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**Friday, November 21, 1986
Kartika 30, 1908(Saka)**

LOK SABHA DEBATES

(English Version)

**Seventh Session
(Eighth Lok Sabha)**



सत्यमेव जयते

(Vol. XXII Contains No. 11 to 20)

**LOK SABHA SECRETARIAT
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LOK SABHA DEBATES

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LOK SABHA

Friday, November, 21, 1986/Kartika 30,
1908 (Saka)

The Lok Sabha met at Eleven of the Clock.

ISHRI SHARAD DIGHE *in the Chair*

BITUARY REFERENCES

[English]

MR. CHAIRMAN: I have to inform the House of the sad demise of four of our former colleagues, namely Sarvashri Jnani Ram, Sanaka Buchhikotaiah, Vadehi Charan Parashar and Vishnu Sharan Dublish.

Shri Jnani Ram was a member of the Provisional Parliament during 1950-52 from the State of Bihar.

An agriculturist by profession, Shri Ram was interested in the Kisan and Cooperative movements. An eminent social worker, he worked for the welfare of weaker sections of society.

Shri Jnani Ram passed away at Hazaribagh on 23rd October, 1986, at the age of 79 years.

Shri Sanaka Buchhikotaiah was a member of the First Lok Sabha during 1952-57 representing Masulipatnam constituency of the then composite State of Madras.

A well known social worker, he worked actively for remarriage of widows. He also took active part in the Kisan movement.

Shri Sanaka Buchhikotaiah passed away on 1 November, 1986, at the age of 67 years.

Shri Vadehi Charan Parashar was a member of the Third Lok Sabha during 1962-67 representing Shivpuri constituency of Madhya Pradesh. Earlier, he had been a member of the then Gwalior and Madhya Bharat State Legislative Assemblies during 1945-48 and 1948-52 respectively and later of the Madhya Pradesh Legislative Assembly during 1957-62.

A well known social worker, Shri Parashar worked for the removal of untouchability and for the upliftment of weaker sections of society. He also fought for eradication of illiteracy and ban on child marriages. He was an ardent advocate of Gram Swarajya through Gram Panchayats.

An advocate by profession, he took active part in the spread of Cooperative movement and served as a member in the Central Committee of International Cooperative Alliance, London. He also served as Minister in the then State of Gwalior and as Chief Administrator of the erstwhile State of Madhya Bharat. A widely travelled person, he was the Editor of some periodicals.

Shri Parashar passed away at New Delhi on 4 November, 1986, at the age of 76 years.

Shri Vishnu Sharan Dublish was a Member of the Second Lok Sabha during 1957-62 representing Sardhana constituency of Uttar Pradesh. Earlier, he had been a Member of the Uttar Pradesh Legislative Assembly during 1946-56.

A veteran freedom fighter, Shri Dublish took active part in the freedom struggle from his early age and suffered imprisonment several times. He spent as many as 18 years

In jail, including 8 years in the Andamans. He was one of those convicted in the Kakori Conspiracy case. An eminent social worker, Shri Dublish worked for the welfare of the downtrodden.

Shri Dublish passed away at Meerut on 17 November, 1986, at the age of 87 years.

We deeply mourn the loss of these friends and I am sure the House will join me in conveying our condolences to the bereaved families.

The House may now stand in silence for a short while to express its sorrow.

(The Members then stood in silence for a short while).

ORAL ANSWERS TO QUESTIONS

[English]

Central assistance for revival of sick mills in Orissa

*265. SHRI LAKSHMAN MALLICK : Will the Minister of TEXTILES be pleased to state :

(a) whether the State Government of Orissa has approached Union Government for reviving the sick textile mills with the financial assistance of Union Government; and

(b) if so, the details regarding the cooperation extended by Union Government in favour of the State Government of Orissa alongwith its programmes ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) According to available information, the Government of Orissa have not made any such proposal for direct financial assistance from the Union Government.

(b) Does not arise in view of (a) above.

SHRI LAKSHMAN MALLICK : May I know from the Hon. Minister the number and the names of the sick textile units in Orissa and how many of them are closed and the total number of workers affected by the closure of the units and their rehabilitation ?

SHRI S. KRISHNA KUMAR : Sir, the nodal agency for examining the sickness of textile units set up consequent on the declaration of the new textile policy has examined 69 mills and details of these mills were referred to this nodal agency by the monitoring cell established in the office of the Textile Commissioner, Bombay. Only one case of sick mill had been referred to the nodal agency among the 13 mills in Orissa. The Orissa Spinning Mills Ltd., Rajganjpur, which has been lying closed for long time has been sanctioned rehabilitation package as a result of which it was reopened on 23.10.1985. The other textile mills are either under the NTC or the Orissa Textiles Corporation or under the cooperative sector. We have no information whether any of them is closed and no report has been sent to us that any of them is sick.

SHRI LAKSHMAN MALLICK : Sir, will the Hon. Minister state how much soft loan for the revival of sick textile mills in Orissa has been provided and allotted by the Government of Orissa in the year 1948-85 and 1985-86.

SHRI S. KRISHNA KUMAR : Sir, the soft loans are disbursed by the IDBI and as I said, only in one single case of a mill in Orissa the package has been sanctioned. I do not have at the moment, the details of this loan already disbursed except that the rehabilitation package has begun to be implemented.

SHRI SRIBALLAV PANIGRAHI : Sir, I would like to know, through you, from the Hon. Minister one thing. The Bhaskar Textile Mills, Jharsuguda, which was one of the sick textile mills taken over by the Government of Orissa, started functioning 2nd October, 1985. Sir, although the name suggests, that Bhaskar Textile Mill is a textile mill, in fact this is a spinning mill without any provision of producing textile cloth. There was a commitment given by the

Chief Minister on the reopening day also that it would soon be converted into textile unit of producing cloth. Really, fund is the problem there. Will the Government of India come forward to give financial assistance to the States to convert this Bhaskar Textile Mill into a full-fledged textile mill ?

SHRI S. KRISHNA KUMAR : The only modernisation scheme implemented by the Government of India is through the IDBI and other financial institutions at national level. There is no scheme to directly assist any of the public sector textile mills which are under the aegis of the State Government. It is up to the State Government to prepare a rehabilitation project report for the mill, give its support from the budgetary resources and approach the financial institutions for a suitable rehabilitation package.

SHRI SRIBALLAV PANIGRAHI : Then, what is the role of the Textile Ministry here, in rehabilitating sick units in the State from different public sector ?

SHRI S. KRISHNA KUMAR : The Textile Ministry has a very comprehensive scheme for the amelioration of the textile industry. Textile modernisation fund to the extent of Rs. 750 crores has already been created. There is a rationalisation scheme for labour and there is another scheme for turning around the MITC system of mills which are under the Central public sector.

SHRI BRAJAMOHAN MOHANTY : A sick unit has sometimes been closed down and again reopened and the Government of India is extending financial assistance. May I know from the Hon. Minister whether any personnel policy or guidelines are given by the Government of India to the concerned mills or to the industry concerned in the matter of absorbing the persons who were working earlier in these mills ? If not, whether the Government will consider issuing such guidelines now ?

SHRI S. KRISHNA KUMAR : Out of 1,015 textile mills in the country, 125 are under the National Textile Corporations; and with reference to these Central public

sector undertakings, there are strict guidelines as regards personnel management as well as rationalisation of labour. There are several mills under the State Textile Corporations and others under the cooperative management. The rest are under the private sector. With respect to these mills, personnel policies as well as staff position are looked into at the time of examination of sickness when reports come before us.

[Translation]

SHRI RAM PYARE PANIKA (Robertsganj) : Mr. Chairman, Sir, it is true that the Government has initiated several programmes during the past many years for reviving the sick textile mills and has revived them as well. Besides, the Government has provided financial assistance of Rs. 250 crores to the jute mills and it has also been providing assistance from time to time. I want to know whether the Government would set up a technical advisory committee which may examine the *inter se* priority of the various mills before such loans are sanctioned to them, i.e. which mill needs assistance first and which is to be taken up at a later date ? Sir, it is because this is not done that there is mismanagement in the mills, due to which 52 per cent of the units are closed. Only 2 per cent of the units are not functioning on account of labour strike. Those people are very clever. They pressurise the Government to get financial assistance for modernising the mills and blame the labour for all the problems that have been created. Will the Hon. Minister assure the House that the Government will set up such a technical advisory committee which may study the problems of all the textile units including the jute mills and give suggestions, which the Government will follow while sanctioning funds to the textile mills ?

[English]

SHRI S. KRISHNA KUMAR : It is precisely for this reason that as adumbrated in the Textile Policy Resolution, a nodal agency has been set up by the Government of India. The primary responsibility of this nodal agency is to examine the viability or otherwise of each of these mills, to examine the reasons for their sickness, to monitor sickness and to coordinate with the national

level financing agencies to formulate and implement rehabilitation packages.

DR. DATTA SAMANT : The Hon. Minister while replying all these questions, has given all these responsibilities to the Finance Department, The Hon. Finance Minister is here. Rs. 750 crores of soft loans are given at the rate of 6-11 per cent and up to March, 1984—he may correct me—about Rs. 400 crores are given to the various mills of the country. Tremendous modernisation programme is going on through IDBI and other sources. The particular textile magnate in Bombay where you find the Century Mills, Birla, is making Rs. 20 crores profit. BUT the other two Birla mills are sick in Tamilnadu and here. They are just handed over to the Hon. Government and Minister. Such a type of phenomenon is going on and there is no coordination whatsoever in the textile policy. Please do not level all these issues to the State Governments. Our Prime Minister one day said that “We will look after only 100 mills.” That is correct. All the other 300-400 mills will gradually come to NTC. A loan of Rs. 750 crores has been sanctioned. About Rs. 100 crores is for the investment of the share capital in this Five Year Plan. They already received Rs. 4 crores. You may correct me. The whole intention is to have more quota, to have more exports. But anything of that sort is not being done.

Then Hon. Minister had said about the rehabilitation of the workers. Please bear with me when I say that no provision is there for the rehabilitation of workers who will be retrenched because of modernisation. He is only mistaken. It is for the closers only.

Therefore, I am asking a categorical question that while giving such loans, the whole working of these textile mills for a large number of years should be considered by the Government and instead of leaving it to the textile magnates' choice, whether the Government is going to monitor and have the schemes if the minimum number of workers will be retrenched and if at all there is retrenchment, it will be voluntary and it will be properly compensated and rehabilitated. Is the Government going to bring about any legislation for that ?

SHRI S. KRISHNA KUMAR : The textile modernisation scheme lays down the guidelines under which each of these textile mills will be sanctioned the loans by the appropriate national level lending institutions. It is the responsibility of the nodal agency in which the Government is a part, as well as representatives of the State Governments who are there, to ensure that the loans are sanctioned properly, apart from the inbuilt safeguards complimented by the national level lending institution itself.

It is incorrect to say that modernisation ipso facto results in retrenchment. On the other hand, due to the flexible policy as a result of the textile policy with regard to increase in spindlage and loomage which is now allowed, even if some rationalisation is required as a result of particular modernisation projects, surplus labour can be employed in the mills itself and also as the Hon. Member is aware, no modernisation scheme is implemented without an agreement with the labour in the concerned textile mills.

DR. DATTA SAMANT : 40,000 workers are thrown out in Bombay.

SHRI S. KRISHNA KUMAR : Modernisation has been acknowledged as one of the most important steps which have to be taken by the Government and the textile industry, to put this industry on a proper footing which is necessary in the long-term interests of the labour. Rationalisation scheme is implemented along with modernisation. The Hon. Member is correct that when labour becomes surplus, rehabilitation scheme is implemented to alleviate whatever suffering there is for the labour, so that the labour can find alternative employment. The rehabilitation scheme is implemented only when the mills are closed with the permission of the State Government under the Industrial Disputes Act.

Disparity in salaries of Central Government and public sector employees

*266. **SHRI K. KUNJAMBU :** Will the Minister of FINANCE be pleased to state :

(a) whether disparity exists between the salary and other emoluments of the Central Government employees and employees of the public sector;

(b) if so, the ratio thereof; and

(c) the efforts made so far to bring down this disparity and the results achieved?

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

Statement

(a) and (b). While the existence of disparity between the salary and emoluments of Central Government employees and those of the Public Sector cannot be denied, it is not possible to work out the ratio because of (i) the multiplicity of grades in the Public Sector Undertakings not amenable to be equated with the grades existing in the Central Government and variety of allowances and (ii) the different type of structure of functions in the Public Sector.

(c) The Fourth Central Pay Commission have recently examined this aspect. The Commission have stated in their Report that the Public Sector Undertakings have been created by Government for specified purposes and they have adopted their own pay structure. The nature of work there and the conditions of service are different. The pay structure and the conditions of service of the Central Government employees have to be determined on their own merits. To quote the Commission "The structure of emoluments in public sector undertakings is no doubt relevant for the purpose of forming our views about the emoluments of central government employees and we have kept it in view while formulating our proposals."

SHRI K. KUNJAMBU : Sir, the Hon. Minister in his reply has stated that it is difficult to work out the ratio. He has also stated that the nature of the work of Central Government employees is different from that of the employees of the Public Sector Undertakings. It is difficult to believe that this is the case. We have asserted the principle of equal pay for equal work. This being so, what efforts can be made by the Government to bring about some kind of parity in the wages?

SHRI B. K. GADHVI : Sir, with regard to the ratio, it has already been stated in the statement itself that it because of the multiplicity of grades in the Public Sector Undertakings not amenable to be equated with the grades existing in the Central Government and the variety of allowances and the different type of structure of functions in the Public Sector, the ratio could not be decided. With regard to parity in the pay scales, they are not identical. The Pay Commission so examined this aspect. The Pay Commission has stated that the structure emoluments in the Public Sector Undertakings is no doubt relevant for the purpose of forming our views about the emoluments of Central Government employees and we have kept it in view while formulating our proposals. There cannot be a parity for various reasons of differences between the working and modalities of the two sectors. However, I would say that under the new pay-scales of the Government employees, the disparity has been a little narrowed down but it cannot be brought at par.

SHRI K. KUNJAMBU : The Pay Commission has not dealt with this question of parity. Does the Government propose to examine this question again? I would also like to know whether there is any proposal to formulate a national wage policy?

SHRI B. K. GADHVI : Presently, it is not under consideration to establish any Commission to bring about parity between the Public Sector Undertakings' pay-scales and the Government pay-scales.

SHRI BASUDEB ACHARIA : There is still wide disparity between the wages of Government employees and the employees of Public Sector Undertakings. The wage agreement for the Steel and Coal workers are now due and their wages will be increased, after this agreement. If the agreement is arrived at, then this disparity will be further increased. There is wide disparity also in the pay-scales between the lowest and the highest categories of employees. Is it not a fact that most of the organised trade unions and association of Government employees have demanded a parity in the wages and same pay for same nature of job. For example, when a driver takes a goods-train of iron-ore to the Steel Factory and the

of the Steel Factory takes that goods-train inside the Steel Factory, in that case why there should be difference in the pay-scale between these two drivers. The reason given here is that the Public Sector Undertakings have been created by the Government for specified purposes and they have adopted their own pay-structure and the nature of work there and the conditions of services are different. If the nature of work and the conditions are the same, why should there be this disparity between the Government employees and the employees of the public sector undertakings?

SHRI B. K. GADHVI : The nature and conditions of working in government service and in the public sector undertakings are not the same. Even the Pay Commission has commented that wage revisions are taking place frequently after every three or four years in public sector undertakings while the Pay Commission for government employees was established after 13 years. It has also been commented upon that in the public sector undertakings—the Pay Commission has come to the conclusion—productivity and capacity to pay have not been kept in view while reviewing the emoluments. So far as parity is concerned, when the Pay Commission was established, the Government itself, after the setting up of the Commission, the Department of Personnel and Training specifically referred among others the issue of wage parity to the Pay Commission for its consideration. Therefore, this item was taken out of the forum of the National Council of Joint Consultative machinery. The Pay Commission examined it and then formulated its views that parity could not be brought about for various reasons.

SHRI MADAN PANDEY : The Report of the Fourth Pay Commission has created a flutter in the whole country. The employees of three or four State Governments have gone on strike. The working class of the public sector undertakings are also looking towards them. Looking into all these facts, will the Hon. Minister let us know whether the implementation of the Fourth Pay Commission Report has created anomalies between the various pay scales and whether they are going to take any curative measures to remove these anomalies. If such measures

are to be taken, why should they not be taken before the damage is done?

SHRI B. K. GADHVI : The Fourth Pay Commission was established for the purpose of examining the pay scales of the employees of the Government of India and not of the State Governments. The State Governments have their own Commissions. I would like to inform the Hon. Member that in Government of India only after 13 years this Pay Commission was established and it examined the whole thing whereas in the States, as the Hon. Member might be aware, in these 13 years about two or three Pay Commissions must have gone into the question and revised their pay scales. So far as the pay scales of the State Government employees are concerned, it is the duty of the State Governments to look into them and Government of India has got nothing to do about it.

SHRI SYED SHAHABUDDIN : I do not think it is quite right to say that the job in the Government and in the public sector are *ipso facto* different when the job description is the same. We know that there are high wage islands and we also know that there is disparity not only in the same job between the government and the public sector but even within the same industrial sector, as the wage structures among the various units thereof vary from one another. We also know that, within the broader public sector, from one sub-sector to another, there is a wide disparity. We also know, Mr. Chairman, that this is simply a matter of management whether you run a service departmentally or whether you run it as a public limited company. Only recently, the Telephone Department was shifted from the control of the Department and given the form of a Corporation. One does not, and cannot really, accept this view that the problem of disparity does not exist. The problem does exist and also affects in another way : many of the high level jobs in the public sector are manned by persons on deputation from government service; there is sometimes a rush towards the public sector, a lateral rush, and there is a reluctance to move back to the Department concerned. Therefore, I would like to know whether the Government does or does not admit as a matter of policy that these disparities under the Common Presidential

appointment, between Government service and service in the Public Sector, should be reduced and brought on par as far as possible.

SHRI B. K. GADHVI : We do believe that there are disparities. One does not say that there is parity between the pay-scales of the Government employees and the pay scales of the employees of the public sector undertakings. But the point is that initially the pay scales and other conditions in the public sector undertakings were broadly in comparison with those of the Government servants. However, later on when the pay-revisions in the public sector went on, the disparity has also increased. As I stated, even by this pay commission the disparity has been tried to be brought closer and some percentage of disparity has been brought down.

[Translation]

SHRI RAM NAGINA MISHRA (Salempur) : Mr. Chairman, Sir, just now the Hon. Minister has stated that it is the responsibility of the State Government to look into the pay-scales of its employees, but you cannot evade your responsibility by taking this plea. You can see the disparity between the pay-scales of the Central Government employees and the pay-scales of the State Government employees. As a consequence, the whole Government work in Uttar Pradesh Rajasthan and Andhra Pradesh has been paralysed and yet you are saying that it is the responsibility of the State Government. After all, what is the extra work being done by a clerk or a driver of the Central Government that he is getting more salary than his counterparts in the States? I cannot understand this. You cannot evade your responsibility by taking the plea that it is the responsibility of the States. Today, if Uttar Pradesh accepts the demands of its employees, then it will have to shoulder the burden of an additional expenditure of Rs. 800 crores. From where will the Government get so much of money, Its total income is Rs. 1400 crores and it has to spend Rs. 1700 crores on the salaries of its employees. How is it feasible? I think Uttar Pradesh contributes the maximum to the Central Exchequer. This issue concerns the whole country. If you adopt such criteria then the entire country would

be in turmoil and the Government will not be able to carry on with the development works easily. It would always face problems. It is, therefore, necessary to formulate a national policy in this regard. I want to know whether in view of the existing circumstance, the Government will consider the formulation of a national policy, by which the disparity between the pay-scales of the employees of the centre and those of the employees of the States will be reduced considerably.

MR. CHAIRMAN : It is enough. It is quite a long question, let the Hon. Minister reply.

SHRI B. K. GADHVI : As a matter of principle, it is only the parents who are supposed to take care of their babies. Therefore, the employees of the Uttar Pradesh Government...*(Interruptions)*.

MR. CHAIRMAN : First, you should listen to the Hon. Minister's reply.

SHRI B. K. GADHVI : It is for the Government of Uttar Pradesh to decide what pay scales are to be given to its employees. It had set up a separate Pay Commission earlier as well and it had neither sought the permission of the Centre nor changed its decision according to our judgement. If the employees there have any demands then it must take a decision without being compelled by anyone.

(Interruptions)

SHRI V. TULSIRAM : It is true that it is for the parents to take care of their babies and we shall take care of our baby. But problems arise when we are asked to look after the father as well. They plead for more money. Give them more funds, they will take care of their babies themselves.

SHRI B. K. GADHVI : I can understand what he wants to say...*(Interruptions)*... But it is the responsibility of the State Government to fix the salary and other emoluments of its employees. The Central Government is responsible for implementing the new pay-scales for its employees, but it cannot fund it from its own resources. So

far as funding of the other issues are concerned, for that certain formulae are already there. The financial management of every State is its own affair, the Central Government cannot interfere in it in any way...*(Interruptions)*

MR. CHAIRMAN : It is enough.

SHRI RAM NAGINA MISHRA : When there is so much of disparity between the employees of the Central Government and the State Government employees, then is it not your responsibility to bring about parity in this regard ?

(Interruptions)

[English]

MR. CHAIRMAN : Please don't reply.

SHRI AJOY BISWAS : Disparity exists not only between the Central Government employees and the public sector employees but also between the Centre, State and the Public sector undertaking employees ..

[Translation]

SHRI GIRDHARI LAL VYAS : Mr. Chairman, Sir, the Indian Government should...*(Interruptions)*

SHRI BASUDEB ACHARIA : This is the responsibility of the Indian Government.

[English]

MR. CHAIRMAN : You may raise half-an-hour discussion.

SHRI BASUDEB ACHARIA : Sir, you allow half-an-hour discussion on disparity of wages between Central and public sector employees.

[Translation]

SHRI NARESH CHANDRA CHATURVEDI : Mr. Chairman, Sir, the employees of the Uttar Pradesh Government must be paid.

(Interruptions)

This would not work...*(Interruptions)*...

[English]

SHRI AJOY BISWAS : It is due to the economic policy of the Government and after the implementation of the Fourth Pay Commission recommendations the gap of disparity between the State and Central employees has been widened. So it is not possible for the State Government to implement the Fourth Pay Commission recommendations because of paucity of funds with the State Governments. According to the fifteenth Labour Conference you are bound to implement the need-based minimum wage. According to the Constitution you are bound to implement the living wage in the country. You cannot evade your responsibility. So I request the Central Government to remove disparities. Secondly, I would like to know whether they will provide assistance to all the States so that State Governments can implement the Fourth Pay Commission recommendations in case of their employees also ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : There is a mechanism to take care of non-Plan expenditure of the States and that is through the Finance Commission. It is not that the Centre does not shoulder the responsibility of non-Plan expenditure of the States. It is being done through the mechanism of Finance Commission over the years. More than 32 to 33 per cent resources of the Centre have been given to the States and we do take care of the burden that comes on account of non-Plan expenditure on the States. As far as the issue arising out of the Central Pay Commission—as my colleague has rightly said—the Central Pay Commission has come up after 13 years. In between I also had the responsibility of implementing the Pay Commission of U.P. in 1981. At that time when we hiked up the salary of the provincial employees all the IAS people had come and said the PCS services' pay-scales have gone above the pay-scales of IAS. Then I told the IAS delegation—they had come in an informal delegation as they could not come in a formal delegation—look here this is the provincial pay commission that has come. They have been waiting all this time. How can I say till Central Pay Commission does not come I will not pay to the State employees ? So inspite of this anomaly then being created because of the State Pay Commission—there was some

tussle also—we implemented the State Pay Commission and did not wait for the Central Pay Commission. Now this coincidence of simultaneous pay commissions of both Centre and State coming together is very very difficult as every State has its own compulsions and pressures to handle the situation. This little out of alignment and interim periods would be there when this sort of problem does come in and I am sure various States will find the solution to the problem.

SOME HON. MEMBERS : How ?

SHRI VISHWANATH PRATAP SINGH : The only way now to get the money is through the printing machine. We also have the responsibilities here of the Centre. Let us be serious about the debate. It is a national thing. States and Centre are not separate things. Anything which happens in the State goes to the whole country. So the budgetary pressure on the Centre also has to be appreciated on various items which we discuss here. I will not take time of the House on that but it should also be appreciated. Last year more than Rs. 570 crores above the budget estimates we could transfer to the States through better tax realisation. That all went to the States. Eighty-five per cent of the higher income-tax goes to the States. In fact, I am the best agent of the States sitting in the Finance Ministry for tax realization.

Seizure of contraband goods at Barauni and Darbhanga

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*267. SHRI DHARAM PAL SINGH
MALIK :
SHRI SUBHASH YADAV :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news item appearing in the Hindustan Times of 28 October, 1986, wherein it has been stated that contraband goods worth Rs. 27 lakhs were recovered in separate raids at Barauni and Darbhanga;

(b) if so, the details thereof;

(c) whether any arrest has been made; and

(d) action taken or proposed to be taken in regard thereto ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (d). A statement is given below.

Statement

(a) to (c). The Government's attention has been drawn to the news-item referred to in the question which appeared in "Hindustan Times" dated the 28th October, 1986 under the caption "Contraband worth 27 lakh seized". The details of the seizures referred to in the news-item are given below :

- (i) On 22nd October, 1986, the Officers of Customs (Preventive) Collectorate, Patna, seized dinner sets, photo papers, torches, fabrics, etc. of foreign origin and Indian currency collectively valued at Rs. 15 lakhs from a truck near Barauni. The truck was also seized. In this connection, three persons were arrested.
- (ii) On 24th October, 1986, another seizure of readymade garments and polyester yarn of foreign origin worth Rs. 6.75 lakhs was made near Barauni. The truck carrying contraband goods was also seized and three persons were arrested.
- (iii) On 22nd October, 1986, a consignment of 23 bags of 'scrap' booked from Adapur railway station to Varanasi under Bill No. 7107 dated 21st October, 1986, was detained by the officers of GRP Darbhanga. The packages were examined on 27.10.86. As a result, 963 Kgs. of ganja valued at Rs. 4.61 lakhs was recovered and seized by the officers of GRP Darbhanga under the provisions of Narcotic Drugs and Psychotropic Substances Act, 1985.

(d) These cases are under investigation. Apart from confiscation of the goods involved

and imposition of fines/penalties as warranted, appropriate action under the law including prosecution/detention under COFEPOSA Act, will be taken against the persons involved in the above cases.

SHRI DHARAM PAL SINGH MALIK : According to the reply of the Hon. Minister, officers of the Customs Collectorate, Patna seized some contraband goods of foreign origin as also some Indian currency. There are reports that there has been increase in the smuggling of Indian currency into Pakistan. May I know from the Hon. Minister what steps have been taken by the Government of India to identify the Indian contacts of the Pakistani smugglers of Indian currency and what results have been achieved and what action has been taken by the Government in this matter.

SHRI VISHWANATH PRATAP SINGH : So far as seizure of the currency is concerned, upto September, currency worth Rs. 6.79 crores was seized and in the year 1985, the currency seized was Rs. 7.62 crores which was double of the previous year. There has been a good effort in that respect. I do not have the separate figures for the currency seized at the Indo-Pak border. The figures given by me are for the whole of the country. But the seizures on the Indo-Pak border effected in the year 1986 upto September were of the order of Rs. 22.77 crores, which is already fifty per cent higher than the whole year of 1985, the total for which was Rs. 15.85 crores.

SHRI DHARAM PAL SINGH MALIK : So many raids are conducted by the various departments, and many contraband goods are seized. There are reports that large scale irregularities are being committed in the sale of smuggled and confiscated goods. If so, may I know from the Hon. Minister the measures taken or proposed to be taken by the Government to bring about the improvement in the procedure followed for the disposal of such goods, particularly the selling of these goods by way of auction.

SHRI VISHWANATH PRATAP SINGH : So far as disposal of confiscated goods, is concerned, much larger quantity was sold in 1985. In 1984, goods worth Rs. 57 crores were sold in 1985 worth Rs. 79

crores and already upto September, 1986 goods worth Rs. 63 crores have been sold. There was a complaint that the goods were lying and were not being disposed of. We are taking steps for that also. About pilferage, leakage etc., when such cases come to our notice, we are taking suitable action.

[Translation]

SHRI V. TULSIRAM : Mr. Chairman, Sir, the contraband goods recovered on 22nd and 24th October near Barauni are worth nearly Rs. 20 lakhs. The Hon. Minister is no doubt working very hard, but he must also inform us as to whether this seizure is going into the Government coffer or elsewhere ?

The Hon. Minister may be aware that the contraband goods seized at the airport were deposited in the warehouse of the airport itself; but goods worth lakhs of rupees vanished from there and I would like to know where have these disappeared ?

SHRI GIRDHARI LAL VYAS : How did you come to know ?

SHRI V. TULSIRAM : It has been published in the newspapers. Vyasji, you only read *billets-dou.e*. You should read newspapers as well.

Secondly, goods worth crores of rupees are being seized, black money worth billions was being unearthed, but where have these gone ? So many budgets have been presented in the House, yet the amount of money seized has not been divulged. It has also not been mentioned to what use it has been put—whether it has been used for the benefit of the poor or for other purposes. What is happening to this money ? In which banks is it being deposited ? I think, the Hon. Finance Minister's bank is totally empty, so it is not being deposited there. I would like to know in which bank is it being deposited or which leaders are pocketing this money ?

SHRI VISHWANATH PRATAP SINGH : Sir, the goods which are seized, are duly accounted for and are not deposited in banks but are deposited in the Government treasury. Whatever deposits are made in the exchequer taken into account while formulating the

budget. No break-up of the revenue realised is presented in Parliament. The Hon. Member also mentioned that goods vanished from the airport warehouse. If the Hon. Member provides some information in this regard, I shall be able to throw some light on it.

SHRI V. TULSIRAM : Those goods disappeared from the Indira Gandhi International Airport. If you are not aware of it, then who else would know it? I have given notice of a question in this regard, as well.

SHRI VISHWANATH PRATAP SINGH : As such incidents have occurred at several airports, I want some specific information so that I can give you the required information.

DR. CHANDRA SHEKHAR TRIPATHI : Mr. Chairman, Sir, in the raids which are conducted many types of contraband goods are seized. Some of these confiscated goods are resold and some are destroyed. I want to know from the Hon. Minister of Finance whether the narcotics and drugs, which cannot be used and which cannot be put up for sale, are destroyed? There have been press reports to the effect that out of the 900 kgs. of ganja seized, only 10 kgs. have been destroyed and the rest of 890 kgs. have been sold off by the officials. If this information is true, then what steps are being taken to control such irregularities?

SHRI VISHWANATH PRATAP SINGH : So far as narcotics are concerned, those are destroyed. If the Hon. Member has information to the contrary, he may pass it on to me, and I shall certainly take action on it.

[English]

Manufacture of Jet fighter planes by
Pakistan with US-China
collaboration

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*268. **SHRI RAJ KUMAR RAI :**
SHRI D. N. REDDY :

Will the Minister of **EXTERNAL AFFAIRS** be pleased to state :

(a) whether Government have seen reports that Pakistan plans to manufacture

200 Jet fighter planes under a project involving collaboration with the United States and China;

(b) if so, the reaction of Government in the matter; and

(c) the significance of this collaboration between United States and China to help Pakistan vis-a-vis India's defence?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) to (c). Government have seen reports regarding Pakistan's plans to establish facilities for the production and upgradation of Chinese F-7 aircraft with United States weaponry and avionics. Such collaboration will reflect continuing United States and Chinese military support to Pakistan and would have significant adverse implications for India's security.

[Translation]

SHRI RAJ KUMAR RAI (Ghosi) : Mr. Chairman, Sir, the Hon. Minister has conceded in unambiguous terms that China and America are supplying arms to Pakistan which would have significant adverse implications for India's security. I would like to know from the Hon. Minister that in view of the clear reports regarding the supply of 200 M. I. ABRAMS, AWACS aircrafts, 200 lethal tanks, some radar equipped planes and some anti tank missiles to Pakistan by America and China, what steps are being taken by the Indian Government to deal with the situation?

SHRI K. NATWAR SINGH : Sir, I shall limit my answer to the question only. The Hon. Member has made his supplementary rather too long. The information regarding the supply of 200 Jet fighter planes was published in the 'New York Tribune' dated 8th October, 1986. You might have also read the news item which appeared in the Indian Newspapers on the 10th of October, 1986. Now the situation is that no categorical announcement has been made by the Chinese or the American Government that they have entered into an agreement with Pakistan for the supply of these aircrafts. We are keeping ourselves informed about these newspaper reports and we know that

the countries friendly to Pakistan are supplying it with arms and ammunition. Evidently, if such supplies are made, it does have bearing on our security. The Central Ministries, namely the Defence Ministry and the External Affairs Ministry keep themselves abreast of all the developments.

SHRI RAJ KUMAR RAI : Sir, just now the Hon. Minister mentioned one newspaper. I want to say that in the 'Hindustan' dated 18th November, 1986, which is published from New Delhi, a news item based on 'New York Times', has been published that America after effecting a cut in the aid to some friendly countries, will be giving military aid worth millions of dollars to Pakistan in the current year.

The names of 4, 5 or 6 countries figure in the list, out of which Pakistan would receive the maximum aid.

In the "Hindustan" dated 7th November, 1986, which is published from New Delhi, it is written :

"America has supplied 200 lethal tanks to Pakistan; hectic military preparation of Pakistan against India."

The same newspaper reported on November 1, 1986 : "Five airports have been established to operate 300 American planes".

Another news item reported in the same newspaper on the 26th October was : "America will supply to Pakistan radar equipped planes."

It was in connection with the above mentioned news items, that I had asked about the steps being taken ? In view of the preparations being made on the other side of the border, the whole country feels and the whole House feels that they should know as to what is being done to face the challenge and whether we have consulted our friends in this connection and whether we have got any assurance that if such a situation arises and we face threats from air, sea and ground, what help will be extended to us to deal with the situation. The Hon. Minister should treat it as an important question and apprise the House with the required information.

SHRI K. NATWAR SINGH : I agree with the Hon. Member that it is a very serious question. About 4 to 6 days ago there was a news item about the supply of AWACS also. But if we lodge a protest on the basis of press reports, they may reject it on the plea that these are merely press reports. But as soon as we came to know that Mr. Wyneberger had visited Pakistan and an announcement to this effect had been made, the Government took all possible steps. We have also read these news item which had appeared in the months of October and November and we are aware that talks are going on in this regard. But Government have no positive information that the supply of arms has already been made and I think even the newspapers have no such information. But the question of security of this region is so complicated and grave that the Prime Minister himself, the Defence Minister, the Minister of External Affairs and other Ministries keep a watch over the developments daily and its possible repercussion in the region.

As suggested by you, we shall hold consultations with our friends.

SHRI P. NAMGYAL : The Hon. Member has just said that if such news items are published in the newspapers, then a protest note is sent to them. I want to know whether it is not a fact that China has constructed the silk road connecting Sinkiang with Pakistan in connivance with Pakistan ? Just now the Hon. Minister has said that they only lodged a protest when they came across press reports about the supply of aircrafts. Similarly, when China infiltrated into Arunachal Pradesh upto a distance of 3 to 4 kms, you had merely protested. I want to know whether the Government propose to take any other step besides protests ? Or is it that we shall go on protesting and they will continue to do whatever they want ? It was only yesterday that Pakistan had shown Lahanul and Spiti as a disputed area and you merely lodged a protest. I want to ask whether you have any other plan of countering the situation, besides sending protest notes ?

SHRI K. NATWAR SINGH : Mr. Chairman, Sir, with great humility and due respect, I want to submit to you...

(Interruptions)

SHRI RANA VIR SINGH : This you say even in your protest notes, but we are asking you about something else...

(Interruptions)

SHRI K. NATWAR SINGH : Either you accept it as a serious issue or you accept it as a trivial matter—take your decision in this respect... (Interruptions)

SHRI RANA VIR SINGH : Mr. Minister, if you are not serious then you have no other option but to be polite. You do not give due recognition to serious issues and this is my submission to you.

(Interruptions)

SHRI RAJ KUMAR RAI : The Hon. Minister may just assure us that we are adequately prepared to meet the challenge? Tell us in one minute and the matter comes to an end.

(Interruptions)

SHRI K. NATWAR SINGH : We are fully prepared to meet any danger from any quarter. Now, I hope you are satisfied.

SHRI SULTAN SALAHUDDIN OWAISI : Mr. Chairman, Sir, I want to know from the Hon. Minister whether we are getting any help from Russia with which a treaty of friendship for 25 years has been signed in the same manner in which Pakistan is being supplied with arms by its friends? Or are we sitting silent?

SHRI K. NATWAR SINGH : Well, this supplementary does not bear any relation to the main question.

SHRI SULTAN SALAHUDDIN OWAISI : You are saying that the supplementary has no connection with the main question. But I think it has a bearing with the main question because they are getting from their friends and we only lodge protests?

(Interruptions)

[English]

MR. CHAIRMAN : What you say does not arise from this question.

[Translation]

SHRI SHRIPATI MISHRA : Mr. Chairman, Sir, every supplementary was based on press reports to which much credibility cannot be attached. Will the Hon. Minister enlighten us as to whether there is any Intelligence Department which could gather information on such serious issues before the 'New York Times' or other newspapers can get it, and inform the concerned officials about it? Or will we rely on 'New York Times' and such other newspapers as a source, and then take the required steps?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI NARAYAN DATT TIWARI) : Mr. Chairman, Sir, the question raised by the Hon. Member is both timely and proper. I would just like to submit that our responsibility does not end with mere analysis of matters based on newspaper reports. The Government of India is determined to defend the country and to preserve its integrity. We shall make full use of the powers invested by this House to the Government in order to maintain its defence preparedness and to make the country strong.

So far as the question of analysis is concerned, we use all the resources—Intelligence as well as other resources—to analyse the situation and along with it we make efforts to maintain the balance of military power and prepare ourselves accordingly so that we are able defend ourselves in case of an attack. For this we are fully prepared.

[English]

SHRI R. L. BHATIA : I would like to know from the Hon. Minister whether by the acquisition of arms and other things by Pakistan from time to time, the parity between India and Pakistan has been disturbed. What the Government of India is doing to maintain the parity which used to be between India and Pakistan, which has been disturbed by now by the acquisition of various arms by Pakistan.

SHRI K. NATWAR SINGH : The question raised by the Hon. Member is very pertinent and very timely. We have said it to the Government of Pakistan and to the

Government of United States that this induction of sophisticated weapons into Pakistan inevitably would lead to an arms race in this area and mean diversion of our resources for defence purposes, which we would like to divert for the development of this country. Now with regard to a parity, a constant review is made of the armament requirement of the country and to see that in no way we lag behind Pakistan or any other neighbour of ours who has the intention of disturbing the security of this area.

MR. CHAIRMAN : The Question Hour is over.

[Translation]

SHRI SHIV PRASAD SAHU : I want to raise an important point. Pakistan is the subject of our discussions at present. Is our Minister of External Affairs or our Defence Minister aware of the fact that large quantities of uranium are being smuggled into Pakistan from the Chaibasa district of Bihar. This is a very serious issue and is connected with the security of the country. Pakistan is trying to develop a Hydrogen bomb and uranium ore is being smuggled from here for this purpose. What is the Government doing in this regard. (Interruptions)

[English]

MR. CHAIRMAN : I have already said that the Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

[English]

Boycott of credit camp in Bangalore by bank officers unions

*270. SHRI VIJOY KUMAR YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether two bank officers' unions have boycotted the credit camp held in Bangalore on October 31, 1986 as reported in the 'Business Standard' of 27 October, 1986;

(b) if so, the reasons therefor; and

(c) Government's reaction thereto ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). According to the information made available by Syndicate Bank, the convenor bank for the State Level Bankers' Committee for the State of Karnataka, the officers of various banks attended to the completion of the requisite formalities involved in the sanctioning of loan cases for the credit camp held at Bangalore on October 31, 1986. However, some of the officers were not present at the site of the credit camp presumably in pursuance of call given by their Confederation. Government expects all officers and staff of banks to contribute their best to implement programmes for accelerated flow of credit to weaker sections.

Permission to put up additional rooms in hotels in New Delhi

*271. SHRI MUKUL WASNIK : Will the Minister of TOURISM be pleased to state :

(a) whether Government have formulated a scheme to provide financial and other assistance to private sector hotels for their expansion and if so, the salient features thereof;

(b) whether Government are aware that a number of hotels in New Delhi are running in premises earmarked for residential purpose in the Master Plan of the Capital and these are not being permitted to put up additional rooms despite availability of space therefor; and

(c) the steps contemplated to modify the Master Plan of Capital so that those hotels are permitted to expand by full utilisation of the accommodation available with them ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The Central Government does not directly provide financial assistance to hotels. However, the Industrial Finance Corporation of India and other Central Financial Institutions as also the State level financial institutions grant loans for the setting up of new hotels as well as for their expansion, depending upon

merits of each case and within the guidelines prescribed by them in this regard.

As for other assistance by Government, expansion projects are by and large treated at par with new hotel projects and are thus eligible to such incentives/concessions as are available to hotels. These include exemption from Sections 21 and 22 of the Monopolies and Restrictive Trade Practices Act; tax benefits; import of equipment; concessional customs duty on a number of items. Besides, some of the State Governments have also accorded hotels/tourism the status of an industry, which entitles hotels to such concessions/incentives as are available to other industries in the respective States.

(b) and (c). Information is being collected and will be laid on the table of the House.

Agreements with Australia

*272. SHRI RANJIT SINGH GAEKWAD: Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether any trade or other agreements were reached between India and Australia during the recent visit of the Prime Minister to that country; and

(b) if so, the broad particulars of these agreements ?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI NARAYAN DATT TIWARI): (a) Yes, Sir; an agreement on cooperation in the fields of science and technology was signed during the recent visit of the Prime Minister to Australia.

(b) The two countries have agreed to promote cooperation in the fields of civil, scientific and technological research and

development. This would be done through exchange of scientific and technical information and visits of scientists, in addition to joint activities like seminars, workshops and research and development projects.

Rise in Government expenditure

*273. PROF. RAMKRISHNA MORE: Will the Minister of FINANCE be pleased to state :

(a) the comparative rise in Government expenditure during the last three years stating the percentage rise in each of the major areas;

(b) the main factors responsible for the continuous rise in Government spending; and

(c) the extent to which deficit in the budget is anticipated as a consequenced thereof and measures contemplated by Government to check the rise in Government spending ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) (a) and (b). A comparative statement showing the increase in expenditure of the Central Government in 1984-85, 1985-86 (RE) and 1986-87 (BE) and the major areas of increase is given below. The reasons for the increases have been explained in the Budget documents of relevant years.

(c) Ministries have been instructed to review their Budgets to effect economies in non developmental and non essential items of expenditure. Budget for the current year envisaged a year end deficit of Rs. 3650 crores. The final picture will be known when the Revised estimates for the current year are finalised and presented to Parliament along with the Budget for 1987-88.

Statement

Expenditure of Central Government

	1985-85		1985-86		(Rs. in crores) 1986-87	
	Actuals	Increase over 1983-84	Revised Estimates	Increase over 1984-85	Budget Estimates	Increase over 1985-86 RE
Total Expenditure	41686	20.9%	50507	21.2%	52862	4.7%
<i>Major items of variation</i>						
Plan expenditure	16615	18.4%	20496	23.4%	20995	2.4%
Interest payments	5974	24.5%	7400	23.9%	8750	18.2%
Defence	6661	14.2%	7862	18.0%	8728	11.0%
Subsidies	4207	45.0%	4921	17.0%	4741	-3.7%

Facilities for tourists

*274. SHRIMATI MADHUREE SINGH : Will the Minister of TOURISM be pleased to state :

(a) the special measures taken to meet the tourist rush and fulfil their demands of air and ground transportation requirements;

(b) whether steps have also been taken for opening of the North Eastern region for tourists, liberal import of air-conditioned cars and coaches, relief in income-tax and other related aspects; and

(c) if so, the details thereof ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The development of tourism facilities including demands of air and ground transportation is a continuous process involving the pooling of the combined resources of the Centre, the States and the private sector.

Government of India have already permitted charters to land at six destinations namely, Delhi, Bombay, Calcutta, Madras,

Goa and Trivandrum. During 1985-86 charter flights were operated from Munich to Goa. The operation is continuing during 1986-87. A number of foreign carriers have been permitted to start new services or to increase the frequency of their existing services. Indian Airlines is purchasing 19 new aircraft in order to augment their capacity on a number of sectors. Vayudoot have introduced a number of new flights connecting tourist destinations and special schemes like rent-a-plane. Government have also decided to permit air taxis for the convenience of tourists. New spacious international air terminals have been constructed in Bombay and Delhi. The airport arrival and departure formalities for foreigners have been considerably simplified and streamlined.

India Tourism Development Corporation and a number of State Tourism Development Corporations run special package tours. Some of these packages include transportation, hotel accommodation and local sightseeing. Packages offered by ITDC include special offers of for students, youth and employees availing of leave travel concession.

Apart from running the train 'Palace on Wheels' the Indian Railways have also

introduced the scheme of 'Indrail Rover'. Under the scheme these passes are now sold in selected foreign countries through GSAs appointed on the recommendation of the Ministry of Tourism. Indian Railways also offer the following additional facilities :—

- (i) Circular journey tickets.
- (ii) Youth concession.
- (iii) Concession to students of North Eastern Region.
- (iv) Reservation facilities for North Eastern Region.
- (v) Tourist cars, reserved carriages, special trains.

(b) and (c). Various measures to develop the tourism infrastructure and air services to the North Eastern Region for domestic tourism have been taken up. Groups of foreign tourists (6 and above) are allowed to visit Kaziranga National Park in Assam and Shillong in Meghalaya subject to certain conditions. Travel agents and tour operators approved by the Ministry of Tourism are allowed to utilise 2.5 per cent of their foreign exchange earnings of the previous year for the import of motor vehicles. Similarly, 4 and 5 star hotels can import two cars in a year and 3 star hotels one car per year out of their foreign exchange earnings.

[Translation]

UAE Government's assistance to
Indian Embassy for disbursement
to Shebani Group employees

*275. SHRI BALWANT SINGH
RAMOOWALIA : Will the Minister of
EXTERNAL AFFAIRS be pleased to state :

(a) whether the Indian Embassy in UAE had received from UAE Government financial and other assistance for the employees of M/s Shebani Group of Est, Abu Dhabi which has gone bankrupt;

(b) if so, the particulars of such assistance and whether the amount received was

not sufficient to meet the total dues of the employees;

(c) if so, whether Government have made any efforts to get the balance amount due keeping in view the interest of these employees; and

(d) if not, the reasons therefor ?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI NARAYAN DATT TIWARI) : (a) and (b). The Indian Embassy did not receive any direct financial assistance from the UAE Government for the workers of the Shebani Group. However, as a result of the strenuous efforts made by the Embassy of India, Abu Dhabi for his intervention in the matter, the Crown Prince of UAE gave a personal donation of DHS 7,50,000 to the workers of the bankrupt Shebani Group of Establishment. This constitutes roughly 43 per cent of the outstanding dues of the workers.

The following facilities were extended by the UAE Government to the workers :—

- (i) 12 workers were given air tickets to return to India.
- (ii) Workers were permitted to change their sponsorship.
- (iii) Exemption from the application of the rule requiring six months absence from the country for change of sponsorship and job.

(c) and (d). The court in the UAE has issued a decree in favour of the workers. They will receive payment after the assets and liabilities of the bankrupt company are accounted for. The Indian Embassy is making consistent efforts to assist the workers to obtain their dues.

[English]

Farmers representative on Boards of
Directors of nationalised banks

*276. SHRI JITENDRA PRASADA :
Will the Minister of FINANCE be pleased to state :

(a) whether Government have received representations for including a farmers' representative on the Board of Directors of different banking institutions and nationalised banks with a view to identify the real financial needs of agricultural sector;

(b) if so, the action taken thereon with the names of the banks having farmers representations on the Board of Directors; and

(c) the alternative measures proposed to ensure representation of the farming community on the Board of Directors of Banks ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). The composition of the Boards of Directors of different banking institutions is governed by the provisions of the statutes governing their operations. Thus, the Nationalised Banks (Management and Miscellaneous Provisions) Schemes, 1970 and 1980, under which the Boards of 20 nationalised banks are constituted, provide for appointment of one director representing the interests of the farmers on the Boards of the nationalised banks. The State Bank of India Act, 1955 and the National Bank for Agriculture and Rural Development Act, 1981 also provide for appointment of directors from among persons who have experience in the fields of rural economy/rural development/co-operative banks and institutions etc.

The process of selecting suitable persons for appointment as non-official directors in the 20 nationalised banks, the State Bank of India and National Bank for Agriculture and Rural Development (NABARD) is currently in hand. At present State Bank of India have three Directors and Indian Overseas Bank and NABARD have a Directors each on their Boards who represent the interests of agriculturists/rural economy/co-operative institutions.

Import liberalisation for promotion of exports

***277. SHRIMATI GEETA
MUKHERJEE :
SHRI BANWARI LAL
PUROHIT :**

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have announced further liberalisation in import of machinery and decided to make available raw materials at international prices to certain industries in a renewed bid to enlarge exports;

(b) if so, the details thereof; and

(c) the other incentives being contemplated ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) to (c). The Government had recently decided in principle that the facility of supply of raw materials at international prices for export production will be extended to major export sectors. This facility may cover not only inputs for manufacture but also process accessories and consumables if they form a high percentage in the cost structure. Details will be worked out on a case by case basis.

It has also been decided in principle to allow import of capital goods which are not available in India, for export production in respect of the identified thrust industries at low rates of duties, with the object of up-gradation of technologies and lowering cost of production.

Several initiatives have been taken in the field of fiscal policy, industrial policy and import policy backed by institutional support and to provide incentives for export.

[Translation]

Production of high quality 'Kasar' in hilly areas of U. P.

***278. SHRI HARISH RAWAT :** Will the Minister of TEXTILES be pleased to state :

(a) whether sufficient capacity for production of high quality 'Kasar' exists in the Oak forests of hilly areas of Uttar Pradesh;

(b) if so, the steps taken so far to exploit that capacity;

(c) whether his Ministry proposes to formulate a comprehensive scheme to en-

courage the production of 'Kasar' in this area; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) It is presumed that the Hon'ble Member's question pertains to Tasar. Scattered Oak Tasar food plants are seen in the Sub-Himalayan range, including Uttar Pradesh, and there is possibility for production of Oak tasar in these regions.

(b) Central Silk Board's Research Institute at Ranchi has evolved an improved Oak tasar silkworm breed, namely 'Antheraea Proylei' for larger exploitation of oak flora existing in the Sub-Himalayan belt. Central Silk Board has also established a Regional Oak Tasar Research Station at Bhimtal (Nainital District) to provide the necessary Research and Development support and to impart training in the latest technology in oak tasar silk production. This Station has evolved methods for raising 2 silkworm crops a year. The production of oak tasar cocoons in Uttar Pradesh has increased from 37,000 cocoons in 1984-85 to 61,000 cocoons in 1985-86.

(c) and (d). A survey team has been constituted by the Central Silk Board to prepare a project for production of 100 tonnes of Oak Tasar Yarn in the Sub-Himalayan regions of Uttar Pradesh, Himachal Pradesh and Jammu and Kashmir.

[English]

Location of offices

***279. SHRIMATI D. K. BHANDARI :** Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether it is a fact that some of the offices of the Ministry of External Affairs are located outside the South Block; and

(b) if so, the particulars of these offices and their location ?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI NARAYAN DATT TIWARI) : (a) Yes, Sir.

(b) Offices of the Ministry of External Affairs are also located in the Shastri Bhavan, the Patiala House, the Hyderabad House, the Akbar Bhavan, (formerly Akbar Hotel). The Offices located in these buildings are the following :

Shastri Bhavan : External Publicity Division, The Regional Passport Office, New Delhi.

Patiala House : Legal & Treaties Division, Passport, Visa & Consular Divn., Ministry of External Affairs Library.

Hyderabad House : A portion of the Protocol Division.

Akbar Bhavan : Establishment Division, Administrative Dvn., U.N. Dvn., Economic Dvn., Foreign Service Training Institute and Office of the Controller of Accounts.

Raids on premises of Bombay share brokers

***280. SHRI G. S. BASAVARAJU :**
SHRI P. M. SAYEED :

Will the Minister of FINANCE be pleased to state :

(a) whether raids were conducted recently on the offices and residential areas of 21 Bombay share brokers;

(b) if so, the details thereof including total amount of cash or kind recovered;

(c) the action taken against them; and

(d) the steps taken to check accumulation of black money by share brokers ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). Yes, Sir. The Income-tax authorities at Bombay had recently searched the premises of 22 share brokers and prima-facie unaccounted assets including cash, jewellery, silver and other assets amounting to Rs. 6.33 crores have been seized upto 31.10.1986. A lot of incriminating material has also been

seized and action for assessment, penalties and prosecution under the Direct Taxes Acts is being taken in these cases.

(d) Government is fully committed to combat the menace of black money. All possible measures to curb generation of black money, legislative, administrative and institutional are being taken from time to time.

[Translation]

Proposal for an Electronic Board to link major stock exchanges

*281. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering a proposal of Press Trust of India to set up an Electronic Board so as to link all the major stock exchanges with the communication net-work;

(b) if so, the details thereof and the time by which the work on the proposal is likely to be started;

(c) the name of the electronic company concerned, its terms and conditions and the expenditure likely to be incurred in the first phase; and

(d) the time by which it will start functioning and the names of the major cities which will be linked with this service in the first phase ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) The major Stock Exchanges have agreed to join the scheme of P.T.I. for interlinking them for electronic display of prices of securities.

(b) The scheme envisages simultaneous display of prices of selected scrips on VDU monitors initially which will be replaced by electronic display boards. The scheme is expected to be operational in early 1987.

(c) The procurement, installation and maintenance of electronic display boards at

various Stock Exchanges is covered by an agreement between P.T.I. and the Stock Exchanges. PTI has selected M/s Adomatrix Pvt. Ltd. Delhi to be the suppliers of electronic display boards. Each Board is stated to cost Rs. 2.3 lakhs exclusive of taxes.

(d) The scheme is expected to commence in early 1987. The scheme will initially link up Stock Exchanges located at Bombay, Ahmedabad, New Delhi, Madras and Calcutta.

{English}

Committee to monitor implementation of Jute Modernisation schemes

*282. SHRI SANAT KUMAR MANDAL : SHRI INDRAJIT GUPTA :

Will the Minister of TEXTILES be pleased to state :

(a) The composition and terms of reference of the Committee appointed to monitor the implementation of schemes under the Rs. 150 crores Jute Modernisation Fund and Rs. 100 crore Jute Development Fund; and

(b) whether the West Bengal Government will also be represented on the New Committee to ensure its involvement in the rehabilitation programme ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) A Statement is given below.

(b) Yes, Sir.

Statement

The Composition and terms of reference of the Committee appointed to monitor the implementation of Jute Modernisation Fund are as under :-

Composition :

1. Secretary, Ministry of Textiles

... Chairman

2. Additional Secretary (Banking), Deptt. of Economic Affairs, Ministry of Finance.	...	Member
3. Chairman, Industrial Finance Corporation of India.	...	..
4. Chairman, Industrial Reconstruction Bank of India.	...	..
5. Chairman, State Bank of India.	...	..
6. A representative of the Reserve Bank of India.	...	..
7. A representative of the State Government of West Bengal.	...	..
8. Joint Secretary (Jute Division), Ministry of Textiles.	...	..
9. Jute Commissioner.	...	Member Secretary

Terms of reference :

The Committee will coordinate, monitor and oversee the preparation and implementation of viability studies, Rehabilitation Packages as well as Modernisation Programmes, in respect of potentially viable jute mills.

