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Friday, July 29, 1988  
Sravana, 7, 1910 (Saka)

# **LOK SABHA DEBATES**

## **(English Version)**

**Eleventh Session**  
**(Eighth Lok Sabha)**



सत्यमेव जयते

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

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## CONTENTS

[*Eighth Series, Volume XL, Eleventh Session, 1988/1910 (Saka)*  
*No. 3. Friday, July 29, 1988/Sravana 7, 1910 (Saka)*]

	COLUMNS
Oral Answers to Questions :	1—24
*Starred Questions Nos. 41, 43, 44, 46, 47, 52 and 53	
Written Answers to Questions :	24—288
Starred Questions Nos. : 45, 49 to 51 and 54 to 60	24—31
Unstarred Questions Nos. 338 to 461, 463 to 553 and 555 to 568	31—286
Papers Laid on the Table	288—294
Business of the House	294—303
Elections to Committees—	303—304
(i) Agricultural and Processed Food Products Export Development Authority	304
(ii) Tobacco Board	304
Discussion Under Rule 193—	304—341
Situation arising out of the recent publication of certain documents in a national daily in regard to the alleged payment of Commission in connection with the Bofors Contract—	
Shri K.C. Pant	304
Statement Re : Prime Minister's visits abroad during June and July, 1988—	341—349
Shri P.V. Narasimha Rao	341
Food Corporations (Amendment) Bill—	349—351
Motion to consider—	
Shri Ramswaroop Ram	349
Shri B.B. Ramaiah	350
Bills Introduced—	351—352
(1) Marriage (Curtailment of Expenditure) Bill by Shri G.S. Basavaraju	351
(2) High Court of Andhra Pradesh (Establishment of a Permanent Bench at Guntur) Bill by Shri V. Sobhanadreeswara Rao	352

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\*The Sign † marked above the name of a Member indicates that the Question was actually asked on the floor of the House by that Member.

	<b>COLUMNS</b>
(3) Aligarh Muslim University (Amendment) Bill (Amendment of section 8, etc.) by Shri Syed Shahabuddin	352
Reservation of Posts in Government Services and Seats in Educational Institutions (for Economically Weaker Section of People) Bill—	353—402
Motion to consider—	
Shri Vir Sen	353
Shri K. Ramachandra Reddy	365
Dr. Chandra Shekhar Tripathi	370
Shri K.D. Sultanpuri	378
Shri Bhadreswar Tanti	384
Shri Bapulal Malviya	388
Shri Mohd. Mahfooz Ali Khan	391
Shri Harish Rawat	393
Shri Maurice Kujur	396
Shri A.J.V.B. Maheswara Rao	400

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## LOK SABHA DEBATES

### LOK SABHA

Friday July 29, 1988/Sravana 7, 1910  
(Saka)

*The Lok Sabha met at Eleven of  
the Clock.*

[MR. SPEAKER *in the Chair*]

#### ORAL ANSWERS TO QUESTIONS

[English]

##### Voting Age

\*41. DR. A.K. PATEL : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether Government have considered the question of reducing the existing minimum voting age of 21 years to 18 years with a view to widen the youth participation in democratic processes in the country;

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

(c) which of the democracies abroad are having 18 years as the minimum voting age ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) Yes, Sir.

(b) There is no such proposal at present.

(c) According to the available information, 78 countries are having 18 years as the minimum voting age.

DR. A.K. PATEL : Sir, I find great contradiction in the reply of the hon. Minister. In part (a) he says 'Yes, Sir' whereas in part (b) he says 'There is no such proposal at present.' I am told in many States of our country the age has been reduced for candidates to the local bodies like corporations etc. So, I would like to

know whether Government is going to seriously consider this question ?

SHRI H.R. BHARDWAJ : The question of reducing the age of voting has been under consideration in this country right from 1970. Several committees and sub-committees of the Cabinet have gone into this question and at no stage it was decided that the voting age should be reduced. The better wisdom of the Government on several occasions has been not to reduce it.

DR. A.K. PATEL : In about 78 democratic countries of the world the voting age has been reduced but here in our country still the hon. Minister is reluctant. Is it because they fear that the youth of the nation will not vote for them that they are not reducing the age ?

SHRI H.R. BHARDWAJ : Sir, I am surprised to listen this. The voting age is prescribed under Article 326 of the Constitution and it has not been amended. In the local bodies several States are doing.

SHRI SHANTARAM NAIK : Sir, members of the Opposition parties normally ask this question under a presumption that they think the youth of the country are with them. It is a false notion. In the last 25 years it is seen that the entire youth including those who are in the range of 18-20 are largely working for the Congress.

My question is different. The hon. Minister said that this aspect was considered from time to time. I would like to know what were the considerations which made you to reject this proposal ?

SHRI H.R. BHARDWAJ : The voting age is prescribed by the laws of various countries. There are several countries where the voting age has been prescribed as 20, 21, etc. I was not a member of the Cabinet then but my information is that the question is by and large of literacy, namely, to what extent the literacy prevails in a country. These were the considerations in the study that was made. In our country the laws of election are always discussed with the Elec-

tion Commission. In 1982, the Election Commission did not favour such a change. What I understand is that the letter of the Election Commission in 1982 considering the addition of number of the voters and all this was taken into consideration. It was not considered desirable to reduce the age at that time. But as I submitted, these questions are always under consideration.

Regarding the question of youth, we have tremendous confidence in the youth of the country and that has been exhibited right in the Parliament.

**SHRI M. RAGHUMA REDDY :** How many States are following the minimum voting age of 18 years in the local body elections? Has it come to the notice of the Government of India that Andhra Pradesh, Karnataka, Kerala and some other States are following the minimum age of 18 years? Will the Minister ask the other States to follow the same?

**SHRI H.R. BHARDWAJ :** Sir, I may submit that under the scheme of the election law, the local body elections is the concern of the State. But if the hon. Member wants the information about in how many States' local bodies, the voting age was less than 20 years, I will get it done.

#### Losses Incurred by Coffee Board

\*43. **SHRI C. SAMBU :** Will the Minister of COMMERCE be pleased to state :

(a) whether the Coffee Board is incurring huge losses;

(b) if so, the amount of loss incurred during the past three years;

(c) the steps taken to overcome the losses and the results achieved; and

(d) whether the Coffee Board owns any coffee plantations and if so, the details thereof?

**THE MINISTER OF COMMERCE (SHRI DINESH SINGH) :** (a) to (d). A statement is given below.

#### Statement

(a) to (c). The Coffee Board as a whole is not incurring losses. However, its promotional units have shown excess of expen-

diture over income from time to time as follows :

Year	Difference in Receipts and payments
1985-86	(—) Rs. 2,43,35,954.66
1986-87	(+) Rs. 10,82,319.50
1987-88	(—) Rs. 76,06,104.10

Remedial measures include economy in expenditure and price revision in February, 1988.

(d) No Sir, the Coffee Board does not own any Coffee plantations. It has, however, experimental plots attached to the Research Institutes, Regional Research Stations and Coffee Demonstration Farms spread over approximately 370 hectares.

**SHRI C. SAMBU :** I would like to know from the hon. Minister whether there is any proposal to establish experimental plots attached to the research institute to promote the coffee plantation in Andhra Pradesh.

Is it a fact that the Government of Andhra Pradesh has recommended to the Union Government to promote the coffee plantation particularly at Arku valley in Visakhapatnam?

**SHRI DINESH SINGH :** We shall be very glad to assist in the promotion of coffee wherever it is possible. I cannot say specifically about the place that the hon. Member has mentioned. But I can assure him that we shall be glad to assist in the coffee plantations wherever they are to be done.

**SHRI C. SAMBU :** I would like to know from the Minister whether there is any proposal with the Union Government to set up Coffee Board canteens in every district headquarters to provide employment to the poor people, especially women.

**SHRI DINESH SINGH :** No, Sir; we are not proposing to increase these canteens immediately.

**SHRI MULLAPPALLY RAMACHANDRAN :** According to a recent judgement of the Supreme Court, the Coffee Board has to pay a huge amount to the Government of Karnataka by way of purchase tax.

I would like to know from the hon. Minister the exact amount which the Coffee Board is required to pay to the Government of Karnataka.

I would also ask the hon. Minister whether the Ministry will request the Karnataka Government to write off the purchase tax keeping in view the grave financial crisis of the Coffee Board.

**SHRI DINESH SINGH :** Sir, the Coffee Board has already remitted a sum of Rs. 24.53 crores towards the purchase tax to Karnataka Government. They will have to pay another Rs. 24.53 crores in equal instalments. This matter has been taken up by us with the Karnataka Government.

**SHRIMATI D.K. THARA DEVI SIDDHARTHA :** Is it a fact that the Coffee Board does not have a chairman for over one year? When is the decision likely to be taken in view of the fact that problems of the coffee growers can be handled effectively only when the chairman is there?

**SHRI DINESH SINGH :** We hope to have a chairman soon.

**SHRI V.S. KRISHNA IYER :** During the last session, an assurance was given on the floor of this House that the chairman would be appointed by the end of the session. It is now nearly three months but the chairman has not been appointed. The enormous losses of the Coffee Board are due to the fact that there is no proper organisation. (*Interruptions*) Will the Minister assure us that the chairman will be appointed by the end of this month?

**SHRI DINESH SINGH :** We will see to it soon.

**SHRI D.P. JADEJA :** Sir, India's share in the export of coffee is hardly one per cent compared to the export situation all over the world. The main reason for India not being able to export is because of the purchase tax and secondly this is one commodity on which the Central Government also levies an export duty. To increase the export of coffee, will the hon. Minister assure us that they will consider these two points, that is, the abolition of purchase tax and the abolition of export duty on coffee,

**SHRI DINESH SINGH :** The purchase tax is not in our hands. It has been levied by the Government of Karnataka. So far as the cess is concerned, we shall bear in mind the suggestion made by the hon. Member but may I say that this is not an impediment to the export of coffee? Export of coffee is governed by a quota that has been given to us.

#### Increase in Salinity

\*44. **SHRI D.B. PATIL :** Will the Minister of WATER RESOURCES be pleased to state :

(a) whether salinity in land is on the increase all over the country because of over-utilisation of water;

(b) if so, the efforts made to desalinate such land, amount earmarked and amount spent thereon during 1987-88; State-wise; and

(c) which States are worst affected in this regard?

**THE MINISTER OF LAW AND JUSTICE AND MINISTER OF WATER RESOURCES (SHRI B. SHANKARANAND) :**

(a) The problem of salinity has been experienced in some parts of the country.

(b) The remedial measures taken include leaching of affected soils and adding drainage facilities and lining of canals in command areas. These generally form components of different programmes implemented by the States for which separate accounts are not maintained.

(c) Uttar Pradesh, Gujarat, West Bengal, Rajasthan, Punjab, Maharashtra and Haryana.

**SHRI D.B. PATIL :** From the reply that has been given by the Government, it appears that the Government is not serious about the enormity of the problem of salinity in land which is caused by water logging and over-utilisation of water as well as over withdrawal of ground water. It also reflects the callous and cavalier attitude of the Government about the salinity because according to the recent study, it has been observed that about ten million hectares of cultivated land is water-logged. 25 million hectares of cultivated land is affected by salinity and 36

per cent of canal irrigated area may go out of cultivation due to water-logging and salinity or both. These are the findings of the study made by some experts. It seems that the Government is not serious about the problem. Salinity is caused because of over-utilisation of surface water and over-drawing of underground water. I have quoted the figures from the recent findings also. If you compare these figures with the total irrigation potential, then it will be clear how serious the problem is. At the end of the Sixth Plan, the total potential of about 67.5 million hectares was created from major, medium and minor irrigation. It means that more than 50 per cent of the land which is cultivated under irrigation is being turned into uncultivated because of this salinity. What is the Government doing in this matter ?

**SHRI B. SHANKARANAND :** It would not be wholly correct to say what the Hon. Member said that the salinity in the country is entirely on account of over-utilisation of water. As I have said in my reply, we have been experiencing the problem of salinity in certain irrigated command areas and this is because of the development of irrigation facilities without adequate drainage arrangement and improper water management practice and congestion in drainage which leads to salinity problem. What the hon. Member has referred to the figures about the saline affected land, I agree to it but it is not entirely on account of irrigation.

**SHRI D.B. PATIL :** It is a matter of common knowledge that rich farmers over-utilise the water sometimes by stealing water from the canal. There are thefts of water in many States. Even when there are complaints of large scale about theft of water, Government is not taking serious action because of the influence of the rich farmers on the State Governments. Water is scarce in our country for irrigation and drinking purposes. Certain sections of the farmers utilize water more than their share. Will the Government think of distributing the water equitably, if not equally, to the farmers so that over-utilization of water is not there and problems of salinity and other problems are avoided ?

**SHRI B. SHANKARANAND :** The supplementary of the hon. Member is remotely connected with the main question. Still I venture to answer it.

**MR. SPEAKER :** It is a very valid and good point, I think.

**SHRI B. SHANKARANAND :** The hon. Member has mentioned about the over-utilization of water by stealing it. I agree that equitable distribution of water is, of course necessary. But economical usage of water, optimal utilization of water is necessary and which could be achieved mainly by water cooperative methods by farmers.

**MR. SPEAKER :** We have to introduce better ways to utilize the water, minimum use of water for the maximum benefit.

[Translation]

**SHRI SHANTILAL PURSHOTTAM-BHAI PATEL :** Mr. Speaker, Sir, May I know what the Government proposes to do about the increasing salinity of underground water in Gujarat ?

**MR. SPEAKER :** How is the Government going to control the increasing salinity ?

[English]

**SHRI B. SHANKARANAND :** In certain areas of the country, specifically the irrigated areas, where the ground water level is rising, there is a danger of the soil being affected by salinity and conjunctive use of water is the only method of controlling it.

[Translation]

**PROF. CHANDRA BHANU DEVI :** May I know from the hon. Minister how many hectares of land in Bihar has been affected by salinity due to over-utilisation of water ?

[English]

**SHRI B. SHANKARANAND :** I have the figures with me about the area occupied by salt-affected soil, and according to the list with me, the area occupied by salt affected soil in Bihar is 0.04 lakh hectares and the percentage of this to the total cultivable area is 0.03 per cent.

[Translation]

**SHRI MOHD. AYUB KHAN :** Mr. Speaker, Sir, you are aware that Rajasthan too has a large area, particularly in Jhujhunu



and Sikar, which is occupied by salt affected water. How is the Government going to de-salinize this water? Will Jhunjhunu and Sikar get the benefit of Yamuna Canal? This issue is already under the consideration of the Government.

[English]

**SHRI B. SHANKARANAND** : All that I can say is that this is a suggestion for action.

**MR. SPEAKER** : Do take action.

**Surplus Labour in NTC Mills**

\*46. **SHRI SATYAGOPAL MISRA** : Will the Minister of TEXTILES be pleased to state :

(a) whether there are any surplus workers in National Textile Corporation mills all over the country; and

(b) if so, the number thereof and the steps taken by the National Textile Corporation authority to absorb them usefully?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA)** : (a) Yes, Sir.

(b) According to a study undertaken in NTC mills 29,859 workers have been identified as surplus. NTC have no plans to absorb this excess labour force.

**SHRI SATYAGOPAL MISRA** : Sir, when the new Textile Policy was announced we predicted correctly the fate of the entire Textile industry of our country. In his reply the Hon. Minister has admitted that in NTC mills about 30,000 workers have become surplus and in other organised textile mills more than 80,000 workers have become surplus due to the faulty National Textile Policy. Sir, altogether at present 1,10,000 workers in organised mills including NTC have become surplus. This is a very grave situation. But how these workers have become surplus?

Sir, before nationalisation there is no reason to believe that the private management recruited surplus workers in their mills.

**MR. SPEAKER** : Put the question.

**SHRI SATYAGOPAL MISRA** : I am putting the question. The shortage of working capital, indifferent attitude of different nationalised banks and other financial

institution, mis-management, corruption, problems of marketing, all this has resulted in the sorry state of affair in the National Textile mills.

**MR. SPEAKER** : Are you putting some question or stating some facts here.

**SHRI SATYAGOPAL MISRA** : I am coming to it, Sir. All the burden has been shifted to the poor workers. All the trade unions including INTUC have protested against this. I am making an alternative proposal.

**MR. SPEAKER** : Do not make proposal, put the question.

**SHRI SATYAGOPAL MISRA** : I will ask the Hon. Minister to consider my proposal. Whether the Government will consider the proposal of absorbing the so called excess man-power by expanding the activities of the NTC mills, by providing necessary working capital, by establishing corruption free proper management and ensuring sufficient orders?

**SHRI RAM NIWAS MIRDHA** : When I say that 29,859 workers have been identified as surplus, it does not mean that they are out of jobs. They are working in the NTC mills. They have not been retrenched. They are being paid wages in normal way. But according to certain norms of running a mill in a proper way, this staff is surplus and if this staff is reduced, our profit would increase. So, the first thing I want to say is that they are not out of job; they are working with us. They have been identified as surplus and we have certain schemes which we are implementing in consultation with the trade unions about rationalisation and we are giving them benefits of premature retirement or things of that nature.

The Hon. Member wants to know if the Government can improve the working capital investment. The main problem why these mills since nationalisation have not been able to work properly, efficiently and profitably is that when they were taken over, they were very old and they had antiquated machinery. That was the reason why the previous management failed and we took them over for running them in a proper way to save employment. But the amount of investment that was necessary, and which even now is necessary to rehabilitate these 124 and odd mills, is a staggering figure

which due to our Budget constraint is not being made available to us. Whatever little is being made available to us for modernisation, half of it goes into improving the structure. Some of the sheds are just crumbling. They are hundred years old. Then, boilers have to be replaced which is a statutory requirement. The setting up of effluent Plants which is also a statutory requirement has also to be done and installed. So, whatever money is given to invest in the name of modernisation goes into this because over the years we have not been able to modernise and we are incurring losses. We are examining various ways of reducing those losses and we are in consultations with the Labour Unions. We are formulating certain schemes.

**SHRI SATYAGOPAL MISRA :** I am also not saying that 30,000 workers are at present out of job but the NTC has taken up a scheme to retrench the workers. It is known as the Golden Handshake Scheme. They will ask the workers to take some money and go. This is their scheme. May I know from the hon. Minister whether it is not a fact that the NTC has prepared a blueprint to amalgamate its 66 subsidiaries into 23 units by closing down 59 units and retrenching 30,000 workers? Is it also not a fact that the NTC has prepared a plan to sell some of its available land in the cities of Bombay, Calcutta, Madras, Bangalore, Kanpur and Delhi in order to collect money to be given to the retrenched workers? If so, what is the reaction of the Government?

**SHRI RAM NIWAS MIRDHA :** The management of the NTC considers various options from time to time for improving the profitability of their mills. Sometimes, it may be the voluntary retirement scheme, which has been going on for a long time. Another option is amalgamation. Suppose there are three or four or five factories within a couple of kilometres, what is wrong if you ask to merge them together? By doing so, there will be less overheads, there will be some surplus land available to sell, there will be better management and with better management, there will be better profitability and better employment of the labour. Employment will certainly continue. Therefore, it is in the long term interests of the labour to see that efficiency improves, productivity improves and profitability

improves. These are some of the things which the NTC would consider, which I am sure, any normal good management would.

**SHRI SHARAD DIGHE :** It is true that presently, these 29,859 labourers are not unemployed. But the way in which news appears in the papers, regarding the merger of these mills and the inflated losses of these NTC mills, it is clear that sooner or later, all these employees are going to be unemployed and there is going to be more unemployment.

Firstly, I would like to know from the hon. Minister as to when this study to find out the surplus labour was undertaken. Who has found this out and in which year and on what basis has it been decided that this is the surplus labour? According to me, in order to placate the management and to cover up their inefficiency, they have shown this only factor of surplus labour as the reason for the losses of these Mills. Therefore, I would like to know as to when this has been found out, who found it out, that is, who the members of this study group are.

Secondly, I am very much shocked to see the blunt answer of the Minister that the NTC have no plans to absorb the excess labour. What is the idea of the Government? Are all these labourers to be thrown to the winds ultimately? Should unemployment increase? Instead of that, would the Government undertake a national long term plan evolving a nation-wide scheme of re-training these labourers, whereby even if there is some surplus labour, they will be absorbed in some industry or the other?

**SHRI RAM NIWAS MIRDHA :** I have made it very clear that these 29,859 workers are not surplus in the sense that they have been sent home. They are working with us. An internal study—I will tell you as to who conducted this study—showed that according to the normally accepted norms of working, this is the number of labourers which is found to be surplus. And I may tell you that these are not any outside norms. These are the norms of a good NTC Mill. Even among the NTC mills, there is a tremendous difference between good NTC mills and not so good NTC mills, with regard to efficiency, man-machine ratio, etc. So, from the point of these normal norms, this number of labourers is

found to be surplus. But there is no question of absorbing them because they are already there.

As regards who conducted the study, I may tell that in 1982 the South India Textile Research Association (SITRA) was entrusted with the detailed study on excess labour complement in each mill, to work out the excess labour complement under certain conditions. This research organisation took two years to study the whole thing. They have come out with this report.

Another difficulty arises when you modernise the mills. If you have fast looms, that also will lead to surplus labour. So, surplus labour at a particular time is a continuing thing. If you modernise, you get surplus labour because the fast looms should not have as many workers per loom as you have in the old looms. So this is a continuing thing which we are trying to do.

The last question which the hon. Member has put was regarding the long term plan. We have a Textile Policy of 1985. We appointed a Committee under the Chairmanship of Mr. Abid Hussain in which the working of the Textile Policy as of now is being reviewed and I do hope that they would come with certain suggestions which would meet the needs of the situation.

**SHRI VEERENDRA PATIL :** I am sorry to say that the reply is not at all convincing. The Minister has admitted that there is a surplus of nearly 29000 and at the same time, he informed the House that all the surplus labour is still working. If the labour is surplus, if it is still working, that only shows the mills in which they are working, they are only a liability and because of them, the mills are incurring losses. So if they incur losses, after some time the mills will be closed down. It may be a question of a few months. We learn from the papers and from other information also that a number of NTC mills and other mills are being closed down and lock-outs are being declared and such other things are happening. So, if they say that they are surplus and at the same time, if they admit that the Government has no proposal to absorb them, then this is not a solution at all. So what I want to know is, if they are surplus, whether the Government is thinking

of rehabilitating them. Those who are prepared to retire, let them retire. You can give more incentives for them so that they can offer voluntary retirement. What about those people who are still young, who have got another 15-20 years of service, who can do some service? I want to know whether the Government has got any proposal to rehabilitate them.

I can give you a suggestion. Those who are surplus, for them, they can allot these powerlooms on co-operative basis. Let them run the powerlooms. Let the financial institutions advance finances to them and if they are provided with other facilities, I think it is possible for them to run these powerlooms on a co-operative basis. Why not Government think seriously about rehabilitating those people who are surplus already or who are going to be surplus in the near future?

**SHRI RAM NIWAS MIRDHA :** I will react to the last question straightway and say that if the trade unions are prepared for the type of solution that the hon. Member has suggested that they are prepared to start powerlooms, we will be able to give free looms from our own mills, help them set up those powerlooms and get them financial assistance also. This offer is open for anyone who wants to take care of that. We would certainly do that. This is one of the items which we have. We are going further. We will have dialogues with the trade unions at all levels, including at the national level to discuss this problem. If some sort of a co-operative of the workers can take up this work it will be good. When I say co-operative of the workers, that does not mean that we wash our hands off it. We can help them in every possible way—technically, financially from the banking side and so on. So welfare of the labour is the prime consideration, not that we are running away from it. About the scheme of amalgamation which renders them surplus, it would be discussed with them and every effort would be made to give them enough compensation so that they can rehabilitate themselves.

#### Construction of Narmada Sagar Dam

**\*47. SHRI RAM BAHADUR SINGH :** Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the construction of proposed Narmada Sagar Dam has been stopped, if so, the reasons therefor;

(b) whether a large number of environmentalists have made it public that the proposed Dam would entail massive deforestation, soil erosion, siltation, pollution, destruction of wild life and displacement of thousands of tribals from their traditional habitat; and

(c) if so, whether Government propose to divert or change the plans of the Narmada Sagar Dam ?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF WATER RESOURCES (SHRI B. SHANKARANAND) : (a) No, Sir.

(b) Some communications were received expressing concern on environment aspects of the project, and the whole matter was carefully examined and conditions were specified in the clearance given by the Centre from the environment angle. These conditions are being regularly monitored by the Narmada Control Authority.

(c) No, Sir.

[Translation]

SHRI RAM BAHADUR SINGH : Sir, the answer says that some communications were received expressing concern on environment aspects of the project and the whole matter was carefully examined and conditions were specified in the clearance given by the Centre from the environment angle. These conditions are being regularly monitored by the Narmada Control Authority. May I know what those conditions are and if the monitoring is being done on a regular basis, why are environmentalists opposing the project ?

[English]

SHRI B. SHANKARANAND : I would like to inform the hon. Member that the environmental clearance for this project was given after the Prime Minister held meetings with the Chief Ministers of the States—especially Madhya Pradesh and Gujarat. It was on 13th April 1987, and clearance was given on certain conditions; and those conditions, if I can inform the House, are :

(1) that the Narmada Control Authority, after it is reconstituted, will ensure that environmental safeguard measures are planned and implemented *passu* for the progress of work on the projects. It is a continuous process, and this work of the Committee, of overseeing the aspects of environment, will continue till the process is completed.

(2) The detailed surveys/studies will be carried out as per the schedules proposed, and details made available to the Department for assessment.

(3) The Catchment Area Treatment Programme and the rehabilitation plans be so drawn as to be completed ahead of reservoir-filling.

(4) The Department should be kept informed of progress on various works periodically.

This was done in June 1987. After that, the clearance under the Forests Act was also given in October 1987. Conditions were put *viz.* that before they take it up, all these conditions are to be fulfilled by the State Governments. So, I can assure the House that all aspects of environment will be taken into consideration, including rehabilitation and re-settlement of the people.

[Translation]

SHRI RAM BAHADUR SINGH : The second thing I want to say is that setting up of the Narmada Sagar Project entails acquisition of a lot of fertile land. This is causing resentment among the farmers and they are opposing the project. May I know whether the Government propose to change the site of the Narmada Sagar Project to some less fertile land ?

[English]

SHRI B. SHANKARANAND : To this, I have already replied in the main answer, *viz.* that we are not going to change the plan.

[Translation]

SHRI MANIKRAO HODLYA GAVIT : Through your good offices I want to say that Sardar Sarovar in Gujarat is situated

on river Narmada and this project will lead to large-scale deforestation and displacement of tribal settlements in Maharashtra, Madhya Pradesh and Gujarat. May I know if the Government intends to stop the construction of the Sardar Sarovar dam on the same lines as the construction of Narmada Sagar Dam is being considered to be stopped.

[*English*]

**SHRI B. SHANKARANAND** : This question is about Narmada Sagar, and not about Sardar Sarovar; but in spite of that fact, I would like to inform the House that all aspects of protection of environment and rehabilitation of people affected, will be taken care of.

[*Translation*]

**SHRI RANJIT SINGH GAEKWAD** : Mr. Speaker, Sir, river Narmada is considered as the lifeline for the people of Gujarat. There is a proverb in English which says—

[*English*]

“Strike the iron while it is hot”.

[*Translation*]

Keeping this in mind and considering the past three years of drought in Gujarat, will the Government accord priority to this project so that the work is executed quickly ?

**MR. SPEAKER** : Please get it done quickly.

[*English*]

**SHRI B. SHANKARANAND** : The hon. member has asked a question about Sardar Sarovar. But the question here is about the Narmada Sagar Dam. Even then I would say that we are also equally keen in completing the project in time and I also share the anxiety of the hon. member for the completion of the project in time.

**SHRI SRIBALLAV PANIGRAHI** : What is the cost-benefit ratio of this project ? Since in all big river valley projects large sums of money are involved and also the problem of submergence and rehabilitation of villages, is the government considering or asked to consider taming of tributaries where the degree of submergence is negligible and the cost benefit ratio in many cases is almost the same as available after

taming big projects directly ? Would they also consider invariably the aspects of other big river valley projects ? About taming of tributaries, if it is not feasible from the cost benefit ratio point of view, would they also take up the proposal of taming big rivers ?

**PROF. N.G. RANGA** : That has been delayed for decades now.

**SHRI B. SHANKARANAND** : The hon. member has answered the question partly by himself by suggesting certain things by taming some rivers. He has suggested that quick action should be taken while completing the project. As far as cost benefit ratio is concerned, the State Government is yet to submit their revised project report giving the cost benefit ratio. Only then I will be able to give it to the House.

#### Improvement in Export Performance

\*52. **SHRI RAM PYARE PANIKA** : Will the Minister of COMMERCE be pleased to state :

(a) whether the trend of the country's export performance is showing improvement on expected lines;

(b) if so, what steps are being taken or contemplated to further improve the export performance; and

(c) if not, the reasons therefor ?

**THE MINISTER OF COMMERCE (SHRI DINESH SINGH)** : (a) Yes, Sir. According to provisional figures available, exports have shown a satisfactory growth of 25.3% during fiscal year 1987-88.

(b) and (c). Government have already taken a series of initiatives designed to generate surpluses for export, to induce production of goods internationally contemporary in technology and competitive in prices, and to make exports more profitable.

**SHRI RAM PYARE PANIKA** : Due to persistent efforts made in the Commerce Ministry, in spite of unprecedented drought—I want to congratulate this Ministry—they have not only fulfilled the target for export but have also exceeded it. But due to absence of monitoring and coordination between the different Ministries in some areas, there is an impediment increasing

exports especially in marine products and other areas. Is the hon. Minister going to establish a High Level Committee to see that the entrepreneurs are not put to difficulties in getting the clearance from different Ministries to start the export-oriented industries in the country?

**SHRI DINESH SINGH** : I am grateful to the hon. Member for the compliments which he has paid to the Ministry and in fact to the exporters. I must say that they have done very good work. So far as the difficulties experienced by exporters are concerned, may I say that the procedures have been very greatly simplified and the export promotion councils are there to help the entrepreneurs in the export of the commodity or goods they may be interested in?

**SHRI RAM PYARE PANIKA** : I do not mean that there is any difficulty in your Ministry, but there are Ministries like Finance and others which even after clearance from your Ministry, take a long time to clear. I have a specific example here, that some people were trying to get these marine products into the country, but they have not been helped by the Finance Ministry.

So, I want a specific reply, because the Government of India has laid down some norms for the purpose, but they are not being observed by the different Ministries. So, I want to request the Minister that he should see that even with regard to the other Ministries, the exporters do not find difficulty in getting the clearance.

**SHRI DINESH SINGH** : Yes, I understand the point the hon. Member has made. An Empowered Committee of Secretaries has been set up to coordinate the activities of all the concerned Ministries to promote exports.

**SHRI THAMPAN THOMAS** : Exports have gone up by 25 per cent and imports by 11 per cent last year but I want to point out that export of cashcrops like cashew and coir—coir is not a cash crop—has gone considerably low. It has reduced, or dwindled to a very great extent. At the same time gems and jewellery and leather goods have gone up in export and also iron ore. I would like to ask the hon. Minister whether items which provide job opportuni-

ties to people here, like iron ore, are being sent out, and while such things are being exported, steel is being imported. Though there is an overall increase of 25 per cent in the exports of goods like polished gems and leather goods and all that, will the Government consider a proposal that such things which provide job opportunities for the people in the country and other items like coir and yarn etc. are prohibited from export, so that more job opportunities are created for people and also, export of such cash crops which are stimulated? Will the Government consider such a proposal?

**SHRI DINESH SINGH** : I appreciate the hon. Member's suggestion that there should be more value added exports and our effort is to see that as far as possible they should be more value added exports. But it will not be possible to convert all the iron ore, for instance, that we have into semi-manufactures or manufactures to send them abroad. There are various limitations in that respect. While an effort is made to see that more and more value added exports take place, the exports of primary commodities also are necessary.

**SHRI E. AYYAPU REDDY** : It has been reported in the Press that there has been a steep fall in the foreign exchange reserves of the Government of India. How does the hon. Minister reconcile these news reports with his statement that there has been a healthy growth in our exports. Will he able to tell us whether our exports have overtaken our imports and to what extent our exports have overtaken our imports and what is the surplus in foreign exchange that we have been able to gain during this fiscal year?

**SHRI DINESH SINGH** : Our exports have not overtaken our imports. There is a big trade imbalance in our trade relations.

So far as the question of foreign exchange is concerned, I am sure my colleague, the Minister of Finance, will be able to give him a better reply.

**SHRI INDRAJIT GUPTA** : May I know from the hon. Minister whether the pattern of our export trade is being compelled under certain circumstances to undergo a change from the past? Mr. Thomas has pointed out that there is evidence to

show that the increase in exports is now-a-days mainly—not entirely—confined to articles which previously did not figure very largely in our exports such as jewellery, readymade garments, handicrafts, leather goods and all that. Whereas our traditional export items like tea, jute goods, leather, hides, I am sure, all these things have shown steep fall. So, I would like to know from him whether there is any trend towards any change in the export pattern and if so, how the Government proposes to step up our export performance in the light of these changes ?

**SHRI DINESH SINGH :** There is no change in the overall policy as such. Greater effort is being made to diversify our exports so that we are able to export more things than what we did in the past. We cannot depend only on the export of commodities. We are now trying very hard to export engineering goods, jewellery, and various other things that are made, which is a value added export instead of just exporting the primary produce. Our effort is to add value and then export it. But that does not mean that there is any less effort to export the traditional items. They are also being exported.

So far as the direction of exports is concerned, the old directions are being maintained and we are making effort to find new markets for our goods.

**RAO BIRENDRA SINGH :** Knowing what you would be interested in, Sir, so far as this question is concerned, I would like to ask the hon. Minister as to what steps have been taken by his Ministry to promote export of fresh fruits and vegetables. There is a very large scope for increasing the export of these commodities. Is it a fact that the subsidy for the export that is made available by the Commerce Ministry is only available to exporters of fruits and vegetables, the people who collect this produce from the cultivators. The farmers are not getting any benefit. Hundreds of crores of rupees are given as air freight subsidy, as transport subsidy, to the middlemen who only collect the produce from the farmers and no benefit flows out to the farmers.

Would the hon. Minister be pleased to state as to what scheme is he thinking of and what are the steps already taken by the

Commerce Ministry to try and prevent huge wastage of fruits and vegetables in the country just because it cannot be exported ? The farmers are not getting the benefit of any scheme formulated by the Commerce Ministry.

**SHRI DINESH SINGH :** There are two issues that hon. Member has raised. One is the question of support that we are giving for exports. May I say that we are making every effort to promote the export of fruits and vegetables ? In fact the export last year over the previous year, has gone up by 4.24 per cent. It is practically a new item as compared to the traditional items of the past and therefore more effort has to be made in this regard. Also there are certain rules and regulations which the importing countries have regarding import of fruits and vegetables, which at times become an impediment. But there is an Agricultural Produce Export Development Authority in the APEDA which is specifically responsible for assisting the export of fruits and vegetables.

The other question that the Hon. Member has raised is a rather basic one as to what is the profit of the producers as compared to that of exporters. Now, I do not have those figures with me but I dare say that there would be a difference. This is not only in the fruits and vegetables business but in all goods that are manufactured and sold. There is always a mark up between the cost of production and the sale price.

As regards assistance, Sir, the assistance is given only to offset any disadvantage that the exporter may have in comparison with the exporters from other countries. And, therefore, this system is required to be given only to make our goods competitive in international market.

#### River Basin Authority

\*53. **SHRI H.N. NANJE GOWDA† :**  
**PROF. RAMKRISHNA MORE‡ :**

Will the Minister of **WATER RESOURCES** be pleased to state :

(a) whether Government propose to set up a River Basin Authority for optimum utilisation of river waters in view of drought, floods and drinking water shortage in various parts of the country;

(b) if so, the time by which the proposed authority will be set up; and

(c) the powers and functions to be exercised by this Authority?

**THE MINISTER OF LAW AND JUSTICE AND MINISTER OF WATER RESOURCES (SHRI B. SHANKARANAND) :** (a) to (c). The National Water Policy recognises the need for establishing appropriate organisations for the planned development and management of a river basin as a whole. Since the matter involves both the Centre and States, and legislative measures would need to be taken, no specific time-schedule can be indicated.

**SHRI H.N. NANJE GOWDA :** Sir, while the National Water Resources Council was considering the National Water Policy, some of the Hon. Members of Parliament, more than 50, gave a memorandum indicating to consider about 13 to 14 important points while enunciating the National Water Policy. Now, you are telling that "Water Policy recognises...". That means you have finalised the National Water Policy. If that is so, I would like to know whether you have finalised the National Water Policy and the same is approved by the National Water Resource Council, if so, what are the salient features and when it is going to come for discussion and approval in this august House.

**SHRI B. SHANKARANAND :** Sir, I may tell for the benefit of the Hon. Member that the National Water Resource Council has finalised the National Water Policy on 9th September, 1987. The Prime Minister presided over the meeting and all the Chief Ministers of all the States, who were the Members, were also present.

With regard to the Memorandum that was submitted by M.Ps., as indicated by the Hon. Member, during the draft formulation of the policy itself these points were taken into consideration and all those aspects which are mentioned in the memorandum were considered and then the draft was formulated. It was finally adopted by the National Water Council.

**SHRI H.N. NANJE GOWDA :** Sir, the 22 per cent of the assessed drought area lies in Karnataka in Chitradurga region.

So, I would like to know whether the National Water Policy recognises the need to fully fund the Irrigation projects located in drought prone areas. If it is not considered, would the Minister assure us that he will take up the matter again with the National Water Resource Council and make it a policy to fully fund the projects in the drought prone areas?

**SHRI B. SHANKARANAND :** Sir, the Hon. Member's supplementary is entirely different because it pertains to funding of the project and it has nothing to do with the main question.

**SHRI V. SOBHANADREESWARA RAO :** Sir, about the optimum utilisation of water in the entire country I would like to know from the Hon. Minister whether the Government of India will take up a time-bound programme for clearance of several irrigation and power projects that are pending for approval with the Government of India because for several years this water is going wasted and is not being utilised in the fields. So, will the Government take up a time-bound programme to clear these projects? I want a categorical answer from the hon. Minister.

**SHRI B. SHANKARANAND :** Sir, it depends upon the time-bound programme adopted by the States in submitting their project reports.

**MR. SPEAKER :** Question Hour is over.

#### WRITTEN ANSWERS TO QUESTIONS

[English]

##### IDBI Assistance for Modernisation of Textile Mills

\*45. **SHRI VAKKOM PURUSHOTHAMAN :** Will the Minister of FINANCE be pleased to state :

(a) the total amount of assistance given by the Industrial Development Bank of India (IDBI) for the modernisation of textile mills in the country during 1987-88; and

(b) the names of textile mills which have received assistance along with the amount of assistance given to each mill?



THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :  
(a) and (b). A statement is given below.

**Statement**

(a) The Industrial Development Bank of India (IDBI) has reported that all India term lending financial institutions *i.e.* IDBI, IFCI, ICICI and IRBI have sanctioned assistance aggregating approximately Rs. 329.84 crores to 72 projects under the Textile Modernisation Fund Scheme (TMFS) for the modernisation of the textile mills in the country during 1987-88 (July-June).

(b) Under section 29 (1) of IDBI Act, 1964, it has been prescribed that the IDBI shall not except as otherwise required by the Act or any other law, divulge any information relating to, or to the affairs of its constituents.

**Workers Co-operatives for Revival of Sick Units**

\*49. SHRI GURUDAS KAMAT :  
Will the Minister of FINANCE be pleased to state :

(a) whether Government have decided to promote the concept of workers co-operatives to revive sick industries; and

(b) if so, the conditions therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :  
(a) and (b). Institutions and Banks take up rehabilitation of potentially viable sick units on the basis of packages finalised. If workers' Co-operatives bring up a scheme for revival of such units, the same are also considered.

**Interest on Bank Loans to Farmers**

\*50. SHRI VIJAY KUMAR YADAV :  
SHRIMATI USHA CHOU-  
DHARY :

Will the Minister of FINANCE be pleased to state :

(a) whether all commercial banks were directed vide Reserve Bank circular of 15th March, 1984 to ensure that the interest on

loans to small and marginal farmers never exceeded the principal;

(b) if so, whether it is a fact that legal action was taken against 14 farmers of Srikalahasti Mandal in Chittoor district Andhra Pradesh for failing to repay agricultural loans, exceeding the principal, taken from the State Bank of India;

(c) if so, the details thereof; and

(d) the remedial steps being taken to help these poor farmers ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :  
(a) to (d). A Statement is given below.

**Statement**

(a) Reserve bank of India has issued instructions to all commercial banks that interest debited to an account should not exceed the principal amount in respect of short-term advances to small and marginal farmers.

(b) to (d). The information is being collected from State Bank of India and would be laid on the Table of the House.

**Setting up of a Bench of Kerala High Court at Trivandrum**

\*51. SHRI A. CHARLES : Will the Minister of LAW AND JUSTICE be pleased to refer to the reply given on 15 April, 1986 to supplementaries on Starred Question No. 679 regarding State Capitals with High Court or Bench and state :

(a) whether necessary enquiries about the request of Kerala Government for establishment of a Bench of the High Court at Trivandrum have since been made;

(b) if so, the factual position in the matter; and

(c) the steps taken to expedite the setting up a bench of Kerala High Court at Trivandrum ?

THE MINISTER OF LAW AND JUSTICE AND MINISTER OF WATER RESOURCES (SHRI B. SHANKARANAND) :  
(a) Yes, Sir.

(b) and (c). The Government of Kerala sent a proposal for a High Court Bench at

Trivandrum in 1971; they were asked to complete the statutory consultations. The general recommendations of the Jaswant Singh Commission were also sent for their guidance. The question of taking further action in the matter will arise only after receipt of the State Government's views.

**USSR Offer to Purchase Jute from India**

\*54. SHRIMATI KISHORI SINHA : Will the Minister of TEXTILES be pleased to state :

(a) whether the Soviet Union has offered to fulfil its commitment regarding jute purchase from India this year;

(b) in view of last year's experience of a 20 per cent fall in the Soviet offtake of jute, whether these assurance have been built into the Indo-Soviet trade protocol; and

(c) if not, the other steps taken to ensure that jute offtake does not come down ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) All efforts are made by Soviet Union and India to fulfil the Trade Plan Commitments every year.

(b) and (c). A high level delegation has visited Soviet Union for discussing the trend of exports with a view to taking appropriate steps for consolidation and improvement. During 1988, USSR has already purchased more than 50 percent of the Trade Plan provisions so far.

**Scheme to Control Budgetary Deficit**

55. SHRI SAIFUDDIN CHOWDHARY : Will the Minister of FINANCE be pleased to state :

(a) whether Government have any scheme to control its budget deficit at a reasonable limit this year; 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 is determined to contain budgetary deficit at

a reasonable level and is taking all possible measures. Suitable instructions for containing expenditure have already been issued and a close watch is being kept on various trends of expenditure with a view to taking corrective action.

**Export of Gems and Jewellery**

\*56. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

(a) the amount earned by export of gems and jewellery in last three years, year-wise; and

(b) the steps taken or contemplated by Government by intensifying marketing efforts to further boost up the export of gems and jewellery ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) and (b). A statement is given below.

**Statement**

(a) The value of exports of gem and jewellery for the past three financial years are as under :

	(Rs. Crores)
1985-86	1507.94
1986-87	2132.27
1987-88	2652.47 (Provisional)

(b) The gems and jewellery export policies are being continuously reviewed and appropriately modified to provide a pragmatic framework for entrepreneurs to secure larger share of the world market. These include facilities for manufacture of jewellery in export oriented complexes with liberal fiscal and trade regime, besides the facilities of advance licensing for carat gold and gold findings for export production, allowance for gold manufacturing loss, benefit of Gem REP licences etc. The special marketing efforts for further promotion of exports of gem and jewellery include, *inter alia*, country specific market surveys, organising exhibitions and participation in fairs abroad, visit of foreign experts to India to develop new designs etc.

**Mopping up of Resources through Administered Prices**

\*57. SHRI SURESH KURUP : Will the Minister of FINANCE be pleased to state :

(a) the amount of additional resources mopped up through administered prices this year; and

(b) the share of States out of these additional resources ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) There have been no significant revisions in administered prices during the current financial year. In any case, revisions in administered prices are generally not effected, for mobilising additional resources for budgetary purposes.

(b) Does not arise.

**RBI Guidelines to Banks Regarding Rural Lending**

\*58. SHRI PARASRAM BHARDWAJ : SHRI R.M. BHOYE :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has issued comprehensive guidelines for speedy implementation of the scheme of assigning specific areas to each bank branch to improve the quality and productivity of rural lending; and

(b) if so, what are the guidelines issued and the features of the scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). A statement is given below.

**Statement**

(a) and (b). Reserve Bank of India has issued guidelines to all scheduled commercial banks on the implementation of service area approach which involves assigning of specific villages to individual bank branches located at rural and semi-urban centres. The guidelines issued broadly involve the following :

(i) Identification of the service area for rural/semi-urban branches.

(ii) Survey of the villages included in the service area for assessing the credit potential taking into account the schemes suited to the area, the skills of the prospective beneficiaries and infrastructural facilities available.

(iii) Preparation of a credit plan on an annual basis for the service area.

(iv) Ensure effective coordination between credit institutions and field level developmental agencies in the implementation/monitoring of the credit plan.

**Committee to Review the Textile Policy**

\*59. SHRI BALASAHEB VIKHE PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether a Committee has been set up by Union Government to review the current textile policy; and

(b) if so, the composition and the terms of reference of the Committee ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) A Statement containing the Government Resolution dated 13.5.88 constituting the Committee is laid on the Table of the House.

[Placed in Library See No. Lt 6340/88]

**[Translation]**

**Decline in Foreign Exchange Reserves**

\*60. DR. CHANDRA SHEKHAR TRIPATHI : SHRI ANANDA PATHAK :

Will the Minister of FINANCE be pleased to state :

(a) whether there has been a considerable decline in the foreign exchange reserves of the country in the recent past;

(b) if so, to what extent and the reasons therefor;

(c) whether Government propose to take some special steps for making up this shortfall; and

(d) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). A statement is given below.

**Statement**

(a) to (d). India's foreign exchange reserves (excluding Gold and Special Drawing Rights) declined by Rs. 358.03 crores in 1987-88, During the period 31st March to 22nd July, 1988 these reserves declined by Rs. 1877.31 crores as compared to a decrease of Rs. 823.17 crores during the comparative period of 1987. The Balance of Payments Statistics are maintained by the Reserve Bank of India. However, because of operational reasons, there is a time lag of about 12 months before figures can be firmed up. The trends however indicate that the fall in reserves can be substantially attributed to :

- (i) Increase in imports of bulk commodities such as Diesel, edible oils, Steel (for pipe manufacture) and wheat necessitated by the unprecedented drought.
- (ii) The rise in international prices of principal industrial raw materials/ components also contributed to the increased outgo on imports.
- (iii) Increased debt servicing commitments.

Government are taking suitable steps to meet the situation.

[English]

**Flood Restoration Work in Malda, West Bengal 1988**

338. SHRI ZAINAL ABEDIN : Will the Minister of FINANCE be pleased to state :

(a) whether the second central study team for flood restoration work in West Bengal has submitted its report;

(b) if so, when and the amount recommended by the study team;

(c) whether the amount has been paid to the State;

(d) if so, when; and

(e) if not, the reasons for the delay ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). A second Central study team visited West Bengal from 25th to 28th November, 1987 and submitted its report on 11th December, 1987. Based on the report of the Central team and recommendations of the High Level Committee on Relief, a ceiling of expenditure of Rs. 13.40 crores was sanctioned to the Government of West Bengal to be spent upto 31.3.1988 for meeting the expenditure necessitated by flood during 1987-88.

(c) and (d). Based on the expenditure details furnished by the State Government in June, 1988, an amount of Rs. 9.25 crores was released to the State Government on 20th June, 1988 being 75% of the admissible expenditure in accordance with the existing pattern of assistance for flood relief.

(e) Does not arise.

**Export of Farm Products**

339. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) the details of farm products being exported;

(b) whether there is a great demand for Indian farm products in foreign countries; and

(c) if so, the steps being taken to increase the farm products to boost export during the Seventh Five Year Plan ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). Exports of farm products has shown significant growth in recent years. A Statement indicating export of major agricultural commodities as per provisional estimates is given below. Steps being taken to increase export include grant of Cash Compensatory Support (CCS) and REP on various agricultural items, visits by trade delegations abroad and improvement of infrastructural facilities.

Sl. No.	Statement	QTY : MTs. Values : Rs. Crores					
		1985-86		1986-87		1987-88	
		Quantity	Value	Quantity	Value	Quantity	Value
1.	<i>Cereals</i>						
	(a) Wheat	—	55.49	4,39,105	74.81	4,91,644	75.68
	(b) Basmati Rice	2,35,213	173.23	2,37,153	206.78	3,66,111	339.98
	(c) Non-Basmati Rice	—	—	02,689	1.32	67,985*	35.14
2.	<i>Tobacco</i>						
	(a) Unmanufactured	74,941	161.29	75,019	171.84	61,418	116.30
	(b) Manufactured	64,433	159.98	66,824	144.87	48,111	96.98
	(b) Manufactured	10,508	21.31	08,195	26.97	13,307	19.32
3.	<i>Spices</i>	74,501	282.52	82,826	281.99	67,432	286.78
4.	<i>Cashes</i>						
	(Kernels and Shelliquid)	37,333	216.77	44,475	335.57	42,345	324.34
5.	<i>Oil Cakes</i>	11,68,307	161.21	14,76,941	236.08	10,72,412	197.43
6.	<i>Processed Food</i>	—	286.00	—	298.58	—	346.97
	(a) Fruit and Veg. Products	—	58.00	—	48.93	—	39.13
	(b) Meat and Meat Products	—	76.00	—	74.88	—	193.95
	(c) Other Processed Foods	—	59.00	—	71.71	—	120.91
	(d) Fresh Fruit and Veg.	—	93.00	—	103.06	—	92.98

\* Shipments permitted for export during 1987-88.

**Proposal to Organise Handloom  
Fairs**

340. SHRI PURNA CHANDRA MALIK : Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government have any proposal to protect the Handloom sector from the mill sector;

(b) if so, the details thereof;

(c) whether Union Government propose to organise the Handloom Fairs throughout the year in different places of the country to boost the sale as well as popularise the handlooms;

(d) if so, the details thereof; and

(e) the steps so far taken in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Handloom Reservation of Articles for production Act, (Act 22 of 1985) has already been passed by the Parliament and came into operation from 31st March, 1986.

(b) Three offices of the Enforcement Machinery at Delhi, Pune and Coimbatore have already been set up by the Government of India. Besides financial assistance has been given by the Government of India to the Governments of Uttar Pradesh, Rajasthan, Andhra Pradesh and Kerala for setting up similar offices to enforce the provisions of Act 22 of 1985 and reservation orders issued thereunder.

(c) and (d). The Union Government does not have any proposal to organise handloom fairs throughout the year. However, the Office of the Development Commissioner (Handlooms), Ministry of Textiles organises about 2 to 3 National Handloom Expos every year for a duration of 30 days each in different places to boost the sales as well as popularise handlooms.

(e) Since the inception of the scheme in 1977, 29 such National Handloom Expo have been organised so far at various locations, such as, Bombay, Calcutta, Madras, New Delhi, Hyderabad, Ahmedabad, Bangalore, Lucknow, Kanpur, Srinagar, Bhopal, Trivandrum etc.

**Release of Excess Water from  
Tenughat Reservoir**

341. SHRI GADADHAR SAHA : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the release of excess water from the Tenughat reservoir in the D.V.C. command area had affected West Bengal; and

(b) if so, the remedial measures to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b) Tenughat Dam of Bihar is not designed for flood Moderation in the D.V.C. System. Further, the releases from Tenughat Dam are routed through Panchet Reservoir which Moderates the floods.

**Special Rebate on the Sale of  
Handloom**

342. SHRI SYED MASUDAL HOSSAIN : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to increase the period of special rebate on the retail sale of handloom to protect the handlooms against the mill made production;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) Does not arise.

(c) In view of various problems and difficulties in the implementation of the rebate scheme, it is under examination whether the rebate scheme should be continued and if so, in what form.

**Demand for Indian Cardamom  
Flavoured Soft Drinks**

343. SHRI LAKSMAN MALLICK : Will the Minister of COMMERCE be pleased to state :

(a) the names of the foreign countries in which Indian cardamom flavoured soft drinks are in demand;

(b) whether the Arabs have also shown any interest; and

(c) if so, the steps Government have taken in this regard alongwith the foreign exchange earned so far ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) Countries in the Middle EAST have been identified as potential markets for Indian Cardamom flavoured soft drinks named cardamom cola.

(b) The product is in test marketing stage which includes Arab markets.

(c) Commercial production and export of Cardamom Cola has not yet started. Therefore foreign exchange realisation is nil.

**All India Bank Officers Association  
Call for agitation Against  
Amendments to the Industrial Disputes Act, 1947**

344. SHRI VISHNU MODI : Will the Minister of FINANCE be pleased to state :

(a) whether the All India Bank Officers Association has called upon the bank officers throughout the country to wage relentless struggle including direct action against the amendments to the Industrial Disputes Act, 1947; and

(b) if so, the steps taken by Government to meet the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Indian Banks' Association has informed that the Central Committee of All India Bank Officers Association (AIBOA) has passed a resolution calling upon the Bank Officers of the country for a united action to defeat the alleged imposition of the amendments to Industrial Disputes Act, 1947, which in their view were allegedly reactionary and suppressive of working class unity.

(b) Ministry of Labour has reported that the points raised by the Association/Unions against the Bill have been noted for appropriate action.

**Foreign Investment Policy**

345. SHRI CHINAMANI JENA :  
SHRI AMARSINH RATHAWA :

Will the Minister of FINANCE be pleased to state :

(a) the details of the present foreign investment policy of the country;

(b) whether there is any proposal to bring certain changes in the foreign investment policy to make it more effective; and

(c) if so, the details thereof and how far it will be helpful for the country ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The details of the basic framework of our policy towards foreign investment have been laid down in various documents including the Industrial Policy Resolution. Our policy towards foreign investment is not an open door policy. It permits foreign investment on our terms in a wide range of sectors with certain percentage of foreign equity. This has to be within the basic framework of our planned economy. Several measures have been taken to streamline the procedures and remove the bottlenecks so as to facilitate the inflow of direct foreign investment within the broad framework of this policy. There has been no change in the foreign investment policy.

