1983-84 (excluding Yugoslavia).

(c) Taking into consideration the trend of exports during the year, exports for the whole year (1984-85) are expected to be about 20% higher than in the last year.

(d) Promotional measures are continuing through product and market development with the help, inter alia, of fairs/exhibitions, exchange of delegations/missions, marketing and study teams, participation in conferences and seminars, etc.

Liberalisation of soft loan scheme by Industrial Finance Corporation

833. SHRI MOHANLAL PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation has liberalised Soft Loan Scheme for updating units; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). Industrial Finance Corporation of India, alongwith other all-India financial institutions, has been administering the 'Soft Loan Scheme' since 1976 for modernisation in five selected industries viz. Sugar, Jute, Cotton Textiles, Cement and certain Engineering Industries.

The scheme has been modified with effect from 1.1.1984 so as to cover deserving units in all industries. The salient features of the scheme are concessional rate of interest on the components of the loans, exemption of the loan from convertibility option, flexibility in stipulation of repayment period and norms for debt-equity ratio and promoters' contribution etc. One of the conditions for availing assistance under the scheme is that the machinery proposed to be replaced should have been in use for more than ten years. A liberalisation has been introduced recently to provide that in regard to projects with fast-changing technology or in cases where specific advantage would accrue, the condition of ten years use of machinery could be relaxed.

Parallel Circulation of Paper Coins Printed by Traders in Gujarat

834. SHRI HANNAN MOLLAH: Will the Minister of FINANCE be pleased to state;

(a) whether Government are aware that parallel paper currency printed by traders of Gujarat are in wide circulation there;

(b) if so, whether printing and circulation of paper currency is legal; and

(c) the remedial measures being taken to meet the shortage of coins and notes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Reserve Bank of India have reported that certain establishments like shops, hotels etc. are reported to be issuing paper coupons to their customers in their transactions of goods. Reserve Bank of India, however, have no information regarding wide circulation of paper currency.

(b) and (c) As stated above, the use of paper coupons has been in vogue in establishments like hotels, canteens and shops for facilitating their transactions and not for replacing coins. Such paper coupons are not legal tender and there is no cause for any legal action.

[*Translation*]

Overdrafts drawn by States and Union Territories during Sixth Five Year Plan

835. SHRI DILEEP SINGH BHURIA: Will the Minister of FINANCE be pleased to state;

(a) the names of States and Union Territories which have taken overdraft from the Reserve Bank during the Sixth Five Year Plan indicating the amount taken by each of them year-wise;

(b) the States and Union Territories which have been allowed to convert their overdrafts into long-term loans; and

(c) the reasons for converting these overdrafts into loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) A statement I indicating the States' overdraft at the end of first four years of the 6th Plan and overdrafts of States as of 14th March, 1985 is attached. As the U.T. Governments' cash balance forms part of the Union Government's cash balance they do not have any overdraft.

(b) A statement II indicating the medium-term loans provided to the States during 1982-83 and 1983-84 is attached.

(c) Medium-term loans were provided to the States to enable them have reasonable Plan outlays.

Statement I

States	Adjusted overdraft as on				Overdraft as on
	31.3.81	31.3.82	31.3.83	31.3.84.	14.3.85
1	2	3	4	5	6
1. Andhra Pradesh	—	—	—	13.00	190.63
2. Assam	33.05	115.43	9.83	60.48	2.71
3. Bihar	—	180.14	204.24	112.40	—
4. Gujarat	17.59	53.60	—	—	25.69

1	2	3	4	5	6
5. Haryana	36.01	66.79	48.87	12.63	78.82
6. Himachal Pradesh	—	32.85	3.30	14.70	—
7. Jammu & Kashmir*					
8. Karnataka	14.37	—	4.84	37.26	171.90
9. Kerala	—	75.93	—	45.05	222.58
10. Madhya Pradesh	97.93	130.88	20.27	35.43	21.99
11. Maharashtra	—	36.40	—	—	—
12. Manipur	17.49	64.29	13.58	12.71	1.35
13. Meghalaya	—	14.11	0.18	2.59	—
14. Nagaland	0.64	19.96	14.94	33.59	8.36
15. Orissa	—	6.43	20.98	—	45.78
16. Punjab	64.01	79.35	—	47.34	62.10
17. Rajasthan	143.27	271.46	2.07	—	32.72
18. Sikkim*					
19. Tamil Nadu	—	—	—	—	—
20. Tripura	9.46	28.72	1.13	4.57	—
21. Uttar Pradesh	—	—	2.00	36.61	195.61
22. West Bengal	93.91	316.96	38.69	62.90	220.16
Total :	527.73	1493.30	384.92	531.26	1280.40

* Do not Bank with R.B.I.

Statement II

(Rs. crores)

STATES	1982-83	1983-84
1. Andhra Pradesh	18.95	—
2. Assam	127.43	—
3. Bihar	197.39	169.29
4. Gujarat	74.60	—
5. Haryana	75.79	19.93
6. Himachal Pradesh	36.91	—
7. Jammu & Kashmir	—	—
8. Karnataka	—	4.84
9. Kerala	93.93	42.26
10. Madhya Pradesh	154.88	20.27
11. Maharashtra	81.40	—
12. Manipur	66.29	—
13. Meghalaya	16.41	—
14. Nagaland	21.96	—
15. Orissa	24.43	41.00
16. Punjab	97.35	21.32
17. Rajasthan	283.46	48.71
18. Tamil Nadu	—	55.78
19. Tripura	30.72	—
20. Uttar Pradesh	0.85	2.00
21. West Bengal	340.71	73.72
Total :	1743.46	499.12

[English]

Taking over of closed and Sick Tea Gardens.

836. SHRI ANANDA PATHAK : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) the number of tea plantations still closed and sick in different States;

(b) the names of such tea plantations and the States where located and the number of workers affected by such closure; and

(c) whether Government propose to take over these closed and sick tea gardens under the Tea Act?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). Apart from tea gardens closed or abandoned long time back where the question of revival as tea units is not relevant, in the past five years Tea Board has definite information only regarding one property namely Nomanuddy in Assam. This garden had an area of about 50 hectares of land under tea in 1980 including fellow land. The tea

bushes are reported to have been uprooted by the workers and other crops are now being cultivated by them. Information on exact number of workers is not available.

(c) Does not arise.

Abolition/Reduction of Export Duty on Iron-Ore

837. SHRIMATI JAYANTI PATNAIK: Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has abolished the export duty on iron-ore from some ports;

(b) if so, the name of such ports;

(c) whether Government have also reduced the export duty on iron-ore from some other ports; and

(d) if so, the details of those ports and the extent of export duty abolished from those ports?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). Export duty is levied on commodities and is not related to the port through which export takes place. With effect from 17.3.85, iron-ore when exported out of India is fully exempt from payment of duty.

Estimated Cost of Visakhapatnam Steel Plant

838. SHRI S.M. BHATTAM : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the estimated cost of the Visakhapatnam Steel Plant is required to be revised in view of the targetted date of the completion of the first phase by 1987-88 and second phase by 1991-92;

(b) if so, whether the proposals submitted by the consultants in this regard are being considered by Government; and

(c) the total amounts proposed to be spent during 1985-86 and the subsequent years for the completion of the first stage of Visakhapatnam Steel Plant as per the schedule?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH): (a) to (c). A revised

cost estimate of the Visakhapatnam Steel Plant Project is at present under preparation by the project authorities in consultation with their Consultants taking into account the revised construction schedules and escalation in prices since the earlier cost estimates were prepared based on end of 4th Quarter 1981 prices.

The amounts to be spent in 1985-86 and subsequent years would depend on the availability of funds as well as the progress of work.

Demand for Free Trade Zone for Visakhapatnam

839. SHRI S.M. BHATTAM : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether Government have received any representation from the Government of Andhra Pradesh for creating Free Trade Zone for Visakhapatnam port;

(b) if so, the facilities available there;

(c) the action taken by the Union Government on the representation; and

(d) whether Government have since cleared Free Trade Zones in respect of Madras, Bombay and some other ports?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) The State Government indicated that land, water, electricity and transport infrastructure of port and rail are available.

(c) and (d). The Government recently sanctioned establishment of four new export processing zones at Madras, Falta (West Bengal), Cochin and NOIDA (U.P.). Performance of these four zones would be watched before the Government consider establishment of any other new zone.

Jute Policy

840. SHRI ZAINUL ABEDIN : Will the MINISTER OF COMMERCE AND SUPPLY be pleased to state :

(a) the policy of Government on jute; and

(b) the salient features of the said policy?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) and (b). The salient features of the policy followed by the Government for the development of the jute sector are as follows :-

- (i) To increase per hectare yield of raw jute through research and development and extension activities in the field of agriculture.
- (ii) To ensure remunerative prices to jute growers through price support operations.
- (iii) To increase productivity and efficiency of the jute industry through modernisation and cost reduction,
- (iv) To formulate rehabilitation programme for sick jute mills in order to safeguard the interest of labour.
- (v) To continue the system of centralised procurement of jute bags for packaging foodgrains on cost plus basis in order to maintain quality of the product as well as provide remunerative return to the jute goods manufacturers and stimulate demand for jute goods.
- (vi) To provide cash compensatory and promotional support for increasing exports of jute goods.
- (vii) To intensify research and development activities in the jute sector
- (viii) To work for global development of jute sector and generic promotion of jute goods.

Provision of Basic Amenities and Facilities to Transferred Workers

841. SHRI AJIT KUMAR SAHA : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether complaints have been received from the Colliery Mazdoor Sabha of India, Asansol, West Bengal that transferred workers of various collieries are not being provided with basic amenities and

facilities like medical, drinking water, fuel, etc. and

(b) if so, whether Government are taking steps to provide these facilities to the transferred colliery workers?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) No, Sir.

(b) Does not arise.

Income Tax Raid on the Premises of Builders etc.

842. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) whether continuing their massive 'operation clean up' to unearth black money and bring an end to the parallel economy in the country, Income-tax sleuths swooped on some business and residential premises of builders, architects, merchants and traders in different cities in India during the last six months; and

(b) if so, the details thereof, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). During the period 1.9.1984 to 28.2.1985, Income-tax Department conducted 2091 searches resulting in seizure of prima-facie unaccounted assets valued at Rs. 12.42 crores approximately.

Having regard to large number of cases, it is not practicable to give details of all the cases. However, if the Hon'ble Member desires to have information about a particular case/search, the same can be furnished.

Problems in Coal Industry

843. SHRI K. PRADHANI : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether he has had a new look at coal raising, poor quality of coal, coal transport, modernisation of mining techniques and other allied problems ;

(b) if so, the outcome thereof ;

(c) whether he has also considered the desirability of starting a free and frank

dialogue between the producers and consumers at which they can apprise each other of their problems ; and

(d) if so, the various suggestions made during these discussions for ensuring the quality of coal supplies ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE): (a) and (b). Various aspects of coal industry including coal production, transportation, quality of coal modernisation of mining techniques, etc. are constantly reviewed by the Government. Coal companies have been directed to ensure that coal of proper quality is supplied to Power Stations and other consumers.

As a result of recent discussions between Railways, Department of Power and Coal Companies, complaints regarding quality of coal supplies to power stations and other consumers have come down. Similarly, efforts are also being made to improve transportation and supplies of coal to various consumer sectors.

(c) and (d). Recently, a meeting of the Coal Advisory Council, a forum consisting among others, of representatives of coal production and consumers was held on 15.2.1985 to have a free and frank discussion about the problems of coal industry. Similarly, discussions between the consuming sectors like thermal power stations, brick manufacturers and others are being held from time to time to see that there is improvement in the quality and quantity of coal supplies to the consumers and understand each others' problems.

Various suggestions for ensuring quality of coal supplies have come up during these discussions. These are—

- (i) Proper sizing and grading of coal should be done to see that the right type of coal is supplied to the consumer.
- (ii) Intensive manual picking of shale, stone and other extraneous materials is done at collieries which are not equipped with coal handling plants.
- (iii) Joint sampling of coal supplies to consuming sectors is carried out on the basis of agreement to see that

supplies of coal conform to agreed parameters.

Appointment of Technocrats As Heads of Public Sector Enterprises

844. SHRI Y.S. MAHAJAN : Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to have technocrats as heads of the public sector enterprises;

(b) whether there is any shift in the decision not to induct non-technocrats in top position in public sector enterprises ; and

(c) the number of non-technocrats at present heading public sector enterprises and the reasons for their continuance ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Government have not taken any conscious policy decision to have only "technocrats" as heads of the public sector enterprises. Appointments to the posts of Chief Executives of public enterprises are made on the basis of the job requirements of each specific post and the main criteria of selection are suitability of the candidates for a particular job, their qualifications and experience, track record, qualities of leadership to head a multidisciplinary team, initiative, drive, etc.

The public enterprises, inter alia, are also engaged in the business of trading and marketing, transportation, tourism and financial services. Appointment of a so-called "technocrat" as a chief executive of such an enterprise will per se not be suitable. In the circumstances, giving the number of "non-technocrats" at present heading the public enterprises could be misleading.

Defrauding of Banks by M/S. Mehar Corporation. Bombay

845. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether Bank of Baroda, State Bank of Patiala and Punjab and Sind Bank have been defrauded of about Rs. 10 crores by the owners of M/s Mehar Corporation of Bombay;

(b) whether criminal and civil suits have been filed against the erring firm in Bombay Courts;

(c) if so, the details thereof;

(d) particulars and designations of the bank officials involved in the transaction;

(e) the action taken against them; and

(f) any other action being taken in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The Reserve Bank of India has reported that M/s. Mehar Corporation, one of the companies belonging to Kharras Group of concerns, has defrauded 10 banks, six in the public sector and four foreign banks of large amounts.

(b) to (e). The CBI has launched criminal prosecution against M/s. Mehar Corporation and its three partners in a Bombay court. While Bank of Baroda and Punjab and Sind Bank have initiated legal action against the borrowers for the recovery of their dues, State Bank of Patiala may file one shortly. The banks will take further action in the light of CBI's findings.

(f) The RBI had carried out an investigation of these transactions and has since issued appropriate guidelines to all the banks. The irregularities observed have also been brought to the notice of the banks for further necessary action.

[Translation]

Defrauding of Banks by Businessmen

846. SHRI PIYUS TIRAKY : Will the Minister of FINANCE be pleased to state :

(a) whether he is aware that there has been large scale defrauding of many nationalised banks where a number of businessmen managed to get loans worth crores of rupees by submitting fictitious names and bogus statistics and these loans are unlikely to be recovered;

(b) the action taken against the bank officers involved in such cases;

(c) the measures being taken to ensure that such cases do not recur in future; and

(d) the details of such loans disbursed by the nationalised banks in the country and abroad ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Banks report all cases of frauds to Reserve Bank of India which examines the reports and follows them up. Analysis of the Reserve Bank of India reveals that major frauds which occurred during the year 1984 were in the advances portfolio. In several cases, the fraudulent transactions have been facilitated by the lapses on the part of the officials of the banks in exercising operational, control. Details of frauds that occurred in the public sector banks during 1982-84 are as under :—

Year	No. of frauds	Amounts in crores of Rupees	No. of officials awarded punishment
1982	2065	19.44	528
1983	2360	29.62	609
1984	2410	38.39	338
			(upto 30.6.84)

(Data Provisional)

The RBI analysis further leads to the conclusion that the frauds are mainly due to outside forces which resort to false declaration of security, diversion of funds fake lorry/Railway receipts, disposal of security without the bank's knowledge, counterfeit drafts, false cheques, etc. The laxity/connivance on the part of the bank staff in observing the systems and procedures scrupulously facilitates the commission of such frauds. In the past house-keeping and strengthening of control and supervisory mechanism have not received the attention required to cope with the phenomenal growth and expansion of branch network and business. The Reserve Bank of India is now giving increasing attention to the bank frauds. The modus operandi, of the frauds reported by the banks is examined and the deficiencies revealed are brought to the notice of banks from time-to-time for taking preventive steps. The banks have been advised to review and revamp the vigilance machinery, take urgent steps to tone up control and supervision, strengthen management information system, follow up inspection/audit

arrangements and draw up a time bound programme for clearing the arrears in balancing of books and reconciliation of inter-branch and other accounts. The RBI has issued comprehensive guidelines from time to time to eliminate the possibility of frauds and mal practices. The banks have also been advised to view seriously the irregularities committed by employees and to award deterrent punishment to erring staffmembers. They have also been advised to ensure quick disposal of departmental enquiries. The banks have been reviewing the frauds annually and placing the review notes before their Boards of Directors. Further, a special investigation cell has been set up in the Reserve Bank of India to investigate and monitor the major frauds and ensure suitable follow up action.

[English]

Terms and Conditions of World Bank Loan to Indian Railways

847. SHRI HANNAN MOLLAH : Will the Minister of FINANCE be pleased to state :

(a) the terms and conditions laid down for the Indian Railways by the World Bank for obtaining loan from the Bank;

(b) the total amount of loan Indian Railways have borrowed from the World Bank; and

(c) whether the terms and conditions as laid down by the World Bank do not amount to interference in India's Internal matters ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The World Bank loans for Indian Railways are on standard terms and conditions, viz., (i) Interest on the principal amount of the loan withdrawn and outstanding from time to time at a rate per annum for each Interest period equal to $\frac{1}{2}\%$ p.a above the Cost of Qualified Borrowings for the last semester ending prior to the commencement of such Interest period (currently the interest rate is 9.29% p. a). (ii) Commitment charge at the rate of 0.75; p.a on the principal amount of the loan not withdrawn from time to time and (iii) Repayment over a period of 20 years with 5 years grace.

An agreement for a loan of US \$280. 7 million was signed with the World Bank on 25th May, 1984 for the Railway Electrification and Workshop Modernisation Project. The selection and appointment of the Collaborator to assist the Railways in the implementing of the operation information system has been specified by the Bank as a condition to the effectiveness of the loan Agreement.

Other Covenants agreed to during negotiations and incorporated in the Loan Agreement include:

(i) The Borrower (GOI) shall maintain passenger fares and freight rates, and shall take all other action as may be necessary or appropriate, so as to provide to the Railways net revenue sufficient to enable the Railways to meet annually out of internally generated resources all operating expenses and dividend payment on capital-at-charge.

(ii) The Borrower (GOI) undertakes to ensure that : (a) provisions to the Depreciation Reserve Fund of the Railways for fiscal years 1985 through 1989 shall be at least equal to that of the fiscal year 1984 provisions; and (b) sufficient budgetary allocations to carry out the training program are provided.

(b) The World Bank has so far extended total assistance of US \$ 1767.2 million by way of credit/loan to 16 railway projects.

(c) No, Sir.

Steps to Improve the Cotton Textile Industry

848. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether he addressed recently a meeting of the Advisory Council on Textile Industry;

(b) if so, the points discussed and the decisions arrived at the meeting; and

(c) the steps being taken to improve the cotton textile industry which is in a bad shape at present resulting in a number of

mills having been closed down, throwing thousands of workers on the street?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir.

(b) In a meeting of the Central Advisory Council on Textile Industry held on 9th March, 1985, various issues relating to the textile industry including restructuring of the textile industry, development of the handloom and khadi sectors, measures for tackling the current sickness in the textile industry, development of textile exports, measures for tackling the raw material requirements and development of the jute industry were discussed and the views of the Advisory Council were elicited. These views will be taken into consideration by the Government while formulating the Textile Policy.

(c) A statement is enclosed.

Statement

A number of measures have been taken to improve the cotton textile industry. Some of the main measures are:-

- (a) The soft-loan assistance of Industrial Development Bank of India, which is also available to the textile industry has been liberalised in respect of loan upto Rs. 4 crores and for weak units.
- (b) Limit under the Industrial Development Bank of India bill discounting scheme has been raised from Rs. 1 crore to Rs. 3 crores.
- (c) In order to encourage modernisation of the textile industry and upgradation of the level of technology selected items of textile machinery not being manufactured indigenously are allowed for import under Open General Licence.
- (d) Excise duties on cotton yarn and fabrics have been reviewed and rationalised.
- (e) Excise duties on certain varieties of polyester blended yarn and fabrics have been reduced.

(f) Norms for determination of credit requirements have been liberalised by the Reserve Bank of India.

Operation of Smugglers

849. **SHRI BASUDEB ACHARIA:** Will the Minister of FINANCE be pleased to state :

(a) the steps Government have taken to stop organised and powerful network operation of smugglers;

(b) the quantum and value of heroin seized in Delhi during the last five years, year-wise; and

(c) whether this lethal drug has been flowing into the city in increasing quantity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The drive against smugglers has been intensified. The Customs field formations have been instructed to remain vigilant against smuggling activities and stringent action is taken against smugglers both departmentally as well as through prosecution in Court of Law. In appropriate cases, detention under COFEPOSA Act is also resorted to. The preventive and intelligence machinery of the Customs Department has been reinforced in vulnerable areas in terms of man-power and equipment. In addition, appropriate anti-smuggling measures are taken in close co-ordination with the concerned Central and State Government authorities. The matter is also kept under constant review for appropriate action.

(b) The quantity of heroin seized in Delhi during the years 1980 to 1984 is furnished below :—

Year	Quantity in Kgs.
1980	0.900
1981	3.400
1982	9.699
1983	55.701
1984*	53.765

*Figures are provisional.

As for the value of heroin seized, the illicit market price for narcotic drugs varies widely depending on various factors like purity, place of sale, local demand and supply position, etc. There being no

authentic price for such clandestine transactions, no precise value can be furnished.

(c) Reports received by the Government as well as the seizures made indicate that Delhi continues to be vulnerable to the inflow of heroin as a transit point for smuggling to Western countries.

Review of D.A. Formula of Rs. 1.30 per Point

850. SHRI AJOY BISWAS: Will the Minister of FINANCE be pleased to state:

(a) whether Central Government have set up a Committee for reviewing the present DA formula of Rs. 1.30 per point;

(b) if so, how many meetings have been held so far and the progress made in this respect;

(c) the proposal placed before the Committee on behalf of the Central Government; and

(d) when the Committee will give its recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir,

(b) and (c). The Tripartite Committee for reviewing DA formula for the employees of Central public sector enterprises has had eleven meetings till the 28th of February, 1985. Since the Committee is still continuing its deliberations, it would not be in the public interest to disclose the details of the same at this stage.

(d) The Committee is expected to submit its recommendations shortly.

Setting up of Coal Gasification Projects

851. SHRI PURNA CHANDRA MALIK :

SHRI AJIT KUMAR SAHA :

Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether any coal-gasification projects have been set up in the country;

(b) if so, the details thereof;

(c) whether Government propose to set

up any such project in the Eastern Region and

(d) if so, the details thereof?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) No, Sir.

(b) Does not arise.

(c) and (d). Government had approved, in July, 1980 setting up of a LTC plant at Dankuni for carbonising 1500 tonnes of raw coal per day to produce 18-20 million cubic ft. of gas per day, 990 tonnes of smokeless coke per day, 30,000 tonnes of tar per annum and other products namely ammonium sulphate, calcium carbonate etc. The plant is under construction. The smokeless coke and gas produced by the plant will be supplied to Calcutta area.

12.00 hrs.

(Interruptions)

MR. DEPUTY SPEAKER : I find that several Hon. Members have risen. I request all the hon Members to take their seats. If any one wants to say anything, he can do so after I permit him. Let hon Members speak one by one—not like this,

SHRI INDRAJIT GUPTA : Please call us one by one.

MR. DEPUTY SPEAKER: I will call you one by one.

I have received a Calling Attention Notice given notice of by Shri Saifuddin Chowdhury. Also I find the names of Shri Basudev Acharia and Shri V. Sobhanadreeswara Rao.

Regarding this, the hon Minister is going to make a statement in the Afternoon. Therefore, we will await that.

I request all of you to sit down.

(Interruptions)

SHRI AMAL DATTA; After that, what happens?

MR. DEPUTY SPEAKER: I will consider. I will consider all notices. Please sit down.

PROF. MADHU DANDAVATE: I had

sent a notice regarding a matter of national security.....

MR. DEPUTY SPEAKER : I shall consider admitting your Call Attention for next week.

(Interruptions)

PROF. MADHU DANDAVATE : Let me point out that it is a matter of national security. I want to refer to the news items that two industrialists are arrested in Ahmedabad.....

MR. DEPUTY SPEAKER : Nothing will go on record. The papers are saying a lot of things whether they are correct or not. We do not know. I have to get the facts.

*(Interruptions)***

PROF. MADHU DANDAVATE : Sir, there is a new dimension...*(Interruptions)*

(Interruptions)

MR. DEPUTY SPEAKER : I am not allowing this. Nothing will go on record.*(Interruptions)***

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H.K.L. BHAGAT): The hon. Home Minister is here. He is making a statement right now.

MR. DEPUTY SPEAKER : Now, the hon. Home Minister is making a statement.

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN) : Mr. Deputy-Speaker, Sir, the statement is ready with me. But I am sorry I am not able to circulate the copy of the statement to the hon. Members. Copies of the statement will be ready soon and I will make the statement at 4 O' clock.

PROF. MADHU DANDAVATE : Mr. Deputy-Speaker, Sir, I want your ruling on this. *(Interruptions)*

PROF. MADHU DANDAVATE : Sir, he is talking about the Soviet diplomats but I am talking of the arrest of two industrialists.

*(Interruptions)***

MR. DEPUTY SPEAKER : I shall con-

sider admitting the Calling Attention on this for next week.

*(Interruptions)***

SHRI INDRAJIT GUPTA : What is the statement that he wants to make? The hon. Home Minister wants to make a statement. We want to hear him.

*(Interruptions)***

SHRI AMAL DATTA : The Home Minister is making a statement on Calcutta? Something has come out in the press about Calcutta.....

*(Interruptions)***

MR. DEPUTY SPEAKER : Nothing is going on record now I am not allowing.

*(Interruptions)***

MR. DEPUTY SPEAKER : Now, I call upon the hon. Home Minister to make his statement.

STATEMENT RE KILLING OF A MEMBER OF STAFF OF THE U.S.S.R. EMBASSY.

[English]

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN) : On 21st March, Delhi Police Control Room received a message at 1221 hrs that a CD Car has been shot at near Akbar Hotel; Chanakya-puri. A Police Control Room van reached the spot immediately thereafter. Senior Police Officers including Commissioner of Police, Addl. Commissioner of Police and Dy. Commissioner of Police visited the spot.