2. No Committee has been formed to monitor the implementation of Rs. 100 crore Jute Development Fund.

Liberalisation of bank credit policy

***283. SHRI SOMNATH RATH :
DR. V. VENKATESH :**

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news item appearing in the "Hindustan Times" dated 30 October, 1986 that bank credit policy is being liberalised; and

(b) if so, the details in this regard ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). Yes, Sir. The following features of the credit policy for the ensuing season announced by Reserve Bank of India are expected to improve the availability of credit :-

(i) The banks would continue to be provided export refinance at 9 per cent per annum and the limits would be equivalent to 100 per cent of the increase in export credit over the monthly average level of credit in 1984. Earlier it has been the practice to keep the preceding year's figures as base for calculating the export refinance limits of banks. The decision to keep base level at 1984 instead of 1985 would result in higher eligibility to the extent of Rs. 200 crores.

(ii) It has been decided that out of the impounded cash balances one-half, i.e. Rs. 496 crores would be released in two equal instalments on November 22, 1986 and January 31, 1987.

(iii) The banks would be provided with easier access to the discretionary refinance and all licensed scheduled commercial banks (excluding the regional rural banks) would be permitted to draw discretionary refinance, without prior sanction of the Reserve Bank of India, upto an amount equivalent to 0.5 per cent of the banks' average deposits in 1985-86.

New loan scheme for urban and rural areas

***284. DR. G. S. RAJHANS :** Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to introduce some new schemes to provide bank loans to the weaker sections in the rural and urban areas and also to small farmers during the Seventh Five Year Plan period to tackle poverty;

(b) if so, the details thereof; and

(c) the allocations earmarked for the purpose ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). There are already a number of Government sponsored schemes for providing bank credit to the weaker sections in the rural and urban areas. The important ones are Integrated Rural Development Programme (IRDP), Differential Rate of Interest Scheme (DRI) Self-Employment Programme for the Urban Poor (SEPUP), and Scheme of Assistance to Small and Marginal Farmers for increasing agricultural production. There is no proposal for the present to introduce any new bank credit linked scheme for the weaker sections.

The Government has, however, directed all Public Sector Banks that at least 10 per cent of their total advances should be in favour of weaker sections and as a result bank credit to weaker sections is expected to increase along with the growth of total advances.

The allocation earmarked as the central share for the Seventh Plan period for IRDP and for the Scheme of Assistance to Small and Marginal Farmers for increasing agricultural production is Rs. 1186 crores and Rs. 500 crores respectively. The Self-Employment Programme for the Urban Poor (SEPUP) has been launched only from the current financial year and outlay for the remaining years of the Seventh Plan has not yet been finalised.

Exploitation of tourist potential in Andhra Pradesh

2709. SHRI S. PALAKONDRAYUDU : Will the Minister of TOURISM be pleased to state :

(a) whether any comprehensive plan is being drawn up to exploit tourist potential in Andhra Pradesh;

(b) if so, the details thereof ?

(c) whether Union Government propose to develop Tirupathi, Vijayawada, Bhadrachalam, Simhalhalam, Annavaram, Harstee Hills, Machhilipatnam, Kalahasti, Srisailam and Arakuloya in Andhra Pradesh; and

(d) if so, the details thereof and the amount sanctioned for the development of tourist places in Andhra Pradesh ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). No comprehensive plan as such for development of tourism has been received from the State Government. However, specific schemes received are being considered from the State Government for financial assistance subject to availability of funds and inter-se priorities.

(c) and (d). There is a proposal for Yatrika at Srisailam for which construction is to be done by the Bhartiya Yatri Avas Vikas Samiti. No proposals are received for other centres.

Details of the central assistance given to the Andhra Pradesh Government are indicated below :

(Rs. in lakhs)

Sl. No.	Name of the Scheme	Year of sanction	Amount sanctioned	Amount released
1	2	3	4	5
1.	Provision of boats for Hussainsagar, Ramappa and Pakhal lakes.	1985-86	5.30	4.75
2.	Way-side facilities with accommodation at Lepakshi.	1985-86	16.08	4.00

1	2	3	4	5
3.	Construction of a cafeteria with accommodation at Nagarjunasagar.	1985-86	23.70	5.00
4.	Construction of Additional Accommodation at Ramappa.	1985-86	20.81	5.00
5.	Construction of Additional Accommodation at Pakhal.	1985-86	2.33	1.00
6.	Construction of six double bedroom and six single bedroom cottages at Rishikonda.	1985-86	20.80	5.00

World Bank assistance for sericulture development in A. P.

2710. SHRI MANIK REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether any proposal for the development of sericulture industry in Andhra Pradesh with World Bank's financial assistance of over Rs. 202.74 crores is pending with the Agriculture Finance Corporation, Bombay; and

(b) if so, the details of the project and the probable date by which it would be cleared ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) (a) and (b). Agricultural Finance Corporation (AFC) have reported that they received a proposal from Andhra Pradesh Government for the preparation of a project for the development, of sericulture in the State. The project report, envisaging an outlay of Rs. 192.23 crores has already been given to the State Government of Andhra Pradesh.

Development of infrastructure of Jute Corporation of India

2711. SHRIMATI JAYANTI PATNAIK : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have a proposal to develop and expand the infrastructure of the Jute Corporation of India so that it might handle the entire jute trade in the country;

(b) if so, the specific measures taken in this regard; and

(c) the steps taken to protect the interests of the jute growers in the country ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

(b) Does not arise.

(c) The following steps have been taken in the interest of jute growers :—

(i) Statutory minimum prices of raw jute were announced in March, 1986 i.e. before the sowing season for the first time;

(ii) JCI and Cooperatives, acting as its agents, are operating through a large number of purchase centres as in the previous season;

(iii) JCI is giving wide publicity to its support operation and advising growers not to make any distress sale of raw jute to middlemen below statutory minimum price;

- (iv) A buffer stock scheme of raw jute is also in operation, so as to bring stability in raw jute prices in the interest of growers as well as user industry.

Import of Animals

2712. SHRI N. DENNIS : Will the Minister of COMMERCE be pleased to state :

(a) whether buffaloes, cows and dogs are allowed to be imported;

(b) the names of all other animals allowed to be imported; and

(c) the reasons thereof and conditions under which they are allowed to be imported ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) and (b). Imports of animals such as live stock (excluding equine) pure line poultry stocks, frozen semen embryo are allowed on the recommendations of the Ministry of Agriculture and Rural Development for breeding purposes.

Import of other animals such as birds and reptiles for zoos and zoological parks or for scientific purposes are also permitted on the recommendations of the Chief Wild Life Warden of the State concerned.

Import of Horses, for breeding purposes and for polo are also allowed on merits and on ad-hoc basis where the requirements cannot be met from indigenous sources.

(c) Conditions of import for these animals have been laid down in the import policy for the period 1985-88.

Parity in prices of finished industrial goods with agricultural products

2713. SHRI PIYUSH TIRAKY : Will the Minister of FINANCE be pleased to state :

(b) how far Government have succeeded in bringing down the parities in the prices

of finished industrial goods with that of agricultural products; and

(b) the steps taken in this regard ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) and (b). Government endeavours to ensure a reasonable overall parity in the prices of industrial goods with that of agricultural products over time. The terms of reference of the Commission on Agricultural Costs and Prices (CACP) were revised in March 1980 providing that while recommending the price policy the Commission *inter alia* take into account the terms of trade between the agricultural sector and the non-agricultural sector. Government has generally accepted the recommendations of the CACP on agricultural prices and has even fixed prices of some agricultural crops at levels even higher than those recommended by the CACP.

According to the data available from the index number of wholesale prices (1970-71=100) the prices of manufactured products as a per cent of agricultural products stands at 110.6 in 1985-86 against 122.2 in 1980-81.

Use of World Bank Funds

2714. DR. SUDHIR ROY : Will the Minister of FINANCE be pleased to state;

(a) whether Government are aware that in U.P., Bihar, Madhya Pradesh, Rajasthan and Orissa, there has been a large scale misuse of funds given by the World Bank under heads IRDP and ICDS;

(b) what steps have been taken against those persons who were responsible for such misuse of funds; and

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

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) No assistance has been received from the World Bank for the IRDP or the ICDS programmes. In respect

of Nabard, which provides refinance assistance to Banks for granting loans to IRDP and other priority sector beneficiaries, a credit agreement has been concluded with IBRD for a \$ 375 million, from 1.7.86. No misuse of funds given under this programme has come to Government's notice.

(b) and (c). Does not arise.

Concessions and incentives to industrialists

2715. SHRIMATI BIBHA GHOSH GOSWAMI : Will the Minister of FINANCE be pleased to state :

(a) details of the concessions and incentives given to the industrialists during the period 1984-85 to 1986-87; and

(b) details of total financial loss to Union Government due to these concessions and incentives ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The information to the extent possible is being collected and will be laid on the Table of the House.

Curb on Government expenditure

2716. SHRI PARASRAM BHARDWAJ :
SHRI SHANTARAM NAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal under consideration of Government for slashing expenses on low priority projects and redirecting resources to high priority areas during the current financial year in a bid to curb Government expenditure; and

(b) if so, the details in this regard and steps Government propose to take in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). It has been decided that Ministries should review their Budgets to effect economies in non developmental and non essential items of expenditure.

Export of semi-precious stones

2717. SHRI CHINTAMANI JENA : Will the Minister of COMMERCE be pleased to state :

(a) the value of semi-precious stones exported during the last three years, year-wise;

(b) the names of those countries to which the export of semi-precious stones has been made;

(c) whether it is a fact that a ban has been put on the export of semi-precious stones;

(d) if so, the reasons therefor;

(e) whether Government are considering to lift the ban to boost the trade; and

(f) the names of the States which are producing semi-precious stones in the country ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Separate data of exports of semi-precious stones is not maintained. Exports of precious and semi-precious stones during the last three years were estimated to be as follows :

1983-84 ... Rs. 40.96 crores

1984-85 ... Rs. 35.12 crores

1985-86 ... Rs. 45.65 crores

(b) Cut and polished precious and semi-precious stones are mainly exported to USA, Hongkong, West Germany, France, Japan, UK, Thailand etc.

(c) No, Sir.

(d) and (e). Does not arise.

(f) Negligible quantity of rough semi-precious stones is procured in Karnataka, Tamil Nadu, Rajasthan, Gujarat, Maharashtra and Orissa.

Convention of Hotel and Restaurant Federation of India in Srinagar

2718. SHRI SRIBALLAV PANIGRAHI : Will the Minister of TOURISM be pleased to state :

(a) whether convention of Hotel and Restaurant Federation of India had recently been held in Srinagar;

(b) if so, the details regarding the issues raised and suggestions made to improve tourism industry in the country; and

(c) the steps Government propose to take in the matter ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) Yes, Sir. The 24th All India Hotel and Restaurant Convention was held at Srinagar from 4th to 7th September, 1986.

(b) and (c). The Convention which is an annual feature passes Resolutions on matters concerning the development and promotion of hotel and restaurant industry in the country. The broad recommendations of the Srinagar Convention are for parity with other export-oriented industries in matters such as availability of electricity and water charges at lower rates, relief in various taxes imposed by State Governments, etc; grant of additional financial and other incentives by Central and State Governments to encourage private sector to construct budget class hotels and restaurants for domestic tourists; separate labour laws for the hotel and restaurant industry; uniform policy governing the sale and service of liquor and wines in all States; simplification of the Prevention of Food Adulteration Act; increased allocation of funds for creating adequate infrastructure facilities; simplification of procedures for clearing proposals for holding international congresses and conventions in India; setting up of a high powered board at the Centre and State levels to co ordinate and take immediate steps on tourism infrastructure; and development of infrastructure facilities by the Central and State Governments at places of holiday resorts with the participation of the private sector.

The Resolutions passed by the Convention are examined and, wherever necessary, appropriate action taken in consultation with the other concerned Ministries/Departments.

Cases of NTC pending before courts of law in Eastern Zone

2719. SHRI HANNAN MOLLAH : Will the Minister of TEXTILES be pleased to state :

(a) number of cases pending in the courts of law in the matter of industrial relations as well as company matters in NTC (Eastern Zone);

(b) how much were the expenses for those cases per year during the last three years; and

(c) number of cases resolved in the year 1984-85 and 1985-86 ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) According to available information, there are at present 8 cases in the matter of industrial relations and 103 other cases pending in various courts, pertaining to NTC (WBABO).

(b) According to available information, the total expenditure incurred as legal expenses by NTC (WBABO) during the last 3 years, was as follows :

1983-84	3.11 (Rs. in lakhs)
1984-85	1.95
1985-86	4.01

(c) In the matter of Industrial Relations, five cases were resolved during 1984-85 and 2 cases resolved during 1985-86.

Decline in export of groundnut and groundnut cakes

2720. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that there is decline in the export of agricultural products such as groundnut and groundnut cake;

(b) if so, the reasons therefor;

(c) the value of groundnut and groundnut cakes exported during last three years, year-wise;

(d) whether it is a fact that there is a great demand of Indian groundnut and groundnut cakes in certain countries, if so, the names of such countries; and

(e) the steps being taken to boost their export during 1986 and 1987 ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Exports of HPS Groundnut and groundnut cakes have been fluctuating over the past years. There has been some decline in the export of these items during 1985-86.

(b) The main reason for decline in exports of HPS groundnut is upward trend in domestic price of oilseeds including groundnuts and the problem of aflatoxin in our groundnut crop which is unacceptable to the highly demanding quality conscious European market. The easy trends in global oilseed markets resulting in low international prices in comparison with prevailing domes-

tic prices have made our HPS groundnut uncompetitive.

In the case of groundnut extractions, our exports have been affected largely due to stringent quality control regulations governing maximum level of aflatoxin in such materials in the EEC. As a result of these regulations our exports to the EEC which was our major market has declined.

(c) India's export of HPS groundnut and groundnut extractions as per provisional estimates is placed in the statement given below.

(d) Our main market for export of HPS ground has been USSR. Other importing countries over the years have been Japan, U.K., and the Netherlands. Exports of groundnut extractions find good market in Poland, Czechoslovakia and GDR. In earlier years the EEC was our major market for this item.

(e) CCS at the rate of 10 per cent has been announced on export of oil meals including groundnut extraction with effect from 1st April '86. HPS groundnut exports have been put on the OGL list.

Statement

Quantity in MTs
Value in Rs. Lakhs

	1983-84		1984-85		1985-86	
	Qty.	Value	Qty.	Value	Qty.	Value
HPS Groundnut	24702	22.08	36869	31.53	8991	7.59
Groundnut extractions	293148	43.70	296523	48.02	165097	28.16

Grant of assistance under SIDF by IDBI

2721. **SHRI SYED SHAHABUDDIN :** Will the Minister of FINANCE be pleased to state :

(a) whether the Industrial Development Bank of India (IDBI) has established a Small Industries Development Fund (SIDF);

(b) if so, the working capital of the fund; and

(c) the number of applications for loan received so far and assistance granted up to 30 September, 1986 State-wise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI

B. K. GADHVI : (a) and (b). A Small Industries Development Fund (SIDF) has been set up in the Industrial Development Bank of India on 20th May, 1986. The initial corpus of the SIDF is Rs. 2500 crores.

(c) A statement showing Statewise number of applications received and amount of assistance sanctioned under SIDF during the period of June to October 1986 on the basis of information furnished by IDBI is given below.

Statement

State	No. of Applications received	Amount of assistance Sanctioned (Rs in lakhs)
1	2	3
1. Maharashtra	2650	3736.97
2. West Bengal	935	1360.26
3. Assam	552	637.49
4. Tamil Nadu	2476	3336.24
5. New Delhi	763	825.89
6. Tripura	38	51.75
7. Gujarat	1424	2401.10
8. Karnataka	3163	2915.09
9. Madhya Pradesh	3096	2099.23
10. Orissa	560	1194.84
11. Punjab and Haryana	1037	2840.79
12. Kerala	2179	1745.79
13. Nagaland	94	54.97
14. Andhra Pradesh	1882	1882.75
15. Manipur	31	27.93
16. Rajasthan	1129	1250.69
17. Jammu and Kashmir	358	679.34
18. Uttar Pradesh	2372	4763.31
19. Bihar	908	2162.84
20. Meghalaya	214	184.09
21. Himachal Pradesh	345	474.16
Total :	26206	34625.52

India's reaction on severance of diplomatic relations with Syria by U. K. and USA

2722. SHRI G. M. BANATWALLA : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the reaction of Government of India to the decision of Great Britain, followed by the United States, to sever diplomatic relations with Syria;

(b) whether the reaction was conveyed to the countries concerned; and

(c) if so, when ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) India regards the decision of the United Kingdom to sever diplomatic relations with Syria as a bilateral issue between the two countries. There are no reports of the United States also having broken off diplomatic relations with Syria. It has only withdrawn its Ambassador from Damascus.

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

Tender purchase of DGS & D

2723. SHRI C. K. KUPPUSWAMY : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any fall in tender purchase of Directorate General of Supplies and Disposals;

(b) if so, the reasons therefor;

(c) whether it is a fact that the purchases made through DGS & D are delayed; and

(d) if so, the reasons therefor ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) No, Sir. Orders of the value of Rs. 2,735 crores were placed by the DGS & D during 1985-86 as against Rs. 2,497 crores during 1984-85.

(b) Does not arise in view of (a) above.

(c) and (d). Nearly 70 per cent of the purchases are made through the Rate Contracts by the various Direct Demanding

Officers on mutually agreed delivery dates and generally supplies are received in time. In the remaining purchases (as in commercial transactions in general), supplies are some-time delayed in individual cases. The delays are usually due to shortage of raw material or force majeure conditions like strikes lock-outs, etc., at the suppliers' works.

Streamlining of offices of CCI & E

2724. SHRI MURLIDHAR MANE : Will the Minister of COMMERCE be pleased to state :

(a) Whether Government propose to streamline all the regional offices of the Chief Controller of Imports and Exports, to facilitate more exports and remove bottlenecks; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) Government is constantly reviewing and monitoring the working of these offices with a view to improve their operational efficiency. A consultant has been engaged to conduct a detailed systems analysis of the organisation and suggest a programme for introducing computerisation/automation in the offices. A Management Study Team under the Chairmanship of Commerce Secretary is, inter alia, looking into the structure of the organisation and its procedures. The Report of the Study Team is awaited.

Agreements reached with visiting head of States

2725. DR. KRUPASINDHU BHOI : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the names of the Heads of States who visited India since January, 1986; and

(b) the nature of agreements/contracts signed during their visits ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS

(SHRI EDUARDO FALBEIRO) : (a) During the period from 1.1.86 to 31.10.86, the following Heads of States visited India :

- (1) Her Majesty Boatrix, Queen of the Netherlands.
- (2) H. E. Mr. F. A. Reno, President of Seychelles.
- (3) His Holiness Pope John Paul II, The Vatican.
- (4) H. E. Lt. Gen. H. M. Ershad, President of the People's Republic of Bangladesh.
- (5) H. E. Mr. Daniel Ortega Saavedra, President of Nicaragua.
- (6) H. M. King Hussaini of JORDAN.

(b) It was only during the visit of President of Nicaragua that three agreements were signed, namely, Cultural Agreement; a Memorandum of Understanding covering Economic Cooperation; and a Credit Agreement.

Import of consumer goods

2726. SHRI SAIFUDDIN CHOWDHARY : Will the Minister of COMMERCE be pleased to state the particulars and value of consumer goods imported during 1984-85, 1985-86 and during the first quarter of 1986-87 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : Data relating to value of imports of various Consumer Goods are published in the Publication entitled "Monthly Statistics of Foreign Trade of India Vol. II—Imports", copies of which are available in the Parliament Library. Latest published data is available upto 1983-84.

Banking Service Commission

2727. SHRI JAGANNATH PATTHAIK : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the news-item appearing in 'The Economic Times' dated September 10, 1986 that Government are having second

thoughts about the need for Banking Service Commission; and

(b) if so, the decision taken in the matter ?

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

(b) No decision has been taken by the Government.

Report of committee on reform of coinage system

2728. DR. B. L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether the Committee appointed by Government to reform the country's coinage system has since submitted its report;

(b) if so, the main recommendations made by the committee; and

(c) Government's reaction thereto ?

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

(b) and (c). The major recommendations of the Committee and Government's decisions thereon are indicated below :

1. The Committee had pointed out that Five paise coin has entered the demonetisation zone and as such minting of this coin could be stopped after 1988-89. Having regard to the demand aspect, Government have decided to continue minting of this coin and review the position in 1989.
2. The Committee had observed that having regard to the velocity of circulation of rupee one and rupee two denomination notes and their short life, these may be completely coined in 3 to 4 years. While Government have taken note of this recommendation, steps are being taken, having regard to the current demand aspects, to step up the production and availability of rupee one coins as well as Re. 1/- and Rs. 2/- denomination notes.

3. The Committee had also recommended the issue of Five rupee coins side by side with the notes of the same denomination. Government had taken note of this recommendation.

4. The Committee had recommended that the coins of the denominations ranging from 10 paise to 50 paise should be made out of ferritic stainless steel. Government have decided that 10 paise, 25 paise and 50 paise coins should be made out of ferritic stainless steel and necessary action in this regard has also been initiated.

Tax revenue collection from States

2729. SHRI ANANDA PATHAK : Will the Minister of FINANCE be pleased to state :

(a) total tax revenue collected by the Union Government from different States under each head during the year 1984-85, 1985-86, State-wise; and

(b) total amount transferred by the Union Government to the States as divisible pool of taxes under each head during the above mentioned period, State-wise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (b). The information to the extent possible is being collected and will be laid on the Table of the House.

Opening of Regional Rural Banks

2730. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) the names of districts in Himachal Pradesh covered by the Regional Rural Bank as on 30 September, 1986;

(b) whether any programme to cover the remaining districts by the Regional Rural Banks has also been formulated;

(c) if so, the details thereof; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The names of the districts in Himachal Pradesh covered by the two Regional Rural Banks functioning in the State are Mandi, Kangra, Kulu; and Chamba.

(b) to (d). The Steering Committee in the NABARD has recently observed that due to poor performance of Regional Rural Banks, a very cautious approach may be followed in the matter of establishing new Regional Rural Banks. In case, target groups of an area are already being served by the existing institutions, like co-operatives and commercial banks the need for establishment of Regional Rural Bank for that area would not arise. Therefore, the establishment of any new Regional Rural Bank in any part of the country will be decided keeping in view the coverage of area by commercial banks' branches; credit gap in meeting need of small/marginal farmers and other weaker sections; and the state of cooperative credit structure in the area. At present there is no proposal with the Government to open another Regional Rural Bank in Himachal Pradesh.

Imported of items manufactured by Indian joint ventures abroad

2731. **SHRI R. M. BHOYE :** Will the Minister of COMMERCE be pleased to state :

(a) whether the Union Government have decided to permit import of items manufactured by Indian joint ventures abroad with a view to encourage them;

(b) whether the performance of Indian

joint ventures abroad has been reviewed; and

(c) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) No, Sir. No such general decision has been taken.

(b) Yes, Sir.

(c) Although the performance of Indian Joint Ventures has been by and large satisfactory, some deficiencies and problems have been noticed. Appropriate remedial action is being taken.

[Translation]

SC/ST employees in Syndicate Bank

2732. **SHRI BANWARI LAL BAIRWA :** Will the Minister of FINANCE be pleased to state :

(a) the total number of employees in various branches of Syndicate Bank particularly in Delhi, class-wise, as on 30 September, 1986 and the number of Scheduled Caste and Scheduled Tribe employees among them; and

(b) the number of employees belonging to Scheduled Castes and Scheduled Tribes who have been promoted as Special Assistants from the post of Clerks during 1985-86 and 1986-87 so far ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The information, as on 30th September, 1986 as reported by Syndicate Bank, is as under :—

Category	All India			In Union Territory of Delhi		
	Total	Scheduled Castes	Scheduled Tribes	Total	Scheduled Castes	Scheduled Tribes
Officers	9346	993	291	833	56	8
Clerks	22149	3053	768	2156	443	21
Sub-Staff	4681	1237	255	551	172	16

(b) The number of Clerks appointed as Special Assistants, in the Union Territory of Delhi, and the number among them belonging to Scheduled Castes and Scheduled

Tribes, during the Calendar years 1985 and 1986 was as under :—

Category	1985	1986
Total	Nil	15
Scheduled Caste	Nil	Nil
Scheduled Tribe	Nil	Nil

[English]

Economic relations with Angola

2733. SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have taken steps to expand economic cooperation with Angola; and

(b) if not, the steps proposed to be taken to establish economic relation between India and Angola ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir. A Trade Agreement was signed with Angola recently. Sectors like agriculture, energy, construction, industry, manpower development transport and communications, health have been identified for future cooperation.

(b) Does not arise.

Frauds in Banks

2734. SHRI PRAKASH V. PATIL :
SHRI MURLIDHAR MANE :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that huge amounts of money are being misappropriated through forged cheques and other fraudulent way in banks;

(b) if so, the total loss each year during the last three years;

(c) the bank-wise break up of this loss; and

(d) how many persons have been prosecuted and steps taken to improve the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). RBI has reported that as per information received from the public sector banks, the number of bank fraud cases within the country and the amounts involved therein during 1983, 1984 and 1985 are as given below :

Year	No. of fraud cases	Amount involved (Rs. in crores)
1983	2360	29.75
1984	2410	45.18
1985	2157	53.49

(c) The amounts involved in the above-mentioned banks fraud cases do not necessarily represent the actual losses which the banks may ultimately suffer, since the banks generally have some securities, insurance cover, etc. and they also file civil and criminal complaints for appropriate relief.

(d) By and large, frauds have occurred in banks not on account of lacunae in the systems and procedures, but owing to non-observance of prescribed procedures and safeguards. In order to prevent frauds, banks have issued books of instructions to their employees indicating precautions/checks which they should observe. Banks are also taking steps to strengthen control mechanisms, including internal audit and inspection machinery, and to make them effective with a view to eliminating the scope for frauds and malpractices. Banks have also been taking a serious view of all irregularities committed by their employees and have been initiating action against them to inflict punishment befitting the seriousness of the irregularities. Steps have also been taken to tone up control and supervision, strengthen the management information system follow-up and inspection/audit arrangements, as also for clearing of arrears in balancing of books and reconciliation of inter-branch and other accounts on a continuous basis. The vigilance machinery in the banks is also being strengthened.

In connection with the bank fraud cases, the number of employees convicted during the last 3 years is given below :

Year	No. of employees convicted.
1983	50
1984	32
1985	31

In addition, up to 30th June 1986, a further 9 employees have been convicted and prosecution was pending in Court against 321 employees.

[Translation]

Sale of goods confiscated by customs authorities

2735. SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI : Will the Minister of FINANCE be pleased to state :

(a) the procedure followed for disposal of confiscated goods;

(b) the amount realised from sale of confiscated goods in Gujarat and in other parts of the country during the past three years;

(c) whether Government are aware that large scale irregularities are being committed in the sale of smuggled and confiscated goods; and

(d) if so, the measures taken or proposed to be taken to bring about improvement in the procedure followed for the disposal of such goods ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Confiscated trade goods are sold through auction/tender. Confiscated consumer goods are sold to cooperative societies approved by the Central and State Government and duly registered under the Cooperative Societies Act including National Cooperative Consumers Federation and State Cooperative Federa-

tions, military and para-military canteens etc. Confiscated gold and silver are deposited in the mint and foreign currencies are credited to the Reserve Bank of India. Heterogenous and miscellaneous goods seized in small lots are directly sold to public through customs retail shops.

(b) The total value of confiscated goods disposed of by the customs authorities in Gujarat and throughout the country during the years 1983, 1984, and 1985 is given below :

	Year and value (Rs. in crores)		
	1983	1984	1985
Gujarat	11.78	10.12	10.63
All India	41.00	57.00	79.00

(c) and (d). Government is not aware of large scale irregularities in the sale of confiscated goods. Seized/confiscated goods are stored in the godowns under the control of a proper officer and are accounted for in the appropriate registers maintained for the purpose. Periodical stock-taking is done to check and avoid any misuse. Sealed tenders are opened and auctions are conducted directly under the supervision of a senior departmental officer.

[English]

Debentures issued by Joint Stock Private and Public Limited Companies

2736. SHRI V. N. GADGIL : Will the Minister of FINANCE be pleased to state :

(a) the total number of debentures issued by Joint Stock Private and Public Limited Companies during 1981-82 to 1984-85; and

(b) how many of them were bought by public financial institutions ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI

B. K. GADHVI : (a) Debentures amounting to Rs. 2671 crores were approved to be issued by 498 Joint Stock Private and Public Limited Companies during 1981-82 to 1984-85.

(b) The information is being collected and will be laid on the Table of the House.

Export of oilcakes

2737. SHRI K. RAMAMURTHY : Will the Minister of COMMERCE be pleased to state :

(a) the quantity and value of oilcakes exported yearly to various countries from 1982-83 to 1985-86;

(b) the names of countries to which exported and the value thereof;

(c) the plans for export of oilcakes during the current year; and

(d) the names of countries to which exports are likely to be made ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Export of de-oiled cakes including de-oiled rice bran during 1982-83 to 1985-86 is estimated as under : —

Year	Quantity (lakh tonnes)	Value (Rs. crores)
1982-83	15.10	172.03
1983-84	14.25	180.33
1984-85	12.78	158.36
1985-86	11.54	159.20

The bulk of exports is directed to Poland, USSR, Czechoslovakia, Romania, Bulgaria, Hungary, GDR, Algeria, Singapore, Malaysia and U.K.

(c) and (d). Export of de-oiled cakes including de-oiled rice bran, as per provisional data compiled, during April-September 1986 is estimated at 6.81 lakh tonnes valued at Rs. 101.56 crores. Exports during 1986-87 will depend on prices and other

conditions prevailing in the international market.

Constitution of a commission for looking into industrial sickness

2738. DR. G. VIJAYA RAMA RAO :
SHRI MANIK REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to set up a Commission to look into the causes of industrial sickness as reported in Times of India dated 31st October, 1986; and

(b) if so, what will be the functions of the Commission ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The Government of India have decided to constitute a "Commission on Economic Efficiency, Productivity and Exports". The functions of the Commission shall be the following :—

- (i) Suggest measures for improving capacity utilisation, efficiency and productivity in industry both in the private and the public sectors.
- (ii) Analyse the existing policies in the global perspective and suggest measures to be adopted for improving the performance of exports and the balance of payment positions;
- (iii) Examine any allied issues in the field of economic policy that may be referred to it by the Government.

2. As regards problem of industrial sickness, a Board for Industrial and Financial Reconstruction is to be set up under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 to take various measures pertaining to sick industrial companies, in the medium and large sector.

RBI's 2-year action plan for public sector banks

2739. SHRI P. APPALANARASIMHAM : Will the Minister of FINANCE be pleased to state ;

(a) whether the Reserve Bank of India has prepared any 2-year action plan for the public sector Banks for improving customer service and general efficiency of the banking system; and

(b) if so, the main guidelines thereof and whether any periodical review of the implementation of this action plan has been undertaken so far ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Reserve Bank of India have not prepared any 2-Year Action Plan for the public sector banks. However, on the basis of Reserve Bank of India's advice in October, 1985 banks have drawn up their own Action Plans for bringing about around improvement in the quality of their services and operations during the period November, 1985 to December, 1987. The plans cover important areas like organisation and personnel, training, customer service, housekeeping, deposits, advances, profitability, computerisation and mechanisation etc.

Banks were advised to submit progress reports for two months, November and December, 1985, and thereafter on a quarterly basis.

Based on the progress reports received so far, Reserve Bank of India have held discussions separately with each of the banks on its overall performance vis-a-vis the Action Plan till June, 1986.

Loans given by IDBI

2740. DR. A. KALANIDHI : Will the Minister of FINANCE be pleased to state :

(a) the State-wise break-up of the sanctions and disbursements of loans given by the Industrial Development Bank of India (IDBI) during 1986 upto June 30; and

(b) the details of sanctions and disbursements made by IDBI in four Southern States individually of projects in backward areas—"No Industry Districts" and to the small scale sector during 1986 till June 30, 1986 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Two statements I and II on the basis of the information furnished by the Industrial Development Bank of India (IDBI) are given below.

Statement-I

State-wise assistance sanctioned and disbursed by IDBI during 1985-86 (July-June)

State	1985-86 (July-June)	
	Sanctions	Disbursements
Andhra Pradesh	245.1	214.1
Assam	29.4	25.4
Bihar	120.1	53.1
Gujarat	530.8	342.0
Haryana	103.2	75.0
Himachal Pradesh	58.4	45.2
Jammu & Kashmir	33.1	24.4
Karnataka	240.9	185.9
Kerala	111.6	79.3
Madhya Pradesh	210.4	190.8
Maharashtra	589.0	353.2
Manipur	1.0	0.8
Meghalaya	8.9	5.9
Nagaland	3.4	3.3
Orissa	101.3	90.5
Punjab	144.6	64.3
Rajasthan	172.9	94.2
Sikkim	4.5	2.8
Tamil Nadu	376.3	238.6
Tripura	1.4	0.9
Uttar Pradesh	523.3	376.3
West Bengal	327.1	121.6
Union Territories	104.5	74.2
Total	4041.2	2661.8

Statement-II

The assistance sanctioned and disbursed by IDBI during 1985-86 (July-June) to projects in backward areas and small scale units

(Rs. in crores)

State	1985-86 Backward Areas		1985-86 Small Scale Units	
	Sanctions	Disbursements	Sanctions	Disbursements
Andhra Pradesh	118.6	121.6	86.6	54.6
Karnataka	91.4(5.0)	67.1	108.9	82.7
Kerala	47.6	37.4	56.1	48.0
Tamil Nadu	101.8	77.2	112.9	88.0

Figures in bracket indicate assistance to No Industry District.

Conducted package tours for sanctuaries and national park

2741. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of TOURISM be pleased to state :

(a) whether there is a proposal to conduct package tours to cover all our Sanctuaries and National Parks in order to promote an understanding of our natural wealth and environment; and

(b) if so, details of the proposal ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). There is no proposal, at this stage under the consideration of this Ministry, for conducting package tours to cover all Sanctuaries and National Parks in the country.

Import of rubber by STC to arrest price of rubber

2742. SHRI P. A. ANTONY : Will the Minister of COMMERCE be pleased to state :

(a) whether the State Trading Corporation (STC) has entered the market to procure natural rubber in a bid to arrest falling prices in the domestic sector;

(b) if so, the quantity procured; and

(c) the impact of this market intervention on the price of natural rubber ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) Quantity of rubber procured by the STC from the domestic market is 1287 tonnes as on 14.11.1986.

(c) Entry of the STC in the market has helped to arrest the downward trend in prices and the Kottayam market price which declined to Rs. 1570 per quintal for RMA-4 grade on 20.10.1986 has improved to the level of Rs. 1590 per quintal on 3.11.1986.

Iron ore export incentive scheme of M.M.T.C.

2743. SHRI NITYANANDA MISRA : Will the Minister of COMMERCE be pleased to state :

(a) whether MMTC has introduced an incentive scheme of marginal discounts in iron ore prices to induce major buyers to increase off-take from Paradeep Port to compensate them for relatively higher freight on account of shipments from this port in small vessels;

(b) if so, when this scheme was introduced and to what extent it has succeeded in achieving its objective; and

(c) the yearly increase in exports from Paradeep Port consequent to the introduction of incentive scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) and (c). The scheme was introduced from the year 1984-85 and it has succeeded in achieving its objectives. The trend of export of iron ore from Paradip port after the introduction of incentive scheme has been as under :—

		(Million Tonnes)
1983-84	...	0.93
1984-85	...	1.61
1985-86	...	1.87
1986-87	...	1.08
(upto Oct. '86)		

Construction of low cost hotels in Maharashtra

2744. SHRI GURUDAS KAMAT : Will the Minister of TOURISM be pleased to state :

(a) whether Union Government have asked the State Governments to provide low cost accommodation to the tourists; and

(b) if so, the response of Government of Maharashtra thereto and whether some low cost hotels like Yatri Niwas at Delhi are proposed to be constructed in Maharashtra ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). The Department of Tourism has a scheme for constructing Yatri Niwas to provide low cost accommodation to the tourists. A proposal to set up a Yatri Niwas at Shegaon at an estimated cost of Rs. 29.40 lakhs has been received from the Government of Maharashtra and the same is under consideration.

The Department has also provided financial assistance to the Government of Maharashtra for the following projects :—

(Rs. in lakhs)

	Amount sanctioned	Amount advanced
1. Beach Cottages at Ganapatiphule.	8.77	5.00
2. Development of Beach Resort at Valneshwar.	34.10	10.00

Supply of mulberry silk waste of public sector Spun Silk Mills

2745. SHRI ZAINAL ABEDIN : Will the Minister of TEXTILES be pleased to state :

(a) quantity of the mulberry silk waste, supplied to the spun silk mills in public sector by the suppliers from West Bengal during 1982, 1983 and 1984;

(b) whether it is a fact that the said spun silk mills have now stopped purchasing the mulberry silk waste produced in West Bengal;

(c) if so, the reasons therefor; and

(d) the action Government propose to take in the matter so that the suppliers in West Bengal are not put to any loss ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) The quantity of mulberry silk waste supplied to Spun Silk in the public sector by suppliers from West Bengal during 1982, 1983 and 1984 is reported to be negligible.

(b) and (c). In view of the poor quality of mulberry silk waste of West Bengal origin which results in production of inferior quality yarn, public sector Spun Silk Mills are not consuming this variety of silk waste. Such silk waste is used by handsp spinners of West Bengal for production of coarse-counts yarn.

(d) Directorate of Sericulture, West Bengal, are studying the field problems with

regard to silk waste produced in the State, and appropriate action will be taken on receipt of their report.

Non-utilisation of anti-pollution equipments in NTC

2746. SHRI V. SREENIVASA
PRASAD :
SHRI MUKUL WASNIK :

Will the Minister of TEXTILES be pleased to refer to the reply given to Unstarred Question No. 3812 on 13 December, 1985 regarding non-utilization of anti-pollution equipments in NTC and state :

(a) whether in spite of Government's directive at the Review Meeting of National Textile Corporation Limited in regard to anti-pollution schemes, no effective measures have been taken to implement the directive;

(b) whether a lot of anti-pollution equipments purchased from the National small Industries Corporation Limited by the NTC (WBABO) Limited are yet to be utilised;

(c) if so, the details thereof;

(d) action being initiated to instal such anti-pollution equipments in units of other subsidiaries to effectively implement the anti-pollution policy of Government;

(e) whether any kind of defect in equipment supplied by the NSIC Limited has been noticed;

(f) if so, the nature thereof; and

(g) action proposed to be taken in the matter ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR). (a) to (d). Out of 3600 units of anti-pollution equipments purchased, 609 units have been installed in offices, canteens, generating set rooms etc. of the units under the National Textile Corporation (WBABO). Ltd. Remaining devices are not being utilised.

As indicated in the review meeting, NTC (WBABO) has approached the other 8 NTC

subsidiary corporations, for utilisation of the balance unutilised units.

(e) and (f). Air pollution control equipments supplied by NSIC were not found suitable for the production departments.

(g) NTC (WBABO) has approached NSIC to take back these units NTC (WBABO) has also approached 29 other public sector undertakings in addition to 8 NTC subsidiaries, who could find uses for the unutilised units.

[Translation]

News-Item captioned "Croreon ka control ka kapda Rajasthan mein nahin pahuncha".

2747. SHRI VIRDHI CHANDER JAIN : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have seen the news item appearing in the "Rajasthan Patrika", dated 30th September, 1986 under the caption "Croreon ka control ka kapda Rajasthan mein nahin pahuncha" (control clothes worth crores of rupees did not reach Rajasthan); and

(b) if so, the reaction of Government thereon and the action taken in this regard ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) (a) Yes, Sir.

(b) Distribution of controlled cloth is primarily the responsibility of State Government concerned. Accordingly Government of Rajasthan have been requested to streamline the distributional arrangements for controlled cloth with a view to avoiding diversion of such cloth. However, Central Government are also pursuing the matter for investigation by Central Bureau of Investigation.

[English]

Loans for bio-gas plants

2749. SHRI H. B. PATIL : Will the Minister of FINANCE be pleased to state the procedure for getting loans from the

Industrial Development Bank of India for setting up bio-gas plants ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : The Industrial Development Bank of India (IDBI) has reported that the bio-gas projects, which would be costing upto Rs. 3 crores, are assisted by it under its Refinance Scheme through State Financial Institutions/Commercial Banks/Co-operative Banks/Regional Rural Banks. The prescribed application forms for getting assistance may be obtained from any of the offices of the concerned institutions/banks. Under the Refinance Scheme of the IDBI loans upto Rs. 7.50 lakhs are covered under the automatic refinance scheme, where refinance is sanctioned to the concerned institutions/banks under a simplified procedure. For projects costing above Rs. 3 crores, applications may be submitted to any one of the All-India Financial Institutions, viz., IDBI, ICICI and IFCI in the prescribed format which is available from any of the offices of these institutions.

[Translation]

Selection of Hindi teachers for appointment abroad

2750. DR CHANDRA SHEKHAR
TRIPATHI :
SHRI SHANTI DHARIWAL :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether Government's attention has been drawn to the reported malpractices in the matter of selection of Hindi teachers for appointment in foreign countries, namely, Surinam, Trinidad and Tobago, Bulgaria, China, GDR, Mexico, Poland, Romania and Guyana;

(b) if so, the agency for such selection; and

(c) the remedial steps taken/proposed in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) There has been no malpractices in the matter of selection of Hindi Teachers for appointment abroad.

(b) The selection of Hindi Teachers for appointment abroad is done by a Committee of the Indian Council for Cultural Relations (ICCR).

(c) Question does not arise.

[English]

Export of processed fruit and vegetables.

2751. SHRI N. V. N. SOMU : Will the Minister of COMMERCE be pleased to state :

(a) The current level of export of processed fruits and vegetables from India and its position as compared to other exporting countries;

(b) the countries to which these products are exported and foreign exchange earning therefrom; and

(c) the steps being taken to exploit export potential for processed fruits and vegetables ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) The exports of processed fruits and vegetables including dehydrated vegetables and pickles and chutneys during the last three years were as under :

1983-84		1984-85		1985-86	
Qty.	Value	Qty.	Value	Qty.	Value
(Provisional)		(Provisional)		(Provisional)	
38351	3698	60767	5680	65043	5828

These exports constituted less than 1% of world trade in processed fruits and vegetables.

(b) The countries to which these products are exported include the USSR, the Middle East Countries, U. K. and other West European Countries, the U. S. A. The foreign exchange earnings from the exports during 1985-86 were of the order of Rs. 58.28 crores.

(c) Government have taken a number of steps to increase exports of processed fruits and vegetables. For technological up-gradation, a number of items of machinery for food processing and packaging, which include integrated aseptic packaging system, have been allowed for import under Open General Licence. Import duty has been reduced on some items of food processing and packaging machinery. The other steps taken to increase exports include the continuance of the scheme of Cash Compensatory Support, import replenishment licences, facility of duty draw back, assistance for market development, periodic dialogue with State Agricultural Production Commissioners for increasing production of agricultural products for exports. Institutional changes have also been brought about with the setting up of Agricultural and Processed Food Products Export Development Authority at New Delhi.

**Financial assistance to shop keepers
in retail business**

2752. PROF. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to issue instructions to Nationalised Banks to give financial assistance to retail shop dealers under public distribution system; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Financing of retail traders (Fair Price Shops) as also Consumer Cooperative Stores dealing in essential commodities who form the part of the public distribution system outlets has already been included under priority sector. Under the guidelines for advances to priority sector issued by the Reserve Bank of India

to all scheduled commercial banks, no ceilings in credit limits have been prescribed with respect to retail traders dealing in essential commodities through Fair Price Shops and Consumer Cooperative Stores. Hence, no fresh instructions to banks in this regard are considered necessary.

**IBRD loan for development of tele-
communications system**

2753. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether the International Bank for Reconstruction and Development has agreed to give a loan for the development of tele-communications system;

(b) if so, the details thereof and the terms and conditions offered; and

(c) the final outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). We have posed the 9th Telecommunications project to the World Bank. Details are under discussion with the World Bank.

**Smuggling of Indian currency into
Pakistan**

2754. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there has been increase in the smuggling of Indian currency into Pakistan;

(b) if so, the comparative figures of Indian currency seized from the smugglers on the Indo-Pak border during the last three years (year-wise); and

(c) steps taken by Government to identify the Indian contacts of the Pakistani smugglers of Indian currency, stating the results achieved and the action taken by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Reports received by the Government and seizures made indicate that the Indian currency is one of the items sensitive to smuggling across the Indo-Pak border. However, there has been no increase in the smuggling Indian currency into Pakistan as is evident from the figures of seizures of Indian currency in the Indo-Pak border region during the years 1984, 1985 and 1986 (upto September), given below :

Year	Amount of Indian currency seized (Rs. in lakhs)
1984	5.26
1985	3.87
1986	0.65

(upto September)

(c) The anti-smuggling drive has been intensified in the Indo-Pak region. The preventive and intelligence machinery of the Customs department in the region remains vigilant against smuggling activities in general, including smuggling of Indian currency. The trends in smuggling and seizures made are kept under constant review for taking appropriate remedial measures in close co-ordination with the concerned Central and State Government agencies deployed in the region.

As a result of the intensification of anti-smuggling drive, launched in the region, there has been considerable increase in the value of contraband goods seized in the Indo-Pak border region as is evident from the figures of total value of seizures given below :

Year	Value of goods seized (Rs. in crores)
1984	5.60
1985	15.92*
1986	22.81*

(upto September)

* Figures are provisional

Stringent action is taken against all persons found involved in the smuggling activities in the region, including smuggling of Indian currency, both departmentally as well as through prosecution in the Courts. Apart from confiscation of goods involved and imposition of personal penalties on the persons concerned, in appropriate cases preventive detention under the COFEPOSA Act is also resorted to.

Bank robberies in Delhi

2755. **SHRI K. RAMACHANDRA REDDY :** Will the Minister of FINANCE be pleased to state :

(a) the number of bank robberies committed in New Delhi during the current year so far;

(b) number out of them committed during day time;

(c) the number of cases registered;

(d) number of cases charge-sheeted; and

(e) number of cases ending in conviction or acquittal ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). During 1986, there was one case of burglary at night in the State Bank of Mysore Branch at Connaught Place and one case of attempted robbery during day-time in the Geetanjali Enclave Branch of Punjab National Bank. In connection with these two incidents, Police have registered two cases which are still under investigation.

(d) and (e). Does not arise.

Medical Insurance Scheme

2756. **SHRI ANANTA PRASAD SETHI :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have recently introduced a revised Medical Insurance Scheme in the country ?

(b) if so, the details thereof; and

(c) the steps taken to popularise it amongst the people ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). A revised Medical Insurance Scheme called MEDICLAIM has been recently introduced by the General Insurance Corporation, with the approval of the Central Government. The Scheme covers hospitalisation and domiciliary hospitalisation benefits. There are two Schemes—Scheme 'A' and Scheme 'B'. Scheme 'A' covers hospitalisation and domiciliary hospitalisation benefits and also personal accident benefits, and Scheme 'B' covers hospitalisation and domiciliary hospitalisation benefits only. There are five categories of benefits under hospitalisation and domiciliary hospitalisation policy, ranging from Rs. 94,000/- to Rs. 17,600/- with a premium amount of Rs. 1300/- to Rs. 250/-. The first four categories under the Scheme also provide increased limits for major surgical and major diseases like Renal disease, open and close heart surgery, T.B., Kidney Transplantation etc.

The Policy is available to persons between ages 12 and 70 years. A family discount of 10 per cent of the total premium is available for covering the insured and any one or more members of the family comprising of spouse, two dependent children and dependent parents. A cumulative bonus of 5 per cent of the Table of Benefits under the policy would also be available for each claim free year of insurance up to overall limit of 50 per cent of the limits stated in the Table of Benefits.

(c) Steps are being taken to popularise the Scheme through intensive publicity in Press and T.V. The Agency force and field staff of the subsidiaries of General Insurance Corporation of India are also being actively involved in making the Scheme popular.

Payment of remunerative price to cardamom growers through auction

2757. DR. K. G. ADIYODI : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any scheme for ensuring remunerative price to cardamom farmers during production by conducting open auction in cardamom growing areas; and

(b) the steps being taken to evolve a dynamic export strategy by Government to give competitive edge to Indian cardamom over the competing Guatemala ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) To ensure remunerative price to growers open auctions are conducted by auctioneers licensed by the Cardamom Board in all the important cardamom producing regions. Besides, Cardamom Board themselves conduct open auctions in two important centres in Karnataka.

(c) Cash Compensatory Support is being provided @ 10 per cent on export of cardamom in consumer packs of 2 kg. and less. Sales tax is exempted on cardamom purchased for export. Publicity and promotion activities are being undertaken by the Board through its office in Bahrain. Besides the C.T.C.L. has entered this market.

Export market for electronic goods

2758. SHRI SHANTARAM NAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have any plans to compete with Japan, Singapore, South Korea and Taiwan, in the world market of electronic goods;

(b) whether a study with respect to India's capabilities in this regard has been made; and

(c) if so, the result of the study ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) and (b). The Seventh Five Year Plan envisages a target of Rs. 1000 crores for exports of electronic goods and computer software. Some market surveys have been conducted by concerned organisations to identify the export potential for Indian electronic components in specific markets.

(c) The surveys indicate that there is considerable potential for export of electronic goods and components from India in the developing countries and some of the developed countries.

Delay in distribution of loans to weaker sections

2760. SHRI P. PENCHALLIAH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there is an inordinate delay in the distribution of loans to the weaker sections by the nationalised banks;

(b) if so, whether there is any proposal to simplify the rules in order to enable quick distribution of loans;

(c) whether Government have issued any direction to the Bank in this regard to speed up the distribution of loans; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Complaints regarding delay in sanctioning of loans are occasionally received from various sections of the society. Specific complaints are brought to the notice of Reserve Bank of India (RBI)/concerned banks for necessary corrective action.

(b) to (d). Guidelines have been issued by RBI to banks in the matter of grant of advances to weaker sections. Liberalised margin and security norms have been laid down for such advances. Simplified application forms in regional languages are to be made available by banks to borrowers. Banks have been advised by RBI to ensure that credit proposals from weaker sections are cleared promptly and majority of the application are disposed of at the branch level itself. All priority sector loan proposals, complete in every respect for amounts upto Rs. 25,000/- are required to be disposed of within a fortnight.

Increase in Parallel banking transactions

2761. SHRI H. M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that in recent months 'Hawala' or 'Parallel' banking transactions in the country have greatly increased;

(b) whether it is a fact that mostly non-resident Indian workers employed in the Gulf countries are sending these money;

(c) whether it is also a fact that non-resident investment ventures also use this channel;

(d) if so, the reaction of Government thereto; and

(e) the action taken by Government in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) and (c). Separate lists are not maintained for cases of unauthorised foreign exchange transactions involving 'Non-resident Indian' workers employed in the Gulf Countries and for cases of alleged 'Non-resident Investment Ventures.'

(d) and (e). The Enforcement Directorate (FERA) remains vigilant and takes appropriate action under the F.E.R. Act and where necessary under the COFEPOSA, against foreign exchange racketeers. The drive against unauthorised foreign exchange transactions is a continuing process and is kept under constant review for adopting appropriate administrative/legislative measures to plug loopholes in the operation of the law.

Fourth Pay Commission recommendation for printing employees

2762. SHRI KAMAL NATH : Will the Minister of FINANCE be pleased to state :

(a) whether the Fourth Pay Commission for Central Government employees had recommended setting up of a Committee to go into the conditions of service of the employees engaged on printing work.

(b) if so, whether Government have set up any Committee in this regard;

(c) if so, the details thereof and when the Committee is likely to submit its report; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) to (d). Action is being taken to constitute a Committee.

Assistance to weavers of Bijapur
(Karnataka)

2763. SHRIMATI BASAVARAJE-SHWARI : Will the Minister of TEXTILES be pleased to state :

(a) the help rendered by the State Bank of India in collaboration with Karnataka Handloom Development Corporation (KHDC) to the weavers community of Bijapur district in Karnataka;

(b) if so, the details thereof; and

(c) whether such help can be extended to weavers of other districts in the State?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). An amount of 60.04 lacs was sanctioned by S.B.I., as working capital loan to weavers of Bijapur District.

(c) Yes, Sir. The nationalised banks have extended financial assistance to the weavers of KHDC—Karnataka Handloom Development Corporation—in other districts of the State to the tune of Rs. 255.07 lakhs.

[Translation]

Trade talks with China

2764. PROF. CHANDRA BHANU DEVI :
PROF. RAMKRISHNA MORE :

Will the Minister of COMMERCE be pleased to state :

(a) whether any talks are going on to start trade with China; and

(b) if so, the progress made in this direction?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Trade is already going on with China.

(b) Does not arise.

[English]

Frauds/dacoities in banks

2765. SHRI AMARSINH RATHAWA : Will the Minister of FINANCE be pleased to state :

(a) the details of cases of frauds, misappropriation of funds as also losses suffered due to incidents of thefts, dacoities, robberies etc. in the nationalised banks in the country during the year 1985-86; and

(b) the number of cases in which the culprits have been caught and the actual amount recovered in each case?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) RBI has reported that, according to information received from the public sector banks, during 1985, there were 2157 cases of bank frauds in the country involving an amount of Rs. 53.49 crores. During 1986 (upto 30th June 1986), the number of bank frauds reported by the public sector banks stood at 764 involving an amount of Rs. 20.95 crores. The amounts involved in the bank fraud cases do not necessarily represent the actual losses, which the banks may ultimately suffer, since the banks generally have some securities,

insurance cover, etc. They also file civil and criminal complaints for appropriate relief.

Regarding bank dacoities/robberies, during 1985, public sector banks reported 76 cases of robberies involving an amount of Rs. 1.65 crores approximately. During 1986, during the first nine months, 83 cases of bank dacoities/robberies, involving a total sum of Rs. 1.79 crores approximately has been reported.

(b) In connection with the bank fraud cases, during 1985 and 1986, action was taken against bank employees as indicated below :—

Item	1985	1986 (upto 30.6.86)
No. of employees convicted on charge of frauds	31	9
No. of employees dismissed/discharged/removed	247	71
No. of employees given other major/minor penalties.	290	51

A part from the above, prosecution was pending against 321 employees and departmental proceedings were pending against 833 employees at the end of June, 1986.

To the extent information is available in connection with 16 bank robberies in 1985, Police have arrested 45 persons and an amount of Rs. 25.15 lakhs has been recovered. During the first 9 months of 1986, in connection with 13 cases, Police have arrested 35 persons and an amount of Rs. 6.84 lakhs has been recovered.