[*Translation.*]

**Textile Mills in Uttar Pradesh**

346. CHOWDHRY AKHTARHASAN : Will the Minister of TEXTILES be pleased to state :

(a) the total number of textile mills functioning at present in Uttar Pradesh and the number of those mills which are lying closed;

(b) the reasons which led to the closure of some mills there and the loss of revenue being suffered every month as a result thereof;

(c) whether Union Government are considering to set up a textile mill in Nathor (District Bijnore), a Khadi producing town;

(d) if so, the details in this regard; and

(e) if not, whether Government propose to set up a textile mill in the town in view of the fast growing textile industry therein ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) As on 31st March, 1987 there were a total of 55 cotton/man-made fibre textile mills in Uttar Pradesh. Of these 9 were lying closed as on 31.5.88.

(b) The reasons for closure of these mills were strike by workers, lock-outs, financial difficulties, etc. It is difficult to work out the notional loss of revenue as it would depend on several factors like actual production, product mix, ex-mill prices etc.

(c) to (e). The Union Government do not set up textile mills.

[*English*]

#### **Survey for Water Requirement and Resources**

**347. SHRI MULLAPPALLY RAMACHANDRAN :** Will the Minister of WATER RESOURCES be pleased to state :

(a) whether any survey/study has been made to determine the water requirement and water resources of each State;

(b) if so, the details of annual requirement/availability recorded, State-wise;

(c) the States that have not been self-sufficient in water supply during the first six months of 1988; and

(d) the measures being taken in this regard ?

**THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) :** (a) and (b). The Water Resources available are, in general, adequate to meet the requirements for various uses. However, shortages are experienced in some parts owing to regional and annual variations of availability, want of water conservation works, etc.

(c) and (d). During 1987-88, 13 States were identified as drought affected and these experienced water-shortage problem. The measures taken, as far as water resources development is concerned, included conser-

vation of storages available in reservoirs by judicious use of water, increased exploitation of groundwater and provision of additional funds to accelerate completion of certain on-going irrigation projects.

#### **Competition between Handlooms and Powerlooms**

**348. PROF. NARAIN CHAND PARASHAR :** Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government are aware of the adverse competition between the handloom and the powerloom sectors in the production cost and sale prices of cloth as obtaining in the country during the Sixth and Seventh Five Year Plans;

(b) if so, the steps taken by Union Government and the National Textile Corporation to protect the interests of the handloom sector alongwith the dates on which such steps have been taken in each case; and

(c) if not, the likely date by which the steps are proposed to be taken for neutralising this adverse competition and protecting the interest of the handloom sector ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) The handloom sector has certain cost disadvantages in production of cloth as compared to the powerloom sector.

(b) A statement is given below.

(c) Does not arise.

#### **Statement**

The Union Government have taken the following steps to protect the interest of the handloom sector and to make it cost competitive :

- (1) Under the Handlooms (Reservation of Articles for Production) Act, 1985, a notification reserving 22 items of cotton, silk, wool and blends for exclusive production in the handloom sector has been issued. Three Regional Offices at Delhi, Pune and Coimbatore have been set up for the implementation of the Reservation Orders.



(2) The following fiscal concessions have also been provided to the handloom sector :

- (i) Complete exemption from excise duty on plain reel hank yarn.
- (ii) 50% concession on double cross reel hank yarn when purchased by registered handloom cooperative societies and State Handloom Development Corporations.
- (iii) Complete exemption of processing duty for cotton, wool and polyester fabrics made on handlooms when processed in process houses set up by State handloom development corporations and apex handloom cooperative societies.
- (iv) Concessional processing duty on processing of cotton fabrics made on handlooms when processed by independent processors approved by the Government.
- (v) Complete exemption from excise duty on processing of woollen fabrics woven on Handlooms when processed by independent processors approved by the Government.
- (vi) Complete exemption from excise duty on certain types of polyester blended yarn when purchased by State handloom development corporations and handloom cooperative societies.
- (vii) Complete exemption from excise duty on polyester fibre used in the blended yarn consumed for the production of blended fabrics on handlooms under a programme approved by Development Commissioner for Handlooms.
- (viii) Concessional rate of excise duty @ Rs. 10.44 per kg. on polyester filament yarn used in the production of polyester fabrics under a programme

approved by Development Commissioner for Handlooms.

- (ix) 50% concession on viscose filament yarn when purchased by registered handloom cooperative society or any organisation approved in this behalf by the Government.
- (x) Complete exemption from customs duty on the raw wool imported into India by a registered apex handloom cooperative society or a State Handloom Development Corporation.

National Textile Corporation is not entrusted with the responsibility of protecting the interests of the handloom sector.

#### Multi-Role Security Gadget in Banks

349. SHRI MOHANBHAI PATEL :  
SHRI JAGANNATH PATNAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether a multi-role security gadget has been put in certain banks in Bombay;

(b) if so, the details thereof and what are its functions;

(c) whether a test has been made on the gadget; if so, the result thereof; and

(d) whether Government propose to introduce such gadget in other parts of the country to foil the bank dacoities ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise.

(c) No, Sir. There have been some demonstrations held by a manufacturer.

(d) No, Sir, since it is for the Banks concerned to examine and decide upon the suitability of the equipment to be procured, keeping in view the vulnerability of their respective branches/offices.

#### SCIL Ind'a Limited

350. SHRI BASUDEB ACHARIA :  
Will the Minister of FINANCE be pleased to state :

(a) whether the public financial institutions own more than 25 per cent equity shares in the SCIL India Ltd. formerly Simon-Carves India Limited;

(b) whether Union Government/financial institutions have received representations from the employees of the company regarding defalcation of funds and mismanagement in the company; and

(c) if so, the corrective steps taken or proposed to be taken by the public financial institutions to safe-guard the interest of the shareholders and employees ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Financial institutions own 25.23 per cent equity shareholding in SCIL India Limited.

(b) Yes, Sir.

(c) The financial institutions have already appointed their representatives on the Board of the Company. The Board of Directors have also appointed a Board Management Committee to look after the day to day affairs of the company. The other steps being taken/taken by the con-

cerned Bank are appointment of Concurrent Auditors, appointment of bank's own representative on the Board as a whole time nominee director and entrusting of job of recruitment of financial controller or managing director of the company to reputed consultants.

#### Concessions to Handloom Weavers Working Individually

351. SHRIMATI BIBHA GHOSH GOSWAMI : Will the Minister of TEXTILES be pleased to state :

(a) the number of handlooms in the country and the number of people who are working through cooperative societies and handloom corporations and of those who are working individually, State-wise;

(b) the details of the concessions being provided to handloom weavers and the extent thereof; and

(c) whether these concessions are also being provided to those who are working individually ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). A statement is given below.

#### Statement

*State-wise details of number of handlooms and the number of people working through cooperative societies and corporations as under :*

Sl. No.	Name of the State	No. of looms (approximate) covered by		Estimated No. of persons working under Cooperatives and Corporations (approximate)
		Cooperatives	Corporations	
1	2	3	4	5
1.	Andhra Pradesh	3,37,000	—	9,70,560
2.	Assam	50,000	6,000	1,61,280
3.	Bihar	93,000	12,000	3,02,400
4.	Gujarat	12,000	5,285	49,781
5.	Haryana	8,000	3,000	31,680
6.	Jammu & Kashmir	2,000	1,000	8,640
7.	Karnataka	62,000	17,400	2,28,672
8.	Kerala	58,000	4,000	1,78,560

1	2	3	4	5
9. Madhya Pradesh	29,000	10,250	1,13,040	
10. Manipur	78,000	1,150	2,27,952	
11. Orissa	79,000	12,000	2,62,080	
12. Punjab	6,000	386	18,392	
13. Rajasthan	24,000	4,400	81,792	
14. Tamil Nadu	4,11,000	22,590	12,48,739	
15. Tripura	6,000	10,255	46,814	
16. Uttar Pradesh	3,55,000	69,411	12,22,304	
17. West Bengal	1,24,000	4,512	3,70,114	
18. Maharashtra	55,000	12,000	1,92,960	
19. Delhi	6,000	—	17,280	
20. Pondicherry	4,000	—	11,520	
21. Himachal Pradesh	6,000	—	17,280	
22. Other States/UTs	NA	NA	NA	
<b>Total :</b>	<b>18,05,000</b>	<b>1,95,639</b>	<b>57,61,840</b>	

State-wise figures of the number of persons who are working individually are not maintained.

The following concessions being provided to the handloom sector are applicable to individual weavers also :

- (i) Complete exemption from excise duty on plain reel hank yarn.
- (ii) Complete exemption of processing duty for cotton, wool and polyester fabrics made on handlooms when processed in process houses set up by State Handloom Development Corporations and Apex Handloom Cooperative Societies.
- (iii) Concessional processing duty on processing of cotton fabrics made on handloom when processed by independent processors approved by the Government.
- (iv) Complete exemption from excise duty on processing of woollen fabrics woven on handloom when processed by independent processors approved by the Government.

In addition, the following concessions are being provided to the handloom weavers covered by the Cooperatives/Corporations :

- (i) 50% concession on double cross reel hank yarn when purchased by registered handloom cooperative societies and State Handloom Development Corporations.
- (ii) Complete exemption from excise duty on certain type of polyester blended yarn when purchased by State Handloom Development Corporations and Handloom Co-operative Societies.
- (iii) Complete exemption from excise duty on polyester fibre used in the blended yarn consumed for the production of blended fabrics on handlooms under a programme approved by Development Commissioner for Handlooms.
- (iv) Concessional rate of excise duty @ Rs. 10.44 per kg. on polyester filament yarn used in the production of polyester fabrics under a programme approved by Develop-

ment Commissioner for Handlooms.

- (v) 50% concession on viscose filament yarn when purchased by registered handloom cooperative society or any organisation approved in this behalf by the Government.
- (vi) Complete exemption from customs duty on the raw wool imported into India by a registered apex handloom cooperative society or a State Handloom Development Corporation.

#### Loan from Export Import Bank, Japan

352. SHRI AJIT KUMAR SAHA :  
SHRI ZAINAL ABEDIN :

Will the Minister of FINANCE be pleased to state :

(a) whether Union Government propose to take loan from Export Import Bank, Japan;

(b) if so, the amount thereof; and

(c) the terms and conditions put forward by the said bank ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Question does not arise.

(c) However, two loans have been availed of by Industrial Development Bank of India (IDBI) and National Thermal Power Corporation (NTPC), the terms of which are given below :

	IDBI	NTPC
(i) Amount :	Yen 20 billion	Yen 62 billion
(ii) Maturity Period :	20 years	19-1/2 years
(iii) Rate of Interest :	5.3% per annum	5.3% per annum
(iv) Commitment fee :	1/4% per annum	—

#### Assistance to Cotton Growers in A.P.

353. SHRI B.N. REDDY : Will the Minister of FINANCE be pleased to state :

(a) what are the findings and suggestions by the Ojha Committee appointed by the Reserve Bank of India which visited affected areas of suicidal deaths and failures of crops of cotton growers in Krishna and Guntur districts in Andhra Pradesh on 19 April, 1988; and

(b) the relief steps proposed by Government for the cotton growers ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Based on the recommendations of the High Powered Committee under the Chairmanship of Dr. P.D. Ojha, Deputy Governor, Reserve Bank of India, RBI had issued instructions to banks for providing relief to cotton growers of the two affected districts viz. Guntur and Sriprakasam. The instructions issued by RBI vide their letter dated 29.6.1988 *inter-alia* provide for the following facilities :

1. The banks as a special case should defer recovery of principal as well as interest from the affected farmers for a period of two years or till the next normal year whichever is earlier.
2. Banks should not charge penal interest nor should they compound the interest on dues pestpond.
3. Banks should stop auctioning of gold ornaments pledged with them. Such action be taken as a last resort and that too after obtaining clearance from higher levels.
4. Banks may extend consumption loan facilities upto Rs. 500 per family.

#### Export of Bids

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

(a) the names of bidi manufacturing companies exporting bidis during last three years, year-wise;

(b) the foreign exchange earned therefrom ?

THE MINISTER OF STATE IN THE  
MINISTRY OF COMMERCE (SHRI  
P.R. DASMUNSI) : (a) and (b). A state-  
ment is given below.

**Statement**

(a) The names of main bidi manufacturing companies exporting bidis during last three years are :

S.No.	Name of the exporter	
1.	M/s. Sopariwala Exports	Bombay
2.	M/s. Nimex Trading Corporation	Bombay
3.	M/s. Bharat Beedi Works (P) Ltd.	Mangalore
4.	M/s. Shah Harilal Bhikhabhai and Sons	Baagalore
5.	M/s. MSN Sundarma Pillai & Co.	Tiruchirapalli
6.	M/s. Engine Beedi Co.	Tiruchirapalli
7.	M/s. Memballi Kalam Brothers	Cochin
8.	M/s. A Habeebur Rahman & Sons.	Madras
9.	M/s. Mantbhai F. Patel	Varanasi
10.	M/s. Champaklal Dalsukhabhai & Co.	Bombay
11.	M/s. M. Abdul Khadar & Sons	Madras
12.	M/s. Mohan Lal Hargovind Das	Jabalpur
13.	M/s. Dhirajlal M. Kanabar	Bombay
14.	M/s. Vastiram Narayandas Sarda	Bombay
15.	M/s. Eastern Overseas Co.	Bombay
16.	M/s. Kantilal & Co.	Bombay
17.	M/s. M.D. Dhoola & Co.	Bombay
18.	M/s. Nirmal Export Corporation	Bombay
19.	M/s. Mujimal Thawerdas	Bombay
20.	M/s. Pravinchandra Jethalal & Co.	Bombay
21.	M/s. Abdullabhai Abdul Kader	Bombay

(b) The foreign exchange earned during the last three years, year-wise is :

Year	Value (Rs./lakhs)
1985-86	211.36
1986-87	166.71
1987-88	224.31

**Teesta Barrage Projects of West Bengal**

355. SHRI MANIK SANYAL : Will the Minister of WATER RESOURCES be pleased to state :

(a) the total expenditure incurred so far on the Teesta Barrage Project in West Bengal;

(b) the share of Union Government on the total expenditure; and

(c) whether there is any proposal to provide financial assistance to the State; if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) An expenditure of about Rs. 279 crores was anticipated upto March, 1988.

(b) and (c). Special Central assistance of Rs. 5 crores during 1983-84 and an advance Plan assistance of Rs. 15 crores in 1986-87 and Rs. 10 crores in 1987-88 was provided to the Teesta Barrage Project.

**Institute of Handloom Technology**

356. SHRI MATILAL HANSDA : Will the Minister of TEXTILES be pleased to state :

(a) whether there are any institutes of handloom technology in the country; and

(b) if so, the details thereof and locations of such institutes ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) At present three Institutes of Handloom Technology are functioning under the Central Government, one each at Varanasi, Salem and Guwahati. All the three Institutes are conducting 3 year Diploma Courses in Handloom Technology and 4-month Short-term training Courses in Weaving, Dyeing and Printing, Designing, or Pattern making, etc. The Institutes of Varanasi and Salem are also conducting one year "Post Diploma Course in Textile Chemistry".

**Guidelines on Zero Budgeting**

357. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether some states have accepted the process of 'Zero-budgeting';

(b) if so, whether with a view to ensuring uniformity in the budgetary process in the interest of national planning, some guidelines in this regard are being formulated; and

(c) if so, the details 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). A copy of the guidelines for adoption of the Zero Base Budgeting approach in respect of the programmes/schemes of Central Government. Ministries/Departments has been forwarded to all the State Governments, for their consideration and guidance.

**Steps to Check Floating of Bogus Investment Companies**

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

(a) whether Government are aware that the Investment Companies have become favourite conduct of tax evaders for laundering their black money into white; and

(b) if so, the steps Government propose to take to check the floating of investment Companies to launder their black money as well as that of others ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir. The Government is aware that certain persons had adopted the device of floating investment companies for evasion of tax.

(b) Steps have already been taken by the Government in the form of intensified investigations and centralisation of cases of investment companies. These have resulted in a number of persons surrendering their concealed income invested in investment companies. The Government also appointed a Study Group for identifying measures required for dealing with tax evasion through investment companies.

**Repayment of Outstanding Loans of Sick Shipping Companies**

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

(a) whether Government propose to take the onus of repayment of the outstanding loans of sick shipping companies; and

(b) if so, the details thereof and the amounts involved ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Shipping Development Fund Committee had, during its existence, provided financial assistance including rupee loans, guarantees/ counter-guarantees against deferred yard credit, SAFAUNS loans, etc. to Indian Shipping companies. Under the provisions of the Shipping Development Fund Committee (Abolition) Act, 1986 the assets and liabilities of the Shipping Development Fund Committee have vested in the Central Government from 3rd April, 1987 with the abolition of the SDFC. On the date of abolition of SDFC, the total amount of outstanding guarantees/ counter-guarantees issued by erstwhile SDFC to private sector shipping companies amounted to Rs. 366.75 crores.

The Shipping Credit & Investment Company of India has carried out financial appraisal of the shipping companies assisted by erstwhile SDFC. In the case of those sick shipping companies which are considered to be viable rehabilitation packages have been worked out for them by the Shipping Credit & Investment Company of India Limited. These companies are expected to be able to service their restructured debt burden

In the event that any sick shipping company assisted by erstwhile SDFC fails to meet its debt obligations under the SAFAUNS loans, deferred yard credit, etc., the obligations of subsisting guarantees/ counter-guarantees would be met appropriately on the merits of the case in accordance with law.

**Import of Jute from Bangladesh**

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

(a) whether at present the Jute Corporation of India (JCI) contemplates to import jute from Bangladesh;

(b) if so, the quantity thereof;

(c) whether it is a fact that the JCI has a large unsold stock of 5 lakh bales which has to be worked off;

(d) if so, the necessity of importing jute from Bangladesh;

(e) whether some of the jute mills in West Bengal have in their weaving section, plants and equipment which are about 100 years old and they are reluctant to undertake modernisation and technology upgradation work thus resulting in not only large scale unemployment but also loss of foreign exchange; and

(f) if so, the steps Union Government have taken or propose to take to save the jute industry from the impending extinction ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) There is no proposal for import of raw jute from Bangladesh by Jute Corporation of India at present.

(b) Does not arise.

(c) An on end June 1988 JCI was holding unsold stocks of around 15 lakh bales of raw jute.

(d) Does not arise.

(e) and (f). It is a fact that most of the plants and equipment in weaving section of jute mills in India are very old. In order to facilitate modernisation, the Government has set up a Jute Modernisation Fund of Rs. 150 crores for modernisation/ rehabilitation of viable and potentially viable jute mills. Loan applications from 29 Jute Mills has been received out of which 9 applications has been sanctioned assistance amounting to Rs. 38.52 crores,

**Trade Deficit in terms of US Dollars**

361. SHRI K.P. UNNIKRIISHNAN : Will the Minister of COMMERCE be pleased to state :

- (a) India's trade deficit in terms of US dollars as on 31st March, 1988;
- (b) corresponding figures for the previous three years; and
- (c) the reasons for increase in trade deficit ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). India's annual trade deficit in terms of US Dollars during the last four years are given below :

Year	Trade deficit in million US Dollars
1984-85	4534
1985-86	7162
1986-87 (R)	5972
1987-88 (P)	5109

(R) Revised. (P) Provisional

The trade deficit has declined successively during the last 2 years.

(c) Does not arise.

**Closure of Textile Mills**

362. SHRI NATVARSINH SOLANKI : SHRI K.S. RAO :

Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that out of the total number of textile mills closed in various parts of the country, a large number of them were closed after the new textile policy announced in June, 1985;

(b) if so, to what extent such large number of closures were as a result of the new textile policy;

(c) whether Union Government propose to justify the success of new textile policy

such as revival in demand, fall in prices, increase in employment, increase in per capita cloth consumption, etc; and

(d) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) The closure of textile mills is indicative of a structural transformation in the textile industry.

(c) and (d). During the last 3 years of the Policy, the textile industry as a whole has shown improvement in terms of production as well as exports. In terms of index number of wholesale prices mill cotton cloth has shown only a marginal increase from May, 1985 to May, 1988 whereas nylon/terene and mixed cloth actually declined. The per capita consumption of textiles in the household sector which was 13.83 metres in 1984 was estimated at 17.16 metres in 1987. So far as employment is concerned, while the work force in the organised sector of the textile industry has come down, it is estimated to have increased in the decentralised sector.

**MOU Signed by SBI with EEP**

363. SHRI G.M. BANATWALLA : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of India has signed any Memorandum of understanding (MOU) with Engineering Export Promotion Council for boosting exports of engineering products;

(b) if so, the main features of the MOU; and

(c) the arrangements, if any, for review of the implementation of the MOU ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The State Bank of India (SBI) has reported that it has not as yet signed any Memorandum of Understanding (MOU) with Engineering Export Promotion Council (EEPC) for boosting exports of engineering products from India.



**Import of Raw Cashew**

364. SHRI P.A. ANTONY :  
SHRI VAKKOM PURUSHO-  
THAMAN :

Will the Minister of COMMERCE be pleased to state :

(a) whether raw cashewnuts have been imported during the current year to cater to the cashew processing units; and

(b) the annual requirement of raw cashewnuts and the quantity imported ?

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

(b) The total annual requirement of Indian Cashew Industry is estimated at 5 lakh tonnes of raw cashew.

Import of raw cashewnuts during the last few years is as under :

Year	Quantity (MT)
1985-86	23310
1986-87	49045
1987-88	42296

**Communications to SBI from MPs and MLAs**

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

(a) whether Government are aware of complaint that the State Bank of India does not respond to the communications from MPs, MLAs and MICs;

(b) if so, the reasons thereof; and

(c) the number of such communications received by the bank during the last one year, the average time taken in sending their reply and the number out of them still remaining unreplyed ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). State Bank of India has reported that communications received from MPs, MLAs and MLCs

by its various offices are responded to and in cases where any delay is expected in sending a final reply, an interim reply is sent.

(c) Such communications are received from time to time at diverse levels and no centralised information is available in this regard.

[*Translation*]

**Committee on Curtailment of Expenditure**

366. SHRI RAM DHAN :  
SHRI BALWANT SINGH  
RAMOOWALIA :

Will the Minister of FINANCE be pleased to state :

(a) whether Government had constituted a Committee under the Chairmanship of Cabinet Secretary for suggesting measures to curtail the expenditure during the year 1988-89;

(b) if so, whether Government have received the report of this Committee;

(c) if so, the details thereof and action taken by Government thereon; and

(d) if not, the time likely to be taken for submission of this report ?

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

(b) to (d). The deliberations of the Group are a part of internal decision making process in Government.

**Ban on Recruitment in Ministries**

367. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) the time by which the Government propose to withdraw completely the ban imposed on recruitment in various ministries; and

(b) if the ban is not proposed to be withdrawn, the steps being taken by Government to deal with the increasing unemployment ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The Government have liberalised the guidelines regarding filling up of vacancies, in May 1986. According to these guidelines, subject to fulfilment of certain conditions, vacancies in Government Departments—both Plan and non-Plan—arising due to promotion, retirement, death, resignation, dismissal, removal or deputation, etc., can now be filled up.

(b) Generation of productive employment is the central element in the development strategy of the Seventh Plan.

Besides, a number of beneficiary/employment oriented Schemes/Programmes like the Self-Employment Scheme for Educated Unemployed Youth, Integrated Rural Development Programme (IRDP), Scheme for Training of Rural Youth for Self-Employment (TRYSEM), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Scheme for Self-Employment for Urban Poor (SEPUP), etc., are also to be implemented during the Seventh Plan period in all States.

[*English*]

#### Sick Shipping Companies

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

(a) the number of Indian shipping companies which are sick;

(b) whether there are any Indian shipping companies which are not sick;

(c) the total amount of loss suffered by these companies in 1986-87 and 1987-88; and

(d) the steps taken to help these sick companies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Financial appraisals carried out by the Shipping Credit & Investment Company of India Limited, have shown that 15 Indian Shipping Companies in the private sector were sick.

(b) Yes, Sir.

(c) The Shipping Credit & Investment Company of India Limited has reported that according to readily available information which relates to 1986-87, 13 such shipping companies suffered losses amounting to Rs. 83.36 crores (approx.) during that year.

(d) With a view to rehabilitating sick but viable shipping companies, depending on the merits of each case, suitable rehabilitation packages have been worked out by the Shipping Credit & Investment Company of India Limited. The rehabilitation packages include *inter-alia* restructuring of the outstanding loans by converting the excess of the principal amount of the debt over the actual valuation of assets into zero rated bonds and the outstanding interest into cumulative convertible preference shares.

#### Sale of Scindia Ship JALAVIR

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

(a) whether Government have permitted Scindia Steam Navigation Company to sell in auction its ship "JALAVIR" which was arrested in Belgium by foreign creditors;

(b) if so, the details thereof;

(c) whether Government, through its consulate in Belgium, had made any efforts to salvage the ship and stop the sale of the ship by making payments to foreign creditors on behalf of the Scindia Steam Navigation Company; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). According to information available, two creditors of M/s. Scindia Steam Navigation Company Limited had brought execution proceedings in the Court at Ghent (Belgium) against m.v. "JALAVIHAR" and the Court had permitted auction sale of the vessel on 14.6.1988. Under Belgian law, the first auction sale can be reopened for a second and final auction, if a higher bid is made by any interested party within 15 days of the first auction. Such a bid having been made, a second auction for the vessel is

scheduled to take place at Ghent (Belgium) on 29.7.1988.

(c) A petition was filed on behalf of Government of India in the Belgian Court opposing the auction sale. The petition was rejected by the Court. While an appeal had also been filed in the Superior Court, efforts are being made for a negotiated settlement.

(d) Does not arise.

**Scheme to Promote Export of South Indian Tea**

370. SHRI T. BASHEER :  
SHRI PRAKASH CHANDRA :  
SHRI SUBHASH YADAV :  
SHRI H.B. PATIL :

Will the Minister of COMMERCE be pleased to state :

(a) whether the South Indian tea has been witnessing a decline in production sharp fall in exports and unsteady prices;

(b) if so, the reasons therefor;

(c) whether Government have any scheme to check these trends and promote South Indian tea; and

(d) if so, the details thereof and the incentives contemplated ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (d). A Statement is given below.

**Statement**

Figures in respect of production, exports and price trends of South Indian tea for the last three years are as under—

Qty. in M. Kgs.

Year	Production	Exports
1985	140	62
1986	139	47
1987	146	34* (*Estimated)

**Price Trend—(Rs./Kg.)—Inclusive of Excise Duty**

Year	Cochin	Coimbatore	Coonoor
1985	22.74	22.93	16.11
1986	19.76	21.08	16.25
1987	26.67	23.54	19.27

There has been some declining trend in the exports of South Indian tea for the following reasons—

(i) Lower prices of Sri Lankan teas and attempt by Sri Lanka to capture traditional markets for South Indian tea;

(ii) adverse weather conditions that led to high cost of production of South Indian tea; and

(iii) higher auction prices of South Indian tea as compared to Sri Lanka on quality considerations.

A Scheme for grant of promotional incentives on exports of South Indian tea has since been sanctioned by Government. The main features of this scheme are as under—

(1) Monetary incentives on incremental exports above the prescribed base level will be provided as per the following rates depending on the country of exports—

Country	Base level (M. Kgs.)	Incentive @-Rs. 1. per kg. (M. Kgs.)	Incentive @ Rs.* 1.50 per kg. (M. Kgs.)
USSR	30	30—40	40 and above
ARE	3	3—10	10 and above
Iraq	3	3—10	10 and above
USA	2	—	2 and above
UK	1.3	—	1.3 and above
Australia	0.1	—	0.1 and above
Syria	0.1	—	0.1 and above
Jordan	0.1	—	0.1 and above

\*These incentive rates however could be reviewed considering the trend of international prices.

(2) The promotional incentive is directly related to increased export turnover and therefore in case the exports do not register an increase above the base volume there will be no outgo of the incentive component.

(3) The scheme will be implemented by Tea Board of India which will frame necessary guidelines.

(4) The scheme would be in operation only during the financial year 1988-89 (July-1988 to March-1989).

#### Income Tax Pending Realisation

371. DK. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

(a) the amount of income tax pending realisation as on 31 March, 1988; and

(b) the steps taken to realise the income tax from the defaulters ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) The amount of arrears on account of income tax as on 31.3.88 is not readily available. However, as on 31.12.87 income tax demand to the tune of Rs. 3179.34 crores was outstanding out of which Rs. 1270.41 crores had not fallen due for payment.

(b) The steps taken to realise the income tax from defaulters include levy of penalty, issue of garaishee orders u/s 226 (3) to direct the third parties to pay up

amounts due from them to the defaulters, issue of recovery certificates which enable the Tax Recovery Officers to effect recovery by attachment/sale of assets. In suitable cases, defaulters are arrested and put in civil prison. Since a large part of arrear demand is locked up in appeals and settlement/waiver petitions, appellate authorities are requested to dispose of appeals expeditiously in the cases involving high demands and steps are taken to dispose of the settlement/waiver petitions also promptly. In suitable cases assesseees are allowed to pay taxes in instalments. Administratively action plan targets have been fixed for reduction of arrears and the progress is being monitored at various levels. Recently, a 'Time Window' scheme for clearance of tax arrears has been introduced. The scheme is applicable to income tax demands certificated upto 31.3.86 and provides for a rebate of 50% of the interest chargeable on late payments of tax if full payment of tax arrears along with 50% of the interest is made during 1.7.88 to 30.9.88.

#### Mohini Mills

372. SHRI ATISH CHANDRA SINHA :  
DR. V. VENKATESH :  
SHRI INDRAJIT GUPTA :  
SHRIMATI GEETA MUKHERJEE :  
SHRI MULLAPPALLY RAMACHANDRAN :  
SHRI SANAT KUMAR MANDAL :

Will the Minister of TEXTILES be pleased to state :

(a) whether there is a proposal under consideration of Union Government to close down the Mohini Mills in Belgharia, West Bengal;

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

(c) the number of workers to be rendered jobless thereby;

(d) whether Union Government have received appeals for operating and reviving the Mohini Mills; and

(e) if so, the reaction of Union Government thereto ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (e). In view of increasing losses of Mohini Mills; Belgharia, the Government have relinquished the management of the Mill, by not extending the period of validity of the take-over notification which expired on 21.06.1988. The number of workers and staff affected by this decision is around 2000.

Although some representations have been received in this regard, the Government is not reconsidering the decision of relinquishing the management of Mohini Mills, Belgharia.

#### Change in Textile Policy in the Interest of Handloom Weavers

373 SHRI BANWARI LAL PUROHIT : Will the Minister of TEXTILES be pleased to state :

(a) whether the textile policy announced by Government during 1985 has adversely affected the interest of handloom weavers as reported in the 'Indian Express' dated 7 June, 88;

(b) if so, whether Government propose to immediately change or bring amendments in the textile policy in the interest of handloom weavers; and

(c) if so, by when and if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). It is

not correct to say that the Textile Policy of June, 1985 has adversely affected the interests of handloom weavers. However, Government has constituted a Committee on 13-5-88 for reviewing the progress of implementation of the policy in respect of the various sectors of Textile Industry with particular emphasis on how far the various measures devised in the Textile Policy for protection of handlooms have been effective in achieving their objectives.

#### Branches of State Bank of Indore in Mathura

374. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) the total number of branches of the State Bank of Indore in Mathura, Uttar Pradesh together with location thereof;

(b) the total amount of loans granted by each branch during the last three years, year-wise;

(c) the number of persons granted loans during the above period, yearwise and purposes for which the loans were granted;

(d) the total amount of loans recovered during the last three years;

(e) the details of applications for loans rejected and reasons therefor, year-wise, during the last three years;

(f) whether Government are aware of complaints about discrimination being made by some officers of the bank in granting loan; and

(g) if so, the action taken/proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Reserve Bank of India (RBI) has reported that State Bank of Indore has only one branch at centre Mathura in Uttar Pradesh.

(b) to (e). The requisite details relating to loans granted, number of borrowers, amount recovered and application rejected are given below—

Year	Total amount of loans granted	No. of persons granted loans	Purposes for which the loans granted		Total amount recovered	No. of applications rejected
			Fixed Assets	Working Capital		
	(Rs. in lakhs)				(Rs. in lakhs)	
1985	7.9	65	33	32	1.2	23
1986	8.63	63	23	40	2.51	17
1987	7.81	88	42	46	3.57	16

Some of the general reasons for rejection of the applications include non-viability of the scheme, the lack of credit worthiness of the applicant, applicant having already been financed by another bank, etc.

(f) and (g). RBI has reported that it has not received any complaints about discrimination being made by the officers of the bank in granting loans.

#### Recovery of Loans by State Bank of Indore

375. DR. V. VENKATESH :  
SHRI RAJ KUMAR RAI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken note of a news item appearing in 'Navharat Times' of 25 May, 1988 that the State Bank of Indore (Regional office at Bhopal) has entrusted the work of recovery of loans to contractors;

(b) if so, the details thereof;

(c) whether such contracts for the recovery of loans have been given by other nationalised banks; and

(d) if not, the reasons for permitting the State Bank of Indore to appoint contractors for the recovery of loans and advances ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). State Bank of Indore has reported that they have engaged one private agency for seizure of vehicles/realisation of overdues in cases of

borrowers particularly transport operators indulging in financial indiscipline and willful default in repayment of bank dues as the bank has the right to take possession of the hypothecated vehicles without recourse to the court. Under the jurisdiction of their Bhopal Zonal office, only one vehicle was seized by the agency and the same was immediately released on the assurance of the borrowers to repay the overdues of the bank.

#### Scrutiny and Audit of Activities of Peerless General Finance and Investment Company

376. KUMARI MAMATA BANERJEE :  
Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Reserve Bank of India has recently carried out a special scrutiny and audit of the activities of the Peerless General Finance and Investment Company;

(b) whether the scrutiny was simultaneously conducted in Bombay, Calcutta, Delhi and Madras and if so, the reasons therefor; and

(c) the results of the special scrutiny ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reserve Bank of India (RBI) has reported that it has recently conducted inspection of the Peerless General Finance and Investment Company Limited under Section 45N of Reserve Bank of India Act, 1934. Besides the Head Office of the Company at Calcutta, its Regional Offices at Bombay, Calcutta, New Delhi and Madras and 14 branches

have also been inspected. RBI has further reported that the Inspection Report has not yet been finalised.

**Cultivation of Silk and Tassar in Andhra Pradesh**

377. SHRI V. TULSIRAM : Will the Minister of TEXTILES be pleased to state :

(a) the gross area under cultivation of silk and tassar in Andhra Pradesh during the last two years;

(b) the total production of silk and tassar in the State during the said period; and

(c) the advantages to the farmers to shift to silk and tassar production in comparison to normal agriculture ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The gross area under cultivation of mulberry and tassar host plants and the total production of these varieties of silk in Andhra Pradesh during the last 2 years is as under :

	Area (Hect.) Mulberry	Tassar host Plant	Production Mulberry	(Tonnes) Tassar
1986-87	36,437	6000*/275**	1460	2.24
1987-88	43,289	6000*/700**	1887	1.06

\*Scattered in forests.

\*\*Block plantation.

(c) Mulberry Sericulture gives a high return which is around Rs. 20,000 per hectare of irrigated mulberry and Rs. 6000 to Rs. 8000 per hectare of rainfed mulberry per annum. This is a relatively good return as compared to normal agricultural crops. Tassar production in the State is normally carried out in the forest areas where the host plants are readily available. This activity does not substitute normal agriculture but supplements the income of those who undertake it.

**Amalgamation scheme for National Textile Corporation Mills**

378. SHRI INDRAJIT GUPTA :  
SHRIMATI GEETA MUKHER-  
JEE :  
SHRIMATI D.K. BHANDARI :

Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation has launched an amalgamation scheme;

(b) if so, the details thereof;

(c) whether it is a fact that the trade unions in the textile industry are not in favour of this amalgamation scheme; and

(d) if so, the details and Government's reaction thereto ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (d). NTC has formulated a turn-around strategy based *in er-alia* on restructuring of unviable units. The Government have received representations from the Trade Unions in this connection. However, the scheme is still in its preliminary stage of discussions at various levels in the NTC itself.

**World Bank Aid**

379. SHRI PRAKASH CHANDRA :  
SHRI SUBHASH YADAV :

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 15 June, 1988 wherein it has been stated that World Bank has recommended \$ 3.8 Billion aid to India;

(b) if so, the purpose for which it will be utilised; and

(c) the terms and conditions of this loan ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir. The total aid pledges indicated at the Consortium Meeting held in Paris on June 20-21, 1988 were of the order of US \$ 6.3 billion. Of this, US \$ 3.9 billion is likely to be on concessional terms as compared with US \$ 3.8 billion recommended by the World Bank.

(b) and (c). The details such as purpose and terms and conditions of such assistance are known as and when bilateral and multi-lateral aid negotiations are completed/ finalized.

#### Income Tax Raids

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

(a) how much time is taken by the Income Tax Department to process for further action in respect of a search, seizure and raid carried out by them;

(b) the total number of raids conducted by the Income Tax Department during 1986-87, the estimated value of cash and other assets seized and the hidden assessed income disclosed; and

(c) the total number of these raids in respect of which further action has been taken ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) In all Income-tax search cases, further action commences immediately after the search. Scrutiny of seized documents and follow up investigation are conducted and the Investigation Wing of the Income-tax Department hands over the case to the Assessing Officer. In cases where valuable assets are seized during the search, the Assessing Officer is statutorily required to pass an order within 120 days of the search, in a summary manner, estimating unaccounted income and calculating the consequential liability to taxes, interest and penalty. Based on the liability so

worked out, the Officer has to order retention or release of assets seized. The assessment proceedings in search cases are also completed expeditiously and in any case within the statutory period of two years from the end of the relevant assessment year.

(b) During the financial year 1986-87, the Income-tax Department conducted 7054 searches resulting in the seizure of *prima-facie* unaccounted assets worth approximately Rs. 100.70 crores. During the period 10.9.1986 to 31.3.1987, the persons searched had admitted concealment of income to the tune of Rs. 36.85 crores in the statements given at the time of search. The amended provisions of the Income-tax Act providing for such admissions, without attracting penal provisions, came into effect from 10.9.1986.

(c) Appropriate further action has been taken in all the cases where searches were conducted during the financial year 1986-87.

#### Permanent Account Numbers for Income Tax Payers

381. SHRI THAMPAN THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether under the Income-tax laws it is an obligation on all tax payers to quote the permanent Account number (Direct Taxes) in all income-tax documents;

(b) whether the Income-tax Department has provided permanent account number of all tax payers;

(c) if not, which are the States where permanent account numbers have not been provided;

(d) whether Government aided educational institutions' employees paying income tax have been provided with permanent account numbers; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir. Under sub-section (5) of section 139A of the Income-tax Act, 1961 where a permanent account number



has been allotted or is deemed to have been allotted to any person under this section, he shall :

- (i) quote such number in all his returns to, or correspondence with, any income-tax authority;
- (ii) quote such number in all challans for the payment of any sum due under this Act;
- (iii) quote such number in all documents pertaining to such transactions as may be prescribed by the Board in the interests of the revenue, and entered into by him.

(b) and (c). The work of allotment of permanent account numbers to tax payers has almost been completed in the regions under the control of the Chief Commissioners of Income-tax, Madras, Bangalore, Hyderabad and Pune through Computer Systems. At the rest of the centres, the work of allotment of permanent account numbers to tax payers through computers is progressing.

(d) and (e). Like any other tax payer, employees of Government aided educational institutions who have taxable income and apply for allotment of permanent account numbers have to be allotted such permanent account numbers.

#### Non-Utilisation of Funds by JCI

382. SHRI G.S. BASAVARAJU :  
SHRI S.M. GURADDI :

Will the Minister of TEXTILES be pleased to state :

(a) whether the allocation of Rs. 10 crore was made to the Jute Corporation of India (JCI);

(b) if so, whether the Jute Corporation of India propose to formulate schemes for building up necessary infrastructure for the expansion of operation;

(c) if so, by what time the Jute Corporation of India is likely to utilise the funds; and

(d) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (d). Out of Jute Special Development Fund of Rs. 100 crores a sum of Rs. 10 crores has been

earmarked for assistance to JCI and its cooperative procurement agencies for construction of godowns and creation of infra-structural facilities. Out of this earmarked outlay a sum of Rs. 2 crores has already been placed at the disposal of JCI to enable them to sub-allot this amount among the various state level Cooperative Procurement Agencies for construction of godowns. Some of the state level organisations have submitted their schemes for construction of godowns to JCI and these are presently under scrutiny by a Committee set up by JCI. Very shortly the schemes will become operational.

#### Voting Machines in Elections

383. SHRI C. JANGA REDDY : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the estimated savings in general elections for the Lok Sabha and all State Assemblies if ballot paper is substituted by voting machines;

(b) whether the voting machines reduce chances of bogus voting, impersonation, number of invalid ballot papers, counting time, booth capture and other malpractices;

(c) whether the Representation of People's Act, 1951 requires an amendment for the use of voting machines in elections; if so, the reasons for not bringing forward a Bill for such an amendment as yet; and

(d) whether any decision for acquisition of voting machines for use in the next general elections has been taken; if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) On the basis of the estimates made about two years ago, the saving is expected to be of the order of Rs. 22.5 crores.

(b) There is no device in the electronic voting machine to check impersonation or bogus voting or prevent booth capturing. However, there are several operational, administrative and financial advantages as mentioned in the Question, like quickening of counting time, elimination of invalid ballot papers due to smudging, disputes about counting, mis-appropriation of ballot papers, tampering with ballot boxes, etc.

(c) and (d). Government have taken a preliminary decision to replace the ballot paper system with the electronic voting machines. No decision has been taken so far about the introduction of such machines in the next General Elections. Before the voting machines can be introduced, suitable amendments would have to be made to the relevant sections of the R.P. Act, 1951. This would be taken up as soon as a final decision is taken.

**Raising of Finances through Foreign and Internal Loan**

384. SHRI NITYANANDA MISRA : Will the Minister of FINANCE be pleased to state :

(a) the yearly finance being raised by Government through foreign loan and internal loan separately;

(b) the financial returns that these moneys fetch per year through investment;

(c) the gap between the investment and the return;

(d) to what extent more investment and less goods produced is increasing the rate of inflation; and

(e) Government's reaction in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The amounts raised from internal (market) loans and external loans, net of repayments, from 1985-86 are given below :

(Rs. crores)

	1985-86	1986-87	1987-88 (Provisional actuals)	1988-89 BE
Internal (market) loans	4886	5544	7000	7000
External loans	1730	1993	3147	3143

(b) and (c). The expenditure on account of interest payments on loans and other borrowings and the receipts from interest, dividends and profits, as estimated in the Budget for 1988-89 compare as follows :

	(Rs. crores) BE 1988-89
(i) Interest payments	14100
(ii) Interest receipts, dividends and profits	7759

(d) and (e). The higher rate of inflation experienced last year as well as the decline in production were the consequence of the unprecedented drought. Efforts are being made on a wide front to make up for the loss in production and to bring prices under check.

**IIF Study in India's Debt Position**

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

(a) whether Government's attention has been drawn to the study of the Washington based Institute for International Finance on India's foreign debt position; and

(b) if so, the details and Government's reaction to the views expressed by the institute ?

THE MINISTER OF FINANCE (SHRI S.B. CHAVAN) : (a) and (b). Yes, Sir. The Country Report on India prepared by the Institute of International Finance is a confidential document intended for use of IIF members only. As such, it is not considered appropriate for Government to comment on its contents.

**Conference of Income Tax  
Commissioners**

386. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether a two-day All India Conference of Income Tax Commissioners was held in New Delhi on June 6-7, 1988;

(b) if so, the details of decisions taken at the Conference; and

(c) the steps taken in pursuance thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) and (c). No decisions were taken at the Conference. Recommendations made are under study.

**World Bank Report on Devaluation  
of Rupee**

387. SHRI S.M. GURADDI :  
SHRI S.B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) whether sickness among the engineering companies may increase due to the devaluation of rupee that took place during the last few years;

(b) whether the report of the World Bank has stated that engineering firms in India have been affected by the devaluation of the rupee against many hard currencies; and

(c) if so, the other features of the report, and to what extent Government have examined them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The exchange rate of the rupee is fixed with reference to the exchange rate movement of a suitably weighted basket of currencies mainly of countries which are India's trading partners. In a regime of floating exchange rates, up-

ward and downward movements of the value of rupee which depend upon the fluctuations in the value of these currencies is a normal phenomenon. An appreciation in the value of other currencies while increasing the cost of imports to the industrial sector, would make exports from the sector more competitive.

(b) and (c). Government of India is not aware of any final report of the World Bank in this regard.

**Setting up a Financial Institution for  
Providing Fund to Irrigation Projects**

388. DR. G.S. RAJHANS :  
SHRIMATI MADHUREE  
SINGH :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Union Government are considering the idea of setting up of financial institutions which will provide funds to irrigation projects languishing for years on land owing to meagre allocations from State budgets;

(b) if so, the details thereof;

(c) the details of the irrigation projects which are to be provided financial help through institutions during the Seventh and Eighth Plan; and

(d) the extent to which the pending projects lying due to financial constraint are likely to be cleared ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (d). Irrigation Projects are funded and implemented by the State Governments. It is generally felt that the State Governments are not in a position to provide adequate outlays to large projects and that suitable mechanism should be evolved to provide adequate financial assistance to nationally important projects through the River Basin Organisations.

**Retrenchment of Workers under  
NTC Mills in West Bengal**

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

(a) whether 10,000 textile workers under the N.T.C. mills in West Bengal are likely to be retrenched;

(b) if so, the reasons therefor; and

(c) the details of steps being taken to rehabilitate the retrenched workers ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). NTC Mills have not resorted to retrenchment of workers. However, NTC is implementing labour rationalisation schemes only on the basis of voluntary resignations or in consultation with the labour unions.

#### Muhane Reservoir of Bihar

390. SHRI RAM SWARUP RAM : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the State Government of Bihar has sent revised proposal in respect of Muhane Reservoir Project for its approval by Union Government; and

(b) if so, the time by which it will be cleared ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) No, Sir.

(b) Does not arise.

#### Circulation of Fake 100-Rupee Currency Notes

391. SHRI VISHNU MODI : Will the Minister of FINANCE be pleased to state :

(a) whether it has come to the notice of the Government that fake currency notes of Rs. 100 denomination are in circulation in major cities of the country;

(b) if so, steps taken by Government to un-earth this anti-national gang at national international level; and

(c) the steps taken by Government to caution the public into dealing with the currency notes of Rs. 100 denomination ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : The Central Bureau of Investigation has reported the

following details of fake note of Rs. 100 denomination seized in several States/Union Territories during the last three years :

Year	No. of pieces	Total value
1986	20014	Rs. 20,01,400
1987	5793	Rs. 5,79,300
1988 (Jan-May)	825	Rs. 82,500

(b) In order to prevent counterfeiting, the Indian Currency and bank notes are printed on a special mould paper with special security inks and incorporate the following security features :

- (1) Water-mark of Ashoka Pillar design;
- (2) Multi-colour offset printing;
- (3) Security thread in the case of notes of Rs. 5 denomination and above;
- (4) Intaglio printing on higher denomination notes of Rs. 10 and above; and
- (5) In addition to the above, Rs. 500 has a latent image and a portrait.

Besides, the Central Bureau of Investigation also consolidates and circulates to all State Governments and Union Territories information relating to counterfeit currencies to facilitate detection of forged currency notes. Counterfeiting of Indian Currency/bank notes is an offence under Section 489E of Indian Penal Code. The concerned authorities take immediate action to arrest the culprits and confiscate the materials used by them whenever any counterfeiting case is detected. Such persons are also punished according to law.

(c) In order to acquaint the public with the salient features of genuine notes which include notes of Rs. 100 denomination and to enable them to distinguish between genuine and forged notes, Reserve Bank of India issued a Press Release in August, 1987 which is laid on the Table of the House.

[Placed in library. See No. LT-6341/88]

#### Change in the Pattern of Funding for Irrigation Development

392. SHRI KAMAL NATH : Will the Minister of WATER RESOURCES be

pleased to state :

(a) whether Government are contemplating to ensure a stronger and more dynamic role for the centre in irrigation development by returning to the big dam concept and change in the pattern of central funding;

(b) if so, the extent of development of irrigation potential envisaged as a result of that; and

(c) the broad outlines of the changes in the pattern of central funding as compared with the existing ones ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c). There is no proposal under consideration either for changing the present strategy of combination of major, medium and minor irrigation schemes for irrigation development, or the existing pattern of funding in the irrigation sector.

**Delay in Completion of SYL Canal due to Mass Exodus of Migrant Labourers**

393. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether it is a fact that following killings of a number of migrant labourers by the terrorists, there has been mass exodus of migrants from the SYL Canal site putting the work virtually at a stand-still;

(b) if so, the details thereof and its overall impact on the completion of the SYL Canal; and

(c) the steps taken by Government to ensure that the work on the SYL Canal does not suffer ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c).

Following the incident on the SYL Canal in May, 1988 the labour strength of migrant labour fell from 8300 to about 1800.

Immediately after the incident a number of police/security pickets have been set up by the Government of Punjab to restore the confidence of staff, labour and contractors. As a result, the labour strength picked up to about 2860 by the end of June, 1988. The progress is being monitored to resolve bottlenecks and avoid delays.

[*Translation*]

**Opening of Regional Rural Banks in Madhya Pradesh**

394. SHRI MAHENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of regional rural banks presently functioning in Madhya Pradesh district-wise;

(b) whether these regional rural banks are running profitably or in loss and the details in this regard; and

(c) whether Government propose to open any more regional rural banks in Madhya Pradesh; if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) At present there are 24 regional rural banks (RRBs) in Madhya Pradesh. These RRBs cover 44 districts in the State as per details given in the statement below.

(b) NABARD has reported that in Madhya Pradesh during 1987 three regional rural banks made profit of Rs. 25.20 lakhs. The remaining 21 RRBs during that year incurred losses amounting to Rs. 614.90 lakhs.

(c) There is no proposal for the present to open more RRBs in Madhya Pradesh,

**Statement**

Sl. No.	Name of the R.R.B.	District(s) Covered.
1	2	3
1.	Kshetriya Gramin Bank, Hoshangabad.	Hoshangabad & Raisen
2.	Bilaspur-Raipur Kshetriya Gramin Bank, Bilaspur.	Bilaspur & Raipur

1	2	3
3.	Rewa-Sidhi Gramin Bank, Rewa.	Rewa & Sidhi
4.	Bundelkhand Kshetriya Gramin Bank, Tikamgarh.	Chhatrapur & Tikamgarh
5.	Sharda Gramin Bank, Satna.	Satna
6.	Surguja Kshetriya Gramin Bank, Ambikapur.	Surguja
7.	Bastar Kshetriya Gramin Bank, Jagdalpur.	Bastar
8.	Durg-Rajnandgaon Gramin Bank, Rajnandgaon.	Durg & Rajnandgaon
9.	Jhabua-Dhar Kshetriya Gramin Bank, Jhabua.	Jhabua & Dhar
10.	Rajgarh Kehetriya Gramin Bank, Raigarh.	Raigarh
11.	Shivpuri-Guna Kshetriya Gramin Bank, Shivpuri.	Shivpuri & Guna
12.	Damoh-Panna Sagar Kshetriya Gramin Bank, Damoh.	Damoh, Panna & Sagar
13.	Dewas-Shajapur Kshetriya Gramin Bank, Dewas.	Dewas & Shajapur
14.	Nimar Kshetriya Gramin Bank, Khargone.	West & East Nimar
15.	Mandla-Balaghat Kshetriya Gramin Bank, Mandla.	Mandla & Balaghat
16.	Chindwara-Seoni Kshetriya Gramin Bank, Chhindwara.	Chhindwara & Seoni
17.	Rajgarh Kshetriya Gramin Bank, Sehore.	Rajgarh & Sehore
18.	Shahdol Kshetriya Gramin Bank, Shahdol.	Shahdol
19.	Ratlam-Mandsaur Kshetriya Gramin Bank, Mandsaur.	Ratlam & Mandsaur
20.	Chambal Kshetriya Gramin Bank, Morena.	Bhind & Morena
21.	Mahakaushal Kshetriya Gramin Bank, Narsinghpur.	Narsinghpur & Jabalpur
22.	Indore-Ujjain Kshetriya Gramin Bank, Ujjain.	Indore & Ujjain
23.	Gwalior-Datiya Kshetriya Gramin Bank, Datia.	Gwalior & Datia.
24.	Vidisha-Bhopal Kshetriya Gramin Bank, Vidisha.	Vidisha & Bhopal

**Demand-vs-Supply of Janata Cloth in U.P.**

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

(a) the total annual demand made by Government of U.P. for janata cloth and janata sarees during the last three years and the supplies made vis-a-vis their demand;

(b) whether Government of Uttar Pradesh has not lifted the allotted quantity of janata cloth and janata sarees during these years; and

(c) if so, the reasons thereof and the steps being taken to ensure the timely supply of these items to this State ?

THE MINISTER OF TEXTILES  
(SHRI RAM NIWAS MIRDHA) : (a) The

annual targets of Janata cloth allotted to the State of Uttar Pradesh and the actual deliveries made during the last 3 years are as under :

Year	Target in million Sq. meters	Deliveries made in million Sq. meters.
1985-86	100	105.83
1986-87	120	119.05
1987-88	120	83.88

(b) The responsibility for production and distribution of Janata Cloth vests with the State Governments. Thus, the Janata cloth produced by implementing agencies in U.P. State is lifted and distributed by agencies approved by the State.

(c) Does not arise.

[English]

#### Inflation in Metropolitan Cities

396. SHRI M. RAGHUMA REDDY :  
SHRI C. MADHAV REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether all the four metropolitan cities in India have not only posted double digit inflation during the twelve months ending April, 1988 but also registered a higher rate than the All India average of 10.4 per cent of the period;

(b) if so, the reasons thereof; and

(c) the effective measures taken or proposed to be taken to control the inflation in the country ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) The All India Index is based on the average of 50 centres. The higher rate of price rise in metropolitan cities during the period was due greater pressure of demand in a year of severe drought.

(c) The specific measures taken by the Government to keep the price rise under check

include enhanced distribution of foodgrains through Public Distribution System (PDS); Strengthening of the PDS with the opening of additional outlets; import of essential commodities like pulses, edible oils and sugar; strict economy in Government expenditure; mopping up of excess liquidity in the economy and intensive action against hoarders and profiteers.