Enquiries revealed that at about 1200 hrs. Mr. V. KHITRITCHENKO Member of Staff in the Economic Division of USSR Embassy accompanied by his wife was proceeding towards his office in the Embassy car No. 75-CD-224 after having visited Yashwant Place for shopping. When the car reached Satya Marg opposite Rose Garden, about 200 yards from Shanti Path-Satya Marg round-about, two unidentified youths, riding a black motorcycle of Yezdi make, opened fire on the Russian Embassy car. After firing about 5 rounds, the persons on the motorcycle sped away along Chandra

Gupta Marg. In the shoot-out MR. V. KHITRITCHENKO received fatal bullet injuries and he was immediately shifted to Dr. Ram Manohar Lohia Hospital where he was pronounced dead. He had received 4 bullet injuries. His wife and driver escaped bullet injuries but both of them received minor injuries due to smashing of the wind screen and glass panes of the vehicle. According to the driver, the motor cycle was not bearing any registration number. Assailant riding the pillion had opened fire.

The police immediately took investigation of the case. All round alert was issued to apprehend the assailants. Police investigation and further action is in progress.

It is a matter of deep regret that such an incident involving an official of foreign Embassy should have taken place at all. Necessary action to re-enforce policing of the Embassy areas and provision of security have been initiated. Police have been directed to make all out efforts to apprehend the assailants.

SHRI AMAL DATTA : What about Calcutta? The Prime Minister has made a statement...

(interruptions)

MR. DEPUTY-SPEAKER : You give notice and I will consider it. Please sit down.

(interruptions)

MR. DEPUTY SPEAKER : You give me a notice in writing and I will consider it.

PAPERS LAID ON THE TABLE

[English]

Statement giving reasons for immediate legislation by the Bhopal Gas Leak Disaster (Processing of claims) ordinance, 1985

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : I beg to lay on the Table an explanatory statement (Hindi and English versions) giving reasons for immediate legislation by the Bhopal Gas Leak Disaster (Processing of claims) ordinance,

1985. [Placed in Library. See No. LT—545/85]

Annual Report, Audit Report and Review on the working of the Delhi Financial Corporation for the year, 1983-84. Statement showing reasons for delay in laying the above papers. Annual Report and Audit Report of the National Bank for Agriculture and Rural Development for the year 1983-84.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : I beg to lay on the Table

- (1) (i) copy of the Annual Report (Hindi and English versions) of the Delhi Financial Corporation together with Audit Report for the year 1983-84, under sub-section (3) of section 38 of the State Financial Corporations Act, 1951.
- (ii) A copy of the Audit Report (Hindi and English versions) of the Comptroller and Auditor General of India on the Accounts of the Delhi Financial Corporation for the year 1983-84, under sub-section (7) of section 37 of the State Financial Corporations Act, 1951.
- (iii) A copy of the Review (Hindi and English versions) by the Government on the working of the Delhi Financial Corporation for the year 1983-84.

(2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above. [Placed in Library. See No. LT—546/85].

(3) A copy of the Annual Report (Hindi and English versions) of the national Bank for Agriculture and Rural Development for the year 1983-84 along with Audited Accounts, under sub-section (5) of section 48 of the National Bank for Agriculture and Rural Development Act, 1981. [Placed in Library, See No, LT—(547/85).

Jute Manufacturers Development Council (Procedural) Rules, 1984. Jute Manufacturers Cess Rules, 1984 Reviews and Annual Reports of the National Textile Corporation Ltd., for the year 1983-84 under the Companies Act 1956.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD):
On behalf of Shri P.A. Sangma, I beg to lay on the Table:

- (1) A copy of the Jute Manufacturers Development Council (Procedural) Rules, 1984 (Hindi and English versions) published in Notification No. G.S.R. 658 (E) in Gazette of India dated the 15th September, 1984, under sub-section (3) of section 25 of the Jute Manufacturers Development Council Act, 1983. [Placed in library, See No. LT—548/85].
- (2) A copy of the Jute Manufacturers Cess Rules, 1984 (Hindi and English versions) published in Notification No. G S R 659 (E) in Gazette of India dated the 15th September, 1984 under sub-section (3) of section 6 of the Jute Manufacturers Cess Act, 1983. [Placed in Library. See No. LT—549/85].
- (3) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :—
 - (i) Review by the Government on the working of the National Textile Corporation Limited, Delhi, for the year 1983-84.
 - (ii) Annual Report of the National Textile Corporation Limited, Delhi, for the year 1983-84 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.
- (4) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above. [Placed in Library. See No. LT—550/85].
- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Federation of Indian Export

Organizations, New Delhi, for the year 1983-84 along with Audited Accounts.

- (ii) copy of the Review (Hindi and English versions) by the Government on the working of the Federation of Indian Export Organizations, New Delhi, for the year 1983-84. [Placed in Library. See No. LT—551/85].
- (6) (i) A copy of the Annual Report (Hindi and English versions) of the Shellac Export Promotion Council, Calcutta, for the year 1982-83.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Shellac Export Promotion Council, Calcutta, for the year 1982-83 together with Audit Report thereon.
- (iii) A copy of the Review (Hindi and English versions) by the Government on the working of the Shellac Export Promotion Council, Calcutta, for the year 1982-83.
- (7) A statement (Hindi and English versions) showing reasons for delay in the laying the papers mentioned at (6) above. [Placed in Library. See No. LT—552/85].
- (8) (i) A copy of the Annual Report (Hindi and English versions) of the Shellac Export Promotion Council, Calcutta, for the year 1983-84.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Shellac Export Promotion Council, Calcutta, for the year 1983-84 together with Audit Report thereon.
- (iii) A copy of the Review (Hindi and English versions) by the Government on the working of the Shellac Export Promotion Council, Calcutta, for the year 1983-84.
- (9) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at

(8) above. [Placed in Library. See No. LT—553/85].

(10) (i) A copy of the Annual Report (Hindi and English versions) of the Processed Foods Export Promotion Council, New Delhi for the year 1982-84 along with Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Processed Foods Export Promotion Council, New Delhi, for the year 1983-84.

(11) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (10) above. [Placed in Library. See No. LT—554/85].

(12) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Silk Export Promotion Council, Bombay, for the year 1983-84 along with Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Indian Silk Export Promotion Council, Bombay, for the year 1983-84.

(13) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (12) above. [Placed in Library. See No. LT—555/85]

(14) 'Corrigendum' to the English version of the **Annual Report and Audited Accounts of the Export Inspection Council and Export Inspection Agencies, New Delhi for the year 1983-84. [Placed in Library. See No. LT—556/85]

MESSAGE FROM RAJYA SABHA

[English]

SECRETARY-GENERAL : Sir, I have to report the following message received from the Secretary-General of Rajya Sabha :

“In accordance with the provisions of rule III of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 1985, which has been passed by the Rajya Sabha at its sitting held on the 21st March, 1985.”

REQUISITIONING AND ACQUISITION OF IMMOVABLE PROPERTY (AMENDMENT) BILL, 1985 AS PASSED BY RAJYA SABHA.

[English]

SECRETARY GENERAL : Sir, I lay on the Table of the House the Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 1985, as passed by Rajya Sabha.

12.08 hrs.

ESTATE DUTY (DISTRIBUTION) AMENDMENT BILL 1985*

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): On behalf of Shri Vishwanath Pratap Singh, I beg to move for leave to introduce a Bill further to amend the Estate Duty (Distribution) Act, 1962.

MR. DEPUTY SPEAKER : The question is:

“That leave be granted to introduce a Bill further to amend the Estate Duty (Distribution) Act, 1962.

The motion was adopted.

SHRI JANARDHANA POOJARY : I introduce the Bill.

**The Annual Report and Audited Accounts were laid on the Table on 30th January, 1985.

*Published in the Gazette of India extraordinary Part II section 2 dated 22.3.85,

UNION DUTIES OF EXCISE (DISTRIBUTION) AMENDMENT BILL, 1985*

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : On behalf of Shri Vishwanath Pratap Singh I beg to move for leave to introduce a Bill further to amend the Union Duties of Excise (Distribution) Act, 1979.

MR DEPUTY SPEAKER : The question is:

“That leave be granted to introduce a Bill further to amend the Union Duties of Excise (Distribution) Act, 1979.

The motion was adopted

SHRI JANARDHANA POOJARY : I introduce the Bill.

ADDITIONAL DUTIES OF EXCISE GOODS OF SPECIAL IMPORTANCE) AMENDMENT BILL, 1985*

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : I beg to move for leave to introduce a Bill further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

MR DEPUTY SPEAKER : The question is :

“That leave be granted to introduce a Bill further to amend the Additional Duties of Excise (Goods of Special Importance) Act, 1957.”

The motion was adopted.

SHRI JANARDHANA POOJARY : I introduced the Bill.

12.10 hrs

MATTERS UNDER RULE 377

[Translation]

- (i) Need to bring Talcher Coal fields and Ib Valley Coal fields under one Separate Subsidiary Company of Coal India Ltd., with head quarters in Orissa.

SHRI HARIHAR SOREN (Keonjhar)** : Orissa accounts for about 8% of the total coal production in the country.

[English]

AN HON. MEMBER : Not audible Sir.

MR. DEPUTY SPEAKER : Please come nearer to the mike.

[Translation]

SHRI GIRDHARI LAL VYAS : Why don't you ensure the proper functioning of the sound system?

[English]

MR. DEPUTY SPEAKER : We will look into it.

[Translation]

SHRI HARIHAR SOREN : Orissa accounts for about 3% of the total coal production in the country. The total coal bearing area in the State in Talcher and Ib Valley coal fields is approximately 3,000 sq. km. With only 10% of the total coal bearing area covered by exploration so far, the total reserves of coal established are of the order of 5,800 million tonnes. Recent exploration activities have resulted in the discovery of thick coal seams to the west of the present mining areas in Talcher field. There is positive indication about occurrence of large deposits of coal around Gopalpur in Sundargarh district. Most of these coal resources are easily quarriable with low over-burden to coal ratio.

As the resources of coal available in Orissa are essentially of thermal grade, development and utilisation of the coal

*Published in the Gazette of India, extraordinary Part II section 2, dated 22.3.85

**The speech was originally delivered in Oriya.

reserves should be awarded top priority. But practically, it is seen that due attention has not been given for the exploitation of coal reserves in Orissa. The main reasons of inadequate attention paid for development of coal fields in Orissa is that the Talcher coal fields and Ib valley coal fields are functioning under two different coal companies. I demand that for systematic and expeditious exploitation of the coal reserves of Orissa and to ensure coordination and efficiency, the two coal producing areas in the State should be brought under the administrative control of a separate subsidiary company of Coal India Ltd., with headquarters in Orissa.

[English]

- (ii) Need to issue a commemorative stamp in the memory of Vir Surendra Lai, a freedom fighter.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Vir Surendra Sai was one of the foremost freedom fighters of our country. He led a revolt against the British rule as early as 1827 in Sambalpur and Chhatisgarh region which continued quite for long, keeping the foreign administration at bay. For his relentless fight against the Britishers, Surendra Sai was imprisoned for 37 years and he breathed his last in Asurgarh Fort Jail in 1884, far away from Sambalpur, his native place. Surendra Sai who lived for 75 years from 1809 to 1884 spent half of his life in British jail for his uncompromising fight against the British rule. His patriotism and heroism were thus unparalleled.

But it is a matter of regret that this great national hero is yet to occupy the place he deserves in our history. The Vir Surendra Sai Death Cen.enary Committee formed by the State Government has initiated some measures to highlight his contributions and greatness. But its proposal as well as request to the communications Ministry, Government of India to bring out a commemorative stamp in honour of this great national hero has so far not been translated into action.

This being rather overdue, the Communications Ministry should not further delay in bringing out the Vir Surendra Sai Commemorative stamp.

- (iii) Need for taking steps for preventing the reported killing of cows in thousands in West Germany.

SHRI N. VENKATA RATNAM (Tenali) : It is reported in the press that the West German Government has decided to kill 2,60,000 of its cows to control the overproduction of milk. This has been received in India as inhuman as the children of Africa and Asia are dying for want of milk, and there is a uniform uproar in the country. The Tamilnadu Government, in order to upgrade its milk production, to assuage the religious feelings of its population, and to help the poor farmers, has written to the Centre to permit it to purchase one lakh. West German cows. The Centre is said to have accepted it in principle and has been negotiating with the EEC (East European Community). In the interests of our economy also, it is better for the Centre to purchase the other cows for the same purpose as that of Tamilnadu. It is also advisable for the Centre to convince the other States also in the direction.

This matter is urgent as the cows are to be killed by the end of this month. Hence it is urgent for the Centre to prevail upon the Federal Republic of Germany not to kill the cows by the end of this month and start negotiations with EEC for purchase of all the cows either by the Centre or the States.

- (iv) Inadequate supply of water for irrigation in Thanjavur District and need to settle Cauvery water Dispute

SHRI S. SINGARAVADIVEL (Thanjavur) : The agricultural operations in Thanjavur District, the granary of Tamil Nadu, are very much affected and the economy of the District is shattered on account of the inadequate supply of water for irrigation, caused by the impending dispute over the sharing of Cauvery water during the last ten years. This year also the water position is critical and there is no possibility of releasing any water for irrigation. Local rains also cannot save the situation. Under these circumstances, the farmers and agricultural labourers are very much worried about their future in Thanjavur District and their interest can be protected only by a quick and fair solution to the issue. Hence the Minister of Irrigation

[*Shri S. Singaravudivel*]

should take all appropriate steps to get the farmers of Thanjavur District their due share of water in the Cauvery and protect them.

(*Translation*)

(v) Need to check infiltration of smugglers and spies in Barmer and Kutch District.

PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh): Mr. Deputy Speaker, Sir, I would like to draw the attention of the Government under Rule 377 to spying, illegal infiltration and smuggling activities being carried on in the Barmer city, Rajasthan and Kutch district adjacent to Pakistan border. Pakistani nationals indulging in such activities have been apprehended in Barmer many times. They are in collusion with the local smugglers. The area of Barmer, adjacent to the desert of Kutch, is sparsely populated. Therefore, Pakistani spies take shelter in this area. Oftentimes, they move about in the area in the garb of beggars and lunatics and collect valuable information. The hon. Home Minister should, therefore, issue special directives to the Border Security Force to check such infiltration.

[*English*]

(vi) Need to implement the recommendations of High Power panel on Minorities.

SHRI G.M. BANATWALLA (Ponnani): I have to draw the attention of the Government to the need for implementation of the recommendations of the High Power Panel on Minorities. The Panel was appointed on 10-5-80 under the Chairmanship of Dr. Gopal Singh. The preliminary report of the Panel was received by the Government on 26th January, 1981 and the final report on 14th June, 1983.

The Panel had made a sample survey of nearly 80 districts and found that the plight of minorities, principally, Muslims, was bad. The Panel has made a number of important suggestions for the amelioration of this miserable plight. The final report has been lying with the Government for the past more than one and a half years. It has not even been placed on the Table of this House as yet. The previous Government had said that it attached the highest importance to the matter referred to the panel. Prime Minister Shri Rajiv Gandhi has also stated

in the House on the Motion of Thanks on Presidential Address January 22, 1985 that—

“The problem of the minorities in India has to be given special thought...and our government will be doing its best to try and start from the beginning and solve this problem once for all for a proper united India.”

I urge upon the Government to expedite formulation of its decisions on the recommendation of the Panel so that action for implementation is initiated without any further delay. The report and government's decision thereon have also to be laid on the Table of the Houses at the earliest.

(vii) Need to sanction more posts of judges for Goa, Daman and Diu.

SHRI SHANTARAM NAIK (Panaji): In order to solve the problem of pending litigations in the various subordinate courts of the Union Territory of Goa, Daman & Diu, there was and there is a strong demand from the Members of the Bar and the people in general to create two posts of Additional District Judge—one for North Goa and the other for South Goa, and four posts of Civil Judge, Junior Division. For quite some time, the matter has been pending with the Central Government.

In fact, the principle of “Justice delayed is justice denied” should be recognised right from the stage of creation of judicial posts and not merely from the stage of the administration of justice. It may be recalled that the President of India in his address, made on 17.1.85, to both Houses of Parliament, has promised that the government would take steps to render speedy justice to the people.

I therefore, request the Central Government, specially the hon. Minister for Law & Justice to look into the matter with top priority.

(viii) Need to reconsider the decision to acquire land adjacent to the Eastern part of Trivandrum Civil Airport for Air Force complex of Southern Command.

SHRI A. CHARLES (Trivandrum): While thanking the Government of India for starting the Southern command of the Indian Air Force at Trivandrum, I

may submit that the proposal to acquire the land lying adjacent to the Eastern part of the Trivandrum Civil Airport between Vallakadavu and Chackai may create undue hardship to nearly one thousand families since this is a thickly populated area with high yielding coconut trees. There are more convenient Government lands adjacent to the Airport. On one side of the airport is the sewage farm and on the other side is the huge campus in which the aquarium and physical education school are housed. The aquarium has remained closed for the last several years and the physical education school wants to be shifted from that campus in view of its close proximity to the Travancore Titanium Products Ltd. Any one of these campus could easily be used for this Project.

Another important factor to be considered is the risk involved in developing an Air Force Complex within the city limits where several lakhs of people, not to speak of the many hospitals schools, colleges and other Government Offices are crowded, when there are other convenient and suitable areas available. The vast area of land in the Attipra village or the huge strip of land on the northern side of Velimalai very near to the land already acquired for the Air Force Complex (i.e. Akkulam area) will be more suitable. I would therefore plead that on humanitarian grounds the proposal to acquire the land between Vallakadavu and Chackai be dropped and steps taken for establishing the Air Force Projects choosing any one of the above four sites.

(ix) Need to declare 'UGADI' a closed holiday for Central Government offices in Andhra Pradesh.

SHRI AJOY BISWAS (Tripura West) : The festival of Ugadi which is the New Year's Day for Telugu speaking people of Andhra Pradesh has not been declared as a regular holiday for the last three years by the Central Government. Several representations made by the Confederation of Central Government employees and other All-India organisations functioning in Andhra Pradesh, for declaration of Ugadi as a closed holiday for Central Government offices in Andhra Pradesh, were of no avail.

Though it is a restricted holiday many of the executive staff in Central Govern-

ment Department in the States cannot avail of it for administrative reasons. The local Central Government Employees Welfare Coordination Committee has declared 15 closed holidays this year and kept a provision of one more day holiday for Ugadi subject to the clearance from the Department of Personnel and Administrative Reforms. But unfortunately this Department has not conceded the request.

Ugadi is a prime festival in Andhra Pradesh and this year it falls on 22-3-1985. Hence I urge upon the Minister of Home Affairs to take an immediate decision to declare Ugadi as a closed holiday in respect of Central Government offices in Andhra Pradesh in public interest.

12.25 hrs.

GENERAL-BUDGET 1985-86—
GENERAL DISCUSSION
AND
SUPPLEMENTARY DEMANDS FOR
GRANTS 1984-85—GENERAL—CONTD.

[English]

MR. DEPUTY-SPEAKER : Now, we take up further general discussion on the Budget (General) and Supplementary Demands for Grants (General):

SHRI H.M. PATEL (Sabarkantha) : I rise to offer my observations on the Central Government's Budget for 1985-86. It is a well structured Budget. The Finance Minister took as his guiding theme an observation of the late Prime Minister that no section of the vast and diverse population of this country should feel unwanted. He had, therefore, attempted to see that all sections benefit from this Budget provisions and plans. Undoubtedly, the well-to-do and the rich have benefited very considerably. This is given expression to by that deep thinking person and student of Budget, Mr. Palkhiwala, that this is one of the finest Budgets he has ever seen in the last three decades. It has also been hailed by the Federation of Indian Chambers of Commerce and Industry very warmly. I hope that when the President of the Federation gave expression to his pleasure, he must also have realised that this puts the industrialists very much on their metal. They have now to fulfil their various promises and

[*Shri H.M. Patel*]

claims that they would achieve this that and the other certain concessions were given and certain help was provided through fiscal policy and measures. They have indeed obtained through this Budget all the concessions they ever asked for and even more. Therefore, those sections are very happy. I think, the middle class also should be happy because they also have benefited and will benefit considerably from the concessions in direct taxation that have been given in this Budget. But when we look at certain other sections of the people, the farmers, the less well-to-do and the poor, then we begin to have some doubts as to the benefits conferred upon them by this Budget. The farmers have been promised, for instance, remunerative prices. The Finance Minister recognises the desirability of their receiving remunerative prices. But the only concrete proposal that he has made in this connection is that name of the Agricultural Prices Commission which determines these prices, will be changed and the term of 'Cost' included in that. One wonders whether until now the Prices Commission took no account of cost of production at all. It would seem to be so; otherwise, there would really be no necessity for now laying emphasis specifically on the word 'cost'. Cost of production is conceded to all industries when prices are fixed. But so far as the farmers are concerned all manner of excuses are trotted out, for not fixing their prices on the basis of cost of production. One can only that hope since it is the Finance Minister's intention that farmers' interest, should be safeguarded that hereafter prices will be determined with an honest attempt at basing them upon cost of production arrived at a very reasonable manner. He has also offered small and marginal farmers hope by saying that he is going to introduce a crop insurance scheme. Crop Insurance Scheme would certainly be a very welcome thing. The only difficulty is that it is not so very easy to implement. I had myself, when I had an opportunity in this regard, asked the General Insurance Corporation to try out crop insurance in limited areas with a view to finding out what difficulties would have to be overcome if we wanted to introduce a crop insurance scheme in a very general way. I hope that some report of this experiment must have been

available to the Finance Minister before he decided to announce on the floor of the House that he will be introducing this crop insurance scheme. Crop insurance scheme is a very complicated matter and I would only offer one suggestion to the Finance Minister that he proceed experimentally and slowly in this direction. If the results of the initial pilot projects are found satisfactory, he can then introduce it speedily in the whole country. But it would be a very unfortunate thing if having introduced it you have to find that you have to withdraw it. Similarly, as far as other poorer sections are concerned, a social security scheme is offered, employment guarantees are also offered, but however welcome these schemes may be, they are not going to be easy to implement with the administrative machinery that we have at present. We can no doubt create satisfactory administrative machinery but that again will take time. I hope that he will go about it in a very determined but cautious way so that it can really be made a success.

A vital point which has been brushed aside some what lightly is the question of prices. The Finance Ministry and the Finance Minister have claimed that this Budget will not lead to inflation or increase prices and if there is an increase it will be of a very minor nature. I hope that their optimistic assessment turns out to be correct but I see no reason for such optimism. They talk complacently of the amount of deficit financing which is of record nature. For the year 1984-85 they had envisaged a deficit of Rs. 1,773 crores but by the end of the year they expect it to rise to very nearly Rs. 4,000 crores. Therefore, they say that this year's estimate of deficit financing, which they will have to face, being lower than Rs. 4,000 crores, that is, Rs. 3,400 crores, we need not apprehend any larger degree of inflation than the one which we have had to face during 1984-85. I think the way to look at it should have been this that the original deficit expected by the previous Finance Minister was Rs. 1,773 crores which is actual fact rose to Rs. 4,000 crores: there is no reason to think that the deficit estimated for 1985-86 at Rs. 3,400 crores will remain at Rs. 3,400 crores or be perhaps less and not more.

If it is more, if it increases at the rate at which last year's deficit estimates rose, then I think there would be a very difficult situation. The possibility of inflation is a very grim reality. No doubt, the Finance Minister says that we have a good stock of food-grains, there is adequate reserve of foreign exchange and, therefore, by watching the situation closely, we will be able to keep inflation under check. I hope that Finance Minister's efforts will be successful, because none of us would really like to have inflation running riot. But, I am afraid, in such matters it is wiser to go about more cautiously. Here is a great risk taken, which is virtually a gamble on monsoon. If the monsoon is satisfactory, then the prospect of deficit financing being contained at a reasonable level will be somewhat greater. But, heaven forbid, if it fails, the possibility of a disaster cannot lightly be brushed aside.

It must not be forgotten that the Finance Minister has not kept away from taking other steps to increase his resources and they must inevitably lead to an increase in prices of essential commodities. Already, the psychology of the people being what it is, and the normal behaviour of the business community in this country being what it is, within 24 hours of the announcement of the budget, the prices of all manner of commodities, including essential commodities have gone up, and they will go up more. The result of fresh indirect taxes that have been imposed, or increases in the case of existing levies, will further push up prices. The price of kerosene has risen considerably, very substantially. The price of cooking gas also has gone up very appreciably, and it is not an item which is consumed only by the rich. With the increase in taxes on crude, the prices of petroleum products have gone up. Transport costs will go up and the cost of a number of other items will go up considerably, and as time goes on, the increase will be considerable.

It must not also be forgotten that the railway budget, which for various reasons, is brought as a separate budget, has increased passenger fares and freights. The effect of the railway budget will be to raise prices Con.

Likewise, the public sector enterprises, which are monopolistic in nature, have now been given the liberty to increase their prices, in order that they may generate resources for meeting their commitments and for expansion. Full advantage is being taken of this right by some of the units. Oil companies have done so. Coal India has certainly not lagged behind. The posts and telegraphs and telephones have raised their tariff. If every public sector unit thus increases the rates on its own, you can imagine the effect it would have on the price situation generally, thus hitting the common man. All in all, I would say all these various indirect taxation proposals that have been made will have a very serious effect on the prices and the price rise will be very significant indeed.

It is also interesting to note that the Central Plan provision this year is more or less the same as in the last year. Fortunately, I think, the Finance Minister has made generous increases to the State Governments and the State Governments ought, therefore, to be able to increase their production through their enterprises. They should be able to make satisfactory contributions for the benefit of the society. But the Plan development so far as the Central Government is concerned has been kept stationary. This may now be altogether bad because if the plan provision has been raised further the deficit financing would have been ever higher.

I do not know to what extent there has been coordination between the various objectives and the budget provision to meet those objectives. In regard to conservation to which the Prime Minister attaches great importance, the provision that has been actually made is small. It is proposed that five million hectares of waste land will be vegetated, will be made green land. For greening of five million hectares of waste land and afforestation etc. only Rs. 54 crores have been provided. Although the object in view is very sound, the provision necessary to carry out a scheme has not been adequate. May be there are some special reasons for it, but I am rather surprised why in a matter of such importance, sufficient provision has not been made.

[*Shri H.M. Patel*]

Then I think some comment is necessary on the fact that no attempt has been made to reduce non-plan expenditure. The Finance Minister refers to the fact that defence expenditure, interest payments and subsidies on fertilisers, food etc. take away over 70% of non-plan expenditure. He also says that the non-Plan expenditure is continuously rising. But he has made no specific attempt at economy. It would seem that he has come to the conclusion that it is not possible. Nevertheless many new schemes are proposed which must inevitably increase expenditure rather than reduce it.