Cotton export policy

2766. SHRI E. AYYAPU REDDY :
SHRI DIGVIJAY SINH :
SHRI AMARSINH RATHAWA :
SHRI NARAYAN CHOUBEY :

SHRI PARASRAM

BHARDWAJ :

SHRI INDRAJIT GUPTA :

SHRI MULLAPPALLY

RAMACHANDRAN :

Will the Minister of TEXTILES be pleased to state :

(a) whether a new long term cotton export policy has been announced recently ;

(b) if so, the details thereof;

(c) whether export quotas have been fixed, State wise;

(d) the agency through which cotton will be exported;

(e) whether the export price will be fixed in consultation with the cotton growing associations; and

(f) to what extent it will help the cotton growers to get remunerative prices for their produce ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). Government announced a long term export policy on export of cotton, under which 5 00 lakh bales of long/extra long staple cotton and 50,000 bales each of Digvijay cotton and Bengal Deshi cotton will be exported per year on a continuous basis for three years beginning with the cotton year 1986-87.

(c) and (d). Government have so far released 2.00 lakh bales of long and extra long staple cotton during the current year. The agency-wise/State wise breakup of releases is as under :

Agency	Quantity in bales of 170 kgs. each
1. CCI	1.00 lakh bales
2. Maharashtra Fedn.	20,000 bales
3. A. P. Fedn.	10,000 bales
4. T. N. Fedn.	10,000 bales
5. Gujarat Fedn.	10,000 bales
6. Punjab Fedn.	10,000 bales
7. Pvt. Trade	40,000 bales

(e) The minimum export prices are fixed by a Committee headed by Textile Commissioner.

(f) The growers are assured of minimum support prices fixed by the Government and there are considered remunerative for them.

Income-tax raids in Karnataka

2767. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) the total number of income-tax raids conducted in Karnataka involving Central and State Government officers from 1st January, 1986;

(b) the total revenue recovered from such raids; and

(c) number of officers against whom action has been taken ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Income Tax Authorities have not conducted any search in Karnataka involving Central and State Government officers since 1st January, 1986.

(b) and (c). In view of the reply given at (a) above, the question does not arise.

Seizure of polyester fibre at Bombay Dock

2768. SHRI S. M. GURADDI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Department of Revenue Intelligence seized Rs. 65 lakh worth of polyester fibre at Bombay Dock on 17 June, 1986;

(b) if so, the details thereof; and

(c) whether any action has been taken against two mills which were involved in the import of these goods ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI

JANARDHANA POOJARY) : (a) and (b). In pursuance of an information, on 17th June, 1986, 6 containers which arrived at Bombay declared to contain acrylic fibre, consigned to M/s Amba Woollen Mills, Panipat were detained by the Customs authorities at the instance of Directorate of Revenue Intelligence on suspicion that they contained goods other than those declared in the documents. The name of the consignee was subsequently changed to M/s Cambridge Woollen Mills, Ludhiana and M/s Kanwal Woollen Mills, Amritsar.

When all the 6 containers were opened and examined it was found to be mixed consignment of polyester fibre and acrylic fibre. As the goods imported have been found to be mis-declared with regard to contents, weight and value, these have been seized under the Customs Act. The total market value of the goods seized comes to Rs. 67 lakhs and the attempted duty evasion in respect of 6 containers comes to Rs. 28.31 lakhs.

(c) The matter is under departmental adjudication and show cause notices have been issued to the party.

Banks machinery to watch end use of credit

2769. SHRI VIJAY KUMAR MISHRA : Will the Minister of FINANCE be pleased to state :

(a) whether the nationalised banks have any machinery to investigate and find out the end use of credit by the borrowers; and

(b) if not, steps taken to locate and take action against borrowers for misuse of advances made by the nationalised banks ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The banks ensure end-use of funds by (i) periodical inspection of borrowal units and/or hypothecated items/goods/vehicles; (ii) verifying the periodical stock statements required to be submitted by the borrowers; (iii) watching the movement of stocks and turnover in the accounts as reflected in the statements; (iv) studying and

analysing the funds flow statements. Further, in the case of priority sector lendings, the banks/branches have field staff who are required to pay personal visits to the borrowers' premises/work places to ensure that assets have been acquired out of the funds lent. Banks have a right to recall the advances in cases of violation of the terms of the sanction of the loans by the borrowers.

Issue of actual users import licences to aerated water manufacturers

2770. SHRI SOMNATH CHATTERJEE : Will the Minister of COMMERCE be pleased to state :

(a) whether Actual Users Import Licences for raw materials are not given to aerated water manufacturers;

(b) whether Government propose to issue such licence for raw materials to Pepsi Cola for making beverage concentrate;

(c) if so, the reasons thereof; and

(d) whether Government intend to impose an export obligation on Pepsi Cola to export Pepsi concentrate and if so, to what extent ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Supplementary Licences to actual users for import of raw materials are not being given to manufacturers of aerated waters.

(b) to (d). An application has been submitted by M/s. Punjab Agro Industries Corporation for the manufacture of various items of processed foods in financial participation with one of the Tata Companies and M/s. Pepsico Incorporated of USA. No decision has yet been taken on the project and hence it is not possible to give any information. The actual import, however, will be in accordance with the policy in force from time to time.

Counterfeit coins of 5, 10, 50, paise and one rupee denomination

2771. SHRI RAM DHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that counterfeit coins of denomination of 5, 10, 50 paise and one rupee are in circulation;

(b) if so, action taken against the culprits;

(c) whether any assessment has been made regarding the loss of revenue; and

(d) if so, the details thereof.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) There have been reports of circulation of counterfeit coins in the country.

(b) Adequate legal provisions for action against counterfeiters are already available in the Indian Penal Code and action is taken whenever necessary, in the light of these provisions.

(c) and (d). No Sir, however as the value of such coins is not significant, the loss, if any, on this account would not be large.

[Translation]

Cancellation of opium growers' licences

2772. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether Government have recently issued instructions without having any regard to the worst drought situation, that the licence of only those opium growers will be renewed who have produced 32 kg. opium per hectare as against the earlier minimum qualifying average of 30 kg. per hectare;

(b) whether the licences of thousands of opium growers in Rajasthan and Madhya Pradesh have consequently been cancelled; and

(c) if so, the action Government propose to take to help these poor opium growers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The licence for opium poppy cultivation is

issued in accordance with the licensing principles framed by the Government, every year. While the minimum qualifying yield for the crop year 1986-87 has been increased from 30 to 32 Kg. per hectare, the principles inter-alia provide for suitable relief to those cultivators whose crop had suffered damage. The damage reported by the cultivator is verified by the Narcotics Staff and depending upon the extent of damage, the villages are declared to have suffered from 'partial damage' or 'wide spread damage'. While in the first category, a poppy cultivator is required to have given not less than 15 kgs. of opium per hectare, in the latter category, the poppy cultivator may be granted licence irrespective of the yield tendered by him. Accordingly, out of over 28,000 cultivators who were not otherwise eligible because of poor yield due to crop damage in the villages where the damage was reported and verified, 26,986 cultivators have been granted licence under the aforesaid clauses providing for relief.

[English]

Additional income from increase in service charges by banks

2773. SHRI DIGVIJAY SINH : Will the Minister of FINANCE be pleased to state :

(a) how much enhancement in the revenue of the scheduled banks has taken place since the increase in the service charges of clearing up country drafts and cheques from 6 n. p. to 20 n. p.;

(b) what was the projected enhancement of revenue; and

(c) the extent of loss incurred by banks before the enhancement of service charges ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The revised schedule of service charges has been adopted by the public sector banks only recently and it is still in the process of stabilisation. It is yet premature to make any projection or assessment about the likely increase in the revenue of banks on this account.

(c) The working results of banks depend upon various factors and the extent of loss that the banks had been suffering due to inadequate service charges cannot be estimated separately.

Import of rubber by STC

2774. SHRI GEORGE JOSEPH MUNDACKAL : Will the Minister of COMMERCE be pleased to state :

(a) whether the State Trading Corporation has imported a large quantity of rubber without consulting the Rubber Board;

(b) if so, the reasons therefor;

(c) whether the Vth grade and lot rubber is produced by the majority of small farmers and at present there is no market for this rubber ;

(d) whether Government are considering any proposal for fixing support price for rubber for protecting the farmers;

(e) if so, the details thereof; and

(f) whether any plantation subsidy is proposed to be given to the farmers owning upto 10 hectares of land ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) No, Sir.

(b) Does not arise.

(c) There is demand for RMA-V grade of rubber. This alongwith RMA-IV grade of rubber are mainly produced by small holders. There is no grade like 'lot rubber' which is in fact a mixture mainly of RMA-IV, RMA-V and low quality off-grade rubbers.

(d) and (e). STC is currently procuring RMA-4 grade rubber at Rs. 16000 per tonne and RMA-5 grade rubber at Rs. 15500 per tonne.

(f) All farmers in non-traditional areas and farmers owning land under rubber upto 5 hectares in traditional areas are presently eligible for subsidy for taking up rubber cultivation.

Decline in marine exports

2775. SHRI R. S. MANE : Will the Minister of COMMERCE be pleased to state :

(a) whether there has been a decline in the export of marine products during the current year as against the corresponding period last year;

(b) the steps being taken to conserve and purposefully utilize this source of foreign exchange earning; and

(c) the target of marine products export during 1986-87 and the likelihood of its achievement ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) No, Sir. As per the available data export of marine products during April to September of the current year is 40473 tonnes, valued at Rs. 213.90 crores as against 37213 tonnes valued at Rs. 177.70 crores exported during the corresponding period last year. (Source : MPEDA, Cochin).

(b) The level of optimum utilisation of marine resources is yet to be reached.

(c) The target of marine products export fixed for 1986-87 as Rs. 428 crores, is likely to be achieved, according to the trends so far.

[Translation]

Reduction in rate of interest for export purposes

2776. SHRI SARFARAZ AHMAD :
SHRI VILAS MUTTEMWAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the nationalised banks including commercial banks have been directed

to reduce the rate of interest on loans given for export purposes;

(b) if so, when; and

(c) the names of banks which have implemented it and of those which have not done so, and the reasons for not implementing it ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). The Reserve Bank of India has issued directions on 30th July, 1986 under which interest rates on pre-shipment/post shipment export credits upto certain durations have been lowered by 2.5 per cent p. a. with effect from 1st August, 1986. All scheduled commercial banks are to comply with these directions.

[English]

Export target fixed for 100 per cent EOUs

2777. SHRI BALASAHEB VIKHE PATIL : Will the Minister of COMMERCE be pleased to state :

(a) the target fixed for export of goods by the 100 per cent export oriented units (EOUs) upto the end of September, 1986, Industry-wise;

(b) the achievement made so far;

(c) the action being initiated by Government against those units that have not fulfilled their commitments; and

(d) if not, the reasons therefor ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) and (b). No export target has been fixed for these units, most of which are in the private sector. As per reports received from the units, export turnover upto Sept. 1986 is given below :

Year	Estimated exports (Value in Rs. crores)
1981-82	10.41
1982-83	37.87
1983-84	59.14
1984-85	104.23
1985-86	131.27
1986-87	40.31
(upto Sept. '86)	

(c) and (d). Under the Scheme of 100 per cent Export Oriented Units, the export commitment is based on percentages. Units are required to export 100 per cent of the production less the permissible rejects. Sale in the domestic tariff area upto 25 per cent is permitted subject to the fulfilment of the above condition and in accordance with the Import Policy. The actual quantum of exports by these units and the value depend upon various factors including the gestation period, capacity utilisation, demand, pricing, etc.

Loss suffered by cardamom growers of Kerala

2778. SHRI K. MOHANDAS : Will the Minister of COMMERCE be pleased to state :

(a) the present price of cardamom in the International market;

(b) the domestic price;

(c) the loss suffered by cardamom growers in Kerala due to decline in the price of cardamom;

(d) the decline in the export earnings due to fall in the price of cardamom;

(e) whether any effort has been made to explore non-traditional markets in the world; and

(f) if so, the result thereof ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) to (d). Indian prices quoted for the best quality

cardamom in the core international market viz. Middle East in the beginning of October was US Dollar 15 to 17 per kg. which have now come down to the level of US Dollar 12.5 to 14 per kg. Domestic price for the same grade is Rs. 160-170 per kg. Export has not yet been started in full swing. Therefore, it is too early to make an assessment of gain or loss by cardamom growers in Karala or of increase or decrease in the export earnings due to present price situation in cardamom.

(e) to (f). Individual cardamom exporters have made efforts to develop non-traditional markets and over the last three-four years exports are increasing to Japan, Singapore, Srilanka, USSR etc.

South African monopoly in rough diamond trade

2779. SHRI BHATTAM SRIRAMA MURTY : Will the Minister of COMMERCE be pleased to state :

(a) whether India proposes to approach USSR in putting an end to the South African monopoly in the rough diamond trade;

(b) whether any Indian firm violating the mandatory prohibition on dealing with South Africa has been prosecuted; and

(c) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) India does not import diamonds from South Africa. Concerted efforts are being made to import diamonds from primary sources in addition to buying them from established markets.

(b) No, Sir.

(c) Does not arise.

Suspension and dismissal of Income Tax Officials

2780. SHRI SOMJIBHAI DAMOR : Will the Minister of FINANCE be pleased to state the number of Income-tax Officers/ Assistant Commissioners/Commissioners in the Income-Tax Department, suspended/ dismissed/voluntarily retired during the years

1985 and 1986 (upto September, 1986) for neglect of duty, bad antecedents and disproportionate assets ?

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

THE MINISTER OF STATE IN THE

Statement

	Income-tax Officers		Assistant Commissioners		Commissioners	
	1985	1986	1985	1986	1985	1986
Suspended	15	3	3	...	1	...
Dismissed	2	2	...	...	...	...
Voluntarily retired	11	12	3	3	13	1

[Translation]

Persons trained in Handloom Technology Training Institutes

2781. SHRI MAHENDRA SINGH : Will the Minister of TEXTILES be pleased to state the names of places in different States where Indian Institutes of Handloom are situated and the number of persons trained there every year ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : The names of places in different States where Indian Institutes of Handloom Technology (IIHTs) are situated along with the number of persons trained respectively are as under :

State	Place	No. of Seats
1. Uttar Pradesh	Varanasi	43
2. Tamil Nadu	Salem	60
3. Assam	Guwahati	28

Cotton purchased by C. C. I.

2782. SHRI K. N. PRADHAN : Will the Minister of TEXTILES be pleased to state ;

(a) the quantity of cotton purchased by Cotton Corporation of India last year on support price;

(b) the stock of cotton with the Corporation as on 30th September, 1986; and

(c) the quantity of cotton imported during this year ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) The Support price purchases of Cotton Corporation of India during 1985-86 were 12.23 lakh bales.

(b) CCI had unsold stocks of 84,043 bales of cotton on 30th September, 1986.

(c) No cotton has been imported during the current cotton year.

[English]

Fall in prices of rubber

2783. PROF. P. J. KURIEN :
SHRI SODE RAMAIAH :
SHRIMATI GEETA

MUKHERJEE :

Will the Minister of COMMERCE be pleased to state :

(a) whether the prices of natural rubber have come down lately;

(b) if so, the extent thereof;

(c) whether the release of imported rubber has caused the decline in prices; and

(d) if so, the steps being taken to mop up the rubber in the domestic market and stabilise the prices ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) and (b). Rubber prices of RMA-IV grade, came down from Rs. 16000 per tonne on 16.9.1986 to Rs. 15,700 per tonne on 20.10.1986 and moved upto Rs. 15,900 per tonne on 3.11.1986 and stabilized.

(c) and (d). With the on set of peak production of rubber in October, 1986 prices showed a downward trend. STC have undertaken price support operations as envisaged in the Buffer Stocking Scheme and has been procuring RMA-4 and RMA-5 grades of rubber from the domestic market.

[Translation]

Interest on Application Money to Companies

2784. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the news-item appearing in the 'Indian Express' dated the 13th September, 1986 under the caption "No more Bank Interest on Application Money to Companies" in case of new issues of shares and debentures;

(b) if so, who is entitled to get payment of the interest due on the amount of such deposits in banks; and

(c) the reasons for debarring both applicants and companies from this interest ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) and (c). Section 73(3-A) of the Companies Act, 1956 enjoins on companies to use application moneys either for allotment or refund. In terms of the provisions contained in Section 73(3) of the Companies Act, 1956, all moneys received on account of share allotment are to be kept in a separate Bank Account to be maintained by the Company with a Scheduled Bank until the permission has been granted for the shares to be dealt with in a Stock Exchange, or where an appeal has been filed against the refusal to grant such permission until the disposal of the appeal. The moneys, therefore, are kept in special current accounts which do not earn any interest. On 30.10.86, the R. B. I. has clarified to all scheduled banks that they should not agree to their clients' requests for transfer of share application moneys received by them and kept in separate account to short term deposits and/or cash credit accounts.

Organisation of trade fairs by TFAI

2785. SHRI MOOL CHAND DAGA : Will the Minister of COMMERCE be pleased to state :

(a) the places in India where trade fairs were organised by the Trade Fair Authority of India during the last three years and the dates on which fairs were organised; and

(b) the amount spent thereon together with the details of the income received by Government from Trade Fair Authority of India ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) A statement is given below.

(b) The amount spent on these fairs was as under :—

Year	Expenditure (Rs. in lakhs)
1983-84	136.13
1984-85	95.53
1985-86	129.31

In addition, the expenditure on maintenance of Pragati Maidan and capital works was as under :—

Year	Expenditure (Rs. in lakhs)	No income was received by Government from Trade Fair Authority of India.
1983-84	139.58	
1984-85	126.51	
1985-86	68.55	

Statement

Details of fairs organised by Trade Fair Authority of India in India during the last three years.

S. No.	Name of the fair	Place	Dates
(1)	(2)	(3)	(4)
<i>1983-84</i>			
1.	Good Living Exhibition	New Delhi	16.5.83 to 15.6.83
		New Delhi	1.7.83 to 31.7.83
		New Delhi	16.6.83 to 15.9.83
2.	India International Trade Fair '83	New Delhi	14.11.83 to 27.11.83
3.	Handloom Woollen Textile and Knitwear Fair	New Delhi	23.1.84 to 3.2.84
4.	Sports Goods, Games Toys and Gift Fair	New Delhi	23.3.84 to 2.4.84
5.	Handicrafts and Ceramic Fair	New Delhi	23.3.84 to 2.4.84
<i>1984-85</i>			
1.	Good Living Exhibition	New Delhi	18.5.84 to 10.6.84
		New Delhi	22.6.84 to 15.7.84
2.	India International Trade Fair	New Delhi	14.11.84 to 27.11.84
3.	Handloom Khadi & Woollen Textiles/Knitwear Fair	New Delhi	21.12.84 to 13.1.85
4.	AHARA '85	New Delhi	25.1.85 to 3.2.85
<i>1985-86</i>			
1.	Good Living & Consumer Goods Exhibition	New Delhi	17.5.85 to 9.6.85

(1)	(2)	(3)	(4)
2. Handloom, Khadi, Woollen Kintwear and Textile Fair		New Delhi	14.8.85 to 8.9.85
3. India International Trade Fair		New Delhi	14.11.85 to 27.11.85
4. AHARA '86		New Delhi	25.1.86 to 3.2.86
5. Indian International Leather Fair '86		Madras	31.1.86 to 6.2.86
6. International Carpet Fair		New Delhi	14.3.86 to 30.3.86
7. Handloom, Khadi & Woollen Knitwear and Textiles Fair		New Delhi	14.3.86 to 30.3.86

[English]

Recruitment of trainee for subsidiary of NTC

2786. SHRI NARAYAN CHOUBEY : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the subsidiary Corporations have been seeking permission from NTC for recruitment of trainee workers and operational staff;

(b) if so, the Government's reaction thereto; and

(c) whether the retrenched workers were paid their due benefits, if so, the details ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). The subsidiaries are presently empowered to fill-up operational posts subject to certain conditions and to take trainees/apprentices as required under the law.

(c) Workers leaving employment under the labour rationalisation scheme have been paid statutory dues and dues admissible under the scheme.

Visit of Indians to foreign countries for pilgrimage

2787. SHRI MOOL CHAND DAGA : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the number of Indians who went on pilgrimage to foreign countries during the last three-years, year-wise and country-wise;

(b) the countries and pilgrimages visited to them;

(c) the amount of foreign exchange sanctioned for these visits;

(d) Government expenditure incurred and subsidies given if, any, in this regard; and

(e) the expenditure incurred by Indian Missions in those countries, if any ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) to (e). Information is being collected and will be placed on the Table of the House as soon as it is available.

[Translation]

Loans to tribal farmers

2788. SHRIMATI SUMATI ORAON : Will the Minister of FINANCE be pleased to state :

(a) the number of these tribal farmers of Chotanagpur and Santhal Parganas in Bihar who have been given loans by the Banks in rural areas and the amount of loans given to them;

(b) whether Government are aware that the tribal farmers face various difficulties in getting the said loans sanctioned; and

(c) if so, the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). The Reserve Bank of India (RBI) have reported that the present data reporting system from banks does not yield information separately for tribal farmers of Chotanagpur and Santhal Parganas in Bihar. The details of credit extended by Public sector banks to Scheduled Castes/Scheduled Tribes beneficiaries under priority sector in Bihar are furnished below :

	No. of A/Cs (In lakhs)	Balance out- standing (Rs. in Crores)
December, 1983	2.43	36.45
December, 1984	3.58	56.91
June, 1985	3.72	98.75

RBI has reported that no general complaint regarding difficulties faced by the tribal farmers of Chotanagpur and Santhal Parganas in getting the loans sanctioned have been received. Wherever specific instances of denial of credit to the weaker sections or other difficulties faced by them are brought to the notice of Government/RBI, the matter is taken up with the concerned banks for appropriate remedial action.

[English]

Surplus staff in banks

2789. SHRI HARIHAR SOREN : Will the Minister of FINANCE be pleased to state :

(a) whether there are surplus staff in many public sector banks;

(b) if so, which are those banks; and

(c) how the surplus staff is being utilised ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). Reserve Bank of India has advised that some of the public sector banks have identified certain pockets of surplus staff. These banks are redeploying the surplus staff in deficit areas to the extent possible.

Decision for non-reimbursement of losses of Eastern subsidiary of NTC

2790. SHRI INDRAJIT GUPTA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Government have decided for non-reimbursement of losses of the Eastern subsidiary of the National Textile Corporation (NTC);

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

(c) whether it is a fact that nearly 15,000 workers will be facing dismissal following this decision;

(d) whether it is a fact that the strength of officers, staff and sub-staff of the 14 mills in West Bengal have increased at a large rate after the nationalisation when the strength of workers has gone down; and

(e) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

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

(d) and (e). The strength of the officers, supervisors and staff in the 14 textile mills under NTC (WBABO), Calcutta, has increased to some extent after nationalisation due to filling up of posts in the disciplines of Administration, Technical and operational areas to strengthen the management in these mills for its operations. The details in this regard are as under :—

	<i>As on</i> 1.4.1974	<i>As on</i> 30.6.1986
Officers/Supervisors Staff/Sub-staff	1420	1501
Workers	16657	14381

Increase in service charges

2791. SHRI A. CHARLES :
SHRI GURUDAS KAMAT :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there has been an exorbitant increase in the service charges of the banks recently;

(b) if so, the details of the revised service charges in respect of various items;

(c) the date from which the increase in the service charges was given effect to; and

(d) the percentage of increase in respect of cheques collection exchange of remittance by demand draft and documentary bills collection, separately ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (d). Based upon studies conducted by the Indian Banks' Association (IBA) about the costs incurred by the banks in rendering various services, the State Bank of India revised its service charges in June 1985. Thereafter, all the public sector banks have from different dates adopted schedules of service charges on the lines adopted by the State Bank of India.

The revision in the service charges was considered necessary by banks to enable them to recover to some extent the cost of rendering these services to customers. The revised schedule has been based on the findings of the studies undertaken by IBA. The revised service charges are related to cost inputs of the banks in relation to specific services. The increase in service charges is reasonable.

Old and new service charges of State Bank of India in respect of some commonly used services are given in the statement given below.

Statement

Old and new service charges of public sector banks

Sl. No.	Item of Service	Value of the Transaction	Old charges (Rs.)	New charges (Rs.)
1	2	3	4	5
1.	Bills Collection	Rs. 1000	5.00	5.00
		Above Rs. 1000 upto Rs. 5000	5.30 to 15.00	15.00
		Above Rs. 5000 upto Rs. 10,000	15.30 to 30.00	30.00
		Above Rs. 10,000	30.00	40.00
		Maximum	500.00	1000.00
2.	Cheques for Collection	Rs. 1000	2.00	3.00
		Above Rs. 1000 upto Rs. 5000	2.20 to 10.00	10.00
		Above Rs. 5000 upto Rs. 10,000	10.20 to 20.00	20.00

1	2	3	4	5
		Above Rs. 10000 upto to Rs. 1 lakh	20.10 to 200.00	25.00 to 250.00
		Above Rs. 1 lakh	100.00 to 500.00	250.00 to 1000.00
3.	Remittances (Drafts/MTs/TTs)	Upto Rs. 200	2.00	2.00
		Above Rs. 200 upto Rs. 1000	2.00	5.00
		Above Rs. 1000 upto Rs. 5000	2.20 to 10.00	10.00
		Above Rs. 5000 upto Rs. 10,000	10.20 to 20.00	20.00
		Above Rs. 10,000 upto Rs. 1 lakh	Min. 20.00 to 100.00 Max. 500.00	20.00 to 200.00 1000.00
4.	Ledger Folio Charges		If balance usually under Rs. 500 then at Managers' discretion Rs. 10 per year with Rs. 5 per additional page of ledger	Annual charges of Rs. 20 per folio except if balance Rs. 1500 —No folio is free Rs. 1500- —3 folio 5000 free Rs. 5000- —5 folio 10,000 free Rs. 10,000- —10 folio 25,000 free More than 25,000 —No charges

**Persons arrested for smuggling
activities**

2792. SHRI K. D. SULTANPURI :
Will the Minister of FINANCE be pleased to
state :

(a) the number of persons arrested for
smuggling activities in the country since 1
April, 1986; and

(b) the amount of goods seized during
this period from smugglers ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POJARY) : (a) and (b).
The total number of persons arrested in
connection with smuggling activities and the
value of contraband goods seized through-
out the country under the Customs Act,
1962 during the period from 1st April,
1986 to 30th September, 1986 is given
below :—

Number of persons arrested	Value of goods seized (Rs. in crores)
1344	109.6

(Figures are provisional)

Export promotion by STC

2793. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether the State Trading Corporation (STC) has taken steps to assist the exporters by giving raw materials at international prices and also to offer help to set up production facilities to a large number of units to form a reliable supply base; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) to (b). Yes, Sjr, STC has evolved and announced several measures to assist exporters in the fields of leather and leather-wear, drugs and pharmaceuticals, and sports goods. Some of these measures are :—

- (i) Providing imported tannings/shoe machinery to associate exporters on hire-purchase basis or on sale on off the shelf basis.
- (ii) Supply of machines on rent basis to associate exporters of shoe uppers.
- (iii) Supply of canalised drugs to export associates on High Sea Sales Basis under Raw Material Assistance Scheme.
- (iv) Supply of Methanol, a major intermediate raw material for Chemical/ Pharmaceutical industry at international prices plus handling and service charges, for export production.
- (v) Working out a scheme to provide some testing facilities and other assistance in terms of infrastructural facilities like sheds in the custom bonded area for production of sports goods at STC's Design-development Centre in Jalandhar.

Inadequate export marketing techniques

2794. SHRI T. BASHEER : Will the Minister of COMMERCE be pleased to state :

(a) whether the present adaptations and innovations in export marketing processes and techniques are inadequate in India to suit the changing international trading environment; and

(b) if so, the steps being taken in the context of large scale demand for Indian technology in African and ASEAN countries ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) and (b). Product Development, Market Research and Market Development is the responsibility of several bodies like Export Promotion Councils, Commodity Boards and other Export Organisations. To enable them to fulfill this role effectively, Government provides Market Development Assistance for various export promotional activities such as for sponsoring business delegations, sales teams, market studies, export publicity, advertisements abroad and for participation in trade fairs and exhibitions.

In order to help increase export of Indian technology to various markets including those in Africa and ASEAN countries Government provides assistance for consultancy exports, Project exports and for establishment of offices, warehouses, after sales service centres and Joint Ventures abroad.

With a view to diversify exports of Indian Projects and Consultancy Services to other emerging markets in Africa and South East Asia, our Missions have been requested to bring to the notice of the Government the development plans of various countries and the opportunities available for projects. Information about projects being funded by Multilateral Financing Agencies like the World Bank, Asian Development Bank, African Development Bank is regularly disseminated by Engineering Export Promotion Council and Overseas Construction Council of India through their fortnightly publications.

[Translation]

**Investment of capital by banks under
DRI Scheme**

2795. SHRI DILEEP SINGH BHURIA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that it is obligation for each nationalised bank to invest 2 per cent of its total capital in the loan schemes having differential rate of interest;

(b) if so, whether all the nationalised banks are following this policy;

(c) the names of the banks which are not implementing this policy in letter and spirit;

(d) whether the limit of loans at differential rate of interest is Rs. 6000/- only; and

(e) whether the Government of India propose to raise this limit in view of the present rising prices ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). Under the Differential Rate of Interest (DRI) Scheme, the public sector banks are required to lend atleast 1 per cent of their aggregate advances as at the end of the previous year. All public sector banks are providing loans under DRI Scheme and most of them have already attained the stipulated target.

(d) and (e). The scheme makes available to borrower a loan at a concessional rate of interest at 4 per cent per annum an amount of Rs. 1500/- for working capital and Rs. 5000/- as term loan. In exceptional cases and in case of indigent students of merits higher amounts could be considered. A composite loan of Rs. 6,500/- could be sanctioned to small scale industrialists and village artisans in the decentralised sector.

There is no proposal at present under consideration of the Government for raising the above mentioned loan limits.

[English]

**Abolition of All India Handicrafts
Board**

2796. DR. PHULRENU GUHA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that All India Handicraft Board which formulated many plans for the development of Handicrafts has been abolished; and

(b) if so, the reasons thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). A joint Board, All India Handlooms and Handicrafts Board has been constituted on 1st July, 1981 in place of two Separate Boards viz. All India Handlooms Board and All India Handicrafts Board.

Export Promotion to Europe by EEPC

2797. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether Engineering Export Promotion Council (EEPC) has plans to promote exports to Europe;

(b) if so, whether these plans include opening of more warehouses in some of the European countries; and

(c) whether EEPC has also studied the possibility of exporting certain labour-intensive Indian technologies to Europe, in conjunction with organisations like the Netherlands Centre for promotion of imports from developing countries ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) Yes, Sir. The Government has given approval to EEPC to set up a Warehouse in Rotterdam.

(c) Yes, Sir. Some labour intensive technologies in selected sectors have been

identified for possible transfer to the Netherlands.

Rise in current revenues and expenditure

2798. SHRIMATI KISHORI SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether current revenues have been rising this year due to better tax collection;

(b) if so, the extent thereof;

(c) whether current expenditure is also rising;

(d) whether the surplus from current revenues has thus dwindled despite the rise in revenues; and

(e) if so, remedial steps taken in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Yes, Sir. The receipts from principal taxes upto end of October 1986 are Rs. 2516 crores or 17.8 per cent higher than the revenue realised in the corresponding period last year.

(c) to (e). There have been certain post budget commitments like implementation of the decisions on Pay Commission's recommendations, larger requirements of Defence etc. which have increased current expenditure. To check the erosion of current revenues Ministries have been instructed to review their Budgets to effect economies in non developmental and non essential items of expenditure.

[Translation]

Distribution of loans to unemployed persons in Delhi

2799. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) the amount of loans distributed by the various Banks in Delhi during the year

1985-86 to the unemployed persons and to other persons separately;

(b) the names of the banks which have given loans;

(c) if so, the details in regard to categories of persons to whom loans can be granted by banks;

(d) whether it is being ensured that the loans are being distributed properly;

(e) if so, the details in regard thereto; and

(f) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (f). The information asked for is being collected and will be laid on the Table of the House to the extent possible.

[English]

Steps to promote beach tourism snow sports

2800. SHRI JANAK RAJ GUPTA : Will the Minister of TOURISM be pleased to state :

(a) the steps being taken to promote beach tourism, water and snow sports, adventures like skiing, mountaineering and rock climbing; and

(b) whether any special training institute has been established for the same ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The Central Ministry of Tourism extends infrastructural, publicity and promotional support to proposals received from State/Union Territories for the promotion of such activities.

(b) The Government of India has set up a special Training Institute called the Jawahar Lal Nehru Institute of Skiing and Mountaineering at Gulmarg to impart training in mountaineering, skiing and other winter sports.

Bonus to Central Government employees

2801. SHRI RADHAKANTA DIGAL : Will the Minister of FINANCE be pleased to state :

(a) the number of Central Government employees entitled to get ad hoc bonus announced for the accounting year 1985-86; and

(b) the financial implication thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) About 17 lakhs.

(b) Rs. 140 crores approximately.

Expenditure incurred on passport offices

2802. SHRI V. SOBHANADREESWARA RAO : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the total number of passport applications received by passport offices in the country and passport issued by each of these officers during the last three years ending 31st March, 1986; and

(b) the expenditure incurred by Government on each of these offices for the year 1985-86 ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) and (b). Details are given in the statement below.

Statement

Sl. No.	Station	1983-84		1984-85		1985-86		Expenditure incurred during the year 1985-86 Rs.
		Passport applications received	Passports issued	Passport applications received	Passports issued	Passport applications received	Passports issued	
1	2	3	4	5	6	7	8	9
1.	Ahmedabad	83,750	85,734	82,730	73,049	79,669	70,149	15,66,875.60
2.	Bangalore	72,287	70,313	75,718	60,648	81,820	88,606	15,52,378.15
3.	Bareilly	42,656	58,662	78,246	66,572	62,190	58,997	16,10,159.01
4.	Bhopal	18,339	18,845	16,223	14,877	16,910	17,024	5,52,327.70
5.	Bhubaneswar	4,266	4,075	4,606	3,921	4,388	4,194	2,83,710.93
6.	Bombay	2,65,131	2,58,223	2,51,680	2,46,035	2,57,035	2,79,130	50,23,532.62
7.	Calcutta	41,182	43,342	43,470	33,268	40,894	36,628	10,98,891.70
8.	Chandigarh	88,916	93,272	68,298	46,702	60,856	90,791	16,19,065.70
9.	Cochin	1,35,128	1,39,575	1,14,673	94,552	88,662	66,026	25,46,341.65
10.	Delhi	1,22,473	1,22,658	1,08,898	1,10,727	1,22,310	1,14,298	3,96,776.20
11.	Guwahati	3,115	2,743	3,447	3,227	3,082	2,826	49,130.25
12.	Hyderabad	1,10,452	1,15,979	74,087	57,934	53,490	57,473	16,86,727.10

	1	2	3	4	5	6	7	8	9
13. Jaipur			71,894	73,127	52,503	48,696	44,440	47,536	11,90,189.57
14. Jalandhar			95,662	91,106	62,143	41,821	53,575	50,926	15,56,369.30
15. Kozhikodo			69,550	78,735	58,832	53,699	65,246	67,376	10,81,295.65
16. Lucknow			57,263	54,033	42,513	58,662	39,480	32,006	10,97,091.55
17. Madras			1,04,678	1,19,537	80,028	67,754	79,593	86,440	16,91,965.25
18. Patna			23,838	23,139	18,745	11,453	15,059	14,469	4,69,917.65
19. Srinagar (J & K)			10,630	10,592	10,054	8,345	9,369	7,305	6,50,939.00
20. Tiruchirappali			1,30,326	1,27,743	1,19,828	98,910	64,058	70,230	17,06,422.04
21. Vijaywada			7,604	4,896	14,629	13,947	5,09,087.62

(Since merged with

passport Office, Hyderabad)

**India's support to Nicaraguan move
in UN Security Council for
compelling USA to comply
ICJ Judgement**

2803. SHRI ANAND SINGH : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether India supported at the UN Security Council's meeting in October, 1986 the Nicaraguan move to compel USA to comply with the Judgement of International Court of Justice (ICJ) asking the US Government to stop all acts of hostility against Nicaragua and interference in the internal affairs of that country; and

(b) if so, the UN Council's response thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) A draft resolution sponsored by nonaligned members of the Security Council, calling for full and immediate compliance with the judgement of the International Court of Justice of 27 June, 1986 in the case of "Military and Para-Military Activities in and against Nicaragua" in conformity with the relevant provisions of the Charter, was vetoed by the United States.

Improvement of Pathini Tea Estate

2804. SHRI SUDARSAN DAS : Will the Minister of COMMERCE be pleased to state :

(a) the number of representations received this year regarding the condition of Pathini Tea Estate of Karimganj district of Assam a unit of Tea Trading Corporation of India; and

(b) the steps taken to improve the condition of the Pathini Tea Estate ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). In the current year representations have been received from a Honourable Member of Parliament regard-

ing the condition of the Pathini Tea Estate, owned by the Tea Trading Corporation of India Ltd. Steps taken for overall improvement of the tea estate include appointment of new experienced Manager of the tea estate as also an experienced tea garden factory engineer, development of a large clonal nursery for future extension planting and rejuvenation work, due attention to maintenance of roads and bridges, regular visits by senior officers for better supervision and monitoring.

**Institute of transportation technology
by SAARC countries**

2805. SHRIMATI USHA CHOUDHARI : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether the SAARC member nations propose to open an Institute of Transportation Technology; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) A proposal for the establishment of an Institute of Transport Planning and Management for SAARC member countries is under consideration by the SAARC Technical Committee on Transport.

(b) India has prepared an inception report for such an Institute. The report has been circulated for comments to other member Countries. Their comments are still awaited.

**Advisory Board for Industrial
Development Bank of India**

2806. SHRI C. SAMBU : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to set up an Advisory Board to the Industrial Development Bank of India; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The Indus-

trial Development Bank of India (IDBI) has reported that it has recently set up an Advisory Board for its Small Industries Development Fund. The Board is to advise IDBI on policy matters relating to promotion, development and financing of small scale industrial units in the country. The Board consists of 19 members who represent Government, institutions, Small Scale Industries Association and a few individuals associated with small scale industry.

Insisting on personal guarantee of Directors of companies for borrowing loans from banks

2807. SHRI VIJAY N. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the directives issued by the Reserve Bank of India to commercial banks that they can insist on personal guarantee of the Directors of the Companies for the loans they borrow from the banks;

(b) if so, the reasons for issuing directives;

(c) whether any shortcoming were found in the old system of sanctioning loans for working capitals against stocks of raw-material and finished goods; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (d). Reserve Bank of India has issued guidelines to the banks that with a view to bringing about better financial discipline amongst promoters of industries, banks may obtain personal guarantee of Directors (other than Nominee Directors) as an additional measure depending on merits of each individual case. This has been done to instil greater accountability and responsibility on the part of Directors with a view to ensuring healthy running of units and for protecting the interests of banks and lending financial institutions at the time of change of management.

Branches of SBI in Kerala

2808. SHRI V. S. VIJAYARAGHAVAN : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of the State Bank of India operating in Kerala;

(b) whether the activities of the SBI in Kerala have increased with the amalgamation of the Cochin Bank;

(c) whether any demand has been made for the expansion of SBI network in the State; and

(d) if so, the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Reserve Bank of India (RBI) has reported that State Bank of India (SBI) had as on 30.6.1986, 193 branches in Kerala. Out of 108 branches of Bank of Cochin merged with SBI, 91 branches are located in Kerala and the activities of SBI in Kerala would have increased to the extent of the activities of these 91 branches. Representations are received by RBI from time to time regarding opening of branches of SBI in various centres in Kerala. The contents of representations are examined for appropriate action according to the norms laid down in the current branch licensing policy for 1985-90.

Condonation of legitimate delays in depositing income tax

2809. DR. CHINTA MOHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Punjab, Haryana and Delhi Chamber of Commerce and Industry has urged for condonation of legitimate delays in filing Income Tax returns as reported in Economic Times of 13 October, 1986; and

(b) whether Government propose to give powers in this regard to Income Tax Officers in genuine cases ?

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

(b) The matter is still under consideration. Final decision in this regard will be reflected in the comprehensive Taxation Laws Amendment Bill which is under preparation.

Assistance under self-employment for educated unemployed scheme

2810. **SHRIMATI MADHUREE SINGH** : Will the Minister of FINANCE be pleased to state :

(a) Statewise number of beneficiaries sanctioned loans under the scheme for providing "Self-employment for educated un-

employed" during the last 3 years, year-wise; and

(b) the amounts sanctioned, State-wise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The State-wise number of beneficiaries and amount sanctioned under the Scheme for providing self-employment to the educated unemployed youth for the last three years i. e. 1983-84, 1984-85 and 1985-86 is given in the statement given below.

Statement

State-wise position of number of cases and amount sanctioned under SEEU Scheme for the years 1983-84, 1984-85 and 1985-86.

Name of the States/ UTs	(Amount in Lakhs of Rupees)						
	1983-84		1984-85		1985-86		
	No. of Applications sanctioned	Amount	No. of Applications sanctioned	Amount	No. of Applications sanctioned	Amount	
1	2	3	4	5	6	7	
Andhra Pradesh	14781	2936.00	13084	2733.92	16518	3474.22	
Assam	8021	1540.44	7642	1629.91	4629	1026.55	
Bihar	14230	2278.64	14806	2674.97	26376	5055.03	
Gujarat	10497	1538.88	4072	665.96	6522	898.42	
Haryana	6189	998.99	5478	957.45	4782	908.68	
Himachal Pradesh	2465	449.69	2156	448.49	1591	353.25	
Jammu & Kashmir	1416	287.95	1119	244.10	1095	254.52	
Karnataka	12360	1960.00	12810	2379.00	12837	2506.40	
Kerala	13091	2110.00	11907	2129.70	13033	2452.37	
Madhya Pradesh	18786	2857.80	18065	3404.38	17224	3368.20	
Maharashtra	24579	4024.28	18667	3109.28	13848	2631.12	
Manipur	991	179.82	994	227.50	1491	363.10	
Nagaland	189	39.25	269	58.60	166	33.40	
Orissa	6823	1368.62	7599	1703.65	8757	2039.64	

1	2	3	4	5	6	7
Punjab	9047	1689.60	12212	2443.00	11677	2373.65
Rajasthan	15054	2365.30	15382	2898.57	10986	2162.46
Sikkim	15	3.65	49	10.30	49	12.17
Tamil Nadu	21247	3316.00	22500	4248.86	18722	3744.64
Tripura	696	97.33	707	131.72	912	175.12
Uttar Pradesh	36857	5382.85	34400	5981.21	26264	4569.05
West Bengal	23680	4481.92	23101	4533.21	21885	4349.14
Andaman & Nicobar Islands	66	15.22	101	23.68	101	24.56
Arunachal Pradesh	36	6.91	60	12.50	61	15.31
Chandigarh	325	56.50	300	62.00	394	82.74
Dadra & Nagar Haveli	54	10.71	68	13.42	40	7.76
Goa, Daman & Diu		DIC was not in Operation	337	81.62	84	16.22
Mizoram	196	42.61	202	32.12	104	14.86
Pondicherry	414	40.00	639	100.00	465	73.06
Meghalaya	353	75.09	313	62.92	111	13.58
Total	242458	40154.05	228800	42952.72	220724	42998.22

Data—Provisional.

Source : RBI Report.

**Proposal to set up a spinning mill at
Baliapal, Orissa**

2811. **SHRIMATI JAYANTI
PATNAIK** : Will the Minister of TEXTILES
be pleased to state :

(a) whether Government have a proposal
to set up a spinning mill at Baliapal in
Balasore district, Orissa;

(b) if so, the cost of the project;

(c) whether any letter of intent has been
issued to the concerned party to set up a
spinning mill at the above place; and

(d) if not, the steps taken thereon ?

**THE DEPUTY MINISTER IN THE
MINISTRY OF TEXTILES (SHRI S.
KRISHNA KUMAR)** : (a) No, Sir.

(b) to (d), Do not arise, in view of (a)
above.

**Sales Trainees in N. T. C.
(Eastern Zone)**

2812. **SHRI HANNAN MOLLAH** :
Will the Minister of TEXTILES be pleased
to state :

(a) number of persons still engaged in
N. T. C. (Eastern Zone) in the name of Sales
Trainee without any assignment to them;

(b) the total amount being paid to them
as stipend or wage last year and upto date;

(c) for how many years they are being
paid; and

(d) the reasons why their services are
not being terminated even after the expiry of
their probation period of two/three years ?

**THE DEPUTY MINISTER IN THE
MINISTRY OF TEXTILES (SHRI S.
KRISHNA KUMAR)** : (a) NTC (WBABO)
have reported that there are 28 such sales
trainees.

(b) During the period from January,
1985 to December, 1985 and from January,
1986 to October, 1986, an amount of Rs.

1,33,320/- and Rs. 1,11,103/- respectively
was paid to them as stipend.

(c) These sales trainees are being paid
stipend since 1984.

(d) These 28 persons were taken back
in service in pursuance of a Board decision
in September, 1985.

Import-export policy regarding silk

2813. **SHRI MOHANBHAI PATEL** :
Will the Minister of TEXTILES be pleased
to state :

(a) Government's policy in regard to
import of raw silk and export of silk
clothes;

(b) the quantity and value of raw silk
imported during the last three years and
the value of silk goods exported during that
period;

(c) the names of the countries from
whom the import of raw silk is being made;
and

(d) whether it is a fact that the raw silk
growers have objected to the import of raw
silk and if so, the decision taken on their
objection ?

**THE DEPUTY MINISTER IN THE
MINISTRY OF TEXTILES (SHRI S.
KRISHNA KUMAR)** : (a) Under the
current Import-Export Policy, the import
of silk by exporters is allowed only for or
against exports under the AIS and REP
Schemes, as an incentive to boost silk
exports. For indigenous consumption,
import of raw silk is allowed as a canalised
item through the Central Silk Board.

(b) and (c). A total quantity of 1573
M. tonnes (Prov.) or raw silk valued at
Rs. 30.46 crores was imported during
1983-84 from countries like China, Brazil,
Korea, Hong Kong etc. The data regarding
the total/country-wise import of silk during
the subsequent years is yet to be compiled by
DGCI & S, Calcutta. The total value of
silk goods exported during the last 3 years is
as under :

1983-84	111.67 (Rs. in crores)
1984-85	129.05
1985-86	159.80

(d) Yes, Sir. However, since the import of silk under the AIS and REP schemes is meant for boosting exports and is allowed only for or against exports, it is not considered feasible to ban the import of silk under these schemes.

Settlement of customs and excise duties

2814. SHRI MOHANBHAI PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether some large industrial groups have approached the Govt. for settlement in regard to customs and excise duties under the scheme for compounding of offences and settlement of court cases relating to customs and excise duties announced on 1st August, 1986; and

(b) if so, the arrears claimed in these cases and the amount already collected ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) (a) and (b). The information to the extent possible is being collected and will be laid on the table of the House.

Payment of D.A. to Central Government Employees

2815. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) the total amount paid as D. A. to Government employees by the Central Government during the last three financial years, year-wise ; and

(b) the estimated outlay on this account during the current year ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The total amount of D.A. paid to the Central Government employees during the last three financial years is as follows :

(Rs. in crores)

Years	Civilian Employees	Employees of Armed Forces Personnel and Union Territories	Total
1983-84	1833.46	733.38*	2566.84*
1984-85	2244.02	897.61*	3141.63*
1985-86	2420.14*	968.06*	3388.20*

*Estimated.

(b) In the Budget, provision is made under the head 'Salary' for the pay of employees as well as allowances payable to them. No separate provision is made for dearness allowance instalments sanctioned earlier. However, a lump-sum provision of Rs. 300 crores has been made for dearness allowance sanctioned during the current year.

International Cooperation in Jute Production and Marketing

2816. SHRI SYED SHAHABUDDIN : Will the Minister of TEXTILES be pleased to state :

(a) the major results achieved by the international jute Council and the International Jute Organisation since their inception ?

(b) whether the jute producing countries have reached an agreement production of raw jute ;

(c) whether the jute exporting countries have agreed to regulate their exports in accordance with agreement;

(d) whether the jute producing countries have reached an agreement regarding joint research projects for finding alternative uses of jute products; and

(e) whether the jute exporting countries have reached an agreement regarding joint promotional campaign in traditional markets ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Since the setting up of the International Jute Organisation in 1984, it has so far taken up for implementation a total of 9 projects which include 5 market promotion, 3 agricultural and one industrial project. 2 sub-projects have also been approved. It is too early to make any assessment of the results achieved by these projects as these are under various stages of implementation.

(b) No, Sir.

(c) No, Sir.

(d) and (e). There is no agreement exclusively between only producing or exporting countries. However, there is an agreement which envisages formulation and implementation of projects in the fields of research and development, market promotion and cost reduction. The objective is that the projects under IJO should have the potential of benefiting more than one exporting member and be of benefit to the jute economy as a whole. All members of IJO, are party to this agreement.

**Representation against raids on
Bombay Stock brokers**

2817. SHRI G. M. BANATWALLA : Will the Minister of FINANCE be pleased to state :

(a) whether the Bombay Stock Exchange made any representation to Government regarding Income tax raids and seizure operations on Bombay Stock brokers and total dislocation of the functioning of the stock brokers;

(b) if so, details of complaints made and demands put forth; and

(c) Government's reaction thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) Some of the share brokers through Bombay Stock Exchange requested for the return of a part of the shares seized during the course of search for the purposes of settlement. There were no complaints as such from the stock exchange.

(c) The representatives were informed of the existing procedure under the Income-tax Act regarding release/retention of seized assets.

Uniformity in sales tax

2818. SHRI G. M. BANATWALLA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government of Kerala have made any suggestions to the Union Government for evolving uniform sales tax policy at least for the Southern State ;

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

(c) steps, if any, taken by Government to help evolve uniformity in sales tax ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). A reference from the Government of Kerala has been received but no specific suggestion for evolving uniform sales tax policy has been suggested. The State Government, no doubt, pointed out the disparity in sales tax rates on certain items like foreign liquor, motor cars and motor chasis, etc. in Pondicherry vis-a-vis Kerala and suggested uniform sales tax policy on such items.

(c) Levy of tax on sales or purchases of goods taking place within a State is a State subject of taxation under Entry 54 of List II of Seventh Schedule of the Constitution. The States and most of the Union Territories have their own sales tax laws and they are, therefore; competent to increase or decrease the rates of sales tax under their own sales tax laws. The problem relating to lack of uniformity in the rates of sales tax on an All India basis has been discussed at length at the Conference of Chief Ministers' and in

the Regional Councils meetings and also in the meetings of Finance/Revenue Secretaries and Commissioners in-charge of sales-tax in all States/Union Territories. A committee consisting of a few Commissioners of Sales-tax was also set up to consider this issue. This Committee while observing that absolute uniformity in rates of sales-tax across the States is neither desirable nor feasible had identified 29 items on which it recommended maintaining minimum floor level rates below which no State or Union Territory should reduce rates though they would be free to fix higher rates. The report submitted by the Committee was circulated among all State Governments/Union Territories and also discussed at the Regional Council meetings but no consensus could be reached. Sales-tax being a State subject, uniformity in the levy of sales-tax amongst the States can be achieved only with the cooperation of all States/Union Territories.

**Proposal to set up a regional office
for Sericulture research in Andhra
Pradesh**

2819. SHRI S. PALAKONDRAYUDU : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal to set up a regional office for Sericulture research at Raptadu in Anantapur district of Andhra Pradesh by Central Silk Board; and

(b) if so, the details of the proposal and the amount sanctioned ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). Central Silk Board have already established a Regional Sericultural Station at Raptadu in Anantapur district of Andhra Pradesh for tackling the problems of the sericulture industry in the region by providing the required Research and Development support. During 1985-86, besides raising of mulberry plantation and sinking of irrigation wells, construction of operational buildings were sanctioned and an expenditure of Rs. 19.50 lakhs has been incurred.

New hotels in Andhra Pradesh

2820. SHRI S. PALAKONDRAYUDU : Will the Minister of TOURISM be pleased to state :

(a) whether the India Tourism Development Corporation has plans to construct any new hotels in Andhra Pradesh during the Seventh Five Year Plan period;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) No, Sir.

(b) Does not arise.

(c) The State Government has not conveyed the acceptance so far to collaborate with ITDC for taking up hotel project under the joint venture concept.

**Building of export infrastructure by
MMTC**

2821. DR. B. L. SHAILESH : Will the Minister of COMMERCE be pleased to state :

(a) whether the Minerals and Metals Trading Corporation (MMTC) is planning to formalise backward linkages with the various mining organisations in the country in a bid to build up a proper infrastructure for exports;

(b) if so, the profitable use which the MMTC expects of these backward linkages;

(c) the investment tie-ups for the development of mineral exports and mineral-based products which the MMTC has in view; and

(d) the financial assistance the MMTC plans to give to export-oriented units dealing in mineral products ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) MMTC expects to avail of uninterrupted supply base for barytes and other minerals for export market and expects to contribute for the development of mines and mining infrastructure.

(c) MMTC is contemplating investment in the equity of Andhra Pradesh Mining Corporation, Orissa Mineral Development Corporation and the Orissa Mining Corporation for the purpose of backward integration in barytes, iron ore, chrome ore, etc.

(d) MMTC does not have any scheme for grant of financial assistance to export-oriented units dealing in mineral products.

Jute smuggling from Bangladesh

2822. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether jute smuggling from Bangladesh has assumed alarming proportions and the contraband jute is being routed through Bihar;

(b) whether the Bangladeshis are dumping jute in huge quantities in India every day at rock bottom prices thus forcing the Indian growers in those areas to resort to distress selling; and

(c) the steps Government propose to take to prevent this increasing smuggling of jute from Bangladesh ?

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

(b) There is no information about dumping of jute from Bangladesh into India at rock bottom prices. However, small quantities of jute are reported to be smuggled into India from Bangladesh.

(c) The anti-smuggling drive in general has been intensified throughout the country with particular emphasis in the highly vulnerable areas of our land border regions. The trends in smuggling and seizures made are kept under constant review for taking appropriate remedial measures in close co-ordina-

tion with the concerned Central and State Government authorities.

Scheme to facilitate closely held companies to go public

2823. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering a scheme to facilitate the closely held companies to go public;

(b) if so, the rationale behind this and the names of these closely held companies; and

(c) steps Government propose to take to regulate the affairs of leasing and investment companies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) In order to encourage closely held companies to get listed on Stock Exchanges, the listing guidelines and bonus issue guidelines have already been amended.

(b) The amendments referred to at (a) above are intended to further develop the capital market and to have more listed companies. There are more than 1 lakh companies in India, and the names etc. of these companies are published in the Directory of Joint Stock Companies in India.

(c) 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. Government is also formulating guidelines governing certain aspects of their functioning such as the raising of capital from the market.

Broad-banding of non-convertible debentures

2824. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering any proposal for broadbanding of non-convertible debentures issued by companies;

(b) if so, details thereof;

(c) number of companies who have been granted permission for broad banding; and

(d) the number of applications pending in this regards ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (d). Government are considering several proposals too improve the acceptability of non-convertible debentures. These include suggestions for broad-banding with reference to interest rates related to credit rating and exploring linked issues on a rights basis announced at the initial stage of clearance of non convertible debentures itself. The suggestions are still being examined. No application has been received nor has any company been given permission, in this regard.

Construction of a building for STC

2825. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state :

(a) whether construction of the STC's new building at Janpath, New Delhi which started 5 years ago, is yet to be completed;

(b) how far the delayed construction has resulted in cost escalation, indicating the original estimated cost and the present estimated cost;

(c) how long it will take to complete the construction; and

(d) the annual rent paid by STC for buildings rented by it for housing its offices, Head Office and other attached and Branch Offices ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) The original estimates, as approved by the Government in March 1977, amounted to Rs. 476.10 lakhs. However, there has been cost escalation due to change of specifications, additional items of work and time over-run. The revised estimated cost,

excluding the arbitration claims of the contractor, is Rs. 2590 lakhs.