#### Flow of Credit to Punjab

397. SHRI KAMAL CHAUDHRY :  
Will the Minister of FINANCE be pleased to state :

(a) whether the inflow of credit to Punjab for developmental purposes is insufficient;

(b) if so, the facts thereof; and

(c) the steps taken or proposed to be taken to raise the credit flow to that State ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) and (c). The aggregate deposits of the banks in Punjab registered a growth of 19.9% during the year 1987 and the advances during the same period also increased by 14.4%. The overall performance of the banks under Annual Action Plan (AAP) 1987 was to the extent of 123% of target.

Further in view of the disturbed conditions in Punjab special concessions have been extended to borrowers in Punjab which *inter-alia* include sanctioning of ad-hoc credit facilities wherever required on merits, additional working limits beyond the existing limits, suitable relaxations in terms and conditions of sanction of advances for a limited period such as lowering of margin requirements (except increases of commodities covered under selective credit control), rescheduling of repayment programme, relaxation in norms for inventory and receivables, extending the period of realisation of bills etc.

In accordance with the Reserve Bank of India guidelines in this regard, the banks have allowed concessions to 38468 units

in Punjab involving an amount of Rs. 162.42 crores from 6th June, 1986 to 31st December, 1987. This is in addition to Rs. 115.43 crores already provided to 5995 units between 1.1.1985 to 31.5.1986.

#### Export of Cotton

398. SHRI BHADRESWAR TANTI : Will the Minister of TEXTILES be pleased to state :

(a) whether any cotton was exported during last three years till date;

(b) if so, the value and the quantity thereof;

(c) the names of the countries to which cotton was exported; and

(d) whether the contracts have been fully executed ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The quantity and value of cotton exported during the last three years and the current year are as follows :

Year	Quantity (in lakh bales)	Value (in Rs. crores)
1984-85	1.79	59.02
1985-86	4.14	91.97
1986-87	13.65	243.90
1987-88	0.43 (Registered for export)	21.15

(c) Cotton is exported mainly to Bangladesh, Belgium, Bulgaria, China, Czechoslovakia, West Germany, Spain, Korea, Poland, Sri Lanka, Japan, Singapore, Thailand and Turkey.

(d) The contracts have been fulfilled except in respect of 3854 bales by Cotton Corporation of India and 43 bales by Maharashtra State Cooperative Cotton Growers' Marketing Federation in 1986-87.

#### Housing Schemes of LIC

399. SHRI RADHAKANTA DIGAL :  
SHRI YASHWANTRAO  
GADAKH PATIL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Life Insurance Corporation of India has introduced some new housing schemes to give a fresh thrust to the housing activities in the country;

(b) if so, the details of these schemes;

(c) the extent to which the new schemes would help the policy holders in getting loan from LIC to buy houses;

(d) whether LIC has modified some rules pertaining to the sanction of loan to the customers; and

(e) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). A new housing scheme aiming at broadening the scope of the existing housing scheme at places where flats system is in vogue is being finalised by LIC. The scheme would enable the LIC to grant loans for purchase/construction of house/flats, etc. against proper security without the requirement of the first mortgage of the property.

(c) Since creation of first mortgage of property will not now be insisted upon, a larger number of policyholders will be able to get loans for construction/purchase of houses/flats under the new scheme.

(d) and (e). Yes, Sir. In the modified 'Own Your Home' Scheme effective from October, 1987, LIC has introduced graded system of interest rates ranging from 12% for loans upto Rs. 50,000, 13% for loans between Rs. 50,000 to Rs. 1,00,000, 14% between Rs. 1,00,000 and Rs. 2,00,000 and 15% for loans over Rs. 2,00,000 as against the uniform rate of 13%. Maximum loan of Rs. 2.5 lakhs will be available irrespective of population criteria and for metropolitan cities like Delhi, Bombay, Madras and Calcutta, it will be Rs. 3,00,000. Procedures and Application Forms have been



simplified to enable borrowers to avail loan even during the course of construction under the Self Financing Schemes of Government/Statutory Authorities. Loans can be obtained on production of letter of Allotment from the concerned authority/Share Certificate issued in favour of the applicant by a Co-operative Housing Society.

**IDBI Schemes for Assistance for Energy Conservation**

400. **SHRIMATI BASAVA RAJESWARI** : Will the Minister of FINANCE be pleased to state ;

(a) whether the Industrial Development Bank of India (IDBI) has decided to promote two schemes of financial assistance to eligible industrial units for the promotion of energy conservation in industry;

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

(c) the total financial assistance proposed to be provided; and

(d) the extent to which these schemes are likely to promote energy conservation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). With a view to encourage energy conservation in industry, the Industrial Development Bank of India (IDBI) has launched in June, 1988 two schemes of financial assistance to eligible industrial units which have been in operation for a minimum period of 5 years. Under these Schemes known as Energy Audit Subsidy (EAS) Scheme and Equipment Finance for Energy Conservation (EFEC) Scheme, the IDBI will subsidise the cost of preparation of preliminary audits and detailed energy audits by approved energy consultants including National Productivity Council, Petroleum Conservation and Research Association and the Technical Consultancy Organisation promoted by all India Financial Institutions to the extent of 50% of the cost. The subsidy will be upto Rs. 10,000 for preliminary audits and Rs. 1,00,000 for detailed energy audit. Assistance under the EFEC scheme would be by way of term loans for acquisition of equipment. A novel feature of the scheme is that interest on the loans granted for installation of energy conservation equipment would enjoy

a rebate linked to the extent of energy saving actually achieved in relation to a standard of datum level for the industry subject to a floor level of interest at 10% p.a. The basic rate of interest of currently 14% p.a. At the option of the borrower, interest can be funded for a period upto 2 years on simple interest basis.

(c) The IDBI has reported that as the Schemes have been introduced only recently, it is yet to arrive at a reasonable estimate of quantum of assistance likely to be sanctioned.

(d) As the Schemes are aimed at energy conservation, significant, energy saving could be achieved when the implementation of the Schemes gathers momentum.

**Equity of Public Sector Units to Private Investors.**

401. **SHRI SATYENDRA NARAYAN SINHA** : Will the Minister of FINANCE be pleased to state :

(a) whether the working group on capital markets has recommended that part of the public-sector units be offered to private investors as reported in the 'Economic Times' of June 29, 1988; and

(b) if so, Government's view thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Working Group on Capital Markets has not yet submitted its Final Report; hence the question of Government's views thereon does not arise.

[*Translation*]

**Smuggling of Gold**

402. **SHRI NARSING MAKWANA** : Will the Minister of FINANCE be pleased to state :

(a) whether the existing measures are adequate to stop smuggling of gold;

(b) if so, the reasons for increase in gold smuggling during last few months;

(c) whether Government propose to take more stringent measures to eliminate the smuggling of gold; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The fight against smuggling is an ongoing process. In the context of fast technological developments and the new modus operandi adopted by the smugglers from time to time, the anti-smuggling measures need to be constantly reviewed. Since smuggling is a clandestine activity, it is not feasible to estimate the extent of increase or decrease of smuggling of gold into the country. 2298 Kgs. (provisional) of gold were seized during the first six months of 1988 which is more than the total seizure of 2254 kgs. of gold effected in the whole of 1987. This increase in the quantum of seizures need not necessarily indicate an increase in the smuggling of gold and could be due to intensified anti-smuggling measures.

(c) and (d). The Government is firmly resolved to combat the menace of smuggling. The anti-smuggling drive has been intensified throughout the country and the anti-smuggling machinery has been geared up particularly at the international airports, sea ports and in the vulnerable areas of the coastline and the land borders. Close co-ordination is maintained with the agencies concerned in the prevention and detection of smuggling. Sophisticated equipment like X-ray machines and metal detectors are being increasingly used for detection and prevention of smuggling of gold.

[English]

**Amount locked Up in Irrigation Projects**

403. SHRIMATI JAYANTI PAT-  
NAIK : Will the Minister of WATER  
RESOURCES be pleased to state :

(a) whether Government have made any estimate of the amount locked up in various ongoing irrigation projects;

(b) if so, the details thereof;

(c) the amount out of it which is the spill-over cost of the major on-going projects, State-wise, project-wise;

(d) whether it is a fact that several projects in the country are languishing for want of funds; and

(e) if so, the steps taken to overcome this problem ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). The recently estimated total cost of the major projects under different stages of execution in the country is about Rs. 39,274 crores while their anticipated expenditure is about Rs. 14,581 crores. There is no locked up amount as such as the investment is required to proceed with the construction of projects and complete them for deriving projected benefits. Further, some of the on going projects are giving partial benefits.

(c) The State wise position is given in the Statement below.

(d) The number of projects taken up by the State Governments are too large with reference to the resources available for the sector with the result that the limited resources are being spread thinly over too many projects.

(e) Irrigation projects are funded and implemented by the State Governments and they have been urged to prioritise the projects with a view to derive optimum benefits, to the extent possible from the limited resources available. Assistance from external lending agencies is being arranged wherever possible to augment the resources. Some additional outlays have been provided under drought relief and the Special Food-grains Production Programmes.

**Statement**  
*Major Ongoing Irrigation Projects of VII Plan*

(Rs. in crores)

S. No.	Name of State	No.	Estimated cost 1988	Expenditure up to 1988 (Anticipated)	Spillover cost as in 1988 (Anticipated) (Column 4-5)
<i>States</i>					
1.	Andhra Pradesh	14	5173.10	2083.35	3089.75
2.	Arunachal Pradesh	—	—	—	—
3.	Assam	2	139.57	71.20	68.37
4.	Bihar	16	2923.51	1028.82	1894.69
5.	Goa	1	131.04	67.53	63.51
6.	Gujarat	11	5365.26	974.05	4391.21
7.	Haryana	10	728.87	527.99	200.88
8.	Himachal Pradesh	1	49.30	1.72	47.58
9.	Jammu & Kashmir	1	84.60	66.19	18.41
10.	Karnataka	14	3311.47	1566.68	1744.79
11.	Kerala	12	1186.79	1151.44	35.35
12.	Madhya Pradesh	20	5207.65	1166.59	4041.06
13.	Maharashtra	42	5552.75	2011.73	3541.02
14.	Manipur	4	169.90	79.41	90.49
15.	Meghalaya	—	—	—	—
16.	Mizoram	—	—	—	—
17.	Nagaland	—	—	—	—
18.	Orissa	5	1763.32	447.09	1316.23
19.	Punjab	3	353.29	70.51	282.78
20.	Rajasthan	6	2410.19	875.73	1534.46
21.	Sikkim	—	—	—	—
22.	Tamil Nadu	3	153.90	135.93	17.97
23.	Tripura	—	—	—	—
24.	Uttar Pradesh	24	3815.60	1840.84	1974.76
25.	West Bengal	4	753.92	414.38	339.54
<b>Total (States) :</b>		<b>193</b>	<b>39274.03</b>	<b>14581.18</b>	<b>24692.85</b>

**Proposal to Restructure Textile Mills in Bombay**

404. SHRI SHARAD DIGHE : Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation (NTC) proposes to restructure 257 mills located in Bombay city by amalgamating the same into 10 viable units, and

(b) if so, the details of the proposal ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). NTC has formulated a scheme for restructuring the unviable textile mills under NTC. The scheme is still in its preliminary stages of discussion at various levels in the NTC itself.

**Opening of Bank Branches**

405. SHRI SRIBALLAV PANI-GRAHI : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of different nationalised banks and the State Bank of India proposed to be opened during the current financial year with the names of places, State-wise;

(b) the number of branches already opened till the end of June, 1988 along with the names of the places, State-wise;

(c) whether there are any guidelines issued by the Reserve Bank of India for opening of branches of the banks; and

(d) if so, the salient features thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). Reserve Bank of India (RBI) has reported that on the basis of lists of identified centres received from the State Governments under the current Branch Licensing Policy for 1985-90, 5526 centres were allotted to banks for opening their branches in the country as a whole. Out of these 5526 centres till the end of June, 1988, banks had opened branches at 1987 centres. The State-wise position of centres allotted and offices opened is given in the statement below. In the context of 'Service Area Approach' for rural lending, banks have been instructed by RBI to open their branches at all the allotted rural centres expeditiously.

**Statement**

*State-wise position of centres and offices opened upto the end of June, 1988*

S. No.	Name of State/Union Territory	Total No. of centres allotted	No. of offices opened
1	2	3	4
1.	Andhra Pradesh	422	187
2.	Arunachal Pradesh	29	3
3.	Assam	241	49
4.	Bihar	412	65
5.	Gujarat	280	73
6.	Haryana	141	111
7.	Himachal Pradesh	140	71
8.	Jammu & Kashmir	44	—
9.	Karnataka	293	104
10.	Kerala	87	53
11.	Madhya Pradesh	504	172

1	2	3	4
12.	Maharashtra	575	174
13.	Manipur	20	—
14.	Meghalaya	29	6
15.	Mizoram	35	2
16.	Nagaland	18	1
17.	Orissa	201	69
18.	Punjab	119	52
19.	Rajasthan	243	115
20.	Sikkim	▼	1
21.	Tamil Nadu	288	101
22.	Tripura	36	8
23.	Uttar Pradesh	793	400
24.	West Bengal	484	167
25.	Goa, Daman & Diu	4	3
26.	Andaman & Nicobar Islands	9	—
27.	Chandigarh	1	—
28.	Delhi	62	5
29.	Dadra & Nagar Haveli	1	—
30.	Lakshadweep	3	—
31.	Pondicherry	5	—
Total		5526	1987

**Ban on Recruitment in Public Sector Bank**

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

(a) whether the ban imposed on the recruitment of personnel in public sector banks since 1984 still continues;

(b) if so, whether because of this ban most of the banks are understaffed; and

(c) whether Government propose to liberalise the ban and allow the banks to recruit personnel essentially needed ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

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

**Import Export and Balance of Trade**

407. SHRI SYED SHAHABUDDIN : Will the Minister of COMMERCE be pleased to state :

(a) the final figures of export and import during 1987-88 and the trade gap in rupees;

(b) the export, import and balance of trade figures in respect of 10 biggest trade partners for the year 1987-88 in terms of the foreign currency concerned and of rupees; and

(c) whether there has been any appreciable change in the exchange rate in respect of the 10 currencies mentioned above during 1987-88 and the average rate of exchange in respect of each for the year as a whole?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) :** (a) Final figures for 1987-88 are not available. However, according to the provisional figures, India's export,

import and balance of trade during 1987-88 were Rs. 15719.36 crores, Rs. 22343.02 crores and Rs. 6623.66 crores respectively.

(b) Statement-I indicating export, import and balance of trade in respect of 10 biggest trade partners for the year 1987-88 converted from Rupees in their local currencies is given below. The trade with these countries is not all invoiced in their local currencies and may also be invoiced in other international currencies, particularly the US dollar.

(c) Statement-II indicating annual average exchange rate of Rupee in respect of the 10 currencies mentioned above during 1986-87 and 1987-88 is given below.

## Statement I

*India's foreign trade with top ten countries during 1987-88*

Country	Unit of currency	Export (P)		Import (P)		Balance of trade	
		Foreign currency (In Million)	Rupees (In Crores)	Foreign currency (In Million)	Rupees (In Crore)	Foreign currency (In Million)	Rupees (In Crores)
1. USA	Dollars	2241	2906	1554	2015	+687	+091
2. Japan	Yen	171615	1615	224085	2114	53071	-499
3. USSR	Roubles	(1307)+	1971	(848)+	1279	(+459)+	+692
4. German Fed. Republic	Deutch Mark	1433	1061	2940	2176	-1507	-1115
5. U. K.	Pound Sterling	467	1032	817	1804	-358	-772
6. Saudi Arabia	Riyad	855	296	4012	1387	-3157	-1091
7. France	Franc	1703	375	3603	794	-1900	-419
8. U.A.E.	Dirham	888	314	2219	783	-1331	-469
9. Italy	Lira	492451	502	494608	504	-2157	-2
10. Malaysia	Ringgit	173	89	1593	820	-1420	-731

P : Provisional

Source : Rupee figures : DGCI &amp; S, Calcutta

Exchange Rates : Reserve Bank of India, Bombay.

Note : (+) India's trade with USSR is conducted in Rupee Payment.

## Statement II

*Annual Average Exchange rate of the Rupee vis-a-vis Major trade partner Currencies*

(Rs. per foreign currency)

	1986-87	1987-88
1. U.S. Dollar	12.7782	12.9658 (-1.4)
2. Yen	0.0802	0 0941 (-14.8)
3. Rouble	13.5576	15.0802 (-10.1)
4. Deutche Mark	6.2970	7.4004 (-14.9)
5. Pound Sterling	19.0722	22.0872 (-13.7)
6. French Franc	1.9290	2.2035 (-12.5)
7. Italian Lira	0.0091	0 0102 (-10.8)
8. Malaysian Ringgit	4.9327	5.1469 (-4.2)
9. Saudi Arabian Riyal	3.7143	3.4562 (+7.5)
10. U.A.E. Dirham	3.4853	3 5297 (-1.3)

*Note* : Figures in Brackets are Appreciation (+)/Depreciation (-) of Indian rupee against the concerned currency over previous year.

*Source* : Reserve Bank of India, Bombay.

**Revival of Stock Market**

408. SHRI D.P. JADEJA : Will the Minister of FINANCE be pleased to state :

(a) whether Union Government have taken effective measures to revive the stock market as is being done in Japan and USA;

(b) if so, the details thereof; and

(c) to what extent those measures have achieved results ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI

EDUARDO FALEIRO) : (a) to (c). The need for a revival of the stock market in USA and Japan had arisen in the context of the crash of October 1987, called "Black Monday". India being an insulated market was not affected by this, and thus the question of a revival as was done elsewhere does not arise.

**Clearance of Export Applications**

409. SHRI C. MADHAV REDDI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have a scheme for speedy clearance of export application; and



(b) whether a 'Single Table' clearance of exports is being considered for on the spot decisions ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Export Policy for 1988-91 announced on 30th March, 1988, allows export of a large number of items on decontrolled basis without any licensing formalities.

Export Licensing Committee has been constituted under the new policy which considers and finalises the requests for export on the spot as against earlier procedure under which such requests were referred to different Departments which involved considerable delay.

**Scheme for Attachment of Property under Income-Tax Act to More Cities**

410. SHRI S.B. SIDNAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to extend the scheme for attachment of property under the Income-Tax Act to more cities;

(b) if so, whether Government also propose to appoint appropriate authority in each city separately;

(c) if so, whether any such authority has been set up; and

(d) if so, the total number of cities which have been brought under this scheme and to what extent the attachment of properties have been made during the last three months ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes Sir.

(b) No, Sir.

(c) and (d). Till date six cities namely, Delhi, Bombay, Calcutta, Madras, Bangalore and Ahmedabad have been brought under the purview of the provisions of the Chapter XXC of the Income-Tax Act.

During the last three months (*i.e.* in April, May and June) 71 pre-emptive purchase orders under section 269UD(1) have been passed.

**IMF Report on Price Behaviour in Countries**

411. SHRI PRAKASH V. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether the International Monetary Fund (IMF) has recently conducted survey and prepared a report about the likely price behaviour in the developing and the developed countries;

(b) if so, whether the case of India forms a part of the study; and

(c) if so, the forecast made for both agro-based and industry-based commodity prices as also the general level of inflation that will prevail ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). In response to proposal by USA and UK, the Fund staff analysed the link between commodity prices and general trends in consumer prices in industrial countries. This study, which covered developed countries only, suggests that commodity prices can sometime serve as a leading indicator of general inflation trends but must be considered with other factors. This was incorporated in the World Economic Report. India was not covered by the study.

**Exchange Value of Rupee**

412. SHRI BRAJA MOHAN MOHANTY : Will the Minister of FINANCE be pleased to state :

(a) whether the value of rupee vis-a-vis foreign currency has fallen further; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The exchange rates of the rupee vis-a-vis Pound Sterling, US dollar, DM and Yen as on 1.7.1987 and 1.7.1988 are indicated below :

Date	Pound Sterling	US dollar	D.M.	Yen
1.7.1987	20.85	12.9262	7.0851	0.0881
1.7.1988	24.10	14.1142	7.7647	0.1056

#### Export of Bed Linen to Finland

413. SHRIMATI D.K. BHANDARI : Will the Minister of TEXTILES be pleased to state :

(a) whether some efforts have been made to increase the export of bed-linen to Finland during current year;

(b) if so, the details thereof;

(c) whether the export of bed-linen to other countries is being done;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) According to the information furnished by Cotton Export Promotion Council (TEXPROCIL), the export of bed-linen to Finland increased from 21 Tonnes in 1986 to 202 Tonnes in 1987.

(c) Yes, Sir.

(d) According to the information furnished by TEXPROCIL, global exports of bed-linen increased from 4820 Tonnes in 1986 to 6740 Tonnes in 1987.

(e) Does not arise.

#### Trade with Czechoslovakia

414. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR : Will the Minister of COMMERCE be pleased to state :

(a) whether trade between India and Czechoslovakia has increased during 1987-88;

(b) whether there is a great scope to further increase bilateral trade; and

(c) if so, the details of the specific steps being taken for expanding and diversifying trade between India and Czechoslovakia ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). Yes Sir, as per the latest information available, the Indo-Czechoslovak trade has reached a level of Rs. 172 crores in 1987-88 as against the 1986-87 level of Rs. 145 crores, thus showing an increase of 19%.

With a view to increase and diversify the bilateral trade further a number of steps have been taken which *inter alia* include participation in trade fairs; exhibitions and buyer-seller meets; exchange of commercial and business delegations; meetings at regular intervals at Government level to review the two way trade and visits of technical team to identify areas of trade exchanges.

#### [Translation]

#### Construction Work of Rajghat Dam Project

415. SHRI MAHENDRA SINGH : Will the Minister of WATER RESOURCES be pleased to state :

(a) when was the Rajghat Dam Project started and the estimated construction cost;

(b) the progress made since then and the time by which the Project is scheduled to be completed indicating the expenditure incurred thereon so far;

(c) whether certain snags have been detected in the execution of the work; if so, the details and the remedial action being taken;

(d) the share of Madhya Pradesh and Uttar Pradesh in the cost of construction and the land to be irrigated in these States separately; and

(e) the number of persons to be displaced by the Project and the steps being taken to rehabilitate them ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) October 1979; initial estimated cost Rs. 123.22 crores.

(b) Progress is as under :

Earth Dam	96%
Masonry Dam	60%
Land Acquisition	51%
Expenditure	Rs. 103 crores upto March, 1988.
Likely year of completion :	1991-92.

(c) Yes, Sir. Revised drawings deleting the provision of second gallery from blocks 22-26 of the dam have been issued.

(d) Expenditure is shared equally by Madhya Pradesh and Uttar Pradesh. Irrigation envisaged is 1.16 lakh hectares in Madhya Pradesh and 1.42 lakh hectares in Uttar Pradesh.

(e) Population affected is 16767. Rehabilitation in Madhya Pradesh is by a cash grant of Rs. 2,000 per family or by allotment of a plot and a grant of Rs. 750 per family; in Uttar Pradesh by cash grant of Rs. 2,000 per family.

#### Civil Cases relating to Revenue pending in High Courts

416. SHRI KAMMODILAL JATAV : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the number of civil cases relating to revenue pending in High Courts for the last twenty years; and

(b) the time likely to be taken further to dispose of these pending cases ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) and (b). Information is being collected and will be laid on the Table of the House.

[*English*]

#### Financial Powers to States

417. SHRI K. MOHAN DAS : Will the Minister of FINANCE be pleased to state :

(a) whether the resource base of States has shrunk progressively since the First Five Year Plan;

(b) if so, the details thereof;

(c) whether some States have demanded more financial powers and wider resource base;

(d) if so, the details of their demands; and

(e) the reaction of Government thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). No, Sir. A statement showing the progressive increase in the resources of the States from the First Five Year Plan to the Sixth Five Year Plan is given below.

(c) and (d). Some States have suggested to the Commission on Centre-State Relations that their fiscal powers may be enlarged by empowering them to levy taxes and duties included in Articles 268 and 269 of the Constitution; transfer of residuary powers of taxation to the States; and removing/relaxing the limitations on their powers to raise resources including transfer of powers of taxation in regard to certain commodities, such as medical and toilet preparations containing alcohol and on futures markets etc.

(e) The recommendations of the Commissions in this regard are under consideration of the Government.

**Statement***Resources of States from the First Five Year Plan to the Sixth Plan*

(Rs. in crores)

Plan Period	Own Resources			Transfers from Centre			Total resources
	Revenue	Capital	Total	Revenue	Capital	Total	
1	2	3	4	5	6	7	8
First Plan (1951-56)	1846	395	2241	602	705	1307	3548
Second Plan (1956-61)	2657	557	3214	1459	1070	2529	5743
Third Plan (1961-66)	4763	940	5703	2594	2123	4717	10420
Three Annual Plans (1966-69)	4603	882	5485	2841	1494	4335	9820
Fourth Plan (1969-74)	11899	2505	14404	8527	2717	11244	25648
Fifth Plan (1974-78)	19382	2914	22296	12149	3056	15205	37501
Two Annual Plans (1978-80)	13939	1931	15870	10129	3788	13917	29787
Sixth Plan (1980-85)	59845	9795	69640	42066	13965	56031	125671

(Public Finance)

**Source :** Ministry of Finance—Indian Economic Statistics various issues.

- Notes :**
1. Data for States includes that of Union Territories with legislature and of Union for the remaining U.Ts.
  2. Transfers to States include tax, shares, grants (both statutory and others).
  3. Transfers in col. (5) do not include payment of interest by States on Central loans.
  4. Transfers in col. (6) relate only to net loans *i.e.* gross loans minus repayments.

**National Judicial Service Commission**

418. **SHRI BHATTAM SRIRAMA-MURTHY :** Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the action taken by Government on the recommendations of the Law Commission in constituting national judicial service commission headed by the Chief Justice of

India to select Judges to High Courts and Supreme Court;

(b) the various judicial reforms recommended by the Law Commission and the action taken by Government in this regard; and

(c) when the present power to appoint and transfer judges is proposed to be

changed and the restructuring of the judiciary contemplated ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) and (c). The Law Commission, in its 121st Report on "A New Forum for Judicial Appointments", has suggested a new model for making recruitment to the superior judiciary, and has recommended the constitution of a National Judicial Service Commission for the purpose. The recommendations of the Law Commission require to be examined in consultation with the concerned Constitutional functionaries to reach a decision.

(b) 114th to 121st Reports of the present Law Commission have already been laid on the Table of both Houses of Parliament. A gist of recommendations contained in these reports, indicating the stage of action taken in respect of each report is given in the Statement laid on the Table of the House.

[Placed in Library. See No. LT 6342/88]

**Committee on Suicides by Cotton Growers in Prakasam and Guntur Districts**

419. SHRI V. SOBHANA DREESWARA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether the Ojha Committee examining into the circumstances which led to suicides by some cotton growers in Prakasam and Guntur districts has submitted its report to the Government;

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

(c) whether Government have accepted all or any of the recommendations;

(d) whether Government have agreed to the representations from farmers to write off the interest on the loans given to cotton growers in these two districts; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A High Powered Committee headed by Dr. P. D. Ojha, Deputy Governor, Reserve Bank

of India was constituted by the Government of India to look into the problems relating to Cotton Growers. The Committee has submitted its report and suggested following short term and long-term measures :

*Short-term measures :*

- (i) Moratorium for repayment for two years may be given by banks as a special case to all affected farmers in these two districts irrespective of the number of bad crop years. This facility is however, to be extended on the merits of each case.
- (ii) Interest on short-term loan payable by small and marginal farmers should not exceed the principal amount.
- (iii) A short-term loan of all affected farmers should be converted into medium term loan having repayment period of 3-5 years and the banks should charge simple rate of interest on converted loan accounts.
- (iv) In the case of gold loans the ornaments pledged should be auctioned only as a last resort and that too after having the approval of the higher officials.
- (v) The banks should extend loans for allied activities *i.e.* dairy, poultry to supplement the income of the affected farmers.
- (vi) The consumption loan facility upto Rs. 500 should be given to affected farmers.

*Long-term measures :*

- (i) ICAR should develop white fly/helothis resistant varieties of cotton.
- (ii) The Government should ensure availability of effective pesticide even if it may require import of some chemicals.
- (iii) A Board at National level for regulating the cotton production and marketing may be set up as in the case of tobacco and jute.

- (iv) Measures should be taken to increase irrigation facilities in the two districts. The farmer should be educated to diversify the cropping pattern instead of concentrating on cotton. The State Government should take effective measures for checking the supply of spurious pesticides by taking exemplary stern action against delinquent.

Based on the recommendations of the High Powered Committee, RBI has issued necessary instructions to banks for providing relief to cotton growers of the two affected districts *viz.* Guntur and Prakasam. The instructions issued by RBI vide their letter dated 29.6.88 *inter-alia* provide for the following facilities :

1. The banks as a special case should defer recovery of principal as well as interest from the affected farmers for a period of two years or till the next normal year whichever is earlier.
2. Banks should not charge penal interest nor should they compound the interest on dues postponed.
3. Banks should stop auctioning of gold ornaments pledged with them. Such action be taken as a last resort and that too after obtaining clearance from higher levels.
4. Banks may extend consumption loan facilities upto Rs. 500 per family.

(d) and (e). Reserve Bank of India (RBI) has reported that the interest rates stipulated for agricultural advances are much lower than these stipulated for other categories of borrowers in whose case the maximum interest rate charged is as high as 16.50% p.a. Further, with effect from 1.3.1988 on short-term agricultural loans of Rs. 15,000 and below, it is not possible for banks to write off loans in an ad-hoc manner and the above concessions announced by RBI are considered quite adequate.

#### Loans Advanced by Banks in Gujarat

420. SHRI HAROOBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) whether representations have been received to the effect that a number of applications for loans recommended by the sponsoring agencies are rejected or delayed by certain nationalised banks in Gujarat;

(b) the number of applications for loans from urban poor pending for clearance or rejected by the nationalised banks as on 9th July, 1988; and

(c) the steps taken or contemplated by Government to ensure better response to the applications for loans by the nationalised banks ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Reserve Bank of India (RBI) has reported that no representations alleging that the applications for loans recommended by the sponsoring agencies are rejected or delayed by certain nationalised banks in Gujarat were received by them. However, Dena Bank which is the convenor Bank for the State Level Bankers Committee (SLBC) of Gujarat has reported that they have received a few representations from Gujarat Scheduled Caste Economic Development Corporation and District Rural Development Agencies on the rejections/delay of applications sponsored by them.

(b) Dena Bank has reported that in 1987-88 the number of applications of Urban poor for loans under Self Employment Programme for Urban Poor (SEPUP) pending for clearance or rejected were 16986 and 2387 respectively.

(c) Under SEPUP there is a bankers committee for sponsoring applications to designated branches. The Committee is also entrusted with the responsibilities of reviewing the progress of programme and to ensure that loans are sanctioned within the limit stipulated under RBI guidelines.

#### Scheduled Caste/Scheduled Tribes Employees in Jute Corporation of India

421. SHRI ANADI CHARAN DAS : Will the Minister of TEXTILES be pleased to state :

(a) the total number of employees working in the Jute Corporation of India

Limited, category-wise as on 31 March, 1985 and 31 March, 1988 vis-a-vis the number of Scheduled Castes and Scheduled Tribes amongst them;

(b) the number of reserved posts carried forward to 1986, 1987 and 1988 and the reasons for not filling these posts in these years and the reasons for their carrying forward;

(c) the number of reserved posts lapsed during the year 1986, 1987 and 1988 after being carried forward for three years as provided under the rules;

(d) the number of reserved posts lying

vacant at present and the reasons therefor; and

(e) the steps taken or contemplated to fill the backlog of these reserved posts ?

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

#### Statement

(a) Position of total No. of employees in Jute Corporation of India as on 31.3.85 and 31.3.1988 vis-a-vis the number of Scheduled Castes and Scheduled Tribes amongst them is as under :

Group	As on 31.3.85			As on 31.3.88		
	Total No. of Employees	SC	ST	Total No. of Employees	SC	ST
A	107	6	1	124	10	2
B	175	16	1	228	30	4
C	1018	134	6	1231	171	12
D	297	44	4	353	56	7

(b) Number of reserved posts carried forward to the years 1986, 1987 and 1988 are as under :

Year	Group-A		Group-B		Group-C		Group-D	
	SC	ST	SC	ST	SC	ST	SC	ST
1986	Nil	Nil	Nil	Nil	33	26	4	3
1987	Nil	Nil	Nil	Nil	30	26	5	5
1988	Nil	Nil	Nil	Nil	28	26	4	5

JCI being a trading organisation primarily engaged in purchase and sale of raw jute, it has to engage a large number of technical hands with knowledge and expertise of raw jute, trading as well as grading and baling of the same. The backlog accumulated in view of non-availability of such technical hands from within SC/ST,

Special efforts has been initiated to meet the gap as early as possible.

(c) No reserved posts lapsed during the year 1986, 1987 and 1988.

(d) Number of reserved posts lying vacant as on 30.6.88 is as under :

	Group-A		Group-B		Group-C		Group-D	
	SC	ST	SC	ST	SC	ST	SC	ST
	Nil	Nil	Nil	Nil	24	80	2	19

(e) JCI has decided to make serious effort to recruit as many SC/ST candidates as possible to make good the shortfall in each category.

#### Cotton Export Quota for Maharashtra

422. SHRI PRATAPRAO B. BHOSALE : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Union Government have sanctioned export quota of cotton bales of Maharashtra during 1987-87;

(b) if so, the details thereof; and

(c) the quota fixed for export of cotton bales from Maharashtra during 1987-88 and 1988-89 ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The Maharashtra State Co-operative Cotton Growers' Marketing Federation was allotted an export quota of 1.55 lakh bales of staple cotton for export during 1986-87.

(b) No export quota of staple cotton has been released during 1987-88 to any organisation. It is pre-mature to fix any quota for export for 1988-89 since this would depend on the availability of cotton, consumption and price trends in that year.

#### Loan from Japan and Switzerland for Modernisation of NTC Mills

423. SHRI Y.S. MAHAJAN : SARI SWAMI PRASAD SINGH :

Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government are considering proposals for arranging loans from Switzerland and Japan for modernisation of NTC mills;

(b) if so, the terms and conditions of these loans,

(c) whether these will be in the form of machinery and equipment; and

(d) what will be the arrangement for repayment of these loans ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (d). The

proposal of NTC for import of textile machinery with assistance from Japan and Switzerland is at exploratory stage. All the details have, therefore, not been worked out.

#### Revision of Pay Scales of Bank Employees

424. SHRI KAMLA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether any settlement has been reached between the bank employees and Government in regard to revision of the pay scales of the bank employees; and

(b) if not, what is the hold up and the steps taken to expedite the settlement ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) The Indian Banks' Association, which holds discussions with the unions was restrained for some time by a High Court injunction from holding further negotiations. The Hon'ble Court has now vacated its stay order.

[*Translation*]

#### Smuggling in Border Areas of Rajasthan

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

(a) whether Government have taken comprehensive steps to check the increasing activities of heroin smuggling in the border areas of Rajasthan;

(b) if so, the details in regard thereto; and

(c) if not, the proposals of the Government to overcome the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The Narcotic Drugs and Psychotropic Substances Act, 1985 provides for deterrent punishment for drug offences ranging from 10 to 30 years of rigorous imprisonment and a fine of Rs. 1 to Rs. 3 lakhs. With the rigorous enforce-



ment of this Act, the drive against drug trafficking has been intensified. Besides the Narcotic Drugs and Psychotropic Substances Act, 1985, the smuggling of heroin also attracts the provisions of the Customs Act, 1962.

Special narcotics cells have been set up in the Customs and Central Excise collectorates. The preventive and Intelligence machinery have been strengthened. All the enforcement agencies in the border areas co-ordinate with each other for effectively fighting drug traffic.

An Ordinance for the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances has also been promulgated on 4.7.1988 which provides for detention for a maximum period of one year of a person indulging in illicit traffic. The maximum period of detention could be 2 years in case of a person indulging in illicit traffic in drugs in "any area highly vulnerable to such illicit traffic". The inland area 100 kms. in width from the India-Pakistan border in the State of Rajasthan has been specified as such vulnerable area in the aforesaid Ordinance.

(c) Does not arise.

[English]

#### Income Tax Exemption on Earnings from Export

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

(a) whether the earnings from export have been totally exempted from Income-tax;

(b) if so, the reasons therefor; and

(c) the total revenue loss on this account per annum ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes Sir, except in the case of export of mineral oils, minerals and ores.

(b) The tax concession has been allowed with a view to provide further incentive for foreign exchange earnings from exports.

(c) It is not possible to precisely determine the total revenue loss on this account per annum. The actual amount of revenue loss will depend on several factors namely, whether the taxpayer is an exporter only or has domestic business also, whether the taxpayer is entitled to avail of any other benefit by way of incentives provided under the Income-tax Act etc.

#### Benefits to Workers in Cardamom Plantations

427. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) the benefits being provided by the Spices Board to the workers in the cardamom plantations;

(b) the number of workers in these sectors; and

(c) the total amount spent on their welfare last year and the amount being spent this year ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The schemes being implemented by the Spices Board for the benefit of the workers in the cardamom plantations include awards of educational stipend to the children of cardamom estate workers, grant-in-aid to educational institutions and hospitals located in cardamom growing areas.

(b) The number of workers in cardamom plantation industry has been estimated at around 1.50 lakhs.

(c) A total sum of Rs. 8.29 lakhs was spent on the welfare schemes last year and a sum of Rs. 10.00 lakhs has been provided in the current years Budget Estimates.

#### Increase in Direct and Indirect Taxes

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

(a) the percentage of increase in direct taxes as well as indirect taxes during the past three years;

(b) the percentage of increase in the income of the people during this period;

(c) whether Government propose to put a moratorium on indirect taxes for a certain period; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE

Year	Income Tax	Wealth Tax	Gift Tax	Central Excise & Customs
1985-86	19.86	41.95	10.19	23.58
1986-87	12.35	13.82	(—) 22.83	15.40
1987-88	10.96	(—) 45.51	(—) 11.27	15.94

(b) The figures of rate of growth of Gross National product, at current prices, for the last three years are as follows :

1984-85	1985-86	1986-87
10.7%	12.9%	11.8%

(c) and (d). No such proposal is under consideration.

#### Talks on Trade during P.Ms Visit Abroad

429. DR. T. KALPANA DEVI : Will the Minister of COMMERCE be pleased to state :

(a) whether during the recent 4-Nation visit of the Prime Minister any talks were held with a view to boost India's trade with those countries;

(b) if so, the details thereof; and

(c) the areas in which trade is likely to improve ?

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

(b) and (c). During the four-nation visit of the Prime Minister to Jordan, Turkey, Spain and Yugoslavia India's overall bilateral relations including economic and commercial relations were reviewed. Our concern regarding the continuing adverse balance of trade with these countries was emphasised in the meetings. Our concerns were shared by these countries and it was agreed to

DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) The percentage of increase in respect of Income Tax, Wealth Tax, Gift Tax, Central Excise & Customs duties during the past three years is as under :

take necessary steps to promote and diversify bilateral trade.

#### Transfer of Assets to Developed Countries

430. SHRI PURNA CHANDRA MALIK : Will the Minister of FINANCE be pleased to state :

(a) whether transfer of assets to developed countries is growing;

(b) if so, the annual amount and rate thereof;

(c) whether Government are taking steps to regulate it with a view not to jeopardize the self-reliance of the economy ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) There is no transfer of assets as such to developed countries from India, and therefore no information is available.

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

#### Import of Raw Silk from China

431. SHRI PURNA CHANDRA MALIK : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have imported raw silk from China during 1988;

(b) if so, the quantity so imported and the distribution thereof among the weavers, State-wise;

(c) whether Government have any assessment of annual requirement;

(d) if so, the details thereof; and

(e) whether the requirement of imported raw silk is being obtained ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). During the year 1988, the Government has imported a total quantity of 36 tonnes of raw silk from China. The State-wise allotment of imported raw silk for distribution to weavers is as under :

State	Raw Silk allocated (Tonnes)
Uttar Pradesh	17.00
Tamil Nadu	8.50
Karnataka	4.00
Andhra Pradesh	1.50
Bihar	1.00
Gujarat	1.00
Madhya Pradesh	0.50
Others	2.50
	36.00

(c) to (e). The annual requirement of imported silk is approximately 2300-2500 tonnes. This annual requirement has been noted in the Trade Protocol signed with China for 1988-89. Initially, a provision of US \$ 40 million has been made in the Trade Protocol with China.

#### Report on Water Conservation

432. SHRI GADADHAR SAHA : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Union Government have received any report so far from States on water conservation measures in the rivers of their respective States;

(b) if so, the details thereof; and

(c) the action taken or proposed to be taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c). The Hon'ble Member is perhaps referring to the water conservation measures taken in the context of drought problems experienced recently within the country. In response to the Action Plan suggested to the States for conservation of water, it has been reported that steps have been taken by them for adoption of better water management techniques like water budgeting and compartmentalisation of reservoirs. Priority has been accorded for drinking water supply, fodder and cultivation of low water consumptive crops. Efforts have also been made to make a trade off between benefits accruing from alternatives of Kharif and Rabi irrigation and extending irrigation to as large an area as possible. Reports have also been received from some States regarding successful use of chemical retardants to reduce evaporation losses.

#### Setting up of Currency Note Printing Press in Salboni

433. SHRI SYED MASUDAL HOSSAIN :  
SHRI PURNA CHANDRA MALIK :  
SHRI SATYAGOPAL MISRA :  
SHRI MATILAL HANSDA :

Will the Minister of FINANCE be pleased to state :

(a) whether Union Government are considering project report for setting up the currency note printing press at Salboni of West Bengal;

(b) if so, the details of the project report; and

(c) Government's views in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) and (c). The proposed New Note Presses at Salboni in West Bengal and Mysore in Karnataka are expected to have a capacity of 5000 million pieces each, per annum, of printing currency/bank notes. The estimated cost of the two Presses is Rs. 1147.40 crores with a foreign exchange component of Rs. 590.50 crores. It will

take 48 months to commission, the Press after investment decision is taken

**Re-orientation of Banking Services in West Bengal**

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

(a) whether Government have prepared any plan for a substantial re-orientation of banking policy in the West Bengal to ensure that banking services and investible funds are made available in the State and in all the districts of the State to the same extent and degree as in the rest of the country;

(b) if so, the details thereof; and

(c) the steps taken so far in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). With a view to improving the flow of credit in West Bengal, Reserve Bank of India had discussions with State authorities and a special State Level Bankers' Committee meeting also held at Calcutta in June 1987. State authorities were advised to prepare bankable schemes and to extend such assistance as might be needed by banks in the implementation of schemes. The banks were also advised that while preparing District Credit Plans and Annual Action Plans, their endeavour should be to increase the flow of credit particularly within the priority sectors by formulating new bankable schemes.

Recently Reserve Bank of India has issued guidelines to banks for adoption of service area approach under which a rural and semi-urban branch would be allotted 15 to 25 villages as its service area to bring about rapid economic developments of that area in coordination with the developmental agencies of State Governments. The service area approach is aimed at bringing about an improvement in the quality of lending, establishing better linkages with production and proper re-cycling of bank credit and this is expected to increase the flow of credit particularly in rural areas.

**Import of Heavy Melting Scrap from USSR**

435. SHRI PARASRAM BHARDWAJ : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to import some heavy melting scarp from the Soviet Union during current financial year to conserve foreign exchange and ensure supplies of this raw material over the long term; and

(b) if so, the details regarding quantity alongwith the agreement arrived at between State owned Metal Scarp Trade Corporation and the Soviet Union export agency ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Yes, Sir. Metal Scrap Trading Corporation has entered into an agreement with the concerned Soviet Organisation for import of 500,000 tonnes of heavy melting scrap during 1988.

**Indian Banks Abroad**

436. SHRI PARASRAM BHARDWAJ : Will the Minister of FINANCE be pleased to state :

(a) whether the surpluses of the Indian banks operating abroad have reportedly shown a declining trend during the 1982-85 period; and

(b) if so, the reasons thereof and the reaction of Government in regard thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The banks prepare their Profit and Loss Accounts in the forms set out in the Third Schedule of the Banking Regulation Act, 1949. Only the profit/loss position of the bank, as a whole, during the year required to be incorporated in the Profit and Loss Account and the Balance Sheet. Banks are not required to indicate separately domestic profits and foreign profits in their Balance Sheets. All the public sector banks, including the banks having overseas branches, have however been earning profits during the period 1982 to 1985 as indicated below ;

(Rs. in crores)

Year	Published Profits
1982	77.56
1983	84.35
1984	82.53
1985	117.77

**Balance of Payment**

437. SHRI LAKSHMAN MALLICK : Will the Minister of COMMERCE be pleased to state :

(a) whether the export earnings suffered a serious setback in 1985-86 and increased during last year;

(b) whether the pressure on the balance-of-payments position is likely to increase further; and

(c) if so, to what extent and the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) India's exports registered a decline of 7.2 per cent during 1985-86 as compared to 1984-85 as a result of cessation of crude oil exports due to development of domestic refining capacity. However, India's exports increased by 15.4 per cent during 1986-87 and 25.3 per cent during 1987-88 as compared to the corresponding period of previous years.

(b) and (c). India's balance of payments continues to be under pressure from a number of medium terms factors. These include deceleration in the rate of indigenous oil production, protectionist tendencies in the international trade, bunching of repayment of obligation to IMF and other sources and an unfavourable climate for concessional assistance.

**Lok Adalats in the Country**

438. SHRI CHINTAMANI JENA : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the number of Lok Adalats held in each State so far;

(b) the details of cases dealt in Lok Adalats;

(c) how far these Lok Adalats are helping the poor section of society to get justice; and

(d) the number of cases disposed of by the Lok Adalats so far in each State ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) The number of Lok Adalats held in each State and the cases disposed of by these Lok Adalats so far are contained in the statement given below.

(b) Claims of compensation under the Motor Vehicles Act, matrimonial disputes, maintenance claims, title disputes, money claims including claims against Railways, mutation disputes, encroachment matters, labour disputes, compoundable offences under the Penal Code etc. are ordinarily handled at Lok Adalats.

(c) Lok Adalats have proved to be an effective alternate mechanism of providing speedier and inexpensive justice at the door steps of the poor through conciliatory and persuasive methods. Cases are settled at the Lok Adalats, at no cost to the litigants and delay in Law Courts is avoided, as the settlements at Lok Adalats are arrived at by mutual consent between the parties and leave them fully satisfied and with no more ill-will against each other.

(d) The required information is contained in the Statement laid on the Table of the House.

**Statement**

*Statement showing the number of Lok Adalats held in each State and the Cases Disposed off. (As per information available with Cilas as on 28th July, 1988)*

S. State/U.T. No.	Number of Lok Adalats held	Number of cases disposed off
1. Andhra Pradesh	64	57,930
2. Assam	10	1,139
3. Bihar	13	14,429
4. Gujarat	181	28,800
5. Haryana	102	40,259
6. Karnataka	190	11,350
7. Madhya Pradesh	61	2,55,072
8. Maharashtra	556	22,809
9. Orissa	111	18,511
10. Rajasthan	242	3,37,436
11. Tamil Nadu	3	388
12. Uttar Pradesh	520	5,07,872
13. West Bengal	9	599
14. Delhi	7	1,849
15. Goa	3	277
16. Pondicherry	8	283
<b>Total</b>	<b>2,080</b>	<b>12,99,003</b>

**Incentives for Textile Production in Kerala**

439. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose any incentives for the promotion of textile production in the State of Kerala;

(b) if so, the details thereof; and

(c) whether any special incentives have been offered to manufacturers of handloom; if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The Textile Policy of June, 1985, envisages

various measures for stimulating textile production all over the country including the State of Kerala.

(c) Various steps taken by Government for the benefit of the handloom sector and handloom weavers in the country including the State of Kerala, include the gradual transfer of target of cheap cloth production to the handloom sector, launching of welfare schemes such as Workshed-cum-Housing Scheme and Thrift Funds Scheme, enactment of legislation reserving 22 items for exclusive production in the handloom sector, encouragement to the production of mixed and blended fabrics on handlooms, implementation of the scheme for modernisation and renovation of handlooms, setting

up of 23 Weavers Service Centres to undertake training service and research, provision for 100% loan assistance to State Governments for setting up of pre-loom and post-loom processing facilities, implementation of schemes for marketing support and regular supply of yarn to the handloom sector through the "Hank Yarn Obligation Scheme" and activities of National Handloom Development Corporation.

#### Financing of Housing Activities by Banks

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

(a) whether any of the banks namely, the State Bank of India, the Punjab National Bank, the United Commercial Bank, the State Bank of Patiala and the Central Bank of India, have proposed to launch housing ventures like the Housing Finance Service Private Limited for financing housing activities in the State of Himachal Pradesh, Punjab, Haryana, Jammu and Kashmir and Union Territories of Delhi and Chandigarh;

(b) if so, the details of the scheme in this regard and the date with effect from which these schemes would be approved; and

(c) the probable dates with effect from which these schemes are likely to be implemented in each State by each one of these banks ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Reserve Bank of India has reported that it has not received any proposal from State Bank of India, UCO Bank, State Bank of Patiala, Central Bank of India to launch housing ventures for financing housing activities in the States of Himachal Pradesh, Punjab, Haryana, Jammu and Kashmir and Union Territories of Delhi and Chandigarh. However, Punjab National Bank has recently been permitted to promote fully owned subsidiary for undertaking housing finance activities in Northern States/Union Territories comprising Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, U.P., Chandigarh and Delhi,

(b) and (c). The Reserve Bank of India has also reported that the details of the schemes, the effective date of implementation etc. will be known only after the subsidiary is incorporated and starts operating.

#### Irrigation for Hilly and Backward States

441. PROF. NARAIN CHAND PARASHAR : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether any special weightage is being given to irrigation in hilly and other backward States during the Seventh Five Year Plan;

(b) if so, the nature and weightage and the exact allocations for 1988-89 for each such hill States as recognised by the Planning Commission; and

(c) whether any increase in the Central assistance has been made for this purpose in view of severe drought experienced in these States ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c). The Seventh Plan envisages, *inter-alia*, priority to irrigation projects in tribal and backward areas. Irrigation development programmes have been given due importance and there is considerable step-up in outlays for irrigation in most of the predominantly hill States, over the Sixth Plan. Their approved outlay for irrigation for the year 1988-89 are as under :

State	Outlay in Rs. crores
Himachal Pradesh	16.31
Jammu and Kashmir	28.39
Manipur	18.37
Meghalaya	2.60
Nagaland	2.74
Tripura	9.31
Sikkim	1.90
Arunachal Pradesh	4.78
Mizoram	1.81

An additional outlay of Rs. 8.00 crores was approved for accelerating identified irrigation works in Himachal Pradesh, Jammu and Kashmir and Nagaland as a drought-proofing measures. Half of this amount is required to be provided from drought relief programmes and the balance as net additionality.

#### National Committee on Tea Research

442. PROF. NARAIN CHAND PARASHAR : Will the Minister of COMMERCE be pleased to refer to reply given on 4 December, 1987 to starred question No. 421 regarding formulation of long term strategy for tea and state :

(a) whether the Committee to formulate long term strategy/Plan for tea and the National Committee of Tea Research have since submitted their reports;

(b) if so, the main recommendations of each of thereports and the decision taken by Government thereon; and

(c) if not, the dates on which these committees were set up and the likely dates by which they would submit their reports alongwith the reasons for delay ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). The Committee to formulate long-term strategy and plan for tea was set up on 28th October, 1987 with the stipulation that it will submit its report within six months of its constitution. However, considering the comprehensive nature of the terms of reference and tasks to be performed by the Committee, its term has been extended till 28th October, 1988.

A National Committee on Tea Research was set up on 3rd September, 1987. This Committee is a standing Committee with the stipulation that it will meet atleast once in six months. The first meeting of the Committee was held on 28th April, 1988 when it discussed the objectives of the 7th Plan towards production and productivity and technology of tea. An assessment of the current tea research and future programme of work was also discussed in this Meeting.

#### Repatriation of Dividends on foreign Investment of Companies

443. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to refer to reply given to Unstarred Question No. 4064 on 21 August, 1937 regarding the foreign investment of Tata's companies and state :

(a) the repatriation of dividends in the last two years;

(b) what percent of investment does this dividend amounts; and

(c) the amount due to be repatriated and reasons for non-repatriation ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) As on 31.12.87 the amount of dividends repatriated by joint ventures/widely owned subsidiaries promoted by Tata Group of Companies amounted to Rs. 54.30 lakhs.

(b) 6.20%.

(c) The amount due to be repatriated is Rs. 6.16 lakhs. The reason for non-repatriation of the amount by them is that the State Bank of India, Bahrain has stipulated subordination of dividends repatriation till the extinguishment of their liability.

#### Decreasing number of Handloom workers

444. SHRIMATI BIBHA GHOSH GOSWAMI : Will the Minister of TEXTILES be pleased to state :

(a) the total number of handlooms and handloom workers in different States, State-wise;

(b) whether the number of handloom workers are decreasing for past few years; and

(c) if so, the steps taken by Union Government to check this trend ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The number of handlooms in the country has been estimated at 30.65 lakhs, employing an estimated 8.5 million persons. The State-wise figures of handlooms are given in the



statement below State-wise figures of employment are not maintained.

(b) and (c). The production of cloth in the handloom sector has shown a progressive increase which points to a steady growth of this sector. On account of decentralised nature of the activity, exact data regarding increase/decrease in employment in the handloom sector is not available.

**Statement**

*Statewise distribution of looms  
(excluding lakhs domestic loom)*

State	No. of looms (in DCOs)
1	2
1. Andhra Pradesh	529
2. Assam	200
3. Bihar	100
4. Gujarat	20
5. Haryana	41
6. Himachal Pradesh	1
7. Jammu & Kashmir	37
8. Karnataka	103
9. Kerala	95
10. Madhya Pradesh	3
11. Maharashtra	86
12. Manipur	100
13. Meghalaya	5
14. Nagaland	20
15. Orissa	105
16. Punjab	21

1	2
17. Rajasthan	144
18. Sikkim	NA
19. Tamil Nadu	556
20. Tripura	100
21. Uttar Pradesh	509
22. West Bengal	256
23. Union Territories	30
	3066

**Value of rupee in Major Cities**

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

(a) the value of Rupee in Paise (base= 1960—100) in major cities like Bombay, Calcutta, Madras, Delhi, Ahmedabad, Bangalore, Kanpur, Hyderabad, Guwahati, Lucknow in January, February, March, April, May and June, 1988 and during the same period in the year of 1987; and

(b) the reasons for the fall in rupee value ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The value of the rupee is measured as the reciprocal of the Consumer Price Index (CPI) for Industrial workers (1960= 100). The requisite information for the centres is given in the statement below, except for Lucknow and Guwahati, which are not covered under the existing index. Data for June 1988 is not yet available. The decline in the value of the rupee is synonymous with the rise in CPI.