In regard to the black money, the Prime Minister has said that they would make a determined attempt at controlling and eliminating it — and the Finance Minister also refers to the flow of black-money no particular steps have been taken even to curb it. Certain fiscal proposals have been made for the reduction of tax rates etc., abolition of estate duty and so on. All these may make people behave more honestly. But mere behaviour does not mean that black-money will not continue to be generated. Liberalisation of general and economic policy will also move in the direction of generating less black money.

But it is not clear as to how many controls are going to be removed and to what extent. Controls, to my mind, do generate black money as they provide the temptation to generate black money. I think however many more measures are necessary in order to curb black money effectively. In fact, one of the striking things about the Finance Minister's Budget speech is that though it great many sentiments and in which principles are enunciated which are unexceptionable, it remains mere enunciation of principles and expression of sentiments. The concrete measures that have to be taken in order to see that those sentiments become a reality are not to be found.

Before I go further, I would like to congratulate the Finance Minister on one other thing. He says that his taxation measures etc. are conceived in a time frame by which presumably he means that he will go on moving in this direction for the rest of the life of this Parliament, say, five years. This is very necessary if the tax-payers are

to believe that they can rely upon the fact that whatever steps the Finance Minister or the Government has taken will continue for a period of time. Then alone they will be encouraged to make long term investment I think it is a very wise thing that the Finance Minister has done to say that this is his intention and he is, of course, also fortunately in a position to give effect to this particular line of action.

Sir, I think I have dealt with most of the points that need to be referred to. I would only like to say this...

MR. DEPUTY-SPEAKER : More Members are there from your Party to speak. Twenty-eight minutes are allotted for the Janata Party. There are six more Members yet to speak.

(Interruptions)

SHRI G.G. SWELL : You have not touched more important points—how to generate resources,

SHRI H.M. PATEL : How to generate resources is exactly what the Finance Minister should have told us. I agree.

SHRI G.G. SWELL : You could suggest.

SHRI H.M. PATEL : I can suggest and of course, there is no reason why I should not do this and if there were time, I will do it.

SHRI RAM PYARE PANIKA : None from your side is suggesting the generation of resources.

MR. DEPUTY-SPEAKER : Let Mr. Patel speak. Why people are interrupting like this?

SHRI H.M. PATEL ; I am glad that they are advising me as to what I should say and what I should not.

SHRI G.G. SWELL ; It is only to make the debate meaningful.

MR. DEPUTY-SPEAKER : It cannot be argued like this. Let him speak and when you have the opportunity, you can point out these things.

PROF. MADHU DANDAVATE : Sir, he is almost suggesting that he should take over as Finance Minister!

SHRI H.M. PATEL: Mr. Swell is feeling unhappy.

SHRI G.G. SWELL : Your criticism is all negative. Give us something positive.

SHRI H.M. PATEL : Mr. Deputy-Speaker, Sir, I am astonished at Mr. Swell's lack of comprehension. He thinks that all that I have said is negative. I thought...

SHRI G.G. SWELL : Mostly.

SHRI H.M. PATEL : I am glad he at least concedes that it is mostly negative. Well, I think the Finance Minister will be very happy if he receives such negative comments only; comments of the kind that I have made, if they are regarded as negative, then heaven help the Finance Minister. He will find that most people's comments including those of his partymen most offensive, most aggressive, whereas I have not been aggressive at all. On the contrary I have attempted to see what virtues there are in his proposals.

I have emphasised the virtues rather than the shortcomings. There are shortcomings and I think, it is desirable that they should be brought to your notice to see that they are removed. You may, if it is still possible, keeping an open mind to remove them. I think, there is no reason why an approach of this nature should not be welcomed. If they do not welcome it and if they prefer that more aggressive and more offensive observations should be made, I shall bear that in mind for my participation in the debate, in future.

PROF. MADHU DANDAVATE : Sir, allow me more time so that, I will satisfy those hon. Members.

SHRI G.G. SWELL : I am not the Finance Minister.

[*Translation*]

SHRI ZAINUL BASHER (Ghazipur): Mr. Deputy Speaker, Sir, I rise to support the Budget presented by the Finance Minister. Many doubts have been expressed

about this year's Budget. These doubts have arisen in the minds of the Opposition as well as the Ruling Party Members.

12.52 hrs.

[**SHRI VAKKOM PURUSHOTHAMAN**
in the Chair]

The biggest cause of these doubts is the praise showered by big industrialists, big businessman and those persons who have been pleading for free trade for many years. This has strengthened the doubts further. Just now our former Finance Minister, Shri Patel was speaking. Shri Patel has also appreciated the Budget approach in many respects. When he himself was the Finance Minister, he could not gather courage to do certain things which have been done in this Budget. His appreciation of the Budget has also created doubts.

Mr. Chairman, Sir, during the long period of rule by Pandit Jawahar Lal Nehru and Smt. Indira Gandhi, certain values had come to be accepted in this country, these values being the establishment of a socialistic pattern of society, development through planning, mixed economy with preference to Public Sector over Private Sector, exclusive control of Public Sector over the infrastructure, more burden of taxation on the rich and affluent sections and relief to the poor and weaker sections, controlled economy with the aim of checking the tendency of profiteering and higher incomes and raising the poor and weaker sections above the poverty line to the maximum extent. Over the years, these values have formed the basis of our Party's policies and all the Budgets presented in this House have followed these policies scrupulously. But the Budget presented this time has deviated a little from these principles. What is the extent of deviation, the likely impact of this Budget on these principles and to what extent will the future economy of the country be based on these principles? All these things will be answered by the Finance Minister in his reply but this doubt is getting stronger that we have moved from left of the centre to right of the centre. Our economic policy, so far, has remained tilted towards left of the centre. But with this Budget a doubt has been created that we have moved towards right of the centre.

[*Shri Zainul Basher*]

In the past, we have been imposing taxes on the rich and affluent people and giving relief to the poor. We expanded the Public Sector and gave preference to it. If the Public Sector has not come up to the expectations then where lies the fault and who is responsible for it? Why did the people who were entrusted with the responsibility fail to discharge it and why was no improvement made? Was the system wrong or was the policy defective? What are the causes of losses? Was the management deficient? The Finance Minister has to answer these questions. If the policy or system was not bad and the management was deficient then there was nothing wrong with our policy.

Mr. Chairman, Sir, in this Budget, for the first time, the Private Sector has been freed from a number sharkless. Monopoly Houses have been given concessions. Estate Duty has been abolished and concessions in Wealth Tax, Corporate Tax and Income Tax have been given on a large scale. The poor and the common people have been adversely affected with increased rates of excise duties. The prices of kerosene oil, cooking gas, soap, and vegetable oil have gone up. I am not referring to the increase in prices due to the Railway Budget. I am only talking of the hike which has resulted due to this Budget. Kerosene oil and cement have become costly. Mr. Chairman, Sir, the prices of bidis, which are smoked by the poor, have also gone up. Pan Masala too has become costly. Most of the commodities have become costlier due to increase in duties on petroleum products. Mr. Sharma chews pan, I do not. *Main jo peeta hun woh nahin mehngi hui hai* (what I consume has not become costly).

SHRI RAM PYARE PANIKA : *Hamen inke peene par kuchh shanka hui hai* (We have some misgiving about what he consumes).

SHRI ZAINUL BASHER : *Main cigarette peeta hun.* (I only smoke cigarettes) and I do feel it should not be smoked.

Mr. Chairman, Sir, the tax import on petroleum products will definitely lead to increase in prices. Enhancement in railway

fares and freights will also increase the price of every commodity. Who will bear the burden of this increase in prices? This burden will not be borne by the affluent sections or Income tax payers, Corporate tax payers, big industrialists or businessmen because their transport expenses are adjusted in the income tax. The Public Sector Companies will also not be affected because the Government will take with one hand and pay with the other. It is the people living in villages and the common man who will have to pay more for travel. The hike in prices due to increase in railway freight will also be borne by them.

13 hrs.

On the one hand you are increasing their burden by imposing taxes, on the other hand you are increasing the railway fares and freights which again will be affecting the poor, who are non-taxpayers. This increase will not affect the taxpayers because they will get rebate in income tax by including the increase infares in their transport expenses. It will increase the burden of the poor and they will become poorer. The hike in bus, rail and air fares is due to increase in the tax on petroleum products. I think the enhancement in railway fares is also because of the increase in duties on petroleum products. That increase has been included by the Railway Minister in his Budget and if he has not done so he may possibly further increase the railway fares which will escalate the prices further thus affecting the poor. Relief has been provided only to four to five million taxpayers, and amongst them also, those taxpayers who are paying more tax have been given more relief and those who are paying less amount have been provided with lesser relief. I also welcome the relief provided by the Prime Minister to the poor. I do not want to overlook that. For example, crop insurance is a welcome step. This is a revolutionary scheme for the farmers. The farmers of the entire country will be benefited by this scheme. This is a very good beginning and it is hoped that in future, this will be extended to other crops as well. I want to thank the Finance Minister for the Social Security Scheme also. I praise him for including this scheme in the Budget but presently it will cover only 100 districts. What will be the criterion for selecting these

100 districts? My submission is that it should cover the whole of the country simultaneously.

Mr. Chairman, Sir, I am concerned about one more thing to which I want to draw the attention of the Hon. Finance Minister in particular and also that of the Government. Under the anti poverty programmes like National Rural Employment Programme, and National Rural Landless Employment Guarantee Programme, a lot of good work has been done in the villages during the last 2 to 3 years and a large number of people have benefited by way of employment.

They are coming above the poverty line. We were expecting allocation of larger funds for these programmes because we have seen the miracle of these programmes in the elections wherein we got massive support from the people. But I am sorry to say that the Hon. Finance Minister, has maintained the *status quo*.

[English]

SHRI Y.S. MAHAJAN : The Finance Minister has promised more, money if necessary.

SHRI ZAINUL BASHER : The Finance Minister should know that it is necessary.

[Translation]

The result of maintaining *status quo* will be that the funds allocated will be consumed by the ongoing projects and there will be no funds available for the new projects. Rs. 400 crores will be spent under NREP on the ongoing projects and they will have no money for the new projects. I would like to submit through you that the Hon'ble Finance Minister, who is luckily present in the House, should look into this. NREP and Landless Employment Guarantee Programme are revolutionary steps and have done a miracle in the whole country by providing employment, and by lifting the people above the poverty line. These Programmes have not been funded to the extent we were expecting which will hit the poor hard.

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWA NATH PRATAP SINGH) : It will be done.

[English]

There were elections in several States and the State Governments could not finalise the programmes. So far as anti-poverty programmes are concerned, we are committed and we will commit resources for those.

SHRI ZAINUL BASHER : I am very happy.

[Translation]

The self-employment scheme for educated unemployed is a very good scheme. People are getting benefit out of it.....(Interruptions) Irregularities have come to notice in the matter of disbursement of funds. The deserving people do not get the money. The greatest shortcoming in it is that money is disbursed by government officials only. Charges of corruption have also come to notice that some well off person is getting money in the name of his son, nephew or brother. Money is going to same family under two or three names. The people belonging to weaker sections like harijans and other backward classes for being deprived of this benefit. Will the Finance Minister see to it that the representatives of the people are involved in the disbursement of funds.

He knows who is poor. He can discriminate between two deserving persons. He will get the money disbursed to only deserving persons. If the representatives of people are involved in the proper implementation of employment schemes, then such complaints can be removed. I would like to draw the attention of the Finance Minister towards Eastern U.P. He was Chief Minister of U.P. also and, fortunately, he comes from Eastern U.P. The part of the country is very much poverty-stricken. The people of Eastern U.P. had made lots of sacrifices for the country's independence but now they are being ignored. Its population is 38 percent of the total population of Uttar Pradesh. You will be surprised to know that the rate of growth of population in

[*Shri Zainul Basher*]

Eastern U.P. has come down whereas it has increased at other places. In 1952, the population of Eastern U.P. was 39 percent of the total population of U.P. In 1981 it came down to 38 percent *i.e.* there has been a decline of 1 percent. But the density of population has increased. Agriculture is the main occupation there. The percentage of small and landless farmers in Eastern U.P. is 82 whereas in Western U.P., their percentage is only 72. Unemployment problem is also there. You will also be surprised to know that the number of unemployed persons in Eastern U.P. is half of the total number of unemployed persons in Uttar Pradesh whereas its population is only 38 percent.

Eastern U.P. was already lagging behind in the matter of industries and the same situation still continues. All the new industries are being set up in Western U.P. The Finance Minister is aware of the problems facing Eastern U.P. I know that U.P. Government have certain limitations and they are helpless so far as the development of Eastern U.P. is concerned. I request the Finance Minister, who had been the Chief Minister of U.P. also, to use his good offices and make special provision for the development of the Eastern parts of U.P. in the Seventh Five Year Plan. The Central Government should take over this responsibility and take steps for the development of Eastern U.P. as has been done for the development of hill areas, desert areas, the North-Eastern region and Kashmir. With these words I thank you for giving me ample time to speak.

[*English*]

DR. KRUPASINDHU BHOI (Sambalpur) : First I congratulate the Finance Minister and our hon. Prime Minister, Mr. Rajiv Gandhi because this budget is a bridge to the Twentyfirst century.

To begin with, permit me to quote a Sanskrit sloka :

*Ayam Nijah paroveti, Ganana laghu-
chetam, Udara charitanam tu, Vasudhatva
Kutumbakam.*

I will give the English translation :

Mine and thine are from a misanthrop mind, where as a philanthrop treats the world as a single family.

That is the culture of India which has been demonstrated by Pandit Jawaharlal Nehru, followed by Shrimati Indira Gandhi and our dynamic Prime Minister who has shown in action in this budget which is a barometer to gauge his mind. Mr. Rajiv Gandhi inherited a grey matter To make a modern India he has inherited the blood of Jawaharlal Nehru and Shrimati Indira Gandhi and to curb the unholy triveni of corruption he has inherited the blood of Feroze Gandhi. He wants to show to the world that he can make our country and the third world a Rama Rajya according to the wishes of our beloved ex Prime Minister, Shrimati Indira Gandhi who has died and gave the last drop of her blood for bridging the nation.

I will not go into the details of the budget because I am not a man from this particular faculty. So, according to Mr. Rajiv Gandhi—he was speaking on the Budget in 1982-83-I quote:

“An expanding investment program needs an increasing volume of resources. The resource mobilisation does not seem to match the requirements. Government finds that there is a tendency on the part of various sectors of the economy to look upon concessions as the only way of improving their sagging fortunes. If the required development resources are to be raised without inflation, there will have to be a greater readiness on the part of the people who can bear further taxation to shoulder additional burdens.”

Whether we are happy with the budget or not, while considering the budget, we should think that it is for an individual, keeping in mind Char vaka who says:

*Yavat jeevet sukham jeevet, Rinam-
kritwa ghritam pibet Bhasmibhootasya
dehasya punaragannam Kutah.*

It means this is for our individual consolation. But we have fixed the parameters of resource mobilisation in the budget. Shri H.M. Patel, the ex-Finance Minister has aborately congratulated our Finance Minister saying that the problem which he could

not solve the new Finance Minister is trying to solve it.

Sir, the hon. Finance Minister comes from the place of holy Triveni of Jamuna, Ganga and Saraswati. For that reason he has tried to resolve the crisis. Mr. Patel said that inflation is a must in this deficit budget of over Rs. 3000 crores. I will talk about resource mobilisation a little later but here I would like to say that the eminent economist, Nani Palkhiwala who has always been criticising the budget has praised it this time. The Chambers of Commerce are praising the budget. The men in the villages who do not have access to the press are also welcoming the present budget. The Defence which required to be given preference has rightly been given the preference. My friend from the Opposition mentioned that 70 per cent of the programmes under 20-point programme have not been implemented throughout the country. Excepting a few States which are not in a mood to implement this programme because where there is poverty they will be the gainer, in all Congress (I) ruled States the programme has been implemented very nicely.

Shri Janardhana Poojary, the Minister of State in the Ministry of Finance has pointed out that the banking people are creating very much hindrance in the grant of loans under ARP, IRDP and Self Employment Guarantee Scheme. Here I would also like to point out that in so far as Orissa is concerned the quota has been fixed by the State Government and all the blocs are not getting an equal quota.

Sir, as has been suggested by Shri Rajivji several times I have also suggested that Central monitoring system should be there in the Finance Ministry to see that the infra-structure of the country grows. Availability of coal has been increased to 147 million tonnes and it is expected to go up to 156 million tonnes quantitatively. But what is the calorific value of coal extracted? We are for modernisation and expansion. The quality of coal being poor is given as an excuse by the power-plants in the State sector. There is 60 per cent capacity utilisation of the power-plants under NTPC but it is only 40 per cent in regard to those who are under State control. Here I would

like to suggest that coal slurry project which is prevalent in Australia can be tried here. We have spent 97,000 crores in the public sector undertaking—although the Minister said it is 1,10,000 crores—whereas they are behaving like big monopolists. A little earlier I had pointed out about the slippages in the steel plants. In regard to Haldia complex the slippages are to the tune of 84 months. Why there are slippages?

We are always trying to import foreign technology. In that context, I would submit, we are not revamping our national research laboratories. They should be made up-to-date in order to absorb foreign technology. All imports of technology should be done through all these expert bodies which are there. We have got 38 national research laboratories. The scientists there are underworked. Our late Prime Minister, Shri Jawaharlal Nehru, was instrumental in starting these research laboratories.

Then, I would like to submit that the Coal Slurry Process and Gravity Flotation Process should be tried in our power plants. There is a sanctioned capacity of the order of 19 thousand MW but we have achieved 14 thousand MW, I think we will achieve another 2 thousand MW in the last year of the 6th year plan.

Sir, I beg to submit that the people cannot get the benefits of economic development until and unless family planning programme gets topmost priority. There is a very big population explosion. We have poverty in the midst of plenty. We must utilise the services of ladies to mobilise the family welfare programmes. Otherwise we cannot achieve the goal which we signed in Alma Ata Declaration in 1977. We cannot achieve the goal of 'Health for all' enunciated by our late Prime Minister by 2,000 A.D. Only 3% of plan outlay earmarked for Health programmes. This is a matter of great concern to us. There should be a Resolution on this subject in this House. There should be more funding for these schemes.

Sir, western Orissa has always been neglected since independence. Our late Prime Minister Mrs Indira Gandhi gave clearance for Talcher-Sambalpur railway line. But in

[*Dr. Krupasindhu Bhot*]

the name of late Prime Minister, the Itawah railway line has been sufficiently funded but only a meagre account was allotted for this project. Only Rs 1.50 crore is allotted for this project; it should be increased. The foundation stone for Railway Division and Railway line was laid by Shri Rajiv Gandhi, the then General Secretary and Member of Parliament. For the Sambalpur railway division no money has been provided for. There should be sufficient money provided for this purpose.

Sir, there are various leakages which should be plugged. The Railway Department is always telling us that they do not get sufficient money from out of the Plan outlay. But these leakages are there, and they should be plugged and there should be a proper monitoring system in respect of our public sector undertakings. It should be monitored by a computer by the Finance Minister, in his chamber. This computer system will tell us whether our public sector undertakings work properly or not. For that reason the Ministry should have a better monitoring system to monitor public sector undertakings for better mobilisation of our internal resources.

A big deficiency in the NALCO complex in Orissa is the escalation of cost by 100%. But in Tomago of Australia, Messers, Pschiny Ltd, have installed one project containing up-to-date technology, only with 25% cost escalation, and not more. Now, here, we are spending nearly Rs 2400 crores instead of the original cost of Rs. 1200 crores. There is 100% escalation in cost. This has been going on in all our public sector undertakings. I request that the hon. Minister should take necessary remedial measures in this regard.

MR. CHAIRMAN : Please conclude.

DR. KRUPASINDHU BHOI : I am coming to the last point. Sir, there will be criticism from the Opposition. In this context, I would like to quote a 'sloka' in Sanskrit,

*Udyati yadi bhanuh paschimadig vi-
bhage,*

*Prachalati yadi meruh sheettam yati
kahnih,*

*Vikasah yadi padmah parvatanam shik-
hagre,*

Na chalati Khalavakyam sajjananam.

Even if the Sun rises in the West, even if the mountain moves, even if the fire becomes cold, even if lotus blooms in the mountain crevice, the voice of the sages cannot be choked by the evil designs of the wicked. The voice of sages, voice of Mahatma Gandhi, Pandit Jawaharlal Nehru, Shrimati Indira Gandhi and now Shri Rajiv Gandhi has been reflected by our holy 'Triveni' leader, the hon. Finance Minister, in his Budget.

[*Translation*]

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Chairman, Sir, the Finance Minister has taken some bold steps in the Budget presented by him for the year 1985-86.....(*Interruptions*)...

I shall try to conclude my speech early, but I shall have to say something. I belong to a desert area, so, please show me some consideration.

In the Budget for the year 1971, the rate of income-tax was increased to 93 per cent but now it has been reduced to 50 per cent. The purpose behind it is to eradicate black money and to check tax evasion. If this purpose is served, then this will be a praiseworthy step. The Budget will be evaluated from this point of view. The Finance Minister has stated that income-tax evaders will be dealt with under penal provisions and deterrent action will be taken against them. Previously, the income-tax authorities used their discretion and if somebody made payment of income-tax arrears even after the raid, no action was taken against him. But now penal action will be taken. It would be possible to implement the provisions properly if deterrent punishment is awarded through special courts. Its success depends on how this scheme is implemented.

Secondly, there was a deficit of Rs. 1773 crore in last year's Budget which has grown to Rs. 4,000 crores now. This year's budget shows a deficit of Rs. 3,379 crore. We could not control the situation when

there was a deficit of Rs. 1,773 crores in the Budget for the year 1984-85 and this deficit has increased to Rs. 4,000 crores now. At that time there was a deficit despite a good crop. In this way how can we expect that the situation will improve and deficit financing can be controlled? In the present circumstances, I apprehend deficit financing might go upto Rs. 15,000 crores during the Seventh Five Year Plan and it will be difficult to control the situation. Stringent measures should be taken in this regard. In this connection we would also not like a cut in the Plan. We would not like either heavy taxation or heavy borrowings. Now the question arises how to meet the situation. It is a very challenging question. We have not so far been able to control the managements of our public enterprises in which we have made investment to the tune of crores of rupees. We are not even getting interest on this investment. More attention is needed to be paid in this regard. It is absolutely necessary to ensure efficient administration of public enterprises. According to the present practice, I.A.S. officers are appointed as their Chairman and Managing Directors, who have no experience in that line. Therefore, they prove an utter failure there. I suggest that persons having expertise and special knowledge in that field may be appointed as Chairmen and Managing Directors of public enterprises. Their selection may be made by a special Commission and the most competent persons may be appointed as chairmen and Managing Directors. The present system of appointing IAS Officers is not correct and it should be changed. My second suggestion is that there is need to bring down the unnecessary expenditure being incurred in various departments. Just now I was going through the Annual Report of the Department of Education for the year 1983-84. At page 31 of this report, it has been stated that the number of students in an educational institute was 1541 and the number of teaching staff was 316 in which the number of professors was 68 and that of Asstt. Professors was 97 and 151. In this way you will see that there is one Professor for every five students.

There are institution which are over-staffed and there is no need to keep surplus

staff. Similarly, you have provided to the officers jeeps and other vehicles which are being misused by them. These things should be checked. I suggest that in each Department a committee should be formed which may find out ways and means to effect savings. The Committee can find out how useless expenditure can be avoided. You should take some steps in this direction.

The Budget has benefited specially the capitalists and the middle class people but the benefits which should have accrued to the poor and to the farmers have not been provided to them. You have not increased the funds allotted for your rural development programme like IRDP, NREP or programmes for the small farmers to the desired extent. It has been stated that an assessment will be made at the time of implementation as to how much more money is required. The amount of Rs. 10 crores allocated for the Desert Development Programme has been reduced to Rs. 8 crores about which I have submitted a private Members' resolution for the consideration of the House. No programme has been prepared for the advancement of the backward areas. No concrete steps have been taken to ensure progress of the poor under the 20-Point Programme either. It was earlier decided that one person from each family will be provided with employment but that commitment too has not been fulfilled. We have never thought of the extra that if we provided employment to at least one person in every family, it will be a great economic boon to them. In this direction also, no concrete step has been taken. I want to say that if in Maharashtra, the Employment Guarantee Scheme can succeed, then why not in other parts of the country. We have not been able to solve the problem of drinking water even at the end of Sixth Five Year Plan. The drinking water problem of the people of our desert areas and hill areas has also not been solved. There is need to take concrete steps in this direction also. Today, in every field production is required to be increased. The Rajasthan Canal work is progressing at snail's pace and this is not going to benefit the country. The work on this canal had started in 1966 and had it been completed within five years, the production in the country would have in-

[*Shri Virahi Chander Jain*]

creased manifold but the desired attention is not being paid towards this. By completing work on Rajasthan canal, we have to solve the problems of the people of the area relating to drinking water, irrigation etc. and abolish poverty and create employment opportunities.

With these words I support the Budget presented in the House by the Hon'ble Finance Minister.

[*English*]

SHRI GEORGE JOSEPH MUNDACKAL (Muvattupuzha): Mr. Chairman, Sir, the budget allotment for the public undertakings in Kerala is very less. They have not provided enough funds for our State. We are earning the maximum foreign exchange for our country. We are exporting tea, coffee, pepper, cardamom and lemon grass oil and we are earning a lot of foreign exchange for the country. But the allotment for our State is very less. For highways, shipping and water transportation, the fund allotted is very less. The Cochin-Madurai Highway was allotted Rs. 1 crore for last year, but that amount has not been utilised. The main foreign-exchange earning agricultural products are from Idikki District. The Madurai-Cochin Highway is passing through this Idikki district. But the amount of allotment for this year is very little. So, I request the hon. Finance Minister to allot more funds for this road.

Similarly, the Erumaely-Chalakyam road is serving lakhs of pilgrims to the famous temple of Sabari Malai. So, I request the Finance Minister to allot more money for this road also.

Unemployment problem in our State is very high. Young people are going to Middle East for seeking employment. Now, because of the depression of oil prices in the Middle East and Arabic countries, the young people are finding it very difficult to get jobs there. So, many people are coming back to Kerala from Middle East. It is necessary to provide more industries in the public sector. So, I request the Finance Minister to provide more funds to start public enterprises and public investment in the State of Kerala.