(c) It is expected that the building would be completed by September, 1987.

(d) Annual rent being paid by STC for its Head Office and Branch Offices at Delhi (excluding subsidiaries and branches outside Delhi) in Rs. 165.87 lakhs.

Opening of branch by New India Assurance Company in H. P.

2826. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether the New India Assurance Company has taken any decision to open a new branch in Himachal Pradesh, as per the demand of the people;

(b) if so, the likely date and the place where the office would be opened; and

(c) if not, when a decision in this regard would be taken ?

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

(b) The new Branch is likely to be opened in early 1987 at Solan.

(c) Does not arise.

Proposal to open Yatri Niwas in Himachal Pradesh

2827. PROF. NARAIN CHAND PARASHAR : Will the Minister of TOURISM be pleased to state :

(a) whether India Tourism Development Corporation proposes to open a Yatri Niwas in Himachal Pradesh during the current financial year;

(b) if so, the details about the project including the likely date of the commencement of the work and the name of the site at the estimated cost; and

(c) if not, whether such a proposal would be considered and a decision taken at the earliest ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) to (c). India Tourism Development Corporation does not have any proposal for the construction of a Yatri Niwas in Himachal Pradesh. This Ministry, however, has received a proposal from the Government of Himachal Pradesh for the construction of a Yatri Niwas at Shimla which is under consideration.

[Translation]

Casinos for foreign tourists

2828. **SHRI PARASRAM BHARDWAJ :**
SHRI R. M. BHOYE :

Will the Minister of TOURISM be pleased to state :

(a) whether Government are considering a proposal to open casinos to attract foreign tourists;

(b) if so, the details thereof; and

(c) the estimated tourist potential including foreign exchange earning from this proposal ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) No concrete proposal has yet been received by Government.

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

Smuggling of coal from Nepal

2829. **DR. CHANDRA SHEKHAR TRIPATHI :** Will the Minister of FINANCE be pleased to state :

(a) whether there has been increase in the smuggling of coal from Nepal by coal traders of Basti Behraich, Gonda and Gorakhpur districts situated near Indo-Nepal border; and

(b) if so, the details thereof ?

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

(b) Doesn't arise.

[English]

Unearthing of counterfeit coins of Rs. 100/- Denomination

2830. **SHRI SUBHASH YADAV :** Will the Minister of FINANCE be pleased to state :

(a) whether counterfeit coins of Rs. 100/- denomination have been unearthed in the Capital;

(b) if so, whether any arrests have been made; and

(c) action taken against the persons responsible ?

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

(b) Yes, Sir.

(c) The case is still under investigation. Suitable action will be taken on completion of investigation.

Sale of smuggled goods in Madras

2831. **SHRI MOHD. MAHFOOZ ALI KHAN :** Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the news item appearing in the Financial Express of 26 September, 1986 regarding emergence of smugglers operating on mafia model in Madras and openly vending the smuggled goods in Burma Bazar with impunity;

(b) if so, the reaction of Government thereto; and

(c) the steps taken/proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI

JANARDHANA POOJARY) : (a) Government's attention has been drawn to the news-item referred to in the question which appeared in the "Financial Express" dated 26th September, 1986, under the caption "The Mafia Metropole".

(b) and (c). The drive against open display and sale of smuggled goods in the metropolitan cities of the country has been intensified. Raids/searches are conducted by the Customs authorities on the shops, vendors, and hawkers indulging in open display and sale of contraband goods in the principal markets of metropolitan cities.

As part of the Action Plan launched against open display and sale of smuggled goods in metropolitan cities, several shops of Burma Bazar in Madras dealing in such goods were searched during the period from 22.9.86 to 28.9.86, by the Customs authorities with the help of CRPF and local police. As a result, contraband goods worth Rs. 19.23 lakhs were seized from the shops. On 22nd September, 1986, 12 premises of ring leaders of Burma Bazar shopping complex were also searched by the Customs authorities which resulted in the seizure of miscellaneous contraband goods, Indian and foreign currency collectively valued at Rs. 2.29 lakhs. One of the kingpins from whose residence accounts books showing illicit transactions amounting to Rupees one crore were recovered, was arrested.

Apart from confiscation of the goods involved and imposition of fines/penalties as warranted, appropriate action under the law, including prosecution/detention under the COFEPOSA Act, will be taken against the persons involved in the cases detected during the above operation.

Suspension of Haj ship passenger service

2832. **PROF. K. V. THOMAS** : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether Government are reconsidering its decision to drop ship passenger service from Bombay for Haj from next year onwards; and

(b) if so, by when a decision will be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) and (b). Government of India has yet to take a final decision about running a ship service from Bombay to Jeddah for travel of Haj Pilgrims. The matter is under active consideration.

Protection of Kovalam and other beaches in Kerala

2833. **SHRI MULLAPPALLY RAMACHANDRAN** : Will the Minister of TOURISM be pleased to state :

(a) to what extent Kovalam and neighbouring beaches in the State of Kerala have been affected by this year's monsoon; and

(b) the measures being taken to protect and to further beautify these beaches ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). No report regarding effects of monsoon on Kovalam and neighbouring beaches has been received from the State Government. Specific proposals for beautification of these beaches, when received, can be considered subject to availability of funds and inter-se priorities.

Protest lodged by U. K. on P. M.'s remark about visa

2834. **SHRI RANJIT SINGH GAEKWAD** : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether the British Government has lodged a protest with the Indian High Commission about the Prime Minister's remarks made in Australia on British Government's decision to introduce visa for the entry of Indians and people from some other Afro-Asian countries to Britain; and

(b) if so, the precise remarks of the Prime Minister objected to by British Government and Indian High Commission's reply thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) Yes, Sir. The Minister of State in the British Foreign and Commonwealth Office conveyed to the Indian High Commissioner the British Government's great regret - at the Prime Minister's remarks made in Australia.

(b) In response to a question on the subject at a Press Conference during PM's visit to Australia, PM had stated that the steps that have been taken are an extension of their racial policies vis-a-vis South Africa, that they are clearly racial. On his part, the Indian High Commissioner conveyed Government's view that while restrictions were placed on Indians and citizens of four other Asian and African countries, South Africans were freely allowed to visit U. K. This, at a time, when the Commonwealth and the International Community as a whole is engaged in dismantling the racial structure in South Africa and the abnoxious practice of apartheid. It was, therefore, difficult to avoid the conclusion that the U. K. measure was discriminatory and racist in character.

System for computing price indices

2835. SHRI K. KUNJAMBU : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to introduce a scientific system for computing the price indices; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Various official price indices, presently in use, are brought out by technical organisations under the Government. The methodology for the construction of these indices is determined on the advice of expert groups and formally approved by the Technical Advisory Committee of the Central Statistical Organisation. A Working Group has been set up to revise the Wholesale Price Index. The Consumer Price Index for Industrial

Workers is also being revised with a new base.

Availability vis-a-vis requirement of Hotel rooms

2836. SHRI MUKUL WASNIK : Will the Minister of TOURISM be pleased to state :

(a) the present availability of total number of rooms in 5-Star, 4-Star and 3-Star Hotels in the country vis-a-vis their present requirement; and

(b) the particulars of new hotels of different categories with their capacities which are being put up in the public as well as private sector ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) At present, there are 10,219 rooms in the 5-Star Deluxe and 5-Star Categories of hotels, 2589 rooms in the 4-Star category, and 5,524 in the 3-Star category in the country totalling 18322 rooms. A category-wise assessment of hotel rooms requirement is not available. However, the total requirement of hotel rooms of the approved category including 1 and 2 Star hotels, has been projected as 59,000 rooms by 1990 to cater to the targetted 2.5 million foreign tourist arrivals by then.

(b) The Department of Tourism has approved at the planning stage, 216 hotel projects in the private sector from the point of view of their suitability for foreign tourists. These projects are at various stages of construction and in some cases, the construction work is yet to start. When completed, these will add about 15,000 rooms.

In the public sector, the India Tourism Development Corporation is constructing a 30-room hotel at Gulmarg and is also converting its existing Travellers' Lodge at Bodhgaya into a hotel with a total capacity of 30 rooms and 25 cottages. Besides, it is constructing 6 hotels with 202 rooms as joint, venture projects with the State Governments/Corporations.

The star categories of these hotels will be determined after their actual inspection

as functioning establishments by the Hotel and Restaurant Approval and Classification Committee.

Decline in salt export

2837. PROF. RAMKRISHNA MORE : Will the Minister of COMMERCE be pleased to state :

(a) whether the salt industry is facing threat of closure on account of steep decline in exports;

(b) if so, the total production, export percentage and the reasons for decline in exports;

(c) to what extent the State Trading Corporation has succeeded in canalising salt export; and

(d) the steps being contemplated by Government in regard thereto ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) No, Sir. Exports constitute only a small percentage of the total production of salt and variations in exports do not pose any threat to salt industry.

(b) Production and exports of salt in 1984, 1985 and 1986 (upto September) are as below :—

Year	Production	Exports
	(in lakh tonnes)	
1984	76.52	2.51
1985	98.75	4.47
1986	91.13	3.46

(upto September)

Exports in 1985 were more than those in 1984. Exports in 1986 (upto September) are also more than the corresponding period in 1985.

(c) Exports of salt by STC increased to Rs. 8.16 crores in 1985-86 from Rs. 3.34 crores in 1984-85. For the year 1986-87

(upto October), exports amounted to Rs. 4.29 crores.

(d) The problem of huge stocks of salt on account of increased production in 1985 and 1986 was recently discussed by the Central Advisory Board for Salt. It was suggested that an Export Committee should go into the possibility of increasing exports of salt in future.

Rise in inflation and decline in value of rupee

2838. PROF. RAMKRISHNA MORE : Will the Minister of FINANCE be pleased to state :

(a) the rate of inflation in the country at the end of July, 1986 and the percentage of decline in the purchasing power of rupee in the major Indian cities;

(b) how does it compare with the corresponding period in 1984 and 1985; and

(c) measures taken by Government to contain the rate of inflation and decline in the purchasing power of rupee ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B K. GADHVI) : (a) and (b). The purchasing power of the rupee is measured by the reciprocal of the Consumer Price Index of Industrial Workers (Base 1960=100). Changes in the purchasing power in major cities and All-India inflation rates are given in the statement below.

(c) The thrust of the Government's anti-inflationary policy continues to be on effective demand and supply management, including strengthening of public distribution system for essential commodities, regulated releases of sugar and edible oils, enforcement of fiscal discipline and mopping up of excess liquidity in the system. The Central Government has advised the State Governments to take strict action against traders indulging in profiteering, hoarding and black marketing.

Statement

Statement showing Purchasing Power of rupee in major cities during last three years.

	July 1984 (in paise)	July 1985 (in paise)	July 1986 (in paise)
Hyderabad	17.21	16.29	14.56
Ahmedabad	17.48	16.86	15.53
Bangalore	15.60	14.88	13.79
Bombay	16.37	15.36	14.03
Nagpur	16.75	16.00	14.79
Jaipur	16.69	15.48	14.86
Madras	17.57	16.23	14.88
Calcutta	17.04	16.53	14.88
Delhi	16.72	15.63	14.14
(ii) All India			
Inflation rates (in terms of C. P. I. for industrial workers 1960=100)	8.1	5.1	8.6

[Translation]

Outstanding foreign debt

2839. SHRI JITENDRA PRASADA :
SHRI DILEEP SINGH

BHURIA :

Will the Minister of FINANCE be pleased to state :

(a) the total amount of external debt from various foreign countries, international financial banking organisations outstanding against India;

(b) the amount of interest being paid thereon annually; and

(c) the time by which the loan is likely to be repaid and steps being taken, if any, to desist from taking any more loan unless it is unavoidable for some specific projects and purposes ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The estimated external indebtedness of the country to foreign Governments and international financial institutions as on 31.3.1986 works out to Rs. 32753.91 crores (including repurchase obligations of Rs. 5284 crores on drawings made under the facilities of the IMF).

(b) The amount of interest paid on this debt during 1985-86 was Rs. 1007.99 crores.

(c) According to the terms and conditions of loans contracted upto 31.3.1986, these will be liquidated by the year 2036. A number of steps are being taken by the Government to ensure that the dependence on external financing is progressively reduced. These include measures to accelerate import substitutions in commodities such as petroleum products, edible oils, fertilizer etc. and to speed up growth of exports. Govern-

ment will ensure that external debt is held within prudent limits.

**Setting up of 'Head Office' of banks/
financial institutions in U. P.**

2840. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the names of national financial institutions, insurance companies and nationalised banks and the location of their head offices in various States;

(b) whether head office of any of such institutions is located in Uttar Pradesh;

(c) if not, whether there is any proposal to set up head offices of any financial institutions or bank in this State;

(d) if so, when; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The names of All India Financial Institutions, Public Sector Banks and the National Insurance Companies and the Centres of their head offices are given in the statement below.

(b) No, Sir.

(c) No, Sir.

(d) Does not arise.

(e) Government are of the view that the absence of head offices of public sector banks or financial institutions in the State of Uttar Pradesh has not adversely affected the availability of banking services or availability of credit in that State.

Statement

Names of the national financial institutions, Insurance Companies/Public Sector Banks and their Head Offices.

Name of the Institution/Bank/Company etc.	Location of Head Office	
	State	Centre
1	2	3
A. All India Financial Institutions		
1. Industrial Finance Corporation of India	Union Territory of Delhi	New Delhi
2. Industrial Development Bank of India	Maharashtra	Bombay
3. Industrial Credit and Investment Corporation of India	Maharashtra	Bombay
4. Industrial Reconstruction Bank of India	West Bengal	Calcutta
5. Export Import Bank of India	Maharashtra	Bombay

1

2

3

B. Insurance Companies

- | | | |
|---|-------------|--------|
| 1. Life Insurance Corporation of India | Maharashtra | Bombay |
| 2. General Insurance Corporation of India | Maharashtra | Bombay |

Subsidiaries of General Insurance Corporation of India

- | | | |
|---|--------------------------|-----------|
| (i) Oriental Insurance Company Ltd. | Union Territory of Delhi | New Delhi |
| (ii) National Insurance Company Ltd. | West Bengal | Calcutta |
| (iii) United India Insurance Company Ltd. | Tamilnadu | Madras |
| (iv) New India Assurance Company Ltd. | Maharashtra | Bombay |

C. Public Sector Banks

- | | | |
|-----------------------------|--------------------------|------------|
| 1. Andhra Bank | Andhra Pradesh | Hyderabad |
| 2. State Bank of Hyderabad | Andhra Pradesh | Hyderabad |
| 3. State Bank of Saurashtra | Gujarat | Bhavnagar |
| 4. Canara Bank | Karnataka | Bangalore |
| 5. Corporation Bank | Karnataka | Mangalore |
| 6. State Bank of Mysore | Karnataka | Bangalore |
| 7. Vijaya Bank | Karnataka | Bangalore |
| 8. Syndicate Bank | Karnataka | Manipal |
| 9. State Bank of Travancore | Kerala | Trivandrum |
| 10. Bank of Baroda | Maharashtra | Bombay |
| 11. Bank of India | Maharashtra | Bombay |
| 12. Central Bank of India | Maharashtra | Bombay |
| 13. Dena Bank | Maharashtra | Bombay |
| 14. State Bank of India | Maharashtra | Bombay |
| 15. Union Bank of India | Maharashtra | Bombay |
| 16. Bank of Maharashtra | Maharashtra | Pune |
| 17. State Bank of Indore | Madhya Pradesh | Indore |
| 18. Punjab National Bank | Union Territory of Delhi | New Delhi |

1	2	3
19. New Bank of India	Union Territory of Delhi	New Delhi
20. Oriental Bank of Commerce	— do —	New Delhi
21. Punjab and Sind Bank	— do —	New Delhi
22. State Bank of Patiala	Punjab	Patiala
23. State Bank of Bikaner and Jaipur	Rajasthan	Jaipur
24. Indian Bank	Tamilnadu	Madras
25. Indian Overseas Bank	Tamilnadu	Madras
26. Allahabad Bank	West Bengal	Calcutta
27. United Bank of India	West Bengal	Calcutta
28. UCO Bank	West Bengal	Calcutta

Construction of 3-star hotels and tourism villages

2841. SHRI HARISH RAWAT : Will the Minister of TOURISM be pleased to state :

(a) whether a scheme is being considered for constructing 3-star hotels and tourist villages at Srinagar, Ranikhet and Kusani with the assistance of Tourism Development Corporation and Kumaon and Garhwal Division Development Corporation which are responsible for providing tourism facilities in hill areas of Uttar Pradesh; and

(b) if so, the time by which this scheme is likely to be finalised ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). No such scheme is under consideration at present.

Handloom Production in U. P.

2842. SHRI HARISH RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that production of goods in handloom sector in Uttar Pradesh has been decreasing continuously for the last two years;

(b) if so, the value of such goods manufactured in this State during the last two years, year-wise;

(c) the value of goods exported during each of these years; and

(d) the steps proposed to be taken for increasing the production and export of handloom goods in the State ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

(b) Does not arise.

(c) State-wise figures of handloom goods are not available.

(d) The increase in production is expected to be achieved through various handloom development programmes, including modernisation of looms, share capital contribution to primary Societies, Apex Co-operative Societies and State Handloom Development Corporation, etc.

Development of tourism in hill areas of Uttar Pradesh

2843. SHRI HARISH RAWAT : Will the Minister of TOURISM be pleased to state :

(a) whether it is a fact that a team from his Ministry has recently visited the hill districts of Uttar Pradesh and discussed with State Government in regard to all round development of tourism in this area; and

(b) if so, the full details of the discussion and study made in this regard and the steps being taken for development of tourism in this area as a result thereof?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). For the development of hill districts of Uttar Pradesh a meeting of Officers from the Ministry of Tourism and the State Government was convened on 10.10.1986 in Lucknow. An Action Plan has since been drawn up and the implementation of the same is under consideration in a phased manner depending on the availability of resources.

[English]

Foreign bases in Pak and India

2844. **SHRI G. S. BASAVARAJU :**
SHRI H. N. NANJE GOWDA :

Will the Minister of **EXTERNAL AFFAIRS** be pleased to state :

(a) whether Government of India has reminded Pakistan Government of its earlier suggestion that the two countries should agree not to give bases or military facilities to the third countries for the sake of durable peace and harmonious bilateral relations between the two countries.

(b) whether discussion on this point between the two countries have been started; and

(c) if so, Pakistan's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) to (c). Pakistan has been objecting to the clause relating to the non-grant of bases in the draft Comprehensive Treaty of Peace, Friendship and Cooperation, discussions on which are to be continued.

Tourists from Europe and America

2845. **SHRI G. S. BASAVARAJU :**
SHRI H. N. NANJE GOWDA :

Will the Minister of **TOURISM** be pleased to state :

(a) whether India is expecting substantial increase in the number of tourists from Europe and America this year;

(b) if so, the steps taken by the Union Government to attract tourists from these Continents;

(c) whether sufficient improvements with regard to liberalisation in visa forms have been made for the tourists;

(d) if so, details thereof; and

(e) the total expenditure involved therein?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) Yes, Sir.

(b) The steps taken by the Government to attract tourists from Europe and America include vigorous publicity campaigns including consumer advertising through various media, participation in international fairs and exhibitions, organisation of promotional seminars, stepping up of public relations with tour operators and travel agents and permitting tourist charters. In addition, a special scheme of "Affordable India" was launched in Europe for attracting more tourists during off-season.

(c) and (d). The Ministry of External Affairs has simplified the visa application forms in July, 1986 especially to facilitate the foreign tourists. Indian Missions have been instructed to introduce the new forms with immediate effect and also to ensure the availability of them to the tourists easily.

(e) The cost involved is limited to the procurement of these forms from India or printing them locally. The Ministry of External Affairs is not in a position to indicate the exact amount.

Increase in the export earnings from textiles

2846. SHRI G. S. BASAVARAJU :
SHRI H. N. NANJE GOWDA :
SHRI SRIKANTA DATTA
NARASIMHARAJA WADIYAR :

Will the Minister of TEXTILES be pleased to state :

(a) whether export earnings from textiles have increased during the first four months (April-July) of the current financial year;

(b) if so, the export earnings during the same period last year and main factors for its improvement;

(c) the steps being considered to further improve earnings from textile exports by the end of the current financial year; and

(d) the details of the garments of which the export earnings have increased ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Yer, Sir.

(b) and (c). The exports of garments and cotton textiles during April-July, 1986 amounted to Rs. 600 crore as against Rs. 523 crores during the same period last year. A statement listing steps to further improve earning from textile exports is given below.

(d) Many items of garments have shown an increase, the important items being ladies blouses, gent shorts, T-Shirts, skirts, shorts, trousers, etc.

Statement

Exporters of Textiles and Clothing are at present offered the following incentives by the Government.

(1) Sophisticated garment manufacturing machines not manufactured indigenously are allowed to be imported on OGL. As many as 114 machines for garment manufacture have been placed under OGL, 97 of them enjoying concessional import duty.

(2) For the purpose of removing obsolescence and for modernising the textile industry, the Government policy of indigenous production of textile machinery has been liberalised and in selected areas high technology machinery is allowed to be imported with export obligation.

(3) A textile modernisation fund of Rs. 750 crores has been created for facilitation of modernisation of Textile Industry.

(4) Revised rates of CCS have been announced effective from 1st July, 1986. These rates have been announced for a period of 3 years and are generally higher than before. Slow moving items of garments on which CCS was not admissible when exported to quota countries have been made eligible for CCS. CCS on export of yarn of all counts has been allowed @ 8 per cent.

(5) Cotton garments and textiles have been brought under the Scheme of Contract Registration with a view to providing an element of certainty to exporters in the matter of CCS.

(6) It has been decided to set up a Fashion Technology Institute in Delhi for education, research and training in the areas of fashion design for garment manufacture.

(7) The duty drawback rates for cotton garments have been increased to 10 per cent.

(8) The number of days of pre-shipment credit has been increased from 90 days to 180 days. The rate of interest has also been reduced by 2.5 per cent.

(9) Many items of raw material/fabrics are permitted to be imported under the Advance Licencing Scheme, Duty Free REP Scheme and the Import-Export Pass Book Scheme introduced recently.

(10) Under 100 per cent Export Oriented Units and Free Trade Zones Schemes, facilities for liberal import of capital goods and raw materials along with many other concessions are given.

(11) Government has been giving liberal assistance for sponsoring and funding pro-

motional activities such as market studies, Buyer-Seller Meets, participation in international fairs and exhibitions, etc.

British Government's response to India's reaction on Visa restriction

2847. SHRI G. S. BASAVARAJU :
SHRI KAMAL NATH :
SHRI E. EYYAPU REDDY :
SHRI S. M. GURADDI :
SHRI MULLAPPALLAY
RAMACHANDRAN :
SHRI H. N. NANJE GOWDA :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether British Government has responded to the adverse reaction in India in regard to the introduction of visa system for entry of Indians into Britain; and

(b) if so, whether there is any possibility of status quo ante being restored ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) and (b). The UK Government has denied that the UK visa regime is discriminatory and racist in nature. It has not given any indication that the status quo ante would be restored. However, it has conveyed to us that visas to Indian nationals in a large majority of cases would be issued smoothly and expeditiously and that in most cases visa applicants would not be called for a personal appearance.

Development of Wynad as tourist resort

2848. DR. K. G. ADIYODI : Will the Minister of TOURISM be pleased to state :

(a) whether Government propose to develop Wynad hill station in Malabar as one of the tourist resorts;

(b) whether there is any proposal to establish a bird sanctuary and construct a Yatri Niwas in Wynad as part of the tourist attraction; and

(c) if so, details thereof ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The Central Ministry of Tourism has sanctioned Rs. 10.28 lakhs in 1985-86 for construction of way-side amenities with accommodation at Wynad. Rupees 4.00 lakhs have already been released.

(b) There is no such proposal under consideration at present.

(c) Does not arise.

Streamlining of functioning of Export Inspection Agencies

2849. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that undue delay occurs in inspection and approval of Products by Export Inspection Agencies; and

(b) if so, the steps taken or proposed to be taken for streamlining the functioning of these Agencies ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Except in an insignificant number of cases entailing inspection formalities for quality control, there is generally no delay as such.

Financing of projects in India by Commonwealth Development Corporation

2850. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

(a) whether Commonwealth Development Corporation is contemplating to finance 10 to 15 projects in India involving an investment of Rs. 184 crores; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTER OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The Commonwealth Development Corporation is presently exploring possibilities for financing a few developmental projects in India, but no specific projects for funding by the Corporation has yet been decided upon.

Indo-Kuwait discussions

2851. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Indo-Kuwait discussions were held in the last week of October, 1986 for joint venture in the selected fields; and

(b) if so, the salient features of the talks held and the outcome thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). A four Member Kuwaiti Delegation visited India from 19th to 26th October, 1986. The main objective of the visit was to understand Government of India's policies and procedures, to look at investment possibilities and to have discussions with entrepreneurs having specific projects requiring finance. The Members of the Delegation met senior Government officials as well as representatives of the Industrial Development Bank of India, Federation of Indian Chambers of Commerce and Industry, Federation of Indian Export Organisations etc. The Members were apprised of the Government's policies relating to investment from Oil Exporting Developing Countries and the investment climate in India. They were also informed of the scope for investment in large projects in India.

Indian Tourists to USSR

2852. SHRI SOMNATH RATH :
SHRI NITYANANDA

MISRA :

Will the Minister of TOURISM be pleased to state :

(a) whether it is a fact that the Soviet Government have recently urged that more Indian tourists visit USSR;

(b) if so, the number of Indian tourists who visited USSR during the last 3 years, yearwise and the reciprocal inflow of Soviet tourists to India; and

(c) the comparative figures of Indian tourists to USA, France, U. K., Japan and the respective inflow of foreign tourists from these countries to India during the last three years ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) Yes, Sir.

(b) and (c). Statistics of Indian nationals going abroad are not compiled country-wise and purpose-wise, at present. The tourist traffic to India from USSR, USA, France, UK and Japan during the last three years is as given below :

	1983	1984	1985
U. S. S. R.	16,463	14,829	14,202
U. S. A.	95,847	95,651	95,920
France	50,158	47,148	44,091
U. K.	136,823	124,205	119,544
Japan	26,662	29,566	30,573

Opening of Bank Branches in Orissa during Seventh Plan

2853. SHRIMATI JAYANTI PATNAIK : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of Commercial banks proposed to be opened in Orissa during the Seventh Five Year Plan period;

(b) how many of these will be in rural branches;

(c) the population served per branch at present in Orissa and at the all India level and to what extent the population per branch figures will improve at the end of the Seventh Plan; and

(d) how many nationalised banks do not have their regional office in the State and

what steps are being taken to open their regional offices to facilitate better and quick financing in the priority sector ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Under the current Branch Licensing Policy for 1985-90 coterminous with the Seventh Five Year Plan period, no target as such in respect of number of branches to be opened has been set. It would not therefore be possible to indicate the number of bank branches that may be opened in Orissa during the Plan period. Reserve Bank of India (RBI) has advised the State Governments/Lead Banks to identify centres for opening new bank branches on the basis of norms laid down in the Policy and to forward the same to RBI. The main objective of the current branch licensing policy is to achieve one branch office for a population of 17,000 in the rural and semi-urban areas of each Development Block and to eliminate large spatial gaps so as to ensure that the distance of a bank office from any village does not ordinarily exceed 10 Kms. The State Government of Orissa has identified 232 centres for opening branches in 13 districts in the State. Out of these identified centres 179 are rural centres and the remaining 53 are semi-urban centres. RBI has so far allotted 14 centres to Kalahandi Anchalik Gramya Bank and 1 centre to State Bank of India.

(c) The average population per bank office (APPBO) as at the end of June 1986 for rural and semi-urban areas in the State as a whole is 16,500 and 15,100 respectively in Orissa against the corresponding figures of 15,000 and 13,000 for the country as a whole.

(d) RBI has reported that eight of the 20 nationalised banks do not have any Regional/Controlling Office in Orissa. However, absence of Regional/Controlling Offices would not, per se, adversely affect the priority sector financing by branches of the concerned banks. The establishment of Regional/Controlling Offices in any State/area would depend on the number of branches of the bank in the State/area, volume of business, geographical coverage, cost benefit

ratio, need for effective supervision and administrative conveniences etc.

Financial allocations for development of Buddhist pilgrimage in Bihar

2854. DR. G. S. RAJHANS : Will the Minister of TOURISM be pleased to state :

(a) allocations made by the Government for the development of places of Buddhist pilgrimage in Bihar during the current plan period; and

(b) to what extent the action plan drawn for the purpose will promote inflow of tourists ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). A Master Plan for the development of various centres of Buddhist pilgrimage is under preparation in consultation with the Archaeological Survey of India and the Governments of U. P. and Bihar. Details have not yet been worked out.

Development of Shershah Mausoleum Tourist spot in Bihar

2855. DR. G. S. RAJHANS : Will the Minister of TOURISM be pleased to state :

(a) whether the Chief Minister of Bihar has urged the Union Government to allocate funds for the development of the dilapidated condition of the Shershah mausoleum tourist spot at Sasaram in Bihar State;

(b) if so, the reaction of the Union Government thereto in this regard; and

(c) the allocation likely to be made for the said task during the current plan period ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The Ministry of Tourism has not received any proposal for the development of Shershah Mausoleum at Sasaram.

(b) and (c). Does not arise.

**Projects for Bihar pending with
Central Silk Board**

2856. DR. G. S. RAJHANS : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that a number of projects for Bihar are pending for clearance in the office of the Central Silk Board;

(b) if so, since when these projects are pending; and

(c) by when these projects are likely to be cleared ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

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

**Interest of money borrowed
from banks**

2857. SHRI H. M. PATEL : Will the Minister of FINANCE be pleased to refer to reply given to the Unstarred Question No. 3362 on 8 August, 1986 regarding non-charging of interest at appropriate rates and state :

(a) whether the information sought has since been collected;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) and (c). Public Sector Banks have reported that they have come across a few cases where interest has not been charged at the prescribed rates. These are generally occasioned due to wrong calculation of the interest products, incorrect interpretation of the prescribed rates of interest or in some cases due to mala fide intentions. These are detected at the time of the inspection of the branches or at the time of internal audit of

the banks by the banks' own staff or by the external auditors or at the time of statutory audit of the branches by the branch statutory auditors.

Wherever instances of short collection of interest are detected appropriate action is taken by the bank concerned to recover the revenue loss from the constituent concerned. Wherever staff lapse is involved appropriate action is initiated against the staff concerned.

Since the detection of loss of income and its realisation is a continuing process, and are at various stages, it is not possible to indicate precisely the extent of loss suffered by banks during the years 1984 and 1985.

Excise duty on cigarettes

2858. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have made any exercise to know the extent to which the duty structure on indigenously produced cigarettes, making a large price difference between the duty paid Indian cigarettes and duty free foreign cigarettes has resulted in the smuggling of cigarettes into the country and its impact on the indigenous manufacturers; and

(b) if so, the details thereof stating whether Government propose to rationalise the excise duty on the Indian cigarettes to minimise the smuggling of foreign cigarettes ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) In view of the wide difference between the brands, sizes and quality of Indian and foreign cigarettes, it is not possible to ascertain the extent to which the excise duty structure on indigenous cigarettes has resulted in smuggling of foreign cigarettes. Reports received do not indicate smuggling of foreign cigarettes into the country on any significant scale.

(b) In view of (a) above, does not arise.

Outstanding tax claims against industrial houses

2859. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) total outstanding tax claims against each of the top twenty industrial houses and their break-up under the headings income-tax, excise duty, customs duty and penalties, if any against each;

(b) the latest position of realisation of the arrears; and

(c) the steps Government propose to take to realise the arrears ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (c). The information to the extent possible is being collected and will be laid on the Table of the House.

Decline in quality of Indian Coffee

2860. SHRIMATI BASAVARAJESWARI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the quality of Indian Coffee in the international market has gone down considerably;

(b) whether it is also a fact that there is threat to Indian Coffee losing its global market; and

(c) if so, the steps Government propose to take, to improve the quality of coffee and to boost its export ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) No, Sir.

(c) Does not arise.

RPO Bangalore

2861. SHRIMATI BASAVARAJESWARI : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the date of establishment of passport office in Bangalore;

(b) how many passports have been issued by this office during the last three years, year-wise; and

(c) the average period taken to issue passports ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) 12 6.1978

(b) 1983-84 : 70,313

1984-85 : 60,648

1985-86 ; 88,606

(c) During past one year the average time of disposal is 6 weeks, where passport applications are complete and clear police reports have been received.

Assistance for establishment of hospitals in Karnataka by IDBI

2862. SHRIMATI BASAVARAJESWARI : Will the Minister of FINANCE be pleased to state :

(a) whether the Industrial Development Bank of India would be extending direct assistance for establishment of hospitals in Karnataka; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) and (b). The Industrial Development Bank of India under a recent amendment in the IDBI Act 1964 can entertain applications for direct financial assistance for the establishment of hospitals in all States including Karnataka. Such assistance to hospitals would be on the same terms and conditions as applicable to other industries under its Project Finance Scheme subject to the project being viable.

Conversion of building of Indian Institute of Advance Study in Shimla into a Hotel

2863. PROF. NARAIN CHAND PARASHAR : Will the Minister of TOURISM be pleased to state :

(a) whether the India Tourism Development Corporation propose to take over the existing building housing the Indian Institute of Advance Study at Shimla and convert it into a 4-Star/3-Star Hotel;

(b) if so, the likely date by which the building would be taken over and all the members of Class III and Class IV staff of the Institute absorbed; and

(c) if not, the arrangements under contemplation for rehabilitating the existing staff in the event of delay in take-over ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) to (c). The proposal regarding the take-over of the building of Indian Institute of Advance Studies at Shimla by ITDC is still under consideration.

Liberalisation of credit policy by NABARD

2864. SHRI H. B. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the National Bank for Agriculture and Rural Development has decided to liberalise the terms of lending in order to stimulate the credit flow to the rural non-farm sector; and

(b) if so, the details regarding the quantum of refinance assistance given to commercial banks, cooperative banks and Regional Rural Banks under the new lending policy ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI S. K. GADHVI) : (a) and (b). National Bank for Agriculture and Rural Development

(NABARD) has recently liberalised the terms of its refinance assistance against lendings to the rural non-farm sector. The liberalisation includes measures such as enhancing the level of refinance from 90 percent to 100 per cent in respect of certain activities, increasing the assistance limit for tiny industries from Rs. 2 lakhs to Rs. 5 lakhs, extending the coverage of soft loan assistance for margin money. etc. The details of refinance assistance under the new lending policy which has been introduced recently have not yet become available.

[Translation]

Opening of bank branches in Bihar

2865. PROF. CHANDRA BHANU DEVI : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of nationalised banks proposed to be opened in Bihar during the year 1986-87;

(b) whether any survey has been conducted in this regard; and

(c) if so, the outcome thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). Under the current branch licensing policy for 1985-90, Reserve Bank of India (RBI) has advised the State Government/Lead Banks to identify centres for opening new bank branches on the basis of norms laid down in the policy and to forward the same to RBI. Reserve Bank of India has reported that the list of identified centres has not so far been received from the Government of Bihar and it is only after the same is received, it would be in a position to indicate the number of licences likely to be issued to banks for opening new branches in the State of Bihar.

[English]

Development of Thinnana Marrimanna tree in A.P. as tourist spot

2866. SHRI K. RAMACHANDRA REDDY : Will the Minister of TOURISM be pleased to state :

(a) whether Union Government are aware about the existence of a big banion tree called "Thinnanna Marrimanu" located in Kadin taluk of Anantapur district in Andhra Pradesh;

(b) whether it is the biggest banion tree in Asia; and

(c) whether Union Government contemplate to develop the site as a tourist spot ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). According to the Anantapur District Gazeteer, the banyan tree located in Kadin taluk of Anantapur District is one of the biggest of its kind in South India.

(c) There is no such proposal under consideration at present.

Incentives to silk saree weavers of A. P.

2867. **SHRI K. RAMACHANDRA REDDY :** Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware of the exquisite qualities of silk sarees woven in Dharmavaram of Anantapur district and Madhavaram in Guddapal district of Andhra Pradesh;

(b) whether it is a fact that if proper encouragement and advertisement is given, export of these sarees is likely to get a lot of foreign exchange; and

(c) if so, the steps proposed to be taken for the export promotion of these sarees ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) to (c). The information is being collected and will be laid on the Table of the House.

Tourists from USSR, Europe, China and Japan

2868. **SHRI E. AYYAPU REDDY :** Will the Minister of TOURISM be pleased to state :

(a) the estimated number of tourists who visited India from U.S.S.R., Europe, China and Japan to India in the year 1985; and

(b) the steps taken to attract more tourists from Europe, U.S.S.R., China and Japan ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The number of tourists who visited India from the U.S.S.R., Europe, China and Japan during the year 1985 is given below :—

	<i>No. of tourists</i>
U.S.S.R.	14,202
Europe	319,980*
China	2,247
Japan	30,573

*Excludes arrivals from U.S.S.R.

(b) The steps taken by the Government to attract more tourists particularly from these countries include launching of the scheme "Affordable-India" in Europe, a special product advertising in Japan and participation in a travel seminar conducted at Tashkent for promotion of tourism between India and U.S.S.R.

Adverse impact of import of self-adhesive tapes

2869. **SHRI E. AYYAPU REDDY :** Will the Minister of COMMERCE be pleased to state :

(a) whether import of self-adhesive tapes is being allowed to the detriment of Indian manufacturers; and

(b) if so, the reasons for allowing its import ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Import of self-adhesive tapes is not normally allowed except for electronics industry, which requires material of high quality. Limited quantities are also permitted for import for augmenting exports of certain products.

Proposal from Maharashtra for Co-operative spinning mills

2870. SHRI BANWARI LAL PUROHIT : Will the Minister of TEXTILES be pleased to state :

(a) the number of applications for setting up spinning mills pending with the Ministry for grant of licence;

(b) number of proposals from Maharashtra Government submitted to Union Government for setting up cooperative spinning mills; and

(c) by when these are likely to be cleared ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) According to available information, only two applications for setting up new cotton spinning mills are pending at present with the Ministry for grant of licence.

(b) No such proposal is pending at present.

(c) Does not arise in view of (b) above.

Export of sea food and development of prawn culture

2871. PROF. K. V. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether Marine products Exports Development Authority (MPEDA) is giving subsidy for prawn culturing; and

(b) the steps being taken by M.P.E.D.A. to increase the export of sea food ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) Steps taken by the MPEDA to increase the export of sea food include promotion of prawn farming for augmenting production of cultured prawns, encouragement of production of value-added items like IQF and setting up of prawn batcheries.

Pilferage of imported oil

2872. SHRI HAREN BHUMIJ : Will the Minister of COMMERCE be pleased to refer to the reply given to Unstarred Question No. 3271 on 8th August, 1986 regarding pilferage of imported oil from STC godowns and state :

(a) the quantity of loss of imported oils on account of pilferage in the storage tanks of each vanaspati factory which were hired and later de-hired by the State Trading Corporation during 1984-85, 1985-86 and during 1986-87 so far; and

(b) the names of oil mills in whose storage tanks the loss of Imported oil due to pilferage was reported during 1984-85, 1985-86 and 1986-87 upto October, 1986 ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) and (b). There were no recorded losses on account of pilferage during the years in question. There were operational handling losses, which are normal in oil-handling operations throughout the world. Recognizing the immense scale of operations and the technology available for the storage and handling of oil, STC's contracts make appropriate provisions for such legitimate operating losses in the Indian context.

Recovery of unaccounted assets in Ranchi

2873. DR. V. VENKATESH : Will the Minister of FINANCE be pleased to state :

(a) whether income tax officials have unearthed an organised racket in edible and other oil and recovered unaccounted assets of rupees ten crore in Ranchi following simultaneous raids conducted in different parts of the country as reported in the 'Indian Express' of 28th August, 1986;

(b) if so, the details thereof; and

(c) Steps taken to check such markets ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE

(SHRI B. K. GADHVI) : (a) to (c). No, Sir. The Newspaper article report is actually inaccurate. Only one group of oil dealers was searched by the Income Tax Authorities in which a seizure of Rs. 1.00 lakh only was made besides a lot of incriminating material. The Income Tax Department is taking all possible measures to curb the generation of black money legislative, administrative and institutional, whenever information regarding any organised racket is received.

Indians seeking citizenship of Singapore

2874. SHRI V. S. KRISHNA IYER : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the number of Indians who applied for citizenship of Singapore since January, 1986; and

(b) the number of persons out of them who have been given citizenship during the above period ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) This information can be obtained only from the Government of Singapore. The Government of Singapore have expressed their inability to furnish this information.

(b) According to records maintained by our High Commission in Singapore, 207 Indian nationals have obtained Singapore Citizenship since January 1986.

Non-clearance of baggage by customs authorities at New Mangalore Port

2875. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether it has come to the notice of Government that the customs authorities at New Mangalore Port are not clearing the baggages on the transfer of residence even after bills are produced by the passengers returning from Gulf countries;

(b) whether it has also come to the notice of Government that the customs officials don't adduce any reasons for rejecting the transfer of residence facilities; and

(c) if so, the steps Government propose to take in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Claims for concessions under the Transfer of Residence Rules by passengers returning from Gulf countries are examined by the Customs authorities and concessions under the Rules granted in all cases where the passengers fulfil the conditions stipulated in these Rules.

Wherein such concessions are denied the Proper Officer passes a speaking order which is appealable to higher authorities under the law.

(c) In view of (a) and (b) above, does not arise.

Proposal to extend MODVAT to more items

2876. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering any proposal to extend MODVAT to more items in the light of experience gained so far;

(b) if so, which are the items; and

(c) when will these items be included ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Extension of MODVAT to more commodities would depend on experience of the working of the MODVAT Scheme and other relevant considerations. Industry Associations have also been asked to give detailed information regarding commodities for which they would like MODVAT to be extended. It is not, however, possible to indicate at this stage

the items and the time by which they may be covered under MODVAT.

CCS for silk exporters

2877. SHRI V. S. KRISHNA IYER : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to increase the cash compensatory support (CCS) for silk exporters with a view to boost the export of silk; and

(b) if so, whether Government would consider discontinuing Rep licensing Scheme ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Government of India have already announced new Cash Compensatory Support (CCS) rates for silk exporters w.e.f. 1.7.1986. Increase in CCS rates could be considered only if it is justified by supporting cost data.

(b) There is no proposal to discontinue the REP Scheme in the case of Silk exporters.

Retrenchments of workers of N.T.C.

2878. SHRI G. M. BANATWALLA :
SHRI NARAIN CHOUBEY :
SHRI INDRAJIT GUPTA :
SHRI YASHWANTRAO
GADAKH PATIL :
SHRIMATI KISHORI SINHA :

Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation has recently retrenched a large number of workers;

(b) if so, the number of these retrenched, mill-wise;

(c) the reasons for the said retrenchment;

(d) whether there had been any identification of any excess labour force in the nationalised mills of the N.T.C. and if so, when and details thereof;

(e) whether any further retrenchment is planned and if so, details thereof including any welfare measures taken for those retrenched or to be retrenched;

(f) whether it is a fact that there is no ban on appointment of office staff in those N.T.C. mills; and

(g) if so, reasons therefor ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) to (c). National Textile Corporation has not retrenched a large number of workers. However, NTC has abolished some posts under the labour rationalisation scheme, which is not tantamount to retrenchment.

(d) In the year 1982, a detailed study on excess labour complement, in each textile unit under NTC, was entrusted to the South India Textile Research Association (SITRA). The SITRA in its Report, had worked out that excess labour complement would vary from 12,664 to 29,859 under four different conditions.

(e) As indicated in parts (a) to (c) above, NTC has not retrenched workers. However, workers leaving employment under the labour rationalisation scheme have been paid/are being paid statutory dues and dues admissible under the scheme.

(f) No, Sir. NTC subsidiaries cannot undertake appointment of office staff in NTC mills.

(g) Does not arise.

Introduction of special trains for domestic and international tourists

2879. SHRI P. M. SAYEED : Will the Minister of TOURISM be pleased to state :

(a) whether Government are considering a plan to introduce a special train for both domestic and international tourists; and

(b) if so, details thereof ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) No, Sir,

(b) Does not arise.

Request to declare tourism as an export industry

2880. SHRI P. M. SAYEED : Will the Minister of TOURISM be pleased to state :

(a) whether any representation has been received by Government requesting to declare tourism as an export industry and if so, the reaction of Government thereto; and

(b) whether all such concessions would be extended to tourism as are being given now to the export industry ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). The Approach Paper for the Seventh Five Year Plan approved by the National Development Council (NDC) recommended that Tourism should be accorded the status of an Industry. Suggestions are also received from time to time from the travel trade for grant of tax and other concessions to tourism sector. These are considered by the Ministry of Finance within the overall policy framework.

Government has already granted several concessions/incentives for activities connected with tourism, which include exemption of hotels from the MRTP Act, income-tax holiday to new hotels, higher depreciation, Central subsidy for hotels in specified backward areas, interest subsidy on hotel loans advanced by IFCI and other Central Financial Institutions, foreign exchange incentive quota, concessional customs duty on a number of items imported by hotels for actual use, priority in allotment of telephone/telex connections and LPG, grant of loans at concessional rates to tourist car operators for purchase of tourist cars and manufacture of tourist coaches, incentive quota to travel agents and tour operators for undertaking promotional tours abroad, import of vehicles (upto two in a year) and office equipment etc. Several other proposals are under consideration.

Computerisation in banks

2881. SHRI P. M. SAYEED : Will the Minister of FINANCE be pleased to state :

(a) whether Government have decided to allow computerisation and mechanisation in select areas of bank operations;

(b) if so, the details pertaining to the Bank institutions and the select areas mentioned above; and

(c) the estimated time by which the new system is likely to be introduced ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). The 28 public sector banks have programmed to introduce machines and computers in a phased manner in their branches, regional/zonal offices and Head Offices. The main objective of introducing machines and computers is to improve customer service, tone up house keeping and to have a more effective management information system. Under the programme, at the branch level mechanisation would be for the purpose of servicing Current A/Cs, Saving Bank A/Cs, other Deposit A/Cs, general ledger A/Cs, cash credit and loan accounts, salary and pay-roll accounts, etc. At the zonal/regional office level, the computers would take up activities such as clearing operations, reconciliation of inter-branch accounts, transfer of funds, foreign exchange transactions, management information system, personal inventory, branch merchant banking, etc. At the Head Office the computers would be used for building up of management information system, monitoring of advances, personal inventory, merchant banking, foreign exchange transactions and other important aspects of banks functioning. According to the programme designed, electronic ledger posting machines would be installed in the branches, mini-computers at the Regional/Zonal offices and the main-frame computers at the Head Office.

Revamping of rural branches of commercial banks and imparting of training to their Managers

2882. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the deposits of rural branches of commercial banks are on the low-side;

(b) if so, the reasons for the same;

(c) the result of the training programme initiated by Government to train the rural bank staff to solve the problems of rural community; and

(d) other measures being taken to streamline the functioning of rural branches ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Deposits of rural branches of all Scheduled Commercial Banks stood at Rs. 8801, Rs. 9694 and Rs. 11866 crores respectively as at the end of 1983, 1984 and 1985. Rural Deposits have been increasing in absolute terms although as a percentage of total deposits remained at around 14 per cent over these three years. The deposits of rural branches are on the low side essentially because of low savings potential, practice to hold savings in the form of assets, and lower level of monetisation of rural economy.

(c) and (d). Banks draw annual training programme to ensure optimum use of the training facilities available in their training institutions. There are also special training institutions like Bankers' Training College, College of Agriculture Banking and National Institute of Bank Management at industrial level for training of bank staff.

Reserve Bank of India advised all banks to take steps to improve the field orientation of Managers of rural branches. Banks have been advised to declare one day in a week as non-public business working day in all their rural branches and branch managers have to utilise the non-business working day for visiting villages in the command areas for contacting existing and potential customers, mobilisation of deposits and monitoring the use of credit extended and arranging for recovery.

Customs duty on man-made fibre

2883. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are thinking of shifting the customs duty leviable on man made fibre and yarn from ad valorem to specific rates to curb malpractices;

(b) whether Government have come across cases where importers have deliberately under-invoiced their goods; and

(c) if so, the names of such firms and action taken against them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (c). No case of deliberate under-invoicing in the case of imports of man-made fibre and yarn has been noticed.

Customs duties on man-made fibres and yarns are mostly ad valorem-cum-specific, the specific component having predominance in most of the cases. There is no proposal to convert the ad valorem component into specific rates.

Export promotion of processed food products

2884. SHRI BALASAHEB VIKHE PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have any proposal to give incentives to improve the competitiveness and quality of the processed food products for export markets;

(b) whether the export of processed food items has shown any increase, if so, to what extent;

(c) whether the target for exports of these items for the current year would be achieved; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Government have taken a number of steps to improve the competitiveness and quality of processed food products.

These measures include Cash Compensatory support, Import Replenishment Licences, facility of Duty Drawback, Import of inputs like packaging materials under duty free imports. For technological upgradation and improvement in quality of products, a select list of items of machinery which includes integrated aseptic packaging system, have been allowed for import under OGL and import duty has been reduced on a number of items of food processing and packaging machinery.

(b) The export of processed food products group has been showing increasing trend as may be seen from the following data :

Provisional

1983-84	Rs. 203.26 crores
1984-85	Rs. 283.35 crores
1985-86	Rs. 286.20 crores

(c) and (d). The provisional figures of exports between April-September, 1986 were of Rs. 140.17 crores as against Rs. 147.13 crores of the corresponding period in the previous year, thus reflecting a marginal decline in exports. The processed food group products cover a very wide spectrum of products based on fruits and vegetables, cereals, meat, cocoa products etc. Therefore, it is too early to decide whether the export performance would fall short of the targetted levels.

100 per cent EOUs financed by Central financing institutions

2885. SHRI BALASAHEB VIKHE PATIL : Will the Minister of COMMERCE be pleased to state :

(a) the number of 100 per cent Export-oriented Units financed by the Central financing institutions alongwith the names of industries;

(b) the number of projects completed upto October 15, 1986; and

(c) the exportable production of such units in terms of rupees ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) 100 per

cent Export Oriented Units, like other industrial units may be financed by State Financing Institutions, Central Financing Institutions and Banks under appropriate schemes of financing or refinancing with reference to the relevant norms of viability. No details are maintained by the Government in regard to the Specific Sources of financing of these units.

(b) In accordance with reports received from the approved units, 99 units had commenced production by 30 September, 1986.

(c) The total exports made by all the units since the inception of the Scheme and upto 30th September, 1986 is estimated to be about Rs. 383 crores.

Proposal to develop Kodungallur in Kerala as tourist-cum-pilgrim centre

2886. SHRI K. MOHANDAS : Will the Minister of TOURISM be pleased to state :

(a) whether there is a proposal to develop Kodungallur in Kerala as major tourist-cum-pilgrim centre under the Central plan; and

(b) if so, the details thereof ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) There is no such proposal under consideration at present.

(b) Does not arise.

Export of cotton

2887. SHRI AMARSINH RATHAWA : Will the Minister of TEXTILES be pleased to state :

(a) the value and quantity of cotton exported during the year 1983-84, 1984-85 and 1985-86 from each cotton growing State; and

(b) whether India has been able to maintain stability in the foreign market with

regard to supply of cotton during this period ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) The quantity and value of export of cotton during the last 3 years is as follows :

Year	Quantity in lakh bales of 170 kgs. each	Value in Rs. crores
1983-84	3.54	98.36
1984-85	1.78	63.79
1985-86	4.82	82.58

Since exports are made through various agencies viz. Cotton Corporation of India, State Federations and Private Trade, Separate statewise figures of value and quantity of export are not available.

(b) On account of the fluctuating trend in exports in the past, Government have announced a long term export policy for cotton for a period of 3 years beginning with the cotton year 1986-87.

Small scale General Exemption limit

2889. SHRI SOMJIBHAI DAMOR : Will the Minister of FINANCE be pleased to state :

(a) whether Government have announced small scale General Exemption limit of Rs. 15 lakh;

(b) if so, the reasons for not giving exemption to body building industry; and

(c) the items which are classified under heading Nos. 87.02 to 87.05 and under heading No. 87.07 of the Central Excise Tariff ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POJARY) : (a) and (b). In the General Small Scale Exemption Scheme, full exemption from excise duty upto

first clearance of Rs. 15 lakhs in any financial year is available in respect of specified goods. Body-building industry, i. e., where bodies are built on the chassis, has been excluded from this scheme, as otherwise the purpose of levying duty on body building would be defeated.

(c) Heading Nos. 87.02 to 87.05 apply to various types of motor vehicles on which bodies have been built or fitted on chassis. Heading No. 87.07 applies to bodies without chassis.

Market for Indian Textiles in United States

2890. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of TEXTILES be pleased to state :

(a) whether the United States constitutes a good market for Indian Textiles; and

(b) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Yes, Sir.

(b) The textile trade between India and U. S. A. is governed by a bilateral textile agreement between the two countries under the Multi Fibre Arrangement. Under the agreement, the exports of certain textile and clothing products from India are subject to restraint. The provisional value of exports to U. S. during 1985 is Rs. 476 crores.

Exemption under Section 10 (23-C) of Income Tax Act

2891. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) number of trusts or institutions formally exempted under Section 10 (23-C) of the Income Tax Act, 1961 during 1985 for the period of one year or more, retrospectively or prospectively;

(b) break-up of these trusts or institutions, State-wise;

(c) break-up purpose-wise-religious, educational, cultural etc.; and

(d) estimated loss of income tax arising from these exemptions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) 104 trusts/institutions were exempted under Section 10(23-C) of the Income Tax Act, 1961 during 1985 for the period of one year or more, retrospectively or prospectively.

(b) State-wise break-up of these trusts/institutions is as under :

Maharashtra	24
Delhi	20
Tamil Nadu	17
West Bengal	9
Kerala	7
Uttar Pradesh	5
Rajasthan	5
Gujarat	5
Andhra Pradesh	3
Karnataka	3
Punjab	2
Madhya Pradesh	1
Bihar	1
Haryana	1
Himachal Pradesh	1

Total : 104

(c) The exemption was granted to 43 trusts/institutions having public religious or public religious-cum-charitable objects and to 61 trusts/institutions having charitable objects including educational and cultural etc.

(d) These trusts/institutions would be eligible for exemption in respect of most of their incomes, even otherwise, by taking recourse to Section 11 of the Income Tax Act before the assessing authorities. As such, estimate of loss of income-tax arising from

these exemptions could be made by the Ministry.

[Translation]

Cooperative spinning mill in Madhya Pradesh

2892. SHRI MAHENDRA SINGH : Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government are considering any proposal for setting up a cooperative spinning mill in Madhya Pradesh during the Seventh Five Year Plan in order to solve the problem of non-availability of yarn being faced by 40,000 handlooms of Madhya Pradesh, whose number is proposed to be increased to 55000 during the Plan; and

(b) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

(b) Does not arise.