**Statement**  
*Centre-wise value of rupee\* during the years 1987 and 1988 (January-June)*  
 (in paise)

Centre/City	1987						1988					
	Jan.	Feb.	March	April	May	June	Jan.	Feb.	March	April	May	June
1. Bombay	13.55	13.53	13.55	13.26	12.92	12.94	12.33	12.27	12.12	11.95	11.79	N.A.
2. Calcutta	14.79	15.11	14.86	14.84	14.56	14.18	13.81	14.03	13.55	13.11	13.02	N.A.
3. Madras	14.16	14.20	14.16	14.12	13.93	13.76	12.55	12.71	12.82	12.77	12.69	N.A.
4. Delhi	13.97	13.99	13.85	13.81	13.61	13.30	12.66	12.47	12.30	12.03	12.02	N.A.
5. Ahmedabad	14.75	14.81	14.97	14.93	14.68	14.43	13.51	13.70	13.70	13.44	13.26	N.A.
6. Bangalore	13.51	13.25	13.19	13.14	12.84	12.64	11.85	11.88	11.93	11.70	11.63	N.A.
7. Kanpur	14.84	14.79	14.81	14.88	14.75	14.41	13.59	13.70	13.77	13.53	13.50	N.A.
8. Hyderabad	14.39	14.37	14.43	14.18	13.87	13.77	12.82	12.84	12.79	12.71	12.71	N.A.
All India	14.53	14.58	14.58	14.47	14.22	13.99	13.28	13.35	13.28	13.11	12.97	N.A.

N.A.—Not Available.

\*Measured as the reciprocal of the Consumer Price Index for Industrial Workers (Base 1960=100).

**Irrigated Land**

446. SHRI AJIT KUMAR SAHA :  
Will the Minister of WATER RESOURCES  
be pleased to state :

(a) the total irrigated land in the  
country at present, State-wise;

(b) the total area of land which have  
been brought under irrigation so far, State-  
wise;

(c) whether the State Governments have  
sent their proposals to establish more  
irrigation projects in their States;

(d) if so, the details thereof, State-wise;  
and

(e) the action taken by Union Govern-  
ment thereon ?

THE MINISTER OF STATE IN THE  
MINISTRY OF WATER RESOURCES  
(SHRIMATI KRISHNA SAHI) : (a) and  
(b). The State-wise break-up of the gross  
and net area under irrigation is contained in  
Statement-I below.

(c) to (e). The list of projects sent by  
States for clearance and under examination  
in the Centre is at Statement-II below.

**Statement-I***Irrigated Land in the Country (1984-85 Provisional)*

(th. ha.)

Sl. No.	Name of State/ Union Territory	Net Irrigated Area	Gross Irrigated Area
1	2	3	4
<i>States</i>			
1.	Andhra Pradesh	3522	4470
2.	Arunachal Pradesh	22	23
3.	Assam	572	572
4.	Bihar	2795	3784
5.	Goa	13	13 Including UT of Daman & Diu
6.	Gujarat	2240	2614
7.	Haryana	2189	3504
8.	Himachal Pradesh	95	169
9.	Jammu & Kashmir	309	417
10.	Karnataka	1693	2101
11.	Kerala	271	423
12.	Madhya Pradesh	3010	3105
13.	Maharashtra	1964	2686
14.	Manipur	65	75
15.	Meghalaya	50	51
16.	Mizoram	8	8
17.	Nagaland	80	84

1	2	3	4
18.	Orissa	1466	2030
19.	Punjab	3621	6347
20.	Rajasthan	3204	3830
21.	Sikkim	16	16
22.	Tamil Nadu	2640	3507
23.	Tripura	29	38
24.	Uttar Pradesh	9879	12148
25.	West Bengal	1980	1980
Total (States)		41703	53965
<i>Union Territories</i>			
1.	Andaman & Nicobar Islands	—	—
2.	Chandigarh	NA	NA
3.	Dadra & Nagar Haveli	1	1
4.	Delhi	50	57
5.	Daman & Diu	Included in Goa	
6.	Lakshadweep	Neg.	Neg.
7.	Pondicherry	25	41
Total (U.Ts)		76	99
Total all India		41779	54064

## Statement-II

Name of State	Major	Medium
1	2	3
Andhra Pradesh	8	6
Assam	0	1
Bihar	12	3
Gujarat	8	2
Haryana	5	2
Himachal Pradesh	1	1
Jammu & Kashmir	1	7
Karnataka	4	0

1	2	3
Kerala	2	0
Madhya Pradesh	10	6
Maharashtra	21	37
Manipur	0	2
Meghalaya	0	1
Nagaland	0	0
Orissa	3	11
Punjab	8	0
Rajasthan	11	6
Sikkim	0	0
Tamil Nadu	5	3
Tripura	0	0
Uttar Pradesh	11	0
West Bengal	5	0
Arunachal Pradesh	2	0
Goa, Daman & Diu	0	0
<b>Grand Total</b>	<b>117</b>	<b>88</b>

**Non-Fulfilment of Export Obligations**

447. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to refer to the reply given to the Unstarred Question No. 4189 on 4 December, 1987 regarding non-fulfilment of export obligations by companies and state :

(a) whether the information has since been collected;

(b) if so, the details thereof including the penal action taken against erring companies; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). No Sir, the information is being collected which is voluminous in nature and will be laid on the Table of the House.

**Measures to check up Trend in Cotton Prices**

448. SHRI R.M. BHOYE : Will the Minister of TEXTILES be pleased to state :

(a) whether the representatives of the textiles industry have made any representations to Union Government to take immediate measures to check the uptrend in cotton price; and

(b) if so, the details thereof and the reaction of Government in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Representations have been received from various textile industry associations for import of cotton to increase its availability and to check the rise in the prices of cotton.

Government have taken various measures to ensure availability of cotton such

as suspension of exports of staple cotton, permission to import cotton on Advance Licensing basis against export of cotton yarn, cotton fabrics and mads-ups etc. Government have also decided to import one lakh bales of duty-free cotton during the current cotton season for supply of hank yarn to the handloom sector at reasonable prices. As a result of these measures, the cotton prices have declined and availability of cotton has improved

[*Translation*]

**Compensation Paid to Swadeshi Cotton Mills**

449. SHRI R. M. BHOYE. Will the Minister of TEXTILES be pleased to state

(a) whether his Ministry has nationalised six units of Swadeshi Cotton Mills and paid excess compensation of Rs 8 crores to the mill owners,

(b) whether it is a fact that this compensation has been also been paid against the assets created with Government funds, and

(c) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b) No, Sir.

(c) Does not arise

[*English*]

**Eleventh Meeting of Ganga Flood Control Board**

450. SHRI MATILAL HANSDA. Will the Minister of WATER RESOURCES be pleased to state :

(a) whether eleventh meeting of the Ganga Flood Control Board was held,

(b) if so, when and the salient features of the said meeting;

(c) the details of proposals put forward by the different States; and

(d) the action taken by the Board thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) (a) to (c). Yes, Sir, on 14.1.1988 The salient features/proposals are as follows :

- (i) Maintenance of the Piprasa-Pipraghat embankment.
  - (ii) Diversion of surplus Ganga flood waters to Yamuna basin.
  - (iii) Bank protection works below Farakka Barrage on the Ganga on the right bank, and sharing of its costs
  - (iv) Sharing of cost of bank protection works of river Ganga at Mansi and Narayanpur
  - (v) Release of surplus waters from Tenughat Dam for boro paddy crop in DVC command
  - (vi) Regulated development of Diara land
- (d) The Board has been pursuing these matters with all concerned.

**Irrigation Project**

451 SHRI ZAINAL ABEDIN : Will the Minister of WATER RESOURCES be pleased to state :

(a) the number of irrigation projects completed during the last three years, State-wise, and

(b) the number of projects abandoned, if any, State-wise details ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) (a) The assessment regarding completion of projects is undertaken only at the end of each Plan period.

(b) No reports are available from State Governments regarding abandonment of projects

**Demand for Subsidy on Yarn**

452 PROF. MADHU DANDAVATE. Will the Minister of TEXTILES be pleased to state .

(a) whether there has been a consistent demand for adequate subsidy from Union Government on yarn used for the power-looms in view of high prices of yarn; and

(b) if so, the response of Union Government to the demand for increased subsidy ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The Maharashtra Government had in Sept., 1987 made a suggestion for grant of subsidy @ Rs. 2 per kg. on yarn supplied to power-looms and handloom cooperative societies against the increased cost of yarn beyond December, 1986.

(b) The suggestion was not considered feasible because of the financial and administrative implications involved.

#### Export of Alfanso Mangoes

453. PROF. MADHU DANDAVATE : Will the Minister of COMMERCE be pleased to state :

(a) whether there is an increasing demand for export of alfanso mangoes from the Konkan region of Maharashtra to various countries;

(b) if so, whether Government have considered plans for augmenting export of mangoes from the Konkan region so as to improve foreign exchange reserves; and

(c) if so, the details of the plans devised ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) Export of fresh mangoes during the last few years has been as follows :

Year	Qty. (In tonnes)	Val. (Rs. in Lakhs)
1985-86	16461	1922
1986-87	10500	1200
1987-88	14900	1730

The alfanso variety of mango constitutes an important segment of mangoes exported from the country.

(b) and (c). No specific study has been undertaken for augmenting exports of mangoes from the Konkan region. However, exports of fresh fruits including mangoes are eligible for CCS at the rate of 22% on f.o.b. value if exported by air. In addition Import Replenishment of 10% of f.o.b. value is also provided.

#### Essar Group to buy Scindia Steam Navigation Company

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

(a) whether Government have agreed to the Essar Group to buy Scindia Steam Navigation Company by rejecting various other proposals; and

(b) if so, the highlights of the agreement to be signed or already signed between Government and the Essar Group ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise.

#### Assistance given by WAPCOS to WALAMTARI

455. SHRI C. SAMBU :  
SHRI MANIK REDDY :

Will the Minister of WATER RESOURCES be pleased to state :

(a) what are the facilities extended by the Water and Power Consultancy Services (India) Limited, (WAPCOS) to strengthen the faculty and training programme undertaken by the Water and Land Management Training and Research Institute (WALAMTARI) at Hyderabad (Andhra Pradesh); and

(b) the financial assistance allocated so far and further allocation expected to be provided to the WALAMTARI at Hyderabad by the WAPCOS ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) Water and Power Consultancy Services (India) Limited have signed a sub-grant agreement with Irrigation Research and Management

Improvement Cell, Central Water Commission, Louis Berger International Inc and United States Agency for International Development to provide technical assistance of Water and Land Management Institutes and Irrigation Management and Training Institutes in various States. Under this agreement, the WAPCOS provides technical assistance in the form of designing courses, curricula and preparation of training material to Water and Land Management Training and Research Institute at Hyderabad (Andhra Pradesh) also.

(b) Water and Power Consultancy Services (India) Limited do not provide any financial assistance to water and Land Management Training and Research Institute at Hyderabad.

**Water and Power Consultancy Service  
(India) Limited**

456. SHRI C. SAMBU :  
SHRI MANIK REDDY :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the Water and Power Consultancy Service (India) Limited (WAPCOS) has entered into any contract or agreement with the USAID and World Bank on various aspects of Water Resources Management;

(b) if so, the details of such collaborations and the States where such activities are already going on or expected to be taken up; and

(c) the activities expected to be taken up in Andhra Pradesh under this collaboration ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) Water and Power Consultancy Services (India) Limited have entered into a sub-grant agreement with United States Agency for International Development and Irrigation Research and Management Improvement Cell of the Central Water Commission to provide technical assistance necessary for the implementation of the USAID assisted Irrigation Management and Training Project.

(b) and (c). The main activities of the Irrigation Management and Training Project include :

- (i) Training of in-service personnel;
- (ii) Action Research;
- (iii) Adequate Research;
- (iv) Field demonstrations involving Farmers' participation; and
- (v) Information Dissemination system.

The activities mentioned above are proposed to be taken up at WALAMTARI, Hyderabad also. The participating States in the programme are Maharashtra, Rajasthan, Madhya Pradesh, Gujarat and Tamil Nadu. The States of Andhra Pradesh, Kerala, Orissa, Bihar and Uttar Pradesh have been inducted in the programme recently.

**Revised Pay Scales in WAPCOS**

457. SHRI C. SAMBU :  
SHRI MANIK REDDY :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Water and Power Consultancy Service (India) Ltd. (WAPCOS) has implemented the received pay scales for its employees; and

(b) if not, by when it is expected ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) No, Sir.

(b) A High Power Pay Committee has been constituted by the Government of India to consider the matter relating to the revision of Pay Scales and other allowances of the employees of Public Sector Undertakings which follow the Central Government Pay Scales and D.A. Pattern. As Water and Power Consultancy Services (I) Ltd. falls in this category of Public Sector Undertakings, the pay of the Employees of the Company will be revised after a decision is taken on the recommendations of the High Power Pay Committee.



**Import of Cinnamon, Cassia, Cloves,  
Nutmeg and Mace**

458. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of COMMERCE be pleased to state the quantity of cinnamon, cassia, cloves, nutmeg and mace imported during last three years, item-wise and year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : A statement showing import of Cinnamon, Cassia, Cloves, Nutmeg and Mace in terms of quantity and value during 1985-86 to 1987-88, Item-wise and year-wise is given below.

**Statement**

*Statement showing import of Cinnamon, Cassia, Cloves, Nutmeg & Mace during 1985-86 to 1987-88*

Sl. No.	Description of Items	Qty. in M. Tonnes Value in Rs. Thousand					
		1985-86		1986-87		1987-88	
		Qty.	Value	Qty.	Value	Qty.	Value
1	2	3	4	5	6	7	8
1.	Cinnamon	104	3054	208	6280	733	22894
2.	Cassia	1512	41701	N.A.	N.A.	N.A.	N.A.
3.	Cloves	3053	169816	1493	77661	1153	50100
4.	Nutmeg	64	1727	N.A.	N.A.	N.A.	N.A.
5.	Mace	7	280	N.A.	N.A.	N.A.	N.A.

*Note* : 1986-87 & 1987-88 figures provisional

*Source* : Spices Board, Cochin.

**Computer in RBI and other  
Nationalised Banks**

459. SHRI RAM BAHADUR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the computers in the Reserve Bank of India and other nationalised banks have been working successfully;

(b) if not, the nature of defects which have come to notice and other problems being encountered;

(c) whether Government have investigated these defects and problems; and

(d) if so, the remedial measures taken or contemplated ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :

(a) Reserve Bank of India (RBI) has reported that the computer installed at its various offices and the Advanced Ledger Posting Machines (ALPMs) and Computer Systems installed at the Offices of Public Sector Banks including nationalised banks have been generally working satisfactorily.

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

[*Translation*]

**Loans Received by Government**

460. SHRI VILAS MUTTEMWAR :  
SHRI SARFARAZ AHMAD :

Will the Minister of FINANCE be pleased to state :

(a) the total amount of loans so far received by Government during the current financial year and the sources with the terms and conditions thereof;

(b) whether there is any possibility of getting more loans and the sources from where such loans are expected; and

(c) the total amount of interest that will have to be paid annually thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) *Internal market loans* : Two instalments of markets loans have been floated so far during the current financial year realising Rs. 22886.16 crores. The loan-wise details are :

(Rs. crores)	
Loans	Amount
10% Loan, 1993	171.81
10.5% Loan, 1998	20.17
11% Loan, 2003	90.94
11.5% Loan, 2008	2457.89
<b>Total</b>	<b>2970.81</b>
Less repayments	84.65
<b>Net receipt :</b>	<b>2886.16</b>

These loans are repayable at par on maturity. Interest on these loans are paid currently at half-yearly intervals. These loans are subscribed by State Governments, Reserve Bank of India, Commercial Banks, LIC/GIC, Provident Funds, etc.

*External Loans* : Loan assistance received in the the current year upto the end of June, 1988 from external sources, net of repayments, amounted to Rs. 729.59 crores. The broad details are :

(Rs. crores)	
Country, etc.	Loan received (net of repayment)
1	2
France	24.12
Federal Republic of Germany	34.44

1	2
Italy	9.57
Japan	17.66
USSR	80.61
IBRD	365.93
IDA	269.11
ADB	20.28
Other Countries, etc.	-92.13
<b>Total</b>	<b>729.59</b>

The terms and conditions of these loans vary from loan to loan and country to country.

(b) As of now, the receipts from internal market loans and external loans are expected to be at the same level as estimated in the Budget, that is, at Rs. 7000 crores and Rs. 3142 crores respectively.

(c) Budget includes the following provisions for payment of interest on internal market loans and external loans :

(Rs. crores)	
BE 1988-89	
Internal market loans	4783
External loans	1266

[English]

#### Collection of Foreign Exchange by Tourists going Abroad

461. SHRI GURUDAS KAMAT : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that a large number of tourists and businessmen who go abroad collect foreign exchange there through various contacts by paying equivalent amount in Indian rupees in the country; and

(b) if so, the remedial measures taken or proposed in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) The directorate of Enforcement keeps a constant vigil to detect cases of Hawala payments and takes prompt action under the law.

#### Rise in Prices

463. SHRI RAM PYARE PANIKA : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to recent reports about continuing rise in the prices of essential commodities and in the inflation rate; and

(b) if so, the steps taken to curb the rising prices add inflation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a). The prices generally come under pressure during the first half of the financial year due to seasonal factors. The Wholesale Price Index has recorded an increase of 3.3. per cent since the end of March, 1988 which is the lowest rate of increase for this period in several years. While the prices of some items like rice, pulses and sugar have gone up, those of others like wheat and edible oils have registered a decline.

(d) The measures taken to curb the price rise include steps to optimise food-grains production, strengthening of the Public Distribution System, imports and release of essential commodities like pulses and edible oils, strict economy in government expenditure, restraint on money supply growth, selective credit controls and intensive action against profiteers and hoarders.

#### Visit of Official Delegation to Nepal, Burma and Bangladesh

464. PROF. RAMKRISHNA MORE : SHRI MOHD. MAHFOOZ ALI KHAN :

Will the Minister of FINANCE be pleased to state :

(a) whether a high powered official delegation recently visited Nepal, Burma and Bangladesh to discuss ways and means to contain drug smuggling in the region; and

(b) if so, the outcome of the decision held and the follow up action taken by the respective Governments in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K PANJA) (a) and (b). A high-powered Indian delegation, headed by the Minister of State for Finance (Revenue), visited Kathmandu (Nepal) in the second fortnight of June, 1988 and Burma in July, 1988. In the talks with the Nepalese authorities, the existing arrangements in the matter of trade and transit were reviewed and the need to take prompt action against drug traffickers was emphasised. Both sides agreed to extend co-operation for curbing drug trafficking.

In the talks with the Burmese authorities, the drug trafficking situation in both the countries and the counter-measures taken were reviewed with an emphasis for institutionalising the exchange of information between the law enforcement agencies of both the countries.

No delegation, however, visited Bangladesh.

#### Tampering with Raw Jute Stock of Jute Corporation of India by Jute Mills

465. PROF. RAMAKRISHNA MORE : Will the Minister of TEXTILES be pleased to state :

(a) whether certain jute mills in the country have tampered with the stocks of raw jute kept in their godowns by the Jute Corporation of India and have, in certain cases even obtained loans from the banks by giving false declaration of owing the jute stock belonging to the Jute Corporation of India;

(b) if so, the details thereof; and

(c) the action taken by Union Government in the matter ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c).

On basis of provision of buffer stock scheme mill companies nominated godowns for their allocated quantity of raw jute which was stored in these godowns under supervision of Jute Corporation of India staff and these godowns are under custody of JCI. These godowns are inspected periodically. JCI's entire stock stored in mill godowns is fully insured against fire, riots, strike, burglary, flood/cyclone risks and no case of tempering of JCI stock was either reported or detected during inspections.

#### Decline in Off-take of NTC Controlled Cloth

466. PROF. RAMKRISHNA MORE :  
SHRI RAM DHAN :  
SHRI BALWANT SINGH  
RAMOOWALIA :

Will the Minister of TEXTILES be pleased to state :

(a) whether the off-take of controlled cloth by the National Consumer Co-operative Federation (NCCF) has been gradually declining causing recession and adversely affecting the mills under the NTC;

(b) if so, what is the percentage of decline in the off-take of controlled cloth by the NCCF during 1987 and 1988, till date and the major reasons therefor;

(c) what is the percentage of decline in the production of controlled cloth as a consequence thereof stating its overall impact on the mills under the NTC; and

(d) the steps taken by Union Government to improve the situation ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). Yes, Sir. the percentage of decline in the off-take of cotton controlled cloth during 1987-88 was 37% as compared to the off-take in 1986-87. The production of controlled cloth has also declined in keeping with the decline in the movement of controlled cloth and has adversely affected the overall performance of the mills producing controlled cloth. The major factor accounting for decline in the off-take of controlled cloth during 1987-88 is the lack of financial resources of the State Marketing Federations through which NCCF sells this cloth.

(d) NTC and NCCF have taken steps to improve the marketing of controlled cloth.

#### Facilities to Handloom Weavers

467. PROF. RAMKRISHNA MORE :  
SHRI BANWARI LAL  
PUROHIT :

Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government propose to reserve a special position for the handloom sector and a pre-eminent role for cotton as the principal raw material of the textile industry;

(b) whether Government have sought a package of policy measures which could serve the national interest and create a balance between the various sectors of the textile economy; and

(c) if so, the details thereof and the facilities to be proposed provided to handloom weavers ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) Yes, Sir.

(c) Details of the policy measures and the facilities being provided to the handloom sector are given in the statement below.

#### Statement

##### 1. *Scheme for Development of Handloom Sector*

(i) Two major welfare schemes have been taken up. Under the Work shed-cum-Housing Scheme during 1987-88, assistance to the tune of Rs 149.73 lakhs was provided to 10 States for taking up construction of workshops as well as workshop-cum-houses. Under the other welfare scheme, called the Thrift Funds Scheme, an assistance of Rs. 65.65 lakhs was released to 10 States.

(ii) Pursuant to the stipulation in the Textile Policy to transfer the production of cheap cloth to handloom sector, the target for produc-

tion of Janata cloth in the handloom sector has been increased from 360 million square metres at the end of 1984-85 to 550 million square metres (Provisional) during 1987-88. Subsidy @ Rs. 2.75 per square metre on the production of Janata Cloth is released to State Governments.

- (iii) Under the Handlooms (Reservation of Articles for Production) Act, 1985, on the advice of the advisory Committee as provided in the Act, a notification reserving 22 items of cotton, silk, wool and blends for exclusive production in the handloom sector has been issued. Three Regional Offices at Delhi, Pune, and Coimbatore have been set up for the implementation of the Reservation Orders.
- (iv) To encourage production of mixed and blended fabrics on handlooms with a view to improve the earnings of the weavers, the Government have sanctioned scheme for the production of Polyester blended fabrics on Handloom using duty-free polyester fibre. This scheme known as the 'Susman' cloth scheme, envisages the production of Polyester blended shirtings and suitings containing polyester fibre more than 40% but less than 70% by weight. The production under this scheme has commenced in the States of Tamil Nadu, Andhra Pradesh and West Bengal and the first lot of blended fabrics has been released to the market during January, 1988 in Tamil Nadu.

With the announcement of Government of India, in the budget proposed for 1988-89, reducing the rate of excise duty on polyester filament yarn to Rs. 10.86 per kg. when used by handlooms under an approved programme, the Susman Cloth Scheme has been modified to include the varieties in which filament yarn is used. Tamilnadu's production programme under the modified scheme has been approved.

- (v) Central Government has been implementing a scheme for modernisation and renovation of handlooms with matching assistance from the State and Central Government. During the year 1987-88 special thrust was given to the modernisation of handlooms and an amount of Rs. 204.64 lakhs was released to 11 States.
- (vi) There is a network of 23 Weavers' Service Centres to undertake training service and research for the handlooms sector. There are also three Institutes of Handloom Technology which are conducting 3 year diploma courses in handloom technology.
- (vii) The Central Government provides 100% loan assistance to State Governments for setting up of preloom and post-loom processing facilities for the handloom sector.
- (viii) Projects for development of handlooms in hill areas of U.P. (Rs. 73.00 lakhs), Manipur (Rs.12.00 lakhs) Rajasthan (Rs. 1.00 lakh), and Himachal Pradesh (Rs. 14.00 lakhs) have been sanctioned from Central Government during the year 1987-88.
- (ix) Some more schemes for marketing support, such as Marketing complexes and training of weavers are also under implementation.

## *II. Fiscal Concessions for Handloom Sector*

- (i) Complete exemption from excise duty on plain reel hank yarn.
- (ii) 50% concession on double cross reel hank yarn when purchased by registered handloom cooperative societies and State handloom development corporations.
- (iii) Complete exemption of processing duty for cotton wool and polyester fabrics made on handlooms when processed in process houses set up by State handloom development corporations and apex handloom cooperative societies.

- (iv) Concessional processing duty on processing of cotton fabrics made on handloom when processed by independent processors approved by the Government.
- (v) Complete exemption from excise duty on processing of woollen fabrics woven on Handlooms when processed by independent processors approved by the Government.
- (vi) Complete exemption from excise duty on certain types of polyester blended yarn when purchased by State handloom development Corporations and handloom cooperative societies.
- (vii) Complete exemption from excise duty on polyester fibre used in the blended yarn consumed for the production of blended fabrics on handloom under a programme approved by Development Commissioner for Handlooms.
- (viii) Concessional rate of excise duty @ Rs. 10.44 per kg on polyester Filament yarn used in the production of polyester fabrics under a programme approved by Development Commissioner for Handlooms.
- (ix) 50% concession on viscose filament yarn when purchased by registered

handloom cooperative society or any organisation approved in this behalf by the Government.

- (x) Complete exemption from customs duty on the raw wool imported into India by a registered apex handloom cooperative society or a State handloom development corporation.

#### Seizure of Narcotic Drugs

468. SHRI BHADRESWAR TANTI :  
SHRI BIMALKANTI GHOSH :  
SHRI SHANTI DHARIWAL :

Will the Minister of FINANCE be pleased to state :

(a) whether a large quantity of heroin, cocaine, brown sugar and such other drugs have been detected by the customs and police departments in the country from January, 1988 to date,

(b) if so, the State-wise details thereof, and

(c) the action taken against the culprits ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (c). The details of the drugs seized (from January to June, 1988) by various drug law enforcement agencies in the country are furnished below ;

S. No.	Name of drug	No. of cases	Quantity (kgs)
1.	Opium	160	1,372
2.	Morphine	10	4
3.	Heroin	138	1,708
4.	Ganjn	183	15,469
5.	Hashish (Charas)	139	12,258
6.	Cocaine	2	17
7.	Methaqualone	15	536

(Figures rounded off to the nearest kilogram)

The drug offenders involved in the above cases have been prosecuted and proceeded against under the appropriate laws.

A statement showing state-wise details of seizures effected in India during 1988 (upto June) is given below.

## Statement

State	Opium		Heroin		Ganja		Hashish	
	No. of cases	Qty. seized	No. of cases	Qty. seized	No. of cases	Qty. seized	No. of cases	Qty. seized
1	2	3	4	5	6	7	8	9
(Quantity in kilograms)								
Andhra Pradesh	1	3,070	...	...	3	97,000	...	...
Assam	2	6,270	...	...	3	77,325	...	...
Bihar	...	...	1	1,050	71	7083,500	28	240,250
Delhi	7	21,435	16	141,398	2	424,810	6	674,412
Gujarat	...	6,500	3	24,520	...	266,800	6	124,930
Haryana	73	104,800	1	0,002	9	15,530	9	42,297
Himachal Pradesh	5	2,700	1	0,002	...	...	14	9,850
Jammu & Kashmir	1	0,105	...	...	...	...	1	0,045
Karnataka	1	21,500	4	7,380	...	...	...	...
Kerala	1	0,290	6	7,261	10	460,588	...	1,003
Madhya Pradesh	19	985,550	1	1,000	1	9,000	...	...
Maharashtra	2	6,245	35	418,681	43	64,065	20	10019,658
Manipur	...	...	5	0,131	...	...	...	...
Mizoram	1	1,400	3	1,464	...	...	...	...
Nagaland	...	...	2	0,115	...	...	...	...

1	2	3	4	5	6	7	8	9
Punjab	11	59.665	16	949.285	...	...	4	344.520
Rajasthan	11	67.460	9	134.434	1	0.017	17	688.280
Tamilnadu	3	39.605	18	15.730	9	6246.000	1	9.000 (H. Oil)
Uttar Pradesh	22	45.725	10	3.973	21	282.805	30	96.878
West Bengal	...	...	7	1.284	10	442.000	3	17.280
Total	160	1372.320	138	1707.610	183	15469.440	139	12258.400

(Note : Figures are provisional)

State	Morphine		Cocaine		Methaqualone	
	No. of cases	Qty. seized	No. of cases	Qty. seized	No. of cases	Qty. seized
Bihar	...	...	1	4.000	...	...
Delhi	6	0.039	1	13.000	1	40.000
Madhya Pradesh	1	1.300	...	...	...	...
Maharashtra	2	1.485	...	0.180	14	496.146
Uttar Pradesh	1	0.780	...	...	...	...
Total	10	3.604	2	17.180	15	536.146

(Quantity in kilograms)

(Note : Figures are provisional)



**Hut Insurance Scheme**

469. SHRI PARASRAM BHARDWAJ : Will the Minister of FINANCE be pleased to state :

(a) the steps Government have taken to popularise the Hut Insurance Scheme in rural areas to make the poor people aware of the benefit which will accrue to them under this scheme; and

(b) the details of the said scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Hut Insurance Scheme for Poor Families in rural areas was introduced w.e.f. 1st May, 1988. The Scheme provides relief to poor families in rural areas when their huts and belongings are destroyed by fire. Poor families whose annual family income from all sources does not exceed Rs. 4,800 are eligible under the Scheme. In the event of loss due to fire, the Insurance Company will pay to the insured an amount of Rs. 1,000 for hut and Rs. 500 for belongings in the hut destroyed by fire. The entire premium cost in respect of the Scheme will be borne by the Central Government. The Scheme is being operated by the General Insurance Corporation of India through its four subsidiaries viz. (i) National Insurance Company Ltd., (ii) New India Assurance Company Ltd., (iii) Oriental Insurance Company Ltd. and (iv) United India Insurance Company Ltd.

Government of India have requested the State Governments/Union Territories to give wide publicity in rural areas regarding the details and benefits of the Scheme through Revenue/Panchayat Officials and other appropriate field level agencies. Wide publicity is being given to the Scheme by the General Insurance Industry through Local Language Newspapers. All India Radio, Pamphlets, Leaflets, Posters and Wall Paintings etc.

**Income Tax Raids Against Tobacco Processors, Merchants etc. in Ahmedabad, Bombay, Calcutta etc.**

470. SHRI BALASAHEB VIKHE PATIL :  
SHRI H.M. PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether search operations were conducted by the Income Tax Department in Ahmedabad, Gandhi Nagar, Bombay and Calcutta in May, 1988 at the premises of a group of tobacco processors and merchants, jewellers, manufacturers and dealers of cassette recorders, television sets and video cassette recorders, diamond cutters and firewood dealers, as reported in the 'Hindu' dated 15 June, 1988,

(b) if so, the outcome of the search operations; and

(c) further action taken or contemplated in this connection ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The Income-tax Department conducted searches on persons connected with the jewellery, tobacco, electronics and property trade during May, 1988 at different places as mentioned in the newspaper article referred to in the Question. Searches in these cases led to the seizure of prima-facie unaccounted assets worth approximately Rs. 238.21 lacs and the persons searched during the course of searches admitted concealment of income to the tune of Rs. 519.56 lacs.

(c) Appropriate action under the Direct-tax Acts is take in all the cases.

**Suggestion for Reduction in Non-Essential Imports**

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

(a) whether the All India Manufacturers' Association has urged Government to cut down non-essential imports in the current financial year; and

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

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). The basic objectives of the Import Policy are to provide easy access to inputs essential for maximising production and exports and, at the

same time, promoting self reliance and safeguarding the interests of the domestic industry. To achieve these objectives, import policy is kept under constant review, all suggestions in this regard are considered and corrective measures taken wherever considered necessary.

#### Exchange rate Protection Scheme

472. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether the exchange risk protection scheme to be operated by the financial institutions is proposed to be made applicable only to new foreign currency loans taken by corporate borrowers from the institutions;

(b) whether Government have taken any decision in this regard; and

(c) if so, broad features thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). No final decision regarding the Exchange Risk Protection Scheme has been taken as yet, various aspects of the Scheme are still under discussions. The Scheme envisages covering of future loans initially, but coverage of past loans has not been ruled out. It would be taken up later by stages in due course.

(c) Question does not arise.

#### Diesel Oil to Exporting Industrial Units

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

(a) whether the exporting industrial units are to get diesel oil at global rates;

(b) if so, the details thereof; and

(c) whether this will be applicable to all the approved exporting industrial units ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). A Scheme has

recently been notified providing for supply of diesel oil at special prices comparable to international prices to eligible production units exporting 25% or more of their production and are utilising captive power generating sets. The value of exports is to be assessed on basis of FOB value of exports divided by the exfactory value of total production as defined in para 185(2) of the Import and Export Policy of April, 1988/ March, 1991. The eligible units are required to register themselves with concerned JCCI & E office who will authorise the concerned oil company to directly re-imburse the exporter to the extent of difference between the market price actually paid and such concessional price of as notified by Ministry of Petroleum and Natural Gas for the relevant financial year.

[*Translation*]

#### Rice Import from North Korea by MMTC

474. DR. CHANDRA SHEKHAR TRIPATHI :  
DR. B.L. SHAILESH :

Will the Minister of COMMERCE be pleased to state :

(a) whether the Minerals and Metals Trading Corporation (MMTC) has recently entered into a contract to import rice from North Korea;

(b) if so, the quantity thereof and the terms and conditions relating thereto;

(c) whether it is also a fact that there are reports of a lot of misappropriations in this bargain;

(d) if so, whether Government propose to enquire into the matter and take corrective measures to avoid such misappropriations in future; and

(e) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Yes, Sir. MMTC has entered into an agreement for the import of 2,00,000 tonnes of rice from DPR Korea, after detailed examination of the quality of rice and competitiveness of prices by the Department of Food. The

agreement, *inter-alia* provides that 15% of the value of the rice will be used for financing export of iron ore, manganese ore, pellets etc. from India to DPR Korea.

(c) Government have not received any report of mis-appropriations in this Contract. Some reports regarding this Contract had appeared in a section of the press which have been rebutted by the MMTC in a rejoinder issued by them.

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

**Agreement between India and Nepal to check smuggling Activities**

475. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of FINANCE be pleased to state :

(a) whether any agreement has been signed between India and Nepal to check smuggling activities;

(b) if so, the details thereof and its impact on checking smuggling; and

(c) if not, the measures proposed to be taken by Government to check smuggling activities on Indo-Nepal border ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) and (c). There is an agreement of co-operation between His Majesty's Government of Nepal and the Government of India to control unauthorised trade. This agreement enjoins on both India and Nepal to ensure the economic interests of each other, cooperation to effectively prevent infringements or circumvention of the laws, rules and regulations of either country in regard to matters relating to customs, foreign exchange and foreign trade etc., prohibition of re-export of goods of either country from its territory to third countries; and prohibition of re-export to the territory of either country of goods imported from

third countries. This agreement has been helpful in checking the unauthorised trade between both the countries and smuggling across their common border. The agreement provides for annual consultation between the Government of India and the HMG of Nepal to sort out the problems of implementation of the provisions of the agreement. The practical problems are discussed and recalled in these meetings which are held every year alternately in India and in Nepal.

The Directorate of Revenue Intelligence has a special unit headed by an Officer on Special Duty to prevent smuggling of goods from Nepal to India or *vice versa*. In addition, there is a Customs Preventive Collectorate with headquarters at Patna to control unauthorised trade along the Indo-Nepal border.

[English]

**Production and Import of Natural Rubber**

476. DR. CHANDRA SHEKHAR TRIPATHI :  
SHRI P.A. ANTONY :

Will the Minister of COMMERCE be pleased to state :

(a) the quantity of natural rubber imported during the last three years, year-wise;

(b) the price at which the import was made and the amount of foreign exchange spent thereon; and

(c) the steps Government have taken so far to increase domestic production of natural rubber and the results thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). The quantity of rubber imported during the last three years, the CIF Price (PMT) and the amount of foreign exchange spent is as under :

Year	Qty. imported (in M. Tonnes)	Price PMT (CIF) Rs.	Foreign Exchange spent : CIF value (Rs. lakhs)
1985-86	38538	9635.00	3713
1986-87	40228	9852.00	3963
1987-88	41991*	12305.00	5166*

\* (Provisional)

(c) Measures taken to increase the production of natural rubber include :

- (1) Grant of Financial Assistance for new planting and re-planting under Rubber Development Scheme.
- (2) Distribution of high yielding planting materials.
- (3) Free advisory service on all aspects of cultivation, production and processing of rubber.
- (4) Encouraging group processing and marketing.
- (5) Undertaking research on all aspects of cultivation, production and processing.
- (6) Expansion of rubber cultivation in non-traditional areas by providing infrastructure in the region.

The production of Natural Rubber which was 186450 Tonnes in 84-85 (the terminal year of the 6th Five Year Plan) has gone upto 235000 Tonnes in 1987-88 (Estimated).

#### **Deposits with Chit Fund and Finance Companies**

477. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received complaints against various chit funds and finance companies which are taking the deposits by deceiving the public; and

(b) if so, the names of such institutions and the action taken/proposed by Government against them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Government and Reserve Bank of India (RBI) do receive complaints from time to time against some Chit Fund and Finance Companies in regard to non-payment of deposits, chit subscription/interest by these companies. These are looked into by the RBI.

In so far as the conventional Chit Fund Companies are concerned, their Chit Fund

business is regulated under the Chit Fund Act, 1982. The administration of the Act vests with the State Governments/Union Territories who are required to frame rules in consultation with RBI before the Act is extended to the concerned State/Union Territory. So far, the Act has been extended to 16 States/Union Territories. In certain other States/Union Territories, the business is regulated under the respective Acts of the State Governments.

As regards acceptance of deposits by the Chit Fund Companies, Financial Companies etc. is concerned, these are regulated under the directions issued by the RBI to Non-Banking Financial Companies, Non-banking Miscellaneous Companies and Residuary Non-Banking Companies. These directions, *inter alia*, provide for the rate of interest payable on deposits, the period upto which deposits can be accepted, issue of advertisements soliciting deposits and the manner in which the funds are to be invested.

These companies are required to furnish returns of deposits to RBI. For violating its directions by any company, RBI has also the power to prohibit any company from accepting further deposits.

In so far as the deposits accepted by unincorporated bodies like individuals, partnership firms etc. are concerned, these are regulated under Chapter III-C of Reserve Bank of India Act, 1934. These provisions prohibit acceptance of deposits in excess of the specified number of depositors. The Act also provides for penal action, including fine and imprisonment, against violations of the provisions of the Act.

RBI has reported that it had, singly and jointly with the State Government concerned, taken action against a number of unincorporated bodies for violating the provisions of Chapter III-C of Reserve Bank of India Act, 1934.

#### **Free Legal Aid to Poor**

478. SHRI T. BASHEER : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Scheme to provide free legal aid to the poor largely remains unimplemented;

(b) if so, the reasons therefor;

(c) whether Government propose to devise a comprehensive scheme at the national level for this purpose; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) and (b). No, Sir. Free legal aid is available to the poor in all Courts in almost all parts of the country. A large number of cases are also being settled by mutual agreements amongst the parties through Lok Adalats at no expense to the litigants.

(c) and (d). The Parliament has already passed the Legal Services Authorities Act, 1987 (No. 39 of 1987) which contains comprehensive schemes to cover all aspects of legal aid schemes *i.e.* provision of free legal aid to eligible persons in all courts in the country; establishment of Legal Services Authorities at the Centre, States and the Districts; conferment of statutory status on the Lok Adalats etc.

The Act is likely to come into force shortly.

#### Expansion of Export Business of MMTC

479. SHRI ATISH CHANDRA SINHA :  
SHRI SRI HARI RAO :  
SHRIMATI N.P. JHANSI LAKSHMI :

Will the Minister of COMMERCE be pleased to state :

(a) whether a study was recently conducted into the question of taking up substantial export business by the Minerals and Metals Trading Corporation (MMTC) for raising the minerals export;

(b) whether the report by the study team has been submitted to Government;

(c) if so, the details thereof;

(d) whether creation of separate export development fund for the MMTC has been suggested *inter aliu* by the team; and

(e) the further steps being contemplated in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (e). The Centre for Studies on Technology and Trade (CSTT) were requested by the MMTC to give a report on the "Pole of MMTC in the promotion of exports of minerals from Andhra Pradesh, Madhya Pradesh and Orissa". The CSTT have since submitted their report which, *inter alia*, recommends marketing of surplus alumina of NALCO, formation of a co-operative of small producers of Barytes to organise systematic mining for sustained production, floating of a subsidiary of MMTC for import substitution of tungsten and export promotion of Tungsten graphite, either setting up of a company by MMTC with participation of Andhra Pradesh Mineral Development Corporation in its share capital or MMTC becoming the raising contractor of Andhra Pradesh Mineral Development Corporation, for quarrying for export production of granite, constituting a Mineral Development Fund, etc. The MMTC is yet to submit proposal arising from the above recommendations to the Government for approval, if any, required.

#### Capital Gains Accounts Scheme

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

(a) whether Government have recently notified a scheme, known as, 'Capital Gains Accounts Scheme';

(b) if so, the features of this scheme;

(c) whether certain public sector banks have been notified under this scheme;

(d) if so, the details thereof;

(e) whether under this scheme the banks are required to pay an interest of 10 per cent on deposits made for two years and above; and

(f) the persons eligible to make deposits under this scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (f). Yes, Sir. A notification on 'Capital Gains Accounts Scheme, 1988' has been published in the Gazette of India on 22.6.88. This is a composite

scheme and is applicable to tax-payers who intend to avail of the exemptions provided under section 54, 54B, 54D, 54F or 54G of the Income-tax Act, 1961. The scheme will be operated for the present only through the 28 public sector banks including the State Bank of India. Deposits can be made in any of the branches of these banks except their rural branches. The scheme gives an option of two different types of deposit accounts, one being in the nature of a savings account, and the other a term deposit. The interest on the deposits will be allowed at the rates to be notified by the Reserve Bank of India from time to time. In the case of a term deposit for two years and above the present rate of interest is 10 per cent per annum.

#### **Soviet Offer of Foreign Currency Funds for Industrial Projects**

481. SHRI K. RAMACHANDRA REDDY : Will the Minister of FINANCE be pleased to state ;

(a) whether the Soviet Union has offered foreign currency funds to India for deployment in setting up industrial projects in the country; and

(b) whether Union Government propose to consider utilisation of these funds for setting up a groundnut complex in the public sector in the backward area at Kadın Town in Anantapur District of Andhra Pradesh where large quantity of groundnut is produced ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) So far, the Government of USSR has extended 14 Economic Credits to the Government of India in Roubles. These Credits are utilised for identified projects in India.

(b) No such project has been identified for utilisation of Soviet Credit so far.

#### **Project Identified USAID Assistance**

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

(a) whether the United States Agency for International Development (USAID) has identified projects for assistance worth

35 million dollars for the financial year 1988-89;

(b) whether any portion of this aid is being given to Andhra Pradesh to finance any ongoing projects or new projects; and

(c) the norms, if any, that are adopted in distributing this aid to various States ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) For the U.S. Fiscal Year 1988 (Oct. 87 to Sept. 88) the quantum of Development Assistance is expected to be of the order of US \$ 22 million. For US FY 1989 (Oct. 88 to Sept. 89) no firm decision has yet been taken by US Government in regard to the level of assistance to India.

(b) The activities of the Water and Land Management Institutes in certain States are presently being funded under the USAID assisted IMT Project. The WALMI of Andhra Pradesh is included in this project.

(c) There are no specific norms as such. The allocation of aid for projects depends broadly on the readiness of the State Governments for financing their share of the projects, the convergence between the profit of the project and the objectives of the aid giving agency, and the capacity for implementation in the States. An attempt is made to locate foreign aided projects in different States based on their need and their capacity to absorb the aid.

#### **Rise in the Wholesale Price Index**

483. SHRI K. RAMACHANDRA REDDY :  
SHRIMATI N.P. JHANSI LAKSHMI :  
SHRI SRI HARI RAO :  
SHRI S.B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) the wholesale price index for all commodities when the Budget was presented in February 1988;

(b) the present wholesale price index for all commodities;

(c) the reasons for this steep rise; and

(d) the steps initiated or contemplated to contain the price rise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Wholesale Price Index (1970-71=100) which stood at 415.1 as on 27th February 1988 has risen to 432.3 as on 9th July 1988. This represents an increase of 4.1 per cent during the period. Prices remained under pressure during 1987-88. on account of severe drought. The increase in prices since April this year has, however, been the lowest in the last decade.

(d) The specific measures taken by the Government to keep the price rise under check include steps to optimise foodgrains production, enhanced distribution of foodgrains through Public Distribution System (PDS); strengthening of the PDS with the opening of additional outlets; augmented imports and release of essential commodities like pulses and edible oils; strict economy in Government expenditure; restraint on money supply growth; selective credit controls and intensive action against hoarders and profiteers.

**Import of Cotton to provide Yarn to Handloom Industry**

484. SHRIMATI USHA CHOUDHARY : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have taken a decision recently to permit the import of cotton for providing yarn to handloom industry at cheaper rate;

(b) if so, the details of the decisions taken;

(c) whether it is a fact that cotton is available in India to provide yarn at such price; and

(d) if so, the reasons for permitting imports ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHHA) : (a) and (b). Government have decided to import one lakh bales of duty-free cotton in the current cotton year for supply of hank yarn to handloom sector at reasonable prices.

(c) and (d). The production of cotton during the last year and the current cotton year has suffered on account of drought conditions, while the domestic consumption has remained at an increased level, leading to shortage of cotton and high prices. Shortage of cotton is anticipated during the lean season before the arrival of the next year's crop into the market. To ensure that the handloom sector does not suffer for want of hank yarn at reasonable prices, the import of one lakh bales of cotton duty-free has been allowed.

**Irrigation Projects of Orissa Funded by World Bank/IDF**

485. SHRI JAGANNATH PATNAIK : Will the Minister of WATER RESOURCES be pleased to state :

(a) the details of loans granted by the World Bank and the International Development Fund (IDF) for irrigation projects in Orissa;

(b) whether any monitoring is being made in regard to the progress of these projects;

(c) if so, the details thereof, project-wise; and

(d) the time by which these projects are likely to be completed ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHNI) : (a) to (d). A Statement is given below.

**Statement**

*The following projects have been/are being implemented with assistance from the World Bank in Orissa*

Name of the Project	Amount of Assistance (US \$ Million)	Date of Agreement Credit closing date	Expected date of completion of the project	Remarks
<i>Medium</i>				
1. Orissa Irrigation Project	58.00	Closed	Completed	The progress of the projects are being regularly monitored.
2. Orissa Irrigation-II Project	105.00	16.09.83 ----- 31.03.88	9 projects have been completed and 9 projects are in various stages of completion. These are expected to be completed between March, 1989 and March, 1992.	
<i>Major</i>				
3. Salandi Project	7.50	Closed	Completed	
4. Mahanadi Barrage Project	83.00	05.12.80 ----- 31.03.89	March, 1989	
5. Subernarekha Irrigation Project (Joint project with Bihar and West Bengal)	127.00	09.11.82 ----- 30.09.88	December, 1989	

**Loans to Weaker Sections in Andhra Pradesh under DRDA Scheme**

486. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state :

(a) the total amount of loans given to the weaker sections of the society under District Rural Development Agency (DRDA)

Scheme by the nationalised banks during the last two years in Andhra Pradesh;

(b) whether there is any proposal to extend this facility during 1988 and 1989 particularly in view of drought in 1987 in the State; and

(c) if so, the details thereof and if not, reasons therefor ?



THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Hon'ble Member is presumably referring to loans given under Integrated Rural Development

Programme (IRDP) which is implemented through District Rural Development Agencies (DRDA). The performance of all scheduled commercial banks in the State of Andhra Pradesh under IRDP during the last two years is furnished below :

(Rs. in crores)

Year	Target No. of families to be assisted	Achievement No. of families assisted, all belonging to weaker sections	Amount of loans given by banks (excluding co-op. banks)
1986-87	241500	256944	62.42
1987-88 (Provisional)	289909	263559	74.40

(b) and (c). The programme is being implemented during 1988-89 also and 2.35 lakh families would be assisted during 1988-89.

#### Assistance to Primary Weavers Societies in Andhra Pradesh

487. SHRI V. TULSIRHM : Will the Minister of TEXTILES be pleased to state :

(a) the details of amount/grants/assistance given to the primary weavers societies in the Mahboob Nagar and Ranga Reddy Districts of Andhra Pradesh during the last two years;

(b) the name, quantity and amount of each product manufactured and sold by each of such societies during the last two years and benefits earned; and

(c) the names and location of such

societies in other Districts of Andhra Pradesh ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). The Central Government provides assistance to the State Governments including Andhra Pradesh under the various plan Schemes on a matching basis for strengthening the share capital base of primary weavers societies, purchase/modernisation/renovation of looms and Managerial subsidy for paid secretaries. Rebate on retail sales of handloom goods is offered by the Central and State Governments on a matching basis.

A Statement showing the assistance given by the Central Government during the last 2 years under the above schemes to Andhra Pradesh is given below. District-wise and society-wise statistics regarding assistance given to Primary Societies, products manufactured and sold by various societies etc. are not maintained by Government of India.

#### Statement

(Rs. in lakhs)

Sl. No.	Scheme	1986-87	1987-88
1	2	3	4
1.	Strengthening Share Capital base of Primary Weavers Societies.	35.000	65.610

1	2	3	4
2.	Purchase/modernisation/renovation of looms	18.844	22.600
3.	Managerial Subsidy for appointment of Paid Secretaries	—	—
4.	Rebate	550.800*	313.150*

\*Includes releases to Primary handloom weavers societies and other organisations of the State.

#### Seizure of Goods by Customs Authorities

488. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state :

(a) the details of goods seized by the Customs authorities from the incoming passengers on all the International Airports in the country during the last two months;

(b) the details of amount realised by the sale of such confiscated items during the above period;

(c) the details of such goods purchased by the customs officials and other airport officials at cheaper rate/free of cost; and

(d) the details of goods lying unsold together with reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) The details of seizures effected by the Customs authorities from the incoming passengers through the international airports are not maintained separately. However, the total value of the contraband goods seized by the Customs authorities at the international airports during the last two months of May and June, 1988 are given below :

Month	Value of goods seized (Rs. in crores)
May, 1988	7.48
June, 1988	11.06

(b) All confiscated goods including those confiscated at the international airports are deposited in the Warehouses. The Custodians of these godowns dispose of the goods as and when they receive disposal orders from the concerned seizing agency as and when goods are ripe for disposal.

Disposal accounts are maintained individual case-wise and not separately for airports. The value of the goods disposed of during May and June, 1988 are being collected and will be laid on the table of the House shortly.

(c) Customs officers are not permitted to purchase confiscated goods.

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

#### Income Tax Raids

489. SHRI V. TULSIRAM :  
SHRI C. MADHAV REDDY ;  
SHRI D.B. PATIL :

Will the Minister of FINANCE be pleased to state :

(a) whether income-tax raids were conducted by the Income-Tax Department in the country during last three months;

(b) if so, the details thereof and the amount so recovered; and

(c) the extent of the disclosure of concealed income ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (c). The Income-Tax Department conducted searches in various places in India, the results of which are as under :

Period 1988	No. of searches	Amount of assets seized (Rs. in lacs)	Amount of concealed income disclosed (Rs. in lacs)
April	283	568.13	848.21
May	489	924.31	963.59
June	651	1377.75	1585.25

**Vacant Top Level Posts in NTC**

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

(a) whether it is a fact that a large number of top level positions in the

National Textile Corporation (NTC) are lying vacant for a long time; and

(b) if so, the details and reasons for delay in the matter ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The details of Board level vacancies in NTC (Holding Company) and its Subsidiary Corporations are given below :

Name of the post	Date from which vacant
<i>NTC (Holding Company) :</i>	
(i) Director (Finance)	21.12.1986
(ii) Director (Technical)	1.10.1986
<i>Subsidiary Corporations of NTC :</i>	
<i>Chairman-cum-Managing Director</i>	
(i) NTC (UP) Ltd.	12.9.1985
(ii) NTC (WBABO) Ltd.	15.12.1987
(iii) NTC (Gujarat) Ltd.	17.11.1987
<i>Director (Finance)</i>	
(i) NTC (WBABO) Ltd.	1.5.1988
<i>Director (Technical)</i>	
(i) NTC (APKK and M) Ltd.	3.7.1986
(ii) NTC (DP and R) Ltd.	22.11.1985
(iii) NTC (TN and P) Ltd.	1.2.1987
(iv) NTC (MN) Ltd.	1.3.1988
(v) NTC (MP) Ltd.	3.9.1985
(vi) NTC (SM) Ltd.	17.7.1988

The reasons for delay in the filling up of vacancies include non-availability of suitable candidates.

**Losses Incurred by NTC Mills**

491. SHRI PRAKASH CHANDRA :  
SHRI SUBHASH YADAV :

Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that textile mills under the National Textile Corporation have been incurring huge losses since their inception;

(b) if so, the estimated amount of loss incurred by each NTC mills during last three years till 31 March, 1988;

(c) the causes of such heavy losses incurred by mills; and

(d) the steps being taken by Union Government to minimise such losses ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Yes, Sir. A Statement showing the profit/loss position, millwise, of the mills under

NTC during the years 1985-86 to 1987-88 is given below.

(c) The main reasons for continuous losses of the mills under NTC are given below.

- (i) old and obsolete machinery;
- (ii) increase in prices of cotton and other inputs like coal, fuel, petroleum products, dyes and chemicals, etc.
- (iii) powers-cut and high cost of captive power, resulting in under utilisation of installed capacity in various mills;
- (iv) excess labour force; and
- (v) lack of extensive modernisation.