Similarly, cultivators of rubber, coconut, cocoa and coconut oil are finding it very difficult because the government is lavishly pending foreign exchange for importing rubber, cocoa and coconut oil. Kerala State, especially the poor cultivators are suffering very much. Now, the rubber is lying surplus in the market. I would request the Commerce Minister and the Finance Minister to provide more funds to purchase the surplus rubber from the market through the Rubber Board or STC or the Marketing Federation. We have to fix the minimum price of Rs. 18 per kilo for rubber cultivators because their manual price is going up; the labour charge is also going up. Nearly, 90 per cent of the rubber cultivators are marginal owners of land. So, they have got only one acre or two acres of land. So, to protect them, government has to provide more funds for the purchase of the surplus rubber.

After the land-reforms, the coconut cultivators are marginal cultivators of below one acre. So, the government has to protect them by stopping import and saving foreign exchange. We can utilize this valuable foreign exchange for some other purpose. Luxury goods like cinnamon, nutmeg and cloves, they are importing from Ceylon. It is actually a wastage. People are using them for *berani* and other luxury foods. The people of America of the Middle East can use them. The poor people of South are saving foreign exchange by producing them. Now, we will not cultivate them, because it is a long time cultivation; we have to wait for nutmeg and cloves for eight years to get income. No planter will try to cultivate them. So, I would request the Commerce Minister and the Finance Minister not to waste foreign exchange by importing these agricultural commodities. I support the budget and hope that the hon. Minister will protect the interest of the poor cultivators of Kerala and allot more funds for public enterprise and save the poor people of Kerala. Thank you.

SHRI I. RAMA RAI (Kasargod): This budget is an industrial and agricultural growth oriented budget. Welfare of all sections especially of weaker sections is considered. Tax dose is minimal on the common man except soap and vegetable products.

Being a farmer I confine my self to agriculture and rural development. The Indian farmer has proved his mettle by converting a starving country into a self-sufficient and surplus country. A comparative study with Soviet Russia whose size is 6 times than that of ours and having only one-sixth of our population shows still they are importing foodgrains. If a little more attention is paid towards agricultural development, we can create wonders. Our country as we know raise all crops of the world. Naturally, different farmers have different problems. Moreover, the fortune of most of the farmers depends on monsoon and other weather conditions. We, Keralites, had the worst drought in 1983 summer. Now the proposal for crop insurance which is one of the highlights of our budget, if worked out properly, will be a boon to the farming community.

Price fluctuation is another factor which affects the farmers. Sometimes he becomes poorer even if he gets a bumper crop, but not a good market.

If the government comes to the open market and purchases it and preserves it for buffer stock, it will be another boon to our farming community.

Kerala is one of the foreign exchange earning States in the country. According to 1982-83 figures, we have earned foreign exchange of Rs. 26 crores by coconut export, Rs. 34 crores by cashew nut export, Rs. 29 crores by export of pepper, Rs. 16 crores by the export of cardamom, Rs. 5.9 crores by the export of ginger, Rs. 4.2 crores by the export of turmeric and Rs. 1.6 crores by the export of arecanut. It will be better if we can find out whether there is any reasonable proportion between the foreign exchange earned and the Government expenditure on research and development efforts about these crops. Tissue culture of coconut has been made successfully in the C.P.C.R.I., Kasargod. This is a great achievement and first of the kind in the world. Production of plants and connected research work has to be commercialised for the benefit of the farmer, and thereby the country. Those scientists have to be encouraged and honoured so that there will not be any 'brain drain' in this

field. The plants produced through tissue culture retain all the qualities of the parent plant, especially of production, and if these plants are made disease-free many farmers will get rid of their headaches.

Progressive farmers who are regular in repayment should be encouraged by giving liberal loans, just like small industrialists. To say in the words of the Finance Minister, bad farmers, like bad currency, can be kept out of circulation.

Coming to rural development programmes, the three major anti-poverty programmes, namely, IRDP, N.R.E.P., and R.L.E.G.P., and the programme for providing self-employment opportunities to the educated unemployed are some schemes which can solve many of our problems. Only thing is the implementation is not being done properly. Unfortunately some of our Opposition Members—some of them are absent now—and some Opposition Parties are behaving like a mother-in-law who wishes to see her daughter-in-law as a widow, through it means that she has to lose her son.

To wind up, I would like to say that all our efforts will be a drop in the ocean if sufficient care is not taken to avert the population explosion. The birth rate in the country is higher than the overall growth rate of the country. In China, it is understood that in the rural areas a couple can have only two children and in the urban areas only one child. A national population policy is the need of the hour. That alone can make the country prosperous.

SHRI YOGESHWAR PRASAD
(Chitra): Mr. Chairman, Sir I rise to support the Budget presented by the hon. Finance Minister and in this connection I congratulate him that there has been sizable increase in the production of crude which has crossed the target. The target was fixed at 114 million tonnes whereas the production has been to the extent of 294 million tonne which is more than double the target. This will definitely wherein prosperity in the country but for any country to be prosperous, this is not the only means. Another important factor is the *per capita* production

[*Shri Yogeshwar Prasad*]

of steel in the country and the rate of its production. In spite of abundant resources in the country, we are not exploiting them fully. In a small country like Korea, 35 million tonnes of steel is produced whereas in our country not even half of that is being produced. For quite a long time it has been demanded that Bokaro should produce at least 10 million tonnes of steel because it has capacity to produce that much. This will help a lot in removing the poverty, but not much success is being achieved on that front.

Coal is the medium of energy for steel production. It is because of coal that we have not been able to achieve our target in steel. The condition of the coal washeries in our country is very bad.

Importance should be shown to the work relating to improvement of these washeries and washed coal in sufficient quantity should be supplied to the steel plants. Steel plants are not working satisfactorily because of this factor. The steps which should have been taken regarding coking coal production have not been taken yet.

The main reason for this is that the living conditions of the coal-miners are not good. We will have to infuse enthusiasm in them by improving their conditions. As per the National Coal Wage Agreement No. 2, twelve thousand houses were to be built for improving the living conditions of the coal-miners but so far only 4500 houses have been built. As per the National Coal Wage Agreement No. 3, which was concluded on 1 January 1983, seventeen thousand houses should have been built but work thereon has not even started so far. This Agreement will expire in 1986. The workers are obliged to live in insanitary conditions. There is no arrangement for sanitation and cleanliness of their places of residence. This is also responsible for not achieving the target fixed for coal production.

Mr. Chairman, Sir, I want to congratulate the Finance Minister on introducing the Crop Insurance Scheme in the country. This will give a fillip to green revolution in the country. It is a revolutionary step on

the part of Government. It will make available insurance credit for the crops of wheat, paddy, oilseeds and pulses. This is a policy which would not only give a fillip to the green revolution, but would also lift the rural farmers above the poverty line. This will give them social security.

But, Mr Chairman, Sir, there is need to take effective steps to bring new light into the lives of agricultural labourers. I want to give certain suggestions in this regard. Schemes like NREP have improved the economic condition of the farmers. Under these schemes, many steps have been taken to make them self-reliant but there are certain shortcomings which need to be removed by modifications in the schemes. The facilities being made available to the labourers are not adequate and fully effective.

Mr. Chairman, Sir as the time is short, I shall submit only the salient points before you. Our new Prime Minister. Shri Rajiv Gandhi is in search of new ways and means for the all round development of the country and is leading the country in that direction with fearlessness and full confidence. Therefore, I want to give certain important suggestions.

The amount being given for rearing milch cows, piggery, resettlement of bonded labour, purchase of tongas and rickshaws is not adequate. This amount should be increased. The persons responsible for distributing loans etc. will have to ensure that the poor people make progress. The poor, in spite of these loans are unable to make progress because of their poverty and living conditions. I suggest that the number of milch cows should be increased.

I also suggest that under the tree plantation programme, provision should be made to give subsidy to the farmers for planting at least 100 plants. If you provide Rs. 5/- per plant and he plants 100 plants in a year, you will be spending Rs. 500 during the whole of the year. Those hundred trees will yield fruits worth Rs. 30,000 in the next five years. Thus after five years, one will be able to earn Rs. 30,000 from them. This is my suggestion.

Now Mr. Chairman, I would like to draw your attention to my constituency Chatra which is situated at the tailend of Gaya, Palamu and Hazaribagh. The means of transport are not available there. There you will find only trees, saplings etc. You will not see anything else. The irrigation facilities are negligible there. You will be surprised to know that minor irrigation schemes have been pending for as many as 20 years or so.

For example, Nagdanullah, Amjhar river, Rachkel dam schemes have been pending with the State Planning Department for the last 20 years. If these schemes are not completed, how can the poor farmers be benefited? Attention should be paid to these schemes.

I would like to make one more submission. I come from the Chatra area where there are vast forests and mountains. I want to give some suggestions for the upliftment of farmers there. Lakhs of farmers can be raised above the poverty line and they can be made prosperous. Coal India Ltd. has got a centre there and articles like cane baskets, and bamboo mattings worth crores of rupees are required by them. These articles can be manufactured and supplied by the local people. The local carpenters can manufacture handles of pick-axes and shovels and supply them to CIL. Blacksmiths can also be entrusted with the job of making tools. Crores of rupees are spent on purchasing these items. These people can manufacture all these items in their houses. If these items are purchased from them, their poverty can be removed. You must pay attention in this regard.

Mr. Chairman, Sir, I have to say many things but you are ringing the bell continuously. I would like to draw your attention to the fact that you need not spend additional amount in areas having forests because the Government even otherwise incur expenditure on measures for the welfare of these people. In this way of course people will get employment there itself. Lakhs of people can get employment and their unemployment problem can be solved. Government should pay attention to this aspect. With these words, I resume my seat.

[English]

SHRI B.B. RAMAIAH (Eluru) : Mr. Chairman, Sir, both sides of the House have presented very clearly the effect of the increase in tax on kerosene oil, cooking gas and diesel. All these will affect the common man. Though there are reliefs for some sectors of people, the Finance Minister should have taken care of other sectors also. Tax increase has affected the soap prices, oil prices and transport. If you look at the increase in diesel oil price, it will affect the farmer. The operating cost of the tractor he uses for ploughing or the pump set he is using will increase and it will hit him very hard. Increase in steel prices will affect the cost of the vehicle. Auto-rickshaw drivers have increased their charges automatically during the last couple of days. Most probably there may be a hike in fares by the road transport also. All this will affect the common man and, I am sure, the hon. Minister will look into this aspect and see that some relief is given to the common man also along with the other sections who have been given relief.

Another important matter I want to touch is deficit financing. Last year, the estimated deficit was about Rs. 1,700 crores which ultimately reached the level of about Rs. 4,000 crores. This year if you start with Rs. 3,400 crores, we do not know where it is going to end. It may be Rs. 5,000 crores or even more. I am sure the Finance Minister will be observing it well because this deficit depends on a good monsoon. If the monsoon is not very good, there will be inflation and it will definitely affect the common man. The price increase will be reflected on all categories of items, The prices of every item—food items, consumer goods items and everything—will increase because of the deficit financing. The Finance Minister is also thinking of increasing the borrowings by Rs. 1,000 crores. But if these borrowings are not coming from the banks and if the Reserve Bank has to provide these Rs. 1,000 crores, this will add to the deficit financing.

This is how you should build your economy very carefully.

[*Shri B.B. Ramalah*]

14.00 hrs.

Take, for example, the increase in crude oil prices. Years back it was increased from Rs. 11 to Rs. 100. Now it has been further increased to Rs. 300, which means a substantial increase of more than 30 times within a couple of years. At a time when the international price of crude and oil is coming down, here we are raising the price of crude and petroleum products, which is a very strange phenomenon indeed. I am sure, our Finance Minister will look into these aspects and try to see that something is done to rectify this anomaly.

Coming to investment in public sector projects, which is more than Rs. 30,000 crores, the return on this investment is only 0.6 per cent. If only we can bring it anywhere near 10 per cent, there is no need for deficit financing, there will be no burden on the common man. So, Government should have concentrated on the efficiency of the public sector and its productivity so that it gives some return. If there is increased productivity, there will be more clearance of goods, with more excise duty and sales-tax return, which is the multiplier effect of the efficiency and productivity. These are a few things that we should take into consideration. When small countries like Korea and Taiwan are exporting goods worth millions of dollars, what is the difficulty for us to increase our exports by increasing our capacity and productivity. We have a tremendous amount of resources. We are one of the richest countries with coastal resources, forest resources, mineral and coal and oil resources and water resources. The only question is how we utilize these resources quickly, effectively and efficiently. We have the manpower and technology. Unfortunately, we are not utilising these things properly, so that our people have to go outside and serve some other countries, rather than serving our country, and benefiting those countries.

The projects which we have already taken up and started, we should try to complete them as quickly as possible. For the last two or three days we were talking about the projects in the railways, which were delayed inordinately. On Projects :

which were started ten years back with proposed investment of Rs. 30 crores, they have provided and spent only Rs. 2 crores so far. They have kept it pending for so long. We do not know when they will be able to complete such projects. Already the railways are running in an inefficient way with steam locomotives. Unless you improve the base of the economy and increase efficiency, the burden of the common man will go on increasing because of your additional taxation. Unfortunately, we are not improving our economy or efficiency, either in industry, agriculture of the fields of science and technology.

This morning we were talking about the import of sugar, when we were exporting sugar three years ago, when our production was 8.5 million tonnes. The sugar is produced by the farmer, not the industry, because the industry only extracts sugar out of sugarcane. If today we have got only a production of 6.5 million tonnes, it is entirely due to the faulty policy followed by the Government, especially in the Agriculture Ministry. Now the Finance Minister is prepared to provide huge amounts of foreign exchange for the import of sugar, pulses and oilseeds; but, at the same time, our Government are not prepared or willing to pay a remunerative price to our agriculturists. It is only because of this that our farmers are not enthused to increase their productivity or production. If we continue our present policy in the field of agriculture, our agricultural production is bound to come down and we will be facing a disaster. Therefore, take timely action to encourage the farmers to produce more.

Take our telephone system. It is the most inefficient system that one can see in the whole world. If you increase the efficiency and performance of the telephones, your revenue from telephones will increase tremendously. So, these are the things which you should take into consideration.

14.04 hrs.

[*SHRI N.V. RATNAM in the Chair*]

Take the type of encouragements that are being given to the various sectors. Look at the 'No Industry District'. In South India no district qualifies for the incentives under

'No Industry District'. But, if you make it as 'No Industry Taluka', probably that will give more incentive for people to establish new industries and increase productivity, which will help the industrialisation of the country.

After dealing with the different aspects of the various taxes levied by the Government, let me touch upon some of the concessions which are withdrawn, which require reconsideration.

Take section 80JJ, which deals with the business of livestock rearing, Poultry and dairy farming etc. They have just started picking up. If you withdraw the benefits, they will not be able to thrive. Similarly, unless you give concessions to the rural farming sector, it cannot develop.

Then I come to clause 2(4), which says that if there is an appeal to the Income-tax Appellate Tribunal, they will not allow any payment to the lawyers or specialists. It looks very strange. Appeals to Tribunals can be prepared only by those who are specialists, because very few income-tax payers know the implications of the various provisions.

If they do not have the opportunity to use the services of experts and lawyers, how will they justify it? I can also suggest that if you really want that the Income-Tax Officer does not give a wrong judgment which he is likely to do, and he can always put it this way—then if the Tribunal gives a judgment in favour of the client, you should provide that Income-Tax Officer pays the cost of the Government pays it. And if it is in the negative, the client will pay it. If you are able to introduce this system, it will really be an improvement because then both sides will be equated. Otherwise wrong people may give wrong judgment and the client has to suffer because you are not giving him opportunity to utilise the services of the lawyer. I request the Hon. Minister to look into this matter and do something in this respect.

Secondly in regard to the payment, you are restricting the cash payment upto Rs. 2,500. Toady large number of lorry service

people are coming from long distances even during odd time, but payment through cheques is not being accepted to ease their problem. This limit of Rs. 2,500 was fixed long time back and it deserved to be changed to Rs. 7,500 or Rs. 10,000 whichever is reasonable. I hope the Government will look into this and do something about it.

Similarly in the case of Gift tax, the limit of Rs. 5,000 was fixed long ago. This should be enhanced to Rs. 30,000.

You have removed the investment allowances. This will affect modernisation in the industries. I would therefore suggest the introduction of replacement cost for depreciation. If this is done, this will help as an incentive to modernisation in industries.

In the case of Sec. 80(j), the recent Supreme Court Judgment is a big hit to the industry. It should not have been done, because this is going to hit the industry adversely. The amount of burden that will come all of a sudden is going to create difficulties. I hope the Hon. Finance Minister will give reasonable consideration to this point of view.

As I told you, the capacity utilisation of the industry on the project is another important thing. The Finance Minister wants to support the on-going projects in the public sector. But if you look at the Vizag Steel plant, it was earlier allotted Rs. 650 crores, but this allotment has been drastically been reduced to Rs. 215 crores. It is a big setback to it. At this rate whether it will be completed within ten years or not, we do not know. As a result the cost of the project goes up. Therefore, instead of taking so many projects in hand we will be very happy if the Government restricts to a few projects. As a result the overhead cost will be reduced and the projects also will come up very quickly and the productivity will also increase.

The Government should also see that in areas where 50 per cent of the capital is eroded, it should come to their help and see that they become viable units.

[*Shri B.B. Ramaiiah*]

The places where the Government is responsible for sickness of the industry, the management should not be held responsible for it. Rather the effort should be to remedy such situations. For example the alcohol industry is suffering because of the export of molasses. This industry is suffering for the last six months and who is responsible for it? Moreover there should be uniformity in the treatment of the industries whether they belong to the public or private sector. The government should also see that their inefficiency is corrected. The deficiency should be removed without any discrimination and all should be penalised equally irrespective of the fact whether such units belong to the private or public sector. There are so many units where raw material supply is not provided in time or the licensing system is so defective that it leads to delay or the government's import is not timely. In such cases it is not only the management that is responsible for it, but the Government is also responsible for it. As I mentioned earlier in the case of sugar policy it is not only the sugar management that is responsible, but also the Government because of not taking judicious decisions in time in regard to their price structure. The Finance Minister should not say that it is the responsibility of the other Ministry. It is your joint responsibility and you should coordinate with other Ministries to see efficiency in the various units is not affected adversely.

SHRI DIGVIJAYA SINGH (Rajgarh): Our Hon. Finance Minister started his Budget speech with the late Prime Minister's words :"

"No section of our vast and diverse population should be forgotten. Their neglect is our collective loss."

He has ensured in his Budget speech that every section of our population whether he is an agricultural labour, industrial labour, farmer, woman, middle-class employees, pensioners, small scale industrialists—almost every section has been looked after. This shows the concern of our Indian Government about the electorate of this country. May I remind you of the state of economy of this country in 1980 when we inherited it from the Janata

Government, in which our economy was in total shambles? The production was at standstill, our foreign exchange reserves had gone down to minimum, our buffer stock of foodgrains had been depleted and the general state of economy was in a poor state. In the last five years through effective measures and controlled economy we have again brought the Indian economy to a sound health and it has been amply proved by the electorate of the country when they have reposed their confidence in the honourable Prime Minister, Rajiv Gandhi's leadership. In the last five years we have given to this country a government that works, which we have promised. Agricultural production has gone up, industrial production has gone up, power generation has gone up, coal production has gone up, freight movement of Railways has gone up and practically in every field we have made progress. The inflation has been contained to bearable limits, and the foreign exchange reserves have gone up substantially and our bufferstock of foodgrains has also been fairly comfortable. So, by and large as it stands today, our economy is in a sound state of health and we congratulate the performance of the last Government and we hope that it will be continued in the next five years also.

Sir, the Opposition leaders were very much concerned about the large deficit that has been kept purposely, I think, to balance the Budget to the tune of Rs. 3,400 crores. But criticism coming from the Opposition benches regarding the huge deficit is, I think, rather uncalled for. If we go back to the year 1979-80 when they had presented the Budget, the deficit was to the tune of about Rs. 2,400 crores which, at today's prices, comes to about Rs. 3,600 crores. So it is like the old proverb of kettle calling the pot black which, I think, is quite unjustified. Although we have left a huge deficit, yet with our fairly comfortable foreign exchange reserves and fairly large amount of foodgrains as bufferstock we should be able to contain inflation for the consumers. But, still I would like to convey our feelings to the hon. Finance Minister to keep a very close check on the Indian economy so that the consumers are not put to difficulties. So, I would like to congratulate the Finance

Minister for the concessions he has given to the industries, an honest attempt has been made to rationalise the tax structure and the licensing policy which, I am sure, will generate economic growth and employment in this country which we badly need.

MR. CHAIRMAN: Please conclude.

SHRI DIGVIJAY SINGH : Sir, I have just started.

MR. CHAIRMAN : You carry on. You have already taken five minutes.

SHRI DIGVIJAY SINGH : Sir, an honest attempt has been made to reduce the incidence of taxation and the honest taxpayer has been given a chance to pay the tax on the table. The Government has done its best and the ball is in the court of the tax-payer to come out openly and honestly so that the incidence of black money could be reduced. The withdrawal of immunity from penal provision for voluntary disclosure in their income is a welcome step and I see no reason why it had been incorporated earlier. A thief is always a thief, whether he declares it openly or not. So, I think, a summary trial of such tax evaders in special courts is the need of the hour and our Union Government shall come down heavily on such tax evaders.

The withdrawal of interest tax on banks is also a very welcome step and I am sure the relief given to these commercial banks will go down to the borrowers and the lending rate should be reduced substantially. It should not be a sort of thing confined to the higher wages and benefits to the bank employees. It should go down to the borrowers so that the savings are generated and it would help the economic growth of the country.

The increase of 39 % in the Central assistance to the States is also a very encouraging step. Now, the States which have been demanding greater autonomy should have no reason to complain. I am sure, the increase could give a greater weightage to the State Governments to take welfare measures in their own States.

The proposed step to punish the manager of the sick industry is also a very welcome step because it has become a racket where the management of the sick industry used to take heavy amount of loans from the financial institutions, live lavishly and then bring the company to the door-step of our Union Government for take-over. So, the steps that have been taken to stop this are definitely progressive. The role of banks has to be looked into although there has been a tremendous change in the approach of the bank managers. I feel that still some action has to be taken and I would recommend that the elected representatives at the district level should be nominated to the District-level Advisory Committee to make them more responsible to the elected representatives.

Sir, I welcome the higher allocation for drinking water in rural areas. But at the same time, the ground-water table specially in the mountainous terrain and plateau is going down and it is a matter of serious concern. So, some steps have to be taken by the concerned Ministry so that the re-charging of the ground water table could be taken up.

In the other-wise extremely good Budget, there are some sore points which have to be looked into. The increase in price of Kerosene and the increase in price of bidis have hit the rural poor. We have promised to the electorates of this country to look after their interests and I feel that by increasing the prices of kerosene and bidis, we have gone back on our word. So, our hon. Finance Minister will take note of this so that the prices of kerosene and bidis are not increased. There may be a reason to increase the prices of kerosene so that the mixture of diesel and kerosene could be avoided. But it could easily be done by separating the dealership of kerosene and diesel so that the incidence of mixture, adulteration of diesel with kerosene could be avoided. Alternatively, either diesel or kerosene could be coloured so that the mixture could be avoided. In the same manner, increase in prices of cooking gas and soap will hit the middle class. It is usually that section of the people which is hit most by inflation. I would request that

[*Shri Digvijay Singh*]

the increases in the prices of these goods may be withdrawn.

The withdrawal of provision for deduction in taxable income of expenditure incurred by companies and cooperative societies on approved programmes of rural development is definitely a retrograde step. It should be withdrawn because, after all, if some big companies and big concerns use their surplus in rural development it should be welcomed. So, I would request the Finance Minister to restore this withdrawal.

The exemption limit of personal income-tax has been raised from Rs 15,000 to Rs 18,000. I feel, it should have been raised at least upto Rs 24,000 because even the Clerks in banks and other public sector undertakings are drawing a salary of Rs 2,000 per month. There is no point in taxing the people in the middle class. The Government should entirely concentrate on the bigger fish so that tax-evaders are brought to book.

Our Prime Minister has repeatedly said that we have to start preparing for the 21st century. The concessions to electronic industry and computers, concessions on research equipment, higher allocation for research, higher allocation for forest and environment sector, higher allocation for power, agriculture and irrigation, science and technology, atomic research and ocean development, all these concessions are a step in that direction. We have fulfilled the promises which we had made. Our Prime Minister has initiated what he had promised.

The election results of Lok Sabha in 1984 have proved that the masses of our country are with Rajivji and that they have no hesitation in putting their shoulders to the wheels of progress. Only some disgruntled, frustrated and rejected politicians may not agree with this Budget. But I am sure that with this kind of Budget, the economy of our nation as a whole would generate more economic growth, more employment and prosperity for each section of our society.

With these words, I wholeheartedly support the Budget.

SHRI RAM PYARE PANIKA

(*Robertsganj*) : Mr. Chairman, Sir, I am very grateful to you for giving me a chance to speak on the Budget. I have read carefully the reaction of the Opposition which appeared in the press after presentation of the Budget. Here also, I have heard the views expressed by Members from both sides. I analysed the reaction expressed by Members of the Telugu Desham, CPI and Janata Party and found that everybody was of the view that this Budget would increase inflation. They could not find any other weak point in the Budget. The Members of the Opposition were looking very disappointed when the Budget was being presented. I would refer P, tex to what has been said by them.

I would like to say that keeping in view the circumstances in which this Budget has been presented, it is certain that it will accelerate the growth rate and generate more employment opportunities. Not only this, efforts have been made to put an end to the conflict between private sector and public sector, inherent in a mixed economy. This will strengthen our economy. There is a deficit of Rs. 3,349 crores only in this Budget whereas last year's deficit was more. So, the apprehension of increase in inflation is baseless. The assurance given by the Finance Minister in this regard are very vital. He has said that administrative expenditure would be curbed; timely imports would be made when necessary; development works would be expedited and if weather was favourable we would be able to meet the deficit. I have to say only this much so far as their criticism is concerned.

If we go through the Budget documents, we shall find that there is no way out to avoid non-plan expenditure. We have earmarked certain funds for Defence. We have allocated Rs. 1,100 crores as food subsidy and Rs. 1,200 crores as fertilizer subsidy. If we do not provide this subsidy, it will ultimately affect our economy and food production will come down. Now, we have to identify the sector where Government can tap taxes. After due consideration, we came to the conclusion that we cannot resort to further taxation. By taxation we could earn about Rs. 200 or 250 crores. Keeping in view all these factors, the Finance Minister

has increased the imports on petroleum products and certain other items. I agree that prices of essential commodities have gone up. I submit that there is no question of going beyond the basic policies of the Congress Government. This Budget has been prepared according to these very guidelines and in my opinion it is a balanced Budget.