[English]

Opening of more Regional rural Banks

2893. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Long Term Policy regarding the opening of more Regional Rural Banks in the country has been formulated in the light of the recommendations made recently by the Working Group on Regional Rural Banks;

(b) if so, the main feature of the new Policy, the period for its operation and the likely date by which the Policy would be implemented; and

(c) if not, the likely date by which the new Policy would be formulated alongwith reasons for delay especially in view of the special role of the RRBs. in implementation of the antipoverty measures under the New 20-Point Programme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The Working Group on Regional Rural Banks made the following recommendation regarding the opening of new Regional Rural Banks in the country :—

'We recommend that more attention be paid to the consolidation of existing Regional Rural Banks. At the same time keeping in view the importance of Regional Rural Banks as an effective institution for purveying credit to weaker sections, new RRBs may have to be opened wherever necessary. We also recommend that priority may be given, while establishing new RRBs, to areas with preponderance of SC/ST population taking into account the existing banking facilities and credit gap both in qualitative and quantitative terms'.

After careful examination of the recommendation made by the Working Group, the Government have decided that new Regional Rural Banks should be established *only* on a very selective basis.

NRI Investment under portfolio Investment scheme

2894. **SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :** Will the Minister of FINANCE be pleased to state :

(a) the details of Non-Resident Indians investment under the portfolio investment scheme and other than portfolio investment scheme; and

(b) the number of companies which have attracted Non-Resident Indians portfolio investment upto a ceiling of 5 per cent of their total capital ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The investments made by Non-Resident Indians under the various schemes since the introduction of the scheme are as follows :

(Rs. in crores)
30.9.1986

(i) Direct investment (Approvals given)	743.06
(ii) Portfolio Investment	57.35
(iii) Company Deposits	9.65

(b) Information is being collected and will be laid on the Table of the House.

RBI Guidelines to Banks on grant of Loan against Securities

2895. **SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :** Will the Minister of FINANCE be pleased to state :

(a) what is the practice of banking sector in relation to advances to investment companies against the security of shares and debentures;

(b) whether violations of Reserve Bank of India guidelines have taken place in the past in relation to advances made to investment companies against securities of shares and debentures; and

(c) if so, the particulars of such violations and action taken in regard thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The Reserve Bank of India has advised that while granting an advance to any borrower (including an investment company) against the security of shares and debentures or any other securities, banks should be mainly concerned with the purpose for which the advance is required. The legitimate credit needs of the investment companies to bridge the gap between their own investment in shares and receipt of long term funds should be recognised, so long as there is no evidence of funds being used for speculation or acquiring control over an undertaking.

(b) and (c). The Reserve Bank of India has reported that violation of this practice by certain banks had come to its notice. The banks did not strictly adhere to the

guidelines in determining the purpose and the quantum of loans resulting in a fairly large amount of loans going to one group of companies from the banking system.

The Reserve Bank of India issued consolidated guidelines in this regard on 24th October, 1986. According to the revised guidelines the investment companies are expected to carry on their investment operations mainly on the basis of long term funds raised by them e. g., capital and reserves, debentures and deposits. Pending mobilisation of such long term funds, banks may consider granting advances of a bridging nature for a period not exceeding nine months to investment companies. Banks should satisfy themselves about the financial position and the working of the borrowing companies as also about the arrangements made by them for mobilising long term funds.

Applications for passport pending at RPO, New Delhi

2896. SRIMATI PATEL RAMABEN RAMJIBHAI MAVANI: Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether it is a fact that a number of applications for renewal and issue of passports are pending for more than six months in the Regional Passport Office, New Delhi;

(b) if so, their number;

(c) the reasons for delay in clearing the applications;

(d) whether some complaints in this regard have been received; and

(e) if so, the details thereof and the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) Yes, Sir.

(b) and (c). 745 applications for new passports and 26 applications for Miscella-

neous services (i.e. renewal etc.) were pending for over six months in the Regional Passport Office, Delhi on 1.11.1986 as per following details :

	Fresh applications	Renewal etc.
(i) due to incomplete applications	639	20
(ii) due to non-receipt of police reports	95	...
(iii) for other reasons	11	6
Total	745	26

(d) Yes, Sir.

(e) During January-October, 1986 18 complaints from public pertaining to above-mentioned cases were received in the Regional Passport Office, Delhi. Passport facilities have since been granted in 12 cases. Action to settle other cases is also being taken.

Import of CT scanners

2897. PROF. P. J. KURIEN :
SHRI YASHWANTRAO
GADAKH PATIL :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have banned the import of Tomography Scanners;

(b) if so, the reasons therefor;

(c) whether it is a fact that there is short supply of these scanners in the country; and

(d) if so, the steps taken to meet their demand ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) No, Sir. Import of such scanners continue to be considered on merits.

(b) Does not arise.

(c) and (d). Only two units have been licensed to manufacture CT Scanners in the country out of which one unit has gone into production and the other is expected to go into production shortly. Some further proposals in this regard are also under consideration.

[Translation]

Issuance of 500-rupee denomination note

2898. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 318 on 18th July, 1986 regarding issuance of 500-rupee denomination note and state by what time Rs. 500 notes are likely to be issued ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Rs. 500 denomination Currency notes are expected to be introduced during 1987.

[English]

Target of purchase on raw jute by J.C.I.

2899. SHRI HANNAN MOLLAH : Will the Minister of TEXTILES be pleased to state :

(a) the target of raw jute purchase by the Jute Corporation of India (JCI) from West Bengal during the current year and its purchase capacity;

(b) the quantity purchased so far;

(c) the gap, if any, between the target and achievement and the reasons thereof; and

(d) the steps to be taken by Government to ensure that support price to the growers and save them from distress sale ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S.

KRISHNA KUMAR) : (a) Under price support operation, there is no fixed target, either all India or State-wise, for purchase of raw jute and Jute Corporation of India will purchase whatever quantity of raw jute is offered to it by jute growers at the minimum statutory price fixed by the Government.

(b) The Jute Corporation of India, alongwith Cooperatives acting as its agents, have purchased about 13.38 lakh bales upto 13.11.86 out of which West Bengal's share is about 9.38 lakh bales.

(c) As no procurement target has been set, the question of gap between target and achievement does not arise.

(d) The following steps have been taken in the interest of jute growers :

(i) Statutory minimum prices of raw jute were announced in March, 1986 i.e. before the sowing season for the first time;

(ii) JCI and Cooperatives, acting as its agents, are operating through a large number of purchase centres as in the previous season.

(iii) JCI is giving wide publicity to its support operation and advising growers not to make any distress sale of raw jute to middlemen below statutory minimum price.

(iv) A buffer stock scheme of raw jute is also in operation, so as to bring stability in raw jute prices in the interest of growers as well as user industry.

[Translation]

Expenditure on promotion of tourism abroad

2900. SHRI MOOL CHAND DAGA : Will the Minister of TOURISM be pleased to state :

(a) amount spent by Government for promotion of tourism abroad during the years 1983-84, 1984-85 and 1985-86 respectively; and

(b) the expenditure incurred by Government separately under different heads like foreign tours by Government Officers, advertisement, publicity of literature, video-documentary films, films slides etc. during each of the last three years and the achievements made as a result thereof ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) The amounts spent by Government for promotion of tourism abroad for the past 3 years are given below :

	(Rs. in lakhs)
1983-84	211.56
1984-85	241.12
1985-86	458.41

(b) The expenditure annually incurred by the Government for foreign tours undertaken by officers of the Department of Tourism is given as per break-up below :

	(Rs. in lakhs)
1983-84	107.08
1984-85	143.11
1985-86	139.13

Expenditure on advertising, production of literature, video films and slides are funded by the respective overseas offices within the overall budgetary allocation allotted to them, as given at (a).

[English]

Indian deposits in foreign banks

2901. SHRI CHINTAMANI JENA :
SHRI MOHANBHAI PATEL :
DR. B. L. SHAILESH :

Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the news item appearing in the Hindustan Times dated 26.10.86, captioned 'Indians hold \$ 1.7 billion in foreign banks' according to which an American newspaper has estimated that Indian citizens hold \$ 1.7 billion in foreign banks with or without the Government's permission and of this amount \$ 100 million are invested in the United States;

(b) if so, whether Government have made any enquiry in this respect; and

(c) the findings thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) and (c). No such proposal is under consideration of the Government. However, the Government have, in order to curb the economic offenders, launched a major drive against economic offenders. Recently Economic Intelligence Bureau has been set up for, inter alia, intelligence gathering on international basis and the Enforcement Directorate has also stepped up raids and prosecutions of persons and companies violating FERA.

Import from USSR

2902. SHRI CHINTAMANI JENA :
Will the Minister of COMMERCE be pleased to state the value of import-export trade between India and USSR during the last three years, year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : As per latest data available, the figures of the trade between India and the USSR during the last three years are given below :

Year	(Rs. in crores)		
	Imports from USSR to India	Exports to USSR from India	Total trade turnover
1983-84	1645.63	1229.18	2874.81
1984-85 (Provisional)	1803.38	1654.59	3457.97
1985-86 (Provisional)	1657.03	1937.44	3594.47

Export promotion of tea

2903. SHRI CHINTAMANI JENA :
SHRIMATI JAYANTI
PATNAIK :

Will the Minister of COMMERCE be pleased to state :

(a) the names of the agency through which tea is exported;

(b) whether it is a fact that India has virtually lost its tea market in Poland to China;

(c) the number of countries to which export of Indian tea has declined;

(d) the reasons therefor; and

(e) the steps being taken to capture the lost markets and also to explore new markets ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Exports of tea are not canalised through any agency. Exporters are, however, required to obtain export licence from Tea Board.

(b) to (d). Tea imports by Poland from India have fluctuated sharply, varying from approximately 5 million kgs. in 1979 to 16 million kgs. in 1982. Apparent recent reduction in imports of tea by Poland from India, may be on account of availability of cheaper teas elsewhere and reported constraints regarding balance of trade faced by Poland. Total Exports during the period April-September, 1986 are provisionally placed at 79.79 million kgs. and compared favourably with exports during the corresponding period of last year despite lower off take by some of the traditional importers of Indian tea.

(e) Measures taken to increase exports include bilateral negotiations and long term trade programmes, higher cash compensatory support on value added teas, excise rebate of 50 paise per kg. on exports of bulk teas, complete excise rebate on exports of packet teas etc.

Sambalpur Handloom facing a set back

2904. SHRI SRIBALLAV PANIGRAHI :
Will the Minister of TEXTILES be pleased to state :

(a) whether it has come to the notice of Government that the famous Sambalpur Handloom business is facing a serious set back due to increasing imitation menace; and

(b) if so, the steps being taken to overcome the problem ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). The information is being collected and will be laid on the Table of the House.

Modernisation of Handlooms

2905. SHRI SRIBALLAV PANIGRAHI :
Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Union Government have declared 1986-87 as year of modernisation of Handlooms to sustain the trade to small sector and bring it on par with other areas of the textiles industry; and

(b) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). Yes, Sir. In order to increase the productivity of looms and quality of fabrics and with a view to ultimately increase the earnings of the weavers, Central Government has been implementing a scheme since 1980-81 for purchase/modernisation/renovation of looms and accessories for handlooms in the co-operative fold on 50:50 matching basis between the Centre and the States in the form of 2/3 loan and 1/3 grant. As the current year 1986-87 is being observed as the year of Modernisation of Handlooms, greater emphasis has been placed on modernisation of looms and provision of technological and other inputs. Following steps have been taken in this direction :—

(i) The quantum of assistance has been increased to Rs. 2,000/- per loom for ordinary loom and Rs. 4,000/-

per loom for Semi-automatic/Jacquard loom, from Rs. 1000 and Rs. 2,500/- respectively.

- (ii) A sub-Committee on Modernisation of looms has been constituted to assess the suitability of the existing modernisation scheme and make recommendations for improving the package of modernisation of hand-loom and its delivery system.
- (iii) State-wise targets have been assigned for modernisation of looms for the current year.
- (iv) Various training programmes on polyester weaving etc. have been undertaken and it is proposed to organise seminars and publicise the concept of modernisation through the theme pavilion in Handloom Fairs/Expos, etc.

US Naval, farms exercise in the Sea of Japan

2906. SHRI ANAND SINGH : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether Government's attention has been drawn to the show of U. S. Navy Force at the Soviet doorsteps by way of exercises undertaken by the US Navy Armada in the Sea of Japan beginning September 5, 1986; and

(b) if so, Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) Government are aware of naval exercises undertaken by the United States in the Sea of Japan between mid-August and mid-September, 1986.

(b) Government are of the view that the United States and the Soviet Union should engage in a serious dialogue to build mutual confidence and trust and to reduce tension in different regions of the world as a means of assuring peace and international security.

Foreign visits by Ministers and officials

2907. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of Union Ministers and accompanying officials who went on foreign visits during the year 1985 and till October, 1986 and the approximate expenditure involved thereon;

(b) whether Government are considering any proposal to restrict foreign visits by Union Ministers and other senior officials; and

(c) if so, the decision taken in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The information is not available and will have to be collected from all the Ministries/Departments of the Government of India. Collection of this information will involve considerable time and labour and the result to be achieved will not be commensurate with the time and labour involved in collecting the information.

(b) and (c). Government of India have issued instructions from time to time all its Ministries/Departments for careful security of their proposals for deputation abroad so that the number and the size of delegations could be kept to the barest minimum consistent with the national needs. They have been advised to recommend only such cases of deputation abroad as are inescapable and absolutely essential in public interest. No specific proposal to restrict foreign visits by Union Ministers and other senior officials is presently under the consideration of the Government of India.

Import of nutmeg

2908. SHRI T. BASHEER : Will the Minister of COMMERCE be pleased to state :

(a) the quantity of nutmeg imported during the last three years, year-wise, with foreign exchange involved;

(b) whether there is any proposal to import nutmeg this year also; and

(c) if some the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) As per data published by DG, CI & S, Calcutta, a quantity of 558 tonnes of Nutmegs valued at Rs. 90.30 lakhs, was imported during 1983-84 (upto March). Statistical data beyond March, 1984 is not available.

However, import of Nutmeg as reported by NAFED, the canalising agency during 1984-85 and 1985-86 is as follows :

Year	Qty. (Mtr.)	Value (C & F) Rs./lakhs
1984-85	60.00	11.18
1985-86	63.00	16.34

(b) and (c). During the current financial year, NAFED has contracted for 23 MTs. of Nutmegs valued at Rs. 18.94 lakhs (C & F).

Yatri Niwas at Quilon and Trivandrum

2909. SHRI T. BASHEER :
PROF. P. J. KURIEN :
PROF. K. V. THOMAS :

Will the Minister of TOURISM be pleased to state :

(a) whether there is any proposal to construct Yatri Niwas at Quilon and Trivendrum;

(b) if so, the decision taken by Government in this regard along with the time limit for completion of the projects; and

(c) which other cities in Kerala are likely to be selected for construction of Yatri Niwas ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) Yes, Sir.

(b) Construction of a Yatri Niwas at Quilon at an estimated cost of Rs. 35.35 lakhs has been approved by this Ministry.

The project is likely to be completed within two years.

A proposal has also been received in the Ministry for financial assistance for construction of a Yatri Niwas at Trivandrum. The State Government has been requested to modify the blue-prints to conform to the guidelines on the subject. The revised blue-prints are awaited from the State Government.

(c) At present there is no proposal for construction of Yatri Niwas in any other city in Kerala.

Training of IFS officers

2910. SHRI VIRDHI CHANDER JAIN : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) What efforts are made to train up the recruits to the Indian Foreign Service (IFS) to improve their knowledge, understanding and depth about Indian's foreign policy in a highly complex world;

(b) whether any special training is imported to IFS officers to improve their range and depth regarding foreign policy interacting with world political situation; and

(c) if so, details in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : (a) to (c). After their foundational training at the Lal Bahadur National Academy of Administration in Mussorie, the recruits to the Indian Foreign Service (IFS) are required to undergo a "Professional course in Diplomacy and International Relations" organised by the Foreign Service Training Institute of this Ministry located in New Delhi. The course curriculum covers interalia the following subjects : India's Foreign policy and External relations; National security; Foreign Trade; International Law; Diplomatic practice; handling of administrative, commercial, consular, cultural and publicity work.

Raids on diamond and jewellery merchants in Jaipur

2911. SHRI VIRDHI CHANDER JAIN : Will the Minister of FINANCE be pleased to state :

(a) the number of raids conducted on diamond and jewellery merchants in Jaipur during 1984-85, 1985-86 and current year till now;

(b) whether any prosecution has been launched against any of these merchants; and

(c) if so, the results thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The Income Tax Authorities at Jaipur have conducted searches on diamond and jewellery merchants as under :—

1984-85	2
1985-86	3
Current year upto 15.11. 1986	6

(b) and (c). No prosecution has yet been launched in this case.

Earnings from tourist arrivals

2912. SHRIMATI JAYANTI
PATNAIK :
SHRI V. S. VIJAYA-
RAGHAVAN :
SHRI P. NAMGYAL :

Will the Minister of TOURISM be pleased to state :

(a) the target set for the tourist arrival during 1986-87;

(b) the amount of foreign exchange expected to be earned from tourism during the current financial year; and

(c) the steps taken to promote domestic tourism and the results achieved ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) Foreign tourist arrivals expected to be achieved during the year 1986-87 is about a million.

(b) The amount of foreign exchange expected to be earned from tourism during

1986-87 is Rs. 1800 crores at current prices.

(c) The steps taken by the Central Government to promote domestic tourism in the country include construction of low budget accomodation in the form of Yatri Niwases and Yatrikas, creation of wayside facilities and public conveniences, improvement in transport facilities and promotion of packages specially for the youths, publicity campaigns undertaken in the media to create special awareness among people about domestic tourism. These efforts have resulted in increased awareness about the tourism facilities in the country.

Raids under FERA

2913. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of FINANCE be pleased to state :

(a) the number of searches and raids made under Foreign Exchange Regulation Act during the last six months;

(b) seizures made as a result thereof;

(c) penalties imposed on parties raided; and

(d) number of cases in which prosecutions have been launched and convictions obtained ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). The Directorate of Enforcement (FERA) conducted 3320 searches during 1986 (upto September) as a result of which Indian currency of Rs. 382.24 lakhs and foreign exchange worth Rs. 251.45 lakhs, besides incriminating documents, were seized.

(c) During 1986 (upto September), total penalties aggregating to Rs. 710.56 lakhs have been imposed on parties as a result of adjudication proceedings.

(d) During the year 1986 (upto September), 277 persons have been convicted by courts out of 1350 cases in which prosecu-

tions have been launched so far by the Directorate of Enforcement (FERA).

[Translation]

Study team to assess Development of Tourism in Azamgarh, U. P.

2914. SHRI RAJ KUMAR RAI : Will the Minister of TOURISM be pleased to state :

(a) whether it is a fact that Azamgarh district in Uttar Pradesh does not attract tourists whereas several places in this district can be developed as tourist centres;

(b) if so, whether Government propose to send any team to study the potential for developing some tourist centres in Azamgarh; and

(c) if so, by what time and if not, the reasons therefor ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) to (c). Ministry of Tourism has not received any proposal for the development of any tourist centres in Azamgarh District, from the State Government of Uttar Pradesh. In the absence of such proposals no study team can be deputed to study the potential of tourist centres in Azamgarh.

Opening of bank branches in Uttar Pradesh

2915. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state the number of branches of different banks proposed to be opened in Uttar Pradesh during 1986-87 and 1987-88 and details thereof district-wise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : No State/District-wise or yearwise target has been fixed for opening bank offices under the Branch Licensing Policy for 1985-90. As such, it would not be possible to indicate the number of bank branches that may be opened in each district of Uttar Pradesh during 1986-87 and

1987-88. Under the Branch Licensing Policy for 1985-90, Reserve Bank of India (RBI) has advised State Governments/Lead Banks to identify centres for opening new bank branches on the basis of norms laid down in the Policy and to forward the same to RBI. RBI would on receipt of the lists of identified centres from the State Governments, scrutinise the same for allotment of the centres in accordance with the Policy.

[English]

Identification of agricultural products for export

2916. SHRI DHARAM PAL SINGH MALIK : SHRI SUBHASH YADAV :

Will the Minister of COMMERCE be pleased to state :

(a) whether items of agricultural products for export have been identified; and

(b) whether Government are considering a proposal for posting agricultural exports in Indian Embassies with a view to boost the export of agricultural products ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) No, Sir.

Export of agricultural commodities and Agro-based products

2917. SHRI DHARAM PAL SINGH MALIK : SHRI M. RAGHUMA REDDY: SHRI SUBHASH YADAV :

Will the Minister of COMMERCE be pleased to state :

(a) the main agricultural commodities and Agro-based products exported during 1983-84 and 1984-85 with their quantity and value in rupees; and

(b) the measures proposed to be taken for increasing the share of agricultural commodities in the total exports by Government?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : (a) The main agricultural commodities exported during 1983-84 and 1984-85 were Tobacco and Tobacco products, Cashew, processed Foods including Meat and Meat Products, Spices, animal feed stuff, Castor Oil, Basmati Rice and Sugar. The figures for exports are indicated in the statement given below.

(b) A number of measures has been taken to increase the export of agricultural items such as providing cash compensatory

support, liberalised import of processing and packaging machinery and raw material inputs and encouragement to exports in value added consumer packs. Assistance is also provided by way of publicity and propaganda for our export items and through participation in fairs and exhibitions abroad. The institutional framework has also been strengthened by the setting up of the Agricultural Products Export Development Authority (APEDA) and the proposal to set-up the Spices Board for which necessary legislation has already been enacted.

Statement

Export of Major Agricultural Items*

Quantity : in '000' M.T.

Value : in Rs. Crores.

	1983-84		1984-85	
	Qty.	Val.	Qty.	Val.
Tobacco				
(incl. Products).	107	204.63	88.38	175.16
Cashew	39.35	149.49	35.49	180.00
	—	203.36	—	283.35
Processed Food and Fresh Fruits and Vegetables				
Spices	85.83	111.66	89.15	209.02
Animal Feed				
Stuffs	1425	180.33	1278	158.36
Castor Oil	79	105.00	100	125.00
Basmati Rice	141.66	96.12	241	163.03
Sugar	814	206.75	157	35.00

(* Provisional)

Rehabilitation of employees of Akbar Hotel

2918. SHRI PRAKASH V. PATIL : Will the Minister of TOURISM be pleased to state :

(a) whether all the employees working in the erstwhile Akbar Hotel have been rehabilitated; and

(b) if not, the number of those who are yet to be given a job ?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) and (b). All the 551 employees of the erstwhile Akbar Hotel have been issued offers for fresh employment. However, 524 employees have joined duties. In order to ensure that the remaining 27 persons also report for duty, a public notice was issued by ITDC on 2.10.86 in the 'Hindustan Times' and 'Nav Bharat Times'.

Pact with Hungary to avoid double taxation

2919. SHRI DHARAM PAL SINGH MALIK :
SHRI SUBHASH YADAV :
SHRI M. RAGHUMA REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether India and Hungary have recently signed a pact to avoid double taxation;

(b) if so, broad outlines of the pact; and

(c) how far it will be beneficial to India ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes Sir. The Convention between India and Hungary for avoidance of double taxation with respect to taxes on income has been signed on 30.10.86. However, it will come into effect only when the two countries notify each other about the completion of procedures required by their respective laws for bringing this Convention into force.

(b) Under this Convention, Business profits derived by an Indian enterprise or a Hungarian enterprise will be charged to tax only in the country of its residence unless the enterprise carries on business in the other country through a "permanent establishment" situated therein.

Apart from laying down rates of tax on royalty, fees for technical services, dividends and interests, the Convention determines the respective taxing rights of the two countries on

income from profession, pension, salaries etc. It also provides for exchange of information not only for carrying out the provisions of the Convention, but also for the prevention of tax frauds and detection and prevention of tax avoidance and evasion.

(c) The Convention will help in the modernisation and growth of Indian industry by encouraging flow of capital and technology in essential areas. It is also expected to increase our export capability and export markets.

Proposal for formulation of pricing policy for shares

2920. SHRI DHARAM PAL SINGH MALIK : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering any proposal for formulating a realistic pricing policy for shares; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Government are considering in consultation with Financial and Investment Institutions and others the formulation of certain revised guidelines for the valuation of shares. Details in this regard will be announced after the guidelines are finalised.

Venue for NAM's Next Summit

2921. PROF. K. V. THOMAS : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether the venue for NAM 1989 Summit has been finalised; and

(b) if not, when it will be finalised ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) It was agreed at the Herare Summit Conference of Nonaligned Countries that a final decision on the date and venue of the Ninth Summit Conference of the Movement of Nonaligned Countries would be taken at a Ministerial Conference to be held not later than 1988 in Cyprus.

Opening of SBI branches during Seventh Plan

2922. SHRI HARIHAR SOREN : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of India group proposes to open additional branches during the Seventh Plan; and

(b) if so, the number of new branches already opened or proposed to be opened by SBI in different States ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (b). Under the Branch Licensing Policy for 1985-90 Reserve Bank of India (RBI) has advised the Lead Banks/State Governments to identify potential centres for opening new bank branches in accordance with the norms laid down in the Policy and to forward the lists as finalised by the State Governments to RBI. Allotments of centres out of the lists received from the State Governments is done by RBI. In districts covered by Regional Rural Banks preference in allotment of centres will be generally given to the Regional Rural Banks. It is, therefore, not possible at this stage to indicate the number of centres that may be allotted to State Bank of India and its Associates in different States during the Seventh Plan period and how many branches would be opened by these banks against the licences issued.

Information relating to number of new branches opened so far by State Bank of India and its Associates during the period 1.4.1985 to 30.9.1986 in different States is being collected and will be laid on the Table of the House to the extent possible.

Strength of staff and labourers of Pathini Tea Estate

2923. SHRI SUDARSAN DAS : Will the Minister of COMMERCE be pleased to state :

(a) the number of staff and labourers in Pathini Tea Estate, a unit of the Tea Trading Corporation of India (TTCI) in Karimganj district of Assam in 1969;

(b) the total number of staff and labourers in 1986;

(c) whether benefits as per provisions of the Tea Plantation Labour Act are provided to the employees and labourers of the Tea Estate; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Number of staff and labourers in Pathini Tea Estate during 1969 is not known. Number of workers and staff employed in the tea estate during 1986 is around 1700.

(c) and (d). Benefits provided to the workers as per the provisions of Plantation Labour Act include wages as per agreement, subsidised ration, medical benefits, free housing including annual maintenance etc.

Outstanding debt of Pathini Tea Estate

2924. SHRI SUDARSAN DAS : Will the Minister of COMMERCE be pleased to state :

(a) the amount of outstanding debt of Pathini Tea Estate, a Unit of the Tea Trading Corporation of India Ltd. (T.T.C.I.) in Karimganj district of Assam during the period from 1983-86;

(b) on what account the debt is outstanding; and

(c) the reasons for indebtedness ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Closing balance

of outstanding debt in respect of Pathini Tea Estate during 1983-84, 1984-85 and 1985-86 has been Rs. 83.99 lakhs, Rs. 106.16 lakhs and Rs. 109.56 (provisional) lakhs respectively.

(b) and (c). There has been capital deficit on account of drop in black tea prices, lower production due to drought/flood increase in cost of essential inputs including fertiliser, coal products and material used for labour housing etc.

Seizure of Contraband Goods

2925. SHRI T. BASHEER : Will the Minister of FINANCE be pleased to state :

(a) the quantity of drugs seized during the last one year in the country and its approximate value in international markets;

(b) the quantity of other contraband goods like gold, electronics etc. seized during the same period, item-wise and city-wise, in detail alongwith the value; and

(c) the total amount collected so far in such cases and the steps being taken to dispose of these seized items?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The total quantity of drugs (drug-wise) seized throughout the country during the year 1985 as given below :

(Quantity in Kgs.)

Heroin	Opium	Charas	Ganja	Morphine	Mandrax tablets
761	6839	10,312	66,313	125	745

No precise international value of the drugs seized can be furnished as the illicit market price varies widely from place to place and time to time, depending upon the purity of the drug, local demand and supply position, place of origin, etc.

(b) The statistics pertaining to the quantities of contraband goods seized, city-wise are not maintained separately. However the total value of contraband goods seized, indicating the major commodities seized during the year 1985 is given below :

(Value : Rs. in crores)

Gold		Watches	Synthe-fabrics	Indian/foreign currency	Dangerous drugs	Elect-ronic goods	Others	Total
Quantity (in Kgs.)	Value							
2525	51.89	8.79	27.40	7.62	23.22	14.75	61.96	195.63

(c) As per the policy of the Government, confiscated consumer goods are sold to Co-operative Societies approved by the Central and State Government and duly registered under the Co-operative Societies Act, including National Co-operative Consumers Federation and State Co-operative Federations, military and para-military canteens, etc. Confiscated gold and silver are deposited in the mint and foreign currencies are credited to the Reserve Bank of India. Heterogenous and miscellaneous goods seized in small lots are directly sold to public through customs retail shops,

During the year 1986 (upto September), confiscated goods valued at Rs. 62.92 crores (provisional) have already been disposed of.

Purchase of Jute by Jute Corporation in Bihar

2926. SHRI SYED SHAHABUDDIN : Will the Minister of TEXTILES be pleased to state :

(a) the estimated production of jute in Bihar during 1986 and the estimated quantity to be purchased by the Jute Corporation

of India (JCI) and its agents out of the current crop;

(b) the actual quantity purchased upto 30 September, 1986;

(c) the locations of purchase centres or sub-centres established in Bihar by JCI or by its agents for the current jute seasons;

(d) the jurisdiction of each centre or sub-centre in terms of blocks and the distance from the farthest point in its jurisdiction;

(e) the days in the week when each centre or sub-centre is operational; and

(f) the dates of first purchase by each centre this year ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): (a) The estimated production of raw jute in Bihar during the current jute season 1986-87 is around 6 lakh bales. There is no fixed purchase target. JCI and BISCOAUN would procure whatever quantity of raw jute is offered to them by jute growers at the minimum statutory price fixed by the Government.

(b) The quantity of raw jute purchased in Bihar upto 30th September, 1986 was 0.39 lakh bales.

(c) to (f). A statement is given below.

Statement

The required information and data is as under :

District	Name of Centres ----- J.C.I. Cooperatives	Jurisdiction (Block coverage)	Distance from farthest point in K.M.	Days in the week centres are operational	Date of first purchase
1	2	3	4	5	6
Purnea	Gulab Bag	Purnea, East Baisee, Amour	45	Sunday. Friday.	20.8.86
	Garbanali	Kasba	Purchase Centre	Monday- Saturday.	27.8.86
	Bhawanipur	Bhawanipur, Rupali	—do—	—do—	8 9.86
	Kishangunj	Kishangunj, Bahadurganj, Kochadhaman, Dighat Bank.	41	—do—	4.8.86
	Araria Court	Tehragach, Palasi, Sitki, Kursakanta/Joki	40	Friday- Wednesday	27.8.86
	Raniganj	Bhargana Raniganj	Purchase Centre	Monday- Saturday.	1.9.86

1	2	3	4	5	6	7
	Forbesganj		Forbesganj	15	Monday-Saturday.	29.8.86
		Gulab Bag	Purnea East, K. Nagar.	Purchase Centre	—do—	29.8.86
		Kasba	Kasba	—do—	—do—	6.9.86
		Jalalgarh	Kasba	—do—	—do—	5.9.86
		Barharakothi	Dhamdaha Barharakothi	—do—	—do—	12.9.86
		Banmanki	Banmanki	—do—	—do—	11.9.86
		Kishangunj	Kishangunj	—do—	—do—	2.9.86
		Chattargach	Potia	—do—	—do—	2.9.86
		Thakurgunj	Thakurgunj	Purchase Centre	Monday-Saturday.	6.9.86
		Bishenpur	Kochadhaman	—do—	—do—	13.9.86
		ArariaCourt	Araria	—do—	—do—	3.9.86
		Forbeshgunj	Narpatganj	—do—	—do—	18.9.86
Katihar	Katihar		Kobra (West and East) Phalka, Barari, Manihari, Ahmadabad, Katihar.	35	Sunday-Friday.	1.9.86
	Durgaganj		Kadwa	Purchase Centre	—do—	1.9.86
	Salmari		Kadwa Azamnagar	—do—	Monday-Saturday.	1.9.86
		Barsoi,	Barsoi, Balorampur	—do—	—do—	9.9.86
		Sonaili	Kadwa, Azamnagar, Pranpur, Kalihar	—do—	—do—	15.9.86
		Karagola	Korah, Barari	—do—	—do—	15.9.86
		Katihar	Katihar	—do—	—do—	Nil
Saharsa	Supaul		Supaul Sadar	2	—do—	19.9.86
	Pratapgunj		Pratapgunj	2	—do—	15.9.86

1	2	3	4	5	6	7
	Simrahi		Raghopur	2	—do—	12.9.86
	Trebenigunj		Trebenigunj	1	—do—	17.9.86
	Jadia		Trebenigunj	12	—do—	17.9.87
	Chhatapur		Chhatapur	1	—do—	17.9.86
		Trebenigunj	Trebenigunj	1	—do—	30.9.86
		Raghopur	Raghopur	1	—do—	...
Madhe pura	Beharigunj		Chousa and Alomgonj	20	—do—	12.9.86
	Goalpara		Udakishangunj	10	—do—	15.9.86
	Murligunj		Kumarkhan/ Murligunj	25	Monday- Saturday.	11.9.86
	Singhesharstan		Madhepura/ S. Sthan	8	—do—	17.9.86
		Beharigunj	Beharigunj	...	—do—	17.9.86
Medhubani	Jhanjharpur		Jhanjharpur	4	—do—	24.9.86
Mazaffer- pur.	Sahebgunj		Not functioning due to operational constraints.			
East Cham- paran	Barachakia		Barachakia	2	Monday- Saturday	21.9.86
	Harsidhi		Sugauli	10	—do—	29.9.86
	Madhuban		Barachakia	8	—do—	25.9.86
West Cham- paran	Bethia		Bethia	2	—do—	17.9.86

Note : Purchase could not commence at Chhatapur due to dislocation of wooden bridge connecting this Centre with growing area and this is known to District administration. Growers of Chhatapur Block have been tagged with Jadia purchase centre as an alternative arrangement.

[Translation]

Closure of P. V. C. compounding units

2927. SHRI KALI PRASAD PANDEY:
Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that more than two thousand P. V. C. compounding units in the country producing PVC of more than 1.28 specific gravity have been closed down due to excise policy of Government; and

(b) if so, steps Government propose to take to help these units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Government had received certain representations for fully exempting P.V.C. compounds of specific gravity of 1.28 and above. Having regard to these representations, with effect from 12th November, 1986, full exemption has been given to such P.V.C. compounds, provided that no input duty credit is availed of in respect of inputs going into such P.V.C. compounds.

[English]

Changes made after introduction of MODVAT scheme

2928. SHRI E. AYYAPU REDDY : Will the Minister of FINANCE be pleased to state :

(a) the changes effected after the introduction of MODVAT scheme and open house discussions; and

(b) the estimated benefit to consumers, producers and Government by the introduction of the MODVAT scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Changes introduced in Modvat Scheme include full exemption for intermediate products, jigs, fixtures, moulding boxes and patterns etc. used captively; full exemption for job workers; allowing receipt of inputs directly by the job workers and supply of intermediate products made therefrom to the principal manufacturer; and allowing duty credit in respect of certain metals and metal products without production of duty-paying documents.

Regarding other concessions, these include removal of technical difficulties, correcting mistakes and omissions of minor nature, restoration of concessions available before introduction of new tariff; and fresh concessions.

(b) Introduction of Modvat will decrease the cascading effect of duty on components and raw materials. Government has, however, no mechanism to guarantee that final pro-

ducts will be available to consumers at reduced prices, specially as the rates of duties on the final products have been suitably adjusted to keep the Modvat scheme broadly revenue-neutral. Though no additional revenue directly on account of Modvat was envisaged, it is expected the Modvat will help to reduce that scope for evasion of duty.

Special courts for economic offences

2929. DR. V. VENKATESH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have set up special courts to try economic offences; and

(b) if so, that names of the places where such courts have been set up ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) Yes, Sir.

(b) The names of places where such courts have been set-up are as follows :

Hyderabad, Muzaffarpur, Bangalore, Ernakulam, Bombay, Indore, Cuttack, Jaipur, Madras, Madurai, Allahabad, Ahmedabad and Delhi.

Expenditure incurred on Embassies

2930. DR. V. VENKATESH : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the strength of the employees in our Embassies in the various countries during the last two years; and

(b) the expenditure incurred on their salaries and the total expenditure incurred on the embassies ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) and (b). Information on the number of employees in our Embassies and the expenditure incurred on their salaries and the total expenditure is

being collected and would be placed on the Table of the House.

Impact of Risk Capital Foundation Scheme

2931. SHRI P. APPALANARASIMHAM : Will the Minister of FINANCE be pleased to state :

(a) whether Government have undertaken any study to find out the impact of Risk Capital Foundation Scheme on enlarging the entrepreneurial base of the country particularly in the high-tech areas; if so, the findings thereof; and

(b) the total assistance sanctioned so far under this scheme since the institution of Risk Capital Foundation and the number of entrepreneurs benefited ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The Industrial Finance Corporation of India (IFCI) has reported that the risk capital assistance sanctioned under the Risk Capital Foundation Scheme of "Risk Capital Foundation" (RCF) upto the 31st October, 1986 since its inception in 1975 was Rs. 1092.04 lakhs to 177 entrepreneurs for setting up of 104 projects. The assistance disbursed by RCF upto the 31st October, 1986 was Rs. 840.99 lakhs to 146 entrepreneurs for their 86 projects. The impact of the Risk Capital Assistance Scheme can be judged from the fact that it has enabled many fire generation entrepreneurs to set up their projects in various industries in the medium scale sector; quite a few of them were set up with technology obtained from abroad. The success rate, excluding projects under implementation, is over 80 per cent.

Loans advanced by public financial institutions

2932. SHRI V. N. GADGIL : Will the Minister of FINANCE be pleased to state :

(a) the total amount of loans advanced by public financial institutions during the last three years, year-wise;

(b) the amount advanced to joint stock public and private limited companies; and

(c) the average rate of interest charged ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Industrial Development Bank of India (IDBI) has reported that the total financial assistance disbursed by All-India Public Financial institutions i.e. IDBI, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India, Life Insurance Corporation of India, Unit Trust of India, General Insurance Corporation and Industrial Reconstruction Bank of India amounted to Rs. 2728.65 crores, Rs. 3234.94 crores and Rs. 4620.67 crores during 1983-84, 1984-85 and 1985-86 (April-March)—respectively.

(b) Information is being collected and to the extent available will be laid on the Table of the House.

(c) The normal lending rate of IDBI and other financial institutions is 14 per cent p. a. and in respect of projects in backward areas, the rate of interest is lower at 12.5 per cent p. a. Concessional rates of interest varying from 10 per cent to 12.5 per cent p.a. are also available for loans for modernisation and rehabilitation purposes.

Proposal for a design centre for ocean going ships and floating crafts

2933. SHRIMATI MADHUREE SINGH : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) Whether a proposal for establishing a design for the ocean-going ships and floating crafts was considered during the South Asian Association for Regional Cooperation Transport meeting held at Kathmandu in October this year; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) and (b) The SAARC Technical Committee on Transport which met in Kathmandu in October 1986 considered a proposal for

establishing a design centre for floating craft and decided that an Experts Group should examine its feasibility.

Plan to out Indian Doctors from USA

2934. SHRI H. N. NANJE GOWDA :
SHRI S. M. GURADDI :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) Whether the US Government is contemplating legislation to put Indian Doctors out within three years;

(b) Whether Government of India have taken up this matter with the US Government; and

(c) if so, the reaction of the US Government to the Indian Government's letter ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) and (c). Does not arise.

Promotion of Tourism in Orissa

2935. SHRI BRAJAMOHAN MOHANTY : Will the Minister of TOURISM be pleased to state :

(a) whether programme for promotion of Tourism in Orissa during Fifth plan had been completely implemented and if not, the reasons thereof; and

(b) details of the projects for promotion of Tourism proposed to be completed during Seventh Five Year Plan in Orissa?

THE MINISTER OF TOURISM (MUFTI MOHD. SYED) : (a) Projects undertaken for Central financial assistance in tourism during the Fifth Five Year Plan have been completed.

(b) So far during the Seventh Five Year Plan, 5 projects, as detailed below have been sanctioned and are under implementation :—

1. Mini Bus and elephants for viewing Wild Life at Simlipal.

2. Yatri Niwas at Stapara.

3. 34 seater launch for Chilka Lake.

4. Wayside facilities at Taptapani, Sunabeda and Angul.

5. Wayside amenities at Rameswar.

Participation of South African Whites in World Congress of Sociology

2936. SHRI VIJAY KUMAR MISHRA : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether two South African Whites attended the World Congress of Sociology held in New Delhi recently;

(b) whether they had valid visa to visit India; and

(c) whether India participated in this conference ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) and (b). Two South African Whites who are activists against the South African Policy of apartheid were granted visas to attend XI World Congress of Sociology held in New Delhi from 18th to 23rd August, 1986.

(c) No Sir.

Agreements made with New Zealand

2937. SHRI RANJIT SINGH GAEKWAD : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the number of agreements reached between New Zealand and India;

(b) items covered under these agreements;

(c) whether the recent visit of Prime Minister provided an opportunity to exchange views on bilateral matters, international issues, situation in the South Specific regions etc.; and

(d) if so, whether Government propose to make a statement thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTENRAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) New Zealand and India concluded a Trade Agreement and an Avoidance of Double Taxation Agreement during Prime Minister's visit to New Zealand in October 1986.

(b) The Trade Agreement aims at increasing bilateral trade. The tax agreement seeks to eliminate double taxation between the two countries and prevent fiscal evasion.

(c) and (d). During the recent visit of the Prime Minister to New Zealand bilateral and international issues were discussed. A statement on the visit was made by Prime Minister in Parliament on November 13, 1986.

[Translation]

Outcome of Summit meet

2938. **SHRI DILEEP SINGH BHURIA :** Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether Government of India were apprised of the topics of the Summit Conference held recently between the Soviet Union and the USA by these countries at the diplomatic level;

(b) whether Government were similarly apprised of the reasons of the failure of the Summit; and

(c) if so, the suggestions offered by India at these meetings ?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : (a) and (b). Yes, Sir.

(c) Government of India have welcomed the fact that bold proposals for reduction of nuclear forces had been tabled at Reykjavik and that these proposals are to be pursued. Government have expressed the hope that negotiations between the United States and the Soviet Union which are continuing would result at an early date in attaining the objective of eliminating nuclear weapons.

[English]

Export of wheat

2939. **SHRI MOOL CHAND DAGA :** Will the Minister of COMMERCE be pleased to state :

(a) the details of exports of wheat made during the last three years giving name of the country, quantity exported and rate charged and the international rate prevailing at that time, year-wise; and

(b) details of the export contracts which broke-down during the above period and reasons for the same ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) The following table shows details of exports of wheat made during the last three years :—

Year	Country	Quantity Supplied (in '000 tonnes)	Basis of Supply
1983-84	Nepal	24.35	Commodity Loan
1984-85	Sudan	22.41	Aid
	Somalia	10.00	Aid
1985-86	Ethiopia	57.06	Aid
	Kenya	5.00	Aid
	Tanzania	5.47	Aid
	USSR	207.36	Commercial
	Vietnam	47.06	Commodity Loan
	Nepal	5.00	Commercial

Export to USSR and Nepal were at the then prevailing international prices. International prices of wheat are ruling low.

(b) There have been some difficulties in shipment of full contracted quantity to USSR due to stray incidence of Karnal Bunt in Indian Wheat.

Gujarat Formula for revival of sick Industries

2940. SHRI SOMNATH CHATTERJEE : Will the Minister of FINANCE be pleased to state :

(a) the provisions, terms and conditions of the Gujarat Formula for the revival of sick industries;

(b) the number of industries revived under the said formula;

(c) whether the views of different State Governments have been taken with regard to the applicability of such formula; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) to (d). The Government of India have been laying down guidelines to provide for protection of dues of the banks/financial institutions in case of nationalisation of 12 textile mills of Gujarat by Government of Gujarat, certain formula for payment of the dues of the banks/financial institutions which were to be protected in the light of Government policy had been evolved. Under this formula, 55 per cent of the dues of banks/financial institutions were to be paid by the Government of Gujarat in two instalments in two financial years following the date of nationalisation. The balance 45 per cent of the dues were to be paid over a period of 10 years with an initial moratorium of 3 years from the date of nationalisation of the mills without any interest thereon. Some State Governments have expressed their inclination to adopt the Gujarat formula in case of nationalisation of industrial units in their States. The Government of India have indicated their approval in principle

to adoption of Gujarat formula in such cases.

[Translation]

Handloom Technology Training Institute in Madhya Pradesh

2941. SHRI MAHENDRA SINGH : Will the Minister of TEXTILES be pleased to state :

(a) whether Madhya Pradesh Government have sent any proposal for opening of a Handloom Technology Training Institute in Madhya Pradesh; and

(b) if so, the decision taken in the matter ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Yes, Sir.

(b) The proposal could not be approved under the Seventh Plan Budget.

12.00 hrs.

(Interruptions)

[English]

MR. CHAIRMAN : One by one.

(Interruptions)

[Translation]

SHRI SHAMINDER SINGH (Faridkot) : Mr. Chairman, Sir, in the newspaper 'Vir Arjun' it has been written about the Members of the Parliament that...

(Interruptions)

[English]

MR. CHAIRMAN : This is not to be raised in the House. Not allowed. Don't record anything.

(Interruptions)**

**Not recorded.

SHRI DINESH GOSWAMI (Guwabati) : I want to draw the attention of the government that for the default of this Government a serious situation is arising in Assam. In fact, All Assam Students Union is now on an agitational course. They have gone for *dharna* today in the Boat Club. Their demand is that the Assam Accord should be implemented, particularly the amending Bill to the Illegal Migrants (Determination by Tribunal) Act should be introduced. The government assured us in the last session...
(*Interruptions*)

MR. CHAIRMAN : You give a proper notice and raise it.

SHRI DINESH GOSWAMI : We have given notice that it should be introduced and passed. We do not get any response. Therefore, I would like to know the position.

MR. CHAIRMAN : It has already been referred for facts. A reference has been made. You will know about it.

SHRI DINESH GOSWAMI : I want to know from the Parliamentary Affairs Minister. She should tell us actually what is now the fate of this Bill ?

MR. CHAIRMAN : You will come to know.

SHRI DINESH GOSWAMI : How will we know ?

MR. CHAIRMAN : The Speaker will let you know.

SHRI DINESH GOSWAMI : The Government assured that an amending Bill to the Illegal Migrants (Determination by Tribunal) Act will be introduced. You kindly let us know when you are going to introduce it ?

MR. CHAIRMAN : You please sit down.

SHRI DINESH GOSWAMI : Please enquire about it and let us know.

[*Translation*]

SHRI MOHD. MAHFOOZ ALI KHAN (Etah) : The State Government employees

of Uttar Pradesh and Rajasthan are on strike for the last nine days. The bus service is paralysed and we are facing inconvenience. Why do you not do justice with them ? When you are increasing the salaries of the Central Government employees, why are you not increasing their salaries also ?

[*English*]

MR. CHAIRMAN : It is a state issue.

(*Interruptions*)

[*Translation*]

SHRI MOHD. MAHFOOZ ALI KHAN : The employees of Water Supply Department are also going on strike.

[*English*]

This is not a matter of State... (*Interruptions*)

MR. CHAIRMAN : It is a state issue. Not allowed.

(*Interruptions*)**

[*Translation*]

MR. CHAIRMAN : It has been discussed during the question hour.

[*English*]

It is a State issue. During question hour, clarification was made by the Finance Minister already.

(*Interruptions*)

[*Translation*]

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : I would like to inform Shri Mahfooz that out of Rs. 100 collected by us, Rs. 51 go to the States. The maximum part of our collection goes to the States.

SHRI RAM PYARE PANIKA (Roberts-ganj) : I have given a Calling Attention regarding National Highway No. 7 which passes through my constituency. Three persons were killed there and the whole

*Not recorded.

traffic was blocked. I would like to say, through you, that the Central Government should immediately undertake the construction work of the bridge. It is a very serious problem. The traffic from Delhi to Calcutta has been completely obstructed there.

[English]

MR. CHAIRMAN : Please sit down now. It is enough.

(Interruptions)*

MR. CHAIRMAN : Not allowed.

(Interruptions)*

MR. CHAIRMAN : Not allowed.

(Interruptions)*

MR. CHAIRMAN : Reference to Chief Minister will not go on record. Nothing further will go on record.

(Interruptions)*

[Translation]

MR. CHAIRMAN : Mr. Mahfooz Ali Khan, sit down.

[English]

MR. CHAIRMAN : Will you sit down now ?

(Interruptions)

MR. CHAIRMAN : That is all right. I have heard you.

(Interruptions)*

MR. CHAIRMAN : Please sit down. Otherwise I will have to ask you to withdraw from the House.

(Interruptions)*

(At this stage, Shri Mohd. Mahfooz Ali Khan left the House)

[Translation]

SHRI HARISH RAWAT (Almora) : Sir, I have given a Calling Attention notice

*Not recorded.

to the effect that the new management of Peerless Company is terminating the services of its employees and is trying to misappropriate crores of rupees deposited by the investors.

[English]

MR. CHAIRMAN : Notice will be considered. If you have given notice, it will be considered.

DR. DATTA SAMANT : I have already given a notice. About one hundred sugar factories in Maharashtra are closed. Daily 10,000 tonnes of sugar is lost because of the partial strike of sugarcane cutting and carrying workers. They get hardly five to six rupees.

MR. CHAIRMAN : Today there is a submission allowed on that.

DR. DATTA SAMANT : Minimum wage is not implemented. That is why two lakh workers are on strike.

SHRI BASUDEB ACHARIA : Several officers are not attending office. Several offices have even declared lock out.

MR. CHAIRMAN : Have you given a notice ?

SHRI BASUDEB ACHARIA : Yes, I have given notice. Employees are not getting their payments. There should be a discussion.

MR. CHAIRMAN : That is all right. It will be considered.

SHRI BASUDEB ACHARIA : You allow a discussion—Peerless Company.

MR. CHAIRMAN : Speaker will consider it.

[Translation]

SHRI V. TULSIRAM (Nagarkurnool) : Mr. Chairman, I had raised this matter yesterday also. It is a very serious matter. The situation in Punjab is deteriorating day by day. It was discussed here just two days before and the Police officers and constables are being killed there.

MR. CHAIRMAN : The matter has already been discussed here.

SHRI V. TULSIRAM : What is the use of such a discussion and what are the results of that discussion ?

(Interruptions)

SHRI SHIV PRASAD SAHU (Ranchi) : I have raised a question about the security of the country. The uranium ore from Bihar is being smuggled into Pakistan and China on a large scale. These countries are trying to manufacture hydrogen bomb with it. The Government should consider this matter of smuggling of uranium ore very seriously.

[English]

MR. CHAIRMAN : Give proper notice.

[Translation]

SHRI P. NAMGYAL (Ladakh) : Mr. Chairman, I have given a notice under Rule 193 that there should be discussion on the Zojila tragedy which took place four days ago.

[English]

MR. CHAIRMAN : It has been referred for further information. You will come to know. You will come to know.

[Translation]

SHRI P. NAMGYAL : It is very important. In addition to our own people many foreign tourists are also stranded there. Therefore, it is necessary to discuss it.

[English]

MR. CHAIRMAN : You have given notice. That is referred for further information.

[Translation]

SHRI VILAS MUTTEMWAR (Chimur) : Mr. Chairman, Sir, there is the issue of

salaries and other facilities to the Central and State Governments employees. The disparity has increased considerably and there must be uniformity in their pay scales. Therefore, I request you to allow half-an-hour discussion on this matter in view of their grievances.

[English]

MR. CHAIRMAN : You give notice. The Speaker will consider it.

[Translation]

SHRI V. TULSIRAM : Sir, please listen to me. You should hold dialogue with them.

MR. CHAIRMAN : It has already been discussed; what else you want now ?

SHRI V. TULSIRAM : What is the use of such a discussion. You should have talks with them and some decision should be taken otherwise it would be raised daily.

MR. CHAIRMAN : It has already been discussed.

[English]

If there is any other parliamentary device available, you can resort to that device.

[Translation]

SHRI SULTAN SALAHUDDIN OWAISI (Hyderabad) : Sir, about 15 days back I had given a calling attention notice regarding Babri Masjid, but it has neither been admitted nor discussed in the House.

[English]

MR. CHAIRMAN : It is a State subject and *sub judice*.

12.12 hrs.

PAPERS LAID ON THE TABLE*[English]*

Annual Reports and Reviews on the Working of the Man Made Textiles Research Association, Surat and Silk and Art Silk Mills Research Association, Bombay for the year 1985-86

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): I beg to lay on the Table :

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Man Made Textiles Research Association, Surat, for the year 1985-86 along with the Audited Accounts.
- (ii) A statement (Hindi and English versions) regarding Review by the Government on the working of the Man Made Textile Research Association, Surat, for the year 1985-86.

[Placed in Library. See No. LT-3253/86]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the Silk and Art Silk Mills' Research Association, Bombay, for the year 1985-86, along with the Audited Accounts.
- (ii) A statement (Hindi and English versions) regarding Review by the Government on the working of the Silk and Art Silk Mills' Research Association, Bombay, for the year 1985-86.

[Placed in Library. See No. LT-3254/86]

Papers under Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, etc.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI

B. K. GADHVI): On behalf of Shri Janardhana Poojary, I beg to lay on the Table :

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (4) of section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 :

(a) (i) The Oriental Bank of Commerce Officer Employees' (Conduct) Regulations, 1982.

(ii) The Oriental Bank of Commerce Officer Employees' (Discipline and Appeal) Regulations, 1982.

(iii) The Oriental Bank of Commerce Officer Employees' (Acceptance of Jobs in Private Sector Concerns after Retirement) Regulation, 1983.

(b) (i) The New Bank of India Officer Employees' (Conduct) Regulations, 1982.

(ii) The New Bank of India Officer Employees' (Discipline and Appeal) Regulations, 1982.

(iii) The New Bank of India Officer Employees' (Acceptance of Jobs in Private Sector Concerns after Retirement) Regulations, 1984.

(c) (i) The Punjab and Sind Bank Officer Employees' (Conduct) Regulations, 1981.

(ii) The Punjab and Sind Bank Officer Employees' (Discipline and Appeal) Regulations, 1981.

(iii) The Punjab and Sind Bank Officer Employees' (Acceptance of Jobs in

- Private Sector Concerns after Retirement) Regulations, 1984.
- (d) (i) The Andhra Bank Officer Employees' (Conduct) Regulations, 1982.
- (ii) The Andhra Bank Officer Employees' (Discipline and Appeal) Regulations, 1981.
- (iii) The Andhra Bank Officer Employees' (Acceptance of Jobs in Private Sector Concerns after Retirement) Regulations, 1984.
- (e) (i) The Corporation Bank Officer Employees' (Conduct) Regulations, 1982.
- (ii) The Corporation Bank Officer Employees' (Discipline and Appeal) Regulations, 1982.
- (iii) The Corporation Bank Officer Employees' (Acceptance of Jobs in Private Sector Concerns after Retirement) Regulations, 1986.
- (f) (i) The Vijaya Bank Officer Employees' (Conduct) Regulations, 1981.
- (ii) The Vijaya Bank Officer Employees' (Discipline and Appeal) Regulations, 1981.
- (iii) The Vijaya Bank Officer Employees' (Acceptance of Jobs in Private Sector Concerns after Retirement) Regulations, 1984.
- (2) A copy of the State Bank of India General Regulations, 1955 (Revised upto 30th September, 1986 (Hindi and English versions) under sub-section (4) of section 50 of the State Bank of India Act, 1955.