(d) The performance of the mills under NTC is reviewed by the Government from time to time and remedial measures taken to improve their performance. Recently, NTC has formulated mill specific Action Plans to improve their performance.

**Statement**

*Profit/Loss position of mills under NTC during the years 1985-86 to 1987-88*

(Rs. in lakhs)

Sl.No.	Name of the Mill	Profit earned/Loss incurred during the years 1985-86 to 1987-88
1	2	3
1.	Dayalbagh Spg. & Wvg. Mill, Amritsar	(—) 158.34
2.	Suraj Textile Mills	(—) 147.99
3.	Bijay Cotton Mills, Bijay Nagar	(—) 127.30
4.	Kharar Textile Mills, Kharar	(—) 118.10
5.	Udaipur Cotton Milis, Udaipur	(—) 66.19
6.	Ajudhia Textile Mills, Delhi	(—) 1067.88
7.	Mahalaxmi Mills, Beawar	(—) 202.84
8.	Edward Mills, Beawar	(—) 234.99
9.	Panipat Woollen Mills, Kharar	(—) 279.16
10.	Hira Mills, Ujjain	(—) 1048.36
11.	Swadeshi Cotton & Flour Mills, Indore	(—) 833.83

1	2	3
12.	New Bhopal Textile Mills, Bhopal	(—) 341.67
13.	Burhanpur Tapti Mill, Burhanpur	(—) 223.84
14.	Bengal Nagpur Cotton Mills, Rajnandgaon	(—) 650.37
15.	Indore Malwa United Mills, Indore	(—) 1176.87
16.	Kalyanmal Mills, Indore	(—) 958.89
17.	Shree Vikram Cotton Mills, Lucknow	(—) 424.22
18.	Bijli Cotton Mills, Hathras	(—) 377.53
19.	Swadeshi Cotton Mills, Maunath Bhanjan	(—) 10.72
20.	Raebareli Textile Mills, Raebareli	(—) 202.32
21.	Swadeshi Cotron Mills, Naini	(—) 422.34
22.	Muir Mills, Kanpur	(—) 970.93
23.	New Victoria Mills, Kanpur	(—) 1980.93
24.	Lord Krishna Mills, Saharanpur	(—) 992.29
25.	Swadeshi Cotton Mills, Kanpur	(—) 2428.6
26.	Barshi Textile Mills, Barshi	(+) 70.14
27.	Apollo Textile Mills, Bombay	(—) 493.12
28.	Bharat Textile Mills, Bombay	(—) 555.68
29.	Digvijay Textile Mills, Bombay	(—) 659.66
30.	Jupiter Textile Mills, Bombay	(—) 945.51
31.	New Hind Textile Mills, Bombay	(—) 906.51
32.	Mumbai Textile Mills, Bombay	(—) 1031.50
33.	Aurangabad Textile Mills, Aurangabad	(—) 22.95
34.	Chalisingaon Textile Mills, Chalisingaon	(—) 40.32
35.	Dhule Textile Mills, Dhule	(—) 128.29
36.	Nanded Textile Mills, Nanded	(—) 182.43
37.	India United Mill No. 1 Bombay	(—) 1638.00
38, 39 &	40. India United Mill No. 2, 3 & 4, Bombay	(—) 2548.78
	41. India United Mill No. 5, Bombay	(—) 623.69
	42. India United Dye Works, Bombay	(—) 648.98
	43. Model Mills, Nagpur	(—) 821.28
	44. R.S.R.G. Spinning Mills, Akola	(—) 527.23
	45. R.B.B.A. Spinning & Weaving Mills, Hinghanghat	(—) 176.01
	46. Savatram Ramorasad Mills, Akola	(—) 332.29
	47. Vidharba Mills, Achalpur	(—) 313.08

1	2	3
48.	Rajkot Textile Mills, Rajkot	(—) 273.90
49.	Mahalaxmi Mills, Bhavnagar	(—) 805.94
50.	Petlad Textile Mills, Petlad	(—) 621.91
51.	Ahmedabad New Textile Mills, Ahmedabad	(—) 1015.06
52.	Ahmedabad Jupiter Textile Mill, Ahmedabad	(—) 1270.70
53.	Jehangir Textile Mills, Ahmedabad	(—) 922.90
54&55.	Rajnagar Textile Mills No. 1 & 2., Ahmedabad	(—) 1412.40
56.	Viramgaon Textile Mills, Viramgaon	(—) 574.06
57.	New Manekchowk Textile Mills, Ahmedabad	(—) 495.02
58.	Himadri Textile Mills, Ahmedabad	(—) 464.02
59.	Netha Spg. Mills, Secunderabad	(—) 54.20
60.	Natraj Spg. Mills, Adilabad Distt.	(—) 57.73
61.	Anantpur Cotton Mills, Tadapatri	(—) 263.52
62.	Tirupathi Cotton Mills, Renigunta	(—) 9.32
63.	Sree Yallamma Cotton Mills, Tolahunse	(—) 380.72
64.	Cannanore Spg. & Wvg. Mill, Cannanore	(—) 67.28
65.	Kerala Lakshmi Mills, Trichur	(—) 71.03
66.	Vijaymohini Mills, Trivandrum	(—) 54.37
67.	Cannanore Spg. & Wvg. Mills, Mahe	(—) 18.41
68.	Adoni Cotton Mills, Adoni	(—) 88.06
69.	Algappa Textile Mills, Algappa Nagar	(—) 149.16
70.	Mysore Mills Processing Factory, Bangalore	(—) 1441.89
71.	Minerva Mills, Bangalore	(—) 1079.61
72.	Mehboob Shahi Gulbarga Mills, Gulbarga	(—) 961.00
73.	Parvathi Mills, Quilon	(—) 261.33
74.	Azamjahi Mills, Warrangal	(—) 833.96
75.	Om Parasakthi Mills, Coimbatore	(—) 121.73
76.	Cambodia Mills, Coimbatore	(+) 116.72
77.	Krishnaveni Textile Mills, Coimbatore	(+) 19.14
78.	Sri Rangavilas Mills, Podamedu	(—) 68.67
79.	Pankaja Mills, Coimbatore	(+) 87.14
80.	Pioneer Spinners, Kanudakudi	(—) 45.69
81.	Balram Verma Textile Mills, Shencottah	(+) 123.20
82.	Kaleeswarar Mills 'B' Unit, Kalayarkoil	(+) 3.65

1	2	3
83.	Kothendram Spg. Mills	(—) 0.41
84.	Coimbatore Murugan Mills, Coimbatore	(+) 286.07
85.	Somasundaram Mills, Coimbatore	(+) 113.74
86.	Kaleeswarar Mills 'A' Unit, Coimbatore	(—) 53.68
87.	Coimbatore Spg. & Wvg. Mills, Coimbatore	(—) 203.54
88.	Sri Bharathi Mills, Pondicherry	(—) 137.15
89.	Swadeshi Cotton Mills, Pondicherry	(—) 344.57
90.	Sri Sarda Mills, Podanur	(—) 81.44
91.	Bengal Textile Mills, Murshidabad	(—) 245.43
92.	Lakshminarayan Cotton Mills, Rishra	(—) 476.12
93.	Arati Cotton Mills, Dasnagar	(—) 314.19
94.	Bengal Fine Spg. & Wvg. Mills No. 2, Kotagunj	(—) 197.45
95.	Kanoria Industries, Konnanagar	(—) 221.90
96.	Sodepur Cotton Mills, Sodepur	(—) 214.76
97.	Associated Industries, Kamrup	(—) 197.90
98.	Bihar Co-op. Spg. Mills, Mokamah	(—) 198.63
99.	Orissa Cotton Mills, Bhagatpur	(—) 246.41
100.	Central Cotton Mills, Howrah	(—) 1240.25
101.	Bengal Fine Spg. & Wvg. Mills No. 1, Konnagar	(—) 469.62
102.	Bengal Lakshmi Cotton Mills, Serampore	(—) 772.74
103.	Shree Mahalakshmi Cotton Mills, Palta	(—) 786.80
104.	Rampooria Cotton Mills, Serampore	(—) 740.27
105.	Bengasri Cotton Mills, Sukchar	(—) 326.13
106.	Jyoti Weaving Factory, Calcutta	(—) 275.58
107.	Gaya Cotton & Jute Mills, Gaya	(—) 507.31
108.	Manindre Mills, Kossimbazar	(—) 205.76
109.	Fine Knitting Mills, Ahmedabad	Not Commissioned
110.	Elphinstone Spg. & Wvg. Mills, Bombay	(—) 626.74
111.	Finlay Mills, Bombay	(—) 594.75
112.	Gold Mohar Mills, Bombay	(—) 703.00
113.	Jam Manufacturing Mills, Bombay	(—) 952.16
114, 115		
116.	Kohinoor Mills No. 1, 2 & 3, Bombay	(—) 1301.84
117.	Madhsudan Mills, Bombay	(—) 961.39

1	2	3
118.	New City Mills, Bombay	(—) 579.27
119.	Podar Mills, Bombay	(—) 313.38
120.	Podar Processors, Bombay	(+) 144.03
121.	Sri Sitaram Mills, Bombay	(—) 880.02
122.	Tata Mills, Bombay	(—) 305.40
123.	Lakshmirattan Cotton Mills, Kanpur	(—) 3520.74
124.	Atherton Mills, Kanpur	(—) 2300.22
125.	Mohini Mills, Belgharia	(—) 1060.62

#### Incentives to Garment Exporters

492. SHRI PRAKASH CHANDRA : Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government propose to give more incentives to garment exporters, who export to non-quota countries in Asia, Africa, Oceania and Eastern Europe;

(b) if so, the details thereof; and

(c) how far it will be beneficial in earning the foreign exchange ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). Government offers higher CCS and additional quota under Non-quota Exporters System as incentives to exporters of garment of non-quota GCA countries. In addition, various other incentives like duty drawback, REP licences, etc. are available to exporters of non-quota countries also. These incentives are beneficial to exports for non-quota countries.

#### Window Dressing by State Bank of India

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

(a) whether Government have received any complaints against the State Bank of India for having indulged in window-dressing methods;

(b) if so, whether any enquiry has been made into these allegations; and

(c) if so, the findings thereof and the action taken against the erring officers ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Based on the complaints containing allegations of window-dressing of deposits by the State Bank of India, Bhubaneswar circle at the end of December 1987, Reserve Bank of India and State Bank of India have investigated into the matter independently. The investigations revealed that there were certain procedural lapses though the amount involved was not significant. Staff members of the concerned branch have been cautioned by the State Bank of India.

#### Disbursement and Writing off of Loans by IFCI

494. SHRI THAMPAN THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any representations alleging irregularities in the matter of disbursement and writing off of loans by the Industrial Finance Corporation of India (IFCI);

(b) if so, the details thereof; and

(c) the action taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Presumably the Hon'ble Member is referring to



a pamphlet containing 17 questions relating to the functioning of the Industrial Finance Corporation of India forwarded by some Members of Parliament. The allegations related *inter-alia*, to irregularities in the matter of disbursement and write off of loans. These were looked into and were not found substantiated.

#### Bank Loans against Security of Jewellery

495. SHRI G.S. BASAVARAJU :  
SHRI S.B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) whether a working group of the Indian Bank Association has suggested liberal bank loans against security of gold, silver and jewellery to cater to the common needs of the public;

(b) if so, the other points made in the report of the working group; and

(c) the extent to which the suggestions made by the working group have been implemented ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Reserve Bank of India have reported that the Indian Banks' Association (IBA) had constituted a working group to study the impact of Private Financial Un-incorporated Bodies (PFUBs) on the deposit mobilisation efforts of commercial banks. The Group, *inter-alia*, suggested some measures for weaning away the gullible public from the clutches of usurious money lenders which include granting of liberal bank finance against security of gold ornaments/jewels.

(b) The other suggestions of the working group relate to the guidelines for users, refinement of banking and remedial measures etc. and include (i) advertisement campaign at micro level of banks, (ii) payment of interest on term deposits at monthly rests, (iii) advice to the member banks to follow instructions of the Reserve Bank of India, (iv) request to all State Governments to introduce provisions on the lines of Kerala Governments Money Lenders (Amendment) Ordinance, 1987 and Special Tribunals to deal with the cases of PFUBS.

(c) The copies of the report had been circulated to various authorities *e.g.* Central and State Governments, Reserve Bank of India, Commercial banks and private bodies like Advertising Standards Council of India (ASCI) suggesting appropriate action on the suggestions/recommendations made by the working group.

#### Loans Advanced by Banks

496. SHRI G.S. BASAVARAJU  
SHRI S.B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India directed the commercial banks to grant loans upto Rupees 10 crores;

(b) whether the scheme has not picked up because of non-availability of necessary facilities; and

(c) if so, the action taken/proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reserve Bank of India have reported that they have not issued any specific instructions to commercial banks to grant loans upto Rs. 10 crores.

#### Working Group on Deposit Mobilisation of Commercial Banks

497. SHRI G.S. BASAVARAJU : Will the Minister of FINANCE be pleased to state :

(a) whether a working group has been set up to study the impact of private financial bodies on deposit mobilisation of commercial banks; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Indian Banks' Association has constituted a working group to study the impact of Private Financial Unincorporated Bodies (PFUBS) on the deposits mobilisation of banks and also to suggest safety measures

in public interest. The report, since finalised, states that major portion of PFUBs deposits consists of unaccounted money which would not have come to the banking system, anyway.

The major suggestions/recommendations made by the Committee are :

- I. Making the public aware of the pitfalls in associating with PFUBs and launching campaign, through various media channels, to dissuade public from going to Private Financial Unincorporated Bodies.
- II. To bring in refinement in banking :
  - (a) by providing loan facilities against gold/silver ornaments to cater to the consumption needs of the general public;
  - (b) by representing to Reserve Bank of India to allow payment of interest in deposits at monthly rests instead of quarterly rests;
  - (c) by requesting RBI to advise SLBCs to review the operations of PFUBs operating in their areas.
  - (d) Indian Bank Association should advise the member banks to ensure that their staff dissociates themselves from any deposits schemes of private financiers in accordance with Reserve Bank of India instructions.
- III. All State Governments to consider introducing legislation on the lines of Kerala Government ordinance to curb unethical practices of PFUBs.
- IV. Compulsory incorporation of the private financiers business under Company Act, 1956 and making RBI Act and Company Act applicable.
- V. All State Governments to set up tribunals to dispose of the cases of PFUBs expeditiously.

#### **Study on Impact of Exchange Rate Fluctuation on Industrialisation**

498. SHRI G.S. BASAVARAJU : Will the Minister of FINANCE be pleased to state :

(a) whether a study conducted by the Associated Chamber of Commerce of India has disclosed that fluctuation in exchange rate has caused a set-back in the process of industrialisation and retardation of economic growth;

(b) if so, other points mentioned in the report; and

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

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Associated Chambers of Commerce and Industry of India (ASSOCHAM) had conducted a study on the impact of exchange rate fluctuation on project costs. The study has concluded that as the currencies of certain major countries have been appreciating during the last few years, there has been an escalation in the rupee import cost of projects and erosion in the rate of return, depending in the currency source of imports and the exchange component in the total project costs.

Introducing the Union Budget for 1988-89 the Finance Minister had noted that sharp fluctuations in international exchange rate had posed problems for exporters as well as for Indian industries and indicated that in order to provide some protection to individual projects from exchange rate fluctuations, financial institutions will introduce a new scheme whereby promoters of such projects could have their foreign currency loans designated in rupees. Financial institutions like IDBI, ICICI and IFCI are presently engaged in finalising the scheme to be called Exchange Risk Administration Scheme.

#### **Production of Handloom to Meet National Rural Requirement**

499. SHRI NITYANANDA MISRA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that as per Government's policy the NTC will reduce production of controlled cloth and the handlooms will produce more of janta cloth;

(b) if so, the progress made in this direction during the last three years;

(c) how has it improved the per capita consumption of cloth in the rural areas;

(d) how does the cost of a pair of controlled dhoti/sari compare with the janta dhoti and sari;

(e) whether Government have any scheme to subsidise handloom products to the extent to bring it at par with the mill made cloth; and

(f) by what time the handloom cloth would be able to fully meet the national rural requirement?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) The target of production of Janata cloth and controlled cloth during the last 3 years are as under :

Year	Janata cloth in million sq. metres	Controlled cloth in million sq. metres
1985-86	420	280
1986-87	500	200
1987-88	525	175

(c) Janata cloth purchasing household in rural areas are able to consume more cloth (in general) that households which do not purchase Janata Cloth.

(d) The average consumer prices of Janata Dhoty and Saree and controlled cloth Dhoty and Saree are as under :

Item	Janata cloth Rs.	Controlled cloth Rs.
Dhoty per Sq. metre	5.50	4.59
Saree per Sq. metre	6.80	5.68

(e) There is no specific scheme to subsidise handloom products to bring their price at par with the mill made cloth. Government however, have extended certain fiscal concessions to the handloom sector to enable this sector to become cost-competitive.

(f) The national rural requirement of cloth is to be met through the production of cloth by all the 3 sectors of textile industry, i.e. handloom, powerloom and mill sectors. The targets of production for these three sectors by the end of 7th Plan areas under :

	In million metres
Handloom Sector	4600
Powerloom Sector	6400
Mill Sector	3500
Total	<u>14500</u>

#### Debt Servicing

500. SHRI NITYANANDA MISHRA : Will the Minister of FINANCE be pleased to state :

(a) the latest position of debt servicing both external and internal per year;

(b) how much of the revenue earned is to be diverted for this purpose;

(c) whether there is danger of India being involved in the debt trap; and

(d) if so, whether the causes have been analysed and the remedial measures taken?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Budget for 1988-89 includes the following provisions for internal and external debt servicing :

(Rs. crores)

	Budget Estimates 1988-89		
	Repayment	Interest payments	Total
Internal debt (market loans)	474.75	4782.51	5257.26
External debt	1383.46	1256.00	2639.46
	1858.21	6038.51	7896.72

(b) The interest payments alone will be met from Revenue receipts, total BE 1988-89 of which are placed at Rs. 42798 crores. Repayment is part of Capital Budget.

(c) No, Sir.

(d) Does not arise.

#### Duty Relief Extended to Consumers by Textile Industry

501. SHRIMATI GEETA MUKHERJEE :  
SHRI RAM DHAN :  
SHRI BALWANT SINGH  
RAMOOWALIA :

Will the Minister of TEXTILES be pleased to state :

(a) whether the textile industry has not passed on the benefits from the massive excise duty relief granted to them in the current budget to the consumers;

(b) if so, the reasons therefor;

(c) what was the total amount of relief granted to the textile industry on this account; and

(d) the reaction of Union Government thereto ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Textile Industry has partially passed on the benefits of the excise duty relief granted in the 1988-89 budget to the consumers. Since there are various levels, from the manufacturer to the ultimate consumer, the impact of duty relief on the final consumer i.e. consumer of the fabrics, may take some-time.

(c) The total amount of estimated revenue effect in one full year of account of the concessions given to the man-made fibres and yarns in the 1988-89 Budget is Rs. 20841 lakhs in respect of basic excise duty and Rs. 2843 lakhs in respect of additional duty on textile and textile articles.

(d) Government have constituted a committee to monitor the selling prices of polyester fibre, polyester filament yarn and nylon filament yarn. The Committee keeps a watch over the price trends of polyester staple fibre etc. and advises the Government regarding remedial measures in the event of unreasonable hike in prices.

#### Rate of Inflation

502. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether latest data available indicate an inflation rate of 10.4 per cent during 1987-88, which is nearly double the inflation rate of 5.3 per cent for 1986-87; and

(b) if so, the main factors to which this hike in the inflation rate is attributable ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The rate of inflation during 1987-88 was 10.6 per cent as against 5.3 per cent in 1986-87. The latest data indicate that the annual rate of inflation has come down to 8.0 per cent as on July 9, 1988.

Prices remained under pressure during 1987-88 on account of the severe drought.

The inflation rate during the year was, however, much lower than in the earlier years of comparable drought.

#### Resource Constraints in Financial Institutions

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

(a) whether the resource constraints in the past few years have led to sharp deceleration in the rate of Increase in sanctioning of financial assistance by three public financial institutions, viz. IDBI, IFCI and ICICI;

(b) if so, the deceleration in the rate of increase in sanctions over the past three years;

(c) the total resource shortage in 1987-

88 and the efforts being made to increase them during 1988-89 and 1989-90; and

(d) the criteria being followed for selective approach in the matter of financing the projects in view of the resource constraints ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). As will be seen from the figures given in the Table below, the growth rates in the sanctions of the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI) have generally shown a steady and satisfactory increase. The progressively expanding base of sanctions and the absence of large projects during some years would result in year-to-year fluctuations in growth rate.

#### Sanctions (Rs. in crores)

	June-July		
	1985-86	1986-87	1987-88 (Provisional)
IDBI	4175.00 (15.5)	4889.90 (17.1)	5686.10 (16.3)
IFCI	561.42 (25.1)	853.02 (51.9)	1303.00 (52.8)
	January-December		
	1985	1986	1987
ICICI	641.60 (22.4)	1012.65 (57.8)	1223.08 (20.8)

*Note* : Figures in brackets indicate percentage increase over the previous year.

(c) To sustain their growing operations, these institutions have been making concerted efforts to augment their resources through increase in capital base, higher internal generations, larger market borrowings new Schemes like the Investment Deposit Scheme and the 3 year Capital Deposit Schemes of IDBI, and mobilisation of funds from non-conventional sources and through external commercial borrowings.

(d) The institutions provide financial assistance to all viable projects which are in conformity with national priorities with

special reference to projects which are employment oriented, labour intensive, Export oriented, import substitutive, located in backward areas, promoted by new entrepreneurs or are aimed at energy saving, pollution control etc.

#### Export Promotion Measures

504. SHRI S.M. GURADDI :  
SHRI BHADRESWAR TANTI :  
DR. T. KALPANA DEVI :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have prepared a strategy for boosting the country's export in the light of the new Import-Export Policy;

(b) if so, whether discussions were held in April, 1988 with all the Export Promotion Councils, Chambers of Commerce and Commodities Boards to discuss the export promotion measures; and

(c) if so, the outcome thereof and extent of its implementation ?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) :** (a) The export strategy is constantly reviewed and modified as appropriate keeping in view domestic and international factors. The provisions of the new Import-Export Policy for 1988-91 are in line with the export strategy.

(b) and (c). At the meeting held on 21st April, 1988 with Export Promotion Councils, Chambers of Commerce and Commodity Boards etc. discussions were held for preparation of unit level export action plans by exporters. A series of meetings are being held with individual units to follow up on the action plans submitted by them.

**Programme Conducted by Corporation Bank on Marketing in Banking Services**

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

(a) whether the Corporation Bank conducted a five-day programme on 'Marketing in banking services';

(b) if so, the main purpose of this programme;

(c) whether the bank had also formed the marketing team;

(d) if so, whether the main purpose of the team was to help marketing services of the bank; and

(e) if so, the extent to which it has achieved its objectives ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) Yes, Sir. Corporation Bank has reported that it has conducted a four day's programme on marketing of Bank services.

(b) The purpose of the programme is to equip a team of selected officers of the bank with the necessary skills and knowledge in marketing of bank's services.

(c) and (d). Yes, Sir.

(e) The bank has reported that the trained officers are being deployed at various places to help resource mobilisation at certain identified branches and marketing of other banking services.

**Export of Cashew Kernel from Kerala**

**506. SHRI MULLAPPALLY RAMACHANDRAN :** Will the Minister of COMMERCE be pleased to state :

(a) whether the price of cashew kernel in the world market during the current year is higher than the current year is higher than the price recorded last year;

(b) the comparative prices for the last two years;

(c) whether the re-introduction of monopoly procurement is likely to adversely affect the export of cashew kernel from Kerala during the current year and if so, the details thereof; and

(d) whether any measures have been suggested for improving export of cashew from Kerala during 1988-89 and if so, the details thereof ?

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

(b) A statement is given below.

(c) and (d). In the light of the new policy of Kerala Government regarding procurement of cashew and its distribution, they are being requested to ensure maximum export of cashew kernels.

## Statement

*Prices of Cashew Kernels : Wholes 320 count/lb. C and F*

	In New York markets			In London market		
	(futures)			(shipment)		
	1986-87	1987-88	1988-89	1986-87	1987-88	1988-89
April	2.65/ 2.70	3.20/ 3.25	2.90/ 2.95	2.81	3.33	3.17
May	2.87/ 2.88	3.40/ 3.45	2.80/ 2.90	2.95	3.50	3.06
June	2.95/ 3.00	3.38/ 3.43	2.80/ 2.90	3.00	3.40	3.09
July	3.15/ 3.20	N.P.	2.65/ 2.70	3.12	3.34	
August	3.25/ 3.30	3.30/ 3.33		3.22	3.26	
September	*	N.P.		3.35	3.17	
October	3.35	3.15/ 3.20		3.30	3.12	
November	3.40/ 3.45	2.80/ 2.85		3.41	2.98	
December	3.40/ 3.45	3.00/ 3.85		3.47	3.88	
January	3.45/ 3.50	2.85/ 2.90		3.36	3.12	
February	3.28/ 3.25	N.P.		3.26	2.93	
March	3.10/ 3.15	2.85/ 2.90		3.22	2.99	

N.P.—Not published

\*—No offers due to Russia negotiating to buy from India.

Talks between India and Nepal on  
Early Flood Warning System507. DR. G.S. RAJHANS :  
SHRIMATI MADHUREE  
SINGH :Will the Minister of WATER RESOUR-  
CES be pleased to state :(a) whether Union Government and  
Nepal Government have agreed to evolve a  
system of early flood warning in order to  
minimise flood devastation in Bihar caused  
by rivers flowing from the Himalayan  
region;

(b) if so, the details thereof;

(c) whether the said system has since  
been tested; and(d) if so, the details in this regard and  
to what extent the above system will pre-  
vent floods in Bihar ?THE MINISTER OF STATE IN THE  
MINISTRY OF WATER RESOURCES  
(SHRIMATI KRISHNA SAHI) : (a) to (d).  
India and Nepal have agreed to expedite  
the implementation of facilities to be pro-  
vided for an efficient flood forecasting

system. This will enable us to take steps for preventing loss of life and property.

**Talks between India and Nepal on Water Resources Development**

508. DR. G.S. RAJHANS :  
SHRIMATI MADHUREE  
SINGH :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the Secretary's level talks between India and Nepal on water resources development was held during the last week of May, 1988;

(b) if so, the outcome of the talks held; and

(c) the extent to which the steps would be taken to avoid flood in Bihar during current year ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The talks were held from May, 30 to June 2, 1988.

(b) and (c). Discussions were held on matters of mutual interest. It was agreed to proceed further for setting up an effective flood forecasting and warning system. This will enable us to take steps for preventing loss of life and property.

**New Programme for Rural and Semi-Urban Financing by Banks**

509. DR. G.S. RAJHANS ;  
SHRIMATI MADHUREE  
SINGH :  
SHRI H.B. PATIL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has devised a new programme for rural and semi-urban financing by scheduled commercial banks and regional rural banks;

(b) if so, the details of the said programme; and

(c) the extent to which the rural and semi-urban people will be benefited ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Reserve Bank of India (RBI) has issued comprehensive guidelines to commercial banks including, Regional Rural Banks on the implementation of the 'Service Area Approach' which involves assigning of specific areas to branches located at rural and semi-urban centres.

(b) The service area approach involves five distinct stages namely :

(i) identification of the specific service area for each rural and semi-urban branch;

(ii) survey of the villages in the service area for assessing the potential for lending for different activities and identification of beneficiaries for assistance;

(iii) preparation of credit plans on an annual basis for the service area by each bank branch;

(iv) co-ordination between credit institutions on the one hand and field level development agencies on the other, on an on-going basis for the effective implementation of the credit plans; and

(v) continuous system of monitoring the progress in the implementation of the plans and individual schemes.

(c) Some of the benefits of the Service Area Approach are indicated below—

(i) It would make a bank branch responsible for meeting all genuine credit requirements of eligible borrowers living in a group of villages.

(ii) Scattered lending over wide areas and the consequent dilution in the standards of post disbursement supervision of credit would be replaced by organised and planned lending.



- (iii) The Credit Plan would be drawn up at the grass root level. Therefore, involvement and commitment of the Branch Manager would be maximised.

#### **Rebate on Interest on the Arrears of Income Tax**

510. SHRI VISHNU MODI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that certain rebate on the interest chargeable on the arrears of income-tax has been announced by Government;

(b) if so, whether this concession has had any impact on the defaulters to come forward for clearing their arrears of income tax dues; and

(c) if so, the amount of income tax arrears realized after the announcement of the said concession till date ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) and (c). The scheme has commenced from 1.7.88. The tax payers generally have a tendency to take advantage of any scheme only towards the end. In view of this, it is too early to assess the impact of the concession on the defaulters. However, the Central Board of Direct Taxes has been receiving many enquiries from the tax payers and Commissioners regarding the scope of the scheme. This would indicate that it has some impact on the assessees. In view of the above, amount of arrears realized could not be ascertained now.

#### **FERA Violations**

511. SHRI VISHNU MODI : Will the Minister of FINANCE be pleased to state :

(a) whether FERA violations are on the increase year after year;

(b) if so, the remedial steps Government propose to take to check this ever-increasing menace; and

(c) the number of persons held under FERA violations during the years 1986-87 and 1987-88 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) On the basis of trend of detection of FERA violations and registration of cases under FERA by the Enforcement Directorate, it cannot be said that there has been increase in FERA violations year after year.

(b) The Enforcement Directorate takes effective steps to enforce the provisions of FERA.

(c) The Enforcement Directorate arrested 220 persons during 1986-87 and 204 persons during 1987-88 for FERA violations.

#### **Assistance to Marine Exporters**

512. SHRI CHINTAMANI JENA :  
SHRI AMARSINH RATHAWA :

Will the Minister of COMMERCE be pleased to state :

(a) the assistance being given to marine exporters;

(b) whether Government propose to give more assistance to marine exporters to boost this trade;

(c) if so, the details of help/assistance being rendered to the small and marginal fishermen who are the back-bone of this industry; and

(d) the other steps being taken to boost the export of marine products during 1988-89 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Assistance being given to marine exporters includes import replenishment, Cash Compensatory Support and subsidy assistance for modernisation of Seafood processing industry. The assistance will be continued during 1988-89 also.

(c) Assistance is being rendered to small and marginal farmers by grant of subsidy assistance for motorisation of fishing crafts by installation of outboard motors, subsidised distribution of insulated fish boxes rendering technical assistance and training traditional farmers in improved prawn culture technology etc.

(d) Other steps being taken to boost export of marine product products during 1988-89 include promotion of prawn farming for augmenting production of cultured prawns, encouragement of production of value added items like IQF (Individually Quisk Frozen) Shrimps, setting up of prawn hatcheries, measures for exploitation of deep sea fishing resources, participation in specialised food fairs etc.

**Assistance to Doctors Chartered Accountants and other Professionals by Banks**

513. SHRI CHINTAMANĀ JENA :  
SHRI MOHANBHAI PATEL :  
DR. KRUPASINDHU BHOI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have recently announced a new self-employment scheme for educated unemployed youth so as to make it possible for doctors, chartered accountants and other professionals to obtain financial assistance from banks;

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

(c) whether any instructions have been issued to the nationalised banks in this regard; and

(d) the details of categories of people likely to be covered by the said scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

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

[*Translation*]

**Commission taken by Bank Managers on Loans given under Self Employment Schemes**

514. CHOWDHRY AKHTAR HASAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken any steps to stop taking of heavy commissions by the agents and bank managers on the distribution of Rs. 10,000 category and Rs. 25,000 category loans given under Self Employment Schemes;

(b) if so, the number of such cases detected so far and the action taken against the guilty persons; and

(c) if not, whether Government propose to set up any panel/committee to stop taking of such commissions ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Reserve Bank of India have reported that all complaints against the banks including those relating to alleged taking of commission by bank staff are taken up with the banks concerned for appropriate action. Taking into account the seriousness of the lapse on the part of the bank staff, if any, the management of the concerned bank takes action against them in accordance with the service regulations. As per information available from Reserve Bank of India, there is no proposal to set up any panel/committee to deal with such matters.

[*English*]

**Wholesale and Consumer Price Index**

515. SHRI MOHD. MAHFOOZ ALI KHAN :  
SHRI KAMLA PRASAD SINGH :

Will the Minister of FINANCE be pleased to state :

(a) the comparative rise in the wholesale commodity price index and the consumer price index since the beginning of 1988 till date,

(b) how does the continuous rise in the price index reflect on the inflationary rate in the country; and

(c) the measures taken by Government so far to arrest the continuous rise in the price index ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The comparative rise in the Wholesale Price Index (WPI) and Consumer Price Index (CPI) during the calendar year upto May, 1988 (latest available, for CPI) was 6.2 per cent and 2.5 per cent respectively. The

annual rate of inflation in WPI upto May, 1988 was 8.5 per cent and in CPI 9.7 per cent.

(c) The specific measures taken by the Government to keep the price rise under check include enhanced distribution of food-grains through Public Distribution System (PDS); strengthening of the PDS with the opening of additional outlets; import of essential commodities like Pulses, edible oils, and sugar. Strict economy in Government expenditure; mopping up of excess liquidity in the economy and intensive action against hoarders and profiteers.

[*Translation*]

**Assistance to Sick Textile Mills  
in Madhya Pradesh**

516. SHRI MAHENDRA SINGH : Will the Minister of TEXTILES be pleased to state :

(a) the details of the assistance rendered by Union Government to sick textile mills of Madhya Pradesh;

(b) whether any assistance has also been rendered to Sajan Mill, Ratlam in Madhya Pradesh; and

(c) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The Union Government do not provide financial assistance to sick textile mills.

(b) and (c). Do not arise in view of (a) above.

[*English*]

**Border Trade with China**

517. SHRI MANVENDRA SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether the Chinese team to the official level trade talks held in Beijing in June this year, requested for resumption of border trade with India along Tibet border;

(b) whether any precise trade offer was also made;

(c) the Indian team's reaction thereto; and

(d) the follow up action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (d). During the bilateral official level talks on trade held with China, there was an agreement to resume border trade and to meet again at an early date to finalise modalities. The Indian side would send a draft proposal to the Chinese side which would be considered by a joint working group.

[*Translation*]

**Clearance of Irrigation Projects  
of U.P.**

518. SHRI HARISH RAWAT : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether major and medium irrigation projects of Uttar Pradesh are pending with Union Government for approval;

(b) if so, the details thereof and since when these projects have been pending; and

(c) whether these projects also include Jamrani Dam (Nainital) Project and if so, since when and the time by which it is likely to be cleared ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). Out of 13 major irrigation schemes received from the Government of Uttar Pradesh comments on 5 schemes have been sent to the State Government for compliance. Substantial expenditure on other 6 schemes has been incurred by the State Government. Reports on 2 other schemes were received from State Government in June, 1988.

(c) No, Sir.

[*English*]

**Opening of Bank Branches in  
Maharashtra**

519. SHRI MURLIDHAR MANE : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of nationalised banks proposed to be opened in Maharashtra during 1988;

(b) the number of licences issued to the nationalised banks to open branches in Maharashtra, bank-wise, during the period of Current Branch Licensing Policy; and

(c) the number of branches opened upto June, 1988 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reserve Bank of India (RBI) has reported that under the current Branch

Licensing Policy for 1985-90, on the basis of lists of identified centres received from the State Government of Maharashtra, 398 centres were allotted to Public Sector Banks for opening their branches in the State of Maharashtra. The banks have been advised to open their branches at all the allotted centres expeditiously. As such, it is not possible at this stage to indicate the exact number of branches that will be opened during the year 1988. The public sector banks have so far opened their branches at 119 centres as per details given in the statement below.

#### Statement

*Statement showing the number of branches opened by Public Sector Banks in the State of Maharashtra*

Name of the Bank	Centres allotted	No. of Branches opened
1	2	3
1. State Bank of India	69	16
2. State Bank of Hyderabad	18	8
3. State Bank of Bikaner & Jaipur	1	—
4. State Bank of Indore	1	—
5. State Bank of Patiala	1	—
6. State Bank of Saurashtra	1	—
7. State Bank of Travancore	1	—
8. Allahabad Bank	9	5
9. Andhra Bank	2	—
10. Bank of Baroda	17	13
11. Bank of India	59	18
12. Bank of Maharashtra	99	24
13. Canara Bank	5	—
14. Central Bank of India	36	13
15. Corporation Bank	3	—
16. Dena Bank	21	5
17. Indian Bank	3	1
18. Indian Overseas Bank	3	—
19. New Bank of India	2	—
20. Oriental Bank of Commerce	1	—
21. Punjab National Bank	7	4

1	2	3
22. Punjab and Sind Bank	1	—
23. Syndicate Bank	4	—
24. Union Bank of India	25	11
25. United Bank of India	3	—
26. UCO Bank	4	—
27. Vijaya Bank	2	1
<b>Total</b>	<b>398</b>	<b>119</b>

**Reduction of Excise Duty on PFY  
and PSF**

520. SHRI DAULATSINHJI JADEJA : Will the Minister of FINANCE be pleased to state :

(a) whether the Committee of Gujarat State on Textile crisis has recommended a reduction of 50 per cent of excise duties imposed on Polyester Filament Yarn (PFY) and Polyester Staple Fibre (PSF) so as to make effective assault on smuggling;

(b) whether as an alternative to reduction in excise duties, the Committee has recommended to subsidise the sale of man-made fabrics, and

(c) if so, the action taken by Union Government on these recommendations ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). A Committee appointed by the Government of Gujarat on Textile Industry, has recommended that the excise duty on Polyester Stable Fibre and Polyester Filament Yarn may be further reduced by 50%. The Committee has also recommended the "the feasibility of giving subsidy on the sale of cloth should also be examined as an alternative to reduction in excise duty".

(c) The recommendations have not been found acceptable.

**Seizure of Heroin in Punjab**

521. SHRI M. RAGHUMA REDDY :  
SHRI C. MADAV REDDI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the news item appearing in the "Times of India" dated 26 June, 1988 wherein it has been stated that heroin worth Rs. 145 crores was seized in Punjab near Kapurthala;

(b) if so, the details thereof;

(c) whether any arrest has been made by Government;

(d) what action has been taken by Government against the culprits;

(e) whether it is also a fact that a large quantity of charas, heroin, hashish and other narcotic drugs were seized in the Capital during the last six months;

(f) if so, the details thereof and action taken against the culprits in each case; and

(g) whether any steps are taken to stop this crime ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (d). On 24.6.1988, 145 kgs. of heroin of Pakistani origin, in 160 packages were seized at V. Saidowal (Distt. Kapurthala) in a joint operation by the Customs and the Police from an Ambassador car HRK-2852. One .32 bore revolver and six live cartridges were also recovered from the car, which was abandoned at Naka point. The Smugglers fled away and no arrest has been made.

(e) and (f). The details of drugs seized in Delhi from January to June, 1988 are furnished below;

Drug	No. of cases	Quantity (in kgs.)
1. Opium	7	21
2. Morphine	6	9
3. Heroin	16	141
4. Ganja	2	425
5. Hashish (Charas)	6	674
6. Cocaine	1	13
7. Mathacualone	1	40

(Figures rounded off to the nearest kilogram).

In all, 64 persons had been arrested in the above cases against whom appropriate action under the law has been initiated.

(g) Government have initiated various aggressive counter-measures against drug trafficking which, *inter alia* include strengthening of the preventive and intelligence machinery, specially around borders, adoption of a liberalised reward scheme for officers and informers, strengthening of bilateral co-operation between neighbouring countries (including regional co-operation under the aegis of SAARC). Special narcotics cells have been created in all the Customs and Central Excise Collectorate all over the country as well as in the State Police organisations. 645 persons has been arrested upto June, 1988 for drug trafficking offences.

Further, the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Ordinance has been promulgated by the President on 4.7.1988. Under this Ordinance 130 detention orders have been issued and 100 persons have been detained upto 18.7.1988 thus immobilising them from indulging in illicit traffic in drugs.

#### Implementation of Fourth Pay Commission Recommendation

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

(a) whether any of the recommendations of the Fourth Pay Commission still remains to be implemented by Government in respect of any category of employees of the Central Government; and

(b) if so, the details in this regard and the likely date by which uniform implementation of all the recommendations accepted by Government would be ensured and the reasons for delay ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Government orders have already been issued covering major recommendations of the Fourth Central Pay Commission relating to revision of pay scales, Dearness Allowance, House Rent Allowance, City Compensatory Allowance and Retirement benefits etc.

Listed below are some of the important recommendations of the Pay Commission which are under process :

- (i) Revision of rates of subscription and utilisation of funds under the Group Insurance Scheme.
- (ii) Creation of pension fund, uniformity in definition of 'Family', new plan for commutation of pension and a medicare scheme for pensioners.
- (iii) Grant of non-interest bearing advance equal to half-a-month's basic pay once a year.

In addition, various Ministeries/Departments of the Government of India are processing certain specific recommendations of the Pay Commission.

**D.A. to Central Government  
Employees**

523. **SHRI KAMAL CHAUDHRY :**  
**SHRI V.S. KRISHNA IYER :**  
**SHRI KAMAL PRASAD**  
**SINGH :**

Will the Minister of FINANCE be pleased to state:

(a) the All India Consumer Price Index for industrial workers as on 1 July, 1988 (base 1960 : 100) on the basis of which Dearness Allowance to Central Government Employees is sanctioned;

(b) whether any further instalment of Dearness Allowance has become due to Central Government employees from 1 July, 1988;

(c) if so, how much will it cost the exchequer during the year; and

(d) when the grant of next instalment of dearness allowance is likely to be announced ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (d). As per the revised Dearness Allowance formula based on the recommendations of the Fourth Pay Commission, compensation for price rise has to be paid twice a year on the basis of percentage increase in whole numbers in the twelve monthly average of the All India Consumer Price Index Numbers for Industrial Workers (General) (Base 1960 = 100) for the periods ending June and December each year over the index average of 608 w.e.f. 1st July and 1st January respectively with the salary for September and March respectively. The Dearness Allowance payable w.e.f. 1.7.88 and the total cost involved can be considered only when the Consumer Price Index Numbers in respect of June, 1988 are available in August, 1988.

**Seizure of Gold in Delhi and Punjab**

524. **SHRI KAMAL CHAUDHRY :**  
Will the Minister of FINANCE be pleased to state :

(a) the details of seizures of gold in Delhi and Punjab during the last six months;

(b) whether illegal trade in smuggled gold has increased in Delhi and Punjab; and

(c) if so, the measures taken or proposed to be taken to eliminate the illegal trade in gold ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a). During the period from January to June, 1988, gold worth Rs. 9.28 crores and Rs. 4.11 crores was seized in Delhi and Punjab respectively.

(b) Since smuggling is a clandestine activity, it is not feasible to estimate whether the illegal trade in smuggled gold has increased in Delhi and Punjab. However, the value of seizures of gold in Delhi and Punjab made during the first 6 months of 1988 have shown an increase against the value of gold seized during the corresponding period of 1987 when gold worth Rs. 4.17 crores and Rs. 0.87 crores was seized in Delhi and Punjab respectively. This need not necessarily indicate an increase in the smuggling of gold and could be due to the intensification of the drive against smuggling.

(c) The anti-smuggling drive has been intensified throughout the country and the anti-smuggling machinery has been geared up particularly at the international airports, sea-ports and in the vulnerable areas of the coast-line and the land borders. Sophisticated equipment like X-ray machines and metal detectors are being increasingly used for the detection and prevention of smuggling of gold concealed on the person of passengers and in their baggage/cargo. Close co-ordination is being maintained with all the agencies concerned in the detection and prevention of smuggling.

**Competition in Export of Ready made  
Garments with other Countries**

525. **SHRI BHADRESHWAR TANTI :**  
Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware of the growing competition abroad in the field of export of ready-made garments;

(b) if so, the names of the countries competing with Indian exporters of ready-made garments;

(c) whether margin of Indian exporters is under severe pressure due to competition from other countries; and

(d) if so, the steps taken in the matter ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) Yes, Sir.

(b) Our major competitors in the field of garment exports are Hong Kong, Republic of Korea, Taiwan, China etc.

(c) and (d). In spite of competition from other countries, garment exports have been showing consistent upward trend during the last few years.

#### **Sericulture in North and North-Eastern Region**

526. **SHRI BHADRESWAR TANTI :**  
**SHRI BIMALKANTI GHOSH :**

Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government have formulated any scheme to encourage sericulture in Himalayas, Kashmir and North-Eastern Region of India;

(b) if so, the details thereof;

(c) whether this plan will ensure prosperity of sericulture in the aforesaid areas; and

(d) if so, the details thereof ?

**THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) :** (a) to (d). Central Silk Board has drawn a comprehensive project for production of 140 tonnes of tasar yarn in the States of U.P., M.P., J & K in sub-Himalayan belt and Manipur, Nagaland, Assam, Arunachal Pradesh & Mizoram in the North-Eastern Region at a total cost of Rs. 45.50 crores for implementation over a period of 5 years. The Central Silk Board supplements the efforts of the State Governments of these regions for encouraging development of mulberry/muga/tassar sericulture in the potential areas of these States. The number of institutions/units set up by the Board for this purpose is as under :

1. Uttar Pradesh	4
2. Madhya Pradesh	2
3. Jammu & Kashmir	7
4. North-Eastern Region	13

The various schemes of Central/State Governments are expected to improve prosperity of sericulture in these regions.

#### **World Bank Aid for Power Sector**

527. **SHRIMATI BASAVARAJESWARI :** Will the Minister of FINANCE be pleased to state :

(a) whether India has sought larger World Bank participation in the power sector;

(b) if so, the reasons therefor;

(c) whether the World Bank has agreed to provide more aid to India for power sector; and

(d) if so, to what extent ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (d). The World Bank extends loans to India for projects in various sectors. The quantum of loan depends on the requirements of these projects as well as the resources position of the Bank. Power continues to be a sector for which substantial aid has been committed by the World Bank. The total quantum of credit/loan extended by the World Bank to India in Bank's Fiscal Year 1988 was about \$ 3 billion out of which \$ 610 million was for power projects.

#### **Trade Protocol with China**

528. **SHRIMATI BASAVARAJESWARI :**  
**SHRI PRAKASH V. PATIL :**  
**DR. KRUPASINDHU BHOI :**  
**SHRI YASHWANTRAO GADAKH PATIL :**

Will the Minister of COMMERCE be pleased to state :

(a) whether Indian and Chinese officials held three-day talks to draw up trade protocol for 1988-89 and discussed how to



increase Indian exports to reduce their wide trade gap;

(b) if so, the outcome of the talks; and

(c) agreement if any, reached in this regard ?

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

(b) and (c). A trade Protocol for the year 1988-89 has been signed. A number of new items have been included in the Protocol which the Indian side expects China to import from India like oil field chemicals, oil field equipment, computer software, transportation systems such as commercial vehicles etc. Similarly, new items have been added for imports from China. The two sides also agreed to resume border trade and to meet at an early date to finalise the modalities.

Discussion with EEC and Soviet Union Regarding Export of Cotton Handloom etc.

529. SHRIMATI BASAVARAJESWARI : Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government had a discussion with the European Economic Community and the Soviet Union regarding export of cotton textiles, handlooms, jute and handicrafts;

(b) if so, whether a high level delegation visited Brussels;

(c) if so, whether any agreement has been reached at;

(d) the details thereof; and

(e) by what time the agreement will be implemented ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Yes, Sir.

(c) to (e). An agreement was reached between India and the EEC regarding export of Category 4 (S). Under this agreement, Category 4 and 4 (S) were merged and a combined level of 28.5 million pieces was agreed to for the merged category for the

year 1988 as against the present level of 10.9 million pieces for Category 4. This has already been implemented.

#### Garment Export Target

530. SHRIMATI BASAVARAJESWARI : Will the Minister of TEXTILES be pleased to state :

(a) whether the garment export target fixed for the year 1987-88 has been achieved;

(b) if so, what extent; and

(c) the garment export target fixed for the year 1988-89; and

(d) the steps proposed to further improve its target ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). During 1987-88, Garment exports amounted to Rs. 2000 crores against the target of Rs. 1450 crores.

(c) Rs. 2150 crores.

(d) A statement is given below.

#### Statement

The following steps have been taken to boost the export of garments :

1. Sophisticated garment manufacturing machines not manufactured indigenously are allowed to be imported on OGL. As many as 118 machines for garment and hosiery manufacture have been placed under OGL, 104 of them enjoying concessional import duty.
2. 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.
3. Cotton garments 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.

4. A National Institute of Fashion Technology has been set up in Delhi for education, research and training in the areas of fashion design for garment manufacture.
5. The duty drawback rates for cotton garments have been increased to 10%.
6. 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%.
7. Many items of raw material/fabrics are permitted to be imported under Advance Licensing Scheme and the Import-Export pass Book Scheme.
8. The scope of Advance Licensing and Pass Book Scheme has been widened and procedures simplified.
9. Under 100% Export Oriented Units and Free Trade Zones Scheme, facilities for liberal import of capital goods and raw materials alongwith many other concessions are given.
10. Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, buyer-seller-meets, participation in international fairs and exhibitions.
11. Permission for use of foreign brand names for domestic sales has been approved in the case of ready-made garments with the stipulation that only indigenous fabrics are used; at least 75% of the production is exported and no royalties are allowed on domestic sales.
12. The agency commission has been increased and rules for blanket permission for foreign exchange have been substantially liberalised.

**Aid India Consortium Pledge for Assistance**

531. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state ;

(a) whether the Aid India Consortium met in Paris on June 19, 1988 to pledge the assistance for Indian development projects;

(b) if so, the outcome thereof; and

(c) Government's reaction thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Aid India Consortium met in Paris on June 20-21, 1988 and indicated total aid pledges of the order of U.S. \$ 6.3 billion for India's development projects/programmes. The outcome was satisfactory from India's point of view.

**Diamond and Jewellery Export Zones**

532. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether diamond exports have picked up further following the new import-export policy;

(b) if so, the details thereof;

(c) whether Government propose to set up diamond parks in States other than Gujarat also; and

(d) if so, whether diamond and jewellery export zones are proposed to be declared in these parks ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) and (b). Yes, Sir. The exports of diamonds during April-June, 1988 as compared to corresponding period last year have improved as under :

(Value Rs. crores)

April/June 1988	812 (P)
April/June 1987	510

(c) The Government has no plans to set up any diamond parks.

(d) Does not arise,

**Sericulture Development Programme  
in Orissa**

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

(a) whether Government have drawn up a comprehensive scheme to undertake sericulture development programme in Orissa;

(b) if so, the amount proposed to be spent on sericulture development in Orissa by the end of the Seventh Plan; and

(c) the details of the amount proposed to be spent by the Silk Board in Orissa and other States during the Seventh Plan ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir. An Intensive Mulberry Sericulture Development Project is under implementation in Orissa.

(b) and (c). Planning Commission have approved an allocation of Rs. 3.50 crores under State Sector for development of sericulture in Orissa during the Seventh Plan period. Under Central Sector, out of Rs. 74.33 crores available towards development of sericulture in the country (upto 1988-89), an allocation of Rs. 4.26 crore has been tentatively earmarked for implementation of sericulture development schemes in Orissa.

**Jewellery Export to Japan**

534. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether the jewellery made in India has great demand in Japan;

(b) if so, the steps taken to increase export of jewellery to Japan;

(c) whether the Trade Development Authority of India or any other Department/Organisations have taken steps to promote jewellery export to that country; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (d). While good potential exists for Indian finished jewellery exports to Japan, however, their export has started picking up during past two years. The Export Policy for Jewellery has been modified to provide a pragmatic framework for exporters for securing increased share of the world jewellery market including Japan. Trade Development Authority (TDA) undertook an integrated programme for development and marketing of Gems & Jewellery in Japan during 1987-88 which included activities such as, marketing survey of Japanese Jewellery market, visit by Japanese exports to India to develop appropriate designs and participation in Jewellery Exhibitions/shows in Japan etc. Besides, other organisations including Gem & Jewellery Expert Promotion Council and Handicrafts & Handlooms Exports Corporation of India are also engaged on promotion of gems and jewellery exports to Japan.

**Declining Trend in Handicraft  
Exports**

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

(a) whether the earnings from handicrafts exports have been declining since last three years;

(b) if so, the reasons of the gradual reduction in the earnings from handicrafts exports;

(c) the year since when such erratic trends have been shown in the export of handicrafts; and

(d) the details of the steps taken to check this trend and to increase the export ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir. Export data in respect of handicrafts for the last three years given below does not indicate a declining trend.

Year	Value (in Rs. crores)		Percentage increase	
	Prov.	Final	Prov.	Final
1985-86	392.34	503.19		
1986-87	415.47	Not available	+ 5.89	—
1987-88	540.94	-do-	+ 30.19	—

It may be mentioned that final figures of 1986-87 and 1987-88 are not yet available and hence comparison on the basis of final figures can not be made at this stage. However, comparison on the basis of provisional figures shows increase in exports of 5.89% and 30.19% in 1986-87 and 1987-88 respectively.

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

#### Abid Hussain Report on Capital Markets

536. SHRI SHARAD DIGHE :  
SHRI SATYENDRA NARAYAN  
SINHA :

Will the Minister of FINANCE be pleased to state :

(a) whether the high-powered working group on capital markets headed by Shri Abid Hussain, Member, Planning Commission, has submitted its final report;

(b) if so, the recommendations thereof;

(c) which of those recommendations Government have accepted; and

(d) whether Government propose to grant total exemption to dividend income from personal taxation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALIERO) : (a) No, Sir.

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

#### Bench of Karnataka High Court at Dharwad, Karnataka

537. SHRI V.S. KRISHNA IYER : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the Jaswant Singh Commission has recommended for the constitution

of a Bench of a High Court at Dharwad, Karnataka; and

(b) if so, the action taken or proposed to be taken by Union Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) and (b). The proposal for establishment of a Bench of the Karnataka High Court at Hubli-Dharwad was included in the terms of reference of the Jaswant Singh Commission, but the Commission could not examine the proposal. However, the recommendations of the Commission on the general question of having Benches of High Courts away from their principal seats and on the broad principles and criteria to be followed in this regard were sent to the Chief Minister of Karnataka in October, 1986, requesting for his views in the matter of establishing a Bench at Hubli-Dharwad in consultation with the Chief Justice of Karnataka High Court and the Governor of Karnataka in the light of those recommendations. The Chief Minister has recently requested the Central Government to agree to the proposal of the State Government to establish a Bench at Hubli-Dharwad, but he has not intimated whether the State Government have completed the statutory consultations.