For years there has been a demand for raising the exemption limit of income-tax. I am glad to say that on the one hand 10 lakh persons have benefited by the raising of the exemption limit and on the other hand the Compulsory Deposit Scheme has been abolished. This Budget has been prepared keeping in view the mandate received by the Congress on the basis of its manifesto. All the things said in it have been included in the Budget. Therefore, it cannot be said that we have made a departure from our policies and programmes.

So far as development works are concerned, we have increased the provision by Rs. 1000 crores in the Plan. The funds earmarked for the implementation of the 20-point programme have been raised by 18.3 per cent. (*Interruptions*) I have just started my speech. At least 10 minutes should be given to me.

I was saying that Rs. 400 crores had been allocated for RLEGP and projects worth Rs. 800 crores had already been sanctioned. In this way efforts have been made to solve the unemployment problem in rural areas also. Besides, Radio, T.V. and V.C.R. licence fee has been abolished. In addition, Crop Insurance Scheme has been announced. You know that 31 crore persons throughout the country were affected due to unprecedented floods and cyclone in 1982. In these circumstances, our Government have taken the right step by introducing Crop Insurance Scheme.

Besides, our Prime Minister has shown farsightedness and has introduced a new scheme for poor persons killed in accidents. At present 100 districts are proposed to be covered. In my opinion, the backward districts of Eastern U.P. such as Mirzapur and Bundelkhand and hill districts, where the

number of poor workers is the largest, may be included among the 20 districts of U.P. proposed to be covered under this scheme. Pension benefits have also been increased. Announcement has been made to give special concessions to young persons in the Year of the Youth.

Besides, a large number of concessions have been given to the corporate sector also. The idea behind it is that companies should set up new industries with this money so that new opportunities of employment are generated in the country. In this way, this Budget can be termed a balanced Budget in all respects and it will have a good impact.

So far as the Public Sector is concerned, our Government have apprised the country and this House of the situation prevailing there. Just now, Shri Reddy of Telugu Desam Party was saying that the Government had disturbed the Public Sector psychologically. In my view, it is not so because had the Government kept the nation in the dark about their activities, it would have been a fraud on the nation. Government have highlighted the shortcomings of the Public Sector and have assured that they want a result-oriented Public Sector in the coming years because a very huge amount has been invested in it.

I would like to draw the attention of the House towards one thing particularly. The Planning Commission had provided special funds in the Sixth Five Year Plan to deal with six types of special problems such as Desert Area Development Programme, Hill Area Development Programme, Tribal Area Development Programme, Development of Cyclonic Coastal Area Programme and Development of Drought-Prone Area Programme. Discrimination was observed in this respect also. Hundred percent funds have been provided for hill areas as against only 50 percent for desert areas. I request the Minister of State for Finance to take special steps to remove regional imbalance and thus give the Budget a better look.

I am happy to note that education for girls has been made free upto XII standard. I feel it will definitely improve the situation regarding spread of education among women. After having been disappointed

[*Shri Ram Pyare Panika*]

with the Budget, the B.J.P. people are thinking of launching an agitation. We have presented a Budget which is employment-oriented and which will prove beneficial to the people.

Relief should be given in the duty increase on bidis and kerosene. Government were of course, compelled to increase taxes in order to reduce the deficit.

We feel proud that we have increased the production of petroleum from 11.4 million tonnes to 29.4 million tonnes. Similarly, during the Sixth Five Year Plan, power generation was increased by 50 per cent. Government have taken revolutionary steps keeping in view the requirement of the resources of the key-sector which is engaged in building the infrastructure. It is a bold Budget. The object of the Government is not to gain cheap popularity. Had our Government wanted to gain cheap popularity, they would not have imposed taxes. I congratulate our new Prime Minister and the Finance Minister on discharging their duty and presenting a bold Budget.

[*English*]

SHRIMATI PREMALABAI CHAVAN (Karad): I wholeheartedly congratulate the Finance Minister and the Prime Minister for having shown a great imagination in Presenting this year's budget—the first of the new administration.

The people of our country who have given such a massive mandate to our Party expected a 'New Deal'. A beginning has been made with this budget. We have seen what an enthusiastic welcome it has received throughout the country.

It has many bold proposals which make a drastic departure from some of the past policies that had outlived their usefulness.

Some of the decisions such as political donation, crop insurance, free education for girls, social security and various steps for modernisation, signal the beginning of a new social and economic order.

The Government has managed the economy well. The budget deficit and inflation

has been contained to reasonable limits. The foreign exchange reserves and the foreign trade situation are comfortable. Still we have a long way to go and the problems are many.

But with the sense of purpose and dedication displayed by the Prime Minister, we are sure of faster progress. Now I would make a few suggestions to our hon. Finance Minister.

In his scheme for crop insurance he has left out cotton. Though a cash crop, it is important to the national economy and is totally subject to the vagaries of nature. Therefore, I request him to include cotton in the list of crops to be insured and to protect the cotton farmers also.

The social security scheme for the landless labour and village craftsmen should be extended to all the workers living below the poverty line. I also request the hon Minister to include our Satara and Sangli districts of Maharashtra in the list of 100 districts to be chosen this year.

The allocation of Rs. 500 crores for family planning—though higher than that of last year—seems less considering the enormity of the problems. There is a need for financial rewards in family planning. The State with the best performance could be rewarded by sanctioning a major public sector project in that State.

The proposal for legislation on industrial sickness is a novel one in its basic concept. But I think an industry should be considered sick even if it is so reported by the workers and not only by the management. Because any unit which fails to meet its obligation to its workers should automatically be considered sick.

In my constituency a famous and a pioneering industrial unit—the Ogale Glass Ltd., Karad—is sick and has been closed for many years. Families of over 2000 workers have been deprived of their livelihood. Many attempts by the State Government to revive the units have failed. So I request the Central Government and our esteemed Finance Minister to take into consideration

the importance of the unit to Maharashtra State and the whole nation. The company should be taken over and restarted soon. Moreover, the huge assets and the locked up finances could then be again used in the national interest. There is no other hope for the poor workers.

I am afraid the Finance Minister has not made any specific proposal for decongesting the urban areas, particularly to move the old industries away from the heart of the city like Calcutta, Bombay and Ahmedabad. There has to be a very strong incentive for industries to move out to rural areas and the zero-industry districts. The system of corporate taxation could be used as a carrot and stick policy. There could be a surcharge on corporate taxes on companies in large cities and for those who ready to move, there could be a large 'infrastructural development rebate' and also a series of excise concessions for long periods. I also suggest a special tax rebate for industries having more than 50% women employees. This was a proposal cherished by our beloved late Indiraji for upliftment of Indian women.

Then about the policy to de-licence certain industries is a good one. I think the government has been too liberal in case of MRTP limits. The limits could have been 60 crores instead of 100 crores as presently proposed. It would exclude many giants and monopoly companies. I also think government should appoint a second Industrial Licensing Policy Enquiry Committee to study the working of the industrial licensing policy and the effect of the MRTP legislation over the last 20 years, since last such committee was in existence. Now regarding small industries sector with the increase in the limits of investments there is a need to create a new 'micro-sector' for very small industries and self-employed technocrats and artisans perhaps with an investment limit of Rs. 5 lakhs. The excise concessions granted to small scale industrial sector need further simplification so as to avoid complicated procedures which are unnecessary harassment

In conclusion I would again stress that we have made a great beginning and

the Finance Minister deserves all the congratulations; I thank the Chair for giving me an opportunity to the budget.

[*Translation*]

*SHRI PALAKONDARAYUDU (Rajampet): Mr Chairman, Sir, I rise to oppose the budget. This budget is not meant for the poor. This budget further widens the gap between the poor and the rich by making the poor much poorer and the rich much richer now. It has made the gap between the rich and the poor unbridgeable. That is why I vehemently oppose this budget.

Chairman Sir, it is most unfortunate that States like Andhra Pradesh, which suffer from natural calamities like drought stand to lose. In my State of Andhra Pradesh, Rayalaseema areas which consists of four districts namely, Cuddapah, Kurnool, Chittoor and Anantapur is a drought prone area. Year after year this area is being hit by severe drought due to constant failure of rains. The rainfall is very low in this area. Sir, my constituency, Rajampet which is in this area is the worst hit place. This area has not experienced rains for several years now. The people are suffering very much. They do not have even water to drink, leave alone something to eat. The severity of drought is beyond words. Experts say that if the situation continues to be like this for a few more years, the entire area will be converted into desert. The condition of the poor is worst. The agricultural labourers have no work. Farmers have no water to cultivate their land. Educated youth have no means for any employment. The result is that almost everyone is suffering. They have nothing to fall back upon. All the activities have come to a standstill. The situation is so grave that these people are migrating to other places for their livelihood. For them life has become quite miserable. There is no water to carry on agriculture. Some people who in anticipation of rains took the initiative to cultivate their land with the help of little water that was available in their wells, finally had to give up and lose everything they had invested in

*The speech was originally delivered in Telugu.

[*Shri Palakondarayudu*]

the land as the rains had once again let them down. Such is their plight. In the process they had sold whatever they had and migrated to other places. The plight of cattle is no less miserable. Neither they have fodder to eat nor water to drink. The farmers are selling their cattle to butchers at a throwaway prices. And the persons who have a deep attachment with their homes and villages were forced to sell the Mangalsutras of their wives in order to somehow pull on. Sir, this is the situation in Rayalaseema now. No Government had come to their rescue to stand by them in their hour of grief. I expected that the Union Finance Minister would realise the gravity of the situation in drought hit areas like Rayalaseema and announce a generous allocation to save those people. But this budget has belied all my hopes. Now I have come to the conclusion that it is not too late, even now, for the Government to come out with a timely and substantial help to these unfortunate brethren of ours. I hope Government would announce sufficient funds to provide drinking water, water for irrigation and jobs for the unemployed. I am earnestly appealing to the Union Finance Minister not to let them down.

Sir, many persons in our Cuddapah district are at present working in the mines in order somehow to survive in the days of adversity. But the merciless mine-owners are exploiting them too much. The labour in these mines are getting very low wages. Hence I request the hon. Minister to nationalise these mines, so that the exploitation of these workers can come to end.

Sir, there is a railway crossing in Rajampet on the way to Rayachoti. Many educational institutions like elementary school, high school and a junior college are situated there. Many accidents take place near this crossing every year and many precious lives are lost. Hence I request that the Government of India should take immediate steps to construct an overbridge on this railway crossing.

Also, I take this opportunity to request the Central Government to take up the work to divert Thungabhadra river waters to Apantapur, Penugonda, Kadiri so that this

entire area can turn green.

Sir, it must be the policy of the Central Government to encourage small scale industries in rural areas. Then only rural areas in the country can prosper. In Rayachoti, there is one Rural Electrical Cooperative Society. It is run by the Central Government. Unfortunately, this institution is not receiving grants for the past 6 or 7 years. Even the farmers are being affected by this negligence by the Government of India. I request the Centre to release all the grants which are in arrears and in future to see that its grants are not withheld unnecessarily.

Chairman Sir, this is my maiden speech. I thank you very much for giving me this opportunity.

[*English*]

SHRI MANORANJAN BHAKTA
(Andaman and Nicobar Islands): Mr. Chairman, Sir, I rise to participate in the budget proposals being discussed in this House.

First of all, this budgeting process is a continuous exercise which is undertaken by the Government in the land. The Budget for 1985-86 shows the earlier achievement as also a new dynamism which reflects the new Government's thinking. Sir, first of all, I would like to congratulate the hon. Finance Minister and also our young Prime Minister Shri Rajiv Gandhi for giving a new direction, for introducing a new trend in the budgeting system of our country.

Sir, in the present Budget, a number of concessions have been proposed to the common man, to the poorer sections of the society, to the corporate sector, and even the industries sector has also got the benefit. For the poorest of the poor who could not get much from the Government, now for the first time, the Government has thought it fit to provide Rs. 3000/- as social security scheme to cover the risk of death in accident in respect of earning members. This is a new thrust made in the system. The Government has come forward to introduce a comprehensive scheme for crop insurance and the insurance cover will be provided by crop

loans. We all know that the financial conditions of the banks are very tight and the loans advanced to the people engaged in agriculture are not repaid by them due to natural calamities like flood, drought, etc. and the interest is multiplying. The cultivators are ultimately burdened with more debts. That is why the present system of crop insurance is covered through bank loans and this will give a new direction to our economy.

Another important thing which has been introduced in this Budget is that there is a link between the Industrial policy of the Government and the fiscal policy of the Government. This would help accelerate industrial growth. We therefore call it a growth-oriented budget.

Sir, there is one more concession which has been proposed in this Budget, that is, abolition of the import duty on the fertiliser plants equipment. It is proposed to give subsidy worth Rs. 1800 crores for fertiliser plant. After getting this concession of import duty abolition on fertiliser plant equipment, the cost of production of fertiliser would get reduced and ultimately the benefit will be reaped by the common men, and the country's economic development will go a long way and will reduce subsidy. Another very important concession is given to the TV and other electronic goods manufacturing industries. Nowadays TV sets and other electronic goods like calculators, etc. are used by the common man and the concession given to these industries will definitely be of great help in the socio-economic developmental activities. But the Government should ensure that these concessions given to those industries ultimately reach the common people. Otherwise all these benefits and concessions will be of no avail.

Now, coming to deficit financing, I would like to point out that in the previous years our experience is that whatever the limit we fixed in regard to the deficit financing, we found in the ultimate analysis that the size of the deficit financing had almost doubled.

Even Choudhury Charan Singh of the earlier Janata Government left a huge deficit, an uncovered gap and when our Govern-

ment came to power in 1980, we had to shoulder that legacy too. What I want to suggest is that a government budget is not a temporary one. It is not a temporary phase. We have to shoulder the burden of what we had to inherit from the other Government in the past. And that has affected the country's economy. So, when our Government came to power and took over in 1980, we had to face a huge uncovered deficit. The gradual and different measures taken by our Government created a new impact in the Indian economy and that is why, we can have a comfortable position in the country today. Even then, a gap of Rs. 3300 crores is not a healthy sign and with some of the provisions, like providing DA arrears to the government servants, the forthcoming recommendations of the Fourth Pay Commission, etc. the gap is definitely going to raise to near about Rs. 5,000 crores. At the same time, the tax on crude has definitely brought an increase in the prices of all commodities, particularly kerosene and other things and everywhere people are not happy about it.

Under these circumstances, when we want that there should be high allocation in the Plan, when we want that all these problems be tackled, in such a condition, wherefrom will these resources be mopped up? So, somewhere the Government will have to try to do something. What I want to suggest is now that we have raised our food production to 150 million tonnes, when even the FCI is not in a position to procure the entire foodgrains harvested by the cultivators due to non-availability of sufficient godowns, etc., why not Government consider to export some of the foodgrains, so that we can get Rs. 2000 or Rs. 3000 crores, so as to bridge the budgetary deficit gap to some extent? When we give so much of subsidies and other concessions for agriculture, why not our government benefit from its agricultural products? In some of our parts, potatoes are grown so well and so abundantly with the result that the farmers are not getting a proper price for their produce. And at many place, farmers are raising a hue and cry that the Government should give them support price and purchase these potatoes. So, that is why I suggest when our economy is based

[*Shri Manoranjan Bhakta*]

on agriculture, why not our Government consider to get some money out of it ?

Sir, another very important suggestion that I would like to make is this. In Andaman and Nicobar Islands, from which I come, there is a proposal for having free port centre in Great Nicobar. This proposal was examined by the TDA long back. But the Ministry of Commerce in the Government of India have not considered this point. In Hongkong and other areas, a lot of Indian businessmen want some Indian soil where there can be some free port. The necessary infrastructure can be developed and a lot of money can be earned by this. This point also can be considered.

Then, there is another point regarding the public sector. An amount of more than Rs. 2000 crores has been kept for power generation and this will definitely plough into the public sector undertakings. So we cannot say that Government is not going for public sector or that there is any change of policy towards it. But what I want to say is that the public sector undertakings should not be rehabilitation centres for those who are retired or idle. and public
15.00 hrs.

sector undertakings should be properly managed; and there should be an All India Service for the Public Sector Undertakings' executives; and they should be responsible for good health of this organisation. Then only these organisations can really give some good results.

The Union Territory's budget also comes in the Central Government's budget. I come from the Union Territory of Andaman & Nicobar Islands, which is far away in the midst of the sea, Bay of Bengal. Today what is the position there? Our life line is the shipping service; shipping is the main lifeline of the islands. Today, there is no passenger ship. Whatever passenger ships we have got, these ships have been diverted for the naval exercises. If the passenger ships have been taken for naval exercises, then how the passengers will come to the mainland and go back from there? Today, one ship—Madras to Singapore—there was fire accident in that ship and some passengers were killed.

There is Andaman Mainland service. There is one MV Andaman Ship 1956 built. There is some other ship which is old. No proper care has been taken to repair it; and these ships are plying there. Any time, there may be some accident in these ships. This should be borne in mind.

There should be some special provision for the development of this Union Territory and development should be in two phases. (1) communication system should be improved that is by shipping service. At the same time, we have got rich forests. We have the Forest Development Plantation Corporation; this Corporation is trying to raise the plantation, Rs. 800 crores worth of edible oil every year we get imported in this country. If 50,000 hectares of land is provided under plantation in that part of the country, this can fetch a good amount of money and save our foreign exchange. We do not want that any private company should be given the job of raising there plantation. We want that this Forest Development Plantation Corporation should take up this job so that there can be employment potential, there can be economic growth in that part of the country.

I am sorry to say that there is some increase in prices and fares in this budget. Even before the budget, the Shipping Ministry had increased the freight rate from 100 per cent to 300 per cent from Mainland to Andaman & Nicobar Islands. As a result of that, even today, onions are sold at Rs. 5 per kg., potato at Rs. 7 or Rs. 8 or Rs. 9 per kg. One match box is sold at Rs. 5. There conditions have to be taken into account and the government must see that such an arbitrary increase in the freight rate should not be allowed in such a remote and isolated area where we are depending on the Central Government. It is the duty of the Central Government to provide us a good government and give us all kinds of facilities, because we do not have railway facilities; we have only the shipping services. This arbitrary increase in the freight rate should not be allowed and the people of that island will not accept it.

15.04 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]
For aircraft services, for plane services, when you give facilities to the north eastern

region, to Agartala and other areas, I do not know why the freight and fare rates are high in Andaman & Nicobar Islands. There is no concession at all and Civil Aviation Ministry must see that some kind of relief is given to the people of those islands. And, again, I want to say that in the Islands, as I told earlier, we have forest wealth covering 85 per cent of the area, which is mostly dense green forest and we cannot afford to lose this forest wealth. What is necessary is the implementation of the 20-Point Programme, for allotment of house-sites, for allotment of agricultural lands. Wherever the Government has got the commitment to do it, and to take up some public causes, there the Government will have to de-reserve some land for allotment of house-sites, for construction of roads and construction of irrigation projects. Otherwise, the existing population will be facing the problems every day.

MR. DEPUTY SPEAKER : You can speak when the demands for grants of the respective Ministries come up. You conclude now.

SHRI MANORANJAN BHAKTA : I am thankful to you, and I request the hon. Minister to consider the special conditions of the Union Territories like Andaman and Nicobar Islands and also Lakshadweep islands. Some of assistance may be given, and it may be announced by the hon. Minister in his reply.

DR. A. KALANIDHI (Madras Central) : Mr. Deputy-Speaker, at the outset I want to thank you for giving me an opportunity to express my views, on behalf of the DMK. I rise to congratulate the new Finance Minister for presenting his maiden Budget. In the short period during which he held the reins of Finance, I can well understand the odds that he has faced and the handicaps which he has experienced. I wish he would do this annual exercise better next year, than what he has done this year.

The country was eagerly looking forward to this Budget, as the expectations were heightened by periodical press reports, that the Budget would be a dynamic one and that it would poise the country for meeting

the 21st century. We have a young and dynamic Prime Minister and a moderately Young Finance Minister, who can conceive of dynamic changes in the society without having any phobia of the past. But this expectation to a large extent has been upset by the Budget. This Budget is like the proverbial story of building a new church replacing the old decrepit church. In the story, all the dismantled stones of the old church have been completely used up in building the new church.

When we look at Budget of 1985-86, the beaten track of tinkering with the Excise Duty and going in for an imposing deficit, in the same old helpless way is there, believing that at the end of the year the production will even it out. We have seen similar operations year after year, for the last 30 years which has landed the country in the misery of inflation and liquidation of the middle class and the rise of the poverty line. The operation 'Inflation' will only benefit the capitalist class for whom inflation will give windfalls in the near future. It is for this class that the Finance Minister has been using the instrument of budget, because you feel that you are committed to them.

We understand that elections in this country are a costly venture, for which you depend on capitalist contributions to your party coffers.

The Finance Minister and the Party he represents have come to power on the crest of the wave of sympathy—mass sympathy at that. Sympathy is an irrational idea and when we wanted to put reason into it, we had to suffer, reduced strength, from 15 to 2.

But the party in power used the sympathy wave to its benefit. And it conveniently forgot all about the masses in this Budget exercise. The masses are left severely alone. For the party in power are adopts in this art. They know how they can whip up sympathy near the elections eve, by hysterical slogans and manipulations of events in the country.

I ask how far the Budget upholds the interests of the masses and common man.

[*Dr. A. Kalanidhi*]

Every device used in the Budget, whether is tax exemption, allowance of free imports, or enhancement of excise duty, works counter to the interest of the common man. In other words, it works to the benefit of the capitalist class.

Take the case of raising the exemption limit for personal income tax from Rs. 15,000 to Rs. 18,000. Last year, I made a fervent plea that it should be raised to Rs. 20,000/- taking into consideration rising spiral of prices and the conditions of the salaried class. This year, you have come forward by raising it to Rs. 18,000, a half hearted and halting move. Even this will not meet the need. Unless you raise the limit to Rs. 25,000 the purpose will not be served. My leader, Dr. Kalaingar Karunanidhi has spoken well in the Madras Legislative Council that the persons whose income is Rs. 25,000, the relief that you are giving to them is Rs. 625, to persons whose income is Rs. 1 lakh, the relief you have given is Rs. 10,468 and to those whose income is Rs. 5 lakh the relief given is Rs. 50,906. In percentage it comes to 3 per cent for smaller income group and 11.5 per cent for larger income group. But you are talking about socialism. At this stage, the step you have taken will reduce the number of income tax assesses by one million; to that extent it reduces the workload of the Department, perhaps, some saving in the expenditure for collection of taxes. The Income-tax people, the Excise people and the Customs people are the real revenue earners of this country. But what about their living conditions? You have not given them free accommodation. You have not looked after them well. They do not have quarters, particularly in Tamil Nadu. Many of the officers suffer because of this.

You cannot also claim much kudos by discontinuing the surcharge, C.D., by raising the exemption limit for wealth tax from Rs. 1.5 lakhs to Rs. 2.5 lakhs. These are all inevitable moves in financial administration, made inevitable by the inflationary situation in the country, developed by faulty handling of the finances of the country.

You have raised the excise duty on 68

items from 10 per cent to 12 per cent. These goods will be used in the manufacture of other excisable goods. There will be inevitable shooting up prices of these goods, not by 2 per cent alone, but by many times over, due to other excise levies on manufactures. They may be the basic needs of the common man and there is going to be all round increase of prices. The rise of excise duty on vegetable oil will work to the same effect. You have raised the duty on cement from 205 to 225 per MT, by at least a rupee a bag. Even though it may appear small, it will inflate and make the cost of housing higher for the common man. Already, you have raised the cement price by Rs. 2,000 per tonne prior to the budget. A middle class man cannot now think of constructing a house, but he can only dream of a house. On top of it, you have raised the excise levies on aerated water much to the chargin of the common man. It is not the rich alone who consume aerated water for mixing with champagne, but the poor also while travelling in railway trains or in the overcrowded cinema houses to quench their thirst, when no potable water is available. You have not left even their *biris* or their *pan masala*. The hike of taxes on petroleum will affect the common man's kitchen in urban areas. Auto and taxi fares will rise. With the increase of freights in railways, and the expected rise in lorry freights, the transport and overhead charges on goods movements will shoot up. The result will be an all round increase of prices of goods used by the common man in the country.

You say you want to promote literacy. But you have put an excise duty of Rs. 200 per tonne on printing paper as well as writing paper. This shows that you want illiteracy in this country, so that the illiterate people will fetch you more votes than literate people.

You have reduced the basic rate of income-tax on companies. You have promised a tax holiday for five years to companies that go into production before April 1985. You have given concession for expenditure on advertisement. Export duty on raw cotton and other items numbering 12 have been reduced. What do these concessions amount to? You are trying to woo

the commercial and capitalistic section of the economy to be good enough to add to the national income. You are working under mistaken and worn-out theories of economic growth. You are not able to comprehend the existence of non-economic factors that contribute to economic growth. Perhaps, you are duty bound to oblige them. They would have been very useful to you during the elections.

For example, you have increased the levy on yarn by 25 per cent. You are talking of giving concession to the handloom. Already the textile sector is sick. Yet, you have imposed an excise duty of 25 per cent on yarn. I would request the hon. Minister to reconsider it.

You have made very much of exemption of TV and VCR. As such, they have not come into the possession of the common man. They are restricted to the higher income brackets. VCRs are inevitable concomitants of the business class for the entertainment of their guests, perhaps with imported Blue Films. Anyway, TV is the potent propaganda instrument of the Government. They intrude upon the privacy of the household, through which sympathy wave and semi-truths of the government machinery may be radiated. In far away Tamilnadu, it is an instrument for the imposition of Hindi. At least, it is a concession to the electronic industry run by the internal capitalists, working in collaboration with the international capitalistic groups. You are believing that the electronic industry will usher in an era of prosperity. It is a labour saving device. For this country of teeming millions, labour intensive projects alone will usher in prosperity. The budget suffers from mistakes of misunderstanding and mistaken stress.

Coming back to the television, you have made it an instrument for the imposition of Hindi. You have curtailed the regional programme for the sake of the National Programme. Now the National Programme starts at 8.30 p.m. in spite of the vehement opposition from Tamilnadu. You have not paid any heed to our objection. I would request the Government to reconsider their decision and try to have a different channel

for the National network so that the existing channel can be utilized for the regional languages.