- (3) A copy of the Subsidiary Banks General Regulations, 1959 (Revised upto 30th September, 1986) (Hindi and English versions) under sub-section (4) of section 63 of the State Bank of India (Subsidiary Banks) Act, 1959.
- (4) A statement (Hindi and English versions) indicating the results of the market loans floated in September and October, 1986.

[Placed in Library. See No. LT 3255/80]

Notifications under Section 17 of the Export (Quality Control and Inspection) Act, 1963

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : On behalf of Shri P. R. Das Munsi, I beg to lay on the Table a copy each of the following Notifications (Hindi and English versions) under sub-section (3) of Section 17 of the Export (Quality Control and Inspection) Act, 1963 :

- (1) S. O. 3095 published in Gazette of India dated the 13th September, 1986 containing Corrigendum to English version of Notification No. S. O. 781 dated the 1st March, 1986.
- (2) The Export Inspection Council Contributory Provident Fund Rules, 1986 published in Notification No. S. O. 3329 in Gazette of India dated the 27th September, 1986.
- (3) The Export (Quality Control and Inspection) Amendment Rules, 1986 published in Notification No. E. O. 3330 in Gazette of India dated the 27th September, 1986.
- (4) The Export of Fish and Fishery Products (Quality Control and Inspection) Amendment Rules, 1986 published in Notification No. S. O. 699 (E) in Gazette of India dated the 1st October, 1986.
- (5) The Export of Canned fish and Fishery Products (Quality Control and Inspection) Amendment Rules,

1986 published in Notification No. S. O. 700 (E) in Gazette of India dated the 1st October, 1986.

- (6) The Export of Frozen Frog Logs (Quality Control and Inspection) Rules, 1986 published in Notification No. S. O. 701(E) in Gazette of India dated the 1st October, 1986.
- (7) S. O. 3660 (published in Gazette of India dated the 25th October, 1986 containing corrigendum to Notification No. S.O. 783 dated the 1st March, 1986.
- (8) The Export of Coir Mattings (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3661 in Gazette of India dated the 25th October, 1986.
- (9) The Export of Coir Yarn (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3662 in Gazette of India dated the 25th October, 1986.
- (10) The Export of Non-baled Coir Yarn (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3663 in Gazette of India dated the 25th October, 1986.
- (11) The Export of Coir Products (Inspection) Amendment Rules, 1986 published in Notification No. S. O. 3664 in Gazette of India dated the 25th October, 1986.

[Placed in Library. See No. LT-3256/86]

Notification under Section 18 of the Handlooms (Reservation of Articles for Production) Act, 1985

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : I beg to lay on the Table a copy of Notification No. S. O. 477 (E) (Hindi and English versions) published in Gazette of India dated the 6th August, 1986 regarding exemption to articles or class of articles specified in the Schedule annexed to the notification from the opera-

tion of the Order No. S. O. 459 (E) dated the 5th August, 1986 and permitting such articles or class of articles to be produced by any powerloom solely for the purposes of export, under sub-section (2) of section 18 of the Handlooms (Reservation of Articles for Production) Act, 1985.

[Placed in Library. See No. LT-3257/86]

12.14 hrs.

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 127 of the Rules, of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th November, 1986, agreed without any amendment to the Citizenship (Amendment) Bill, 1986, which was passed by the Lok Sabha at its sitting held on the 11th November, 1986."

STATEMENT RE : PAYMENT OF D. A. TO GROUP B, C AND D OF CENTRAL GOVERNMENT EMPLOYEES

[English]

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : Government have accepted the D.A. formula recommended by the Fourth Pay Commission, in respect of employees of Groups B, C and D. According to the revised formula D.A. has to be sanctioned on the basis of percentage increase in whole numbers of the 12-monthly average of CPI on 30th June and 31st December over index average of 608, the base figure to which the revised pay scales are pegged. The 12-monthly average CPI on June 30, 1986 is 632.41, which works out to an increase of 4 per cent over 608 on the above basis. Employees drawing basic pay upto Rs. 3500/- are to be allowed 100 per cent neutralisation and are,

therefore, entitled to the revised D. A. of 4 per cent of basic pay with effect from 1-7-1986.

2. Government have now decided to pay this instalment of Dearness Allowance to the Central Government Employees in cash. Orders in this behalf will be issued by the Ministry of Finance soon.

3. The annual cost of this amount of D. A. is estimated at Rs. 270 crores (approx.). The cost in the current financial year will be of the order of Rs. 180 crores.

12.15 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Reported poor performance of India at export front thereby widening the trade deficit

SHRI CHINTAMANI JENA (Balasore) : I call the attention of the Minister of Commerce to the following matter of urgent public importance and request that he may make a statement thereon :

Reported poor performance of India at the export front thereby widening the trade deficit and the steps taken by the Government in regard thereto.

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : Concern has been expressed on different occasions by the Hon'ble Members about the reported poor performance of our exports and widening trade deficit.

India's exports during the Sixth Five Year Plan period grew in rupee terms at an annual rate of 13.2 per cent. The provisional figures of India's exports during the financial year 1985-86 place them at Rs. 11006 crores as against the comparative figures of Rs. 11477 crores in the previous year. At the same time, imports during the financial year 1985-86 were at a provisional total of Rs. 19622 crores compared with Rs. 16730 crores during 1984-85. As a result, India's trade deficit (Provisional figures) increased from Rs. 5254 crores during 1984-85 to

Rs. 8616 crores in 1985-86, which was about 3.6 per cent of GNP.

An important factor contribution to the decline in overall exports was the virtual elimination of exports of crude oil which had amounted to Rs. 1563 crores during 1984-85. The provisional data revealed that non-crude oil exports at Rs. 10871 crores in 1985-86 registered an increase of 9.7 per cent as compared to Rs. 9913 crores during the previous year. This increase in non-crude oil exports should be seen against the backdrop of only 3 per cent growth in the world trade in 1985 as compared to 9 per cent growth in 1984 on account of the slowing down in the growth of some of the major industrial economies as well as intensification of protectionism. It is also worth nothing that during 1985 there was a continued fall in the prices of primary commodities —which fell by 9.5 per cent (in dollar terms). The unit values realised for tea, an important item of our export, declined by 12.5 per cent during 1985-86; that of jute manufactures, by 8.3 per cent, that of coffee and cotton yarn by more than 4 per cent.

The economic recession in parts of the world in which we had acquired a foothold in exports also meant a set back to our exports. Thus, exports to West Asia and Africa, for example, fell by more than 5 per cent during 1985-86.

A series of initiatives have been taken to promote exports. These are designed to generate surpluses for exports, to induce the production of goods contemporary in technology and competitive in prices and to make the exports profitable. Several changes have been made with these objectives in view in the areas of fiscal policy, industrial policy and import policy backed by institutional support. A long term framework has been evolved to generate stability and confidence. In addition to these several new measures have been initiated recently. It has been decided in principle to make available capital goods and machinery which are not produced in the country, for export production or for improving the quality of products for exports for the thrust sectors at lower rates of duties on a case by case basis. The principle of supply of raw materials at international prices through scheme such as the one that has been in operation for steel, rubber and certain chemicals would be extended to other important areas and cover consumables

where they form a significant part of the cost. Preshipment credit will be made available for export production at 9.5 per cent interest for 180 days. The Cash Compensatory Support Scheme has been reframed to cover indirect taxes on inputs of the exported products and in principle full remission of excise and other duties on exported products will be allowed subject to certain considerations. A liberal approach would be adopted in making available contemporary technology for thrust sector, where necessary linked to export obligation. The Ministry of Industry has already issued a notification exempting from the requirement of licensing any exemption of capacity exclusively for export production. Besides, it has been decided in principle to allow the use of 5 to 10 per cent of the net foreign exchange earnings by exporters for export/promotion. Action is also being taken to tackle the problem of shortage of power and for improvement in the performance of infrastructure such as the ports.

Simultaneously steps are being taken to promote import substitution and increase the production of bulk commodities such as edible oils, sugar, fertilizers and crude oil.

According to the provisional data available for the first quarter of 1986-87 i.e. April-June, 1986, as compared to the corresponding period of the previous year, India's foreign trade situation has shown a distinct improvement. In April-June, 1986 India's exports at a level of Rs. 2790 crores were 24.6 per cent higher as compared to Rs. 2239 crores in the corresponding period of the previous year. Due to incomplete reporting of provisional data in 1985, however a correction shall have to be applied and after adjustment a growth of the order of 15 per cent is indicated. Information from export promotion councils also indicates a growth rate of 16 per cent and add for the first half of this fiscal year.

At the same time, during April-June, 1986 imports are placed at Rs. 4414 crores which were not very significantly different from Rs. 4349 crores in the corresponding period of the previous year. Consequently, there has been a substantial decline in trade deficit.

We have had intensive interaction with the industry and trade at different levels. We

intend to continue the dialogue with them. There are already signs that in the current year the trade gap will decline. Considering the international environment, however, a constant watch and adjustment of policies of various measures will be necessary.

SHRI CHINTAMANI JENA (Balsore): Hon'ble Chairman, I am very grateful to the Hon. Minister for Commerce for admitting our deficiency in export trades.

From the statement you will kindly see that the export in 1985-86 amounted to Rs. 11005.91 crores against the provisional figure of Rs. 11297.38 crores in the previous year. But in the case of non-oil export, it had shown a growth of over 11 per cent. I fully agree with the Hon. Minister in this regard. The commodities which showed a decline in export are tea, tobacco, engineering products and crude oil.

In the case of imports also you will see that in 1985-86, the imports amounted to Rs. 19622.27 crores as against the provisional figure of Rs. 16,484.85 crores in the previous year. Thus it shows an increase of Rs. 3137.42 crores. We are expecting to have good result from export trade but our imports are increasing. On the other hand only the imports of fertilisers, edible oils, sugar, petroleum and petroleum products news prints and non-ferrous metals as a whole showed an increase of only Rs. 427 crores.

Import of crude oil and petroleum products taken together, were virtually the same as in the previous year even though Rs. 1563 crores worth of oil was exported in 1984-85 but the exports in 1985-86 were only Rs. 135 crores. The Hon. Minister may agree to it.

Manufactured fertilisers and non-ferrous metals showed a rise of Rs. 131.50 crores and Rs. 123.53 crores respectively.

There was a sharp increase in imports of iron and steel which amounted to Rs. 1214.63 crores in 1985-86 as compared to Rs. 732.69 crores in the year 1984-85. Import of machinery also was higher by Rs. 889.22 crores at Rs. 3469.49 crores.

Except machine tools, all other categories like electrical machinery, non-electrical

machinery including electronics, transport equipments largely required for assembling motor vehicles and two and three wheelers has shown substantial increase.

Even though there was a significant improvement in the balance of trade during the first quarter of the current financial year, yet it is noticed that imports during this period amounted to Rs. 4414.16 crores against Rs. 4348.59 crores during April-June of last year, which has registered a growth rate of 1.5 per cent.

Realising the abnormal trade deficit and poor performances of the big business houses in the country, the Hon. Prime Minister about a month back, which the Hon. Minister may kindly recall, had advised the big business houses to redouble their efforts to capture markets in the developed nations by producing high quality products which would be competitive in the world market also. The Hon. Prime Minister had said that the Government had charted out plans to bring India in the front ranks of the advanced nations and in the world market also. In this context the Hon. Minister may kindly tell the House in which way his Ministry and Industry Ministry has charted out a plan for it. The Hon. Minister also told a few days back, which he may kindly recall, that he proposed for the big business houses to mention in their balance sheets about the amount of foreign exchange they have spent and earned for the country because of their poor export performances. He also urged on the engineering industries not only to drive vigorously to boost exports, but also to create new markets for Indian goods. In this connection the Hon. Minister may kindly enlighten us about the progress.

In this context he also told to set up a committee to study the question of the decision at the General Agreement on Tariffs and Trade (GATT). May I know the progress in this regard?

In this connection the Government policy on international price reimbursement scheme was to be announced. The decision on this issue would help to boost the export markets. In addition to it, the Hon. Minister has told that the individual companies should draw up export plan as an integral

part of their corporate plans. These plans should not only identify products and markets, but must lay down production schedules, programmes for technological upgradation and modernisation as well as detailed marketing strategy, suited to meet the needs of individual products in the international markets. I begin with, he had suggested that the companies must export a certain percentage of their production and meet their import requirement through exports.

MR. CHAIRMAN : 10 minutes are over.

SHRI CHINTAMANI JENA : Sir, only two minutes.

Similarly, the Hon. Minister had very correctly advised the companies to retain 5 to 10 percent of their foreign exchange earnings for specific market development activities. The Hon. Minister may kindly enlighten us in this regard the result of it, as our export market is facing a great challenge in the world competitive market.

I am coming to the products which are facing a lot of challenges and competition in the international market. In the blended fabrics, the Republic of Korea, Hong Kong, Taiwan, Singapore, Thailand and Indonesia also are producing this, and there is a lot of competition. We know why this is happening. Our energy cost is higher than that of any other countries. Similarly, in the case of jute goods, our jute goods industry has become uncompetitive in the global market because of our outdated technology. Similar is the case with synthetic fibres etc., in which we were pioneer a decade back. But now, we are facing challenge from these countries. Regarding cement also, a few years back, we were exporting cement. Now, we are importing a large quantity of cement from Korea etc. Similar is the situation in sugar and paper industry. In 1974-75, we had exported a million tonnes of sugar. But now we are importing a large quantity of sugar from other countries. The paper industry is also in a shamble and we cannot compete in the international market.

The Hon. Finance Minister on 31st March announced in the House to establish

a special fund named as Export Development Fund in the Export Bank of India. The loans or advances would be available for financing research, survey in connection with the promotion and development of international trade and for providing technical, administrative and financial assistance for any kind of items which have got export potentiality. May I know, what is the progress made in this regard? The funds also to be utilised for promotion of our market facilities in the countries where we have no such markets.

May I have the comments from the Hon. Minister on all these issues?

SHRI INDRAJIT GUPTA (Basirhat) :
Mr. Chairman, Sir, the statement which has been made by the Hon. Commerce Minister fully corroborates everything that has appeared in the Press. Our source is the Press and replies given to various interpretations in both the Houses of Parliament. I should say, he has made a very factual statement but very complacent. There is no air of urgency about it at all. We are facing a record trade deficit, which has increased in one year, between 1984-85 and 1985-86, the trade deficit has gone up by Rs. 3,362 crores. I should say that this is an extremely serious and grim picture. It exposes also the failure and the bankruptcy of the present import-export policy of the Government. The whole emphasis in what the Hon. Minister has said is on how we should try to increase exports by giving various concessions and incentives to the private sector. That is the sum and substance of their policy. Of course, exports have to be stimulated but the main thrust of this policy, as we have seen during the last two years particularly, is to liberalise imports. It is in the name of liberalisation that the gates have been opened for unrestricted imports of so many things. He does not tell us anything about the fact that the imports have really created the real mischief in the whole situation. Our export trade is more or less, I think, not very elastic. It cannot be in the present international situation, unless we find new markets in new countries because the countries to whom we are trying to export, most of them the advanced capitalist countries of the West, are countries who do not allow our exports to enter their markets. It is they who have got high protective and tariff barriers against the exports of the developing countries.

Everybody knows that this is a big struggle which is taking place in the whole world today between developing and developed countries. This is what you are talking about so much in all the non-alignment conferences, at the Group of 77, at the United Nations and so on. I agree that India, like any other developing country, is at a disadvantage because of the policies which are being pursued by the USA, UK, West Germany and other countries. It is only in the markets of the Socialist countries where the Indian exports have been able to register a big increase but he does not tell us a single word about all that. The main thrust of the Government is how we can give more concessions and incentives to the private sector industries to step up their exports. All those concessions have been recited here. They are well-known to everybody and one thing I should like to point out is that it has also been said that sectors which are enjoying high export potential, not high export performance, but the sectors enjoying high export potential, will be allowed to import capital goods either duty free or at very low duty incidence. This is one major incentive that they are giving under the new policy, that a wide range of capital goods and machinery, have been put on the open general licence, without any consideration for what the impact is going to be on our indigenous capital goods industries which we have created in this country at very heavy investment costs and mainly in the public sector. The Bharat Heavy Vehicles, the Bharat Heavy Engineering Corporation and all these giant plants which were set up in the public sector involving investment of thousands of crores, were precisely meant to make us to some extent at least self-reliant in the manufacture of capital goods. But from what we see now, what is happening in the last two years? It is the capital goods which are being allowed and machinery which is being allowed to come in at very high cost, from these countries abroad. They are putting up their prices all the time while the prices of our exports to those countries have gone down and the impact on the capital goods industries in our own country should be assessed and estimated and told to the Parliament by the Government. We are told that in another two or three years' time, I know from good authority, the order book of the Bharat Heavy Vehicles will be blank. They will have no orders left in their order

books. The same thing is happening in the case of Bharat Electronics in Bangalore. The Bharat Electronics has had to close down production in two or three important projects which they had taken in that factory because of imports which are now being allowed. I cannot go into details in this time. But it is the question of imports which should have attracted more attention from the Government. One of the major concessions they have given to exports is, for example, ready-made garments. We were developing a big trade in ready-made garments. Now, they are being given further incentive by being allowed to use foreign brand names also. They can use foreign brand names subject to certain conditions—that only indigenous fabrics are used. 75 per cent is exported and so on. They can sell under foreign brand names—not even made in India. My point is that we should know how this pattern of trade balance has deteriorated so much in the course of one year. It is not a normal thing. How has it deteriorated so sharply between last year and this year, taking us to Rs. 8600 crores—may be more by the end of the year, I do not know. How is this burden going to be met, unless we are to follow the dictates of the World Bank, of the International Monetary Fund from whom we are borrowing large sums of money and they have got conditions attached that we have got to import from certain countries and all our indigenous production must be—what they call—export oriented. How will it be export—oriented when they themselves are erecting tariff barriers and protectionist barriers about which the World Bank has nothing to do with them.

Now, a move is a foot—we read in the papers—by these advanced countries to bring about some new arrangement through the machinery of GATT whereby not only goods but services also they want to export to other countries. I do not know what is the Government's stand? If that comes about, in any shape or form, this balance of trade deficit will go up many fold more.

He has not said anything about import of technology. These are figures and prices given for import of goods. But what about import of technology which is invicibly

imported, which is taking place in the name of modernisation? That technology transfer, whether it is obsolete technology, or suitable for our country or are not suitable—on that I am not going into. But the transfer of technology which is taking place is not reflected in these figures at all. Because of that technology which is often obsolete technology, which is repetitive technology in the sense that it is already available in this country, it has been developed by our own scientists, our own technicians, our own engineers working in our own Research and Development Institutions, this repetitive, obsolete technology, technology with strings attached, is also costing us thousands of crores of rupees. But it is not reflected in these figures at all. So, I would just say that last year the price of oil in the international market did not rise. It even declined a little bit. We had a big item in our import Bill and it was the price of oil. Last year, the price of oil was stable—even it declined a little bit. In spite of that this sharp deterioration has taken place.

Then engineering exports, everybody know, is lagging far behind. Now we are told that because of the concessions that the Government is giving to the Private Sector engineering firms, the United States is threatening to impose certain countervailing duties. I do not know what the position is? He should tell us. Because the United States' countervailing duties are imposed on our engineering products, then the miserable export performance of the engineering industry will become even more miserable. That will be the result, instead of being stimulated. I would say that this Government is following a policy which is quite disastrous as far as export and import is concerned. On the export side, simply by giving hosts of concessions and subsidies and incentives to the Private Sector, the export trade is not picking up and not like to pick up. An engineering industry will never go in for exports so long as they enjoy a good market in the country. That is the real trouble. They find it more profitable to sell their goods here than to try to export in spite of all the concessions given to them, all the facilities given to them. But the Government is persisting in the same line. He has said in his statement in one phrase at the end: "Simultaneously steps are being taken to promote import substitution...." Very good.

But only this half sentence is there about it. I would like to know what are the sectors, what are the products, what are the categories of commodities in which they are seriously trying to bring about import substitution. We are all very proud of the fact that our country has produced so much food-grains and we are supposed to be self-sufficient in food now. But if I read out to you the figures, you will be surprised how much wheat we are importing still, how much rice we are importing still and how much sugar we are importing still. Fantastic figures are there, running into thousands of crores of rupees. A country which is self-sufficient in foodgrain production, I do not understand why we are having to import such massive quantities of wheat, rice and sugar still. In edible oil, of course, our production is insufficient and we are spending huge sums on edible oil. What is the strategy of the Government? Is it simply to go on allowing imports to come in on a massive scale, much more than previously, at the same time trying to stimulate exports by giving some benefits to the private sector who do not respond at all? Then where will we end up? So, I am afraid, this import-export policy brought in by the Prime Minister, Shri Rajiv Gandhi, primarily in the name of modernisation and liberalisation is going to be the undoing of the economy of this country, if they persist in this way. Our public sector industries will be ruined, the domestic industries will be ruined, the small scale industries, cottage industries, handloom industries, and so on in our country will be ruined if this unrestricted flood of imports is permitted. Self-reliance is being given a go-by. I would request the Minister to assure this House that they will review this policy at every step, every six months, and if they find that negative effects are following, they must take corrective steps immediately. Otherwise, the control of this economy will go completely out of their hands and we will be landed in a state of complete bankruptcy.

SHRI AJAY MUSHRAN (Jabalpur) : Mr. Chairman, Sir, the statement given by the Hon. Minister on the reported poor performance on the export front because of which trade deficit is widening every year is partly convincing in the sense that he has given some major reasons as to why this gap has widened in the last one year. But

I wish he had covered certain aspects like restricting imports and what concrete steps the Ministry is going to take under his leadership in that regard and what export promotion, what incentive to export, could be given under the gambit of the policy. As Shri Indrajit Gupta says, there is nothing wrong with the policy; it is basically a question of execution of the policy and ways and means have to be found for punishing or restricting those people who are basically using the incentives given under the export policy or under import licences for their own benefit and not for export promotion. The import policy liberalisation will be of no effect to the national economy unless it is correspondingly, in terms of value, in terms of gain, associated with export endeavour. The statement is absolutely silent on it. The Hon. Minister has only mentioned it by making a passing reference that they have 'intensive interaction with industry and trade at different levels'. What are the levels, what is the interaction, what are the other liberalisations being done under the policy, the statement is silent on these. The Hon. Minister, at Para-4 on Page-2 has mentioned :

"It has been decided in principle to make available capital goods and machinery which are not produced in the country..."

and which can promote production of these items which can be exported. How this will be ensured that this is not mis-used as the mis-use has been done in the past?

In the past whenever any liberalisation of import policy has been done, wherever incentives have been given for the import of machinery, heavy machinery or raw material under the pretext that they are going to export correspondingly, it has landed us into trouble as we are forcing and trying to call his attention. My submission is that the Government is capable of arresting the people who mis-use these incentives. Simply by saying that so and so has mis-used the incentive and you bar everybody of the same tribe—I am talking of the private sector—is not the end all of the situation. What I expect from the Hon. Minister is that the Government machinery which is capable of monitoring the import vis-a-vis export of

the finished goods and the import of the raw-material or the heavy industry or the production machinery, there should be a constant monitoring with a complete aim to achieve a set of profit.

I have certain suggestions to make. Today we need a very appropriate institutional framework for our export marketing. I think, one of the main reasons why this gap is widening between our exports and deficit is because we have not got any marketing infrastructure in the other countries where we have got a market. Any other developing country which has achieved success in their promotion of exports has got a very effective marketing infrastructure. We have no marketing infrastructure. There was a time when we started with Trading Houses. Private Companies, private producers used to have their trading houses which have the facilities of show-rooms, foreign offices, after-sale service centres, godowns and even off the shelf delivery. This is being discouraged because in our fiscal policy we have laid down that those who will be managing their exports directly will get substantial tax benefits. This means indirectly you are discouraging the producers from having their trade houses. Either there should be trade houses organised by the Ministry or the corresponding manufacturers and producers of export items should be allowed to have their trading houses. The Hon. Minister may like to throw some light on this.

MR. CHAIRMAN : Please conclude.

SHRI AJAY MUSHRAN : Sir, I have just started. One of us has not come, so I may be given five more minutes.

My other suggestion is that currently the Government is exhorting everyone to export—whether it is medium, small or large scale entrepreneur or it is public sector or private sector—everybody is being exhorted by the Government to produce more and export. I suggest that certain amount of an element of selectivity should be brought, so that we know what is the marketing value of their items. Our marketing efforts should only be generated towards those items. For example, exporting of engineering products, which Mr. Indrajit Gupta has also touched. They

are not supported by adequate facilities and after-sale service. Even those countries where we have supplied these items in a very large number and of substantial value, we have not been able to provide that much after-sale service as is necessary to motivate more and more people, for increasing our market. At the moment our market is primarily in West Asia and Africa. If there is a war going on, if there is a political turmoil going on, our sales decrease and if our sales decrease, then our gap will widen. The Hon. Minister may like to throw some light on this. Government's policy of export assistance should be linked with the creation of overseas markets. A person who has market infrastructure must get some incentive. You may not call them trading houses. You can give it any other name but there should be some system after-all for the Government's efforts to increase exports by way of giving incentives and spending money the return must come to the Government—whether that return comes from the public sector export endeavour or from the private sector. Both should be welcomed. I am of the view that the Hon. Minister is capable of handling this Ministry and also monitoring. Wherever you find any industrialist in the private sector is doing some 'hera pheri' you should be able to catch them and punish but trying to do away with the system simply because somebody can misuse it is not a good thing. Either you should say that you have no got the monitoring capability but if you have the monitoring capability then this incentive must be given.

Sir, it is time that we have another look at the Government policy of canalising of Government imports and exports. The justification of this canalisation has been that better terms of trade can be obtained through large buying and selling power. I would like to know from the Hon. Minister has this objective been achieved? It has also been presumed that the end users of these items which are canalised will get a better service through the canalising agency. Has this happened? We will be glad to know that this system has proved a success.

Sir, coming back to my original theme we have got the organisation, we have got the integrity both in the officers of the Commerce Ministry and the private sector and this sense of integrity should be exploited

for the promotion of our exports. Even in respect of these canalised items Government can appoint a Director on the Board of Directors of these firms who are dealing with these items and every transaction made by the private sector who are given canalised items, as an experimental measure, can be monitored as to see whether they have done any under-invoicing or over-invoicing or any 'hera pheri'. That can be monitored. But this experiment to bridge the widening gap between imports and exports must also be given a trial. Therefore, I suggest that this exercise may be carried out. I am sure as the Minister has shown optimism in the statement the gap will be bridged; our exports will increase. A certain amount of check must be maintained and a thrust must be made whether it is in the public sector or private sector.

DR. G. S. RAJHANS (Jhanjharpur) : Mr. Chairman, Sir, after all that has been said I feel there is very little to say.

(Interruptions)

[Translation]

SHRI NARAYAN CHOUBEY : It means you have nothing to speak about.

[English]

DR. G. S. RAJHANS : Sir, I shall only put a few questions. From the statement of the Hon. Minister it seems the picture is very rosy. If it is that rosy why should the Hon. Minister tell everywhere that the situation is very grim. I am prepared to quote from the speeches of the Hon. Minister which he has made in Export Promotion Council, Engineering Export Promotion Council and elsewhere.

13.00 hrs.

Well, I should be excused, if I may say, that probably there is something more than what meets the eye. You have given figures upto June only. It is not convincing that you do not have figures upto October. Rumour is there in the market that the export promotion is not that satisfactory.

I shall now refer to another point made by Hon. Minister that the liberalisation of imports has helped exports. I am sorry to

say that this is not the fact. I fully endorse the dynamic export-import policy, but at the same time, I would caution the Hon. Minister about the buying spree which is going on abroad. Under the OGL system, big businessmen go abroad and purchase almost anything they can lay their hands on. You know what happens to those commodities which are imported under OGL. Sometime back in this House itself, I had drawn the attention of the Hon. Minister that the paper waste which is imported in this country by burning precious foreign exchange is being misused. I had given the example also. Likewise, there are several items and if we could possibly curb the unnecessary imports, the trade deficit will further narrow down.

The Hon. Minister has every interestingly said in the Engineering Promotion Council meeting that he is thinking of asking the big companies to mention in their balance sheets what amount they have spent on imports and what amount of foreign exchange they have earned. This plea given at that time was that by doing so, they will stand exposed. I should be excused if I say that most of these people are thick skinned. They just do not care what the public thinks about it. If a raid is conducted in a businessman's house, his social prestige goes up in his circle. This is a fact of life. People are prepared to marry their children in that family. People feel that he has plenty of money. Please try to understand the practical effect of it. We must accept what is happening around us. If you ask them to mention in their balance sheet, how much they have exported, they will mention zero and you cannot do anything. They are not at all worried what you think about them. You will have to devise some ways through which they are forced to export. The Hon. Minister has himself admitted that companies producing engineering goods have exported only goods worth Rs. 50 crores. Why should they bother to export? When they are getting a very good domestic market, why should they take the trouble of exporting the engineering goods? There was a time when our engineering goods were very much in demand. But today, they have thrown standardisation and quality to winds. Nobody cares for such things here. On the basis of advertisements on television and radio, they can dump almost anything in the local market.

Hon. Minister has said that it is a matter of pity that those companies having a turn over of Rs. 4000 crores, do not export even one per cent of their produce. So, please let us know as to what you are going to do. The whole House, in fact, the whole country is exercised over this matter. A time has come when we must say that these companies will have to behave. Hon. Prime Minister during his recent visit abroad, has said that we are proud of our small scale industries because they have been exporting a lot. But these big houses have not exported anything. It is a very good picture as far as the big companies are concerned because it suits them. The small scale industries bring in the foreign exchange and the big houses burn it. The time has come when a realistic view will have to be taken and a realistic export policy should be evolved.

Lastly, at the end, I would just like to mention one point. Every day, there is some announcement about export liberalisation. People feel confused and they do not know where they stand. So, I beg the Minister that the policy should be announced during the Budget Session only and not later.

SHRI P. SHIV SHANKER : Mr. Chairman, Sir, I thank the Hon. Members for their significant observations made on the Calling Attention Motion. The thrust of the question in the Calling Attention is on the widening of the trade gap; as to what the situation is; and how we are trying to meet the same. One of the Hon. Members has raised a very pertinent question that the thrust in the statement should have been on how we are trying to curb the imports. I will immediately come to that part of it.

But before I go further, I would like to bring to the notice of the House that the first quarter of the year has been significant. From April to June, the position had been, that while last year the trade deficit stood at Rs. 2109 crores, this year it has come to Rs. 1623.86 crores. According to the trends that are continuing, I am confident that the trade gap would be bridged by at least about Rs. 1500 crores. This is my estimation on the basis of the trends that are going on. One of the Hon. Members was saying that the figures for April-September period,

should have been available. The provisional figures from the Directorate General of Commercial Intelligence and Statistics—whose figures are quite authentic—are not yet available for period after June, 1986. But, I have certain figures from the Export Promotion Councils. Normally, the figures from the Directorate General of Commercial Intelligence and Statistics have better coverage as compared to the figures of Export Promotion Councils.

I have said in my statement that for the first six months, the position is that there is a 16 and odd per cent growth in the exports. The figures indicate that in 1985, our exports stood at Rs. 4631 crores.

And in 1986, the position for the six months as per what the Export Promotion Council says, is that the exports are Rs. 5409 crores with a difference of Rs. 778 crores.

Sir, while I was trying to go into, as to what are the items, where the imports have increased in 1985-86 as compared to 1984-85, the position is that the imports bill has increased with reference to two factors. One is the bulk commodities and the other, I find, is the machinery—iron and steel. In the case of bulk commodities—I will not go into the details of each and everyone, but I will just give a few figures—i.e. in respect of fertilizers, there had been an appreciable increase, but much worse was the situation with reference to sugar, where Rs. 318.38 crores difference was there. That means, the sugar that was imported was of the value of Rs. 318.38 crores, more, as compared to the year 1984-85.

Then, in the case of iron and steel, there had been a difference, an increase of Rs. 437.30 crores as compared to the year 1984-85, and in the case of machinery it was Rs. 851.91 crores. The other items, of course are slightly small here and there.

Now the point is what exactly is sought to be done? On the question of the bulk commodities, I would like to bring to the notice of the Hon. Members that certain steps have been taken. Those steps are first the import substitution efforts. The emphasis has been

shifted now from more import substitution to efficient and cost-effective import substitution. Certain measures which we have taken in this regard are, in order to reduce the import of edible oil, a special programme for stepping up production of oilseeds is being implemented and simultaneously, Vanaspathi industry has also been permitted to use increased quantities of mustard oil, that is upto 35 per cent against the maximum of 10 per cent, earlier, so that they can manage with less imported oil.

Sugarcane prices have been increased in order to increase the production of sugar. While potassic and phosphoric fertilizers have to be mainly imported for want of any significant indigenous resources, the production of indigenous fertilizers is being rapidly built up with six new plants each having a capacity of 4.5 million tonnes of urea, based on Bombay High gas approved for the Seventh Plan. The first two Thal Vasisth and Hazira are already commissioned.

Similarly, the production of saleable steel of SAIL Plants which was 5.3 million tonnes in 1984-85 and 6 million tonnes in 1985-86 is proposed to be increased further in 1986-87. Leaving aside this steel part, which I had mentioned, edible oils, fertilizer and sugar—the bulk commodities—normally are the reason for the increase in imports and they have been tackled. The measures that we have taken, I have specified.

Coming to the machinery, I would like to make one submission here. That it is true that in the case of machinery there had been significant imports as compared to the year 1984-85, but the policy that has been pursued is that, if there are indigenous engineering goods that are produced, they are not allowed to be imported at all. They are being taken care of.

Now, in the case of goods...

SHRI INDRAJIT GUPTA : It is not correct Mr. Minister.

SHRI P. SHIV SHANKER : I am saying it on the basis of being a Minister. (*Interruptions*) If you think I am wrong, I am only sorry because this is what we are doing. It is possible in a stray case—I would

not like to deny it—that what you say might happen. But if we come to know, we are taking care of it. I would like to tell you that there is a Permanent Review Committee which goes into all these things every time; and whatever adjustments have to be made, whether it has to be taken out from OGL and put in the limited permissible list, whatever it is, action is being taken on that basis. Whenever certain cases are coming to my notice, we sit and discuss; and if we find that it is in the interests of the nation that they should be restricted, we are restricting them. The position I am trying to submit is that it is true that in the case of iron and steel, and machinery, there had been significant imports. But as I said, if it is an indigenously—produced machinery, we are putting all hedges. There is no difficulty about that part of it.

Now about the question whether we should stop imports of such machinery which we do not indigenously produce: I would like to submit that the economy has got to grow. For the purpose of the growth of the economy, we have necessarily to import the machinery, be it needed in the country or for the purpose of exports. The machinery necessary for the manufacture of goods either for the purposes of improving the quality—whether for internal consumption or for goods to be manufactured for the purpose of exports—we cannot stop. It is because of the fact that the economy has got to grow, that these imports become necessary.

It is under this policy that we are allowing the imports; and I see the point that even in the first quarter, it is not as though we have been able to restrict it. There is a slight increase, as compared to last year. I have given the figures also. I do not hide them from the House. I just gave the figures...

SHRI INDRAJIT GUPTA : The same trend is going on: the imports are increasing.

SHRI P. SHIV SHANKER : Let me just make the submission: Imports in the first quarter of 1985 stood at Rs. 4348.59 crores. That has increased by about less than Rs. 100 crores. In 1986, in the first

quarter, the position indicates Rs. 4414.16 crores. But then, the point is: would you like to totally stop imports? As I said, in bulk commodities, you cannot do it, because they are absolutely necessary for our own consumption. (*Interruptions*) For example, as I said, sugar etc., about which I just made a reference. The one way of tackling this is to grow more sugarcane in this country, and see that we produce sugar; this I have already submitted. When it comes to the question of machinery etc., if the manufacturing goods have to be increased in the country, either for the purpose of internal consumption or for the purpose of exports, would it be a proper approach to either stop or hinder their import? There, we thought that we should allow these imports. Otherwise, the economy gets totally shattered. The economy has to improve; and it is for this reason that we are allowing the imports; but nonetheless, as I submitted, there is a Review Committee headed by the Chief Controller. Wherever complaints come, we go into this issue and try to set them right, wherever it is necessary. This is the general submission that I thought should make, before I deal with certain specific points that have been raised by Hon. Members.

SHRI INDRAJIT GUPTA : May I just ask for one clarification? This Review Committee must be quite a high-power thing, of course I do not know its composition, but I presume it is quite a high-power committee. When reviewing the difference between last year's performance and this year's performance—there has been a growth of Rs. 3300 crores in the deficit. Has this Review Committee come to any kind of assessment as to whether such a big jump, record jump, unprecedented jump is due to something wrong inherently in the policy or it is just one item here, one item there, one item there which needs to be reviewed? How it happened?

SHRI P. SHIV SHANKER : I am sorry, I have given the figures to the Hon. Members so as to make the position clear.

AN HON. MEMBER : Less than hundred crores.

SHRI P. SHIV SHANKER : Not less than Rs. 100 crores, in fact I have given

the figure that in the case of machinery, there was a quantum jump of Rs. 851.91 crores as compared to 1984-85. The point is whether this matter has been gone into as to which is the machinery where there is more import. I would like to submit that we have gone into it and we have come to the conclusion that all this machinery is the machinery where it is a case of updating the technology or where it is a case of the machinery not being produced indigenously, where the machinery is absolutely necessary for the purpose of increasing production either for the internal consumption or for the export purposes. It is because of these grounds that it is difficult to arrest the imports. If we arrest the imports, we arrest the growth, and if we arrest the growth, then we are nowhere. So, naturally a calculated approach has to be taken. It is true that the trade gap has been Rs. 8,000 crores and odd. I was trying to submit that this trade gap is likely to be reduced, according to me, by about Rs. 1,500 crores because of the exports being increased.

It is true that even very recently, the Committee of the Secretaries, because of my directions, has gone into this question again. Apart from the Committee headed by the Chief Controller, I wanted that the Secretary, Industry, Secretary, Commerce, Secretary, Agriculture Secretary Finance etc. should sit down and come to the conclusion as to where we can arrest the imports. In fact, we have asked them to put up a report to us so that we—I myself, the Industry Minister and Finance Minister—meet every fortnight and take stock of the situation so that we should also discuss as to what best could be done. But then the point that I am assuring the House is that if the imports are of such a nature which are not in the interest of the nation in the sense that if the indigenous production is also there, if it is not a case of an updated technology of the machinery, or if we feel that it is not going to help at all the growth of the economy, then there is no question of allowing such types of imports at all. That is why I gave the analysis at the very outset.

The Hon. Member who started the debate, apart from giving the figures of the exports and imports, has given certain suggestions. He did refer to my speech at

the Engineering Export Promotion Council. More than one Hon. Member has said that. In the Engineering Export Promotion Council's meeting I have said that the Government is contemplating to make it obligatory on all the companies that they should mention in the Directors' Report as to what is the foreign exchange that they have used in the financial year and what is the foreign exchange that they have earned. This we wanted so that the nation should know how each and every big company is giving its performance. This decision has now been taken at the level of the three Ministers that this will be pushed through so that the orders will follow. Now, the position is that 30 large engineering companies—as one of the Hon. Members was saying, I am referring to the Prime Minister's statement—are only exporting Rs. 30 crores worth of goods and in the case of engineering goods, it is the small engineering firms that are doing much better.

One of the Hon. Members was asking me as to why I was expressing my concern. I did express my concern in the Engineering Export Promotion Council because the engineering industry is not doing at all well. Today, the position is, the target is Rs. 1750 crores of exports. That we are expecting. Last year, practically near about that, I think Rs. 1550 or Rs. 1600 was fixed and their performance was of Rs. 1000 or 1050 crores. Now they have got at least to meet the target and especially so when we are giving so many facilities.

When I express my concern, I do express my concern, because a certain industry is not doing well at all. When it comes to the question of trade gap, etc., I have put down in clear narration as to what the situation is. I would like to bring to the notice of the Hon. Member and in fact I have gone through it that so far as the percentage in the GNP is concerned, it is hardly 3.6 per cent—the trade gap. This is quite manageable. Manageable is a different issue altogether.

I see the point when Hon. Members express their concern about the wide trade gap. But then it is not as though that it is not manageable. Economy has the resilience.

We can manage it. But then the point is where they should find fault is really whether imports are such where they are extravagant. The policy is wrong as a result of which the imports are taking place more. If it were to be of consumable goods, etc., then, of course, fault could be found. But it is in the circumstances that I have mentioned that the imports cannot be avoided. But then how do you meet the situation? The only way to meet the situation is to improve the exports, not merely by curbing the imports. If they are of extravagant nature, they should necessarily be curbed. But if they are absolutely necessary, they have got to go for the imports for the purpose of building up a strong economy, be it be for the internal consumption or exports.

One of the Hon. Member has also referred—what happened at Punta delesté? Two members have been pleased to mention about it.

One of the Hon. Members was making a reference that the developed countries are particular that 'Services' should be included in the regime of GATT. While I must congratulate my colleagues who had gone there for the purpose of trying to sort out this issue, I have made a mention at some other forum also in the SAARC twice at Islamabad and later on at Dhaka where I had gone. In the declaration we had categorically made the position clear that 'services' should not be included in GATT; not only 'services' but we have gone to the extent of saying that the investments, intellectual property, these items will not be conducive to the regime of GATT, later on even in the Non aligned Meet at Harare. In the Economic document the declaration was made absolutely clear. The policy was on the same lines as what we had enunciated at SAARC. But, unfortunately, at Punta delesté strings seemed to have been pulled so strong that India and Brazil and a few other countries were isolated. Best all joined that they should go into the regime of GATT. Well, that is where I said that I must compliment my colleagues—the Finance Minister, the Steel Minister and my colleague Shri Brahm Dutt who had gone there at that time. They managed at least to see, inspite of pressures, that 'services' is not brought within the regime of GATT and it

should be discussed outside the regime of GATT. A negotiating Committee has been set up for going into the details. We have appointed Steering Committees too and. On our part the matter is being discussed now. A Goods Committee and also for Services, a Committee has been appointed by the Trade Negotiating Committee. Discussions are going on. It has to be seen how things will develop and we will have to take a decision at a later stage on the basis of what emerges out of it.

MR. CHAIRMAN : Please conclude.

SHRI P. SHIV SHANKER : I am sorry, I will take a minute or two on this. I have to take the House into confidence. This is a very sensitive issue.

SHRIMATI GEETA MUKHERJEE : There should be some discussion on that issue.

SHRI P. SHIV SHANKER : Personally I am of the view—I cannot say what we finally decide, —but it is my view that if services are included in GATT and we get bound by it being a signatory, my own feeling is that the entire economy of this country would be dominated by the developed countries because once if the banking services, the insurance, the transport, the shipping services etc. go into their hands, they are more, I must say, efficient as compared to ours, they will outweigh our services and then that will pave the way in the ultimate analysis, perhaps, I would not like to say, but...

SHRI INDRAJIT GUPTA : That is why they are proposing.

SHRI P. SHIV SHANKER : But may be that might lead to the political domination as well. I have personally a very great apprehension and that is why, now it has got to be taken because on this issue views are different. My own view I have put forth before the Hon. Members. This matter will have to be gone into a little carefully and in detail. In fact, I have had very clear discussions with my colleagues and I am glad to say that the Prime Minister had already directed that we must improve these

services and see that by that time, whether the matter is disposed of outside the GATT by the Negotiating Committee, by then if we had made a proper headway, then perhaps an evaluation of the entire situation has got to be taken and if necessary, and if we think that at this stage we have not developed so much as to compete with them, possibly they will have to take a very...

SHRI SOMNATH CHATTERJEE :
Open the door.

SHRI P. SHIV SHANKER : Close the door, not open the door. 'Open the door' will create more problems.

I would like to assure the Hon. Members that I will take the House into confidence as and when the things develop so that I take the guidance from this House as to what we should do in the matter.

Sir, I would like to make the submission that the Hon. Members have made the general points. I may only take a little more time as I have got to refer to them.

On the canalization policy I would like to say that the canalization policy is always under review and in fact, it is the Abid Hussain Committee on Trade Policy, which had gone into the question of canalization policy in depth and came out with certain criteria. Those commodities meeting these criteria as a whole are canalised because obviously it so happens that the purchase and sale of such commodities becomes a little, I must say, cost effective from the national point of view.

Sir, I would like to submit that it is in this broad perspective that the policies that are being pursued are the policies which are in the larger interests of the nation and I assure the Hon. Members that nothing would be done to the contrary where the larger interests of the nation are at stake.

SHRI NARAYAN CHOUBEY : Larger interest in the small section of the people.

SHRI P. SHIV SHANKER : Sir, it would be difficult for me to convince my Hon. friend, but I must clearly put forth my view...

SHRI NARAYAN CHOUBEY : Are you yourself convinced ?

(Interruptions)

SHRI P. SHIV SHANKER : I would like to submit that the trade gap that has come out is not a trade gap where one should feel unnecessarily apprehensive.

13.34 hrs.

The Lok Sabha then adjourned for Lunch till thirty minutes past Fourteen of the Clock

The Lok Sabha reassembled after Lunch at Thirty-five minutes past Fourteen of the Clock

[**SHRI SOMNATH RATH** *in the Chair*]

[*English*]

MR. CHAIRMAN : The Minister of Parliamentary Affairs to make a statement regarding Government Business for the week commencing the 24th November, 1986.

14.36 hrs.

BUSINESS OF THE HOUSE

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): With your permission, Sir, I rise to announce that Government Business in this House during the week commencing 24th November, 1986, will consist of :

- (1) Consideration of any item of Government Business carried over from today's Order Paper.
- (2) Consideration and passing of :
 - (a) The Customs and Excise Revenues Appellate Tribunal Bill, 1986.
 - (b) The Customs Tariff (Amendment) Bill, 1986.
 - (c) The Bureau of Indian Standards Bill, 1986.

(d) The Indecent Representation of Women (Prohibition) Bill, 1986, as passed by Rajya Sabha.

(e) The Infant Milk Food and Feeding Bottles (Regulation of Production, Supply and Distribution) Bill, 1986, as passed by Rajya Sabha.

(f) The Central Excise Tariff (Amendment) Bill, 1986.

(3) Discussion under Rule 193 on :

(a) Drought and Floods.

(b) National Symbols need to preserve their sanctity and dignity.

[*Translation*]

SHRI HARISH RAWAT (Almora) : Mr. Chairman, Sir, the following two subjects may be included in the Business for the next week presented by the Minister of Parliamentary Affairs :

- (1) The poor performance of the Indian contingent in the Seoul Asiad is a matter of concern to the entire country. The standard of games like hockey has declined considerably. The Olympic Association of India has recommended that India should not participate in the next Olympic games. It is a disappointing situation and it must be discussed in the House.
- (2) Half an hour extension in the working hours of the Central Government employees will cause great inconvenience to the employees and the women employees would be particularly hit hard. There is great resentment among the employees against this decision. Therefore, a discussion on this subject in the House is necessary.

[*English*]

SHRI DHARAM PAL SINGH MALIK (Sonapat) : It may be stated that there are

thousands of relations who have been residing on either side of Yamuna River near Baghat. They are not able to have contacts with each other for about six months in a year due to heavy rains as it is very difficult to cross Yamuna River. Many of them die while crossing the river. The people have to go to U.P. and Haryana via Delhi or Panipat resulting in great inconvenience, and wastage of time and money.

I would request the Central Government to take immediate steps to earmark funds for the construction of bridge over Yamuna near Baghat which will not only save the lives of people but also time and money.

DR. G. S. RAJHANS (Jhanjharpur) : The people of Bihar are greatly disturbed on noticing that the 77 Km long railway track doubling project on the KIUL-Sahabganj loop section of Eastern railway has been shelved for unknown reasons.

The project was taken up in 1980-81 and so far, an amount of Rs. 12 crore has been spent out of approved estimate of Rs. 16.80 crores. But the sudden shelving is surprising because all the earthwork done so far will be wasted if the project is not completed within two years. The Railway Ministry has suspended the project when only Rs. 6 crores were needed.

Similarly, despite several promises of the Railway Ministry, the laying down of parallel broad gauge between Samastipur and Darbhanga has not started as yet. Nor has any progress been made regarding laying down of track between Sakri and Hasanpur. The long-pending demand of the public that Jhanjhanpur-Nirmali line be extended up to Loukhi has also not been met so far.

The Railway Ministry should look into the above grievances of the people of Bihar immediately.

[*Translation*]

SHRI KAMMODILAL JATAV (Morena) : Mr. Chairman, Sir, the following subject may kindly be included in the Business for next week :

The Chambal Division of Madhya Pradesh is quite backward as compared to other regions. Here either the farmers have very small land holdings or are landless. There are no industries in the area. That is why it serves as a breeding ground for the dacoit menace. All this results in harassment to the people because on the one hand there is fear of the dacoits and on the other hand police harasses the people.

In the 5 tehsils i. e. Keralas, Sabalgarh, Vijaypur, Karhal and Sheopur in district Morena of this Division there are large deposits of stone from which cement can be manufactured. Scores of cement industries can be set up here. These industries will provide employment and dacoit problem will be solved. I, therefore, request the Government that the industrialists should be approached to set up cement factories here so that the poverty of the area could be abolished.

[*English*]

SHRI SYED SHAHABUDDIN (Kishanganj) : I request the following may be included in the next week agenda :

The figures of per capita income of various States and Union Territories show considerable variation. The disparity is also visible in the provision of basic services as well as from various economic indicators such as per capita outlay, agricultural or industrial production index etc. The inter-regional disparity is further accentuated by intra-regional disparity. I would, therefore, suggest that the House take up an in-depth discussion of 'Growing Inter-Regional and Intra-Regional Economic Disparities and Remedial Measures therefor', during the coming week.

[*Translation*]

SHRI BHARAT SINGH (Outer Delhi) : Mr. Chairman, Sir, there is acute shortage of drinking water for the increasing population of Delhi. In my Constituency Najafgarh, Mehrauli area and in the newly constructed D D: A. colonies like Reserve Bank colony, Sunder Vihar and Mianwali Nagar there is drinking water scarcity. More water should be taken from Haryana for Haiderpur plant so that this shortage could be made up,

Capacity of the Haiderpur plant should be augmented and the plant should be got cleaned. The quantum of Ganga water supplied to South Delhi should be increased. It is, therefore, necessary that the Union Irrigation Minister should hold talks with the Irrigation Ministers of Haryana and Uttar Pradesh for more supply of water so that all the resettlement colonies, villages, and all the D. D. A. colonies may get full supply of water.

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): Mr. Chairman, Sir, India is an agricultural country. 75 per cent population of the country even now is dependant on agriculture for its living. Notwithstanding all achievements in the agriculture sector, among the commercial crops, the contribution of the sugarcane crop is still the maximum insofar as the question of augmenting the income of the farmers is concerned. In a backward and poor State like Uttar Pradesh, the annual budget of the majority of the people depends on the sugarcane yield. Sugarcane production in the State has been fast declining for the last several years. For example, in 1982-83 its production was 81,387 thousand tonnes which was reduced to 78,244 thousand tonnes in 1983-84 and in 1984-85, it fell down to 70638 thousand tonnes. This shows that the farmer is avoiding sugarcane cultivation. The reason is that not only he is not getting fair price for the sugarcane produced after putting in a lot of labour, but the payment for the produce also is not made for years. The poor farmer produces sugarcane after investing his entire capital but when he is not paid for years the price of his produce, one can easily imagine the financial difficulties he has to face. There seems to be an immediate need of Central Government's intervention to check the trend of falling production of sugarcane and also to help the farmers in getting remunerative prices for their produce.

I, therefore, request the Agriculture Minister to ensure the support price of Rs. 35 per quintal for the sugarcane and immediate payment to the farmers after the sale of sugarcane.

SHRI MANKURAM SODI (Bastar): Mr. Chairman, Sir, with your permission I submit that the following matter may kindly

be included in the Business for the next week :

The number of unemployed in the Bastar District of Madhya Pradesh is increasing day by day. In the absence of Polytechnics, the educated youths are vying for Government services. It has become difficult today to provide service to everyone. Some vested interests are creating an atmosphere in South Bastar conducive to Naxalite activities which in future can pose a serious challenge not only to Bastar but also to the entire country.

Therefore, the State Government should be instructed to ensure that the dissatisfied youths of this sensitive region are not exploited by such elements due to lack of employment opportunities there. For this, selection procedure for recruitment should be different for this district from the one adopted for the other parts of the State so that the educated Adivasi youths of the district are able to get full opportunity. The educated youths of the district have been constantly complaining that outsiders are recruited to the services in the district. The reason is that the standard of education there is lower than the urban area and as a result the youth of the district lag behind in the State selection competitions. It is, therefore, necessary that it should be considered seriously and they should be given equal opportunities.

[English]

DR. DATTA SAMANT (Bombay South Central): Sir, I request that the following may be included in the next week's agenda :

Maharashtra is having about one hundred sugar factories and because of strike of two lakh sugarcane cutter and carrier workers, many of these factories are closed or are working partially for the last one month. The total loss of production is ten thousand tonnes per day.

As Maharashtra provides the maximum sugar supply to the country, this strike will very badly affect the sugar production of the country. Rates of sugar have increased during the last week.

Sugarcane cutter and carrier workers hardly get Rs. 6 to 7 per day which is much

less than the minimum wage paid to agricultural workers. In the neighbouring State of Gujarat, the rates are Rs. 10 to 12 per day.

[Translation]

DR. PRABHAT KUMAR MISHRA (Janjgir): Mr. Chairman, Sir, with your permission I request that the following matter may kindly be included in the Business for the next week :

About one lakh agricultural labourers of Madhya Pradesh have migrated to the cities.

Presently, our economic policy is such that the rural people are getting more and more attracted to the urban areas. The people of the villages are migrating to the cities for getting educational, transport and medical facilities and also for economic and security reasons etc.

This trend is creating two types of contradictions. First, there is a depletion of agricultural labour in the rural areas which will result in definite fall in foodgrain production. The economic standard of the villagers who are dependent on agriculture is declining. They are leaving their traditional occupation, agriculture and are migrating to cities. The problem of unemployment is increasing.

In cities, due to influx of rural population, the housing problem is becoming acute. The number of jhuggi-jhonpris is increasing. Rural people are leading a miserable life in cities. They do not get a house in the cities. They are influenced by the evils of the cities and they become involved with anti social elements.

The Government should take timely steps to see that people from cities migrate to the villages so that we are able to follow the Indian tradition of "India lives in the villages."

[English]

SHRIMATI SHEILA DIKSHIT: Sir, I would like to thank the Hon. Members for their submissions. Their valuable suggestions will receive due consideration.

SHRI RAM SINGH YADAV (Alwar): I am on a point of order, Sir. The Chair should take the consensus of the House regarding the Business Advisory Committee's report.

MR. CHAIRMAN: It is not the Report, it is only submissions. There is no point of order because it is not the report of the committee. She has only announced the Government's business for the next week.

14.50 hrs.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL), 1986-87

—Contd.

[English]

MR. CHAIRMAN: The House will now take up further discussion and voting on the Supplementary Demands for Grants in respect of the Budget (General) for 1986-87. Smt. Usha Thakkar to speak.

[Translation]

***SHRIMATI USHA THAKKAR** (Kutch): Mr. Speaker, Sir, in a vast country like India different situations keep on arising. The way Government of India is facing them and taking different steps for the progress and welfare of the people deserves our thanks. In these circumstances the firmness with which our Prime Minister and the Finance Minister are taking measures are making the people of India proud. I support the Supplementary Demands presented by the Finance Minister. I also request the Finance Minister to provide adequate assistance to the State of Gujarat as it has been reeling under drought for the second year in succession. Gujarat Government has prepared a Master Plan of Rs. 419 crores to deal with the situation created by drought. The Government should provide sufficient funds for that.