#### Shifting of Central Coffee Research Institute to Bangalore

538. SHRI V.S. KRISHNA IYER : Will the Minister of COMMERCE be pleased to state :

(a) whether the Headquarters of Central Coffee Research Institute, Balehonnur has been shifted to Bangalore;

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

(c) whether Government are aware that Balehonnur is a core coffee producing area; and

(d) whether Government would consider shifting it back to Balehonnur ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). The Headquarters of the Central Coffee Research Institute has not been shifted from Balehonnur. Only the Headquarters of the Director of Research who is also the chief coordinator for Research, Extension and Project Wings had been shifted to Bangalore in April, 1986, with a view to properly coordinate the activities of the Research, Extension and Project Wings of the Board. The location of the Director Research at Bangalore will result in better liaison with ICAR Agricultural Institutes/Agricultural Universities, State Governments, other Departments of the Coffee Board and regular guidance to the different regional Research Stations of the Coffee Board.

(d) In view of (a) to (c) above the question does not arise.

#### Group Insurance Scheme

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

(a) the coverage, State-wise, under the group insurance scheme for landless agricultural labourers upto 31 March, 1988;

(b) the number of claims filed upto that date;

(c) the number of claims admitted so far out of the above and the total amount paid to the beneficiaries;

(d) the exact procedure for filing of claims by the landless agricultural labour; and

(e) the steps taken by Government and the Life Insurance Corporation to make landless agricultural labourers aware of this scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The State-wise coverage under the Group Insurance

Scheme for landless agricultural labourers upto 31st March, 1988 is given below :

Madhya Pradesh	11,26,000
Rajasthan	2,00,000
Punjab	4,00,000
U.T. : Delhi	7,200
Bihar	18,00,000
Karnataka	7,00,000
Andhra Pradesh	6,75,000
Tamil Nadu	20,00,000
U.T. : Pondicherry	1,53,000
Kerala	1,00,000
Goa	2,715
Gujarat	8,00,000

Other States/UTs—Not reported by States/U.T. Agency.

(b) The number of claims filed with LIC upto 31 March, 1988 is NIL.

(c) Does not arise.

(d) The nominee of the deceased landless agricultural labourer has to furnish duly completed claim form alongwith the death registration certificate and the identity card of the deceased member to the Government agency at the appropriate level, who will forward these papers alongwith a copy of the membership register to LIC. The LIC would settle the claim by direct payment to the nominee if the papers received are in order.

(e) The LIC has put up wall paintings, hoardings and posters in the rural areas to give adequate publicity to the scheme. It is also effectively harnessing the media of folk arts for direct communication with the rural audience.

#### Frauds in Public Sector Banks

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

(a) the number of frauds reported by the public sector banks to the Reserve Bank of India during the last three years, year-wise;

(b) the amount involved, year-wise and bank-wise;

(c) whether any systematic study has been made by Government to introduce institutional measures for reducing the cases of fraud;

(d) if so, whether any guidelines have been issued by Government and/or the Reserve Bank of India to the banking sector; and

(e) the dates of issue of those guidelines and brief details of instructions contained therein ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Bank-wise information regarding number of frauds and amount involved therein for the years 1985, 1986 and 1987, reported to Reserve Bank of India by public sector banks irrespective of the dates of occurrence of the frauds is given in the Statement below.

(c) to (e). By and large frauds have occurred in banks not on account of lacunae in the systems and procedures but owing to non-observance of the prescribed procedures and safeguards. Banks have books of instructions indicating precautions/checks which their staff should observe to prevent occurrence or recurrence of frauds. Banks are taking steps to strengthen the control mechanism including the internal audit/inspection machinery and to make them effective so as to eliminate the scope for frauds and malpractices. Banks have been taking a serious view of irregularities committed by their employees and initiate action to inflict punishment befitting the seriousness of irregularities on the delinquent employees. They have been taking steps to ensure quicker

disposal of departmental enquiries. Banks have reviewed and revamped the vigilance machinery, taken steps to tone up control and supervision, strengthen management information system, follow up and inspection/audit arrangements and for clearing the arrears in balancing of books and reconciliation of inter-branch and other accounts on a continuous basis so as to prevent frauds in these areas.

In 1983, RBI had set up a Special Investigating Cell for the purpose of undertaking special investigation and scrutiny into reported cases of major frauds as well as snap inspections covering systems, procedures and control arrangements in identified fraud-prone areas. The Cell has issued following important circulars since its inception :

- (1) Frauds in Banks—Safeguards for preventing them and suggestions for checking them (dated 3.8.1983)
- (2) Kite flying operations—Allowing drawals against cheques sent in clearing—Safeguards to be followed by banks (dated 15.11.83)
- (3) Opening of letters of credit—Issue of Guarantees—Co-acceptance of bills by banks—Safeguards to be followed (dated 26.11.1983)
- (4) Classification of frauds—Remedial measures to be evolved by banks (dated 28.12.84)
- (5) Irregularities in NRE deposits (dated 23.4.86)
- (6) Advances against shares—Memorandum containing guidelines (dated 24.10.86)
- (7) Deposit linked advances (dated 19.9.1987).

**Statement**  
*Bankwise Information in Respect of No. of Frauds and Amount Involved therein for the Years 1985, 1986 and 1987*  
*Reported to Reserve Bank of India by Public Sector Banks*

Sl. No.	Name of the Bank	1985		1986		1987	
		No. of frauds	Amount involved (Rs. in lakhs)	No. of frauds	Amount involved (Rs. in lakhs)	No. of frauds	Amount involved (Rs. in lakhs)
1	2	3	4	5	6	7	8
1.	State Bank of India	501	986.12	527	438.08	590	393.82
2.	State Bank of Bikaner & Jaipur	24	95.01	23	250.44	28	72.92
3.	State Bank of Hyderabad	15	42.79	26	96.68	25	87.34
4.	State Bank of Indore	13	672.60	17	37.35	44	231.96
5.	State Bank of Mysore	20	145.26	27	50.36	35	51.99
6.	State Bank of Patiala	34	28.35	15	15.09	19	423.48
7.	State Bank of Saurashtra	8	25.34	14	46.06	8	41.62
8.	State Bank of Travancore	20	91.87	15	105.09	25	44.37
9.	Allahabad Bank	95	46.13	60	386.84	33	13.82
10.	Andhra Bank	34	196.90	14	12.14	22	20.30
11.	Bank of Baroda	82	42.11	80	361.64	97	165.22
12.	Bank of India	110	117.35	104	76.70	100	161.53

1	2	3	4	5	6	7	8
13.	Bank of Maharashtra	36	13.86	18	318.62	33	16.26
14.	Canara Bank	157	214.82	132	162.31	141	164.37
15.	Central Bank of India	107	116.68	90	346.64	91	704.57
16.	Corporation Bank	50	87.63	16	54.59	11	6.97
17.	Dena Bank	59	79.27	44	74.88	28	307.50
18.	Indian Bank	60	100.51	37	47.10	23	62.88
19.	Indian Overseas Bank	77	47.52	83	32.30	44	181.24
20.	New Bank of India	16	17.42	25	133.42	13	24.01
21.	Oriental Bank of Commerce	14	421.43	14	11.08	12	17.32
22.	Punjab National Bank	292	1400.63	108	360.74	51	123.55
23.	Punjab & Sind Bank	14	15.82	11	203.49	15	385.05
24.	Syndicate Bank	103	164.83	84	260.71	231	132.24
25.	Union Bank of India	83	66.76	88	196.44	82	153.11
26.	United Bank of India	28	12.31	59	298.71	50	55.78
27.	UCO Bank	58	73.17	59	50.27	37	225.93
28.	Vijaya Bank	47	25.53	33	14.50	14	15.19

(Data provisional)



**Major Irrigation Projects**

541. SHRI SYED SHAHABUDDIN :  
Will the Minister of WATER RESOURCES  
be pleased to state :

(a) the number of Major irrigation projects under various stages of execution as on 1 April, 1988;

(b) their State-wise break up with the year of commencement of implementation and the total amount invested upto 31 March, 1988;

(c) the estimated irrigation potential of each project; and

(d) the expected year of completion of the project and the latest cost estimated ?

THE MINISTER OF STATE IN THE  
MINISTRY OF WATER RESOURCES  
(SHRIMATI KRISHNA SAHI) : (a) 193  
major projects, including 12 projects taken  
up during the Seventh Plan period are under  
various stage of execution.

(b) to (d). The information is given in  
the Statement below.

**Statement**  
**Major Irrigation Projects under Execution in 1988**

Sl. No.	Name of State	Number of Projects Started in Plans										Latest est. cost (1988)	Expdr. upto 1988 (Anticipated)	Ultimate irrigation potential	No. of projects likely to be completed in VII Plan		
		I	II	III	*A.P. 66-69	IV	V	*A.P. 78-80	VI	VII	Total						
1	2																
	1. Andhra Pradesh	—	1	1	—	3	3	—	6	—	14	5173.10	2483.35	2457	4		
	2. Assam	—	—	—	—	—	1	—	1	—	2	139.57	71.20	68	—		
	3. Bihar	—	—	1	—	1	9	—	—	5	16	2923.51	1028.82	1231	—		
	4. Goa	—	—	—	—	1	—	—	—	—	1	131.04	67.53	34	—		
	5. Gujarat	—	—	—	—	3	2	3	3	—	11	5365.26	974.05	2143	4		
	6. Haryana	1	—	1	—	1	3	1	2	1	10	728.87	527.99	984	2		
	7. Himachal Pradesh	—	—	—	—	—	—	—	—	1	1	49.30	1.72	15	—		
	8. Jammu & Kashmir	—	—	—	—	—	1	—	—	—	1	84.60	66.19	55	—		
	9. Karnataka	2	—	1	2	3	4	1	—	1	14	3311.47	1566.68	1863	3		
	10. Kerala	—	1	5	1	—	2	—	1	2	12	1186.79	1151.44	604	3		

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
11. Madhya Pradesh	—	—	—	—	—	6	5	3	6	—	20	5207.65	1166.59	1868	4
12. Maharashtra	—	—	1	2	2	3	13	4	17	—	42	5552.75	2011.73	2403	4
13. Manipur	—	—	—	—	—	1	1	1	1	—	4	169.90	79.41	93	—
14. Meghalaya	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15. Mizoram	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16. Nagaland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17. Orissa	—	—	—	—	—	2	2	1	—	—	5	1763.32	447.09	901	2
18. Punjab	—	—	—	1	—	—	—	1	—	—	3	353.29	70.51	890	—
19. Rajasthan	—	—	1	1	—	1	1	—	2	—	6	2410.19	875.73	1387	2
20. Sikkim	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
21. Tamil Nadu	—	—	—	1	—	—	—	—	2	—	3	153.90	135.93	166	2
22. Tripura	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23. Uttar Pradesh	—	—	—	2	1	1	19	—	—	1	24	3815.60	1840.84	4829	11
24. West Bengal	1	1	—	—	—	—	1	1	—	1	4	753.92	414.38	1427	2
Total States	4	5	16	6	26	68	15	41	12	193	39274.03	14581.18	23418	45	45

\*A.P.—Annual Plan.

**Excess Capacity in Textile Industry**

542. SHRI DAULATSINHJI JADEJA : Will the Minister of TEXTILES be pleased to state :

(a) whether the textile policy of 6 June, 1985 clearly hinted at the prevailing excess capacity in the textile industry;

(b) if so, the extent of the excess capacity in 1985, 1986 and 1987 in different sectors of textile industry; and

(c) the details of the outline of various steps taken/processed to be taken to remove this excess capacity ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Textile Policy Statement of the 6th June, 1985 does not make any reference to excess capacity in the textile industry.

(b) No authentic estimates of excess capacity in the three sectors of the textile industry are available.

(c) The Textile Policy of June, 1985 allows textile units to contract capacities, including closure of a unit or part thereof, wherever necessary and justified.

**Shifting of Textile Mills to Rural Areas**

543. SHRI DAULATSINHJI JADEJA : SHRI NATWARSINH SOLANKI :

Will the Minister of TEXTILES be pleased to state :

(a) the policy adopted by Union Government regarding the shifting of textile units both closed and working from metropolitan areas to outside rural areas;

(b) the alternative plan to make use of the land occupied by closed units or textile units which work below their 50 per cent capacity; and

(c) the details of the policy contemplated in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The Union Government have not laid down any specific policy for the shifting of textile units from metropolitan areas to rural areas.

(b) and (c). Planning alternative use of land occupied by textile units comes within

the jurisdiction of the State Governments/ Union Territories Administrations concerned.

**Revision in Tax Concession and Incentives**

544. SHRI C. MADHAV REDDI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering to revise the tax concessions and incentives due to strong reservations expressed by the Economic Administration Reforms Commission about the usefulness of these incentives; and

(b) whether it is a fact that as a result of the concessions and incentives the tax base has been eroded considerably ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The recommendations of the Economic Administrative Reforms Commission were examined by the Government and those found acceptable have been implemented by carrying out legislative amendments of the direct tax laws. Further the review of the various provisions of the direct tax laws relating to exemptions and deductions is being undertaken continuously in the light of the overall economic policy of the Government from time to time. Fiscal instruments have to subservise the needs of the macro economic policies of the Government. Hence losses and gains have to be measured against their entirety of economic performance.

**Demand for Handloom Cloth**

545. SHRI AMARSINH RATHAWA : Will the Minister of TEXTILES be pleased to state :

(a) whether the demand of handloom cloth in the country and also in foreign countries is on the increase;

(b) if so, the total production of handloom cloth in the country during the last three years, year-wise;

(c) the value of handloom cloth exported during last three years, year-wise;

(d) whether the short production of cotton has made any effect on the handloom industry; and

(e) if so, the details thereof and the steps being taken to meet the shortage of cotton to achieve the target of handloom products during the year 1988-89 ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) The total production of handloom cloth in the country during the last three years is as under :

Year	Qty. in million metres
1985-86	3692
1986-87	3884
1987-88	3948

(c) The value of handloom cloth export during the last three years is as under :

Year	Rs. in crores
1985-86	361.59
1986-87	391.81
1987-88	516.21

(d) and (e). The production of handloom cotton cloth during the year 1987-88 has shown an increase of 1.5% over the production during the year 1986-87. The problem being faced by the handloom sector is not one of short supply but that of increase in prices of cotton yarn. In order to provide relief to the handloom industry, the Government have taken the following steps to check the rise in prices of cotton yarn :

- (i) The export of stable cotton has been suspended.
- (ii) Import of cotton has been permitted against export of cotton yarn/cotton fabrics and made-ups on Advance Licence basis.
- (iii) Export of hank yarn upto 60s counts has been stopped.
- (iv) Import of 1 lakh bale of cotton, duty-free, has been permitted for

production of cotton yarn for supply to handloom sector. The price advantage, accruing out of the import of duty free cotton, will be passed on to the handloom sector.

#### New Scheme to Collect Income Tax Arrears .

546. SHRIMATI D.K. BHANDARI : Will the Minister of FINANCE be pleased to state :

(a) whether in order to collect income-tax arrears, a new scheme has been launched;

(b) if so, the special features of this scheme;

(c) whether the new scheme provides any benefits to tax payers;

(d) if so, the details thereof; and

(e) the date from which the new scheme is proposed to be made effective ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) to (e). The main features of the scheme are as under :

- (i) the scheme will be in operation from 1.7.1988 to 30.9.1988.
- (ii) the scheme will be applicable to all Income-tax demands certificated to the Tax Recovery Officers upto 31.3.1986.
- (iii) the tax payers are entitled to a rebate of 50 per cent of the interest chargeable u/s 220 (2) of the Income-tax Act if they make the full payment of arrear demand indicated in (ii) above together with 50% of the interest during the period stated in sub-para (i).

#### Legal aid to Poor People

547. SHRIMATI D.K. BHANDARI : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the progress made by the Committee for implementing legal Aid Scheme so far in each State at the lowest level till June, 1988;

(b) total number of poor people benefited with the service of free legal aid in each State since 1980;

(c) the financial assistance given to the Committee achieve its goal during 1982-83 to 1987-88; and

(d) the expenditure incurred by the Committee in each State during 1982-83 to 1987-88 ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) and (b). The Committee for Implementing Legal Aid Schemes is a High-powered Committee charged with the responsibility of formulating in detail and implementing a comprehensive legal aid programme on uniform basis throughout the country. The Committee does not give legal aid and advice in individual cases. Legal aid and advice is given by the State Legal Aid and Advice Boards and other bodies functioning under the control of the State Boards.

On the basis of the information available with this Committee, the number of persons benefited in each State since 1980 are contained in the Statement-I below.

(c) The CILAS is sanctioned a budget on financial year basis for the implementation of the legal aid programmes. The sanctioned Budget Grant during the years 1982-83 to 1987-88 is indicated in Statement-II below.

(d) The State Legal Aid and Advice Boards are being funded by the respective State Governments. The CILAS renders financial assistance for implementation of specific legal aid programmes, such as, Promotion of legal literacy, holding of lok adalats, training of para-legal and setting up of legal aid clinics in Universities and Law Colleges. The financial assistance provided by the Committee to each State during the financial year 1982-83 to 1987-88 is contained in Statement-III below.

#### Statement-I

*Statement indicating the total number of beneficiaries provided free legal aid in each state since 1980*

*(Information as available with CILAS as on 26.7.1988)*

S. No.	Name of the State/Union territory	Total number of beneficiaries
1.	Andhra Pradesh	10,474
2.	Arunachal Pradesh	369
3.	Assam	14
4.	Bihar	1,809
5.	Goa	156
6.	Gujarat	12,969
7.	Haryana	1,441
8.	Himachal Pradesh	474
9.	Jammu & Kashmir	3,449
10.	Karnataka	39,928
11.	Kerala	348
12.	Madhya Pradesh	2,22,875
13.	Maharashtra	26,593
14.	Manipur	92
15.	Meghalaya	23
16.	Nagaland	2
17.	Mizoram	2,824
18.	Orissa	59,948
19.	Punjab	5,034
20.	Rajasthan	11,634
21.	Sikkim	148
22.	Tamil Nadu	3,97,392
23.	Uttar Pradesh	42,864
24.	Tripura	1,650
25.	Pondicherry	4,111
26.	Delhi	17,747
27.	Supreme Court Legal Aid Committee	50,049
		9,14,417

## Statement-II

*Committee for Implementing legal aid schemes : New Delhi**Details of Sanctioned Budget and Provisions for release of grants-in-aid, made there under, of CILAS during the financial years 1982-83 to 1987-88*

Financial Year	Sanctioned Total Budget Rs.	Budget Provisions earmarked for Grants-in-aid Rs.
1982-83	54,20,000	40,00,000
1983-84	55,59,000	40,00,000
1984-85	35,28,000	25,00,000
1985-86	36,08,000	25,00,000
1986-87	37,37,000	20,00,000
1987-88	43,25,000	30,00,000

**Statement-III**  
*Financial Assistance Provided by CILAS to each state during the Financial years 1982-83 to 1987-88*

S. No.	State/Union territories	Financial assistance provided during the financial years							Remarks
		1982-83 (Rs.)	1983-84 (Rs.)	1984-85 (Rs.)	1985-86 (Rs.)	1986-87 (Rs.)	1987-88 (Rs.)		
1	2	3	4	5	6	7	8	9	
1.	Andhra Pradesh	48,000	21,425	10,000	8,000	55,000	1,60,000		
2.	Assam	—	—	25,000	—	—	1,00,000		
3.	Bihar	80,000	67,437	52,000	1,12,000	20,000	35,000		
4.	Goa	—	25,000	—	—	—	—		
5.	Gujarat	1,20,000	50,000	57,500	1,85,000	1,00,000	—		
6.	Haryana	—	—	—	24,500	—	38,000		
7.	Himachal Pradesh	—	14,500	—	—	—	—		Figures include
8.	Jammu & Kashmir	—	40,000	—	15,000	—	—		grant-in-
9.	Karnataka	—	3,500	60,000	65,000	1,20,000	1,00,000		aid
10.	Kerala	9,649	81,000	45,000	1,40,500	10,000	20,000		released
11.	Madhya Pradesh	—	—	1,57,500	5,000	—	1,35,000		to State
12.	Maharashtra	20,000	2,04,300	1,20,000	2,20,632	10,000	1,07,061		Legal Aid
13.	Meghalaya	50,000	75,000	50,000	—	—	—		& Advice
14.	Nagaland	—	1,00,000	—	—	—	—		Boards,
15.	Orissa	60,000	1,25,000	25,000	1,82,500	37,500	1,21,000		Universities/
16.	Punjab	7,000	—	—	5,000	—	50,000		



1	2	3	4	5	6	7	8	9
17.	Rajasthan	50,000	54,150	82,500	20,628	1,32,900	—	Law College and volun- tary Orga- nizations.
18.	Sikkim	—	7,500	—	—	—	—	
19.	Tamil Nadu	—	1,00,000	—	85,000	90,000	2,00,000	
20.	Uttar Pradesh	1,02,000	1,66,000	25,500	70,500	75,000	20,000	
21.	West Bengal	—	1,15,740	1,31,802	1,94,500	1,12,100	95,000	
22.	Pondicherry	25,000	20,000	20,000	—	1,00,000	50,000	
23.	Delhi	4,13,500	7,45,500	6,38,667	7,83,000	6,38,000	1,04,500	
24.	Mizoram	—	—	25,000	—	—	—	
25.	Supreme Court Legal Aid Committee	2,57,813	3,46,186	3,94,000	4,50,000	4,00,000	4,75,000	

**Narcotic Drugs and Psychotropic  
Substances Act, 1985**

548. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether stringent provisions were incorporated in the Narcotic Drugs and Psychotropic Substances Act, 1985 to check large scale smuggling;

(b) if so, whether necessary notification under the Act is still to be issued; and

(c) if so, the reasons for the delay in issuing the notification enforcing the Act ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir.

(b) All relevant notifications, for effective enforcement of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985), have been issued. However, notification prohibiting operations relating to ganja for non-medical or non-scientific purposes, under the proviso to section 8 of the aforesaid Act has not been issued as yet.

(c) Some traditional use of ganja for non-medical and non-scientific purposes has been in existence in certain States. By permitting such use, these States have been earning revenue. In the circumstances, while ratifying the Single Convention on Narcotic Drugs, 1961, India reserved the right to permit such use.

However, on the expiry of the specified period which is towards the end of 1989, India is under an international obligation to prohibit the non-medical and non-scientific use of ganja. To enable the fulfilment of this obligation, the Central Government has been empowered under the Act to specify the date of prohibition by notification. As the notification to be issued by the Government under the proviso to section 8 of the Act needs to have an uniform date of effect all over India, such notification could be issued only towards the end of 1989.

However, the States can, on their own, prohibit the non-medical and non-scientific use of ganja by rules framed by them under section 10(1) of the Act.

**Law on Defections**

549. PROF. MADHU DANDAVATE : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether his Ministry is examining the problem of amending the existing law on defections;

(b) if so, what are the aspects of the existing law that are being examined and reviewed; and

(c) the reasons thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) No, Sir.

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

**Outstanding Income-Tax**

550. DR. B.L. SHAILESH :  
SHRI YASHWANTRAO  
GADAKH PATIL :

Will the Minister of FINANCE be pleased to state :

(a) the details of the companies, Hindu un-divided families and individuals from whom income-tax amounting to rupees one crore and above is outstanding as on 1 July, 1988;

(b) the details of the public limited companies against whom Excise Duty to the extent of rupees one crore and above is outstanding as on 1 July, 1988; and

(c) the effective steps Government have taken on propose to take to effect recovery of these outstanding dues ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (c). The information is being collected and will be laid on the Table of the House.

**Restructuring of NTC Mills**

551. DR. B.L. SHAILESH : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have at any stage considered the necessity of restructur-

ing the National Textile Corporation, which is incurring a loss of about of Rs. 11 crores monthly;

(b) if so, the details thereof; and

(c) if not, the reasons therefor and how is it proposed to make it a viable proposition ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). The Government have constantly been examining the question of organisational restructuring of National Textile Corporation. Further the functioning of NTC and its subsidiaries is reviewed by the Government from time to time, with a view to monitoring and improving its performance. NTC has recently taken some steps in this regard including selective modernisation, product diversification, marketing reorientation.

#### Sports Goods Export to USSR

552. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) the value of sports goods exported during last three years;

(b) whether some sports goods manufactured in India have great demand in the Soviet Union and in some other countries;

(c) if so, what are those items; and

(d) the details of the order placed by the Soviet Union to import those sports goods ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) The value of sports goods exported during the last three years is as follows :

Year	Total value (Value in Rs. Crores)
1985-86	27.90
1986-87	28.37
1987-88	30.50

(Source : Sports Goods Export Promotion Council).

(b) and (c). Indian sports goods have a good demand in the Soviet Union and in some other countries. The items in demand in USSR are : inflatable balls (leather and synthetic material) hockey sticks, handball and protective equipment, tennis and badminton rackets, boxing equipment, tennis balls, and badminton shuttlecocks. In other countries like the United Kingdom, Pakistan, West Indies, Australia, Srilanka and Zimbabwe cricket equipment is popular.

(d) Orders are placed by the Soviet Import-export organisation RAZNOEXPORD directly with Indian export firms.

#### Recession in Controlled Cloth of NTC

553. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the controlled cloth produced by the National Textile Corporation mills is facing recession; and

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

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Yes, Sir. The percentage of decline in the off-take of cotton controlled cloth during 1987-88 was 37% as compared to the off-take in 1985-87. The major factor accounting for decline in the off-take of controlled cloth during 1987-88 is the lack of financial resources of the State Marketing Federations through which NCCF sells this cloth.

#### Installed Capacity of Jute Industry

555. SHRI SYED SHAHABUDDIN : Will the Minister of TEXTILES be pleased to state :

(a) the installed capacity of the jute industry as on 1 April, 1987 and 1 April, 1988;

(b) the average capacity utilisation during 1987-88;

(c) the number of mills closed on 1 April, 1988 with the total capacity and labour strength involved;

(d) the number of mills which were working partially as on 1 April, 1988 with

their unutilised capacity and labour strength; and

(e) the steps taken or being taken to revive the jute industry ?

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

#### Statement

(a) The installed capacity of the jute industry as on 1st April, 1987 and 1st April 1988 were 16 lakh Metric Tonnes per Annum and 16.40 lakh Metric Tonnes per Annum respectively.

(b) Average capacity utilisation of jute industry during 1987-88 was about 73%.

(c) As on 1.4.88, 13 jute mill Units with installed capacity of about 2.85 lakhs tonnes per annum and with total complement of about 47,180 workers were lying closed.

(d) There was no jute mill Unit working partially as on 1.4.88.

(e) Government has taken the following steps for revival of jute industry :

(i) Setting up of Jute Modernisation Fund of Rs. 150 Crores with effect from 1st November, 1986 for Modernisation of Jute Mills.

(ii) Setting up of a Special Development Fund of Rs. 100 Crores for restructuring/rehabilitation of jute industry as well as for development of jute agriculture.

(iii) Mandatory Order for Compulsory use of jute packaging materials for certain sectors like cement, food grains, Fertilizers and sugar.

(iv) Providing cash compensatory support for export of jute goods.

(v) Introducing internal marketing assistance scheme for marketing of

some selected items of diversified jute products in order to increase end uses of these items.

(vi) Purchase of jute goods for Government sector directly from jute mills at cost plus basis.

(vii) Raw Jute buffer stock for 5.26 lakhs bales for bringing stability in raw jute economy.

#### Erosion in Value of Rupee

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

(a) whether the value of the rupee in relation to major world currencies has considerably eroded over the past four years;

(c) if so, how it has depreciated against the principal currencies like DM, Yen, Pound Sterling and Dollar;

(c) The reasons for such a depreciation;

(d) whether there is any devaluation in offing; and

(e) Government's exchange rate policy ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (e). The value of the rupee in relation to Pound Sterling, US dollar, Deutsche Mark and Japanese Yen respectively over the past four year period from 1983-84 to 1987-88 is shown in the statement given below. The exchange rate of the rupee is fixed with reference to the exchange rate movement of a suitably weighted basket of currencies, mainly of countries which are India's major trading partners. In a regime of floating exchange rates, upward or downward movements of the value of rupee, which depend upon the fluctuations in the value of these currencies, is a normal phenomenon.

There is no proposal for devaluation of rupee.

## Statement

Period (April- March)	Rs. Per Unit of Foreign Currency (Annual Averages)			
	Pound Sterling	U.S. Dollar	DM	Yen
1983-84	15.4174	10.3400	3.9402	0.0438
1984-85	14.8668 (+3.7)	11.8886 (-13.0)	3.9877 (-1.9)	0.0487 (-10.1)
1985-86	16.8467 (-11.8)	12.2349 (-2.8)	4.5553 (-12.5)	0.0562 (-13.3)
1986-87	19.0722 (-11.7)	12.7782 (-4.3)	6.2970 (-27.7)	0.0802 (-29.9)
1987-88	22.0872 (-13.7)	12.9658 (-1.4)	7.4004 (-14.9)	0.0941 (-14.8)

## Credit Deposit Ratio

557. SHRI HAROOBHAI MEHTA :  
Will the Minister of FINANCE be pleased  
to state :

(a) the credit deposit ratio of nationalised banks, State-wise and bank-wise;

(b) the credit deposit ratio, bank-wise and district-wise, in Gujarat; and

(c) the steps taken or contemplated by Government to improve the credit deposit ratio in the backward districts of Gujarat ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) According to the provisional information available from Reserve Bank of India the State-wise and Bank-wise credit : deposit ratio of the Public Sector Banks as on the last Friday of December 1987 are set out below in the statement.

(b) Data reporting system does not provide Bank-wise and District-wise information. However, the District-wise credit : deposit ratio of all Scheduled Commercial Banks in Gujarat as on the last Friday of December 1987 are given below :

District	Credit : Deposit Ratio (%)
1. Ahmedabad	81.05
2. Amreli	54.26
3. Banaskantha	48.29
4. Bhavnagar	40.56
5. Broach	120.00
6. Dangs	46.27
7. Gandhinagar	63.09
8. Jamnagar	34.20
9. Junagadh	36.39
10. Kheda	36.43
11. Kutch	13.60
12. Mehsana	53.76
13. Panch Mahals	59.87
14. Rajkot	45.73
15. Sabarkantha	60.55
16. Surat	45.21
17. Surendranagar	52.68
18. Vadodara	67.75
19. Valsad	42.11

(c) Banks have been advised to take effective steps to increase the flow of credit to all productive and identified viable proposals in deficient areas. Banks have also

been advised to maintain minimum credit : deposit ratio of 60 per cent in respect of their rural and semi-urban branches separately.

**Statement**

*State-wise and Bank-wise credit : Deposit ratio of Public Sector Banks—as on the last Friday of December, 1987*

States/UTs	C : D Ratio (%)	Name of the Banks	C : D Ratio (%)
1	2	3	4
Haryana	61.9	State Bank of India	66.1
Himachal Pradesh	37.1	S.B. of Bikaner and Jaipur	66.0
Jammu and Kashmir	30.2	State Bank of Hyderabad	69.1
Punjab	43.1	State Bank of Indore	77.2
Rajasthan	60.5	State Bank of Mysore	74.3
Chandigarh	99.2	State Bank of Patiala	55.3
Delhi	46.0	State Bank of Saurashtra	65.1
Assam	50.8	State Bank of Travancore	71.8
Manipur	64.8	Allahabad Bank	44.0
Meghalaya	22.6	Andhra Bank	60.0
Nagaland	43.9	Bank of Baroda	64.6
Tripura	51.3	Bank of India	57.4
Arunachal Pradesh	20.9	Bank of Maharashtra	55.3
Mizoram	22.7	Canara Bank	69.3
Sikkim	28.3	Central Bank of India	50.3
Bihar	34.8	Corporation Bank	59.3
Orissa	78.2	Dena Bank	60.4
West Bengal	47.0	Indian Bank	54.2
Andaman and Nicobar Islands	34.4	Indian Overseas Bank	53.3
Madhya Pradesh	59.1	New Bank of India	56.4
Uttar Pradesh	41.2	Oriental Bank of Commerce	51.8
Gujarat	54.8	Punjab and Sindh Bank	52.2
Maharashtra	72.8	Punjab National Bank	50.3
Goa	30.8	Syndicate Bank	65.0
Daman and Diu	23.3	Union Bank of India	50.5
Dadra and Nagar Haveli	71.4	United Bank of India	51.6

1	2	3	4
Andhra Pradesh	79.2	UCO Bank	49.7
Karnataka	91.9	Vijaya Bank	59.6
Kerala	61.9	Total	
Tamil Nadu	93.1	Public Sector Banks	59.2
Pondicherry	51.9	Sch. Commercial Banks	61.0
Lakshadweep	25.0		
All India	59.2		

*Note* : Data are provisional.

**Loans Advanced by Banks in Nalgonda, Andhra Pradesh**

558. SHRI M. RAGHUMA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether the nationalised banks in Nalgonda, Andhra Pradesh are not fully forward to sanction loans to implement District Rural Development Agency, Modified Area Development Agency and other programmes;

(b) if so, the reasons therefor;

(c) whether some banks are not sanctioning loans in spite of releasing the subsidy and margin money;

(d) if so, the reasons therefor; and

(e) the action taken/proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). It is presumed that the question relates to sanctioning of loans by banks under the Integrated Rural Development Programme (IRDP). Reserve Bank of India (RBI) has reported that the present data reporting system does not generate district-wise/bank-wise information on implementation of IRDP. However, data available for the State of Andhra Pradesh as a whole indicates that during the year 1986-87 as against the target of 241500 beneficiaries, the banks had assisted 256944 beneficiaries under IRDP. During the year 1987-88 as

against a target of 289909 beneficiaries, the number of beneficiaries assisted were 263559.

(c) to (e). In accordance with the existing guidelines Banks are required to sanction applications within a period of fortnight. They are also required to release the loan along with the subsidy amount at the disbursement. Banks have been impressed upon to ensure that there is no avoidable delay in the matter of sanctioning of loans and disbursal of money in respect of beneficiaries belonging to IRDP.

**CCS on Export of Cotton from Maharashtra**

559. SHRI PRATAPRAO B. BHOSALE : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that State Government of Maharashtra has requested for Cash Compensatory Support on actual export of cotton bales;

(b) if so, the details thereof; and

(c) whether Union Government have approved the request of State Government;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The Government of Maharashtra had requested for grant of cash compensatory support (CCS) to the Maharashtra State Co-operative Cotton Growers' Marketing Federation to the extent of the deficit between the

domestic support price and export price realised on its export of cotton in 1985-86.

(c) No, Sir.

(d) Does not arise.

(e) The objective of the cash compensatory support is not to cover the difference between the domestic purchase price and the export prices realised.

#### Problems of Powerloom Industry

560. SHRI PRATAPRAO B. BHOSALE : Will the Minister of TEXTILES be pleased to state :

(a) whether Government of Maharashtra has drawn attention of Government towards problems of powerloom industry in the State;

(b) if so, the details thereof;

(c) whether Government have taken or propose to take any action on these problems;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (e). Government's attention was drawn by the Maharashtra Government to the problems of the powerloom industry in the State, arising from the differential excise duty, fluctuating prices of cotton and filament yarns, poor offtake of powerloom cloth etc.

Government have taken certain steps like augmenting the flow of credit, easy supply of cotton yarn to powerloom weavers at reasonable prices, stepping up the registration and installation of powerlooms through State Government agencies, etc. to ease the powerloom sector's difficulties.

[*Translation*]

#### ↑ Increase in Opium Smuggling

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

(a) whether there has been abnormal increase in the smuggling of opium in the country ensuring the last three years;

(b) if so, whether Government have considered a proposal received from the U.S. Government in regard to checking the smuggling of opium;

(c) if so, whether Government have constituted a Narcotics Control Bureau; and

(d) if so, the achievements of this Bureau so far ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) No, Sir. Seizures of opium made in recent years would seem to show a declining trend. As compared to 8,789 kgs. of opium seized in 1986, only 2,929 kgs. in 1987 and 1,323 kgs. in 1988 (upto June) were seized.

(b) No such proposal from U.S. Government for checking the smuggling of opium has been received.

(c) and (d). The Narcotics Control Bureau has been constituted by the Government under the provisions of the Narcotic Drugs and Psychotropic Substances Act, 1985 as the Central Authority to, *inter alia* function as the apex co-ordinating body for the enforcement of the provisions of the Act. Thus, it has been set up only to co-ordinate the enforcement action against the smuggling of opium but all narcotic drugs and psychotropic substances. The Bureau became fully operational in early 1987 only and in a short time, it has been able to spear-head the fight against drug trafficking. It has undertaken a number of co-ordinated enforcement actions resulting in the following major achievements :

1. Busting of a racket indulging in clandestine manufacture of methaqualone (active ingredient of Mandrax).
2. A number of major traffickers were arrested.
3. Successive operations were conducted to identify and destroy illicit cultivation of opium poppy in Dehradun district and cannabis in Kerala (More than 600 acres of cannabis were destroyed).



Further, effective co-ordination with the Drug Liaison Officers of other countries posted in India, and other national and international enforcement agencies, was maintained. A number of training courses for the officers of various enforcement agencies have been organised. The procedure

for receipt, custody, storage and pre-trial destruction of seized drugs has been standardised and circulated to all concerned.

Besides the above, the Narcotics Control Bureau has effected the following seizures also :

S. No.	Name of drug	Quantity of drugs seized in	
		1987	1988 (upto June)
		(kilograms)	
1.	Heroin	100	90
2.	Opium	97	42
3.	Hashish (Charas)	20	27
4.	Ganja	1,613	5,426
5.	Mandrax tablets	510	213

(Note : Figures rounded off to the nearest kilogram)

[175 persons were arrested in 1987 and 1988 (upto June), 69 persons have been arrested].

#### Retrenchment of NTC Workers

562. SHRI SHANTI DHARIWAL : Will the Minister of TEXTILES be pleased to state :

(a) whether the management of several mills run by the National Textile Corporation had initiated retrenchment of workers during the period from January, 1988 to June, 1988;

(b) if so, whether it has directly affected the production of cloth in the country and has rendered the labourers unemployed; and

(c) if so, the steps taken by Union Government to solve this problem, especially in regard to the textile mills in Rajasthan ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). There is no scheme of retrenchment in NTC. However, NTC mills are implementing Labour Rationalisation Schemes based on voluntary resignations.

#### Increase in Smuggling Activities

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

(a) whether it is a fact that there has been an unprecedented increase in the smuggling activities in the country from the border areas;

(b) if so, the reasons for the increase in the smuggling activities during the last three months as compared to smuggling activities during last three years;

(c) whether Government propose to check these activities firmly; and

(d) if so, the details in regard thereto and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). Since smuggling is a clandestine activity, it is not feasible to make any estimate of smuggling of contraband at any particular time. The increase

in the seizures effected over the years (given below) need not necessarily indicate any spurt in smuggling and could be due to the intensification of the drive against smuggling—

(Rs. in crores)	
Year	Value of goods seized under the Customs Act, 1962
1985	195.63
1986	217.52
1987	251.47
1988 (upto June)	176.65 (provisional)

(c) and (d). The Government is firmly resolved to combat smuggling activities. The anti-smuggling drive has been intensified throughout the country and the anti-smuggling machinery has been geared up particularly at the international airports, sea ports and in the vulnerable areas of the coastline and the land borders. Close co-ordination is maintained with all the agencies concerned with the prevention and detection of smuggling. Sophisticated equipment such as X-ray machines and metal detectors are being increasingly utilised for detection and prevention of contraband gold concealed on the person of passengers and in their baggage/cargo.

[English]

#### Import of Silk from China

564. SHRI RADHAKANTA DIGAL : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are importing raw silk from China;

(b) if so, since when and the quantum of raw silk imported from China during last three years;

(c) whether Government propose to reduce the import of raw silk from that country; and

(d) if so, whether the import reduction would begin from 1988-89 ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) Raw silk is imported for indigenous consumption by the Government through Central Silk Board (CSB) as and when required. The raw silk imported by CSB during the last three years for indigenous consumption is as under :

Year	Quantum of raw silk (in tonnes)
1985-86	25
1986-87	—
1987-88	24

(c) and (d). The policy of the Central Government is not to encourage import of raw silk for indigenous consumption, unless it becomes absolutely necessary to do so.

#### Collection of Duties at Manufacturing Stage of PSF and PFY

565. SHRI DAULATSINHJI JADEJA : Will the Minister of FINANCE be pleased to state :

(a) whether the Committee appointed by Gujarat State on textile crisis has recommended that the incidence of duty and tax collection from intermediate and end-stage may be changed over to the primary stage *i.e.* duties be collected at manufacturing stage of polyester staple fibre (PSF) and polyester filament yarn (PFY); and

(b) if so, the details of the action taken by Government to implement this recommendation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir. A Committee appointed by the Government of Gujarat Textile Industry, has recommended that 'the incidence of duty and tax collection from intermediate and end-stage may be changed over to the primary stage, *i.e.* for Polyester Staple Fibre and Polyester Filament Yarn'.

(b) The central excise duty on man-made fabrics is only by way of additional excise duty in lieu of sales tax. The suggestion to shift this duty to the fibre and yarn

stage has been examined. Since Additional Duties of Excise (Goods of Special Importance) Act, 1957 does not provide for levy of additional duty on fibre and yarn, the recommendation has not been found acceptable.

#### Cashewnuts Requirement in Kerala

566. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of COMMERCE be pleased to state :

(a) the total annual requirement of cashewnuts for the cashew processing industries in Kerala; and

(b) the quantity of cashewnuts procured from within the state during the current year ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) The total annual requirement of raw cashewnuts by the Indian cashew industry is estimated about 5 lakh tonnes, out of which about 3 lakh tonnes is the requirement of the cashew processing factories in Kerala.

(b) As per the information from the Kerala State Cashew Workers Apex Industrial Cooperative Society Ltd. (CAPEX), the procuring agency of the Kerala Government, a quantity of 61,489 MT of raw cashewnuts has been procured as on 23.6.88. The procurement under the scheme is still in progress.

#### Loss to Kerala Government in Cashewnut Procurement

567. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government of Kerala has recently introduced a scheme for monopoly procurement of cashewnuts at fixed price;

(b) if so, whether the quantity of raw cashewnuts procured during the current year by the Government of Kerala is much less than the actual cashew production in the State;

(c) if so, the details thereof and the extent of financial loss caused to Government on account of this; and

(d) the number of mandays lost to the cashew workers in the State on account of this ?

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

(b) The estimates of production of raw cashewnuts in Kerala during the current year may be about 100,000 MT. As per information from the Kerala State Cashew Workers Apex Industrial Cooperative Society Ltd. (CAPEX), the procuring agency of the Kerala Government, a quantity of 61,489 MT of raw cashewnuts has been procured as on 23.6.88.

(c) and (d). The procurement by Government of Kerala is still in progress.

#### Problems faced by Processed Food Exporters in the Country

568. PROF. RAMKRISHNA MORE : Will the Minister of COMMERCE be pleased to state :

(a) whether the ASSOCHAM has called for conducting a detailed study of the impediments faced by processed food exporters in the country;

(b) if so, whether Government propose to conduct a study in this regard; and

(c) if so, the details thereof and the steps Government propose to take to solve the problems being faced by the processed food exporters ?

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

(b) and (c). There is no proposal at present to conduct a study by the Government.

12.00 hrs.

[*English*]

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Sir, we have given an Adjournment Motion...(*Interruption*)

[*Translation*]

MR. SPEAKER : Does it behove you to interrupt ?

*(Interruptions)*

MR. SPEAKER : Why are you doing like this ? Please sit down, it is enough now.

*(Interruptions)*

MR. SPEAKER : When I am on my legs, all of you should sit down. What are you doing ?

*[English]*

What are you doing here ?

*[Translation]*

Unless you sit down, I cannot listen anything. First you please sit down.

*[English]*

I have seen that...

*(Interruptions)**[Translation]*

MR. SPEAKER : When you are not going to listen to me, what can I do. Please take your seats. Unless you sit down, I cannot say anything. *(Interruptions)*

MR. SPEAKER : I am saying that your notice has been received.

*(Interruptions)**[English]*

MR. SPEAKER : Please sit down.

*(Interruptions)**[Translation]*

MR. SPEAKER : Unless you sit down, I cannot tell you anything. I cannot listen to all of you at a time. So, please sit down.

*(Interruptions)*

MR. SPEAKER : Please sit down and listen to me. I cannot proceed unless you sit down. First please sit down.

*(Interruptions)*

MR. SPEAKER : Your notice has been received. I have gone through it. I have asked the Government and they have agreed to it. I have also gone through the newspaper.

*[English]*

I have asked the Government and they will make a statement on Monday, and then you can have a discussion when ever you like.

*(Interruptions)*

SHRI S. JAIPAL REDDY (Mahbubnagar) : No, Sir...*(Interruptions)*

MR. SPEAKER : I cannot do anything else. Without facts I cannot do anything...

*(Interruptions)*

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : I will make a statement on Monday, Sir, after finding out the facts...  
*(Interruptions)*

MR. SPEAKER : He is saying that he will make a statement. That is what he has said.

SHRI BASUDEB ACHARIA (Bankura) : Just now ?

MR. SPEAKER : No, on Monday...

*(Interruptions)*

PROF. SAIFUDDIN SOZ (Baramulla) : Sir, we must condemn the ghastly assassination of Syed Modi...*(Interruptions)*

MR. SPEAKER : I agree with you...

*(Interruptions)*

12.03 hrs.

## PAPERS LAID ON THE TABLE

*[English]*

Report of the Comptroller and Auditor General of India for the year ending 31-3-1987—Union Government Civil, Reports on the working of Bank of Baroda, Punjab National Bank, Indian Bank, Indian Overseas Bank, United Bank of India etc. for the year ending 31-12-1987; Notifications under Life Insurance Corporation Act, 1956, etc. etc.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : Sir, on behalf of Shri

Eduardo Faleiro, I beg to lay on the Table :

- (1) A copy of the Report (Hindi and English versions) of the Comptroller and Auditor General of India for the year ended 31st March, 1987--Union Government (Civil)—Public Debt System of Purchases in the Directorate General of Supplies and Disposals, under article 151(1) of the Constitution.

[Placed in Library. See No. LT 6285/88]

- (2) A copy each of the following Reports (Hindi and English versions) under sub-section (8) of section 10 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970—

- (i) Report on the working and activities of the Bank of Baroda for the year ended the 31st December, 1987 along with Accounts and the Auditor's Report thereon.

[Placed in Library See No. LT. 6286/88]

- (ii) Report on the working and activities of the Punjab National Bank for the year ended the 31st December, 1987 along with Accounts and the Auditor's Report thereon.

[Placed in Library. See No. LT. 6287/88]

- (iii) Report on the working and activities of the Indian Bank for the year ended the 31st December, 1987 along with Accounts and the Auditor's Report thereon.

[Placed in Library. See No. LT. 6288/88]

- (iv) Report on the working and activities of the Indian Overseas Bank for the year ended the 31st December, 1987 along with Accounts and the Auditor's Report thereon.

[Placed in Library. See No. LT. 6289/88]

- (v) Report on the working<sup>3</sup> and activities of the United Bank of India for the year ended the 31st December, 1987 along with Accounts and the Auditor's Report thereon.

[Placed in Library. See No. LT. 6290/88]

- (3) A copy of the Report (Hindi and English versions) on the working and activities of the Punjab and Sind Bank for the year ended the 31st December, 1987 along with Accounts and the Auditor's Report thereon under sub-section (8) of section 10 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

[Placed in Library See No. LT. 6291/88]

- (4) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 48 of the Life Insurance Corporation Act, 1956—

- (i) The Life Insurance Corporation of India Class III and Class IV Employees (Payment of Kit Allowance) Rules, 1988 published in Notification No. G.S.R. 490 (E) in Gazette of India dated the 22nd April, 1988.

- (ii) The Life Insurance Corporation of India Class III Employees (Special Allowance for Passing Examination) Rules, 1988 published in Notification No. 491(E) in Gazette of India dated the 22nd April, 1988.

- (iii) The Life Insurance Corporation of India (Special Area Allowance) Rules, 1988 published in Notification No. G.S.R. 492(E) in Gazette of India dated the 22nd April, 1988.

- (iv) The Life Insurance Corporation of India Class I Officers (Revision of Terms and Conditions of Service) Amendment Rules, 1988 published

in Notification No. G.S.R. 493(E) in Gazette of India dated the 22nd April, 1988.

- (v) The Life Insurance Corporation of India (Daily Allowance and Hotel Charges to Employees on Tour) Rules, 1988 published in Notification No. G.S.R. 545(E) in Gazette of India dated the 4th May, 1988.

[Placed in Library. See No. LT. 6292/88]

- (5) A copy of the Notification No. S.O. 551(E) (Hindi and English versions) published in Gazette of India dated the 8th June, 1988 authorising all Sub-Post Offices in Selection Grade to receive subscription under the Public Provident Scheme from 1st July, 1988.

[Placed in Library. See No. LT. 6293/88]

**Narmada Water (Amendment) Scheme, 1988;** Statements correcting replies to U.S.Q. Nos. 4740 and 8967 dt. 25-4-1988 and 28-4-1988 respectively

**THE MINISTER OF LAW AND JUSTICE AND MINISTER OF WATER RESOURCES (SHRI B. SHANKARANAND):** Sir, on behalf of Shrimati Krishna Sahi, I beg to lay on the table—

- (1) A copy of the Narmada Water (Amendment) Scheme, 1988 (Hindi and English versions) published in Notification No. S.O. 467(E) in Gazette of India dated the 4th May, 1988 under sub-section 2(7) of section 6A of the Inter-State Water Disputes Act, 1956.

[Placed in Library. See No. LT 6294/88]

- (2) A Statement (Hindi and English versions) correcting reply given on 25th March, 1988 to Unstarred Question No. 4740 by Shri Nandlal Choudhary, M.P. regarding clearance to Bina River Irrigation Project.

[Placed in Library. See No. LT. 6295/88]

- (3) A statement (Hindi and English versions) correcting reply given on the 29th April, 1988 to Unstarred Question No. 8967 by Shri Syed Shahbuddin, M.P. regarding status of Major and Medium Irrigation Projects of Bihar.

[Placed in Library. See No. LT 6296/88]

**Notification under Tobacco Board Act, 1975**

**THE MINISTER OF COMMERCE (SHRI DINESH SINGH):** Sir, on behalf of Shri P.R. Das Munsii, I beg to lay on the Table A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 32 of the Tobacco Board Act, 1975—

- (i) The Tobacco Board (Auction) Amendment Rules, 1988 published in Notification No. G.S.R. 616(E) in Gazette of India dated the 16th May, 1988.
- (ii) The Tobacco Board (Amendment) Rules, 1988 published in Notification No. G.S.R. 617(E) in Gazette of India dated the 16th May, 1988.

[Placed in Library. See No. LT. 6297/88]

[English]

**PROF. MADHU DANDAVATE (Rajapur):** Sir, I have one submission to make... (*Interruptions*)

**SHRI BASUDEB ACHARIA (Bankura):** Sir, this is our request that the statement should be made today itself.

**MR. SPEAKER:** That is why I have taken action. Without finding the facts, without reference, I cannot do anything...

(*Interruption.*)

**MR. SPEAKER:** Now look here. I am open to discussion and I do not bar any discussion...

(*Interruption.*)

[Translation]

**MR. SPEAKER:** What is now left ?

*(Interruptions)*

MR. SPEAKER : Don't insist like this. I do not understand what will you gain by behaving like this.

[*English*]

I have to go according to the rules, whatever is made by you. Immediately I responded. If you had not done it, I would have done it. So simple it is.

PROF. MADHU DANDAVATE : Sir, please bear what we say. We have not been able to listen to you. Our contention is when such a damaging report about ONGC them, involving Rs. 6.5 crores of commission comes, it is in the fitness of things that he should *suo motu* made a statement...*(Interruptions)*

[*Translation*]

MR. SPEAKER : I have agreed to your proposal. What is the point of dispute now ?

[*English*]

SHRI AMAL DATTA (Diamond Harbour) : It should be made today itself. Even one day is enough for them to alter the records...*(Interruptions)*

MR. SPEAKER : I got it. I immediately contacted because according to rules, I have to ask for facts...

[*Translation*]

MR. SPEAKER : I don't know what are you going to gain by such insistence. If it serves your purpose, if making an uproar in the House serves any purpose, then you go on behaving like that. But, I will go according to the rules.

*(Interruptions)*

MR. SPEAKER : So, nothing will come out by creating such uproar. I am not going to be moved by it.

[*English*]

I have asked them and they will furnish a statement and then we can go ahead...

*(Interruptions)*

MR. SPEAKER : Yes, that is what is coming. They will come with a *suo motu* statement on Monday morning and then we will discuss.

*(Interruptions)*

MR. SPEAKER : The statement of Shri P.V. Narasimha Rao will be made at 3 00 P.M. Shri H.K.L. Bhagat.

12.05 hrs.

## BUSINESS OF THE HOUSE

[*English*]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BOARDCASTING (SHRI H.K.L. BHAGAT) : With your permission, Sir, I rise to announce that Government Business in this House during the week commencing Monday, the 1st August, 1988, will consist of—

- (1) Consideration of any item of Government Business carried over from today's Order Paper.
- (2) Consideration and passing of the Labour Laws (Exemption From Furnishing Returns and Maintaining Registers by Certain Establishments) Bill, 1987.
- (3) Discussion on the Resolutions seeking disapproval of the following Ordinances together with consideration and passing of the Bills in replacement of them—
  - (a) The Arms (Amendment) Ordinance, 1988.
  - (b) The Religious Institutions (Prevention of Misuse) Ordinance, 1988.
- (4) Consideration and passing of the Code of Criminal Procedure (Amendment) Bill, 1988.
- (5) Discussion on the National Housing Policy.
- (6) Discussion and voting on—
  - (a) Demands for Grants for the State of Punjab for 1988-89.
  - (b) Demands for Grants for the State of Tamil Nadu for 1988-89.

- (7) Consideration and passing of the Water (Prevention and Control of Pollution) Amendment Bill, 1988.
- (8) Discussion under Rule 193 on the Statement made by the Minister of Health and Family Welfare regarding incidence of Gastro-Enteritis/Cholera in the Union Territory of Delhi.
- (9) Discussion under Rule 193 on the Atrocities on Harijans and Adivasis.