The hon. Finance Minister in Part A of his budget speech has mooted ideas of crop insurance, integrated rural development programmes, accident insurance scheme for rural areas and schemes, for tackling environmental pollution. They are at best brain waves of the Finance Minister, which go very well at the beginning of the budget speech, which camouflage the inevitable sour things that follow. He is worried about the Ganga. I am worried about the Coovam at Madras. No one can enter the Central Station at Madras without plugging his nose. I request the hon. Finance Minister to pay a visit to Madras and understand the environmental situation existing in Madras. I would also request him to make a sizable grant to Madras for the improvement of the environment under the improvement of the Metropolitan Cities.

The total deficit for the year is Rs. 3,349 crores. This is nearly one-sixth of the budget. This will inevitably lead to unprecedented inflation true to unprecedented mandate you had. You should not quote last year's experience. Last year, we had good monsoon and the agricultural sector was able to contribute well. The same thing may not be possible this year. We cannot depend on the assurance of better financial management. Such assurances have been given in the past, and they have failed. It can happen once again.

This budget, by unnecessarily courting deficit, has generated inflationary trends in the country. It will, in the end, adversely affect the growth rate for the year.

During the last forty years, we have been fed with a dose of Socialism by the major party of the country. Phrases like socialistic pattern and socialistic democracy were floating about in the air. But, the same party, after getting a massive mandate from the people, has forgotten its earlier stand and capitulated to the capitalistic interests. It has bid good bye to socialism and all that and opened the flood-gates of capitalistic exploitation of the people at large,

[*Dr. A. Kalanidhi*]

through high prices and by the protection offered to them.

MR. DEPUTY SPEAKER : Please conclude.

DR. A. KALANIDHI : Only one minute. I am concluding. I wish to stress on this occasion that this Budget promises no solace for the people at large. It is an attempt to sacrifice the people's interest on the altar of authoritarian capitalism. Yet the time has not run out and the Finance Minister can even now amend by spelling out the policies for massive employment and for ensuring stability of prices.

MR. DEPUTY SPEAKER : Please conclude.

DR. A. KALANIDHI : I am concluding in one minute. In this country the Prime Ministers come and go, the Finance Ministers can come frequently. Three Finance Ministers have presented three budgets in these five years. It breeds quite an amount of escape for them, because we are not able to change them at the end of the year. I wish the present Finance Minister will also be destined to submit the Budget for, next year, when we will clearly indicate to him the extent of damage done to the economy by this stereotyped and ill-conceived Budget.

You are spending Rs. 8,000 crores for defence, but in spite of that you are not able to save the Tamils perishing in Sri Lanka. With the army you are able to control the local riots, but you do not try to save our people who are perishing in Sri Lanka.

You have allotted Rs. 9 crores for the refugees, who are a tremendous strain on the Tamil Nadu Government. You should allot at least Rs. 20 crores for these refugees and also help the State Government to create more employment opportunities for these people. As a Doctor, I would like to mention that 10% of the total Budget outlay should be allotted for the Health care. This had been recommended by Dr. Mudaliar Committee long time back. Kindly consider this suggestion for the better health care in the country.

I would also request the Hon. Minister to implement the Sethu Canal Project at an early date so that it will be a boon for the State. Not only that it will serve the people but also serves as a Naval base for the country.

I understand from the State Government that there are a lot of industrial proposals pending with the Central Government. I would request the Centre to consider these proposals and sanction them early without any further delay.

[*Translation*]

SHRI MANOJ PANDEY (Bettiah) : Mr. Deputy Speaker, Sir, at the outset, I thank you for giving me time to speak on the Budget. I support the Budget for 1985-86 presented by the hon. Finance Minister in the House.

I belong to an agriculturist family and, therefore, I see the Budget from a farmer's angle. I would like to place my views before this House from that angle. There are three to four requirements of a farmer, *i.e.*, manure, improved seeds, water and implements. Today, the technique of farming is totally different from that prevalent fifty years ago. The farmer of today uses scientific techniques in farming. By resorting to the technique of intensive farming, we want that agricultural production should increase so that we could make up the deficit of about Rs. 3,250 crores in the Budget. Keeping this in view, our efforts should be directed towards giving particular attention to the prices of the inputs used in farming and affording the maximum help to the farmers.

Take for example tractors and agricultural implements. Today the price of a tractor is around Rs. 65000 to Rs. 70000.

AN HON. MEMBER : It is around Rs. 1 lakh.

SHRI MANOJ PANDEY : There is no limit to that. I would request the hon. Minister to reduce the price of tractors. Similarly, the prices of the implements used by the farmers like disc-harrows, and various types of ploughs should also be reduced so

that the farmers may be able to buy them at cheap rates and do intensive cultivation.

Next, what the farmer needs most are pesticides, insecticides and plant hormones which are extensively used by the farmers. There is need to reduce their prices and the Government should grant subsidy for it. The plant hormones are in great demand among farmers. For better growth of plants, we need good quality hormones whereby we can increase the yield.

Now I shall come to fertilisers. At present the farmers use two types of fertilisers. Previously, they used dung etc as manure but today it is the age of chemical fertilisers. Two type of fertilisers are used, *i.e.*, nitrogenous and phosphatic fertilisers.

Today the price of urea ranges from Rs. 114 to Rs. 120 in the market. I would request that keeping the present situation in view, the price of the fertilisers should not be more than Rs. 100. Similarly, reduction should be effected in the prices of other types of fertilisers also so that the average farmer is able to use them and earn maximum profit and thereby benefits the country also by way of better production.

I come from Champaran. Champaran had been the field of activity of Mahatma Gandhi. Mahatmaji had led an agitation against the owners of the indigo plantations. Today, sugarcane is the most important crop in Champaran. Eastern U.P. and Champaran are both rich in the production of sugarcane. The Members belonging to Eastern U.P. know that we are lagging behind in the matter of cultivation of sugarcane due to increase in the cost of production. Even where the support price for sugarcane is Rs. 21,50, it is not remunerative to the farmers. There are nine sugar mills in our region but two mills out of them are lying closed for the last two years. Besides, several sugar mills situated at Gopalganj, Siwan, Chapra and other places have become sick. There has been a harmonious relationship between farmers and the sugar mills.

[*English*]

MR. DEPUTY SPEAKER : You may continue tomorrow.

RESOLUTION RE : DESERT DEVELOPMENT PROGRAMME-CONTD.

[*English*]

MR. DEPUTY SPEAKER : We now take up the Private Members' Business, Resolutions.

Further discussion of the following Resolution moved by Shri Virdhi Chander Jain on the 25th January, 1985 :—

“This House is of opinion that there should be parity between the Desert Development Programme and the Hill Areas Development Programme in the matter of provision of funds, facilities and concessions in the Seventh Five Year Plan.”

Shri Virdhi Chander Jain was on his legs. He may continue his speech.

[*Translation*]

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy Speaker, Sir, last time I had moved a Resolution regarding the Desert Development Programme, I want to repeat the Resolution :

“This House is of opinion that there should be parity between the Desert Development Programme and the Hill Areas Development Programme in the matter of provision of funds, facilities and concessions in the Seventh Five Year Plan.”

In my previous speech, I had emphasised the point that the condition of the desert areas was worse than that of hilly areas. I had also mentioned that there was not only acute shortage of drinking water in the desert areas but it also remained in the grip of famine for as many as three years and sometimes for four years continuously.

I had also given some information about the crisis of drinking water about which I would like to give some more information. The condition is still such in the desert areas that people have to traverse a distance of 10 to 15 kms to fetch water. Even in areas where regional pipeline scheme has been sanctioned and water points have been

[*Shri Virndhi Chander Jain*]

installed, women have to go long distances for water because the population of villages is scattered in an area of 25 sq kms to 200 sq. kms and the people live in the fields. Eighty percent of the people live in huts. In spite of the fact that drinking water points have been provided in the villages. The villagers have still to cover a distance of 10 km to fetch water even in the same village. Under the present scheme in the Sixth Five Year Plan, the provision of drinking water is made in a village at one point only.

In the desert areas, the population of villages being scattered over an area of 25 sq. kms to 200 sq. km, it is not possible for the entire village to avail of the facility of drinking water from one point only. The demand is gaining momentum that if a population of 250 is scattered in a village with a large area, provision of drinking water should be made at two points or as many as five points. Now efforts have been made to provide drinking water. Under the Rural Area Water Supply Scheme, tube-wells have been installed and in some areas it has proved successful. As a result thereof potable water has been found in Barmer district and the water problem has been solved in Jaisalmer and Barmer area to some extent and water has become available in some villages also. Five hundred gallons to three thousand gallons of water per hour are drawn from a tube well installed in desert areas. The water is available at a depth ranges from five hundred feet to eight hundred feet. Therefore in desert areas the scheme regarding supply of water from tube wells is not sufficient, to meet the needs of the population. This cannot meet the needs of the people of the villages and of the cattle of the desert areas. Taking into consideration the population and the number of cattle there, this water is not at all sufficient to meet their needs.

I had raised this question earlier also and the Central Government had given some assistance. We had formulated a scheme under which water was to be made available on the basis of 40 litres per head in other parts of the country and 70 litres per head in the desert area so as to meet the requirement of cattle also. But due to the lesser quantum of water available from those tube-wells and its being saline that

scheme is not being implemented fully. Therefore, it is for the Rajasthan Government and the Central Government to make arrangements for the supply of water there.

It is, therefore, necessary to accelerate the pace of work on the Rajasthan canal. Our Rajasthan Government have decided to name the Rajasthan Canal after Indira Gandhi, which is a laudable steps. This Canal can solve our drinking water problem fully.

We have lift canal schemes. The Rajasthan Government have given sanction to Gajner, Kotayat, Saiba, Fallodi, Pokharan, Nachana, Mohangarh lift canal schemes. These are irrigation schemes. Permanent arrangement for drinking warer can also made through these schemes. But these schemes will entail an expenditure of Rs. 3,000 crores which is beyond the capacity of the Rajasthan Government. So, it is my submission that the Central Government should provide this amount.

The condition of the desert areas is worse than that of the hill areas. The facilities available to the hill areas and the amount allocated therefore are not being provided for the desert areas. A Desert Development Programme was formulated for us in the Sixth Five Year Plan. This programme covers 11 districts of Rajasthan, four districts of Haryana, two districts of Gujarat and also two districts of Himachal Pradesh. Similarly, two districts of Kashmir are also covered under it. There is water crisis in these areas but the desert areas of Rajasthan are particularly affected by drinking water crisis. Lift canal schemes have been formulated to combat this crisis. This can help in solving the drinking water crisis. Unless the Central Government gives social assistance, this scheme cannot be completed. If special provision is made in the Seventh Five Year Plan for this scheme, arrangements for drinking water in our region can be made. So, I urge upon the Government that the desert areas may be treated at par with the hill areas in the Seventh Plan. The amount and the facilities being provided to the hill areas should be provided to the desert areas also. Then only can we bring about progress there.

It is said that in the desert areas there are sand dunes where nothing grows. The people who do not know the geographical condition say such things. I would like to

say that our Forest Department has taken in hand the work of sand dunes stabilisation. Under the Desert Development Programme, the Forest Department has taken in hand the work of growing good quality grass on sand dunes. 'Sewan' grass and 'Dhaman' grass and useful trees also grow there. It is a man-made desert and not a natural one. Nature is not so cruel. If efforts are made, changes can be brought about in the desert areas and changes have been brought about. Ganganagar areas was a desert area; Bikaner too was a desert area but with the commissioning of the Rajasthan Canal in that area and the Jaisalmer area, very good crops are being grown there. Good variety of trees also grow there. Now-a-days, under the afforestation programmes, the Territorial Army has succeeded in growing trees and grass in the areas on the left of the Rajasthan Canal and there is lot of greenery in that areas. What I want to say is that the work of stabilisation of sand dunes is quite enormous and it has been taken in hand under the Desert Development Programme and Rs. 100 crores have been allocated therefor. Out of this amount, Rs. 50 crores will be contributed by the State Government and the remaining Rs. 50 crores will be borne by the Centre but this amount is not sufficient for such a vast areas. The area involved is 2,36,000 sq. kms but the amount provided is not sufficient for this purpose.

Therefore, my submission is that these sand dunes should be stabilised and drinking water made available through the Canal, arrangement for irrigation should be made, trees should be planted and where grass is needed, it should be grown in the areas covered by the Rajasthan Canal. In our deserts, whereas on the one hand we have the problems of sand dunes and drinking water, on the other hand nature has been bountiful in the matter of cattle. The cattle of this area are of very good breed. The camel is a very useful animal which can live without water for three days at a stretch. If it gets water for one day, it does not require water for another three days. The cows are also of very good breed. 'Tharparkar' breed and 'Rathi' breed cows are found here and in the entire country cows of this breed are not available. They yield milk up to ten litres whereas in U.P. and Bengal areas, the

cows yield milk between one to two litres only. This is the situation. But the question is how to save such cattle when there is famine. Famine time is the most difficult time. Even now, in Barmer, famine conditions are prevailing and the problem is how to save the cattle. In such conditions, usually cattle die in large number. I am giving certain suggestions to cope with such a situation. A vast pasture can be created on the left bank of the Rajasthan Canal. There is a large stretch of land lying uninhabited. If that is converted into pasture, the cattle can be saved at times of famine. Therefore, if money is allocated for this purpose, our cattle can be saved. The cows, oxen and camels of good breed can be sent to other areas also. Our camel is already famous, the breed of the horses too can be improved and we can make progress in that field also. In the border areas, roads were constructed during the Indo-Pak war in 1965 and 1971 and development has taken place in the areas where these roads were constructed. With the construction of the roads, people have made progress and the population there has increased. Roads have been constructed in border areas; but other areas do not have roads. Due to lack of roads, transport facilities, trains and medical facilities, no doctor, nurse, A.N.M. or compounder wants to go there. This is the situation. Our Hon'ble Prime Minister is trying to take the country into the 21st century but we are still living in the 17th or the 18th century. What I mean to say is that it is necessary to develop this area. The National Agriculture Commission had considered this issue and had formulated the Desert Development Scheme in 1977-78 after due consideration. According to the scheme, hundred percent assistance was to be provided by the Centre, but, unfortunately, during the rule of the Janata Party, the entire pattern of the scheme was changed from 1st April 1979, according to which 50 percent of the contribution was made by the Centre and the remaining 50 percent was to be contributed by the State. That resulted in hampering of developmental work. While studying chapter 25 of the Sixth Five Year Plan, I found that two schemes had been formulated for hill areas. The first scheme is the Rs. 360 crore scheme for North Eastern Council for which cent percent assistance is being provided by the Centre; the second one is the Rs. 500 crore

[*Shri Virdhi Chander Jain*]

scheme for the development of hill areas. Under the second scheme, Dehradun, Garhwal, Uttar Kashi, Nainital, the Almora areas of U.P., North Cachar in Assam, the Nilgiris in Tamil Nadu, Darjeeling in West Bengal, the Western Ghat areas of Maharashtra, the hill areas of Karnataka, Kerala, Tamil Nadu and Goa are covered. I had asked a starred Question and got the information. I should read out from a copy thereof to the House. That Starred Question was asked on 27.7.83. In the reply to that Question detailed information regarding hill areas has been given.

[*English*]

“Rs. 560 crores have been set apart for providing Special Central Assistance to identified hill areas under the Hill Area Development Programme during the Sixth Plan. 90 per cent of the Special Central Assistance provided under the programme is treated as grant and the remaining 10 per cent, as loan from the financial year 1981-82. Prior to 1981-82, the pattern of assistance was 50 per cent grant and 50 percent loan except for the Hill Areas of Assam where it was 90 percent grant and 10 percent loan.”

[*Translation*]

In 1981-82, this pattern was changed and it was decided that Rs. 560 crores will be given as Special Central Assistance for hill areas, out of which 90 percents will be in the form of grant and the remaining 10 per cent will be as loan. I will submit a copy of the reply just now. On the other hand, for the Desert Development Programme, for which an allocation of Rs. 100 crores was made in the Sixth Five Year Plan, Rs. 50 crores was given as Central Assistance and the remaining Rs. 50 crores had to be contributed by the State. If you take into consideration the average rain-fall, the position of hill areas is better than that of our area which is always affected by famine. The position of the Western Ghat areas is still better. Along with the information about rainfall in Darjeeling in West Bengal and Uttarkashi in U.P., I also gathered information about the population and the area of the desert region *vis-a-vis* the hilly region. The area of the desert region is 2,36,000 sq. kms whereas the area of the hilly region is

2,31,047 sq. kms. So far as population is concerned, I have with me the 1971 figures because 1981 figures have not been compiled so far. According to those figures, the population in the desert areas is 1.82 crores whereas the population of hill areas is 4.02 crores. Our area is larger than their area but our population is not even half of their population. You can very well imagine from this the extent to which our area is under-developed; the population and area figures make it amply clear. I raised this point when a discussion was held on the Mid-term Appraisal of the Plan, I had raised this point on December 13, 1983 in Lok Sabha. At that time, Shri S.B. Chavan was the Planning Minister and he replied to my question, considering it an important one. I am reading his reply and I shall lay a copy of it on the Table of the House :

[*English*]

“Disparity in assistance between hill areas and desert was one of the points mentioned by Shri Virdhi Chander Jain. I don't think it is possible in the midst of the Sixth Plan to review the entire thing. But I am aware of the fact. Repeatedly he has been raising that only Rs. 50 crores have been provided for the development of desert areas whereas Rs. 500 crores have been provided for the development of hill areas. He has also quoted the population, areas and all that. I think the hon. Member will be able to appreciate my difficulty that at the fag end of the Sixth Plan, if I have to change the norms it will create all kinds of distortions in the situation. When the Seventh Plan is prepared this aspect of the matter which the hon. Member has raised will be kept in view and I will try to see how best we shall be able to help him out.”

[*Translation*]

He had also given this assurance. In this connection I made further queries and undertook correspondence also. If you look at para 8 on page 5 of “The Approach To the Seventh Five Year Plan, 1985-90”, you will find that it is stated in column 38 that :

[*English*]

“In the case of the Desert Development Programme, the need to give

greater thrust to it, if necessary, by remodelling it on the lines of other special area programmes like the Hill Area and Tribal Programmes will have to be examined."

[*Translation*]

In this connection I again wrote and found out through that correspondence that our Central Government had taken certain steps in that direction. During the correspondence, the Planning Minister made it clear that :

[*English*]

Kindly refer to your letter of January 17, 1985 regarding the disparities in the pattern of assistance to Hill and Desert areas.

In this connection, I would like to inform you that the Report of the Working Group on Special Programmes for Rural Development is being examined in the Planning Commission. In the process, the suggestions made by you and the observations regarding the Desert Development Programme contained in the Approach to the Seventh Five Year Plan (Page 5, Para 38) will be kept in view.

[*Translation*]

I met the Hon'ble Minister personally and submitted to him that I wanted to draw his attention towards the acute problems relating to the desert areas and requested that those problems should be removed. During the wars of 1965 and 1971, our areas were bombarded and our people faced the enemy courageously. So, when the question of defending our frontiers comes, we come forward to protect the country and face the dangers but when the question of distributing the money comes, we are kept backward and our areas are neglected. Such a position can in no way be tolerated.

[*English*]

1. The provision for the desert areas under Desert Development Programme or any other special programme for deserts should be comparable to that of hill areas because the conditions in the desert

areas are as bad if not worse, than in the hill areas.

2. The Central assistance for desert areas lying on the border should be 100% as is being given to the special hill areas. For other desert areas, Central assistance should be 90% as is given to other hill areas.
3. For water, a special programme should be drawn up for desert areas so that at least after about 40 years of independence people in this part of the country have potable water.
4. To ensure proper emphasis and adequate monitoring of the special schemes for desert areas, a separate chapter on desert development programme should be incorporated in the Seventh Five Year Plan document on the pattern of a similar chapter for the hill areas. A special monitoring Committee for desert areas should be set up.
5. All other agencies like banks, financial institutions, Posts and Telegraphs Department, Railways, Health Ministry, Education Ministry, etc. should provide the same consideration for desert areas as they are given to the hill areas.

[*Translation*]

I, therefore, submit that this development programme be treated at par with the Hill Areas Development Programme and all those facilities, which are being given to hill areas may be given to desert areas also. Funds may be allocated in such a way that the border desert areas can be developed so that they can contribute to the progress and development of the country.

I am sure the Minister would give a reply to my Resolution and would include it in the Seventh Five Year Plan so that the deplorable conditions prevailing there can be improved.

[*English*]

MR. DEPUTY SPEAKER : Motion moved :

"This House is of opinion that there should be parity between the Desert Development Programme and the Hill

[Mr. Deputy Speaker]

Areas Development Programme in the matter of provision of funds, facilities and concessions in the Seventh Five Year Plan."

Now, there is an amendment in the name of Shri M.C. Daga.

SHRI MOOL CHAND DAGA (Pali): I beg to move:

1. That in the resolution,—

(i) after "that" insert—

"keeping in view the varying geographical locations of different States, their most urgent priorities and the capacity of the States to bear financial burden,"

(ii) after "parity" insert, "as far as possible,"

MR. DEPUTY SPEAKER: Both the Motion moved and the Amendment are before the House.

Now, Shri Ananda Pathak.

SHRI ANANDA PATHAK (Darjeeling): Sir, I support the spirit of the Resolution moved by my hon. friend Shri V.C. Jain.

Sir, I do sympathise with the problems of the people who are living in the Desert areas.

I know that there are some Desert areas in the country which have not been adequately developed. These Desert areas are in need of more rapid development, compared to some of our other developed cities and towns.

16.00 hrs.

Sir, the topographical and geographical positions of our country are such that there are hills, there are deserts, and there are other types of regions, but they are not evenly developed. There is no even development of these areas. In comparison with certain developed towns and cities, these areas are really backward. Unless all these areas are developed evenly on par with the developed cities and towns, the people living in these areas would feel neglected and a sense of deprivation and isolation would be

nurtured in their minds and this would lead them somewhere else. It is therefore in the interest of national integration which is the first and the foremost aim of the leaders that the present state of uneven development should be put an end to immediately.

Sir, all of us know, there was turmoil in the North-Eastern region and the main reason for this turmoil is mainly due to negligence of this region in the matter of economic development. Sir, like deserts, there are isolated Hill areas also in different parts of our country. They are economically backward. There are hill areas in Assam, West Bengal, Uttar Pradesh, Sikkim, Himachal Pradesh and there are also some hill areas in the Southern States. These hill areas are not developed on par with the developed cities and towns when we go to the socialist countries, we do not find the difference between the cities and villages there. There is no difference between one area and another in those socialist countries. Whatever their topographical and geographical position may be, there is absolutely no difference between the cities and villages in those countries. Therefore, unless this kind of position obtains in our country, we cannot go forward.

Sir, I come from a far flung hill area of Darjeeling. Darjeeling is a backward hilly region situated on the border of Nepal, Bhutan, Tibet and other countries. There, there is no industry worth the name, excepting tea industry. But tea industry has provided employment hardly to 5 to 6% of people in that area. That is why unemployment is increasing rapidly. The unemployment problem is very acute there. But there is potentiality for developing Tourism, Animal Husbandry, sericulture, small-scale industries, etc. Darjeeling is called the Queen of Hills and it is the pride of our country. Therefore, development of hill areas of this region or Darjeeling depends on the development of triple 'T', that is, Tea, Timber and Tourism. But due to paucity of funds, no proper development has taken place in that area. There is the Hill Development Council. An integrated development programme is drawn up on five-year basis as well as on annual basis. The Central Government also provides some fund from the Special Assistance Programme for the Hill areas and the State Government

also provides some fund. But the dimension of the problem and backwardness of that area are such that the fund so allocated is quite inadequate to meet the developmental needs. In the pre-Independence years the British tried to impose their own policy and they tried to create enmity between the people living in the plains and those in the hill areas.

In this way, these people were kept isolated from the mainstream of our national movement deliberately. That is why, Sir, even now they are feeling isolated from the mainstream. I therefore, ask the Central Government to provide more funds in the Seventh Five Year for these hilly regions of Darjeeling and other areas and see that these areas also come up. I also feel that there should be higher allocation of funds for the development of other hilly areas as well as desert areas, so that they may also come up like other developed areas. This is my main contention. We should not have any complaint if there is higher allocation for a desert or hilly area. We should try and work for the even development of our country. All Indians should come together and build up our country. With these few words, I conclude my speech.

[*Translation*]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Deputy Speaker, Sir, Shri Virdhi Chander has moved the following Resolution :

[*English*]

“This House is of opinion that there should be parity between the Desert Development Programme and the Hill Areas Development Programme in the matter of provision of funds, facilities and concessions in the Seventh Five Year Plan.”

[*Translation*]

I support it wholeheartedly. Everybody is aware of the difficulties being faced by the people in desert areas. In Rajasthan desert, which is called Thar Desert also, all types of difficulties are experienced. It rains once in ten years and the people have

to face drought conditions there for years together. People have to trudge a distance of as much as ten miles to fetch water and in certain areas saline water is available consumption of which causes even death. Similarly, there is acute shortage of water for cattle also. Such conditions exist in that area. The first and the most essential thing in that area is drinking water. We cannot say that satisfactory arrangements have been made for providing drinking water there under the programmes launched during the last 37 years. Some tube-wells have, of course, been installed to supply water to the people. People from distant areas come there on vehicles to fetch water. Each family has to depute one person with one camel and a vehicle to bring water daily. Unless adequate arrangements are made, it will not be possible to solve the drinking water problem there. The need to provide agricultural and other equipments apart, the first and the foremost necessity is that of providing potable water there. If this is need is met, people will definitely get a great relief. I request the Minister of Planning to pay special attention towards it. Something, no doubt, has been done during the past few years in this regard, but measures on a large scale will have to be adopted in the coming years to solve this problem of the desert area.

Secondly, I submit that there is shortage of everything during famine. As Shri Virdhi Chander Jain stated just now, cattle of good breed are found there and the quantity of milk yielded by cows is quite good. People along with their cattle have to migrate hundreds of miles away and 50 per cent cattle die during migration. A very heavy loss of cattle is suffered due to famine every year. The basic problem of water and fodder is linked with cattle. If we do not solve this problem, we shall not be able to bring about the white revolution in this country. Cattle are useful in the areas where fodder is available because they yield more milk where fodder is available. Unless we make available water and fodder there, we shall not be able to save cattle-wealth and as a result we shall have to suffer a great loss.