Hon. Member, Shrimati Phulkenu Guba had stated yesterday that the school going children should be given balanced diet. The

*The speech was originally delivered in Gujarati.

[Shrimati Usha Thakkar]

Gujarat Government has already felt its necessity and that is why it has implemented one such scheme in the State. In Gujarat, primary school children are benefitting from this scheme. The Centre should provide assistance to the Gujarat Government in this scheme also.

Gujarat is presently facing acute water scarcity problem. Due to shortage of fodder, the livestock is being sent out of Gujarat. As a result of drought, the people there are finding it difficult to find employment and to make both ends meet.

In my Constituency, Kutch the rains were scanty for two years but after that there was acute drought for the past two years. People are taking their cattle out of Gujarat to save them, we have repeatedly requested the Gujarat Government for making available fodder, drinking water and providing employment but the Gujarat Government too has been facing drought for the last two years. Therefore, it will not be fair to expect much from it. I request the Central Government to provide more assistance to the Gujarat Government for this work.

Sir, coastal line off Kutch in Gujarat is quite long. The people there are running small salt manufacturing units but they do not have the facility of transport. Therefore, these units have become sick. I would, therefore, request the Government to take suitable steps to solve the transport problem of these people.

Sir, the Government should do something to instal a soda ash plant in Kutch. Eleven lakh people of Kutch will be benefited by it and they will get employment. In this way their problem will be solved permanently.

There is shortage of power in Gujarat. Keeping this in view, I would request the Finance Minister that he should consider the possibility of generating power by harnessing tidal waves. Presently, a survey to this effect is being made at Kandla. Necessary instructions should be issued for early completion of the survey and for implementation of the project. The construction of lignite based Power

House is going on in Pandhree. I would request the Hon. Finance Minister that adequate assistance may be granted for it so that the construction of this Power House may be expedited.

Sir, at present the airport of Bhuj is under the control of the army. The passengers are facing great inconvenience due to the security measures taken by the army. I would, therefore, request the Hon. Finance Minister to earmark some funds for the construction of a separate civil airport.

A development project is being undertaken for the border areas by the Central Social Welfare Board. This project is being run in Banaskantha and Kutch areas. Some employees such as Bal-Savikas, Pradhans, Bal-Sevikas, Clerks, Drivers etc. are employed in this project. These employees should be granted special allowance for working in the border areas. At present they are not getting this allowance. Not only this, they are also not getting facilities like medical allowance, bonus etc. which other employees are getting. I would request the Hon. Finance Minister to concede the demands of these employees and to mete out justice to the women working in far flung villages of the border areas.

Sir, Kandla is a major port in Kutch. It was a dream of Shri Nehru and Sardar Patel to have a major port for the Northern Region. With this end in view, a plan with an investment of crores of rupees was formulated for the development of Kandla. The late Prime Minister, Shastriji and Indiraji treated Kandla as an important port and provided there facilities of free trade zone. But a drinking water problem has developed in this area due to the continued drought condition in Kutch. The Gujarat Government has proposed to provide water to Kandla from Machhu dam no. 2. It is necessary to lay pipeline for this purpose. The Gujarat Government is facing shortage of funds and as such it cannot undertake work of laying pipeline. A sum of Rs. 33 crores should be provided for this Scheme. I would request the Central Government to provide adequate assistance to the Gujarat Government for undertaking this work because this is an important port for the development of North India. The shortage of

water should not pose a hurdle in its development.

The Government is taking keen interest for the propagation of education among girls. The girls are granted exemption in fee. I would suggest that girls should also get some allowance for nutritious meals. In this way more girls will be able to pursue medical and engineering education.

Sir, Kutch constitutes one fourth of Gujarat. A medical college is, therefore, essential for this area. The headquarter of district Kutch is situated in Bhuj which is 410 kms. away from Gandhinagar, the capital of the State. The interior of Kutch is also situated 200 kms. away from Bhuj. In this way it is very necessary to have a medical college here for the development of the interior area and for providing medical facilities to the people of far-flung villages. I would request the Hon. Finance Minister to look into this demand.

In the end, I would like to convey my thanks to you for allowing me to express my views.

SHRI RAJ KUMAR RAI (Ghosi) : Mr. Chairman, Sir, I am grateful to you for giving me time to speak. I would like to say that when the Government knew that no exigency has arisen, where was the necessity of bringing forward supplementary Demands so frequently. The supplementary Budget is brought forward only some exigency arises.

While supporting the supplementary Budget, I would like to give a suggestion. The Government has not formulated a national wage policy. As a result, workers are agitating and it is causing difficulties for the people. The employees of the State Government are demanding pay scale parity with that of Central Government employees. They say that the pay scales of the Central Government employees are more than theirs. This dispute is going on and the Government has not formulated a national wage policy. The Government should take measures to formulate it.

Secondly, step motherly treatment has been meted out to Uttar Pradesh in the

matter of development. Agricultural Science Centres have not been set up there. There is no Agricultural Science Centre, micro-wave tower, F.C.I. godowns, T.V. towers, broad gauge line, air-service in the east of Lucknow i.e. Amethi, Gonda and Munger. In the absence of these things the people of eastern Uttar Pradesh and Bihar are facing great difficulties. Special provision should be there in the Budget for all these things. Only then eastern Uttar Pradesh and north Bihar can make progress and without providing these facilities to them we cannot do anything for their welfare.

[English]

Please allow me to continue next day.

15.00 hrs.

MR. CHAIRMAN : Speech concluded.

[English]

The House will now take up Private Members' Business.

15.01 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

Twenty-Sixth Report

SHRI HAFIZ MOHD. SIDDIQ (Moradabad) : I beg to move :

"That this House do agree with the Twenty-sixth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 19th November, 1986."

MR. CHAIRMAN : The question is :

"That this House do agree with the Twenty-sixth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 19th November, 1986."

The motion was adopted.

**SCHOOLS (TAKING OVER AND
UNIFORM SYLLABUS) BILL, 1986***

15.02 hrs.

[*English*]

SHRI BALASAHEB VIKHE PATIL
(Kopergaon) : Mr. Chairman, Sir, I beg to move for leave to introduce a Bill to provide for taking over of all private schools and to provide for uniform syllabus in all schools throughout the country.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to provide for taking over of all private schools and to provide for uniform syllabus in all schools throughout the country."

The motion was adopted.

SHRI BALASAHEB VIKHE PATIL :
I introduce the Bill.

**MATERNITY BENEFIT (AMENDMENT)
BILL, 1986***

(Amendment of Section 5)

[*English*]

SHRI K. RAMAMURTHY (Krishnagiri) : I beg to move for leave to introduce a Bill further to amend the Maternity Benefit Act, 1961.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Maternity Benefit Act, 1961."

The motion was adopted.

SHRI K. RAMAMURTHY : I introduce the Bill.

**PREVENTION OF INSULTS TO
NATIONAL HONOUR
(AMENDMENT, BILL 1986***

(Amendment of Section 2, etc.)

[*English*]

SHRI H. N. NANJE GOWDA (Hassan) :
I beg to move for leave to introduce a Bill to amend the Prevention of Insults to National Honour Act, 1971.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to amend the Prevention of Insults to National Honour Act, 1971."

The motion was adopted.

SHRI H. N. NANJE GOWDA : I
introduce the Bill.

**CONSTITUTION (AMENDMENT)
BILL, 1986***

(Omission of Article 370)

[*English*]

SHRI H. N. NANJE GOWDA (Hassan) :
I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI H. N. NANJE GOWDA : I
introduce the Bill.

*Published in the Gazette of India extraordinary, Part II, Sec. 2 dated 21.11.86.

*Published in the Gazette of India extraordinary, Part II Section 2, dated 21.11.86.

15.03 hrs.

**COMPULSORY MILITARY TRAINING
FOR STUDENTS BILL, 1986***

[English]

SHRI H. N. NANJE GOWDA (Hassan):
I beg to move for leave to introduce a Bill
to make military training compulsory for all
able-bodied students.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a
Bill to make military training com-
pulsory for all able-bodied students."

The motion was adopted.

SHRI H. N. NANJE GOWDA : I
introduce the Bill.

**CONSTRUCTION WORKERS (REGU-
LATION OF EMPLOYMENT AND
CONDITIONS OF SERVICE)
BILL, 1986***

[English]

SHRI INDRAJIT GUPTA (Basirhat) :
I beg to move for leave to introduce a Bill
to provide for the regulation of employment
of construction workers, their conditions of
service and for matters connected therewith.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a
Bill to provide for the regulation of
employment of construction workers,
their conditions of service and for
matters connected therewith."

The motion was adopted.

SHRI INDRAJIT GUPTA : I introduce
the Bill.

*Published in the Gazette of India,
extraordinary Part II, Section 2,
dated 21.11.86.

15.04 hrs.

**CONSTITUTION (AMENDMENT)
BILL, 1986***

(Amendment of Article 111)

[English]

**SHRI K. RAMAMURTHY (Krishna-
giri) :** Mr. Chairman, Sir, I beg to move for
leave to introduce a Bill further to amend
the Constitution of India.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a
Bill further to amend the Constitution
of India."

The motion was adopted.

SHRI K. RAMAMURTHY : I introduce
the Bill.

**TRAVANCORE CHRISTIAN SUCCE-
SSION VALIDATION BILL, 1986***

[English]

PROF. P. J. KURIEN (Idukki) : I beg
to move for leave to introduce a Bill to
validate the Travancore Christian Succession
Act, 1916.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a
Bill to validate the Travancore
Christian Succession Act, 1916."

The motion was adopted.

PROF. P. J. KURIEN : I introduce the
Bill.

*Published in the Gazette of India extra-
ordinary, Pt. II, Sec. 2, dated 21.11.86

15.05 hrs.

CONSTITUTION) AMENDMENT)
BILL, 1985—Contd.
(Amendment of article 311)

[English]

MR. CHAIRMAN : We will now take up further consideration of the following motion moved by Shri C. Janga Reddy on the 7th November 1986, namely :

“That the Bill further to amend the Constitution of India, be taken into consideration.”

The Hon. Minister, Shri P. Chidambaram has already intervened. The mover of the Bill, Shri Janga Reddy, is not in the House. I will dispose of the item.

Shri Mool Chand Daga had already moved an Amendment to the Motion for Consideration. He is also not present here. I will put his amendment to the vote of the House.

Amendment No. 1 was put and negatived

MR. CHAIRMAN : Before I put the motion for consideration, this being a Constitution (Amendment) Bill, the voting has to be by Division.

Let the Lobbies be cleared—

Now, the lobbies have been cleared. The question is :

“That the Bill further to amend the Constitution of India be taken into consideration.”

The Lok Sabha divided.

15.12 hrs. AYES [Division No. 1]

- * 1. Shrimati Sbiela Dikshit
- * 2. Shri Madan Pandey
- 3. „ Indrajit Gupta
- 4. „ Basudeb Acharia

*Wrongly voted for AYES.

5. Shri Saifuddin Choudhary

6. „ M. R. Salkia

NOES

Baghel, Shri Pratapsinh
Basheer, Shri T.
Bharat Singh, Shri
Bhumij, Shri Haren
Birbal, Shri
Budania, Shri Narendra
Chaudhry, Shri Kamal
Digvijay Singh, Shri
Engti, Shri Biren Singh
Gowda, Shri H. N. Nanje
Guha, Dr. Phulrenu
Jangde, Shri Khelan Ram
Jena, Shri Chintamani
Jujhar Singh, Shri
Kamson, Prof. Meijinlung
Khan, Shri Mohd. Ayub
Konyak, Shri Chingwang
Kurien, Prof. P. J.
Lachchhi Ram, Shri
Lowang, Shri Wangpha
Mallick, Shri Lakshman
Malviya, Shri Bapulal
Mishra, Dr. Prabhat Kumar
Pandey, Shri Damodar
Patel, Shri Ram Pujan
Patil, Shri Balasaheb Vikhe
Patil, Shri Vijay N.
Peruman, Dr. P. Vallal
Pradhani, Shri K.
Pushpa Devi, Kumari
Ramamurthy, Shri K.
Rana Vir Singh, Shri
Ranga, Prof. N. G.
Raut, Shri Bhola
Rawat, Shri Harish
Sahu, Shri Shiv Prasad
Sayeed, Shri P. M.
Shankaranand, Shri B.
Shastri, Shri Hari Krishna

Shivendra Bahadur Singh, Shri
Siddiq, Shri Hafiz Mohd.
Singaravadivel, Shri S.
Sinha, Shrimati Kishori
Sinha, Shrimati Ram Dulari
Sinha, Shri Satyendra Narayan
Suman, Shri R. P.
Thakkar, Shrimati Usha
Vairale, Shri Madhusudan
Vanakar, Shri Punam Chand Mithabhai
Venkatesan, Shri P. R. S.
Verma, Dr. C. S.
Vyas, Shri Girdhari Lal
Yadav, Shri Shyam Lal
Yazdani, Dr. Golam

MR. CHAIRMAN : Subject to correction the result* of the Division is :

AYES	006
NOES	054

The motion is not carried in accordance with the Rule 157 of the Rules of Procedure and in accordance with the provisions of Article 368 of the Constitution of India.

The motion was negatived

*The following members also recorded their votes.

AYES : Shri V. Sobhanadreeswara Rao,
Shri V. Tulsiram, Shri Parag
Chaliha.

NOES : Shri Keyur Bhushan, Shri Swami Prasad Singh, Shri Sriballav Panigrahi, Shri Mahavir Prasad Yadav, Shri Ram Pyare Panika, Shri Deep Narayan Van, Shri Naresh Chander Chaturvedi, Dr. G. S. Rajhans, Shri S. K. Singh, Shri M. R. Sodi, Shrimati Sheila Dikshit and Shri Madan Pandey.

15.14 hrs.

FLOOD CONTROL AUTHORITY OF INDIA BILL, 1986

[English]

MR. CHAIRMAN : The House will now take up the Flood Control Authority of India Bill. Dr. Chandra Shekhar Verma.

[Translation]

DR. C. S. VERMA (Kbagaria) : Mr. Chairman, Sir, I beg to move that :—

“The Bill to provide for the setting up of a Flood Control Authority of India to control floods and for matters conneted therewith, be taken into consideration”.

Sir, while introducing the Flood Control Authority of India Bill, I would like to express my views thereon. This Bill is very important from the national point of view because floods have become one of the main problems of the country. Had attention been paid to solve this problem after independence, our economic condition would not have been such as it is today. Other countries have taken steps in this direction after attaining independence. China accorded priority to measures to control the floods. They first took measures to control their rivers because their economic and social condition could be improved only when measures to control floods were taken. But unfortunately we accorded priority to other sectors whereas priority should have been accorded to flood control measures. But after sometime when the situation became serious due to the floods in the country, our Government paid its attention towards flood control and work on the flood control measures started in 1954. Earlier, the problem of flood control was very serious due to the varying natural and geographical topography of the country. Due to excessive rains and drought, vast low lying areas used to be flooded resulting in the inundation of the villages and as a result a number of diseases used to break out there causing a lot of hardship to the people. Previously people used to construct embankments along the rivers to protect their lands. When this failed to prevent floods, the Government started

[Dr. C. S. Verma]

constructing big dams across the rivers. The Government set up the Central Control Board and the State Flood Control Boards for this purpose. The secretariat of the Central Flood Control Board is Central Water Commission which coordinates the activities of the various States, Committees and departments of the Government. In this connection, the State Governments have been entrusted this onerous responsibility. The State Governments are solely responsible for formulating and execution of flood control schemes. It is not proper to burden the State Governments with such an onerous problem. The problems vary from State to State and the rivers pass through several States. The Governments of those States make schemes according to their needs. In this way they fail to bring about co-ordination between each other. In view of the problem of the floods, the Government had Constituted a high level commission and various other committees in 1954. As there was no co-ordination between those committees, the efforts to control the floods slackened and the desired results could not be achieved.

[English]

There are a number of committees such as High Level Committee on Floods, Ministerial Committee on Flood Control, Minister's Committee on Flood and Flood Relief, Committee on Scientific Problems, Flood Forecasting, Mitigation Committee, Study of Erosion, Problems of the Brahmaputra, Flood Control of Adhwara Group of Rivers.

[Translation]

Despite such a number of Committees, the flood control measures did not make any headway. Instead of these Committees, had the Government given the charge of flood control to a single Authority, the problem would have been solved smoothly. A National Commission For Flood Control was constituted in 1976. It submitted its report in 1980. It took four years in preparing the report. What to talk of relief and protection from floods, no scheme could be formulated even after spending crores of rupees. Only a report was submitted. If it

takes four years in the submission of a report, how such a colossal problem can be solved. If you see the review of the Sixth Five Year Plan, you will find that a sum of Rs. 1200 crores was spent for providing relief to the flood affected people while a sum of Rs. 780 crores was spent on the flood control measures. From these figures it is evident that the amount spent on flood control measures is less than the amount spent on flood-relief operations. The loss of property and cattle wealth has not been included in it. The Government of India has not so far paid the desired attention to the control of floods. In order to demarcate the flood zones, a master plan should be prepared. Requisite work has not been done even in this respect. However, the Damodar Valley Corporation Project has made significant progress and has generated hydro-electricity. If more of such projects are undertaken in our country, our country would make considerable progress. I want to give the example of China. China began its flood control operations after 1949 and was able to regulate the flow of water of all the rivers and had constructed small reserve points in order to generate hydro-electricity. In this way, they were able to improve their economic situation. If we also undertake projects to produce hydro-electricity in our country and if we had adopted Chinese technology for it, then perhaps we might not have faced the situation that we are facing today. According to the 1982-83 statistics, only 11 per cent of the total rivers, have been harnessed for generating hydro-electricity. There are many such rivers which can be harnessed for generating hydro-electricity, but no work has been undertaken in that direction. If we can do it, then not only the pollution problem will be solved but we can also become self-reliant in the matter of our power requirements.

In China, 4.9 per cent of its total power generated is contributed by hydro-electricity, and it leads the world in this respect. Compared to China, we have more resources in our country. We have abundant rainfall during the monsoon months, i.e. from June to August and we can utilise it for producing hydro-electricity. But the Government is not paying any attention to it. Almost all the rivers originate from northern and North-

Eastern States like Uttar Pradesh, Bihar, Bengal and Assam, and the States have different problems, due to which the inter-State river disputes are not being resolved. Therefore, I would request you to set up a Central River Control Authority, so that such problems do not arise.

Secondly, I would refer to the problem of resource constraints. The funds made available by the Centre for this purpose are not adequate. The State Governments are not able to complete the projects due to inadequate funds. If a certain project cannot be completed within a year, then there is cost escalation and adequate resources are not available to meet this cost escalation and the projects are left incomplete. Again fresh resources are mobilised to complete the same projects, and consequently new projects cannot be started. I would request the Hon. Minister to accept the Flood Control Authority Bill, 1986 and implement the schemes under it, so that the socio-economic conditions of our country may improve. So far as the development of the Command Area is concerned, if these are developed and brought under the Integrated Scheme of the I.C.A.R., then there would be no shortage of foodgrain in these areas. Our average yield of foodgrains per hectare at present is 11 tonnes whereas, the average yield per hectare is 6 tonnes in the developed countries. The flooded areas are very fertile and must be utilised properly. The North-Eastern zone in particular, is very backward from the socio-economic point of view. It is due to the recurring floods that literacy drive cannot be undertaken properly, industries cannot be set up, roads cannot be constructed and railway lines cannot be laid. These are the prime reasons underlying the backwardness of this region. Although the area is very fertile, yet it has not been utilised properly and it is another reason for the backwardness of the region. The incidence of diseases is also quite high and diseases with parasitic manifestations are very common there. If the Government is able to control the floods then it will not have to bear additional expenditure which it incurs now. Therefore, I would request the Hon. Minister to move this Bill in the House and give due recognition to this Bill.

[English]

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Mr. Chairman, first of all, I congratulate the Hon. Member, Dr. Chandrasekhar Verma for introducing this Bill to enable a full-fledged discussion in this House.

Sir, it is one of the very important issues which is causing serious concern to the whole country. I believe the Government will respond positively and the Hon. Minister will take into consideration several valuable suggestions that will be made by the Members and take all possible steps to prevent or at least minimise flood damage and come up with a comprehensive Bill regarding setting up of the Flood Control Authority of India.

Mr. Chairman, the intensity of this problem is very very serious. In fact, year after year the total loss of crops is increasing and the damage to crops as well as public utility services in the last 30 years comes to more than Rs. 450 crores. In the year 1983 alone, the loss was Rs. 2,292 crores. Hundreds of human lives and thousands of heads of cattle are lost every year.

In Andhra Pradesh due to the unprecedented floods in August the flood damage reached astronomical figures, loss of crops was to the tune of Rs. 407 crores, and damage to public utility services was Rs. 1,686 crores. During the monsoon in 1986 in the entire country, standing crops in 36 lakh hectares were damaged due to floods and also due to heavy rains. The damage to crops alone is estimated to be Rs. 848 crores. As many as 19 lakh houses were either fully or partly damaged, and 51,426 heads of cattle were lost and 1078 human lives were lost. The damage to public utility services amounted to Rs. 2,056 crores. So, this year, the total damage has come to nearly Rs. 3000 crores which is the highest so far. Between 1953 and 1984 the total damage due to floods and cyclones is more than Rs. 30,000 crores.

And the estimates show, on an average, that every year in Uttar Pradesh nearly Rs. 137 crores worth of crops are lost. In Andhra Pradesh it is nearly Rs. 53 crores, in Bihar it is Rs. 50 crores, West Bengal

[Shri Sobhanadreeswara Rao]

Rs. 34 crores, Orissa and Gujarat Rs. 14 crores, each and so on and forth.

The estimates also say that every year nearly 40,00,000 hectares are damaged and for crops alone the damage is Rs 316 crores per year.

Due to these flood damages every year there are serious repercussions on the rural economy. The small and marginal farmers in the flood prone areas are becoming bankrupt. Their financial position is ruining and the moneyed people are exploiting them...

[Translation]

SHRI C. JANGA REDDY (Hanamkonda) : Sir, I have a point of order. Sir, according to the notice that I had received earlier, the time was mentioned as 3.30 p.m. But now you have advanced it to 3.00 p.m. How has this change been made ?

[English]

MR. CHAIRMAN : There is no Point of order. The revised programme is from 3 O'Clock. It was circulated to the Members.

[Translation]

SHRI C. JANGA REDDY : Sir, the non-official business begins at 3.30 p.m. Therefore, I ought to have been informed about the change in the timing.

[English]

MR. CHAIRMAN : It has been circulated to Members.

SHRI C. JANGA REDDY : It may have been circulated to Members today. But I had been given notice previously that it would start from 3.30 p.m.

MR. CHAIRMAN : It is expected that every Member must have received the Revised List of Business in the morning. There is no point of order. The matter is closed.

[Translation]

SHRI C. JANGA REDDY : Sir, the Mover of the Bill must get a notice about the change in the timings. How can it happen otherwise ? I should have been specifically informed.

[English]

MR. CHAIRMAN : No question of special notice. Rules do not contemplate that there should be a special notice to a particular Member. The Business of the House is being circulated to all the Members. So the question of special notice does not arise.

SHRI C. JANGA REDDY : Previously I was given notice that the Private Members Business would start at 3.30 p. m.

MR. CHAIRMAN : No further discussion on this. I have already given my ruling.

[Translation]

SHRI C. JANGA REDDY : As per the earlier information, the Private Members Business was to start at 3.30 p.m. And now a change has been made therein and I ought to have been informed about it.

[English]

MR. CHAIRMAN : There should be no further discussion on the ruling. I have already given my ruling.

SHRI V. SOBHANADREESWARA RAO : Because of recurrence of floods, millions of small and marginal farmers are not able to cross the poverty line and they are being pushed further below the poverty line.

Regarding prevention of floods, I do not say that the Government is not doing anything. But I am sorry to say that it is not doing that much effort which should be done for prevention of floods.

15.33 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

We are spending more money on flood relief and less money on flood control. The reluctance in the past to spend adequate money on flood control is now compelling the Government to spend more on flood relief. Another reason in the delay of implementation of flood control programme is the lack of cooperation among States. For example, Narmada river threatens Hoshangabad in Madhya Pradesh and Baroda in Gujarat. If Tawa and Bagri schemes on Narmada are completed the flood can be effectively controlled. But the scheme is not making much progress due to unresolved inter-State dispute. So, I suggest that necessary steps should be taken so that such disputes are settled without loss of much time and pave the way for completion of schemes.

Out of the total surface area of all Indian rivers which is estimated at 1700 million acre feet, according to Ministry of Irrigation, till now we have been able to build reservoirs and store water with a total capacity of 120 million acre feet. That means only fifteen per cent of the total water. Construction of irrigation projects or reservoirs will, to some extent, reduce the intensity of the floods, but I am sorry to state that the present procedure that is adopted by Central Water Commission for issue of clearance, needs some rethinking on the part of the Government. On this occasion. I will take only two minutes to quote one example. The Yeleru Reservoir Project was started by the Government of Andhra Pradesh in 1980 with the object to supply water to Visakhapatnam Steel Plant for which the then Prime Minister laid the foundation stone as far back as 1971. With the good intention of supplying water to that project, the Government, pending clearance from the Central Water Commission, has gone ahead with the construction of Yeleru Reservoir Project— not the present Government but the previous Government— and till now nearly Rs. 70 crores have been spent on that. But even now, in spite of the fact that our State Government has replied to the several comments sent by the Central Water Commission, the Central Water Commission is asking for minute details of each and every small equipment or machinery that is used in this project. How unthinkable it is ! Similarly, they are asking for the soil survey reports and some other things. At least there should be no

objection to clearing the first phase of it because by 1988 the Visakhapatnam Steel Plant is coming into being since sufficient funds are being provided by the Union Government. Unfortunately, it is not causing any alarm to the Central Water Commission, I am very sorry to state that. So, I request the Hon. Minister to ponder over this matter. Not only our project, I fear several projects from several States are being held up because of this bureaucratic attitude of the Central Water Commission.

Dr. Mitra Committee had submitted its Report in 1954. The Government has accepted the recommendations but has not implemented them except in regard to Damodar River. In our State of Andhra Pradesh, the State Government has implemented, to some extent, some of the recommendations of the Mitra Committee. We have collected nearly Rs. 30 crores from the farmers but all the good work that was done, was damaged due to the frequent cyclones and recent floods in Godavari and other rivers. The Godavari— Krishna delta has completely gone out of gear and now again it needs the attention and assistance of the Central Government.

Similarly, the Master Plan for Brahmaputra was taken up only in 1981. I need not go into details of the vast damages caused due to Brahmaputra every year. The flood control plans cannot be implemented by the State Governments alone. The Central Government also must help. The damage to crops is not only a loss to the State but is a loss to the entire country. Till now the Government has spent only on a few schemes and that too in very few States. I suggest that the Flood Control Authority should be set up and strengthened with necessary experts on the lines of the Central Water Commission. It must be given statutory powers. It should identify the flood-prone areas. By 1984, embankments of a total length of 12,905 kms. had been built and 25,331 kms. of drainage channels had been constructed. Only one-third of protectable area has been covered under the National Flood Control Programme till now since the inception of this Programme.

The Centre is recommending to the State Government to have flood plain zoning

Shri V. Sobhanadreeswara Rao

areas so that the flood impact can be minimised. It has suggested that Defence installations, industries, hospitals, railway stations, commercial complexes and other public utility buildings should be located above the level corresponding to a level of one in 100 years frequency or the maximum observed flood level. It is a good thing. Although this need is recognised by all, none of the States except Manipur has so far enacted the legislation. One of the reasons advanced by the State Government for the non-implementation of these zoning measures was non-availability of survey maps on suitably large-scale to enable proper demarcation of flood areas. So, I request the Centre to see that the Survey of India prepares survey of flood prone areas.

The modern sophisticated measures like Electronic computers should be used to forecast and control the floods.

I congratulate the flood control organisation under Central Water Commission. It has given a timely warning to our State Government and the people regarding impending danger of floods to Godavari. But for this timely warning the loss of human lives would have been much more. I express thanks to the organisation on my behalf and on behalf of our people.

There are scientific reasons to believe that deforestation does increase the possibility of floods. The Forest Conpoy does after all break the fall of rain, with the penetration of the ground being more gentle, there is less soil erosion and run off and the water table rises. The removal of this forest conpoy automatically means a faster flow of rain water. This also lowers water table, increases chances of floods, soil erosion increases. So we have to take up afforestation programme in a very big way. I am happy that Government of India has taken the serious note of the fact that the forest area has decreased to 12 per cent though in records it is 23 per cent as against the minimum reprintment of 33 per cent. That is why our Government has taken very good programme of afforesting/reforesting-nearly 5 million hectares per year. I fear this is not possible with the present practice of produ-

cing plant seedlings or saplings unless Government asks every Agricultural University to produce seedlings and saplings through tissue culture.

The State Governments are also taking this subject as No. 1 programme. In spite of their best efforts the seedlings are not being made available to the people because they are in shortage.

Watershed plans should be prepared and the rich experience gained in the world famous model of survival sukhro-majri and Bunga should be tried in as many number of places as possible involving the local people. Check Dams should be constructed wherever possible because it reduces the intensity of flood. The Flood Control Authority should be entrusted with the responsibility of identifying the flood prone area through Survey of India and prepare plans for prevention of floods in every State and take up the responsibility of implementing the plans. This stupendous task is easier said than done. The State Governments as well as the people of the flood prone areas are to be involved in this task. I suggest the Government should give at least Rs. 500 crores per year to the Flood Control Authority with a matching amount to be taken from the State Governments and also the matching amount from the people in the flood prone areas. Only then we can effectively tackle this flood programme.

I appreciate the Minister some time back has clearly stated that no industry, public utility buildings should be constructed in flood prone areas taking the maximum flood level of one in hundred years. I bring it to his kind notice that recently floods to Godavari have reached the maximum level in the living memory. They have surpassed the previous maximum flood level. In fact the present flood banks should be raised by 1.5 metres on both sides if we have to prevent this type of damage so that it may not happen in future.

I request the Government of India to take this into consideration and make available necessary financial assistance. Some time back the Agriculture Minister was telling—the Government has relaxed the

present provisions. When the Government wanted to help some drought affected States which were very very affected, some relaxation was taken. Similarly, in respect of our Andhra Pradesh flood situation, the flood banks of Godavari be raised to the maximum. The Government should come to our rescue.

Lastly, Sir, though it does not directly pertain to this Bill, it is very much concerned with this flood aspect. From 1985 kharif season the Union Government has started the comprehensive crop insurance scheme and brought some crops under the purview of that scheme. The experience in the last two seasons clearly brought out that some of the provisions of this scheme need radical change. In fact, with the present provisions, some of the farmers in the villages which are really affected, 100 per cent affected, are not going to be helped because the threshold yield in the defined area, that is, a taluka or panchayat samiti or a mandal, is not going to be changed considerably and because of this fact, the General Insurance Corporation, though it has taken the premium from the farmers, is not coming to the rescue of the affected farmers. The Government is not directly helping the farmers for the loss sustained due to the floods. This is the only mechanism through which the farmer can be helped to some extent. So, I request the Hon. Minister to use his good offices because he is very much in knowledge of how much extensive damage is being done to the farmers every year, to use his good offices with the Minister for Agriculture to bring out a change so that in that defined area the present taluka/mandal should be replaced by the revenue village. Wherever the farmer is affected due to floods or cyclones or drought, certainly he can be helped by this way.

I request the Minister to come up with a comprehensive Bill to take care of this flood problem and set up a Flood Control Authority of India which is the object of the Hon. Member's Private Member's Bill, with all the necessary provisions which empower the organisation to take care of this prevention of floods.

SHRI VNAY N. PATIL (Erandol) : Mr. Chairman, Sir, in the first instance I congratu-

tulate Dr. Chandra Sekhar Verma for bringing this important Bill. As my friend, Mr. Rao has covered the flood problem in this country in a comprehensive manner, the important fact remains that because of deforestation the flood damage and flood situation in this country is aggravating year after year. Thirty-three per cent of the land should be under forest as per the norms laid down. But as the photographs of satellite have shown, only 12 per cent of the forest area is left and the percentage is going down every year, and because of this there is a lot of denudation and the water is not retained in the jungles and on the farms, it goes directly into the rivers. Not only the water, but also the silt in large quantities goes into the rivers and the river-bed and it changes its course every year when there are big floods and because of that there is a lot of damage to crops and the damage goes up to Rs. 2000 crores in some years, as is pointed out by my friend, Mr. Rao.

Mr. Chairman, Sir, to control the floods different countries have adopted different methods, but in our country although we have got all the scientific knowledge for that, there are financial constraints. But at the same time, because of our remote sensing satellite and wireless and electronic control, the damage caused by floods which occurred last year in Godavari, could be minimised at least as far as human life is concerned.

Sir, when we think of flood relief in hundred crores of rupees every year, why can't we think of connecting the Ganga with the Kaveri, a big canal that was being thought of. It is also a matter to be considered. When you can think of a pipeline from Bombay High to Jagdishpur by spending thousands of crores of rupees, why can't we plan, in a perspective planning, joining of the Ganga and the Kaveri? That is also a matter to be considered so that the irrigation in this country can also increase and we can control the floods.

The Britishers had planned so many dams. We have also planned so many dams on important rivers. But the progress is so slow that we do not know by the turn of the century, how many of them will be completed. For example, Narmada-Sarovar in Gujarat on the border of Maharashtra, Madhya

[Shri Vijay N. Patil]

Pradesh and Gujarat was planned in 1959. But the work could not be started even in 1974 and till today only the foundation-stones are laid. So, dams are one of the important factors which will be able to control the flood and also increase irrigation. But here we are not able to provide finances. Even on river Tapti, Khariaguty-Navatha dams were planned so many years earlier and the foundation-stones were also laid by the Chief Ministers of Madhya Pradesh and Maharashtra during the Janata rule. But that was not started because of inter-State disputes and inter-State finances are involved. Because of that, such projects are not undertaken. When we talk of construction of dams on important rivers passing through Madhya Pradesh, the Madhya Pradesh Government say that so many important rivers flow through their State and they are not in a position to contribute to so many dams which are to be constructed and used for irrigation in different States. Under such circumstances, we should have the Central authority for control of floods which occur every year. This Flood Control Authority of India can serve a good purpose.

With the advancement of science and technology, we can do many things. But we are not able to control the sequence of rains and their frequency. We have tried Omega experiments some years ago. But we do not know the outcome of it. We have seen that the rain has changed its course. In places where there were 20 inches rains or 40 inches rains, there is no rains now and drought has come in. We have been seeing, because of deforestation in Maharashtra, clouds which gather at the Western Ghats go directly to Madhya Pradesh and then to U. P. and Bihar, then strike Himalayas and come back and bring a lot of rains in U. P. and Bihar and with the result floods occur and they take a dangerous course in these States. That is what we are experiencing for the last 4 or 5 years. So, there should be afforestation in large scale in all the States. That is an important thing. We have to undertake this. We think of flood control in large measures. We know that rivers are not big in the beginning, at their origin. They are very small in the beginning and so many rivulets joining become a river and that makes so big. The Britishers and our ances-

tors constructed very small diversions and *bandaras* on these rivers and rivulets near every village or big villages. At present, they are also silted and water is not stored there. In our Maharashtra State, through Employment Guarantee Programme, when there is no work to the farmers and labourers, we undertake construction of roads, metalling and other work. I have suggested why do we not take out sands from small *bandaras* so that water can be stored even in small places in small quantity and floods can be minimised.

We are told by the States and by the Central Government also, that taking out sand from this small *bandara* is not economical. We are not to see the economics. If we see the economics, what about the expenditure on flood relief which we are incurring in hundreds of crores of rupees every year? We should think of desilting, taking out the sand, from these very small *bandaras* which are in thousands of numbers in every State. If that is done, the intensity of floods can be reduced. The water availability can be increased in those areas.

Excepting the State of Haryana, some parts of Bihar, UP and Punjab, in other States, the water table is going down. On the one hand, we find there is a flood problem. On the other hand, the water table has gone down many feet below. I come from an area where bananas grow in large quantities, Jelgaum and Busaval which also come here into the market. The water table there 20 years ago was 30-50 feet. Now it has gone down to 80-100 feet. On the one side, the water table is going down. On the other side, the floods are causing increasing havoc every year. By the establishment of Flood Control Authority of India, we will be able to coordinate between different States.

My friend Shri V. Sobhanadreeswara Rao has suggested that some fund should be allocated to this Authority and the matching contribution can be had from the different States Governments to control the floods.

Haphazard manner will not help. You have to take measures like the strengthening of river embankments, construction of dam on it and other flood control measures on a war footing and you have to complete those

measures. Otherwise, if you do just half way, floods come in the rivers, as in the river Godavari which made large cuts as was done 125 years ago. Half-way measures on that river will not help.

One river at a time can be taken up by the Central Government through Flood Control Authority of India and the flood control work can be completed.

China has experimented with mini-hydel plants. Here also we can have mini-hydel plants by establishing mini-hydel plants at different places instead of thinking of big hydel plants at few places.

In the end, I would like to say again that we must have think of joining river Ganga with river Kauveri in right earnest, with all sincerity, so that something will be done for increasing the irrigation potential of this country and in controlling the floods.

[*Translation*]

*SHRI R. ANNANAMBI (Pollachi) : Mr. Chairman, Sir, on behalf of the A. I. A. D. M. K., I welcome the Bill for establishment of Food Control Authority in the country, which has been brought forward in this House by Dr. Chandra Sekhar Verma. Sir, in this connection, I am sorry to point out that the Centre has not taken any action for the establishment of an Authority for taking flood control measures, and almost all the States in the country have been affected either due to floods or due to drought situation in several parts of the country. Flood has been playing a great havoc in the country at regular intervals. Due to incessant and heavy rains in several parts of the country, heavy floods are caused and because of this not only food production is retarded but the people living in the low lying areas and flood prone areas are put to a lot of difficulties.

In this context, I would like to draw the attention of the Government that about four months back, in and around Tanjore District, the granary of Tamil Nadu, there was a heavy damage to the paddy fields due to unprecedented heavy rains causing floods in

*The speech was originally delivered in Tamil.

these areas. The common people living in slum areas were greatly affected because of inundation. I have also brought to the notice of this august House in the last Session in August, that thousands of workers, farmers and the common people were put to great sufferings on account of heavy rains and floods in Tamil Nadu. At that time, the Chief Minister of Tamil Nadu, Dr. M. G. Ramachandran, took immediate steps in right earnest, to render relief and rehabilitate those affected due to floods. With his timely action in providings relief to the affected people, the suffering of the people could be mitigated to a great extent.

I am very much grateful to the Central Government, particularly to the Hon. Prime Minister, Shri Rajiv Gandhi, for providing relief and giving other help to the flood affected people in the country. At the same time, I would like to remind this House that the Central Government is not showing much interest in solving the water problem throughout the country.

I would now come to my State, Tamil Nadu, where people are facing untold sufferings due to non-release of water in the Kaveri river. The Chief Minister of Tamil Nadu Dr. M. G. Ramachandran, the Chief Minister of Karnataka. Shri Rama-Krishna Hegde and the Union Minister met many times to discuss about the release of water in sufficient quantity in Kaveri River which is flowing through Tamil Nadu. But nothing concrete had emerged from their meetings. Therefore, our Chief Minister, Dr. M. G. Ramachandran, has requested the Centre to appoint a Tribunal for this purpose. Here I would like to remind the Centre that they should take immediate step to appoint a Tribunal so that the this long pending water problem could be solved.

Sir, there has been an increasing demand for a long time from the people of the country for linking the Garga and the Kaveri rivers. Shri C. Subramaniam, the then Finance Minister at the Centre, had suggested about 20 years back that the Ganga and the Kaveri rivers should be linked. The estimated cost worked out at that time was about Rs. 25 crores. Now that there has been inordinate delay caused in taking up the project, the cost of this scheme has

[Shri R. Annanambi]

escalated to too many-folds. Even now it is not too late. I would therefore request the Government to take immediate action in implementing this scheme.

I come to the next point. Sir, the water resources of the country should be nationalised. If the maintenance and control of all the rivers in the country are under the Centre, it would not only help the people but it would also be helpful for inland water transport system. Consumer goods and materials could be moved within the country through water transport. This will be most economical and the cheapest mode of transport of cargo. Inland water transport system would also greatly help the country's development. This transport system would ease the pressure on the railways, trucks, Lorries and other vehicles in transportation of goods and materials and save the time and reduce the cost also.

I would also request the Centre to allot more funds for the development of land and the protection of fertility in the soil so that agricultural production in the country is increased by leaps and bounds.

Mr. Chairman, Sir, before I conclude, I would like to point out that at some places in Tamil Nadu, because of failure of monsoon, agriculture was very much affected and this has led to low production on the food front. But at some other places, because of heavy rains leading to floods, poor people and weaker sections lost their homes and property. To mitigate their sufferings, the Tamil Nadu Government took prompt and urgent relief measures. They had sanctioned crores of rupees for this purpose. Moreover the Tamil Nadu Government also requested the Centre for financial help to the tune of Rs. 310 crores for relief measures. Accordingly, the Centre had sent some team of officials on more than two occasions to make assesment on the spent regarding the damage caused due to drought and floods. Those teams had surveyed and submitted a report to the Centre. But the Centre had only sanctioned a meagre amount of Rs. 30 crores for relief measures in Tamil Nadu. Though the Tamil Nadu Government requested for sanction of Rs. 310 crores, the

Centre should have atleast come forward to sanction at least a sum of Rs. 150 crores. Unfortunately, they had given only a plutry sum of Rs. 30 crores. Since this small amount was hardly sufficient for relief measures, the Tamil Nadu Government had to undergo a lot of difficulties to find funds for relief measures to the people affected due to floods and drought. Whatever the financial constraints at the Centre, they should not hesitate to sanction the fund asked for by the State. Whenever a particular State is affected due to natural calamities like floods, droughts, etc. the Centre should come forward to sanction the amount asked for by the State Government for providing relief measures. This is my humble request to the Central Government.

[English]

SHRI SOMNATH RATH (Aska) : Mr. Chairman, Sir, natural calamities like drought, floods and cyclone are common phenomena in our country. Due to floods, human lives are lost, cattle heads are lost, we have loss of crops, dislocation of communications, miseries to many people, washing away of houses, sandcasting of lands, etc. The amounts earmarked during the whole Plan to meet the immediate measures have been spent within two years, as has been said by the Hon. Prime Minister himself. From this, the magnitude of the problem can be well understood. We are always giving due importance for immediate measures. We should give a thrust for permanent measures also.

In every State there are different rivers and different river basins, and all these river basins have to be surveyed, negotiated and connected. Unless the different river basins are connected, there may be floods in one part of the State and drought in other parts of the State. So, this should be looked into.

Similarly, the different rivers flowing in different States should be connected and the water that otherwise flows to the ocean should be utilised for irrigation. Hydro-electricity is the cheapest. By constructing reservoirs we can have flood control and at the same time we can generate power.

It will certainly take a very long time to connect the different rivers in different parts of India. Therefore, we can resort to what is called 'water-harvesting structures' or water-sheds. These 'water-harvesting structures' or water-sheds give us three benefits: one is they arrest soil erosion; they help in the irrigation of dry-land farming—if not to rabi, certainly to kharif—and they also raise the ground water strata. This should be given priority in all the States.

In the southern part of India, in the former Madras Presidency, we had 'inundation channels'. That is, villagers raise cross bunds inside the river during drought and take water through the inundation channels to their fields for irrigation. Specially in Orissa there are many inundation channels which are silted and the small irrigation projects have become derelict, for want of repairs. So, sufficient funds should be given by the Centre specifically for repairs of inundation channels and small irrigation projects in Orissa which is affected by drought, flood as well as by cyclone every year. At least Rs. 400 crores should be given for repairing of these minor irrigation projects and inundation channels

Water management is now considered to be more important than the construction of irrigation projects because water is being wasted for want of scientific way of utilisation. We have got in our country water resource which the nature has given us.

A scientist from Russia has said that if the sacred Ganga would have fallen at Cape Camorin the whole of India would have been made green. Now also the course of the river can be changed. In Russia they have joined one ocean with another and converted desert into a green field.

In China also the water has been best utilised. Mr. Chairman, both of us have gone there and seen how water resources best utilised for irrigation as well as for hydro electricity. So, why not we adopt the same methods in our country so that water resource of our country is best utilised for the benefit of the nation.

We have got Flood Control Authorities and commissions. But I am sorry to say that these authorities and commissions are satisfied if some immediate measures are taken. Pardon me to repeat it, permanent measures that ought to have been taken are never given much importance. So, I would tell the Hon. Minister through you that it is not a problem of small magnitude, it is a problem concerning the whole country. In spirit I support the Bill. I hope the Hon. Minister will bring a comprehensive Bill. Let it take two or three decades, we don't mind. But see that permanent measures are taken and this menace is put an end to.

PROF. N. G. RANGA : Mr. Chairman Sir, I would also like to speak on this Bill.

[*Translation*]

SHRI HARISH RAWAT (Almora) : Mr. Chairman, Sir, I would like to congratulate Shri Verma through you for making a good suggestion. This suggestion has been given at a time when various parts of our country are experiencing floods. Normally, there are no floods in these days and it is our misfortune that in spite of maximum water resources, we not only become victim of the floods but a major part of our country also remains drought affected. In some parts of the country, our farmers pine for water. This situation is not confined to a particular State. Even within a State, the situation may vary in the different parts. The main reason thereof is that we could not formulate a long term policy of water management under which every drop of water, whether surface water or underground water, could be utilised properly. Every year, the Government sanctions crores of rupees for flood relief work. But the relief serves no other purpose except relief. If we calculate the total amount which we spend on relief and spend one fourth thereof on the flood control work and utilisation of water, I think that will be a good beginning. Resource constraint is the biggest problem before the State Governments in initiating such plans. Shri Muttemwar, M.P. told me that whenever he approached the State Government to construct any dam, the State Government expressed its inability due to lack of funds. Flood control work, construction of small

[Shri Harish Rawat]

dams, canals etc. are in the hands of State Governments but they do not complete them due to the shortage of funds. The Central Government should provide technical know-how or other assistance through C.P.W.D. for the completion of such works. The need of the hour is to take the State chief Ministers and Irrigation Ministers into confidence, so that a plan to utilise the water resources can be formulated. I would like to say that we should prepare a sketch of our country with the help of remote sensing Centre to determine flood prone and drought prone areas in the country and more grants should be provided to these areas for their development. There are so many areas in Northern Bihar, Eastern Uttar Pradesh, Assam and Orissa which permanently remain either flood affected or drought affected.

If there are no floods or drought during a year, the farmers consider themselves very lucky. We should prepare a long term policy for the development of these areas.

In this regard, you can make use of super computers, being acquired by us, for at least forecasting the floods and to provide technical knowhow to deal with drought. We cannot link the big rivers because it requires billions of rupees which is not possible for a country like ours. We can make a beginning by linking one or two rivers. If we make a beginning by linking one or two rivers flowing in a State, it can be further extended to the other States also. I do not say that at this time, we should undertake the linking of Ganga and Cauvery. But we must express our determination to undertake this work in order to create confidence and new hope among the people. It is all right that in flood affected areas, we undertake flood control work, dam construction etc, but primarily it is necessary to save our cities. The more important thing is that we should plant trees along the banks of rivers which ravage thousands of acres of land every year. It will not only improve the environment but will also be very useful to control the floods. Hundreds of acres of land can be saved which may be distributed among the poor farmers. Here I would like to bring this fact to the notice of the Hon. Minister that we start flood

control work in the highly flood prone areas whereas it should be started at the origin of the rivers. So long as we do not undertake the soil-conservation measures and dam construction work on the rivers in Nepal, we cannot save Eastern Uttar Pradesh and Northern Bihar from flood fury. In this way you cannot save the dams and floods in Ganga and silting of rivers unless you undertake soil conservation measures in the hill areas of Uttar Pradesh. The State Government also undertake these works on a very small scale with their limited resources. The Central Government considering it as a national responsibility should give adequate grants to the State Governments to undertake soil conservation work on large scale so that soil erosion and silting may be stopped. The dams which are completing their lives can be saved and in addition to it, the damage caused by the flood can also be avoided.

Now I want to say something about the Projects which are lying incomplete due to Inter-State water disputes. It appears that your work and the work of your Ministry is merely to inform the Lok Sabha about the State of completion of a particular dam or project. Your responsibility ends merely by saying that this project is lying incomplete due to Inter State dispute. One of such cases is pending since 1940-44. Similarly, there are many other Projects which are lying incomplete. Every year the conferences of chief Ministers and Irrigation Ministers are held and there ought to be some outcome of such conferences. It is a separate thing that a project may be completed due to the intervention of the Hon. Prime Minister. A few back days you had said in the High Power Committee meeting that it was necessary to formulate a national policy which should be honestly implemented by every State. It appears to me that every State is considering it so far as it serves their own self interest. So long as we do not have any authority to force the States, no State would come forward on its own. I once again support the Bill brought by Shri Vermaji and want that there should be a body, as envisaged in the Bill. But that should not be a formal body like many other Authorities, but it should be a high powered body with adequate financial powers which may ensure completion of the projects as per the

schedule and formulate policy in this regard. I think that our wise Minister understands this subject more deeply and will definitely do something in this regard.

[English]

PROF. N. G. RANGA (Guntur) : Mr. Chairman, Sir, I wish to thank Dr. Chandra Shekhar Verma for having given us this opportunity to discuss this matter in this House. I agree with all the points that have been made so far by the various speakers. It is clear that the House irrespective of party differences is unanimous on this matter, in suggesting to the Government of India to take definite, constructive and time-bound steps in order to consult and obtain the consent of the State Governments and then establish an all-India Authority to function under the Government of India with the cooperation of all the States concerned, not only an all-India Authority for flood control, but also for drought control, namely, an all-India Flood and Drought Control Authority. If they wish to have to separate Authorities, one for flood control and the other for protection from drought, well, that would be welcome, but nevertheless, both these seasonal calamities that overtake different parts of the country at different times have to be tackled. In order to do that, you need huge sums of money, hundreds of crores of rupees every year. The Government would naturally find it difficult to get all this money at one time. Therefore, I would like to suggest that a special levy may be imposed on all the people, especially the salaried people, industrial magnates, industrial workers as well as farmers for this specific purpose, in the same way as they had done it in Europe soon after the last war, by way of what is known as 'reconstruction tax'. Some such tax has got to be thought of. Credit goes to Shri Brahmananda Reddy in Andhra for having had the political courage to impose what is known as 'drainage tax'. When it was imposed it was very unpopular. So many of my own followers were very much opposed to it. But we find now that it has been a very good imposition and only recently, the latest Ministry has even enhanced that imposition. Some such thing has got to be done all over India.

Now, would it be possible for the State Governments to muster necessary political courage in order to do it all by themselves or for each one of the States by itself? It will be easier for them to do so, if there were to be an authority like this for the whole of India and on the urging of that authority, the State Governments take up this responsibility. It is true that this subject is in the Concurrent List. It is so, Sir? I speak subject to correction. Therefore, Government of India alone, by itself, would not be able to take up this work. It would not be able to consider the possibility of nationalising all the waterways and rivers on its own. It has got to get the cooperation of the State Governments also. Therefore, necessary political and semi-political steps will have to be taken by the Government of India through negotiations, as well as through inter-State conferences in order to get the consent and cooperation of the State Governments in this regard. I have been pleading on a world-scale for some such fund, which I call 'Insurance Fund'. At least let us try and do it in our country and at the national level; that itself is a big enough task. I hope that the Government of India would try to take initial steps in order to make some progress in this direction. Already, we have lost 40 years. Tens of thousands of crores of rupees of losses have been sustained by our farmers. All credit to them that in spite of these losses, still they are carrying their occupations, they are self-employed and they are making their contribution to the economic and social progress of our nation.

Sir, so many of these rivers are inter-State rivers and each river is fed by local tributaries, which are known as 'Bandas' in Maharashtra. On each one of them, small hydro-electric plants can be established as is being done in Japan. That way, double purpose can be served. Then, forestry has got to be developed in every area. Anti-erosion measures will have to be taken up. All these schemes have got to be financed by the State Governments as well as by the Government of India.

I am sure, the soul of Dr. K. L. Rao would certainly be happy at the way in which we have been discussing this matter in this House this day. A reference has been made

[Prof. N. G. Ranga]

to his bold conception, rather a bold suggestion for an engineer to have made, that from Ganga to Cauvery we should try to have not only irrigation projects, but also hydel projects and waterways. My Hon. friend from South India, from AIADMK referred to this waterways. For a long time, we have neglected them, because of our fancy for the railways. Now, we find that the Railways are not enough to carry all the freights that are being made available by our progress in industrial development. Now, the time has come when waterways also have got to be developed. Then, in addition to that, hydel projects have to be developed. It is an all-India problem. Every State is suffering and at the same time, most of the States have not been able to develop that much of statesmanship as not to stand in the way and put their foot in the way of progress. Take now Narmada for instance. For the past 40 years, I for one and so many Members also of this House have been pleading for the development of the Narmada project so that, not only farmers would be protected all along the way but also the cities like Surat and other places in Gujarat can be protected from floods. Yet, so little progress has been made. Thanks to Dr. Katju that Chambal has been harnessed to some extent, but it can be developed much further. Something can be said about Godavari. My Hon. friend Mr. Rao has given very many relevant details in regard to this. Latest sufferings that were inflicted upon our farmers as well as agricultural workers, but also the long time sufferings that our people have had to go through because of the neglect that we have displayed. Industrial development is partly at the mercy of the proper use of these waterways. Vishakhapatnam Steel Plant cannot be developed unless Yeluru Project is developed. Then, the Polavaram Project. Then Inchampalli Project. Madras city cannot be fed with water unless, Godavari water is allowed to go to Krishna river from Krishna to Telugu Ganga, as they would like to call it, right upto Madras. In this way, today our economy is inter-dependent and yet it has not been inter-connected. Efforts have got to be made in that direction in order to do all these things that are being suggested. One needs as I said earlier, not hundred but more than thousand crores expenditure

every year on this alone. How can we raise all this money? How can we expect our own Government here to make available all the money? The State Governments are more or less bankrupt and they are dependent upon subventions and grants in aid and so on from the Central Government. Therefore, the time has come for the people as a whole to agree to the imposition of special tax for development of this water power on one side, as flood protection and also drought protection and anti-erosion and ecology development, on the other. It is a stupendous, task and if my Hon. friend would try to bend his energies in getting the State Governments also to agree with him and then place forward before our people the proposal and I am sure the country would be willing to accept it. At least, now, three years before the election we have a powerful national Government, I am sure during these three years, it would be possible for them to think of a set of proposals which would be placed before the country. I am sure it would be a challenge to all the political parties and their statesmanship and I hope all the political parties would at the time of elections at least next time would be willing to lend their support to such a proposal and raise it above party differences.

[Translation]

SHRI C. JANGA REDDY (Hanamkonda): Mr. Chairman, Sir, I support the Bill introduced by Shri Verma and request the Hon. Minister that if he is unable to accept it, he should bring another Bill on this subject. I once again congratulate Shri Verma and would like to say something on the subject.

These days you may visit any part of the country and you will find that Rajasthan is affected by drought, one part of Bihar is affected by floods and the other is affected by drought. Similarly, East Andhra Pradesh, is reeling under floods whereas in Western side of Andhra Pradesh, people are dying and cattle are perishing due to acute scarcity of water.