**SHRI BASUDEB ACHARIA** (Bankura) : Let him make the statement this evening.

**MR. SPEAKER** : Even if they make it this evening, we will discuss it on Monday.

(*Interruptions*)

**PROF. MADHU DANDAVATE** (Rajapur) : Sir, when a serious Railway accident takes place, on the same day the Railway Minister makes a statement. Similarly, when such a big case of commission of Rs. 6.5 crore was taken by a middleman in an ONGC deal and when it is brought to light, to set the record straight the Minister should make a statement.

**MR. SPEAKER** : I will get you the facts. There is no problem. We can discuss it on Monday.

(*Interruptions*)

**SHRI AMAL DATTA** (Diamond Harbour) : It is one of the allegations in the newspaper that the records have been altered.

[*Translation*]

**MR. SPEAKER** : Mr. Amal Datta, whatever is there, let the fact come to us.

(*Interruptions*)

[*English*]

**SHRI BASUDEB ACHARIA** : Why can't he make a statement today itself? (*Interruptions*)

**SHRI AMAL DATTA** : Sir, if the Minister does not make a statement today itself, there is a possibility that the Government may alter the records if you give them more time. (*Interruptions*)

[*Translation*]

**MR. SPEAKER** : It can be done only when the complete facts are available to us.

(*Interruptions*)

[*English*]

**SHRI BASUDEB ACHARIA** : Let him contradict whatever has appeared in the newspaper.

**MR. SPEAKER** : All these facts they bring in full.

(*Interruptions*)

**SHRI SOMNATH CHATTERJEE** (Bolpur) : It is our right to give adjournment motion. (*Interruptions*)

**PROF. MADHU DANDAVATE** : What we say is that when an important event takes place, in order that the Government should not remain under a cloud, they should make a *suo motu* statement today itself.

**MR. SPEAKER** : I have already done it.

(*Interruptions*)

**MR. SPEAKER** : Amal Dattaji, I will not bar any discussion. Don't worry.

(*Interruptions*)

**MR. SPEAKER** : I will allow a discussion.

[*Translation*]

**SHRI RAM DHAN** (Lalganj) : 'Dharam Chakra Pravartana' is written just above your chair, Mr. Speaker. Please protect it. (*Interruptions*)

[*English*]

**PROF. SAIFUDDIN SOZ** (Baramulla) : Sir, the dastardly killing of Shri Syed Modi in Lucknow deserves to be condemned by Lok Sabha through a Resolution. I want the Home Minister to make a statement on this. He was a national hero.

(*Interruptions*)

**SHRI K.N. PRADHAN** (Bhopal) : I request that the following item may be included in the next week's agenda :



A Central Laboratory was brought to Bhopal in 1984. Laboratory scientists had provided great service in the gas tragedy investigations around the clock.

Scientists' work in regard to the low cost Housing and the work at Sarni and Korba power stations is praiseworthy.

It is learnt that a decision has been taken to transfer this laboratory to BHEL. It will be a great set back to our efforts to develop a science oriental culture.

A proposal for the establishment of a chest institute for the help of the gas victims of Bhopal is under consideration of the Central Government. Any proposal to locate it at Delhi should not be agreed to as Delhi has already a Vallabhoi Chest Institute. The Chest Institute should be established at Bhopal.

[Translation]

SHRI MANKURAM SODI (Bastar) : Sir, I request that the following subject be included in the list of business for the next week.

The incidence of cattle disease has increased in Bastar district of Madhya Pradesh, immediately after the first rainfall and certain poor farmers have lost their fields ploughing cattle. The villages in Kota Tehsil are the worst affected areas where the loss of the cattle in maximum. Besides unmovable property, cattle wealth is the source of their income. A veterinary hospital has been opened in each block. But the posts of doctors in the hospitals at Block headquarters have not be filled. Three-four veterinary hospitals have been opened in the remote areas of the block. But three are no compounders posted there. Therefore, in the absence of compounders the people are not getting the benefit of the medicines, though available there in the hospitals.

Most of the cattle belonging to the small farmers have died. These cattle were purchased under I.R.D. Programmes which are being run with the Central assistance. The Central Government is, therefore urged to issue immediate directions to the State Government to enable them to take action in this regard so that the reasonable amount of the claims may be paid by the Insurance company, and the farmers may buy the

cattle again and utilise them for their agriculture purposes.

[English]

(Interruptions)

PROF. SAIFUDDIN SOZ : I want a statement by the Home Minister of India.

[Translation]

SHRI RAM DHAN : Mr. Speaker, 'Dharamchakra Pravartanai' is written just above your chair. Kindly provide protection to it.

[English]

PROF. SAIFUDDIN SOZ : Don't you share my grief on the assassination of Syed Modi ?

MR. SPEAKER : Yes, Sir. Everybody is sad about that.

PROF. SAIFUDDIN SOZ : We should condemn this dastardly killing.

MR. SPEAKER : Naturally it is condemnable. You are right. I agree with you.

PROF. SAIFUDDIN SOZ : The Home Minister should make a statement.

MR. SPEAKER : It is a State subject. State Home Minister is there.

PROF. SAIFUDDIN SOZ : Why not by a resolution of the Lok Sabha ?

(Interruptions)

[Translation]

SHRI RAM DHAN : Shri Narayan Dutt Tewari should regime. (Interruptions) Government of Uttar Pradesh should also resign. Syed Modi has been assassinated there.

[English]

MR. SPEAKER : Dr. A. Kalanidhi.

(Interruptions)

SHRI BASUDEB ACHARIA : Why can't you ask them to make a statement today itself because they may alter the record...

[Translation]

MR. SPEAKER : Why are you behaving like this ?

(Interruptions)

[English]

MR. SPEAKER : Only Dr. Kalanidhi's speech will go on record. Nobody else.

(Interruptions)\*\*

DR. A. KALANIDHI (Madras Central) : Mr. Speaker, Sir, I request that the following item may be included in the next week's agenda :

Patients with epilepsy in India face legal hurdles in their daily lives as Indian law equates epilepsy with temporary insanity. As per the Hindu Marriage Act, 1955 and Special Marriage Act, 1954, marriage can be solemnised provided neither party has been subjected to recurrent attacks of insanity or epilepsy and epilepsy provides a ground for divorce.

Equating epilepsy as temporary insanity must not find place in the archaic statute books of India. The word "epilepsy" must be deleted from Hindu Marriage Act and the Special Marriage Act. Epilepsy should not be treated as a ground for divorce. The Government of India should take measures to modify these laws. Hence, I request for a discussion at an early date.

[Translation]

\*SHRI HARIHAR SOREN (Keonjhar) : Sir, I request that the following may be included in the next week's agenda :

The State of Orissa is facing serious drought situation. As the people of the State are not much accustomed to the use of wheat, there is heavy demand for subsidised rice in ITDP areas covering 118 blocks in 9 districts. In view of continuance of drought situation, there is also demand for rice in non-ITDP areas as well. With a view to effectively meet the present situation, 70,000 metric tonnes of rice would be required for the State per month. The present allotment of 40,000 metric tonnes of rice is found inadequate for the purpose. As such, I request the Government of India for augmentation of present allotment with effect from 1988-89 financial year to 70,000 metric tonnes per month.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. Speaker, Sir, the bureau-

cracy is the backbone of administrative set up. The strength of the set up depends upon the efficiency of the Government departments. It is the bureaucracy which is and which can be the medium to fulfil the aspirations and meet the justified needs of the society. But it is clear that the present character of bureaucracy has degenerated. The administration is becoming quite lethargic, sluggish and irresponsible and the State Government, therefore, finds itself incapable to translate the spirit of the constitution into action. So it is necessary to make the administration efficient and free from corruption and if needed necessary amendments and modifications in laws should be carried out.

[English]

SHRI MULLAPPALLY RAMACHANDRAN (Cannanore) : Sir, I request that the following may be included in the next week's agenda :

- (i) Quilon train tragedy in which 150 passengers were killed proves that there is utter neglect of railway facilities in Southern region, especially Kerala. There is lack of developmental activity and even normal maintenance work is neglected whether it be repair of railway lines or railway bridges or railway coaches etc. A thorough discussion on the Railway accident at Quilon is, therefore, called for.
- (ii) The staple food of Kerala being rice, people are apprehensive of any reduction in rice quota. It is understood that the Government has reduced the quota of rice for the State of Kerala. Allocation of sufficient quantity of rice to a State like Kerala especially in the lean months is essential. The matter deserves discussion on the floor of this august House.

[Translation]

SHRI SHANTI DHARIWAL (Kota) : Mr. Speaker, Sir, there is scarcity of life saving drugs in the country. Certain drugs are not available when needed. The chemists

\*\*Not recorded.

\*Translation of the speech originally delivered in Oriya.

are supplying the drugs manufactured by the company other than those wanted by the consumers and the consumers are being forced to purchase the same. Besides, there has been an unprecedented rise in the prices of drugs. The poor man finds himself almost incapable to get the medical treatment due to this price-rise. Even the treatment of minor diseases like cough and cold need medicines costing not less than Rs. 50. Even then, the patient is not sure that the medicines he is taking are genuine. There is a great discontentment all over the country in this regard. The drug policy of the Government of India needs radical changes. A proper control is needed to be exercised over the Chemists and the drug manufacturing companies. It must be ensured that the life saving drugs are always available in the market. Besides price structure should be reconsidered and efforts should be made to bring down the prices of medicines considerably.

**SHRI RAJ KUMAR RAI (Ghosi) :** Mr. Speaker, Sir, the river Ganga is not mere a river but is a living story of our country's historical, cultural and religious ups and downs. The dirtiness of this river and its pollution affects the animals, birds, human beings and all other forms of life. Therefore, the Central Government has prepared a draft of a very large scale project with the assistance of the World Bank, for the cleaning of Ganga. However, it has been published in the newspapers and I have also read and come to a conclusion that whatever amount should have been spent on this project is not being spent and much of the expenditure is being made outside the draft proposals. Apart from that, the cleaning operation has not progressed as per the expenditure incurred which has created much resentment among the people.

Hence, I want to demand that a team consisting of senior officers and Members of Parliament should be appointed which will submit a report about the expenditure incurred and whether it has been according to the draft of the project and whether there has been any bungling in it and whether the progress of the cleaning of Ganga is as per its schedule ?

[English]

**SHRI AJAY MUSHRAN (Jabalpur) :** Sir, Bharat Petroleum Corporation, Bombay

are planning to put up a Refinery Unit of 6 million tonnes per annum capacity in Madhya Pradesh since the State is centrally located from distribution point of view. Jabalpur district is most centrally located in India and is industrially backward in spite of five defence installations being located in the district.

The major considerations for finalising the site are rail head, 6,000 litres per day water availability and about 20 MW power, 2,000 acres of land of inferior quality or waste land. Sehora tehsil in Jabalpur provides all ingredients necessary for setting up a Refinery Unit of Bharat Petroleum. From the point of view of checking environmental pollution, generating employment in economically backward area, the land around Sehora tehsil headquarters is ideally suited for the Unit. I urge upon hon. Petroleum Minister to get the area inspected and plan erecting BPC Refinery Unit at Sehora in Jabalpur district of Madhya Pradesh.

[Translatio.]

**SHRI BALWANT SINGH RAMOO-WALIA (Sangrur) :** Mr. Speaker, Sir, the pace of industrial development in Punjab has been obstructed during seventies, the rate of industrial growth in Punjab was 8.8 percent but during the early years of eighties, this rate has come down to 3.8 percent. During the early years, of this decade the number of employment opportunities provided for the unemployed has increased from 2.08 lakhs to 2.38 lakhs. Whereas Punjab was a front-ranker in the industrial field during the last decade, now it has slid down to the tenth position. Therefore, it is essential that in Punjab, facilities for and improvements in the industrial field should be enhanced adequately.

I urge upon the Government to declare Punjab as a 'special area' from the industrial point of view so that Petro-chemical units, Food processing units and electronic industries may be set up there and loans may be provided on a lower rate of interest and through a simplified process.

**THE MINISTER OF PARLIAMEN-TARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI H.K.L. BHAGAT) :** Sir, I will

place the feelings of the hon. Members before the Business Advisory Committee.

12.20 hrs.

#### ELECTIONS TO COMMITTEE

[*English*]

(i) **Agricultural and Processed Food Products Export Development Authority**

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : Sir, I beg to move :

“That in pursuance of sub-section (4) (d) of Section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority, subject to the other provisions of the said Act.”

MR. SPEAKER : The question is :

“That in pursuance of sub-section (4) (d) of Section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority, subject to the other provisions of the said Act.”

The motion was adopted.

(ii) **Tobacco Board**

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : On behalf of Shri P.R. Das Munsri, the Minister of State in the Ministry of Commerce, Sir, I beg to move :

“That in pursuance of sub-section (4) (b) of Section 4 of the Tobacco Board Act, 1975, read with rules 3 and

4 of the Tobacco Board Rules, 1976, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Tobacco Board, subject to the other provisions of the said Act and the Rules made thereunder.”

MR. SPEAKER : The question is :

“That in pursuance of sub-section (4) (b) of Section 4 of the Tobacco Board Act, 1975, read with rules 3 and 4 of the Tobacco Board Rules, 1976, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Tobacco Board, subject to the other provisions of the said Act and the Rules made thereunder.”

The motion was adopted.

12.22 hrs.

#### DISCUSSION UNDER RULE 193

[*English*]

Situation arising out of the recent Publication of certain Documents in a National Daily in regard to the alleged Payment or Commission in Connection with the Bofors Contract  
—(contd).

THE MINISTER OF DEFENCE (SHRI K.C. PANT) : Sir, I would like to thank all the hon. Members who have participated in this debate...(*Interruptions*) I am thanking them for the efforts that they have made and not for the effect they have created. But I would particularly like to thank Shri Sathe for his intervention. My friends Opposite interrupted him and made his intervention more effective. I think one of the ways to make our intervention particularly effective is not to interrupt.

PROF. MADHU DANDAVATE (Rajapur) : I want to ask the hon. Speaker one thing. You had promised yesterday that you will go into the records. Have you removed those unparliamentary words? (*Interruptions*)

MR. SPEAKER : Don't worry. That will be looked into.

*(Interruptions)*

DR. DATTA SAMANT (Bombay South Central) : Sir, he is again paying compliments. *(Interruptions)*

SHRI K.C. PANT : This is not the first time that I have had to reply to a debate on this subject. I don't find Shri Vishwanath Pratap Singh here. Ever since I took over from him in the Defence Ministry, one of my regular jobs seems to be to defend an action to which he was a party *(Interruptions)*. This is nothing but an irony of fate. *(Interruptions)*

SHRI AMAL DATTA (Diamond Harbour) : He was Defence Minister for one month.

SHRI K.C. PANT : He was Finance Minister for a much longer time. I will come to that. If you were also a party to it, I have no objection to it. But he certainly was. So, as Finance Minister, he was one of those who approved the purchase of the Bofors gun. I think he did well...*(Interruptions)* My only objection is that today he does not remember how well he has done this.

SHRI S. JAIPAL REDDY (Mahbubnagar) : 105-—

*[Translation]*

MR. SPEAKER : Why do you speak ? I could not follow what you have said.

*[English]*

I have to control the House.

*(Interruptions)*

MR. SPEAKER : There is no question of infringement of rules and nothing has happened which invites your intervention.

*(Interruptions)*

MR. SPEAKER : No. This is no infringement of rules. There is no question. I will not give you my permission.

*(Interruptions)*

MR. SPEAKER : No. Not allowed.

*(Interruptions)\*\**

MR. SPEAKER : Not allowed. Please sit down. I have not allowed him to say a word. Whatever has been done is done. I have not given him permission.

*(Interruptions)\*\**

MR. SPEAKER : Nothing is going on record. My ruling is ruling. That is all. Mr. Jaipal Reddy, will you please sit down ? I have not given you permission and I will not give you permission. Without rules, I will not.

SHRI K.C. PANT : I shall deal with the point of Shri Jaipal Reddy later. The essence of this debate which I have listened to very carefully...

MR. SPEAKER : Pant-ji, if you refer to this point, I have not allowed him. Anyway, if there is any other point, you can refer to it.

SHRI K.C. PANT : Very well, Sir. *(Interruptions)*

MR. SPEAKER : What I say is, without my permission, nothing forms part of the record.

*(Interruptions)*

MR. SPEAKER : I am talking of today. I am not talking of yesterday. I did not give him permission to speak now.

SHRI K.C. PANT : As I was saying, I have listened very carefully to all that my friends opposite had to say, and the only suggestion as far as I could understand was that there is a need for further inquiry into the material which has been published in the Hindu. This is the crux of the issue. I think that some concrete suggestions were also made about a second JPC and in one case about a Judicial Commission. I was one of the very fortunate who were in the House at the end of the day when Dr. Datta Samant made that suggestion. I would like all of you to know that he has made that suggestion. Otherwise, you would not know. These suggestions have been made and I will come to these suggestions later. But so far as the concrete suggestions that have been

[Shri K. C. Pant]

made on other matters are concerned, they cover the JPC Report, they make some comments on other matters. I do not think that at this stage I can deal with all of them exhaustively, but at the same time I cannot but cover some of the grounds which I have covered earlier because it has been referred to and in some cases it has been referred to in a manner which has distorted it.

I was, for instance, very much surprised when one hon. friend said that the Government had not made enquiries either before the SNAB Report came or after. This was his statement. I was surprised because the entire correspondence between the Government on the one hand and Bofors on the other, and the Swedish Government, has been tabled in the Monsoon Session of 1987. So, all my friends have had occasion to have a look at the exchange of correspondence and they would, I hope, be fair enough to concede that it is the Government's effort which has led to this information coming out in the first place. The *Hi du* has followed up on that information and also got some more information. But basically the Government and the JPC have produced the information on which now today the *Hindu* is building up or the other friends are building up further information. It would be highly unfair to say that the Government has made no effort. The Government of India reacted very vigorously when first this allegation was made and it is a result of that today...

AN HON. MEMBER : What is that ?

SHRI K. C. PANT : If you want, I can; I did not want to go into those details. In April, you might recall, when first the media reported about substantial payments having been made. at that stage the present Government took up this matter with Bofors, took up the matter with the Swedish Government and they...*(Interruptions)* I cannot understand this. I am a polite person. I tend to stop when somebody interrupts. But the interruption must be meaningful.

Sir, the fact of the matter is that apart from the other pieces of information that we gave to the House there is one piece of information which cannot be controverted and the Prime Minister's name is just

referred to and that is that he talked to Olof Palme and said that we don't want an intermediary, we don't want involvement of an agent in the finalisation of this contract. And just because Olof Palme is a respected figure, he confirmed this. Therefore, my Hon. friends would like to sweep this under the carpet. It cannot be swept under the carpet. It is a matter of record; it is a matter of fact. And it establishes more than any other single fact, the *bona fides* of the Prime Minister in this matter.

Now, it is not as though the Government has kept the House un-informed at any stage about what it has been doing. The letters exchanged between the Government and the Bofors is with the Members. If I repeat that, that will take too long a time. I will skip that. I will come to the fact of the SNAB Report. How did that Report come into being ? When we did not get the information which we were seeking, when Bofors did not give us the information, then we requested the Swedish Government, "please let us know because the Bofors is not letting us know. You should help us to get this information because the whole country is exercised, our Parliament is exercised, our friends opposite are exercised, even we are exercised in this matter." As a result of that, the Swedish Government established an enquiry to be conducted by the Swedish National Audit Bureau. This point needs underlining because it is with this that the whole process of investigation began. It had necessarily to begin in Sweden. It began in Sweden and it began because of the efforts made by this Government. And I would like to tell you that ordinarily when a country like Sweden or any other country for that matter, succeeds in selling the gun at a price of thousand crores plus to any other country normally it does not enquire into those deals. Normally, it is content to let it lie there. It is only because we were concerned and we insisted and the Prime Minister insisted that there must be an enquiry and you must give us an answer, that they appointed this Swedish National Audit Bureau Inquiry. Let us remember this fact. Let us not slur over this fact. And the Swedish National Audit Bureau then duly submitted its Report. It came before this House. It came before the Government and in that we found that names of the persons

who had received the payments, the services rendered, were not clarified. And, therefore, when those portions had been excised, then we immediately—if my friends will recall—consulted the leaders of the opposition. We told them that this is what is given to us and we feel that we should have a Joint Parliamentary Committee which you had been asking for. This is what happened. Then the SNAB Report came. When the SNAB Report came, this is exactly what we did we gave it to the country, we gave it to Parliament and we took our friends not only into confidence but we accepted the suggestions that they had made. Now that they did not ultimately join the JPC is another matter. We have discussed it at great length.

But I would like to recall, during this debate also, that so far as Government's *bona fides* in the matter is concerned, if you go by the fact, it cannot seriously be questioned for the simple fact that we need not have appointed the JPC by taking shelter behind the plea that ordinarily Parliament does not appoint JPC in such matters. I think that this is a fact that this is the first JPC of its kind. So, we need not have gone out of our way. But we went out of our way because we were interested in getting at the truth, at the fact. We were very much interested in carrying our friends opposite with us. We were very much interested in their collaboration and cooperation. We did not want to play politics with the guns. We did not want to play politics with Defence. We thought that Defence preparedness is something on which we could agree. We thought that this was a matter in which there can be no difference between us. Therefore, may be, we were wrong in this assessment. May be we were completely wrong and I am prepared to accept that we may have misjudged some of the Hon. Members who may have persuaded others. But I am not prepared to accept that there was nobody sitting there who did not want to join the JPC. Anyway, whatever happened, happened and it is all behind us now. I am only recounting it in order to explain once again that these facts were brought out because of the interest, because of the pressure brought to bear on the Swedish Government by this Government.

What was the Bofors' position? I men-

tion this because sometimes you tend to confuse what the Government says with what the Bofors say. So I state the Bofors' position. The Government continued to make enquiries from Bofors, Bofors denied the involvement of Indians as well as the payment of bribes, kickbacks or commissions in securing the contract. They consistently asserted that the payments were in the nature of winding up charges, the disbursement of which had become essential as a result of the Government of India's insistence that there must be no agents. I am merely stating it so that it is understood that this is the position which the Bofors had been consistently taking.

Having brought that behind me, now I want to come to the JPC. What did the JPC do? The JPC was appointed as soon as the SNAB Report came. What did it do?

AN HON. MEMBER : White washing.

SHRI K.C. PANT : Well, I think at least once on this occasion you will do me the courtesy of listening to me because by uttering words like 'white wash', you are not adding to the argument, you are not adding to the reasons, you are not adding to logic; you are only exercising your lungs, but that does not help. It shows that even after a long debate you don't feel satisfied. Well, if you are not satisfied, then we can discuss it. I am prepared to discuss it even in my chamber. Any one of you can come, a group can come. We can go into this matter. There is no difference between us. Why don't we go into it? But at least in this House let the debate be orderly.

The establishment of the JPC was done by the Parliament on 26th August 1987. I, on this occasion, would like to say only two or three things. Firstly the important point was whether or not the Government gave the JPC full access to its records; whether anything was withheld from the JPC; whether the JPC was enabled to go to the root of the matter on the basis of the records available with the Government; whether even on the pretext of secrecy—if you like it—anything was withheld. There were definitely documents which very sensitive, which normally no Government would have given to any Committee, normally which are never given even within the

[Shri K. C. Pant]

Government to all and sundry. But in this case, because the House was concerned, because the country was concerned and because the Government had made a promise, all the records were made available to the JPC. I want to underline this fact. All and every record that they wanted were made available.

Secondly, the seniormost officers of the Government both in the Army and in the Civil service, serving officers and retired officers, all of them testified before the JPC. Nobody was withheld on that account. They had a full opportunity to discuss this matter with all these officers and also with other people with whom they wanted to discuss like the Bofors' representatives etc.

Then I had made a promise that the investigating agencies of the Government would be placed at the disposal of the JPC. This was done. Investigating agencies were placed at the disposal of the JPC and the JPC used these agencies.

Then came the question of the Attorney General. The Attorney General's advice was taken by the JPC on legal matters. I cannot understand how anybody can object to the JPC taking the advice of the Attorney General or the Attorney General giving his sincere advice.

SHRI S. JAIPAL REDDY : Was it sincere ?

SHRI K.C. PANT : You may not agree with it. I am not asking you to agree with the Attorney General's advice. (*Interruptions*)

SHRI S. JAIPAL REDDY : He is using unnecessary adjectives.

SHRI K.C. PANT : I do not question or doubt sincerity of the Attorney General. Let me say it quite clearly. I have great respect for him. I have respect for his legal knowledge. (*Interruptions*)

[*Translation*]

MR. SPEAKER : What are you doing ? Why are you doing so unnecessarily ? It is not good. It is not welcome all the time.

[*English*]

SHRI K.C. PANT : How does my paying a compliment to the legal acumen of the Attorney General offend my dear friends on the other side ? I cannot for the life of me understand it. How does it offend to them. (*Interruptions*)

[*Translation*]

MR. SPEAKER : Now please, keep quite.

[*English*]

My dear friend, Mr. Chowdhary, you are wrong. It is okay. Please take your seat.

[*Translation*]

If you do not study rules, what can I do. Please sit down.

[*English*]

There should be some limit to anything in this world.

SHRI K.C. PANT : Sir, my only submission would be that any orderly debate is not possible if anything inconvenient to me is drowned out by them and anything inconvenient to them is drowned out by us. Then Parliament cannot function. Therefore, please if it is inconvenient to you then you must have the patience and courtesy to listen to me. That is all I am asking of you. I am not asking for understanding which I do not expect. (*Interruptions*)

MR. SPEAKER : Order, Order. I would like to say that one must have the courage to say something but it takes much more courage to listen also. This I am saying to all of you.

SHRI SOMNATH CHATTERJEE : We expect the same treatment from that side also.

MR. SPEAKER : I am saying to all of you. It is a question of give and take. The way we are behaving and expressing ourselves it should not be done. We should try to uphold the traditions of good parliamentarians and we must have the courage to listen. We must have the courage to say and also courage to listen.



SHRI SOMNATH CHATTERJEE : I am prepared to listen. I am prepared to be admonished by you but not by them.

MR. SPEAKER : I am talking as a whole. I am not casting any aspersion on anybody.

SHRI SOMNATH CHATTERJEE : I am prepared to be admonished by you but not by them.

MR. SPEAKER : I agree with you on that. Everyone must have his say and must listen also. This is not the way to interrupt and shout. I do not like it. Nobody else will like it. People Outside will not like it.

*(Interruptions)*

SHRI K.C. PANT : Sir, I was pointing out that it is on the basis of these documents, oral testimony, investigations carried out and the opinion of the Attorney General that the JPC came to certain conclusions and submitted its report to Parliament during the Budget Session of 1988. I would like to take this opportunity to thank the JPC for the pains that they have taken. *(Interruptions.)*

*[English]*

It is his opinion.

*[Translation]*

MR. SPEAKER : Now, please stop it.

*[English]*

It is his thinking. You cannot change his thinking.

SHRI AMAL DATTA : What has made him to make such comments. You know, Sir, why we did not join the JPC because they were not prepared to offer the terms ...*(Interruptions)*

MR. SPEAKER : Your terms cannot be dictated. It is a question of give and take on both sides.

SHRI K.C. PANT : As I said I would like to thank the JPC for the meticulousness with which they gone through the records. I would like to thank them for the pains that they have taken. *(Interruptions)*

That is my opinion. How can you change it ? That is my view. *(Interruptions)*

Why interrupt me ? That is my view. You have a different view. You had stated yesterday. I have listened to you. Have I interrupted you once even when you attacked the JPC ? *(Interruptions)* It is within your right to attack the JPC. I am within my rights to defend the JPC. *(Interruptions)* I have to defend it. *(Interruptions)*

*[Translation]*

MR. SPEAKER : What is this ? Why are you doing so ? He has his own opinion. It was not right on your part to say so to him.

*[English]*

There is no question now. You deprecated that. You did not admire that effort

*(Interruptions)*

MR. SPEAKER : I don't expect this thing. It is not a behaviour of a good parliamentarian. No, I don't like.

SHRI AMAL DATTA : Is the Government behaving like a Government ? Government must behave responsibly.

*(Interruptions)*

SHRI K.C. PANT : Sir, Shri Acharia is asking me for the findings of the JPC. All right, the essence of these findings was as follows.

That the procedure followed for the selection of the Bofors gun was sound and objective, and the technical evaluation of the various gun systems considered was thorough, flawless and meticulous.

The Bofors is a sophisticated gun system which meets all the essential technical and operational parameters of a medium field gun.

No middleman was involved in the commercial negotiations. *(Interruptions)* He asked me what were the conclusions of the JPC. *(Interruptions)* He asked me a question. I am trying to answer it. *(Interruptions)*

*[Translation]*

MR. SPEAKER : What is it ?

[Mr. Speaker]

[English]

Let him say. He is answering your question.

[Translation]

It is an old record which is being played. What can I do? I have become fed up of all this. How long it will continue?

[English]

SHRI K.C. PANT: Sir, this has become a TV serial in which my friends opposite are interested. Every time they bring it up.

The Negotiating Committee was able to generate keen competition among the competing suppliers and the Government succeeded in securing the purchase at the lowest price and on the best financial and other terms. The contract is supported by substantial credit on attractive terms, financial and performance guarantees, and the uninterrupted flow of supplies is fully assured.

The decision to award the contract to Bofors was purely on merits and no extraneous influence or considerations such as kickbacks or bribes as alleged in the media, affected, at any stage, the selection and evaluation of the gun systems or the commercial negotiations.

Bofors paid SEK 319.4 million to three foreign companies as winding-up charges for terminating agreements for consultancy and marketing services, etc. Two of these companies appeared to be front agencies established in tax havens. This also the JPC has said.

Despite persistent demand by the Government, Bofors declined to furnish details of the payments or the recipients thereof.

SHRI SAIFUDDIN CHAUDHARY (Katwa): What action have you taken?

SHRI K.C. PANT: Your neighbour appears to lay great store upon the Swedish agencies.

However, the certificate rendered by the Public Accountant in Sweden after

auditing Bofors accounts of the Indian contract, supports the Company's claims that its agreements with the three firms were required to be terminated to fulfil Government of India's wishes that no agents be involved in the contract.

This is the Swedish Public Accountant on whom you apparently had greater faith than an Indian ...*(Interruption)*.

Bofors had refused to furnish details of the recipients on grounds of commercial secrecy. According to the Attorney General's advice to the Committee, the position taken by Bofors was sustainable in the circumstances of the case. I did not change it.

Legally, Bofors could not be compelled to furnish the requisite information. For want of any other available evidence, the Committee had not been able to reach any conclusion in regard to the identity of the recipients. However, there was no evidence to show that any part of the winding-up costs was paid to any Indian, resident in India or abroad. This is the JPC's report. You asked me as to what were the JPC's findings and I am giving it to you. I will come to the Hindu also ...*(Interruption)*... You know me. I am not shirking the issue. I will come to it. But in the meantime, I expect you to listen to me patiently. I am not saying anything irrelevant. I will stick to whatever is relevant.

Lastly, to satisfy Shri Acharia, the last point is that there was no evidence to show that any middlemen involved in the acquisition process or to support the allegations of commission or bribes having been paid to anyone. These were the essential findings of the JPC. Many of you quoted from the JPC's report yesterday. Apparently, since three months have passed, some of them have taken the trouble to go through, at least, to go through some parts of it. You have taken the trouble of having quoted from it. So, JPC's report is a document which contains lot of useful information. Since Shri Acharia asked a question, it is my duty to give him an answer ...*(Interruption)*... I cannot withdraw the JPC's report unfortunately. It is there.

Now, certain facts have been established by the investigating agencies which have

helped the JPC. I would like to say that despite their legally sustainable concern for commercial confidentiality, the Company were prevailed upon to furnish the names of the three firms which received this sum. They met the Government here. There was again a plea of commercial confidentiality. They had taken the plea earlier also. When they came to the Defence Ministry, there were discussions. They met the JPC. They again took the same plea. It is the Government who said, 'No, please give us these names. We would like to have these names.' There is an understandable concern in the country over this matter and we are certainly interested in finding the truth. It is because of this pressure that they did not meet any friends opposite and those of my friends who took the trouble to go to Sweden could not get any information. If they had given us this information, then they would have got up and said 'You did not get the names of the three concerns, you were content to let the matter lie. You did not want to get those names and therefore, you did not get those names.' But it is the Government which had got the names and gave them to the JPC. The three names which are talked about here have not emerged out of any opposition quarters. They have emerged from the JPC and the Government. So, if we have anything to hide, why should we give these names to the country and the whole world? Hence, it is obvious, unless you take a perverted view of these things, I think you would concede that at least in getting these names out of the Bofors, the Government has acted in good faith and in the the interest of truth.

SHRI AMAL DATTA : The names of bank accounts have come.

SHRI K.C. PANT : From where have you got the names like Svenska? Who gave the name of Pitco? *(Interruption)*... Jyoti Basu did not give us that name. Jyoti Basu can give us other names but not this name *...(Interruption)*... I am telling you in all seriousness that it was the Government's pressure on the Bofors which made them give us these names. Who established the nexus between the PITCO, MORESCO and MOINEAU? I would like to refresh your memories. You did not establish that nexus. It was the result of the Government's efforts that that

nexus was established. I would like to tell you this and you can look at the record. The whole record is with you. Therefore, whether it is Svenska—the payment of 319 million kroners was the question which was agitating you and us. We asked them 'whom did you pay it?' They said 'commercial confidentiality'. Ultimately, we got these names. The first was Svenska Inc., Panama, the second is Moineau and the third is the A.E. Services Ltd., UK. Then we got the names of the recipient companies. We got their registered addresses. We got the terms of payment. It is not that you have got all these things. And today you want to create an impression and smoke screen that as though you are more interested in the truth than us. We have you all the information. Today you got it and make speeches on that basis of information which we gave you and twist the whole thing that as though you have secured them. It is a big cudgel against the Government. It is because of this Government's information that you are able to make these speeches.

SHRI AMAL DATTA : You cannot deny these names. They are published.

SHRI K.C. PANT : They are published because we produced them. We have given them... *(Interruption)*... I will come to the material which was published in the Hindu.

On the eve of the JPC's submission of its Report in the month of April the Hindu had published certain papers, on the 22nd and 27th April, 1988, purporting to relate to Bofors' payments and tending to show, if authentic, that Sangam Limited, a UK firm owned by the Hinduja's, a non-resident family of Indians, were the beneficiaries of certain payments made by Bofors in connection with their contract in India. The issues arising from these disclosures were considered by the House concurrently with its discussions on the JPC's report. It is true that the JPC did not consider but it is also true that the House did devote some time to the material published in the Hindu. You may recall it. It was observed in the course of these debates that the papers published by the Hindu did not prima facie, contradict the position taken by Bofors before the JPC and the latter's conclusions emerging therefrom,

[Shri K. C. Pant]

The material published also contained a paper suggesting the termination of Bofors' prior arrangements with Moineau, a firm which the publications had linked with the Pitco account which, in turn had earlier been linked with Sangam Ltd. It seems necessary to reiterate that even if not in exactly the same way as the Hindu, the efforts of the JPC and the Government had already established the Pitco-Moresco-Moineau nexus. Moreover, the possibility of the Hinduja's having played a role had been looked into at the very outset of the controversy and direct enquiries had been addressed to Bofors by the Ministry of Defence. Bofors had categorically denied any link with the Hinduja's who, separately, denied any link with Bofors. This is what happened ...*(Interruptions)*... I am not expecting or denying anything ...*(Interruptions)*... I am trying to tell you ...*(Interruptions)*... I will come to every point that you have made because these have been tabled. Why don't you listen to me? It is not as though this information is not tabled. Then, on 22nd June 1988 the Hindu published some other material and immediately thereafter, the Hindu published a number of other papers purporting to pertain to the Bofors contract. If you go through the material related to arrangement between Bofors and the recipients of their payments as well as with Anatronc General Corporation, to which a reference was made yesterday by several hon. Members, you will find that the published papers could broadly be classified as being agreements with the firms, papers relating to Bofors payments to them, and certain miscellaneous correspondence with them.

13.00 hrs.

An internal note of Bofors purporting to show the interse distribution of remittances between three coded Swiss accounts and a personal letter addressed by Shri G.P. Hinduja to Mr. Martin Ardbo, former Managing Director of Bofors, were also published. This is, more or less, what was published in the Hindu in June. Many hon. Members have pinpointed certain inferences that can be drawn from what was published. They have made some points and I have made a note and I do not want to ignore

what they have said. These are the main points they made. They said : Firstly, that there was an inter-relationship between Anatronc General Corporation and Svenska Inc. of Panama, one of the companies which had received large share of the admitted payment of SEK 319.4 million. Then they said : by implication, Indians had figured amongst the recipients of these payments. Further, that the nature of payments were not winding up charges, as earlier stated by Bofors, but instead were commission payments. Then they said—that these payments had not ceased by the end of 1986, as stated before the JPC by Bofors, but had continued till as late as March, 1987. Then, some of them said—the paper relating to the termination of Bofors Agreement with Svenska, entered on 13th January, 1986, was apparently ante-dated. They then said —Bofors had made inaccurate and evasive statements to the Indian authorities and the JPC. I hope, the hon. Members will concede that I have accurately summed up the points.

SHRI SOMNATH CHATTERJEE (Bolpur) : Some of them.

SHRI K.C. PANT : Well, if I have left out any point, I am sure you will raise them next year so that we can go into them again...*(Interruptions)*.

\*Now, the relevant point is what is the next step ?

One point was made by many hon. friends and that is : Are these papers authentic ? Well, it has to be established, it has to be gone into. Certainly, I am sure, the enquiry will bring out these facts...*(Interruptions)*

DR. DATTA SAMANT (Bombay South Central) : What is the Government doing ? Such an important document with signatures and number has come. Is it not their duty ...*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY : What have the Bofors said about these papers ? Have you asked them ?...*(Interruptions)*

[*Translation*]

MR. SPEAKER : Please sit down and listen to him. First, let him finish. You are getting impatient before his turn is over.

(*Interruptions*)

MR. SPEAKER : In this way you neither let him complete his point nor let me conduct the business.

[*English*]

SHRI S. JAIPAL REDDY : Let him first say as to why Win Chadha has not been arrested so far...(*Interruptions*)\*\*

[*Translation*]

MR. SPEAKER : You should sit quietly, sometimes at least. First, let him finish. Replies to all your queries will come. All the things cannot be done according to your dictates.

Hon. Members are speaking without my permission. Do not record.

[*Translation*]

If you do not listen, how will you know ?

[*English*]

SHRI K.C. PANT : Naturally, we have to ask them. We have nothing to hide. Why should we not ask them ? I will tell you their reply...(*Interruptions*) Now, atleast you should be satisfied and should not interrupt. We have asked them...(*Interruptions*). I know that you are disappointed. If you do not jump to conclusions before listening to me, all your doubts would be clear, but you have come with a prejudiced mind, you have made up your mind before you entered the House. How can I convince you ?

The first point that they have raised is : Have we asked the Bofors ? I am saying : Yes, we had asked. We analysed the Hindu document and we said to Bofors : "Well, you have told us so and so, we have analysed these documents, there is a discrepancy between the two. We would like to know what you have to say about it." This is what we said. I have absolutely nothing to conceal. Why should I not tell you ? I will tell you the reply of Bofors. In their reply, Bofors have reiterated that they have not paid or conspired to pay any bribes to win the Indian contract which they had negotiated without the involvement of any agent or middleman.

SHRI BASUDEB ACHARIA : Are you satisfied ?

SHRI K.C. PANT : Are you satisfied, what is it ? You have asked a question and I am giving you a reply.

In order to meet the Government of India's request they were forced to terminate long standing agreement and to pay termination costs amounting 319.4 million Kroner which were not made to any Indian individual or company. This is their reply.

SHRI SAIFUDDIN CHOWDHARY : What about the documents ?

SHRI K.C. PANT : Yes, about the Hindu documents, as regards the material published in Hindu paper, they stated that as a matter of policy they do not comment on newspaper articles. (*Interruptions*)

SHRI K.C. PANT : What is this, Sir ? (*Interruptions*)

MR. SPEAKER : You asked him the question and he has explained it. Now, listen to him.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Are you satisfied, Sir ?

MR. SPEAKER : There is no question of satisfaction. You have asked him for certain facts...

(*Interruptions*)

SHRI K.C. PANT : You have asked a relevant question. I gave you the information that is with me. (*Interruptions*)

I have not completed my reply. (*Interruptions*)

You have made some suggestions to which I have also to react. I have not completed my reply. (*Interruptions*)

MR. SPEAKER : Mr. Thampan Thomas, please sit down. Take your seat.

(*Interruptions*)

SHRI K.C. PANT : I have not completed my reply. I am not yielding and I have not completed my reply. Now... (*Interruption*)

MR. SPEAKER : Please sit down. Let him speak first.

SHRI K.C. PANT : There is one more question which has just been asked and that question is with regard to Win Chadha. Shri Jaipal Reddy asked a question about Win Chadha. Sir, the Government initiated timely measures to prevent Shri Chadha from leaving the country. Yesterday I was listening very carefully to the comments which my hon. friends had to offer and somehow by some strange logic they seem to find fault with the Government for having acted quickly. *(Interruption)*

Yesterday I had expected them to show ...*(Interruptions)*

In all fairness, I had expected them to commend the Government for the quick action it had taken and also...*(Interruptions)*

DR. DATTA SAMANT : Sir, he is misleading the House.

MR. SPEAKER : He is not misleading, please sit down.

*(Interruptions)*

DR. DATTA SAMANT : The charges against Mr. Chadha are not taken to court. I raised this issue...*(Interruption)*

SHRI K.C. PANT : The charges...*(Interruption)*

MR. SPEAKER : Will you please take your seat ?

DR. DATTA SAMANT : He has not replied. Let him tell the House what are the charges against Win Chadha.

MR. SPEAKER : I am not allowing him.

*(Interruptions)\*\**

MR. SPEAKER : Without my permission you are speaking all the time. I will have to name you.

*(Interruptions)\*\**

MR. SPEAKER : Let him finish his reply.

SHRI K.C. PANT : Sir, the Enforcement Directorate and the Income Tax

Department have commenced further enquiries against him. We have a rule of law in this country. We have to go by the rule of law. I hope you agree with this. *(Interruptions)*

I hope it is not a matter of laughter. *(Interruptions)*

MR. SPEAKER : We have got a rule of law.

*(Interruptions)*

SHRI K.C. PANT : Then, Sir, with regard to the agency for enquiry, with regard to the enquiry to be conducted, as some hon. friends opposite also told us yesterday, the CBI has already been tasked to enquire into all aspects of the matter. They are asked in particular to investigate the authenticity of the published materials, the identity of the recipients, whether any Indians received any part of the payments and if so, the services for which they were paid. Now, these are the questions into which the CBI is looking at this moment.

SHRI SAIFUDDIN CHOWDHARY : Have they contacted the Interpol ?

SHRI K.C. PANT : Some hon. members have questioned the utility of investigating agencies such as the CBI and the Enforcement Directorate. And by drawing a comparison, they have lauded the media for what they have been able to get. I would like to join the House in appreciating the efforts made by the media in this respect. If you recall as Shri V.P. Singh recalled yesterday, the Prime Minister invited material from the media. In fact, he invited material from the members also. Unfortunately, none of the members obliged. But the media have made efforts.

Sir, we have got to recognise that the media operate under a slightly different set of circumstances as compared to any investigating agency. And it is essential to recognise this difference. For instance, an official investigating agency undertakes enquiries with the object of determining whether laws have been violated for the purpose of piloting the cases successfully in the court. They have to look beyond. The case must stand in a court of law. Rule of law must be

observed. They have to collect evidence. So, there is a difference. I may tell you that they are ferreting out the evidence. Their evidence has to be tested for its legal acceptability. Whatever my hon. friends may say here, tomorrow they may be in a situation when they may need protection of law. Then, they will ask for evidence. All of us would do that. We may be in that position; we are all political figures. Well, are you going to say that evidence will not be required and it is enough for accusations to be made and accepted? Is that enough? Therefore, investigations have to be carried out and the purpose of the investigations is to collect evidence. If you want action to be taken against anybody...*(Interruptions)*

SHRI S. JAIPAL REDDY : What about the foreign exchange violations? Has any action been taken?

[*Translation*]

MR. SPEAKER : He will not leave it. Please sit down.

[*English*]

SHRI K.C. PANT : The object of investigating agencies is to collect evidence. That is not necessarily the burden on the media. The media are not obliged to reveal their sources and that is a well-known and well-established convention. They are not obliged to swear or authenticate the evidence that they produce. They publish them in the newspapers. You can understand the difference between the two and you should not question the efficiency of the CBI, merely because it is not able to do what the media are able to do. Then, there are certain obligations which you have to understand.*(Interruptions)*

SHRI S. JAIPAL REDDY : Sir, the Enforcement Director...*(Interruptions)*

MR. SPEAKER : Please do not interrupt. It is very bad. You are casting aspersions on every soul in this country.

[*Translation*]

You create a confusion everywhere.

*(Interruptions)*

[*English*]

SHRI K.C. PANT : In relation to enquiries being conducted in a foreign country...*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY : Sir, I have asked him whether he contacted the CBI.

SHRI K.C. PANT : The CBI is in contact with the Interpol as also with other agencies, as I told you already. Why interrupt me again and again? I am telling you, I have made and an offer to you. If you are still not satisfied, come to me. I will give information to you. I am giving you so much information.

[*Translation*]

*(Interruptions)*

MR. SPEAKER : Pantji, there is a couplet in Punjabi, and I quote it.

“Paiyan aadtaan Jaandian nahin,  
Varis Shah chahe kattiye poriyen-poriyan  
ji, khare khoo nahin honde mitthe, chahe  
khand sutiye boriyan boriyan ji.”

which means that habits die hard. Nothing can change them.

[*English*]

SHRI S. JAIPAL REDDY : May I submit in all humility that that couplet which you read out is equally applicable to you?

MR. SPEAKER : Am I not a part of you? Am I separate? We are all one and the same.

SHRI K.C. PANT : Sir, the last point which I would like the House to appreciate is that any official investigating agency operating in any other country has to operate in a certain manner within certain limitations. If suppose some foreign agency today were to come to our country and operate in a certain way, could we open the door? Would we not object? There has to be a certain procedure, a certain process which has to be followed. This is an international matter. Therefore any investigation that has to be carried out in other countries has to be carried out not only with the knowledge but with the consent of that Government and has to be done in a certain way. There ways are

[Shri K. C. Pant]

known to the investigating agencies. Therefore I think we should take this matter seriously. (*Interruptions*)

I know they do not take it seriously Sir, because they do not hope to form the Government. (*Interruptions*)

I say this in all seriousness, Sir.

Shri Chatterjee here may take this lightly but Shri Jyoti Basu will not—Anyone running a Government will not. Because every Government needs investigating agencies. Tomorrow, if you are sitting here, you will need the CBI. Can you do without the CBI or some equivalent agency.

SHRI VISHWANATH PRATAP SINGH (Allahabad) : Just a moment. Sir, I would like to know from the hon. Defence Minister—because he is on this point that serious efforts are being made to get information from investigating agencies—will he assure the House that he will write to the Swiss Government, because the Swiss Government has offered to give the information and collect the information through the Swiss Government on a Government to Government basis ?

SHRI K.C. PANT : Sir, I will come to this Swiss Government point also. I shall deal with that point.

Now one point which was made and I think it has to be dispassionately examined is whether extraneous influences were brought to bear on those who are exercising a decision in this matter. This is a serious point whether the contract was influenced in this manner and did we acquire inferior goods, did we acquire them at prices which were too high.

SHRI G.G. SWELL (Shillong) : C&AG had said that.

SHRI K.C. PANT : This is a matter which I shall deal with and hope to satisfy you entirely on this.

I would like to mention that the gun is a good gun. It is a good weapon system and I do not think anybody in this House has seriously questioned that. As some hon. friends in the Opposition who have seen the gun have also said so. They are knowledgeable people and I do not think

they will be disowned by their colleagues here.

Now, it has been purchased on the most favourable terms and on the basis of the intense competition which was skilfully generated.

DR. DATTA SAMANT : You say or JPC said that ?

SHRI K.C. PANT : JPC said that. I will also say, if I have to say. No evidence has been produced to suggest that any extraneous considerations were involved in the acquisition process nor is there any evidence to establish the payment or bribes or any kind of kickbacks to win the contract.

SHRI V. SOBHANADREESWARA RAO : How do you explain the percentage on the invoice ? Please explain that.

SHRI K.C. PANT : All right. Now on the question of the technical nature of the gun and whether extraneous influences were brought to bear on this, I would like to quote—since you are compelling me to quote, you are asking me this question, I would not have otherwise done it—Gen. Sunderji, who has said on Page 75 of the JPC Report :

“At no stage of this assessment of mine for the final short listing and indicating of the Army’s *inter se* preference between the Bofors and the French gun, in no way, was any suggestions or influence applied on me or on any of my staff from the Ministry of Defence or Ministry of Defence or anybody in any position of authority.”

This is what General Sunderji said.

SHRI RAM DHAN : What about General Mayadas ?

SHRI K.C. PANT : I must tell my hon. friend that anybody who knows anything about the Army will understand that at the given moment, you have to respect the opinion of whoever is the Chief. It is necessarily a hierarchical system. You do not say : ‘The Chief says so, Brigadier, do you have an opinion ? Colonel, do you have any opinion ? Major, do you have an opinion ?’ This is not how the Army functions. (*Interruption.*) If we begin to take the opinion down the line,



then there will be chaos in the purchase of weapons in this country. This is not the way it is done.

**SHRI SOMNATH CHATTERJEE :** Then why is the Prime Minister meeting the District Magistrates, and not talking to the Chief Ministers ?

**SHRI K.C. PANT :** I did not realize that Shri Somnath Chatterjee looked upon the Chief Ministers as Lieutenant Generals.

**SHRI SOMNATH CHATTERJEE :** What a reply !

**PROF. MADHU DANDAVATE :** They are Lance Corporals.

**SHRI K.C. PANT :** Probably Lance Corporals, but he would not admit it.

Now I would like to add something in regard to the Finance Minister's role in this matter, to which Shri Vishwanath Pratap Singh referred yesterday. I have great respect for him. He has been a colleague, and he is today in the wrong company. That is also true. (*Interruption*)

**SHRI RAM DHAN :** You are also in the wrong company.

**SHRI ANANDA GOPAL MUKHOPADHYAY (Asansol) :** He will be another Ajoy Mukherjee tomorrow. (*Interruptions*)

**SHRI K.C. PANT :** I would like to quote from the speech of Shri Arun Singh in the other House, where he has said—I quote :

'Shri Vishwanath Pratap Singh Ji...

**SHRI S. JAIPAL REDDY :** On a point of order...

**SHRI BASUDEB ACHARIA :** Can he refer to the proceedings of the other House ? (*Interruptions*)

**SHRI K.C. PANT :** I think yesterday Mr. Vishwanath Pratap Singh quoted... (*Interruptions*)

**MR. SPEAKER :** I think that if he had quoted yesterday, it was wrong. It is going to be wrong today.

(*Interruptions*)

**PROF. MADHU DANDAVATE :** It cannot be quoted. Once it was quoted, in the 5th Lok Sabha. Prof. Swell said that it could not be done. I respected his decision.

**MR. SPEAKER :** That is what I have upheld now. Mr. Swell's ruling is upheld.

**SHRI K.C. PANT :** What I was going to quote, which I will not, was to the credit of Mr. V.P. Singh. What Mr. Arun Singh said was that if he approved the choice of the gun, it was because he knew it was a good gun, and he knew it was cheaper; and it is because of these things...(*Interruptions*)

**SHRI VISHWANATH PRATAP SINGH :** This has been said yesterday by hon. Shri Vasant Sathe, and now by the hon. Defence Minister. Sir, I must have a right of reply on this. (*Interruptions*)

The question is that with regard to the technical competence of any major system, it is decided by the Defence Ministry, and the Finance Ministry does not have technical competence. (*Interruptions*)

**MR. SPEAKER :** I will let you know what role you have to have.

(*Interruptions*)\*\*

**MR. SPEAKER :** No; not allowed.

(*Interruptions*)\*\*

**SHRI K.C. PANT :** As I said, I have great regard for Shri V.P. Singh, but I have also functioned in the Finance Ministry, though many years ago.

**SHRI SOMNATH CHATTERJEE :** Those were different days.

**SHRI K.C. PANT :** Those were different days; but I think he will concede that in the Price Negotiating Committee, there were two senior officers—the Finance Secretary was there, and the Secretary (Expenditure) was there, as far as I remember now. Ordinarily, the Price Negotiating Committee which goes into these matters keeps the respective Ministers informed; and the Finance Ministry and the Finance Minister do not approve of any major project involving Rs. 1,000 crores, merely because the file comes to him, and he signs it.

[Shri K. C. Pant]

He looks at it; he examines it and sees whether it is worthwhile, whether it is in the interest of the country or not. If it is a small amount, a couple of lakhs of rupees, the Finance Minister cannot be bothered. But if it is Rs. 1,400 crores, would the Finance Minister of the country be able to say that he has not gone into the merit of it; he has not gone into the quality of it? (*Interruptions*)

MR. SPEAKER : What are you doing ?

(*Interruptions*)

SHRI VISHWANATH PRATAP SINGH : Upto January 1985, it was the French gun. If the Defence Department says that it wants only a particular gun, what can be done? (*Interruptions*) He is going to pester me on every count. (*Interruptions*)

MR. SPEAKER : Nothing doing.

(*Interruptions*)

SHRI K.C. PANT : The question of individual responsibility is for each one of us to decide.

SHRI VISHWANATH PRATAP SINGH : That is different.

SHRI K.C. PANT : I cannot expect Prof. Dandavate to have the same sense of responsibility as Shri Jaipal Reddy is having. I cannot do that. I know the difference. (*Interruptions*)

DR. DATTA SAMANT : I will do it. (*Interruptions*)

SHRI K.C. PANT : Dr. Datta Samant, God forbid you will never do it.

DR. DATTA SAMANT : I will do it better than you. At least we will not accept kick-backs. (*Interruptions*)

SHRI K.C. PANT : There is a serious question that I would like to raise with Prof. Dandavate; that is the question of the joint responsibility in a government. You are hoping to project either yourself or Shri V.P. Singh or one of you as the Prime Minister of the country. What is

the joint responsibility of the Prime Minister or the Finance Minister or the Defence Minister? Can one get away from it? Can you say, I did not know; I was not a party to the decision? What does one say when one signs a file? It is a well-known principle. Can you say that my Secretary was responsible? Can you say that my Joint Secretary was responsible? Can you say that the Army Chief was responsible for this? Must you not stand in the House and be accountable and answerable? What is the principle? (*Interruptions*)

SHRI SOMNATH CHATTERJEE : This is most unfair. (*Interruptions*)

SHRI THAMPAN THOMAS (Mavelikara) : He could not defend himself. That is why he is with us today. (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH : Is it possible for the Finance Minister to see all the files? (*Interruptions*)

MR. SPEAKER : Nothing will go on record whatever he says or others say.