Similarly, the population problem is also there. According to Shri Virdhi Chander Jain, the population of the desert area is 1,82,00,000. The production of food grains

[*Shri Girdhari Lal Vyas*]

is not possible in the absence of rains there. All the essential goods are made available from outside. People have to face great difficulty due to non-availability of essential goods and they have to pay high prices for the items which are available there. There is no electricity at many places due to which it becomes difficult to pump water even from a depth of five to six feet. Unless funds are made available for electrification, the development of desert areas is not possible. There are rich deposits of lignite in Barmer. If we harness these deposits for power generation, we shall definitely be able to solve the power problem of the people there. The Government of Rajasthan have sent such a scheme to the Planning Commission for its approval which has been pending with it for about one year. If this scheme gets clearance, the power problem of the people can be solved.

You might have seen that during the war between India and Pakistan in the years 1965 and 1971, some incidents used to occur almost daily in the border areas. The development of Rajasthan desert is quite important from the security point of view also. The Rajasthan Canal is being extended up to Jaisalmer and security arrangements are being made. When completed, it will be useful from the defence point of view, and drinking water will also be available to the people there. Similarly, the expansion of the railway network there is also necessary to facilitate the movement of the army. There are some border roads but these are inadequate from the security point of view. Hence, the development of roads is also necessary.

I would like to say one thing particularly to Shri Gadgil, who is present here. In our border areas, the people hear the news broadcast from Pakistan and not from India as there is neither any Radio Station nor any T.V. Centre in that area. The people of the area are misguided when they listen to Radio Pakistan or watch their T.V. programmes. Therefore, we should extend our radio and television service to ensure that the news reaches them and they can benefit by it. Thus we can make our borders more secure and tighten the security there. We can also instruct the people there as to how they should face the enemy. We have given suggestions to this effect in this House and

Shri Virjhi Chander Jain too has drawn the attention of the Government towards it many a time. There has been some effort on your part in this direction. A small television centre has been set up at Jaisalmer which has a range of 25 kilometres. The area proposed to be covered by it extends to 200 kilometres. The benefit of this television service will not reach even a single village because the first village is 25 kilometres away. I would, therefore, request that the coverage of this centre may be extended so that the whole area gets the benefit.

There is shortage of schools and hospitals in the area. During summer the area has to face scorching heat and dust storms which results in epidemics. Medical facilities are not available there to meet such a situation.....

[*English*]

PROF N.G. RANGA : What is your local Government—Rajasthan Government—doing?

[*Translation*]

SHRI GIRDHARI LAL VYAS : The Rajasthan Government do not have sufficient resources for all this. Till the Government of India provides funds for it, nothing can be done.

Now I would like to draw your attention to the disparity between the allocations for hill areas and that for desert areas. You had allocated Rs. 100 crores in the Sixth Plan for desert areas on the condition that 50 percent of the total amount shall be contributed by the Rajasthan Government. The Rajasthan Government do not have funds. Therefore, I would like to request that just as you have done for hill areas—North Eastern Area has been given cent percent aid; they have been allocated Rs. 200 Crore, it is a very good thing. I am not protesting against it—I would like that aid should be given to the desert areas too on that very pattern. You made a provision of Rs. 900 crores for the development of hill areas under the special plan on 100 percent basis. In other plans, the ratio has been fixed at 90 percent and ten percent. If the same could be done for Rajasthan too, it would help us in developing the desert area.

Rs. 100 crores allocated by you have not been fully utilised and until you help us, these funds will not be utilised.

Due to lack of adequate efforts to check the spread of the desert, it is engulfing more areas. Many new districts are being engulfed and it is quite essential to put a check on it. This is possible only when you encourage afforestation and thereby stall the onward march of the desert. My district is in its grip. The dust and sand travels from Pali, Shri Daga's constituency, to my district. The Government of India should formulate a comprehensive scheme to check this. I would like to request the Minister of Planning to allocate more funds in the coming years for the desert area development than those allocated for hill area development under the Five Year Plans.

You have abandoned the DPAP programme. The employment opportunities that the local people used to get as a result of this programme are no more available now. There are no industries, no factories and no facility of roads and electricity in that area. Therefore, I would request you to re-introduce this programme with more vigour and provide more funds therefor so that the local people could get employment opportunities. The economic condition of these people should improve and just as the country is progressing, the desert area should also progress. I hope you would do something to stall the onward march of the desert, and would provide all possible help for the economic development of the area.

[English]

SHRI RAM SINGH YADAV (Alwar): Till 1981-82 there was parity between the allocation of funds in the Five Year Plans for the hill areas and the desert areas. But it was for the first time in the year 1981 that a disparity was created in the Sixth Five Year Plan. The disparity was that hill areas were categorised into two—special schemes and normal hill areas. For special scheme hill areas, hundred per cent central assistance was given and other hill areas were given 90 per cent central assistance and 10 per cent of the funds were to be provided by the State Government. So, it was in the allocation in the Sixth Five Year Plan that the desert development programme was

given a step-motherly treatment because under this scheme 50 per cent was to be given by the Centre and 50 per cent was to be provided by the State from its own resources. It is to be seen that the Rajasthan Government, which is always under overdraft, cannot provide State assistance to the tune of 50 per cent. Therefore, this disparity which was created in the implementation of the Sixth Plan, has caused unrest. As a matter of fact, it has adversely affected the pastoral economy of the people of that area. It is only 3 per cent of the people of this country who are still living on the pastoral economy. In the desert areas they cannot depend upon agricultural income. They depend upon the income from the cattle by way of wool, milk, milk products or selling of cattles to other areas. I think, the planners should have given a second thought to this aspect of the matter. Not only this. The DPAP was given up. As a matter of fact, DPAP was a special programme for the development of desert areas. But that was given up in the Sixth Plan. The special reason given for this is that this programme is given up because there will be overlapping as they have introduced IRDP and Desert Development Programme. I think, there was no logic in it. It has been mentioned in the Sixth Five Year Plan :

“An inter-disciplinary task force has been set up to review the scope and coverage of this programme. Individual beneficiary content of these programmes will be supported through the IRDP. The DPAP has a large potential for generating avenues of employment. This will be optimally utilised in conjunction with the National Rural Employment Programme. Overlap of areas under this programme with those under the Desert Development Programme will be eliminated.”

So, it is the elimination of this DPAP that has caused injustice to the people, who are residing in desert areas.

PROF. N.G. RANGA : Has your Government written to the Government of India?

SHRI RAM SINGH YADAV : Yes, we wrote at the time of the formulation of the Plan. We also raised questions and we

[Shri Ram Singh Yadav]

said that this sort of disparity should not be there, that the programmes and schemes which are already being taken up by the Government of India to develop desert areas, those schemes should not be given up, they should be continued. But they were not continued.

So far as the geo-political condition or situation of the desert area is concerned, it is located on the border of the country. Our post-independence history indicates that all the important wars were fought in that area, be it in 1965 or 1975, between Pakistan and India. So, the underlying principle of the approach of the Government should be that the people living in the border areas should be made to feel contented, they should be provided with the basic necessities of life, the infrastructural facilities so that they will settle down there. This was not kept in view. The result is that both in 1965 and 1971 there was large scale exodus of population from that particular area. The reason was that they were exposed to bombing and, in addition, they had to fight the vagaries of the weather. So, they had to fight on two fronts. Special care has to be taken to rehabilitate and settle people who are living in the border areas. This was not done in the past.

Therefore, the resolution which has been moved by Shri V C Jain is very relevant, not only in the interest of the people who are residing in the Thar desert of Rajasthan, Gujarat or Jammu and Kashmir, but it is also in the interest of the nation. From that point of view, we have to assure the people living there facilities of drinking water, food, medical care, educational facilities, marketing, road and other infrastructural facilities.

Rajasthan is a State where the *per capita* income is the lowest in the country, excluding Jammu and Kashmir and one or two other States. Though a larger area of the desert is located within the boundary of Rajasthan, since that State is not financially viable, 100 per cent Central assistance should be given to the special schemes for desert, as is being done in the case of special schemes for the hill areas.

In Rajasthan the only amount which was earmarked for the development of the desert areas is Rs. 100 crores, while the amount which is earmarked for the hilly

areas is Rs. 900 crores—special schemes Rs. 560 crores and the normal schemes Rs. 340 crores. So, the ratio is 1 : 9. Naturally, it causes heartburning among the people living in the desert.

There is one peculiar feature about the people living in the desert areas. They cannot permanently stay in a particular village. They have to lead a nomadic life, because of the vagaries of the weather. They need water and fodder for their cattle. When they are not available at a particular village, they have to go to a place where they are available. So, some of them go to Madhya Pradesh, Gujarat, Haryana, Himachal Pradesh and Punjab. Therefore, for at least 6 to 7 months of the year they are away from their home land and lead a nomadic life, living in one place one day and another place the next day.

In these circumstances, those people who are as a matter of fact leading such a hard life and are facing such hardships, should have been given special treatment and there should not have been disparity between the development of the hilly regions and the desert regions.

Not only that, the regions which have been included in the drought-prone area programme, will continue to be financed at the rate of Rs. 15 lakhs per block per year with a total outlay of Rs. 175 crores from the Central sector which will be matched on an equal basis by the State. So, the nature of the drought-prone area programme was changed with 100 per cent assistance coming from the Centre. But in the Sixth Five Year Plan it was absolutely changed and the provision was made that the State contribution will be to the tune of 50 per cent even for this area. In the circumstances I request that the special schemes for the hilly areas should be given parity with the development of the desert area also.

There is one problem that is being faced by some people living in the Rajasthan State. Some of the refugees migrated to India because they were living in Pakistan in the border area and they helped the Indian Army to go into the Pakistan territory. Mr. Viridhi Chander Jain knows it well. During the war these people migrated

to India under compulsion. Now they are refugees living in Rajasthan. They have not been given any relief. So, I request the Government of India that those people who had migrated to India and who helped the Indian Army during war should be treated as Indian citizens and should be given permanent settlement and should be given rehabilitation on the same parity as was given by the Government of India to other refugees who came from Bangladesh or who had come from West Pakistan in 1947. So, special attention should be given to these people. They are as a matter of fact, going from pillar to post for their rehabilitation.

[*Translation*]

*SHRI R. ANNA NAMBI (Pollachi) : Mr. Deputy Speaker, Sir, my hon. friend, Shri Vridhi Chandra Jain, has through this Resolution under discussion drawn the attention of the House about the need for equal allocation of funds in Seventh Five Year Plan for desert development as also for hill areas development. I am privileged to express my views on this Resolution.

Sir, I hail from Tamil Nadu where we have no desert. We have hill regions and greenery. Though there are hilly tracts in Salem District, in Dharmapuri District and in other places, yet in Coimbatore District we have Western Ghats about which the hon. Minister of Planning, who hails from my neighbouring State, Kerala, is fully aware of. While we in urban and semi-urban centres live in all comforts and conveniences, the people living in hill areas are leading primitive life. Irulars, Thodars, Malasars and such other tribes in Hill areas are leading animal life in these areas.

MR. DEPUTY SPEAKER : Mr. Anna Nambi, Prof. Ranga is wanting to know why are you not referring to Nilgiris where the Thodars are living.

SHRI R. ANNA NAMBI : Sir, the Nilgiris is a part of western ghats. I am giving this as an illustration. The position elsewhere in the hilly tracts of the country is no different. These tribal people do not have clothes to wear. They do not get two square meals a day. They live in dingy

hovels. They eat raw mutton; they shoot birds and eat them. They take millet-gruel. Their standard of living is abysmal. In order to uplift them, the Government of Tamil Nadu have formulated scheme for the development of Western Ghats and sent them to the Central Government. The Central Government has not given its approval. No financial assistance is also forthcoming for effective implementation of this scheme. If this scheme is approved, the economy of most of the districts at the foot hills, like Coimbatore, Dharmapuri. Salem etc. will become active. Our venerable Chief Minister, Dr. M.G.R. has been stressing for expeditious approval of this scheme for the development of Western Ghats. I would once again reiterate that the Central Government should give its approval for this scheme forthwith and also extend financial assistance required for this.

Sir, I represent Pollachi Parliamentary Constituency in which falls the Moonar Hills, the connecting hills with the neighbouring Kerala State. In Udumalaipettai we have hilly tracts. In Moonar Hills, we have coffee estates and tea estates, where thousands of workers are earning their livelihood. Though water is available in abundance here, it has not yet been harnessed for irrigation purposes. The people of the area have been demanding an irrigation dam here so that they can cultivate their lands. This has been the long-standing demand. If the waters of west-flowing river is diverted eastwards with the construction of a dam, then it will be an everlasting boon for the people living here. That will transform their life. The Coimbatore District, the Periyar District and the other areas will get water in abundance. Thousands of acres will be brought under irrigation. Besides irrigation, electricity, which is in chronic short supply in Tamil Nadu, can also be generated.

The Central Government also constituted two committees to study the feasibility of utilising the waters of west-following rivers, which go waste into the Arabian sea presently. Kerala State does not require that water. I would like to know what has happened to these Committees, whether they have submitted their Reports and if so what action has been taken on the recom-

* The speech was originally delivered in Tamil.

[*Shri R. Anna Nambi*]

mendations contained in these reports. If only the waters of west-flowing rivers are diverted eastwards, then Tamil Nadu will become surplus State in foodgrains. That will generate employment everywhere. The Hill regions will blossom in full glory. The tribals will join the mainstream of national life. Electricity can be generated in abundance, which will lead to industrial resurgence. Before taking action on this gigantic scheme, I request the Central Government to give immediate approval for the Moonar Dam project and also the scheme of development of Western Ghat submitted by the Government of Tamil Nadu.

We owe a duty to the tribes living in Hill areas. They are the torch-bearers of our ancient Indian culture. They deserve all the attention from both the State and the Central Governments. They have to be helped to live well in their own environments. Irulars, Thodars and Malasars are to be brought to the mainstream of national life with the approval of Western Ghats Development scheme.

With these words I support this Resolution for the approval of the House.

SHRI MOHAR SINGH RATHORE (Churu): Mr. Deputy Speaker, Sir, I wholeheartedly support the proposals made by Shri Viridhi Chander Jain in this House. His proposal is timely because injustice has been done to desert areas on account of the disparity without rhyme or reason between hill areas and desert areas. This disparity has added to the backwardness of the area. Though the Government of India believe in balanced progress of each part of the country yet, as a result of this policy of discrimination; the situation in Rajasthan, which is already backward, has worsened. The Rajasthan desert has given the country the best soldiers, the best breed of cows and bulls since times immemorial and whenever there have been invasions on this country it was the bravemen of the desert who faced them. This situation would cause resentment among the bravemen, who defend the country and also their families who are already facing a lot of inconveniences. Whereas it is the policy of our Government that each and every citizen should feel satisfied, how sad it would be if our soldiers remain dissatisfied. The result of

this policy is that in the desert area where there is already scarcity of water and people have to bring water from a distance of as many as ten miles, the situation has deteriorated to such an extent that due to lack of rainfall even the available water becomes saline. Sometimes the salt content in water increases beyond the tolerable limit of 35000 per million. Cattle die in thousands when they drink this saline water. It also causes death among men. Infants die of dysentery. Similarly, there is excessive fluoride content in water. In some villages the content of fluoride is 23.5 percent per million. Its effect is that if this water gets mixed with milk or tea it gets sour, and if anybody drinks it, he falls sick. So, the Government should take care of the interests of the people who live in difficult conditions, who defend the country and are its well-wishers.

The Rajasthan Canal, which has been named the Indira Canal, passes through that area. Five lift-canal schemes were approved for that area. They were to be at Churu, Kaloyat, Gajner, Phalodi and Pokharan. But all these five lift-canal schemes were dropped by the Janata Government. The result was that the backward people became more backward. If these schemes are not taken up again, we will slide back 20 years, though we are lagging by 10 years now. After struggling for about 30 years, these lift-schemes were approved, but the cabinet of Janata Government of Rajasthan decided to discard them, though it is well known that these irrigation schemes were the cheapest. The canal passes through areas where the density of population is high and no expenditure will be required to be incurred on their rehabilitation. The land rights are settled there. Therefore, as soon as water is made available for irrigation, it will be possible to raise a crop within six months and the country will also be benefited indirectly,

Similarly, the discrimination between the hill and desert areas is the legacy of the Janata Party. We had contested the 1980 elections with the promise that we would undo the injustice meted out by the Janata Government. Mr. Deputy Speaker, Sir, I would like to submit that the people of the desert are in dire need of drinking water. All those drinking water schemes which have been commissioned do not meet the

needs of even fifty percent of the villages. Half the villages remain without water and electricity. Many villages are deserted sometimes due to the fear of attack from Pakistan and sometimes due to scarcity of water. For thousands of years, our plight has remained unchanged. My colleague, Shri Virdhi Chander Jain has rightly said that we are living in the 15th or the 16th century. I would rather say that we are still living in the tenth century.

Even today, we collect rain water in the wells and for the rest of the year we have to keep a watch on it to use it as drinking water. It is kept under lock and key. Our planners will not believe it because they do not have the time to go there and see. I am prepared to stake my membership of Lok Sabha, if a member drinks that water and remains alive. The situation is so difficult there. You will not come across a single tree for 100 kilometres at a stretch, there no post office within a range of 50 to 60 kilometres and the question of any school does not arise at all. The dak is carried on camel-back in Rajasthan. Postal facilities are negligible there.

Some of our B.S.F. jawans died on account of thirst. Our doctors have not carried out any research to find out the cause of the death. So, we live in such dangerous conditions. We have not been able to provide water to the people who defend our borders and help the country. We sometimes ponder as to what is special in Hill areas which is not there in the desert areas.

People from this desert area have migrated to Africa and the Gulf countries and other parts of India. It results in brain drain. The people who are not able to migrate, remain there and suffer. On humanitarian grounds also you should consider their needs. Sometimes you say that Doordarshan Kendras will be set up for every one lakh population. This cannot continue. It will not be possible at this rate to have Doordarshan Kendras there even after thousands of years. It is not good to drop such schemes without giving them due consideration. What can be more discriminatory? Keeping in view their position, discrimination should be removed at least on humanitarian grounds. You say that a

Doordarshan Kendra will be opened when the population reaches one lakh. How can any Kendra then be set up in our area, because the population can never reach one lakh in our area?

There is constant infiltration of Pakistani nationals into India, and smuggling goes on unchecked. For a hungry man there is no other option except to commit crime. Who can stop such things there? Where there is not even drinking water available, who is going to stop these things? There does not exist any Government worth the name in those areas. Shri Virdhi Chander Jain has not said so out of fear. But I can surely say that if you send a thousand persons with me, I can smuggle them into Pakistan to day itself. People from Pakistan enter our territory without any difficulty, bring articles from Pakistan and take back Indian articles....(Interruptions) The Question is not of opium or any particular item. The fact is that non-permissible things are brought here and prohibited items are taken to Pakistan. There does not exist any such thing as Government on that border. How can a Government exist at a place where even drinking water is not available?

Whatever I have said is quite true. These people have been discriminated against and injustice has been done to them. My submission is that justice should be meted out to them. Stressing the point further will not make any impact. Truth will have its impact. I have announced in my constituency that if discrimination is not removed, I will resign. I can say only this much. Beyond this I cannot do anything.

SHRI MOOL CHAND DAGA (Pali): Mr. Deputy Speaker, Sir, science has proved that now mass poverty cannot remain the decreed fate of the multitude. Our Planning Minister today talks of science and technology and thinks that there has been a lot of development in this field..... (Interruptions)The question is that when you claim that science and technology have made great progress, then how is it that not only the position in Rajasthan is not good, but the position in hill areas is equally bad where forests have been denuded? Big people went there and swallowed the forests and became rich. Let the hon. Minister know how these schemes are formulated. The schemes are

[Shri Mool Chand Daga]

formulated by the Government Officers and we have to implement them. The people who have neither been to villages nor have seen deserts formulate these schemes. The entire system is faulty. I would mention one incident. There was one Minister who came from Bihar. He said that if in Rajasthan water was not available, hand pumps should be installed. He was not aware that it was not the on banks of the Ganga and the Yamuna where sinking of hand pumps would make drinking water available.

Secondly, Government formulate schemes and invest public money in them but the intended beneficiaries do not get relief and it is the intermediaries who misappropriate the funds. That is why the targets fixed by the Government have not been achieved. I would request the Government that in order to solve the desert problem a people's programme should be formulated, a Desert Development Board should be set up and people should be given a chance to participate in it. I will myself work in that and show how the country can progress. Is real has converted its desert area into greenland. In this country also 300 big laboratories are functioning, you ask them what they have done in this direction. You plant lakhs of trees but the desert is expanding. The reason is that all the forest have been denuded. This is large scale exploitation of the country. The Intelligentsia of our country go to hill resorts for recreation. People from all over Bombay go to hill stations but today all the hill stations have been denuded; there is no beauty left in those places. Now there is no greenery in the Botanical Gardens of the Nilgiri hills. People construct their houses and manufacture other items with wood and all the wood of those places has been taken away. If this goes on, the country will be ruined. Now, a new Minister for Environment has been appointed and a new Department has also been set up. I caution that if ecological balance is not maintained the country will not be saved. Presently, instead of being checked, the desert is expanding. Landslides are occurring in the hills. This will lead the country into ruins. First of all you should check industrial pollution. The Ganga should be diverted towards Rajasthan, and the Narmada Project should be started. If water is made available there, the land will become fertile. Any work proposed to be

done should be undertaken in the form of a project. You have demarcated arid zones. The Agriculture Minister, to whom this subject concerns, is not present here.

Mr. Deputy Speaker, it is your duty to ask the concerned Minister to remain present to hear the views of the Members.

[English]

MR. DEPUTY SPEAKER : The Planning Minister will give the reply.

SHRI MOOL CHAND DAGA ; He is not directly concerned. (*Interruptions*)

[Translation]

Crores of rupees are allocated by the Government for projects and if they are completed the country will make progress. The Rajasthan Canal, which we now call Indira Gandhi Canal with pride, was inaugurated in 1958 by Shri Govind Vallabh Pant. At that time expenditure on it was estimated to be Rs. 60 crores. Rs. 1,000 crores have been spent thereon till today but still the project is incomplete. A period of 30 years has elapsed but this project still remains incomplete. If the water problem of Rajasthan is solved, we can produce more for the country. Attempt should be made to tap the under-ground water resources so as to usher in green revolution in the entire country. We want that this work should be done on a massive scale. A question has been raised why the hill areas are given funds? The funds are given so that the big people may go there and have enjoyments. There is one hill station in Rajasthan, i.e., Mt. Abu. No one goes there now because all the forests have been denuded and the wood has been used for constructing bungalows for S.P., D.S.P. and the Commissioner.

The Government employees have misappropriated all the funds. That is why the country is not progressing. If you read 'Yojna' a magazine of your Department, you will find how the funds are utilised. The Desert Development Programme was launched in 1977 and now it is 1985. During the period of these eight years, you will find how much amount has been spent and what the result has been. Institutes have been set up everywhere. People get salaries without doing any work.

AN HON. MEMBER : The achievements are on paper only.

SHRI MOOL CHAND DAGA : You have rightly said that the achievements are on paper only. You say that the country belongs to everybody. It is a question of the whole country. If no attention is paid towards the problem of ecology the future generations will curse us and will say that they were born in a country which had been polluted. And for this state of affairs the present day Ministers, Members of Parliament and other functionaries will be responsible. You have replied to a serious point in a humorous way by saying 'Please wait, you are in the queue.' Our Minister is very intelligent. He has said, "Dagaji, you are in the queue, please wait. Your scheme will be completed."

[English]

You are now a new Minister. You please read your Planning Report of each year. What does it say? The very first sentence says—'We will take up this issue of removal of deserts on a war-footing.' These are the very words used, namely, 'War-footing'. Sir, 37 years have passed, Even the drinking water problem has not been solved as yet.

[Translation]

When will the work on war-footing start? Please read it. Only then you will come to know of it. Please pay a visit to the villages of my area which have become problem villages. They are facing the drinking water problem. More attention should be paid towards improving environment. A scheme or a programme should be formulated for it and it should be a people's programme. Only then the problem can be solved.

[Translation]

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. Deputy Speaker, Sir I support this Resolution. In this Resolution the question of development of Rajasthan has been raised. In Rajasthan, development is not taking place to the desired extent. I would like to submit that this question does not relate only to Rajasthan, but also to many other States in the country, which are still backward. Bihar is another such State which has rich deposits of minerals and

gives you maximum revenue but still it is backward in the matter of roads, education and in other respects. Its development is not taking place in a balanced manner causing unrest among the people there.

Mr. Deputy Speaker, I belong to an agriculturist family. Our country is predominantly an agricultural country where 70 percent of the population depends on agriculture. Agriculture contributes 42 percent of the national income. Yours is a deficit Budget. Had you not ignored agriculture, you would have met this deficit by increased agricultural production. But you have ignored agriculture as a result of which the situation in this field is deteriorating. What does a farmer expect of you? ...

[English]

SHRI VIRDHI CHANDER JAIN : He is not speaking in support of or against my Resolution. He is supporting the Budget.

MR. DEPUTY SPEAKER : Let him support.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : I am speaking on your Resolution. There is shortage of water in your area, it is backward and you keep water under lock and key. I am submitting that such a situation exists not in your area only but in other areas also in varying degrees. That is why I would like to say that development should take place in a proper manner whether it is water or agriculture. If development does not take place there, it would cause resentment among the people and as a result they are likely to go astray. It has rightly been pointed out that if the development of the area does not take place, one adopts wrong means for the sustenance of life and thus inhibits the growth of the country. I would, therefore, request the Minister to pay attention towards this matter. The hon. Member has described the conditions there as appalling and has claimed that in case his statement proves to be untrue, he is prepared to resign his seat in Lok Sabha. Certain points have been raised here in respect of certain areas in the country and they are correct. It is a slur on the Government that after so many years of independence these areas could not be developed.

With these words I conclude.

SHRI RAM PYARE PANIKA (Roberts-ganj) : Mr. Deputy Speaker, Sir, first of all I on my own behalf and on behalf of the one crore 84 lakhs of people living in desert areas thank Shri Virdhi Chander Jain for bringing forward this Resolution and providing an opportunity to discuss their difficult problem in this House. In fact it is a human problem.

The extent of the desert area is larger than that of the hill area. The people there are facing drinking water problem. They have to walk for miles to bring water. They are leading a nomadic life. Even after 37 years of independence, Government have not been able to provide them with adequate facilities on a permanent basis. They are not able to provide education to their children. They are not getting any benefit of Independence.