There are two reasons for this state of affairs. One of the reasons is that we have not taken any concrete steps to implement the water policy formulated so far. We

know that earlier Shri K. L. Rao had also submitted a proposal to link the rivers Ganga and Cauvery. We know that we cannot link the rivers Ganga and Cauvery and other rivers Krishna and Cauvery. We know that issues relating to water disputes have been raised in this House many a time. There was a water dispute between Maharashtra, Karnataka and Andhra Pradesh and Shri Shankaranand was involved in that controversy. He was criticised especially by our Telugu Desam friends and the Chief Minister of Andhra Pradesh and it was alleged that he was not giving clearance because he belongs to Karnataka. I would like to say to my friends that Shri Shankaranand should consider water management policy at the national level.

The waters of the rivers Ganga, Cauvery, Krishna and Narmada are national assets and are not the property of Andhra Pradesh, Karnataka, Maharashtra or Madhya Pradesh. If one person suffers due to the construction of a dam, 8 other persons are benefited at the same time. It will not be wise to stop the construction of the dam to save one person. So there must be some national policy and the irrigation and flood control should not be a State subject.

We can meet the shortage of electricity by constructing dams on the big rivers and by generating electricity. For example, N.T.P.C. is setting up a project at Ramagundam. The place is in Andhra Pradesh and the coal used also comes from Andhra but the electricity generated is used by Maharashtra, Karnataka and Madhya Pradesh. It is possible that this project might have rendered many persons homeless and landless but we never opposed it. The farmers have become jobless due to the Singrauli Coal mines and the N.T.P.C. project but we did not oppose it.

If the Ichampalli project is not cleared by the Governments of Maharashtra and Madhya Pradesh it will be detrimental to the national interest. If the Ichampalli project is implemented then we can keep about 200 K.M.C. water in reserve. The people in Hyderabad are facing an acute water shortage. You should know that

3 lakh acres of land can be irrigated through the Nizam Sagar project which would benefit the farmers. But the fields there have dried up and the farmers have agitated against it but without any result. They asked Shri N.T.R. to release water for irrigation but the choice was between the human life and the harvest. The Government's first duty is to save the human life. Therefore, in order to provide water to Hyderabad, the standing paddy on 3 lakh acres was sacrificed. Now the farmers are very much agitated. We could have saved the crops in 3 lakh acres in Andhra Pradesh by providing waters from the dam on the Majira river which falls in Karnataka and Maharashtra but the Governments of these States did not oblige. At present irrigation is the State subject that is why they refuse to provide water to others. I want that it should be a union subject.

The present losses which the farmers suffer due to the floods are not in national interest. A permanent solution will have to be found to stop its recurrence. Several inter State river water disputes are pending. The Madhya Pradesh Government wants to protect the interests of its farmers and so is the case with the Governments of Andhra Pradesh and Maharashtra. We should not quarrel on such issues. Justice should be meted out to everyone. Shri Mirdha has replied that all the three Chief Ministers have reached an agreement on the Ichampalli Project. I want to tell him for his information that the Chief Minister of Maharashtra has opposed this agreement. What sort of attitude is this? The Central Government should not remain a silent spectator. It is not good that the Central Government should remain inactive while the three State Governments are making claims and counter claims on the water issue. This water is the property of the whole of the country. No one State can stake its claim and at the same time other States should not be deprived of their rightful claims.

A few days ago we came to know that about seven thousand persons agitated against the Ichampalli Project. I met the agitators and requested them not to do so and told them that let the waters of Madhya Pradesh and Maharashtra not flow to

[Shri C. Janga Reddy]

Andhra Pradesh but they should not quarrel among themselves on such petty issues. I would request the Hon. Minister to take initiative in the matter and resolve this water dispute.

Today, increasing investments are being made in the industries. As during a war where all the resources are diverted to war, the floods should also be treated on the same footing and relief works should be carried out on war footing.

In case of drought, the people are always forewarned but in case of floods, the people are taken unawares—the fields, houses and crops are submerged in water—and people face starvation. The flood control should, therefore, be a Union subject.

Andhra Pradesh has suffered losses to the tune of Rs. 1700 crores due to floods. You have granted a help of Rs. 132 crores only. The Chief Minister Shri N. T. Rama Rao considers this amount highly inadequate and so he is demanding more money. Our farmers are in trouble due to all these problems. People are dying either due to water scarcity or due to starvation. Starvation forced four persons to commit suicide by jumping from Char Minar in broad daylight day before yesterday. Some persons have died of hunger in Mehboob Nagar. What are the reasons? Wherever water is available it should be properly managed. Water is a national asset and as such it should be made a Union subject so that even the smaller States get water.

You have advised sinking of wells and installation of rigs. But for how many days can it work? You know that even if it is installed at a depth of 20 ft. water will not be available the very next year. And, if it is 10 ft deep then it will not provide water even for one year. I am pained to see the surface water going waste and my fields remaining dry. The water should be managed properly. The Government should not sit idle because of inter State water disputes. If Madras needs water and we do not supply water to it then our brothers in Tamil Nadu will suffer. Can we see them suffer? While travelling in a train we share

others water and nobody charges us for that. The people of this country are dying somewhere due to the scarcity of water and somewhere due to its abundance. It should be prevented. The Central Government should take initiative to intervene and link Ganga with Cauvery, and the river Krishna with Godavari. The Tungbhadra and the Godavari be linked either with the Trisalem, or Telugu Ganga or Pullichintara. Ichampalli will have to be linked with Polavaram, Godavari or Krishna otherwise we cannot prevent the floods. If the Governments of Maharashtra and Madhya Pradesh are not ready to supply water to the Ichampalli Project for which they had agreed some 10 or 20 years back and violate that agreement then the Central Government should intervene and persuade them to supply water to the project. If you fail to do so, then we shall raise our voice against it. We shall ask the Madhya Pradesh Government to keep its water with itself and let our water flow to us.

Your view is that with this step forests will be submerged and that is why it cannot be allowed. But we want water in spite of it because if water is supplied to the drought affected areas, forests can again be raised in the drought affected areas. For example, in Telengana, Nalgonda, Mehboobnagar, Medak new forests can be grown with a little water. There you can increase the area under forest. We can grow forests equivalent to the area deforested.

Once Environment Secretary had told me that in the absence of trees and shrubs on the banks of rivers, ten lakh tonnes of soil is washed away into the sea every year.

The Godavari river is changing its course. Why? Its breadth is increasing and depth is lessening. It is getting silted. Pay attention to it. If the breadth is more and the depth less, it would result in floods. That is why more areas are inundated. The rivers are changing their course with the result that the villages are getting submerged. To check this water should be controlled. Trees should be grown on the banks of rivers. In addition, maximum water should be made available to the villages for irriga-

tion. Shri Shankranand knows how much agricultural labour we have. The more water we make available the more will the employment opportunities be generated. You can see that the number of these labourers is more than even industrial labourers. You can calculate the number of industrial labourers. In villages 80 per cent people are agricultural labourers. Shri Datta Samant boasts of large number of textile workers of Bombay but the number of unemployed is more in villages than in Bombay. But in Bombay the workers are organised and they speak unitedly. That is why their voice is heard as far away as in Delhi. The voice of agricultural labourers living in villages does not reach here. They are either victim of drought or of floods. That is why their voice does not reach Delhi. Agricultural labourers outnumber the industrial labourers. Therefore, agricultural labourers should be protected. 80 per cent people living in the villages are dependent on agriculture for their livelihood. This Flood Control Bill is necessary to save them. Management of water is very necessary. Water is necessary to protect them from drought. Every field and every industry needs water. Every human being needs water for drinking. He needs water to sustain life. Without it we cannot survive. Without water farming as well as industrial production will come to a grinding halt. In the absence of water, there has been steep fall in production in Vishakhapatnam steel plant. Similarly, in Patnacharu and Bhagyanagar due to shortage of water all industries have been closed. People are crying for water but you are not providing it. The country cannot make progress without water. Water is necessary to take the country forward.

Therefore, I request the Hon. Minister to take some concrete steps in this direction. Only then you can make this country happy and prosperous and save it from drought. That is why I support this Bill and congratulate Shri Verma for bringing it here. I congratulate Shri Shankaranand also for being retained for the last two years as Water Resources Minister in Shri Rajiv's Cabinet because the Minister's of other Departments have been frequently changed. I request him to take concrete steps during his tenure in the present Ministry for formulating different Central irrigation projects and to implement them.

***DR. PHULRENU GUHA (Contai) :**
 Mr. Chairman, Sir, I whole heartedly thank the mover of this Bill for bringing forth such an important Bill before this House. This is a very important Bill and very essential for our country. Sir, we are all aware that in India every year some States are faced with severe floods. At the same time we also see that some State is afflicted by drought every year. This situation is prevailing in the whole country. We have to deeply ponder over this problem and have to take effective measures to combat them. The Hon. mover of this Bill has considered one aspect of this twin problem and has brought forth this Bill and for that I thank him heartily. My previous speakers have said many things about this problem and I fully endorse everything that they have said. The Hon. Member who spoke immediately before me said a very important thing that no State must claim ownership of the water of the river flowing through that State. This we will have to keep in mind. Rivers flow from one State into another State. Therefore if one State insists that they own that water, then our river water disputes will keep on increasing among the various States. Just as we cannot hold the air in bondage, similarly we cannot hold the water in bondage. Water belongs to all. It is our national wealth and belongs to the whole nation. This must be remembered.

16.53 hrs.

[SHRI N. VENKATARATNAM
in the Chair]

Now, Sir, when floods take place in our country what do we see? Crores of rupees are spent most of which goes waste because only some of it is spent for temporary relief of the flood affected people. Some steps are taken for temporary relief but no permanent measures are taken for flood prevention. Floods bring untold misery for the people. Many lives are lost, not human lives alone, many cattle and birds also lose their lives. Hundreds of trees and crops are destroyed, many houses collapse and many houses are damaged. Lakhs of people suffer financial loss and are reduced to destitution. Now the time has come when we must find a solution to these problems. We cannot delay it

*The speech was originally delivered in Bengali.

[Dr. Phalrenu Guha]

any more. Most of the people living in the villages are poor. Their lives become unbearable due to floods or droughts year after year. All our rivers ultimately fall into the sea and all this water goes waste. Therefore we have to think where we should construct dams so that we may produce maximum crops, and also be able to harness the rivers to prevent floods. Not only that, we should also try to generate the maximum power and energy by harnessing these river waters so that it will mitigate to a great extent the power shortage faced by the whole country. Here I will say one more thing. There is much fertile land available in our country but nothing can be produced there for want of water. On some land only one crop is being raised for want of water where 2 or 3 crops could be raised if adequate water could be made available.

Sir, floods occur due to rains also. It is not correct to say that only rivers cause floods. Recently in Midnapore district of West Bengal where I come from, and in my own constituency, Contai, there were devastating floods. This was caused by incessant heavy rains for more than 15 days. Therefore I will suggest the use of the word "floods". This may be caused either by rivers or by rains. In this context I will point out that it has been provided in our 'crop insurance' provisions that "floods caused by river waters". Therefore if "floods caused by rains" are also not included in the crop insurance provisions, then the poor people will face great hardship in the future. I draw your attention to this aspect also.

Sir, I do not know whether it is possible to have drought control and flood control together by the same board. If it is not possible, then it is necessary to have two control boards at the same time to control drought and flood. I will urge upon the Hon. Minister to think about including 'natural calamities' also along with these. We have often seen the misery of the people in 'natural calamities'. When they become victims of natural calamities, there are no provisions to help them and this often causes much misery and suffering. I do not like to take the time of the House in narrating

them. They are too well known. Sir, I will request the Hon. Minister through you that we must adopt some permanent steps for natural calamities also.

Lastly Sir, I will request the Hon. Minister to bring forth a comprehensive Bill very soon. The Control Board to be set up under that Bill should consist of floods control experts if the Board concerns itself with flood control alone. If it deals with flood control and drought control both, then experts of both flood control and drought control should be on that Board. If a board is set up with these two set of experts, no 'if' Sir, it is our demand that such a Board must be constituted without delay. All these sets of experts who will work through that Board, small exclusively think of floods, droughts and natural calamities respectively. When that is done, they will have an overall view of the whole country, as to where floods takes place, where droughts takes place, why do they occur at those places, how they can be prevented. When they get overall view of the whole country in this respect, then they will be able to formulate new plans from their experience and expertise to combat these evils. When that is done, we will be able to stop the expenditure of crores and crores of rupees which we are incurring of floods. We should make an estimate of how many crores of rupees we have spent on flood and drought during the 40 years. Whatever figures we get, that is not the final thing. Because we get figures about only those things which are visible to us. The innumerable lives that are lost, the innumerable families that are ruined, they do not form a part of such estimates. Therefore, I will request that this Board may be set up immediately.

17.00 hrs.

In the end, I would request the Minister through you that he should consider a comprehensive Bill for flood control. I would request him that not only the flood control but the Drought Control Board should be there and if possible both could be amalgamated or there can be two separate Boards.

Apart from that, I have already said, I would like to emphasise that there are natural calamities every year throughout India.

So, he should consider to have a Committee or a Board or whatever may be the name; some arrangements should be made in so far as natural calamity is concerned. We are spending crores of rupees but at the same time we are not able to help the people or do good to the people. So, I would request the Minister through you that he should bring a Bill, if possible, in the next Session—the Flood Control Bill, a Drought Control Bill or Flood and Drought Control Bill together. I do not know the technicality. I request that the Minister should consider and see the terrible difficulty of the people is reduced to the minimum in the near future.

(English)

SHRI P. NAMGYAL (Ladakh) : I rise to support the Flood Control Authority of India Bill, 1986, moved by Dr. C. S. Verma. Flood and drought are the two major problems which country faces every year in one part or the other. Besides floods and droughts the country also generally faces natural calamities in the form of cyclone, causing flood in the coastal areas of our country. Frequent occurrence of cloud bursts causes irreparable loss to crops, houses, property and causes damage to forests, roads and highways. The damage caused due to cloud burst and other natural calamities are being tackled by the respective State Governments in a very small way with the help of relief provided by the Government of India. Often it has been noticed, particularly I refer to the State of Jammu and Kashmir, when there was a flood or natural calamity like cloud burst in a very far flung area of the State, instead of providing immediate relief to the sufferer who were locked up in a far flung area they utilised the relief money elsewhere, for those who are more near to the seat of the Government. For instance in the year 1982-83 in the Changthang region of Ladakh, about a lakh of sheep, goat and other domestic cattle perished as a result of heavy snow fall. The Government of India had sanctioned relief immediately, as soon as we approached the Government of India. But the State Government diverted that money to the Kashmir valley in Jammu region to meet the damages caused by hail storm to fruit plants and some minor floods in Jammu region. The natural calamities in the Jammu and Kashmir region occurred later

than the one which had occurred in the Ladakh region. To the victims of this snow fall occurred in Ladakh we have paid relief only this year, that is, only after four years of the occurrence of the snowfall. This is the unfortunate thing some time happened in some part of our country. It so happened that as a rule the margin money which the Government of India places at the disposal of the respective State Governments to meet the urgent, rather emergent, requirement of floods, I mean, the damages caused as a result of floods and other natural calamities is not accounted for immediately. But the State Governments are required to submit the utilisation certificate to the Government of India as soon as the money is utilised so that the Government of India could replenish the utilised money. Unfortunately the State Governments often do not submit the accounts in time with the result the victims of floods and other natural calamities living in distant areas have to suffer. Therefore, Sir, if a Flood Control Authority is set up, it will be working independently of the State, of course in close coordination with the respective State Governments and attend to the needy victims without regional and political considerations in the disbursement of relief money for construction and for provision of flood protection measure. Also, the Flood Control Authority can take up the protection measures in a phased manner giving priority to those river basins which are more prone to flood. At present the State Government are adopting some flood control measures in a very small way and they are not in a position to carry out any large-scale flood protection work due to financial constraints. So, by constituting the Flood Control Authority or a more appropriate wording would be, as I feel, "Flood and Drought Control Corporation, the objective will be served. Besides the funds provided by the Government of India, it would be in a position to raise its own funds or it can borrow even from the financial agencies like the World Bank. So, Sir, I support the view of Dr Chandra Shekhar Verma and request the Hon. Minister to kindly consider bringing in a comprehensive Bill on the question of setting up of a Flood and Drought Protection Authority or Corporation, whatever you may call it, so that the Corporation or Authority could manage or rather raise its own funds to meet its requirements. Otherwise it would be very difficult to meet this project like the flood protection

[Shri P. Namgyal]

work in the whole of the country with the help of Government of India funds alone.

With this request, I thank you, Mr. Chairman, for giving me the time.

[Translation]

SHRI JUJHAR SINGH (Jhalawar) : Mr. Chairman, Sir, I support a very important Bill introduced by Dr. C. S. Verma in the House today and I want to congratulate him for it.

Mr. Chairman, Sir, I belong to an area which is part of Rajasthan. Generally, Rajasthan is considered to be a desert State which faces constant scarcity of water but I hail from an area which abounds in rivers. There are at least a dozen big rivers and almost double this number are small rivulets in my region and they cause floods every year. Every year loss worth crores of rupees is caused but to date neither the Central Government nor the Rajasthan Government have taken steps to harness these rivers or to develop them in a systematic manner. I want to tell it for the information of the Hon. Minister that if the water resources of the Jhalawar Constituency are properly harnessed,

[English]

80% of the Constituency area could be irrigated. Against that, only 14% of the area is being irrigated today. Against the average of 22% of Rajasthan, which is a desert area, the position is like that. From this point of view, you can just imagine how the State Government has utilised the funds.

[Translation]

The average irrigated area in Rajasthan, which is a desert area, is 22 per cent whereas only 14 per cent of that part of Rajasthan is under irrigation which has abundant water resources and suffers losses due to floods. That is why I want to say that the work done so far has not been done in a systematic way.

There are some projects under the consideration of your Ministry which have

not been cleared so far. There is a very big scheme for Manohar Thana. There are projects e.g. Kali Sindh on Parvan river, Gagarin and many other schemes which have not been cleared due to some interstate problems. But despite it the waters of these rivers can be utilized through lift irrigation and minor irrigation schemes. The waters which should have benefited us and our area are instead causing us losses and every year we suffer losses due to this problem.

Mr. Chairman, Sir, I want to tell you that there are many villages situated on the banks of rivers in our region and there is no village which could remain at its original place. The villages have to shift due to floods and soil erosion and there is no certainty that in future they will remain at their present location. The erosion is so massive that many villages have changed their location two or three times. As per the erosion figures for the whole of India, erosion occurs in 998.76 lakh hectares and out of it 172.65 lakh hectares area is in Rajasthan. This area is maximum as compared to other parts of India. Soil erosion is mostly caused by wind erosion and water erosion and water erosion is mostly confined to my Constituency. The area of Kota Division is not very large and it is just one tenth or one sixteenth of the total area of Rajasthan and 55 to 60 per cent of its area is affected due to water erosion. You can therefore, imagine the severity of floods there.

Mr. Chairman, Sir, through you I want to inform the Hon. Minister that the land use policy followed hitherto for this area is also wrong. Where rivers and rivulets are in abundance there the first precaution every Government should take is not to allot the marginal land near the banks for cultivation. If it is allotted to some landless person then it should be used for afforestation or free plantation so that the trees may hold the soil. The present policy is defective. Soil erosion has been increasing year after year and fertility of soil has been decreasing. I had raised this question in Rajasthan Assembly also some 10 to 15 years back. I had demanded a survey of the flood hit areas to find out the extent of loss. The damage caused due to soil erosion is quite obvious in the form of ravines but the damage caused to the cultivated area is in

the from of erosion of the top soil which hampers the productivity of land. So efforts should also be made to check the soil erosion. The statistics collected by the experts reveal that in India about twelve thousand million tonnes of top soil is eroded every year. If it is calculated in terms of money then the extent of loss is between Rs. 4500 crores to Rs. 7,600 crores every year. We are also affected due to this erosion. Our area also abounds in rivers. The Central Government and the State Government have planning departments and they have various schemes for soil conservation. Forty years ago there used to be princely States and then Planning Departments were not in existence. Kota was also a princely State at that time. There used to be a department for dams, which used to look after soil conservation and construction of barages on small rivers and lift irrigation. It is a matter of regret that during the last forty years the desired progress has not been made in achieving scientific development to check soil erosion. Even the old department has been wound up without any replacement. The special efforts required to control floods in our area have not been made. The ravines spread over an area of 70 lakh acres. In our area also, ravines cover a large area and it is expanding rapidly which leads to certain social problem. Today Dholpur, Swai Madhopur and Shahbad, Kishanganj, Chhabda of Kota, Chhiwabarot have become dacoit infested areas. The Central Government have certain schemes to curb the activities of dacoits but no funds have been provided to implement the same in our area. Ravines are still expanding but no efforts are made under the anti-soil erosion schemes. Had some efforts been made to prevent expansion of ravines and had there been construction of roads for the purposes of communication, the same might have helped in reducing the losses incurred as a result of floods. I request that some concrete steps should be taken in this direction. The area of Kota division was once famous for its forests. Forests are scanty in Rajasthan but 25 to 30 per cent area here used to be covered by forests. Generally, forests are scarce in Rajasthan. According to the national norms, forests should cover 33.3 per cent land but in Rajasthan the forests covered only 11 per cent land before its formation. The latest available statistics reveal that only 1.75 per cent area in Rajasthan is

covered by forests because of reckless felling of trees. It is a very serious problem. The loss of forests has increased erosion and the floods have caused greater loss. I would like to draw the attention of the House to this issue and request the Hon. Minister that to deal with this important subject raised before the House some law or authority or body should be Constituted for the control of floods. We, the villagers understand the losses caused by floods better and we want you to take some positive action to deal with this problem.

[English]

MR. CHAIRMAN : The time allotted for this Bill is already over. Some more members have to speak on this. Shall we extend some more time ?

SOME HON. MEMBERS : We can extend the time for this Bill by one more hour.

SHRI PARAG CHALIHA (Jorhat) : Sir, I come from one of the most flood-prone areas of this country. I am very glad that a Member from the Treasury Benches has introduced a Bill to which I give my qualified support because it has become evident from its introduction that the existing Rules, Procedures or Acts are not adequate to meet the menace caused by this very constant ravage which has brought misery to millions of people of this country every year. It has rightly been pointed out by my predecessors that the amount so long spent in the name of flood relief would have totalled thousands of crores of Rupees by which many permanent flood protection measures could have already been completed, as was envisaged by our seers of the past. We have to combat the menace of flood. The Brahmaputra Board was—as it has already been made known to the Hon. Minister—was established in the year 1981. The Board has taken five years to prepare two master plans I am very sorry to state that not even one of the projects, as envisaged by this Board, has so far been even taken up for consideration. The more pitiable fact is that for the Brahmaputra Board, in the Seventh Plan, only Rs. 35 crores have been earmarked which is obviously a meagre amount. Most of the money will be needed only to meet the capital expenditure, establishment expenditure of the Board.

[Shri Parag Chaliha]

Sir, in our country, particularly in my State—which I have already stated,—we have to meet most of the ravages of the Brahmaputra every year resulting in an unprecedented flood havoc. I just recount the damages caused by the recent floods. 23 lakhs of people were affected; 3.25 lakhs of houses were damaged; 4.25 lakhs of hectares of land with standing crops were damaged. The State Government's estimated loss is about Rs. 380 crores. We are happy that the Agriculture Minister paid a visit. We have all along been urging the Prime Minister to make a visit and see the things for himself. At our instance, I am glad to state that the Prime Minister, on the floor of this House, had assured us that he will make a visit. Also, at our instance, the Central Team hastened its visit and now, perhaps, the team is on work. We urge the Minister for Water Resources also to make it convenient to visit the flood-affected areas and see things for himself.

Sir, in the course of a visit of one of the Delegations of our Party, we made known to the Hon. Minister that the Brahmaputra has more tributaries in Assam than all the tributaries of the other big rivers in the whole of India put together. Even then nothing whatsoever has been done to combat the floods caused by these innumerable tributaries of the Brahmaputra in Assam. I will cite one instance. Due to our not taking effective and timely measures, we have already lost a 300-year old Hindu Peeth known as 'Ramka Peeth'. That was by the side of a river, a tributary of the Brahmaputra. Things have come to such a pass that that particular 'Ramka Peeth', due to erosion over the last the several years, instead of being the concern of the tributary, has become the concern of the Brahmaputra itself. As was made known to the Minister about a couple of months back, the entire Peeth was totally eroded. That means, only in 1986 we lost a very sacred relic of the Hindus in Assam because of the dire negligence of the powers that be, particularly the Board Authority.

Another strange thing is this. On one side of the river we have the Hindu shrine and on the other side we have a Muslim

shrine known as 'Hazrat Azan Peer Durgah'. We have been impressing upon the authorities and more particularly our Water Resources Minister that, unless some concrete measures are taken, that Muslim shrine known as 'Hazrat Azan Peer Durgah' will also meet with the same fate as has already overtaken the Hindu Peeth. Only at our instance, the Planning Commission was good enough to give us an assurance that, if specific schemes were brought to them, they would very favourably consider them so that the flood problem of Assam could be dealt with properly.

This fact is not generally known that most people affected by the ravages of the Brahmaputra are tribals like Misshings, Bodos, Deuris and others. This fact has never come to the notice of the powers that be. The Minister was good enough to suggest that, if some specific schemes were brought to his notice, he would look into the matter and see that something definite was done.

Only in mid-October I had been to a village where I was amazed to see—I say this with full sense of responsibility to this august House—that several hutments of tribal villages were almost floating above 10 to 12 feet of water caused not by floods but by rain water banded on four sides of the hutments in a flood-prone area. The Assam Government has only recently sent some specific proposals for permanent flood control measures, particularly in tribal areas, amounting to about Rs. 117.50 crores. I, therefore, take this opportunity to impress upon the Hon. Minister of Water Resources to see that he takes up the matter of implementation of the Tribal Sub-Plan which involves an amount of Rs. 117.50 crores. The Planning Commission has already assured that they would very sympathetically consider this...

MR. CHAIRMAN : If you have something more to say, you can continue on the next occasion...

SHRI PARAG CHALIHA : I may not be here. I will conclude now in a minute.

MR. CHAIRMAN : Please conclude in a minute. We have to take up the Half-an-Hour Discussion.

SHRI PARAG CHALIHA : The Authority which is contemplated in the Bill should be more effective, should have full financial powers to provide resources for flood control projects.

My suggestions are that : Assam's TSP demands of Rs. 117.50 crores be taken up. At least one of the permanent projects of Subhansiri, which will mean providing power to the extent of 20000 MW should also be taken up.

With these words I support the Bill with the hope that something more concrete and effective would be done by the Minister by introducing a more comprehensive Bill.

17.31 hrs.

HALF-AN-HOUR DISCUSSION

[English]

Modernisation of Textile Mills

MR. CHAIRMAN : The House will now take up half-an-hour discussion. Shri Sharad Dighe to speak.

SHRI SHARAD DIGHE (Bombay North Central) : Mr. Chairman Sir : After having discussed mainly on rural problems for the last two and a half hours viz., rivers, floods, forests, etc, I would like to take this House to an urban problem of modernisation of textile mills. I beg to raise half-an-hour discussion on the point arising out of the answer given by the Hon. Minister of State in the Ministry of Textiles on 14.11.1986 to Starred Question No. 166 regarding modernisation of textile mills.

The main answer was merely in the negative and no further information was available in the main answer.

Part (a) of the question was a pointed question regarding the decision to identify 100 textile mills for modernisation. Therefore, the answer was "No Sir". Then, the further questions are said to be not arisen in view of the answer to Part (a). So, we could not get

from the main reply the information regarding the criteria for selecting these mills for modernisation. That was Part (c) of the question. In view of the negative reply to Part (a) of the question, the Hon. Minister has said that regarding (b) and (c) the question did not arise. In this half-an-hour discussion my main thrust will be on the criteria for selecting these mills for modernisation.

Sir, in the Textile Policy statement which was laid before this House in the month of June 1985, references were made to these modernisations in Paragraph 19, Sub-paragraphs 19.1, 19.3 to 19.6. I would quote from those paragraphs a few lines.

19.1 "One of the main reasons for the present difficulties of the Industry is inadequate modernisation and renovation of old and obsolete plant and machinery. Despite encouragement and incentives by the Government, the Industry has only modernised to a limited extent. Government policies would aim to accelerate the pace of modernisation in the Industry.

19.2 There has been very little modernisation in the ginning area...

19.3 Modernisation in the spinning, weaving and processing sectors shall be undertaken on the basis of carefully identified needs of each unit as to installation of balancing equipment, renovation of existing machinery, replacement and technology upgradation.

19.4 For the purpose of modernisation, adequate funds would continue to be provided in adequate measure under the soft loan scheme of the IDBI. In order to enable the Industry to generate internal resources for modernisation, a Textile Modernisation Fund shall be created".

[Shri Sharad Dighe]

Now, Sir, it is clear from the reports appearing in the Press that from 1st August, 1986 a textile modernisation fund was set-up and in the beginning the Industrial Development Bank of India which is to operate the fund has already received eighteen applications for a total sum of Rs. 104 crores. It is also reported that IDBI is expected to disburse about Rs. 750 crores over the next five years. Therefore, this process of disbursing the funds for modernisation has taken motion somewhere in August, 1986 itself. We would like to know the criteria for selecting the mills for such disbursements. Already eighteen applications have been received as reported in the Press and it would be very much important from the point of view of the textile policy as to what would be the criteria for selecting these mills.

My submission would be that it should not be that those mills which are already doing very well would be further modernised so that we will add only to their profits. The main question is out of 777 mills—composite and spinning—in the organised sector about 100 are either weak or closed and do stand a fair chance to get off the sick bed on prompt treatment. If this is the position then such mills will have to be identified for modernisation which are weak and about to be closed so that if any treatment is given by way of modernisation they can come out of it and may not fall in the category of sick mills because once they fall in the category of sick mills, according to the pronounced policy of this Government, now we are not going to take over such sick mills which are not viable and then so many workers would face the question of unemployment.

Therefore, we would like to know from the Government whether you have laid down any criteria for giving this dose of modernisation to the textile mills and, if not, then it would be very dangerous policy if it is left to IDBI without any guidelines. Then perhaps advantage will be taken by the big magnets and the good mills or those mills which are running in a better way would further become strong and this help for modernisation to the needy mills would not be given.

Therefore, from this point of view my request to the Hon. Minister is to make clear what guidelines have been issued and if they are not issued which authority and on what criteria the disbursement of this fund for modernisation is going to take place.

The next point which I would like to know is whether this modernisation fund is also available to the NTC mills. NTC mills have been spending around Rs. 40 crores per annum over the last five years. The Ministry of Textile has allocated Rs. 117 crores to NTC which will just not help. Further help for modernization would, therefore, be necessary because many of the employees are in the NTC mills and after having taken over, if we again do not help them to be run, the employees would face the problem of unemployment.

Lastly, I would like to know about adequate protection to workers. In this statement on textile policy, paragraph 19.6 says :

“It will be ensured that in the process of implementation of modernization programme, the interest of workers are adequately protected.”

In what manner is the Government protecting their interests and whether it has got any connection with the modernization fund which we have earmarked for modernization of the mills, or whether the retrenchment compensation and other reliefs which seeks to protect the workers after retrenchment, are merely left to the employers, their funds and, as the Hon. Minister had said that day, to the unions which make the agreements. Many times, unfortunately the experience is that the unions make direct agreement for retrenchment without reference to the workers and they agree to something with the employers which many times is not in their interest. While disbursing modernization funds to such textile mills is special care taken by any special machinery of the Government to really speaking protect adequately the interests of the workers or not? It is no use merely saying that we are protecting the interests of the workers. Unless agreement for retrenchment is arrived at between the workers unions

and the employers, we should not permit the modernization. Therefore, my submission is that while disbursing modernization funds, particular care and special attention will have to be given to the interest of the workers who would ultimately be retrenched as a result of this modernization.

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): I would like to congratulate Hon. Member Shri Dighe on behalf of the Ministry for highlighting a very important issue in relation to the textile economy of the country, namely the modernization of textile mills, especially those which have lagged behind in modernization in the past. We are happy that the Hon. Member has highlighted the need for modernization which is one of the important step necessary for the long-term health, growth and development and sustenance of the textile industry.

Consequent on the adoption of the new textile policy in June, 1985, Government have created a textile modernization fund with a corpus of Rs. 750 crores to be implemented through the IDBI. Also, as specially laid down in the textile policy, Government have created not only a monitoring mechanism in the office of the Textile Commissioner, but also a nodal agency with the participation of the Textile Ministry and the IDBI to monitor sickness in the textile mills, to consider the viability or non-viability of the textile mills and to formulate suitable rehabilitation cum-modernisation packages for each of the individual unit project reports for which come before the nodal agency. As the Member is aware, about Rs. 400 crores had already been disbursed for modernisation from 1975 to 1984 through the already existing soft loan scheme of the IDBI for the modernisation of the industry. But the fact remains that more than 80 per cent of the spindleage as well as the loomage in India which has the biggest textile industry in the world is more than 15 years old, and among the many reasons which kept the textile industry down and sick, lack of modernisation is the most important reason.

Sir, the question of the Hon. Member, pre-supposes that the Government of India is going to sit and select each of the mills for modernisation, as per specific criteria laid down. This is not true. The sickness of the mills will be monitored by the monitoring Committee and through the monitoring Committee or *suo motu* from the mills or from the State Governments or co-operative institutions proposals for modernisation will come before the nodal agency. The nodal agency will consider the viability or otherwise of the mills and on the basis of this consideration, the modernisation package will be worked out by the IDBI. In analysing the types of mills which are eligible for modernisation, we have to go through a step by step approach. The Hon. Member mentioned the question of the profit-making mills and asked why they should be given further injection of capital in order to enhance their profit. Sir, I would like to mention that such of the mills which are already profit-making can appropriate and set-apart 20 per cent of their pre-tax profits, before depreciation, to be deposited in a blocked account, of the IDBI. This facility has already been given to them by virtue of Section 32 (A), (B) of the amended provisions of the Income Tax Act of 1961. And the amounts so earmarked shall be utilised only for payment of machinery required for modernisation. So the profit-making mills can avail of this facility given through Income Tax Act for a plough-back of their profit for modernisation.

Sir, out of Rs. 750/- crores set-apart for modernisation, roughly 25 per cent or Rs. 190 crores will be utilised for providing modernisation assistance to healthy units on the usual terms applicable for such loans, provided these units are in a position to put up normal promoters' contributions expected of them for availing of this assistance. So, 25 per cent will be given to mills which can get the promoters' contributions and the other 75 per cent is set-apart for sick, but viable and rehabilitable mills, which are not in a position to give even the promoters' contribution to avail of that IDBI assistance. It is for this reason that in the balance 75 per cent or Rs. 570 crores, Rs. 100 crores is set-apart as a soft loan for meeting 80 per cent of

[Shri S. Krishna Kumar]

the promoters' contribution, which such units are not in a position to give.

Sir, already we have disbursed some amount on the leaf's of the applications which already have come in. 55 applications have been received for a total amount of Rs. 206 crores; 14 of these applications have been sanctioned for a total of Rs. 43 crores; 7 applications for an amount of Rs. 28 crores have been rejected; 34 applications seeking an amount of Rs. 135 crores are pending. Disbursement has been only of Rs. 60 lakhs. Sir, in the past it has not been a question of large number of people coming and seeking modernisation assistance. There is no problem in giving modernisation assistance to sick but viable mills either in the category of those which are able to give promoters' contribution, or those which are not in a position to give it.

Apart from Rs. 750 crores, which we have set apart, Government of India is in the early processes of considering other schemes such as foreign assistance from the World Bank, etc. The total requirement for modernisation for the cotton textile industry is variously estimated between Rs. 1500 crores and Rs. 2500 crores in the next five years. 1500 crores is more or less the reasonable estimate. The rate at which the amount of modernisation loan is being given now is almost double the rate at which it had been given in the past.

Sir, as regards the criteria, for selection, the criteria are based on reasons an analysis of the reasons of the sickness, as has been laid down in the policy statement itself, followed by an analysis of what is required to cure the sickness which will be gone into in detail by the term-lending institution, in this case the IDBI.

The National Textile Corporation with 125 mills—109 nationalised and 16 managed—as you are aware, is continuously making cash losses and Government is making a comprehensive effort to turn the situation around and make the mills viable.

As a result of the modernisation programme launched in the National Textiles Corporation, by which more than Rs. 342 crores have already been spent in the last decade, there has been substantial improvement in various parameters of the working of the NTC. The utilisation of the spindles as well as the looms has increased. But to continue the modernisation, we have a constraint in financial resources. As against a requirement of about Rs. 350 crores as projected in the Seventh Five Year Plan, only Rs. 117 crores were available. As regards the IDBI soft loans, assistance, the NTC also is eligible to get this soft loan assistance, provided we are able to prepare in the case of any specific NTC mill a proper bankable rehabilitation or modernisation package with sufficient infusion of budgetary support. And we are working on this.

As a result of modernisation of the NTC, the average count has increased from 26.8 to 33.1; spindle utilisation from 68 to 77 per cent and weaving utilisation from 64 to 77 per cent etc. The cloth production has also increased. This is a continuous process. But a very large chunk of the modernisation funds which we have spent for the NTC, we have per force to utilise for certain rehabilitation measures like repair of buildings and other statutory requirements. And so, only a percentage of it could be used for genuine modernization effort, which could increased the productivity of the mills.

The third part of the Hon. Member's question relates to safeguards for labour, consequent upon modernization. I would like to mention that as the Member himself read out, the epochmaking textile policy document very specifically states the measures by which the interests of workers will be protected, in our efforts to restructure the textile economy of the country.

First of all, modernization does not *ipso facto* mean any retrenchment. A modernization package can include, apart from new modern machinery, balancing equipment, various innovations in processes and techniques, introduction of additional equipment or new lines of production especially in the context of the flexibility in the textile policy for increasing their spindleage

and weaving capacity, to utilize any surplus labour, in the mill itself.

Secondly, no modernization proposal, I repeat no modernization proposal, is implementable in any specific mill, without an agreement between the labour and the management.

Thirdly, in the face of any rationalization being necessary in the balance of considerations, as has been done in many of the NTC mills, the additional labour can agree to accept gratuity as well as retrenchment benefits, and then voluntarily retire, as with the rationalization scheme being implemented in the NTC system. We would like to assure the Member that when modernization proposal are looked into by the nodal agency as well as by IDBI, the question of safeguarding the interest of labour, the axiomatic principle enshrined in the textile policy, will be ensured; and it will be one of the conditions under which modernization loans are given. It is also the responsibility of the nodal agency to ensure that the moneys for the modernization packages are utilized for the purposes for which they are sanctioned. Modernization is a continuous process; and as far as the NTC system is concerned, we are also trying to ensure that there is the necessary degree of workers' participation in management, education programmes of workers about modernization and productivity and a continuous monitoring by the workers' also of the implementation of the programmes.

I hope I have touched most of the points raised.

MR. CHAIRMAN : Now we have four Members to speak. Each Member is entitled to put one question. After all the questions are over, the Hon. Minister will reply.

DR. DATTA SAMANT (Bombay South Central) : While giving the reply, the Minister said that there was no retrenchment because of modernization. I think that what is discussed in the House and what is happening outside, are different.

After giving Rs. 130 crores in the shape of concessions for the import of synthetic polyester fibre, Rs. 750 crores soft loan with

6 per cent to 11 per cent interest has been given to all these mill-owners who have corrupted the whole economy of the country with these Rs. 1500 crores. I am not going into all this. In spite of getting concessions from IDBI and the Government, the position in all these textile mills is this : I will not speak about the whole of India, but in Bombay, in Bombay Dyeing one thousand workers are retrenched, and 70 Sulazar looms were bought. In Standard Mills, 200 old looms were removed, and 50 new type of Sulazar type of looms were bought.

18.00 hrs.

Mafatlal brought 48 Japanese water looms with microscopic jets and about 400 workers were removed. Only two looms of two types either water jet or swisser loom and a spinning machine of double jet had been brought by all the mills owners in Bombay and, in 13 mills, they have retrenched 16,000 work men in the last 1.5 years, and 3000 workers in NTC mills in Bombay. In Kanpur, from 37,000 to 22,000, the process is going on and 14,000 workers were retrenched and in Delhi, 6000 workers were retrenched. In coming years, in Bombay, another 16,000 workers will be retrenched. I have got all the balance-sheets. They are spending another Rs. 7000 crores. For Mafatlal, you are giving loan.—Morarjee mills, everywhere. But because of this modernisation in the last 1.5 years, about 50,000 workers were retrenched. You are blaming Dr. Samant because of my strike; because of my strike, some people were out; they were not taken back on duty.

Because of such things what is happening in the mills is that all these 13 mills in Bombay have made a profit of Rs. 53 crores upto June. Due to the textile policy, loans, money are given to limited big people. Birla Century Mill in Bombay has made a profit of Rs. 18 crores, but Birla Mill in Tamilnadu has become sick taking advantage of the textile policy. Employers are exploiting the government at all ends and 300-400 mills are made sick. You go on feeding them. Rs. 750 crores you have given to these mills. But handloom and power looms are neglected.

In spite of such profit which the mills owners are making and modernising them,

[Dr. Datta Samant]

it is becoming a slaughter house. I have a bitter experience about it. The Government has made a slaughter house and a slaughter instrument the government is supplying to these mills owners for slaughtering the workers. My poor workers are being slaughtered and they will be slaughtered.

The Hon. Minister mentioned about compensation and rehabilitation fund. Bombay workers will not get a single paisa. But I want to tell the Minister that this rehabilitation and compensatory fund is not for modernisation. Just bear with me that it is not for modernisation. If it is given and if the mill is closed, then they will be happy. In Bombay, you are giving 15 months salary in three years. In Bombay, all mills employers want to close their mills because by selling the land, they will get crores of rupees; Rs. 700 crores Bombay mills owners will get. Therefore, the scheme which you have suggested to us—compensation and rehabilitation—is not working. My Bombay workers are not going to get a single paisa.

The Hon. Minister mentioned about gratuity and retrenchment compensation. NTC mills in Bombay did not get gratuity and retrenchment compensation. In private mills, in spite of your so much loan, so much assistance, so much excise duty concession, workers are given simple gratuity; even minimum 15 days' compensation is not given. Therefore, with such a policy, the workers are going to be slaughtered. Don't leave it to the unions. Your Bombay union is an agent. It has made a settlement with the mills-owners to remove workers and you are siding with them. Whichever union it may be? But when you are giving Rs. 750 to an employer, it is the duty of the government to see that Rs. 53 crores of profit which they have made—this is according to the balance-sheet—the blackmoney must be 10 times of this. Then why do you retrench workers? Let it be voluntary. You see that he will be properly compensated for 5-10 years. At the time of retrenchment in our units, if workers are at all to be retrenched, then we give them 3 months' compensation. I have seen hundreds of settlements. We never allow them to retrench workers. But here nobody sees even animals. Anybody can go and cut it off. That type of

things you are doing. Therefore, it is the duty of the Central Government to see that minimum retrenchment should be done, and if it is at all to be done, it should be voluntary and these workers should be given a good compensation and return. Don't leave it to the workmen. Instead of giving Rs. 436 crores as loan to all these textile magnates upto March, now you are going to give them more. What are the national advantages? Will you tell them to us? The production has fallen down by 600 million metres in particular years by the mills. Second thing is, what is the export value? About Rs. 400 to 500 crores has already been spent. You are going to give up to Rs. 750 crores, you say. All the same, what is the export value? What is the benefit to the national economy? I want that figure.

Thirdly, the rate of cloth has gone up. While giving the concession to the employer in the House it was said categorically that the rate of cloth will come down. After giving Rs. 131 crores what is the effect on the imports? And if you see the balance sheets of the textile magnates, you will know that they are making money. The rates of cloth have gone up. These textile magnates who have ruined the workers and the economy of the country, are benefited and the Government is keeping quiet. Rates of cloth are going up, the workers are being slaughtered. They are given Rs. 60/- rise in after six years. And in this several mill workers are involved. The retrenched workers are almost dying. Exports of the country are suffering, at a national cost. By your policies the magnates are getting richer and richer.

I want that the Hon. Minister should reply to these two questions.

SHRI SOMNATH RATH (Aska) : The Hon. Minister has mentioned in his reply that while giving these facilities the mill owners should take into consideration the question of rehabilitation also. We know that the labourers in these mills are in the organised sector. There are different unions which move in different directions. And out of 120 lakh workers employed 13 lakhs are in the organised sector, 32 lakh are in powerlooms, 75 lakhs in the handloom sector. It was also stated in the House

earlier that the cloth produced in the handloom sector is cheap. We do not know what happened to the controlled cloth. In villages, the controlled cloth, which is meant for poor people is not available.

And coming to the question of foreign exchange, the organised and power mills get Rs. 200 crores out of Rs. 1000 crores earned, handloom itself gets only Rs. 200 crores, and the Government sector gets Rs. 600 crores. These are the statistics of the textile industry of our country. And it has been alleged in this House that these mill owners utilise the funds given to them to modernise the mills in the powerloom sector. For the reason the minimum wages are not paid to the workers in the powerlooms and payment of taxes is evaded. They are having all these advantages.

I want to know from the Hon. Minister whether these Rs. 750 crores meant to be given to the mill owners, is given to some particular persons? Who own more than the mills? Is the amount given for modernisation being utilised by the same person to establish powerlooms and after getting the cloth from the powerlooms do they put their own brand on that cloth and sell it at a higher cost? How is the monitoring done? Is there any supervision after the money is advanced to these mill owners to check whether they are utilising the funds for the purpose for which it is given to them? Whether any action has been taken against such mill owners who mis-utilise all the funds? Or is there any supervising agency—the Hon. Minister has said that there is some agency—which has gone into the matter? Has the Minister got any report whether that the amount of Rs. 400 crores which has been already advanced utilised for the purpose for which it has been given?

[Translation]

SHRI HARISH RAWAT (Almora) : Mr. Chairman, Sir, so far as modernisation is concerned, all of us will welcome the provision of funds for it. But at the time of presenting the New Textile Policy before the House, it was stated that funds granted to mills for modernisation will be utilized for the improvement of quality, increase in

production and employment generation but the figures tell an opposite story. Had the quality been improved, the exports would have increased. You can see that the mills, which were granted funds for modernisation, have not increased the production of the export quality cloth. At the time of granting funds to the mills no such obligation was imposed on them that they will improve the quality or increase the production. Neither cloth at cheaper rates has been provided to people nor employment has been generated. So it seems that our money has been given to some persons for making profits only. What is needed is to implement the declared policy and to ensure that the mill owners fulfil their obligations made at the time of receiving funds for modernisation. It seems that we have not been able to achieve this. Please tell us whether you have any machinery to ensure that the obligations imposed on the mill owners at the time of granting funds are fulfilled?

The second thing I want to point out is that the money granted to big mill owners in the name of modernisation will increase their competitiveness and the small and sick units will not be able to compete with them and as a result they will become sick. What are you going to do to check this problem? Is there any method or system to help the small and sick units?

SHRI DILEEP SINGH, BHURIA (Jhabua) : Mr. Chairman Sir, I want to seek some clarifications from the Hon. Minister during this half an hour discussion. First, the mill owners misuse the money granted to them for modernisation. What action you take against such persons? I want to give you an example of my constituency. The mill owners in Ratlam received Rs. 9 crores but they abandoned their mills in Ratlam and left for Bombay on January 1, 1986 and established a new industry there. About 3500 workers are sitting idle and are facing starvation; they have sold even the clothes and books of their children to survive. Under what law can you take action against such persons? If you think only of the mill owners, what will happen to the workers? The workers are without employment and if you can start that mill then do it. The State Government does seek permission to take it over but as per the new policy, the

[Shri Dileep Singh Bhuria]

permission is not granted to them. As per the policy of rehabilitation, only the workers of the mills closed down after June, 1986 will be rehabilitated. But what will you do in case the mills have been closed before this date? There are many such mills and thousands of workers are engaged in them. Where will we absorb these 3500 workers? I want answers to these two questions from the Hon. Minister so that we can tell them about their fate. The nodal committee does not fully protect the labourers; rather it protects the owners. Nothing can be done unless the Labour Ministry is involved in it. These mill owners receive crores of rupees in the name of modernisation. The Hon. Finance Minister had made a statement yesterday also that some people are depositing money in foreign countries. Their children are studying there and they plan to leave the country. We must find out the number of mills which require modernisation and also the requirement of cloth. We are committed to the poor. We shall watch the interest of the poor. I want the Hon. Minister to think about the workers and reopen the mills which are in good condition. I wanted to say this much only.

[English]

SHRI S. KRISHNA KUMAR : Sir, the cotton textile mills industry is sustaining employment for twelve lakh workers in the country, apart from a large number in ancillary industries. As the Hon. Members are aware, there has been endemic sickness in the history of this industry. It is not a recent occurrence. Even as early as 1951, in this industry about 150 mills were adjudged to be sick. There are several reasons for the sickness—absence of modernisation, variations in excise duty, demand recession, unhealthy competition, mismanagement, etc. But one of the reasons has been surplus labour. It has been variously estimated by the research associations connected with the textile industry, that the surplus labour under various conditions of productivity utilisation of plant and machinery... (Interruptions)

DR. DATTA SAMANT : Specifically because of modernisation, we say that there

is retrenchment. Let us talk of that. Why the history and all that?

SHRI SOMNATH RATH : It will not satisfy us. He should answer to our questions and remove our misgivings.

DR. DATTA SAMANT : I have given you the figure of each mill that so many people were removed and so many looms were brought.

SHRI S. KRISHNA KUMAR : I was just giving the background.

SHRI HARISH RAWAT : Nobody is against modernisation. We are all for that.

SHRI S. KRISHNA KUMAR : Therefore, rationalisation of labour is one of the very important steps in nursing the textile industry back to health. As I have already stated, as a result of modernisation it is not necessary, it is not a *sine qua non* of modernisation that labour retrenchment is necessary... (Interruptions)

DR. DATTA SAMANT : All workers are being removed. We are giving you the figures. In Bombay Dyeing 1,000, in Morarji Mills 1,300. Every worker who is removed, is not adjusted by being given any work. Next year another 1,000 or 1,500 in Bombay will be removed because of modernisation, forget all other things. If you cannot do anything, say you cannot do anything.

SHRI SOMNATH RATH : We want a specific answer that after the introduction of the scheme, money having been given to the milli-owners, how many workers have been rehabilitated. We want answer to this specific question, not the policy.

SHRI S. KRISHNA KUMAR : You are mingling up too many specific questions. I am coming from the general to the particular. So, there is a question of surplus labour in the cotton textile industry in the country and against that background, in our efforts to nurse the industry back to health, there will be a certain amount of rehabilitation and rationalisation of labour, and that hard fact has to be faced. The textile policy itself lays

down the parameters under which the interests of the labour will be protected. In the case of closure of mills under certain conditions, the rehabilitation scheme will apply. In the case of modernisation of on-going mills, when a modernisation project is launched on the basis of viability, no the basis of project report, it is the responsibility of the management and the labour unions together to work out the norms of payment to the labour in the event of any labour being displaced. In the case of the National Textile Corporation for the rationalisation of labour for modernisation of otherwise, we are giving what is known as ex-gratia payment. In addition to the gratuity for which they are... (*Interruptions*)

DR. DATTA SAMANT : They are re-trenched. They are not given.

SHRI S. KRISHNA KUMAR : They are given double benefit. National Textile Corporation is giving to them.

If you are talking of 7000 and odd people who are not yet taken in Bombay, that matter is sub judice. I cannot answer that. But the National Textile Corporation has a rationalisation scheme. The interest of the labour is protected within this parameter. They will be entitled to the legal dues, also more than the legal dues especially which they get in the National Textiles Corporation.

This criticism is often raised—whenever a modernisation fund is set up and loans are sanctioned, the money is being given to the industrialists. We can only give loan through the National Labour Lending Institution, a legal body, which is the mill and the loan is sanctioned on the basis of the Project Report subject to the several conditions which are part of the loan. I would like to assure you on behalf of the Government that in the new modernisation policy. (*Interruptions*)

DR. DATTA SAMANT : In the Project Report... (*Interruptions*) When the worker is retrenched, what should be given? Is it not the duty of the Government to see to it if at all you want to do it?

SHRI S. KRISHNA KUMAR : Things are clearly laid down.

DR. DATTA SAMANT : Three types of loans and so much at the time of retrenchment is necessary. Is it not the duty of the Government to see that the retrenched worker will get the benefit?

SHRI S. KRISHNA KUMAR : The dues to which workers are entitled are clearly laid down in the law of the country. At the moment...

SHRI HARISH RAWAT : This reply even a Deputy Secretary could give.

SHRI S. KRISHNA KUMAR : We cannot make a commitment. We can give a reply only within the parameter of the textile policy. We would like to assure the Hon. Members that the modernisation fund will be very closely monitored through the nodal agency. In the nodal agency a representative of the State Government is also there—Industry Secretary or the Labour Secretary. We assure you that we shall take all possible precautions to ensure that the money sanctioned is utilised for the purpose for which it is sanctioned. I have to forcefully deny the various opinions voiced by Dr. Datta Samant on the net result of the application of the Textile Policy. The information with us conclusively show that the policy has been successful. (*Interruptions*)

MR. CHAIRMAN : Do not disturb.

DR. DATTA SAMANT : 3,000 workers have been retrenched because of modernisation. That is this policy.

SHRI S. KRISHNA KUMAR : Cotton-Textile export is increasing by leaps and bounds. There has been 400 million metres increase in the production of cloth in one year following the policy. The production has increased in the handloom and the power loom sector. In the mill sector there is stabilisation with a marginal decrease. It is only a marginal decrease.

DR. DATTA SAMANT : 600 million metres less.

SHRI HARISH RAWAT : Is it in the case of those mills who have got money for modernisation or are you giving the total figure ?

SHRI S. KRISHNA KUMAR : The total figure. In National Textile Corporation, I have said, we have spent Rs. 353 crores in the last eleven years. In the Seventh Plan we are spending Rs. 117 crores. We have asked for more money. That is the position with regard to the National Textiles Corporation mills.

The fundamental objective of the new textile policy is to increase the production of cloth and make available cloth to our people especially the weaker sections and the common man at affordable prices. *(Interruptions)* and increasing export are only auxiliary to this main objective.

In the last year, after the promulgation of the Textile Policy, it is seen with the rate of increase in production, the rate of increase of the price of cloth has come down. It is only 2.3 per cent and 1.4 per cent.

DR. DATTA SAMANT : No. In Bombay it has increased by 5 per cent.

SHRI S. KRISHNA KUMAR : In the case of cotton cloth and handloom cloth as against 5.1 per cent and 3.1 per cent in the

corresponding period of the previous year... *(Interruptions)*

DR. DATTA SAMANT : It is very difficult. Thousands of workers are dying. It is very difficult to hear all this. The best way is to walk out.

18.25 hrs.

(Dr. Dutta Samant then left the House)

SHRI S. KRISHNA KUMAR : The prices of blended cloth have dropped by 10 per cent, during this period after the announcement of the new textile policy.

Sir, the rationalisation of labour in the textile industry is necessary to protect the larger interests of the labour, modernisation is necessary to sustain India's textile economy so that we can compete not only in the export market, but to make available to our people larger production of cloth at cheaper prices by maintaining and increasing the productivity of the industry.

18.26 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, November 24, 1986/Agrahayana 3, 1908 (Saka)