It is a fact that the Planning Commission had identified six special problem areas in the country for development, which are the hill areas, the desert areas, the coastal areas, tribal areas, drought-prone areas and flood-prone areas. These six areas were to be developed by providing special funds but it is unfortunate that so far these areas have not been fully developed. There are eight hill districts in U.P. and there are certain other districts such as Mirzapur, etc. which have not been treated as hill districts. But it is true that the problems of desert areas are more difficult than those of hill areas. For hill areas, 90 percent of funds are given as grant and the remaining ten percent is borne by the State Governments. I would like to submit that just as the Himalayan Ranges lie on the border areas, barring a small stretch, the entire desert area lies on the border. The entire desert area of Rajasthan is situated along the border, it is a sensitive area and infrastructure should have been developed there. At present there is no possibility of either industry or agriculture or of cottage industry in that desert area. The people of that area rear sheep and supply wool to other places. The life in this area is very hard. Therefore, I would like to request the hon. Minister of Planning that the Planning Commission should develop that area by giving 100 percent grants to Rajasthan irrespective of whether the State Government can make provision for this purpose or not. Only then,

the way can be paved for the development of that area. I agree with what Shri Mool Chand Daga has said. What is needed is that we should go in for afforestation in that area but the difficulty is that a provision of Rs. 54 crores only has been made in the budget for this purpose. Therefore, I want that Rs. 50 crores should be provided to Rajasthan for afforestation in the Seventh Five Year Plan so as to develop the arid zone and to check pollution. I would also like to ask for how long we can keep the construction of the Rajasthan Canal going on. It has already cost us Rs. 1000 crores. I want that adequate funds should be mobilised from some source to complete this canal so that it may convert the entire area into greenery and thereby bring prosperity. I once again stress that at least Rs. 50 crores should be given for afforestation. Sir, a provision of Rs. 100 crores was made in the Sixth Five Year Plan for desert development, but that allocation could not be utilized because the State Government could not arrange for the matching grant and, as a result of it, even the central grant was not made use of. In view of the step-motherly treatment meted out to this area for the last few years from the development point of view and also to clearing with a view this backlog, it is necessary to provide more funds for this purpose. I am glad that the hon. Minister of Planning, Shri S.B. Chavan, has replied to the letter sent by Shri Virdhi Chander Jain. Shri Virdhi Chander Ji has been bringing the problems of the people of that area to the notice of the Government from time to time. I want to read out the letter sent by the hon. Minister to him on 20.12.83. It has given me great hopes. Therefore, I would request the hon. Minister of State for Planning to fulfil the assurance given in that letter. An assurance has been given in this letter that the Government would see to all these problems during the Seventh Plan and the treatment meted out earlier to Rajasthan would not be repeated. Special attention should be given to the development of that area. He had written that letter on 20.12.83 and the Planning Commission must be in the know of it. Therefore, you should assure us as also Shri Virdhi Chander Jain and the one crore 84 lakh people living in desert areas that that area would not remain backward but Programmes would be launched for their

development similar to those started for other backward areas. Similarly, the programmes were initiated in 48 'special problem districts,' but the work on these programmes has also been abandoned midway. The schemes taken up by the State Government have also not been completed. The Central Government and the Planning Commission have abandoned these schemes at many places. In our Mirzapur district, a number of Blocks were covered under this scheme, but four Blocks have been dropped right now. The schemes of irrigation in coastal areas, the schemes of embankments, the schemes of roads and the schemes of canals which were in progress, are still lying as they were. The land was acquired at 36 places and construction work on embankments was started but they were not able to create a Command Area, owing to which the work did not materialize. I would like to draw the attention of the hon. Minister of Planning to the fact that no scheme worth the name has been implemented in the special problem areas, which have been divided into six categories, such as, drought-prone area, coastal area, etc. Whenever, natural calamities strike these six categories of areas, crores of rupees have to be provided provisionally. Therefore, the Minister of Planning should constitute a separate committee for this purpose to suggest allocations in the Seventh Five Year Plan for the development of these six categories of areas, where mostly poor people live, who are educationally and economically backward. You should set up a Working Group for the development of these six categories of areas; *i.e.*, hill areas, desert areas, coastal areas, drought-prone areas, flood-prone areas and problem areas, and if need be, a Member of Parliament from each of the respective areas may also be associated with it and a scheme formulated accordingly.

I do not want to take much time of the House. I hope, the hon. Minister of Planning will give us an assurance in this regard. I once again express my thanks to Shri Virdhi Chander Jain who has raised his voice not only for the development of his own constituency, but also for the one crore 84 lakhs of people who were neglected hitherto. I was very glad to read the letter from the hon. Minister of Planning because he has dealt with the problem in a very

effective manner. I hope, you would prove the way for the development of all these six areas by constituting a Working Group, as per the spirit of the letter. I also hope that the desert areas would be given first priority and cent per cent grants would be given to facilitate their development.

[English]

MR. DEPUTY SPEAKER : Hon. Members, the time allocated for this Resolution was two hours. That time is now over. But we have got still 8 members on the list to speak. Is it the pleasure of the House to extend the time for this Resolution by one hour more ?

SEVERAL HON. MEMBERS : Yes.

MR. DEPUTY SPEAKER : So, we have extended the time for this Resolution by one hour more.

Shri Sultanpuri.

[Translation]

SHRI K.D. SULTANPURI (Simla) : Mr. Deputy Speaker, Sir, I rise to support the Resolution moved by Shri Virdhi Chander Jain regarding hilly and desert areas. Shri Daga rightly said that the denudation of forests had resulted in the forming of the deserts. The way denudation of forests is taking place in Himachal Pradesh, Kashmir, Nagaland and some islands, such as, Lakshdweep and Car-Nicobar, etc., the possibilities of formation of deserts there have increased. The biggest problem is faced in the tribal areas where there is no provision of gas and the people have to depend totally on trees for fuel. The scale on which trees are felled mercilessly leads to formation of deserts. The desert area extends up to the Pakistan border. The number of people living in desert areas has been officially put at one crore and 82 lakhs, whereas the number of people living in hill areas is more than four crores. Felling of trees is leading to soil erosion which results in formation of deserts. Felling of trees in Nagaland, Sikkim and other hilly areas has resulted in the widening of all rivers leading to submersion of fertile land. A prestigious scheme has been formulated for the Ganga and the Jamuna. I feel, schemes on similar lines will have to be drawn up for hill areas also and then only the spread of deserts can be

[Shri K.D. Saltanpuri]

checked in our areas. Shri Jain has mentioned the names of Lahaul and Kinnaur of Himachal Pradesh just now. Ownership of land and trees has been shown in land records there. Previously there were plenty of forests there but that area is gradually turning into a desert. The areas of Tibet border, Dehradun, Pithoragarh and Nagaland are also becoming deserts, because the entire land in the hills is turning into desert due to soil erosion. If steps are not taken to check it, the entire area would turn into a desert.

So far as the case of Rajasthan is concerned, which my colleagues have just now mentioned, I want to refresh their memory that hill people have made great sacrifices for the development of Rajasthan, Himachal Pradesh has provided water to Rajasthan and still our people are not being rehabilitated there. I would request the hon. Members of Parliament from Rajasthan that they may be allowed to settle there. They should not be forcibly driven away from there. At the same time, I would also like to request the Central Government to take initiative to rehabilitate those people in Rajasthan who have been rendered homeless in the wake of the construction of the Pong Dam and impress upon the government of Rajasthan to Cooperate in re-habilitating the Pong Dam oustees who are living there in appalling conditions. I would also request that more funds may be provided to Rajasthan so that more and more plantation could be done in the desert area, but this would be possible only if water reaches there. If plantation is done there in dry land, the entire expenditure that Government incur on it would go waste. Therefore, I request the hon. Planning Minister to arrange to provide water to Rajasthan. I think more and more lift irrigation schemes and drinking water schemes should be formulated in hill areas, because such schemes would facilitate the development of hill areas bringing prosperity to the people.

There was a reference here to the development of hilly areas, but their development would be possible only when a uniform policy is adopted in this regard. You declare a particular area as 'tribal area' whereas you do not do so in regard to other hill areas. It gives an impression of discrimination between the two. I would like to quote an

example. The areas of Uttar Kashi, Dehradun and Pauri Garhwal in Uttar Pradesh, adjacent to the borders of Himachal Pradesh and a number of tehsils of District Sirmour such as, Shilae, Renuka, Champal, Rohru, Rampur Bushehr, etc. on our side have not yet been declared as tribal areas whereas the areas lying on the other side have been declared as tribal areas. I would like to demand of the government that this area of our state should be declared as tribal area so that the people of that area could also get similar facilities for development as are being given to the people on the other side. Only then, our people would be actually benefited.

The question of soil erosion was raised yesterday also, and today again I would like to submit that whenever soil erosion takes place in the hills, the plains also cannot remain safe. Take the case of Punjab, the floods cause destruction to the crops to the tune of Rs. 10 crores every year in that State. The same is also true of Uttar Pradesh and Haryana. The only way to check this loss is to provide more funds to the hill areas for development. With more plantations and afforestation, soil erosion in these areas will be checked and at the same time the plains will also be safe. It will also lead to increase in first production. In this context also, I would like to make a submission to the government that there are no marketing facilities for the fruits produced in our state. It also causes hindrance in the development of our area. Its development would be possible only if facilities are provided for marketing their fruits, so that they can get remunerative price for their produce or the government may procure their produce at reasonable price and supply it to the other markets in the country. In the absence of such facilities, the brokers at Azadpur market rob the hill people, whether they are from Himachal Pradesh, Kashmir or Uttar Pradesh. Therefore, the basic need for the development of hill areas is to provide marketing facilities for their fruit produce.

Besides, more and more hydro-electric projects should be set-up in hill areas. There is a potential of generating 12,500 Mega-Watt electricity in Himachal Pradesh. I request that more funds may be allocated for this purpose, so that the entire northern zone could benefit from the power generated.

Frequent mentions are made here about non-existence of railway lines. If you have a look at Himachal Pradesh, you will find that railway line there is almost negligible. Rajasthan is a desert area and, perhaps, camels, horses and mules are used there. If you compare Rajasthan with our hill areas, you will find that the population per square kilometer in our areas is far too low. Therefore, schemes formulated for Rajasthan should be such as could bring water there to raise good crops and as could also result in maximum benefit to the people. Our Government should pay attention to this aspect.

If you extend the railway network, the freight charged is heavy. The hill people, who are backward from the point of view of development, have to pay heavy transportation charges bringing potatoes and apples to the market. The hon. Minister may please see to it that the additional requirement of funds for the development of hilly areas is met. The concession given by the hon. Railway Minister to the sugarcane growers should also be extended to the potato, apple and vegetable growers of hill areas.

Then, there is acute scarcity of drinking water in our State. The drinking water facilities are inadequate because the rivers and rivulets are located at a very low level and the villages are on the hill tops. Therefore, more lift irrigation and lift drinking water schemes should be formulated to provide drinking water to the people.

Our hilly areas are also deprived of gas agencies. This facility is being given to those where fire wood and stoves are already available. If you want to save wood in the hills, you should give gas agencies in all the hilly areas. You allot these gas agencies to big people whereas the poor, the tribals and the backward are ignored. Therefore, I request that attention should be paid to this also.

With these words, I conclude my speech and thank you for giving me an opportunity to speak.

[English]

SHRI G.L. DOGRA (Udhampur) :

This is a very important Resolution. Most of the people should know that Rajasthan is a man-made desert; it is not a natural desert. The scientists, particularly the late Dr. Kaul, husband of Shrimati Shiela Kaul, told me once that all the world scientists agreed on the point that Rajasthan desert was a man-made desert. Earlier it was a fertile land. But the people there cut all the trees. And because of this, the climatic conditions had changed and the whole area turned into a desert. From this we have to learn. We only pass laws but do not see whether those laws are implemented or not. There are many parts of India which were very green, which were full of valuable trees, which were full of species trees but which have been cut down. Only a few days ago I had an occasion to go to Himachal Pradesh. I was shocked to see that most of the mountains and hills have become absolutely naked. Only stones are there, not even grass. You go to the eastern side of Solan, you will find shrubs, and if you go to the western side of the same town in some plateau you may find some crop, otherwise you will find absolutely stones there and you cannot see even the blades of grass. These types of conditions are affecting not only Himachal Pradesh but also the plains down below, it may be Punjab, it may be Haryana or it may be Rajasthan. Have we ever taken note of all these things? Has the Planning Commission gone into it? Has the attention been diverted from the fertile lands to the development of these neglected parts of the country? I think we are ignoring all those parts of the country which are cut off, which are backward, which are hilly, which are not open even by way of communications. We have promised free education to girls up to twelfth standard but there are places where there are absolutely no schools. Girls cannot get education even up to fifth standard. So, all these things are to be taken note of.

As far as deserts are concerned, you are trying to contain the existing deserts, to fight them and to develop them into greenery but what about those places which are now developing as deserts? How are we going to fight those unless we take it as a national problem? But then come the provisions of our Constitution. You pass laws with respect to forests but the Central

[*Shri G.L. Dogra*]

Government cannot intervene with the management of the forests because it is a State subject. There are Members belonging to various parties who will blame the Central Government for not taking any action but as soon as the Government takes some effective steps, they will call it interference. If there is a good forest, you can imagine how much part it plays. In South you have got rivers which are not fed by the snowy mountains. These are only the forests in Madhya Pradesh or in the Vindhya which are providing them water because those are very thick forests. Whatever rainfall is there, they conserve the water and then they regulate its flow. By way of percolation, it comes gradually into the river. All the same, with the increase of population, with the increase in the greed of the people, those forests are also being cut now. If we really want that there should be no deserts and the old deserts should be fought, we cannot fight them unless we provide them water. Wherever you have provided water, you can see that those deserts are turning into green fields. But that is not possible unless we are able to conserve our forests. As has been suggested by Shri Sultanpuri, we have to conserve the forests, we have to develop them, we have to see that they turn into thick forests and we have to see that the water oozing from snow, the water coming from the rains, is properly regulated by those forests and there is no fast flow of water from the mountains. We have to see that water comes gradually into the rivers and there is a regular flow of water into the rivers and canals. Rajasthan must get a proper share of the canal water or the river water from Punjab. If Himachal Pradesh says that all these rivers flow from their territory, therefore nobody down below has any right over them. Rajasthan is facing this problem because all the other States say that the water is passing through them and so it is their property. It is untenable. For the sake of a quarrel you can propound such a theory, but it is not tenable. Now Punjab, Haryana and Himachal Pradesh are quarrelling over this problem, totally ignoring Rajasthan.

Unless Rajasthan gets sufficient water, it cannot convert the deserts into green fields. Wherever they have been able to get water, they have reduced considerably the size of

the desert; they have also been able to turn it into green field and produce good crops. But that is possible only when they are able to get water. Without water, it is not possible to change the shape of the land.

In order to change the shape of the desert areas, they require water and water can be preserved only when you maintain the forests. In Jammu and Kashmir, also special care has to be taken to protect the forests. But some people are over-felling the trees. The private resin extractors are drying up our forests Pine forests by over-working them and cutting down trees indiscriminately, which is affecting our natural balance. The state Government must be told to stop this—unless it is put down with iron hand, these will be complete devastation. Central Government and the Planning Commission cannot ignore this.

So far as the desert problem is concerned, in my opinion it is of two types. One is the deserts, which are already there, which have got to be controlled, which have to be changed into green fields. We can provide water but it is only the experts in agriculture who can say what type of crops can be grown when water is provided. There are various types of trees which suit particular climates. For instance, a person who was in charge of BSF base in my State, who was from Rajasthan, told me that when he was a child there was hardly any rain for years together, sometimes for ten years, in his village; but now, since people have started growing thorny bushes and trees, which have a regular growth there, the climate has changed and there is regular rainfall.

As a member of a Committee, I had occasion to visit various parts of India and I have seen how forests are being devastated, without little realising how it is going to change even the climate. When there are heavy rains, you cannot stop erosion unless you have sufficient number of trees. When there are torrential rains, the trees, the shrubs and the grass hold on to the earth and prevent erosion.

This is a problem which has to be studied on an urgent basis, before it goes out of control. I have seen it as a Minister that if neglect to tackle a river or a small

nullah in one season, by the time the rainy season is over, its whole dimension changes absolutely, and we will have to spend twice the amount to tackle it. So, I request the Planning Minister to look into it on an emergency basis and tackle it soon, because the people who are suffering on account of this are very poor people. The people living in the fertile areas, the big and rich agriculturists can put political pressure agitational as well as parliamentary for the solution of their problems. But these people who are suffering from the problems that I have enumerated, they can put very little pressure on the Government, either in the States or in the Centre, which the other people have got in plenty.

So have the industrialists. The Industrialists also can manage the pressure. But the people who are suffering because of the mal-practices of those people, who are cutting and spoiling forests and selling the timber in the market, are not as powerful and they continue to suffer. Yesterday, we were talking of remunerative prices. In that case also we are not taking into account the people who are living in rural and far flung areas and those who have no economic strength. Their income does not increase, but the prices go on rising. That poor man cannot fight price rise and we cannot generate purchasing power for him or give subsidised ration. Planning has to take notice of these anomalies in the system. Unless we are able to solve these anomalies, I am afraid we are trying to let loose a sort of thinking which will be very difficult to control.

With these words I support the Resolution moved by Shri Virdhi Chander Jain.

SHRI PRIYA RANJAN DAS MUNSI (Howrah): Mr. Deputy-Speaker, Sir, I will be very brief and I will not take much of the time of the House.

I fully support the spirit of the Resolution and moved by Shri Jain. At the end of the Sixth Five Year Plan and when the Seventh Five-Year Plan is about to commence, I think this debate is very useful. It will provide a guidance to the Planning Commission in which I have got full faith. It is not correct always to accuse the Planning Commission Officials that they do not know enough and that they have not tra-

velled the villages. I have seen a number of officials going to the districts and the States and ultimately coming back to the Planning Commission with their study. On many occasions I came across the suggestions made by them which I found to be very fruitful.

Now, I would like to stress in this debate only four points.

The first one is that we must widen the scope of the whole debate on this resolution and not confine it strictly to desert and hill areas. For that we have to understand the situation under which these areas have been converted into deserts. I would like to highlight two simple reasons.

When you talk of the development in the desert area and the hilly area, you know that the development agencies are the State Governments. It is not wise always that the State Governments should carry the huge burden because of its financial strains. In the Seventh Plan my suggestion is that the Planning Minister should kindly see that the percentage of resource mobilisation in the total plan allocation for the desert and hill areas development should not be more on the States. It must be taken care of from the national exchequer. The State Governments have got many other programmes which are also of specialised nature. They cannot take care of the development programmes which are of specialised nature like the Hill area desert development programme because many of the funds are diverted. This is my first request to the Planning Minister that such specialised programmes should not be a burden on the State Governments.

Mr. Deputy-Speaker, you also hail from Tamil Nadu and you must have watched these things. I referred to this matter the other day also that the Planning Commission should take note of the fact why the growth and development of these desert areas or hill areas is slow in spite of the fact that the funds are allotted for this purpose. Here I would say that it is not always correct to say that the officials are thieves. They are also patriots like us. If you don't have that feeling, it is no use accusing them because you have to depend on them. Now, what I feel is, the basic reason is, which I

[*Shri Priya Ranjan Das Munsi*]
 have referred to, development programme. I hail from West Bengal. I know from my own experience that so long as the existing administrative arrangements are there that the collector is the head of the whole district and nothing should be done without the concurrence of the collector and all his subordinate should cooperate with him, it is neither possible for the collector to regulate development programme nor for the SDOs or even for the panchayat authorities, whatever power you may give to the authorities. There are some provisions where they cannot operate fully, engage fully without the higher authorities. My submission therefore is, we have the Indian Forest Service. We have the Indian Railway Service. We have the Indian Administrative Service. I personally feel after seeing the experiment of the last Sixth Five Year Plan, we must have a regular development agency in every State from the national cadre who will not be disturbed for any other activity other than the development programme. You can call them Indian Development Service. You can motivate the new youngsters who are coming up completely for the dedication of the country. I tell you why. If you take the diary and programme schedule of most of the development officers, you will find that the administrative officers who are concerned with the development programme would be spending 50% of their time for meeting the people, listening to the grievances of the people and the administrative affairs of the law and order problem. 25% of their time is spent for election activities in the country. I have seen that when the election is due in June, the entire machinery will be engaged eight months before to take care of elections. They cannot concentrate at that time on the development aspects. Files would be kept pending. The progress becomes slow and once it becomes slow, it will be slow for ever.

The second aspect is, if the people in the administration are also involved in the development works and the political pressures and many other pressures do operate in our democracy as usual, full dedication and full commitment will be there. A District Magistrate or an SDO in a particular area coordinating the development programme always thinks of where he is going—either to the Secretariat or coming to the Central Secretariat—or whe-

ther he is getting a promotion here and there. But if there is an Indian Development Service type cadre whose job is only to look after the development programmes of the country and no other job, with the positive motivation from Gandhiji's ideas up to Indiraji's, this will create a new infrastructure for the development programme both in the desert area and in the hill area. I request the Minister to take this matter up with the Minister-in-charge of the Department of Administrative Reforms which has been recently set up in our Government and to see that this kind of thing is also developed as far as the development aspects are concerned.

My third point, Mr. Deputy-Speaker, is, "Please don't exclude the desert-prone areas". There are certain areas in the country where for years together—I do not know why—drought is there seriously. I will refer to a district in West Bengal where if you, Mr. Planning Minister visit the district—it is known as a district densely populated—you will find that it is worse than the desert. I mean, Purulia. I have travelled there in the villages. There are areas where drinking water is not available for seven months in a year. For five months only, drinking water is available. There are some villages called Rola, Chitm etc. I have been there during the Lok Sabha elections. I am not abusing any Government. I am talking of the problem.

SHRI BASUDEB ACHARIA : The problem was there but not now.

SHRI PRIYA RANJAN DAS MUNSI : It is still there now. You are talking like that? If the problem is not there, the credit goes to you, I will make a state for you.

Now, what I am saying is that there are some villages in the country, for example Tapan in West Dinajpur district, where the problem is still there. About his area Tapan in West Dinajpur district it is mentioned in the Mahabharata and the Ramayana that Valmiki went there for prayers and all these things. It is a tourist spot. I have been there. In that part of the area in West Dinajpur, Tapan village, for six months in a year, there is no drinking water, Women have to walk 10 miles to the other village and bring the water from the pond because

the water level is low. There is no afforestation or any other programme. I have been watching closely for the last few years. All the seeds that you plant for afforestation in a drought-prone area are removed. There are some gangsters active now-a-days. Whenever it is grown, they go and cut down the root and sell it.

This is what is happening in the country, not only in West Bengal. There is a close connivance with the PWD authorities to do all these things, one after another. The forest areas are becoming once again desert areas.

What I request the hon. Minister is to give the highest priority to the massive afforestation programme in the Seventh Plan and also to lay stress on the drought prone areas. If afforestation is there, I can tell you that there will be a total change in the environment and the people will feel to do some work and there will be more activity there. This will also save the budgetary process for the next Plan, when the Eighth Plan comes, if the programme is taken up now. Don't go throughout the country; you select a few areas. The Planning Commission does it on a nation-wide scale. It is good. But the time has come that for every programme, you pin point a few areas, for example, the Rajasthan desert, the hilly areas of Sikkim and Darjeeling, the Andaman & Nicobar Islands and the like. You select a few areas, you plan the whole thing there and see that your independent development agencies take up the programme and operate it, involving other voluntary agencies also. I do not know what is "CARE". The people say, there is foreign money and all that. There are a number of voluntary organisations in the country. If the Planning Commission take some interest and involve them effectively in the programme, they can also contribute a lot to the various development programmes.

So far as the North Eastern region is concerned, though the money is there, the speedy progress of the development in that area is not visible. I had been there recently. I will cite an example. The Planning Minister may take note of it. For any North Eastern Council development programme, the officers—I do not blame them—first

give priority to the infrastructure of their offices. Those are built for six months they will open them for another six months and then they will furnish them for still another six months. They will say, this sofa is not acceptable; that chair is not acceptable and things like that. I have seen that happening. I have gone through in detail in one of the areas in Meghalaya. After 1—1/2 years, the actual work will begin. This is not fair. I personally feel and I repeat that you have got to see the motivation of a particular person who will be in the field.

There are professional and technical jobs to be done. Unless you put your heart and soul into it, you cannot do it. I think, under a regular administration service, you cannot get it down. If you want to achieve the targets, you have to bring about motivation of the persons concerned to do the job and get it done.

Lastly, I would ask the Planning Minister to take note of one thing and, that is, in the Seventh Plan, you bring a legislation, after consulting the Cabinet, to the effect that the States which are deliberately encouraging deforestation... (*Interruptions*) I do not blame any party. I know, encouragement is given for deforestation simply because, for a few votes, somebody can manipulate the people who will cut forests and sell the produce in the market. I know of a few areas in my State of West Bengal. Ayodhya was a beautiful forest spot in Purulia district. You now go and see it today. It is not more a forest. It is an open desert. Every day trees are being cut; they are encouraging it. (*Interruptions*) I have not referred to any party.

SHRI BASUDEB ACHARIA : You are saying that the State Government of West Bengal is encouraging it. It is your party which is doing it... (*Interruptions*).

SHRI PRIYA RANJAN DAS MUNSII : You are encouraging it. Every day you are asking them to cut trees. It is your State Government which is doing it... (*Interruptions*) I am not yielding. I have not referred to any party. I am talking in general.

SHRI BASUDEB ACHARIA : He is saying that West Bengal Government is en-

[*Shri Basudeb Acharia*]

couraging deforestation. It is your party which is encouraging it. I can give you several examples. (*Interruptions*)

SHRI PRIYA RANJAN DAS MUNSI: If my party does it and your State Government do not protect it, it is better, you resign. Don't show your incompetence. (*Interruptions*)

MR. DEPUTY SPEAKER : No interruptions please. You please conclude.

SHRI PRIYA RANJAN DAS MUNSI : I am concluding.

I would, therefore, suggest to the Planning Minister to kindly note that in the next National Development Council meeting, you give a positive guideline. If any State is found to be encouraging deforestation and it does not apply any checks and balances, you should see that funds are immediately stopped to such State. You should send an officer to see that such a course is adopted. Otherwise, I am afraid there will be no improvement in any field in this country.

18.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, March 23, 1985/ Chaitra 2, 1907 (Saka).