(*Interruptions*)\*\*

SHRI K.C. PANT : I have no wish to embarrass him.

SHRI VISHWANATH PRATAP SINGH : You have a new JPC. I am ready to face it. (*Interruptions*) You cannot face it. (*Interruptions*)

SHRI K.C. PANT : I am sure, if you go before the new JPC you will say, I am sorry, I signed it but I did not know what it was all about. (*Interruptions*)

Enough is enough. (*Interruptions*)

I think it would have been much better if Shri Vishwanath Pratap Singh had taken part in another debate. On this debate he is in a vulnerable position. I do not want to exploit. I do not want to exploit it any further because I do not want to embarrass him. Let me go on to other things. (*Interruptions*)

PROF. MADHU DANDAVATE (Rajapur) : You have referred specifically to me and asked a question.

SHRI K.C. PANT : I made a mistake, I withdraw it.

PROF. MADHU DANDAVATE : It is a fine blunder you have committed. You asked me a question. (*Interruptions*)

MR. SPEAKER : I am not allowing.

(*Interruptions*)

PROF. MADHU DANDAVATE : Mr. Pant, please continue to yield. You have raised a very relevant point.

SHRI K.C. PANT : Now, the Hon. Speaker is not allowing. (*Interruptions*)

PROF. MADHU DANDAVATE : Mr. Speaker, you have forced him to unyield. It is very unfair. In Parliamentary life, when a Minister yields, the Speaker never tells him, "Do not yield". (*Interruptions*)

MR. SPEAKER : He does not need my permission.

(*Interruptions*)

MR. SPEAKER : How can I allow him ?

PROF. MADHU DANDAVATE : Sir, with your permission,...(*Interruptions*)

He has raised a very relevant point about administration.

MR. SPEAKER : What is the proper method ?

PROF. MADHU DANDAVATE : You also yield. (*Interruptions*)

MR. SPEAKER : You ask for my permission and then I give.

PROF. MADHU DANDAVATE : Sir, with your permission, I would like to point out to Mr. Pant, because he referred to me and said, that with his experience probably he will be able to say whether it is permissible under joint responsibility. I will give a concrete instance.

PROF. N.G. RANGA (Guntur) : Oh ! A story !

PROF. MADHU DANDAVATE : I am not asking him to yield.

PROF. N.G. RANGA : He is going to tell a story.

PROF. MADHU DANDAVATE : I have great respect for Prof. Ranga, (*Interruption*). He is yielding now. I will give, from my own experience, an instance from the Railway department. When we had specific railway equipment to be imported, in that particular case, as far as the technical aspect of the entire equipment of import is concerned, no doubt the Finance Ministry looks after certain financial aspects, but not even on one occasion during my tenure of the Railway Ministry, my Finance Minister, Mr. Patel had ever interfered and he had not gone into the details, the technical aspects of the equipment. (*Interruptions*)

MR. SPEAKER : Order, order.

SHRI K.C. PANT : Sir, I agree with Prof. Dandavate that the details are not looked into, but certainly,—I have been a Minister, I have been in charge of Expenditure—when such large sums are involved the Finance Ministry does look into the merits of the expenditure and it is called upon to. (*Interruptions*)

SHRI SOMNATH CHATTERJEE : He has approved the gun but not the clandestine transaction.

SHRI K.C. PANT : I hope, Prof. Dandavate will take my remarks in the spirit in which they are made, but the Janata Party is not the best example of collective responsibility.

SHRI SOMNATH CHATTERJEE : There is no collective responsibility there, but collective subjugation.

[*Translation*]

MR. SPEAKER : It may be an experiment.

[*English*]

(*Interruptions*)

MR. SPEAKER : Personal experience is much more useful.

(*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolpur) : Shri Charan Singh's Ministry is a perfect example. He was a member of that. (*Interruption*)

MR. SPEAKER : That is why I said personal experience is much more useful.

*(Interruptions)*

PROF. MADHU DANDAVATE (Rajapur) : When he got on the wrong foot, he blamed the party. *(Interruptions)*

SHRI K. C. PANT : Shri Somnath Chatterjee appeared to have taken some objection to the statement that no Indian politician was involved. I think he said, 'why do you say this in respect to the payments'. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Without any enquiry.

SHRI K.C. PANT : Now can you deny that there is no evidence. He knows the meaning of the word 'evidence' of any Indian official or politician receiving any kickbacks or bribes. He himself said, 'let us go in for further inquiry'. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Sir, I have a right to reply. He is twisting the facts. *(Interruptions)*

MR. SPEAKER : Please sit down. I have not allowed you.

*(Interruptions)*

SHRI K. C. PANT : The Hindu paper also if authentic, do not establish any such payments. They also do not. Sir, the question, whether an Indian received any payment; and if so, what action can be taken under law; and if any law has been violated is one of the points which is being inquired into by CBI. If the culpability is established, than the offender will face severest legal action. I mean, this is something which the Prime Minister has also promised this country that no mercy will be shown on this. I do not know why our friends should try to create an unnecessary scene about this matter. They want to create confusions because it suits them politically. But they are not going to take anybody in because the people of the country can see through it. *(Interruptions)*

Have you conceded the need for further inquiry ? If you had evidence today that any politician has taken money, would you have kept quiet ? I ask you this question.

Because you do not have any evidence, you say 'let us have an inquiry, let us have a second JPC, etc. etc. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Then, why did the Prime Minister say that no politician is involved without any inquiry.

SHRI K.C. PANT : Sir, Dr. Datta Samant asked for a judicial commission. Why should he do that he was sure of the evidence ? I do not think that it would be right to denigrate any of our Indian Agencies. I was really shocked yesterday when a friend like Shri Somnath Chatterjee, whom I respect, said—what was his concrete suggestion—'you give this inquiry to the Swedish Public Prosecutor. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Because of the non-cooperation of the Government of India, they cannot proceed there. *(Interruptions)*

MR. SPEAKER : Please sit down.

SHRI SOMNATH CHATTERJEE : I also point out that it was because the Singapore Government cooperated with the Public Prosecutor, they could find out the truth. Why cannot they do it in this case also ? *(Interruptions)*

SHRI K.C. PANT : Sir, your permission is not sought to interrupt me... *(Interruptions)*

Shri Somnath Chatterjee should feel embarrassed at his suggestion...*(Interruptions)*.

SHRI SOMNATH CHATTERJEE : He is distorting what I said. Look at my speech. *(Interruptions)*

SHRI K.C. PANT : I would be very strong. I would say that it is a shameful suggestion to invite a foreign agency to make an inquiry. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Why did you write to the Swedish National Audit Bureau ? *(Interruptions)*

SHRI K.C. PANT : I have never invited them into this country to inquire. We have our own agencies and we are proud of those agencies. I am certainly not going to agree to this. *(Interruptions)*

This functionary in Sweden in whom they have pinned their faith, has also conducted an enquiry and then he has concluded in his investigation that he has not found anything, because he has to operate under the Swedish law. We operate under the Indian law. The Swedish Public Prosecutor operates under the Swedish law...*(Interruption)*

SHRI SOMNATH CHATTERJEE : I also agree with the JPC on this aspect. Why do you not write to the Public Prosecutor ? *(Interruptions)*

SHRI K.C. PANT : There was a suggestion made by several hon. Members that there should be a second JPC. Now, the question we have to consider is that what would the present Joint Parliamentary Committee achieve because that seems to be the suggestion which many of my hon. friends have made. I do not think that we should allow the present emotions to cloud our judgement in this matter. One parliamentary committee has gone into this matter, as I said earlier. Would it be right to reopen its findings and appoint another parliamentary committee to sit in judgement over that ? *(Interruption)*

SOME HON MEMBERS : Yes. *(Interruption)*

SHRI K.C. PANT : You are entitled to your opinion ..*(Interruptions)*

The first parliamentary committee went into all the evidence that was available, went into the documents, went into the facts. They took evidence. They did all those things. And there is absolutely nothing found. Further enquiries are going on. At this point of time, there is absolutely nothing for the second JPC to do...*(Interruption)*

Secondly, there has been no suggestion of anything wrong in the acquisition...

SHRI SOMNATH CHATTERJEE : Shameful...?

SHRI K.C. PANT : Why does it hurt so much ? You can say anything you like. We listened to you. I did not interrupt you even once...*(Interruptions)*

As I said, enquiry is being conducted. And a parliamentary body cannot be an enquiring agency, Even if a parliamentary

committee is set up, then again they need an investigative agency which will make this enquiry for them. There is no other way to do it.

SHRI SAIFUDDIN CHOWDHARY (Katwa) : Nothing new has come...*(Interruption)*

SHRI K.C. PANT : But that has to be enquired into...*(Interruption)*

It has been my experience that whenever arguments fail, noise is inevitably erupting in the House. Whenever you lose a case, this is what happens...*(Interruptions)*

What they want really is not a joint parliamentary committee; what they want really is a joint parliamentary committee in which the opposition has a majority. Why ? Because they are interested in using it politically.

SHRI SURESH KURUP (Kottayam) : Who said that ? Who demanded that ? *(Interruptions)*

SHRI K.C. PANT : Why are you shouting ? Listen to me. You do not want JPC ?

SHRI SURESH KURUP : You are distorting the facts.

SHRI K.C. PANT : All right, you tell me the facts.

SHRI SURESH KURUP : Nobody said so.

SHRI K.C. PANT : So, you do not want majority in the committee. None of you want a majority.

SHRI BASUDEB ACHARIA : But the Chairman should be from the opposition.

SHRI K.C. PANT : Why ?

MR. SPEAKER : It is neither in your power nor in his power. It is my power. And I am going to retain that. I am not going to part with my prerogative.

SHRI K.C. PANT : But generally a parliamentary committee reflects the strength of the parties in the House. That is what ordinarily is understood and that is how parliamentary committee functions. But they want to convert it into a star chamber to find fault with us, just to make accusations and allegations...*(Interruptions)*

[Shri K. C. Pant]

Shri V.P. Singh asked a serious question about Swiss Government, whether the Swiss Government has been approached to disclose the particulars of the recipients of the amounts deposited in the Swiss Bank. And in this connection he made a reference to the recent newspaper reports. And suggestions have been made that the Swiss authorities are now willing to provide the requisite assistance to India in unearthing the recipients of Bofors payment. A reading of this report would, however, show that the Swiss request for seeking information relating to middlemen and commission was itself considered insufficient for the purpose. In brief, it is not a well based assessment that the Swiss authorities would disclose the requisite information merely on being approached. The present legal procedures shall have to be followed. Taking of evidence and production of documents for the purpose of criminal proceedings in India or Switzerland would be possible if the facts described in the request constitute an offence punishable under the laws of both the countries. To satisfy the Swiss legal processes, our Criminal Procedure Code has been amended by Parliament. And our understanding with Swiss Government for provision of mutual assistance in criminal matters is likely to be finalised shortly. While contact has been established with the Swiss authorities, our investigating agencies will be better able to determine in what form to pursue the matter in Switzerland only after their enquiries have made headway. This is the position...  
(*Interruption*)

SHRIMATI GEETA MUKHERJEE  
(Panskura) : I want a clarification.

MR. SPEAKER : No clarification.

SHRIMATI GEETA MUKHERJEE :  
When you have allowed everybody why not me ?

MR. SPEAKER : I have not allowed anybody. You please sit down.

(*Interruption*)

SHRI K.C. PANT : I do not want to take any more time of the House. I think, many bigger issues are there before us to face. India is much bigger than many of us here. Let us not forget that. Defence preparedness is much more important to this country than any of us here. Let us agree on this basic thing. So my earnest request

to my hon friends is not to play politics with defence. Please keep defence away from politics...(*Interruptions*)

I must tell my hon. friends that if they have the interest, listen to this that long time has been taken in selecting this gun. The country needs it.

SHRI THAMPAN THOMAS : The question is not that. (*Interruption*)

SHRI K.C. PANT : You know from experience that if you go on heckling me, it will only take more time of the House. You are all wanting to go for lunch. Why do you not let me finish ? Otherwise, you have tried it in every debate, ultimately I have withstood you and I will withstand you again. Therefore, please do not shout.

What I was saying was that selection of any gun is an important exercise for any country. And we have selected a particular gun. All our experts have done it. Today our troops have accepted it; our people have accepted it...(*Interruptions*) This is not a laughing matter. This is a gun which will remain with us in our forces till after the turn of the century. This is not a thing which will go away in one day or two days or one week or one month. This is a serious matter. And some little patience, some little attempt to understand this will convince my friends that it is wrong to allow the issue, so far as defence preparedness aspect is concerned, to create this kind of atmosphere. After all, this has an impact on everybody outside. It has an impact on defence forces. Let us be careful in what we say. Let us be cautious in what we say. If my friends think that our democracy should be reduced to a level where I call them crooks and they call me crooks regardless of evidence, then I am very sorry to say that this will not take this country forward. We have come here elected by the people. Ultimately we will go to the people. Therefore, let them remember this that any attempt to cast unfounded aspersions, baseless allegations and charges, a lot of dirt, noise and smoke, these things are not going to take this country forward. We must establish certain norms. And the norms of democracy are established on the basis of certain respect for each other. I have said this before in the House and I say it again that when these little things are said, my

friends get offended. I do not blame them. Then they must also see that calling each other names is not going to take this country forward...*(Interuptions)*

Therefore, all I would like to say to my hon. friends is that insofar as this particular matter is concerned, we have told the House, the Prime Minister has told the country that if any culpability is established which is punishable in a court of law in India, severest action will be taken. Enquiries are going on. That is something which should satisfy all reasonable people in this House.

13.55 hrs.

*The Lok Sabha adjourned for Lunch  
till Fifteen of the Clock*

15.04 hrs.

*The Lok Sabha re-assembled after  
Lunch at four minutes past Fifteen  
of the Clock*

[MR. DEPUTY SPEAKER *in the chair*]

[*English*]

MR. DEPUTY SPEAKER : Now Shri P.V. Narasimha Rao to make a statement.

STATEMENT RE : PRIME MINISTER'S  
VISIT ABROAD DURING JUNE AND  
JULY, 1988

[*English*]

THE MINISTER OF EXTERNAL AFFAIRS (SHRI P.V. NARASIMHA RAO) : The Prime Minister visited Syria, Federal Republic of Germany, New York (UN) and Hungary from June 4 to 11, 1988. He also visited Jordan, Yugoslavia, Spain and Turkey from July 11 to 20, 1988. This was the first ever visit by an Indian Prime Minister to Jordan and Spain. To Syria, it was a visit by an Indian Prime Minister after a gap of 31 years while the visit to Turkey was after an interval of 28 years. The Prime Minister received a warm welcome in all the countries visited.

The talks were held in a friendly and cordial atmosphere and were characterised by goodwill on both sides. During these visits, Prime Minister reviewed matters of bilateral, regional and international concern

with leaders of these countries with a view to further strengthening of bilateral ties and extending cooperation with these countries on regional and international issues.

In the discussions with Syrian President Hafez al Assad and Premier Zoubi there was complete agreement on enlarging and diversifying bilateral exchanges. In the regional and international sphere, the Syrian side gave its assessment about the situation in the Middle East, Lebanon, and on the Iran-Iraq war. We on our part apprised the Syrian leadership about the situation in our region. The discussions revealed a broad consensus of views between the two sides. There was general appreciation of the Indian stand. Decisions were taken on exchange of visits and a meeting of Joint Trade Committee which took place on 27-28th June. An invitation was extended to President Assad to visit India.

The visit to FRG was overdue as the last visit by an Indian PM was in 1971. Visit was also opportune because in recent years Indo-FRG relations have developed considerably. FRG is now our largest trading partner in Western Europe. In terms of new collaborations approved by Government of India it ranks only after USA. It is the biggest bilateral aid donor from amongst West European countries. FRG Government has also been indicating their interest in a high level political dialogue with India. An exceptionally warm reception was accorded to P.M.

PM visited Stuttgart, Munich and Bonn and had discussions with Chancellor Kohl, Foreign Minister Genscher, Economics Minister Dr. Bangemann, Minister for Economic Cooperation Dr. Hans Klein, Chairman of SPD Dr. Vogel and Minister-Presidents of Baden-Wuerttemberg (Mr. Spaeth) and of Bavaria (Mr. Strauss).

There were two rounds of talks with Chancellor Kohl in which bilateral and international issues were discussed. It was agreed that annual political consultations between the two Foreign Offices will be held regularly. Regular seminars to promote cooperation at the academic, industrial and scientific level between the two countries will be held. Collaboration in science and technology will be promoted by setting up a joint consultative committee to review on-

[Shri P. V. Narasimha Rao]

going cooperation and take up new proposals. There would be enhanced cultural exchanges. A Festival of India will be held in FRG in 1990 and a reverse Festival of FRG in India in 1991.

At Bonn PM addressed a special session jointly hosted by Federation of German Industries, German Association of Industry and Trade and German Foreign Policy Association. It was made clear to the German audience that while India had no intention of opening its market completely by removing all restrictions, foreign investment was welcome and would be facilitated by removing procedural delays and other difficulties which are not linked to basic policy decisions.

For the modernisation of Rourkela Steel Plant, the German Federal Government offered a DM 660 million financial package.

The visit contributed to reinforcing Indo-FRG relations in various areas.

Prime Minister's visit to New York was primarily to address the third Special Session of the UN General Assembly on Disarmament (SSOD-III). Prime Minister presented before the General Assembly his vision of a nuclear Weapon-free and non-violent world. Following the PM's statement, India tabled far-reaching proposals on a whole range of disarmament issues. The centrepiece of these proposals was a time-bound and phased programme of action for the complete elimination of nuclear weapons by the year 2010. The most essential features of the Action Plan presented by India is the binding commitment by all nations to eliminate nuclear weapons during a specified period of time. In addition, India presented papers on new technologies and qualitative arms race and a question of disposal of warheads in the nuclear missiles covered by the INF Treaty. P.M. availed of the opportunity of his halt in New York to have meetings with Presidents Najbullah of Afghanistan, President De La Madrid of Mexico and President Vassili of Cyprus, as also with Deputy Premier Co-Thach of Vietnam, United Nations Secretary General Peres de Cuellar. Prime Minister visited Hungary on 10th and 11th June at the joint invitation of President of the Hungarian

Socialist Workers' Party Mr. Janos Kadar and the newly elected General Secretary of the HSWP and Chairman of the Council of Ministers, Mr. Karoly Grosz. Previous Prime Minister level visit from India to Hungary was by Smt. Indira Gandhi in 1972. Prime Minister was given an unprecedented welcome in keeping with the very close political relations and the high level of goodwill on both sides.

The exchange of views on international and regional issues was useful. Hungary supported India's stand on Afghanistan, Sri Lanka and Kampuchea. Hungary also expressed its full agreement with the Action Plan outlined by the Prime Minister in his New York speech delivered at the Special Session on Nuclear Disarmament.

On the bilateral side, ways and means were discussed to expand commercial and economic cooperation between the two countries. The two sides decided to increase the trade turnover to US \$ 200 million by 1990. It has also been decided to hold the 8th Session of the Indo-Hungarian Joint Commission at New Delhi in October 1988. Both sides expressed great happiness at the cultural cooperation between the two countries. Hungary would actively participate in the Nehru Centenary Celebrations. During the visit an agreement between Doordarshan and Hungarian TV was signed. Prime Minister extended an invitation to Mr. Karoly Grosz to visit India which has been accepted.

Prime Minister visited Jordan from July 11-13, 1988, the first ever visit by an Indian Prime Minister to that friendly country. Prime Minister was accorded a very warm welcome and the visit received extensive media coverage. He had talks with King Hussain, Crown Prince Hassan and Prime Minister Rifai.

PM's discussions with the Jordanian leadership were held in a friendly and cordial atmosphere and were characterised by frankness and goodwill on both sides. The Jordanian side gave its assessment of the evolving situation in the Middle East and the Iran-Iraq war. Prime Minister in turn briefed the Jordanian leadership about the situation in our region and India's relations with its neighbours. The visit also provided an opportunity for an indepth review of the entire gamut of Indo-Jordanian bilateral



relations. The talk focussed on providing a further boost to bilateral exchanges, particularly in the economic, commercial and scientific fields on an institutionalised basis. The visit of an Indian Private sector team in September 1988 and of a TFAI exhibition in September 1989 were agreed upon. The possibility of Joint ventures was also explored.

Prime Minister paid a visit to Yugoslavia from July 13 to 15, 1988. The previous Prime Ministerial visit was that of Smt. Indira Gandhi in 1983. Yugoslav Government accorded great importance to this visit and invited Prime Minister to address the Yugoslav Assembly and specially called a session for this purpose. Prime Minister held talks with President Dizdarevic, Prime Minister Branko Mikulic and Party President Suvar.

The relations between the two countries have been strengthened. The visit has resulted in providing directions for more cooperation between India and Yugoslavia on bilateral and multilateral issues.

Yugoslavia extended total support to PM's Action Plan on Disarmament, it called for more vigorous pursuit of Smt. Indira Gandhi's initiative for an international conference on money and finance. On our side we lauded Yugoslavia's initiative on the Balkan Foreign Ministers' Conference and efforts to promote Mediterranean security. As two of the founder-members of the Non-aligned movement it is important for India and Yugoslavia to think of new political directions in view of the far reaching changes in the international environment and the need to maintain and enhance the effectiveness of the Non-aligned Movement in this context. Consultation and contact would be confirmed between the two countries for this purpose, as also with a view to intensifying South-South cooperation and reviewing the world economic situation in order to formulate proposals for the resolution of the existing problems, including the debt crisis.

Bilateral cooperation has been strengthened by this visit. Three Agreements/Protocols were signed during this visit. These include an agreement on Information and Broadcasting; a programme for Science and Technology Co-operation over the next

three years; and a protocol on Bilateral Co-operation in Sports. Several decisions were taken to expand trade on a balanced basis as well as to intensify economic, industrial, scientific and technical co-operation.

In Spain, Prime Minister had three rounds of talks with Prime Minister Felipe Gonzalez during which apart from the internal situation in the two countries the whole gamut of Indo-Spain bilateral relations as well as regional and international questions of interest to the two sides were discussed. In addition to exploring possibilities of strengthening political, economic and cultural relations between the two countries, an exchange of views took place on East-West relations, EEC matters, disarmament, Pakistan, Afghanistan, Sri Lanka etc.

French Prime Minister Michel Rocard who was vacationing in Spain during PM's visit expressed interest in meeting PM and a tripartite meeting of PM, Gonzales and Rocard took place on July 18 morning at which, *inter alia*, EEC and disarmament matters were discussed.

Prime Minister also addressed a group of top level Spanish industrialists and entrepreneurs with a view to encouraging greater commercial activity between the two countries.

The principal agreements/understandings that emerged from the visit are as follows :

It was decided to intensify the political dialogue between India and Spain. Spanish PM has accepted the invitation to visit India, Spanish Foreign Minister has also been invited and the visit should materialise before the end of the year. Spain is interested in maintaining a regular dialogue with India on NAM matters which we have welcomed. They reiterated their strong endorsement of the Six-Nation Initiative and promised support for our plan on disarmament.

As part of the efforts to intensify economic and commercial relations it was agreed : (i) to consider reviving the Agreement on Peaceful Uses of Atomic Energy which lapsed in 1977; (ii) to explore joint ventures/cooperation in fisheries which is an area of much promise. Spain also showed

[Shri P. V. Narasimha Rao]

interest in joint ventures in pharmaceuticals; (iii) Spain which will assume the Presidency of the EEC from January 1, 1989 indicated that it would help India to expand/safeguard its interests in the EEC and within the EEC it will help to promote the North-South dialogues; (iv) pending agreements on tourism and science and technology will be expedited (v) Spanish Government will use its influence with Iberia so that its flights to India which were suspended in February this year will be resumed; (vi) the two sides will participate in the important Trade fairs in the respective countries.

Regarding Indo-Spanish cooperation in defence related R & D, a team from Spain will come to India for further discussions. Spanish side showed interest in developing cultural relations including the promotion of Spanish language teaching in India.

PM's visit laid the foundations for deepening political, economic and commercial relations between the two countries.

Until 2/3 years ago relations between India and Turkey had been insubstantial notwithstanding the historical interaction between the two countries, the admiration of our leaders such as Gandhi and Nehru for Kamal Ataturk and the principles of secularism and democracy on which Ataturk based the Turkish Republic which we share.

However, the coming to power of Prime Minister Ozal in 1983 and Turkey's decision to explore new foreign policy options, including towards India as a leader of the non-aligned countries, created a climate favourable to improving of India-Turkey relations. Following Ozal's visit to India in April 1986 relations between India and Turkey have developed rapidly in political, economic, commercial, cultural and other fields.

The Turkish side extended unprecedented diplomatic courtesies to PM. In addition to two rounds of private talks, extensive discussions took place between the two Prime Ministers during the several engagements in which they were together. PM also called on President Evren.

The following three agreements were signed during PM's visit :

1. Maritime Agreement
2. Mutual judicial assistance in civil and commercial matters
3. Mutual judicial assistance in criminal matters.

In addition to the above, an agreement was signed between IRCON and the Turkish National Railways for a US \$ 25 million railway electrification project.

*Inter-alia*, it was agreed that : (i) a banking delegation led by the Governor of the Central Bank of Turkey will visit India in October/November; (ii) further negotiations for finalising the Avoidance of Double Taxation Agreement will be held in Delhi in December 1988; and (iii) Turkish side will send an agricultural delegation to India in early spring 1989.

In addition to bilateral matters there were extensive discussions at various levels on regional and international issues such as Afghanistan, Sri Lanka, Pakistan, Iraq-Iran war, West Asia, Turkey's relations with Greece and Bulgaria and the Cyprus dispute.

PM invited President Evren and Prime Minister Ozal to visit India. The invitations were accepted.

We welcome Turkey's bid for closer understanding with us. To begin with it is necessary to establish the required infrastructure for building up relations. While airlines and direct PTI links already exist, the signature of a maritime agreement and progress on cooperation in the banking sector will create the additional infrastructure needed. Prospects of raising the level of trade are good, but in order to avoid imbalance in our trade, it would be necessary for India to work for project experts, the beginning of which has been made with the railway project.

Just prior to PM's visit Turkey imposed restrictions on export of inverter components to Pakistan and also formally lifted the ban on the Gandhi film.

The visits have provided a fresh impetus to our growing relations with the respective countries and we look forward to a strengthening of our cooperation with them both bilaterally and in the international forums.

PROF. MADHU DANDAVATE (Rajapur) : This Statement ought to have come from the Prime Minister. In the past it was like that.

15.20 hrs.

FOOD CORPORATIONS (AMENDMENT) BILL—*Contd.*

[*English*]

MR. DEPUTY SPEAKER : The House will now take up further consideration of the Food Corporations (Amendment) Bill. Shri Ramswaroop Ram to continue his speech.

[*Translation*]

SHRI RAMSWAROOP RAM (Gaya) : Mr. Deputy Speaker, Sir, yesterday, I had said that FCI has managed to distribute foodgrains among the people with considerable caution during the drought situation. It was a natural calamity of immense magnitude for the country and the role of FCI in this situation was praiseworthy. I want to convey to the hon. Minister through you that he has brought a very good bill and it will add to his resources. You should strengthen the F.C.I. with our increased resources. However, I want that the structure of F.C.I. is reviewed. I want to submit that due to lack of coordination between the FCI and the Railways, foodgrains worth crores of rupees get rotten or are pilfered. Proper monitoring is also not done in this regard. The wheat allotted for the advisis of Bihar is not even fit for human consumption. It is alright that your resources will increase, but if the quantity of stocks which are pilfered or get destroyed, are protected, I think you will be able to develop the resources internally but this is not happening.

I want to draw your attention to the FCI godowns in my area in Gaya. You are sending wheat from here. Earlier, it was stated that a godown would be constructed after constructing a platform there within a year, but due to the negligence of the Railways, lakhs of tonnes of wheat and other kinds of foodgrains are being unloaded in the open on the new platform. It is the rainy season nowadays You should

look into it. I want that the grains are kept in the protected places. A monitoring cell should be set up by the railways to monitor whether the foodgrains carried to the distant places in remote areas by the Railways are being properly protected there ? I have nothing more to say and this bill is welcome.

In the end, I would like to say that you should build up maximum buffer stock. Last year, it was 250 lakh tonnes, but inspite of that, we had to import 10 lakh tonnes of foodgrains to meet the drought situation. This year, the situation is such that you have not been able to raise the collection of foodgrains. Government godowns have not been able to procure foodgrains because agricultural production has been low. This will have its after effects and you should get prepared for that.

With these words, I extend my whole-hearted support for the Bill.

[*English*]

SHRI B.B. RAMAIAH (Eluru) : Mr. Deputy Speaker, Sir, under Section 27 of Food Corporation of India Act, 1964 this Corporation was incorporated in 1965 primarily to protect and control speculative markets for the producers and the consumers. The purpose for which this Corporation has been set-up is to procure food stocks, storage, transport and distribution. The commodities that have been incorporated are : foodgrains, sugar and fertilisers. Through the present amendment Government wants to issue bonds. They want to raise some funds through the issue of bonds The main purpose is to mobilise resources from the public and use it as a working capital for the FCI. The purpose for which it is mainly intended is not specified. The interest rate as well as the dividend have not been specified clearly. I hope they will be able to furnish more details later on.

At the moment the FCI is operating with a paid-up capital of Rs. 837 crores and an authorised capital of Rs. 1000 crores. They want to issue bonds worth Rs. 200 crores. Government is also giving soft loan to the tune of Rs. 1200 crores. They are also giving consumer subsidy and transport concession to the tune of Rs. 2300 crores.

[Shri B. B. Ramaiah]

You have to take into consideration three factors in respect of FCI. There is lot of inefficiency. The depots are being started very late after the middlemen have already procured the foodgrains. Further they are not purchasing from the farmers direct on the plea that there is high moisture content or on some other pretext.

The purpose for which it has been started is not really served unless they avoid this procedure and try to purchase the foodstuffs directly from the producer.

The losses are increasing every year. During 1971-72, the losses were Rs. 19.71 crores and in 1986-87, these have gone up to Rs. 151.61 crores. Instead of purchasing directly from the producer, they purchase from the brokers and pay a commission.

Finally, they should improve the storage facilities and reduce the corruption in the department and at the same time, improve the efficiency.

MR DEPUTY SPEAKER : Now we take up Private Members' Business Bill for introduction. Shri Basavaraju.

15 32 hrs.

**MARRIAGES (CURTAILMENT OF  
EXPENDITURE) BILL\***

[English]

SHRI G.S. BASAVARAJU (Tumkur) : I beg to move for leave to introduce a Bill to provide for performance of marriages before religious priests and to curtail wasteful expenditure on marriages.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill to provide for performance of marriages before religious priests and to curtail wasteful expenditure on marriages."

The motion was adopted.

SHRI G.S. BASAVARAJU : I introduce the Bill.

**HIGH COURT OF ANDHRA  
PRADESH (ESTABLISHMENT  
OF A PERMANENT BENCH  
AT GUNTUR) BILL\***

[English]

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : I beg to move for leave to introduce a Bill to provide for the establishment of a permanent Bench of the High Court of Andhra Pradesh at Guntur.

MR. DEPUY SPEAKER : The question is :

"That leave be granted to introduce a Bill to provide for the establishment of a permanent Bench of the High Court of Andhra Pradesh at Guntur."

The motion was adopted.

SHRI V. SOBHANADREESWARA RAO : I introduce the Bill.

15.33 hrs.

**ALIGARH MUSLIM UNIVERSITY  
(AMENDMENT) BILL\***

(Amendment of Section 8 etc )

[English]

SHRI SYED SHAHABUDDIN (Kishanganj) . I beg to move for leave to introduce a Bill further to amend the Aligarh Muslim University Act, 1920.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Aligarh Muslim University Act, 1920."

The motion was adopted.

SHRI SYED SHAHABUDDIN : I introduce the Bill.

MR. DEPUTY SPEAKER : Now we come to Bills for consideration and passing. We take up further consideration of the motion moved by Shri Ram Nagin Mishra on the 6th May, 1988. Shri Vir Sen may speak.

RESERVATION OF POSTS IN GOVERNMENT SERVICES AND SEATS IN EDUCATIONAL INSTITUTIONS (FOR ECONOMICALLY WEAKER SECTION OF PEOPLE) BILL—*Contd.*

[*English*]

MR. DEPUTY SPEAKER : Shri Vir Sen.

[*Translation*]

SHRI VIR SEN (Khurja) : Mr. Deputy Speaker, Sir, last time while speaking on this Bill, I had referred to the circumstances due to which the provision of reservation for scheduled castes was made in the constitution. There was such a situation in this country and in the society that the people were discriminated and favoured just on the basis of their castes and creed. In such circumstances, the said provision of reservation was made to do away with the discrimination between the people on the basis of their religion, caste and creed and to save the castes, classes and sections of our people, which are still facing this victimisation. Hence, a provision in the constitution was considered necessary. A provision to this effect has been made in the Article 16 and 17 of the Constitution.

Now the question is if the situations in which this provision was made, have changed even after 40 years of the freedom or after 35-36 years since the adoption of the Constitution? whether the situations have changed to that extent that a reservation on the basis of caste or class has remained no more necessary? Whether the discrimination, untouchability and hatred usually meted out to the people of scheduled castes and untouchables at the times of freedom, has come to an end. I think, we should think over it with a cool mind. After independence the ill will against them has not diminished instead it has increased. Now the extent of discrimination against them is more than it used to be before independence. This cause is existent due to our Hindu society and jurisprudence, where on the basis of religion it has been accepted that men are not born equal and some one is born high and some low. In "Manu Smriti" there are various shlokas which are evident of grave discrimination. Today, we condemn the

apartheid policy of Africa everyday and look down upon their policies and laws. I would like to quote one example. If a girl of high caste falls in love with a scheduled caste boy, Manu has prescribed nothing less than the death punishment for the boy. But there is no punishment for a Brahmin, even though he commits the most heinous crimes and the only punishment for him is to shave off his head. There is another provision that the 'shudras' have no right on property, so if they assert their claim on property, it should not be accepted and if they have any property in their possession, its should be forcibly taken away. It is also written that one who takes away such a property forcibly, commands great respect and admiration. So this is the background of the religion which is basically based on discrimination and still there has been not the slightest change in the feelings of the people belonging to such a religion. Even today, people known as shudras and untouchables are not considered even human beings but they are treated like animals. People are not prepared to give them a status higher than an animal. I would also like to mention many other things. It is also written that untouchables should be given rotten food in broken vessels which are meant for the dogs. That is the recognition we receive from our religion and our society, and I think that Manu is still living in the memory of the people. Those very feelings still exist and come to the fore whenever a scheduled caste demands his right and favourable feelings just banish. I would like to attract your attention to the area of discrimination. First take the villages. There are still bonded labourers in the villages. The Government has enacted laws to check it but in spite of that, there is no decline in the number of the bonded labourers. If you see actually who are these bonded labourers, you will find that in fact, they all belong to scheduled castes and scheduled tribes, whom you call 'shudras'. Still such typical cases come to my notice when they were locked up in rooms, their wives and children were made captive and not allowed to go outside. If you go deep into the reasons of these incidents, you will find that their caste, their birth in a particular caste has been the root cause underlying such incidents.

**SHRI RAJ MANGAL PANDE (Deoria):** When our Shri Vir Sen is saying all these things here, I would like to request him to convert him into a brahmin and let me change over to his community so that I may also avail and enjoy all those privileges which are at present being enjoyed by him.

**SHRI VIR SEN :** First, I would like to ask Shri Pandé about the law quoted from the Manu Smriti which may permit him to convert into shudra, a scheduled caste and me into a brahmin. "Manu-smriti" is here before you. You please quote even a single law from this book which permits such a conversion.

**SHRI RAJ MANGAL PANDE :** You may or may not be prepared for such a conversion. But as regards myself, I am fully prepared for that.

**SHRI VIR SEN :** Now when you have interrupted me. I would like to tell you a story about a person named Kalachandra Rai. Perhaps, you might not have heard of it. He was a Hindu Brahmin. When the daughter of the Nawab of that State proposed to marry him, the Nawab agreed to it, but all over India, not a single brahmin gave his permission for this marriage and the result was that, he had to convert into a muslim and after his conversion he destroyed many temples. In your religion, there is no scope for conversion. Moreover, if somebody seeks the Union of a cross breed, he also becomes an outcaste and degraded. As per the scriptures written by 'Maitreyi' etc. such a mother or father is not given an equal status in the society, Whether you are to prepared to give them an equal status? Today also, the traits of the time are the same and still, we find the instances of intouchability and discrimination. You convert me into a brahmin, I would like to tell you that my brother-in-law was the first sanskrit shastri of India. He was adopted by the Aryasamajis and they converted him into a brahmin and a certificate to that effect was also given to him. But now, whenever he goes to attend a meeting, they say that they have converted him into a Brahmin. That trail has not yet ended. In spite of that you ask me to get you converted into a scheduled caste. We live a more clean and hygienic life than that of the Brahmins like

you. Whether you are prepared to give everyone of your religion an equal status? Then why do you talk such things.

I was saying that there are still such situations prevalent in our society, in which there are bonded labour and the people of low castes are not allowed to draw water from wells. What is the basis of all this discrimination against them? Is it their poverty or caste or their birth in a particular community that such a treatment is metted out to them. You may see that none of them belonging to these castes has his own land or his own house. Even if they are allotted land anywhere, persons of other communities forcibly grab their land and their houses. Their houses are set ablaze and they are turned out of their houses. That is the position in the villages. On the other hand, I would like to present the picture of police in cities. If someone happens to go to the police station to lodge an F.I.R. about an atrocity committed on him, he is either beaten up and shunted out by the police or, on the contrary, he is locked up there. Whether such a treatment is metted out to them for their wealth or poverty or because of their caste and birth in a particular community. As regards, the atrocities being committed on the people of these communities, we daily read about them in the newspapers. Setting their houses on fire has become a routine affair. Even after forty years of independence, even today if a person of low caste rides a horse, it is a must that he is beaten up and made to get down. You might have read a news item about an incident in South, which mentioned that a man was tied to a tree and forced to eat human excreta and drink urine because he had asked for his wages. Have you ever gone deep into the reasons of such a behaviour with them?

So I want to submit it again and you may see it with a cool mind that even today the situations which had necessitated the provision of reservation and other safeguards in the constitution, are still prevailing in the society.

As regards planning, the scheme meant for scheduled castes, are separated from the general schemes. It has been mentioned in your publication "Community inequality" that Government Officers try their best to

treat the grants for scheduled caste an amount separate from other grants. If a low caste person or a harijan demands something from the general quota, he is told that he already has a separate quota and he had nothing to do with the general quota. For instance, under a scheme, an amount of Rs. 2 lakhs has been allocated for scheduled caste and Rs. 2 thousand crore is sanctioned for the general category. It will be a better preposition if a share of about Rs. 47 crores is also given to the scheduled caste from the amount allocated for the general category. But they will not provide it. Such is the treatment being metted out to the people of scheduled castes today.

Such is the position in regard to the bank loans, that a big amount of loan is never sanctioned to the people of these communities. Big loans are given away only to the multimillionaires. In case a scheduled caste gets loan to buy a cow, a buffalo or a bullockcart, half of the amount is pocketed by the bank employees. Even if a buffalo is purchased and it doesn't give milk, the instalments of the loan cannot be paid. So as a result of this vicious circle, his house is attached and he is also served with notices by the bank for which he has to go to the lawyers for seeking their advice. On every notice, the lawyer raises his fees by Rs. 50. If he goes to the tehsil, then the amount is further raised by 10 per cent. This is the result of your planning and you are implementing this scheme to raise the poor above the poverty line.

As regards, the admission in the schools and colleges recently a great hue and cry was raised in Delhi but the people of scheduled castes have been refused admissions in the colleges against their reserved quota. I would like to give my own, personal instance that my daughter passed the intermediate examination in first division with 89 percent marks but she had to stray for fifteen days to get admission to a college. No doubt, you have given it in writing that the students would be given admissions on merit basis only.

If selection is to be made on the basis of merit, only those who are born with a silver spoon in their mouth and are capable to engage private tuition at their homes will

alone be selected. But this thing cannot be expected from a poor boy who has to read under the lamp-post, who has no food to eat, no cloth to wear and no house to live in that he will figure in the merit list and secure 80 to 90 per cent marks. Now-a-days copying in the examinations has become the order of the day. The teachers are themselves helping in mass copying. They take even money for that and only those students who indulge in mass copying secure 80 to 90 per cent marks. Those students who have no money to grease the palm, who cannot indulge in mass copying and pass the examinations on their own merit cannot secure such a high marks.

[English]

MR. DEPUTY SPEAKER : Please conclude.

[Translation]

SHRI VIR SEN : I beg your pardon. Kindly do not ring the bell. It is a very important issue and I have to say a lot on this subject. The august House is also in favour of extending the discussion on the subject to the extent possible. I was going to submit that the present practice of giving admission in schools and colleges on the basis of merit and limiting the number of seats in classes is tantamount to closing the doors of higher education for the poor students. Poor students cannot receive higher education under this system. Thus the measure adopted by you to improve the lot of the poors is itself a great impediment in their way and it discriminates the poors. Now let us take the case of markings. The Scheduled Castes have been assigned the category of 08 and that of the Scheduled Tribes 07. With the marking of category on the answer books, the examiner comes to know as to the category to which the candidate belongs. Earlier, seats were filled up on merit basis. Now, after this categorisation seats are lying vacant. The seats are lying vacant due to the fact that marking is not done honestly. The moment the examiner comes to know that the candidates belong to Scheduled Castes, he fail them in the examination. It is my personal knowledge that the professors of medical colleges are so dishonest that they fail the candidates belonging to Scheduled Castes. The fail them continuously for 7 years in the same

[Shri Vir Sen]

paper. Even students with lesser intellect will acquire mastery over a subject if they continue to study a particular subject for 7 years. But these students are failed deliberately, lest they should get through. The professors do not want that these students should become doctors. My nephew was detained for 4 years. I would like to know whether this sort of discrimination is being made on the caste basis or on the basis of poverty. These things happen in education. Now I will come to Government jobs.

At the time of awarding marks, they are being put in lower grades. Many students from the I.I.T. who were selected on the basis of competitive test came to me and told that they had been expelled from I.I.T., Kanpur. Very recently, I received a report that the students who were given lower grades for securing low marks in their first year examination have been driven out of the I.I.T. Their belongings have been thrown out. Why such things are being done? Was it done on the basis of poverty or on caste basis?

What happens in services. If at the time of recruitment caste is revealed, the person concerned will have to face the worst consequences and will not get employment. Last time also I have mentioned that there is no reservation for medical officers in the Defence Services. I know a case of a doctor who was selected by the Public Service Commission for the Defence Services. When he went to the Defence Department and filled up the requisite forms, he wrote on the forms that he belonged to Scheduled Castes. He was not given employment on that ground. In another case, a candidate wrote 'No' against the column meant for Scheduled Castes thinking that there being no reservation there is no harm if the caste is not mentioned. Later on he was removed from service when the department people came to know that he belonged to Scheduled Castes. There was no charge against him and there was no fault on his part. But he was removed. Now he is moving from pillar to post, but nobody listens to his woes. Where will he go? Those people who are supposed to take a decision in his case are also prejudiced and are not free from feeling of hatred and discrimination against his caste. Now, where to make appeal? Nobody is inclined

to hear arguments in his favour. Who will plead his case? This is the position.

Now let us take the case of promotions. There are a number of complaints in this regard. Do you have any reply to this? I shall take up this point later. Various tactics are being adopted to withhold the promotions of employees belonging to these categories. Their character rolls are spoiled on frivolous grounds. Some officers even write 'Not fit for promotion', putting them in a position from which they have no escape.

Very recently, I came to know a case in which a doctor was awarded excellent entry in his character roll by an officer. Thereafter another officer came who was more biased. As he was not there during the period for which the concerned officer earned excellent entry, he stipulated that in order to earn an excellent entry in the C.R., an officer should possess 20 qualities. These qualities were such that perhaps he himself did not possess. The concerned officer was informed that his excellent entry in the C.R. was scrapped as he does not possess the 20 qualities as stipulated by him for earning an excellent entry. Ultimately he was removed from service.

What I mean to say that it was not his poverty but his birth in an untouchable caste that cost his job. Now a days people do not take it easy if a person belonging to scheduled castes is appointed to high posts. He is posted at inconvenient places where he has to face a lot of odds, as a result of which he is forced to leave. He is assigned insignificant duties. This is how they are being punished. Lord Manu has devised the methods how to punish them. If two persons are found guilty of a charge the person belonging to Scheduled Castes will be removed from service and the other person will be let off after a warning. We come across this type of cases daily.

Mr. Deputy Speaker, Sir, I will take some more time for which I beg your pardon, because I have to say on a number of points. In fact, the entire House is prepared to listen to me. You can also ask the hon. Members about it. I will conclude my speech only after I have said everything I wanted to say.



[English]

MR. DEPUTY SPEAKER : You have taken half an hour. .

[Translation]

SHRI VIR SEN : It is wrong. I am speaking on a very important subject. I, therefore, request you to give some more time to express my views..

[English]

MR DEPUTY SPEAKER : There are other people. Please wind up. You cannot dictate to me.

SHRI VIR SEN : I will speak about the points being raised.

MR. DEPUTY SPEAKER : It is not to be done at your discretion. Otherwise how can other Bills will be taken up.

[Translation]

SHRI VIR SEN : Now the question is as to who oppose it ? It is a matter to be thought of. It is being opposed by those people who are afraid of the number of reserved posts to be filled up by the candidates belonging to SC/ST in accordance with the reservation policy. Now they can not come under it. In this connection I would like to emphasise that we are not going to encroach on anybody's area. We want to confine ourselves to the rights guaranteed by the constitution. We do not want 50 per cent reservation when our population is only 18 per cent. You should remain happy within the 85 per cent of your domain. I fail to understand as to why you people are objecting to it ? It was revealed by a survey that 98 per cent young officers of the I.A.S. are opposed to it. Now I read out some extracts from which you will come to know who they are :

[English]

“One recent study reports that ‘the so-called middle range backward castes offer a stiffer resistance to the rising status of Harijans than the very highest castes’.....

[Translation]

Thereafter after 1 to 2 lines they say :

[English]

“The survey data concur that educated and urban people are personally more accepting of mobile untouchables and more opposed in theory to the continuance of the caste system. But even though less advanced segments of the population may have more to fear from the direct competition of Scheduled Castes, it is the higher castes, the educated, and the urban who seem most opposed to the preferential treatment.”

[Translation]

Now you know very well that it is they who are of the view that people belonging to these categories have no right to rise to high positions.

One more thing is being said that reservation policy gives rise to casteism permanently That is why it should be scrapped. I feel that there is no scope to say anything more in this regard. Casteism is flourishing even otherwise also. If the Government wishes to do away with casteism, it should encourage inter-caste marriage. Casteism is not going to be rooted out with mere scrapping up of reservation. Apart from this, some others are of the view that.

[English]

...reservation on the basis of caste has affected the morals, the administration and the society adversely.

[Translation]

16.00 hrs.

During these 40 years, only 3 to 4 per cent officers of the I.A.S. have come from Scheduled Castes and Scheduled Tribes. It is not correct to say that the administration has become corrupt and inefficient due to these 3 to 4 per cent officers. What about the remaining 96 per cent officers. You may make self retrospection and enquire as to who is responsible for the inefficiency in administration. You think that the inefficiency in administration has cropped up due to these 3 to 4 per cent officers and recommend these people should not be given entry into this service. There are yet another group of the people who argue that these people are genetically inferior and born dull. In this connection, I would like to assert that nobody is bestowed with high

[Shri Vir Sen]

or low degree of intellect by virtue of his birth. The people who think so are prejudiced and their thinking is absolutely wrong that these people are born dull. People come in merits in the competitive tests held by Public Service Commissions, I may cite the instance of Dr. Ambedaker. Could anybody say that he was also born with less intelligence. Those who argue in favour of the theory 'born dull' are wicked persons and wrong doers.

Beneficiaries are also being demoralised. They are suffering losses for this. What a great sympathiser you are! You want that all the doors for their entry into services should be closed. Only then they will be benefited. In this connection I would like to say that we can take our own decisions as to what is right and what is wrong for us. There is no need for us to seek the opinion of vested interests. There is no need for them to take decisions. The practice of reservation did a lot of good to the Harijans and gave them honour. It provided them some rights and instilled self-confidence in them. They have been able to break some age old fetters. If reservation is stopped, they will not come in the service in the required number. There will be no way out for them because people making selections are not honest. If the selection is made honestly from the very beginning, there would be no complaint at the time of promotion. Everybody would be getting his due seniority. When selection is not at all made, where the question of seniority does arise. Hence people, who are objecting to provide reservation at the time of promotion, should make a self-retrospection and realise the fact that their continuing as super class officers is only due to the people belonging to these categories. Since the hon. Members are objecting to my long speech, therefore, I just want to submit that the environment prevailing in the Services is extremely hostile. The people in the Services become targets of sarcasm and harassment; for instance, they are suspended on petty charges, abused and at times cases in which a better placed person was asked to sweep the room have also come to me. Therefore, there is a need to change such an atmosphere and the idea of scrapping reservations on the basis of castes should be dropped. The day on which you

yourself whole-heartedly give an equal status to Scheduled Caste people and do not discriminate them, there will be no need left for us to make any reservations for them. But first you should yourself get ready for this. You have given only 3.4 per cent reservation in the I.A.S. during the past 40 years. Out of 15 per cent, you have not even provided 12 per cent reservation. Nor are you prepared to provide it, while in qualifications and ability no one is inferior to anybody. Viewing these things I can say that the Bill which has been brought forward is an indicator of feudal mentality and illustrates that some such plan should be brought so that the 'Snudra' community people of Scheduled Caste may not be able to join the services. That is why it has been stated that the family whose monthly income is above Rs. 500 should not be allowed to avail of the facilities. Now you should yourself understand that Rs. 500 is earned by a daily wager who gets work for only 100-200 days in a year. This scheme stops the child of even a peon from joining the services. On the top of it, it is said that elite people have been emerged in Scheduled Tribe also. So who are these elite? What per cent of the country's population will these 3.4 per cent people in the Services constitute? It is alleged that since they have all grown elite and are on high posts, therefore because of their presence the whole community should be condemned and brought to an end. In such a situation, those who have been educated, who possess some facilities, and can get through in the competitions by studying, will be stopped due to this restriction. On the other hand, those who are poor will not even study because they lack the basic capacity and will therefore never enter this field. Therefore its mentality is that they should be deprived of all the facilities. What is feudal mentality? It believes that we have the right to vote and they should vote for us. If they do not do so, they should be punished. If the other communities do not vote, they are appeased and if our community wants to cast votes freely, then steps are taken to force us to vote for them by beating us and stopping all the facilities. I feel that such a mentality should be dropped. The mentality with which this Bill has been brought forward is extremely suicidal. It is going to arouse ill-will in our whole nation. They feel that by scrapping reservation they

will be able to please the Scheduled Caste people. But that is not so—it will create permanent separatism in them and even your hope that they will give their views under pressure, will hold no good.

In the end I would like to quote an extract from Dr. Ambedkar's speech. Please listen to it carefully.

[*English*]

“These down-trodden classes are tired of being governed. They are impatient to govern themselves. This urge for self-realization of the down-trodden classes must not be allowed to devolve into a class struggle or class war. It would lead to a division of the House. That would indeed be a day of disaster. For, as has been well said by Abraham Lincoln, a House divided against itself cannot stand very long. Therefore, the sooner room is made for the realization of their aspiration, the better for the future, the better for the country, the better for the maintenance of its independence and better-continuance of democratic structure. This can only be done by the establishment of equality and fraternity in all spheres of life.”

[*Translation*]

I feel that the people must understand this warning. They should take a lesson and stop speaking against the people of Scheduled Castes, or else misbehaving and thinking against them. They should take a lesson from the foreign nations, from G.N.L.F., from Punjab, and from the Tamils of Sri Lanka—wherever injustice is made, and rights are suppressed, a revolt is arisen. If you want to be spared from such a revolt and preserve the nation's unity, you must leave discrimination. The country will unite into one nation only when you leave discrimination. So long as our country is tied up by casteism, it will remain divided and cannot become one nation. Therefore, those who sympathise with this nation and want that it should become one nation, must stop misbehaving the Scheduled Caste people.

With these words I conclude

[*English*]

SHRI K. RAMACHANDRA REDDY  
(Hindupur) : Mr. Deputy-Speaker, the

Mover of this Bill has come forward with an idea which has been agitating the minds of the people for a very long time. While the Constitution was framed, it was felt at that time that certain reservations should be made for certain castes and certain tribes. Because, at that time the situation was so bad that those tribes and castes were completely down-trodden, economically weak, and socially they were on a very low level. They have not been treated on par with the other communities.

16.10 hrs.

[SHRI SOMNATH RATH *in the Chair*]

So, at that time, the Constitution makers, thought that some reservations have to be made so that these Scheduled Caste and Scheduled tribe communities could be brought to the level of the other castes. They took two factors into consideration at that time. One is the economic consideration and the other is the social status. Based on these two aspects, reservations have been made for ten years. After ten years, it was felt that it was not sufficient and these castes have not been developed completely. So, the reservation has been extended three times. In spite of these reservations, how far these castes have been improved? It is a question which has to be gone into at this stage. Then, we have to see whether the socio-economic status that was in vogue at the time of framing of the Constitution remains the same or are there any changes now? After forty years, you could see, the social stigma is not as virulent as it was in 40s or 50s. In those days, probably the untouchability has been practised at a very high level. It has been reduced considerably. In order to improve their economic condition, the reservations have been brought in. Now, we have to consider, whether we have to continue the reservation or put an end to it. Suppose we continue it, we have to see, whether there is any possibility for these communities to come up to the level of other communities.

As a result of these reservations, a lot of heart burning is there in other communities.

As far as the social status is concerned, the gap has been narrowed down considerably. Probably, the social status may not be considered.

[Shri K. Ramachandra Reddy]

As far as the caste is concerned, in the case of educated people, it has been narrowed down. Previously, the caste was the basis of the social standard and social mingling—inter-caste marriage. Now the caste has been given way to status. To whatever status a man belongs to; he would like his daughter married in a family who has got the same status. He does not bother much about the caste or religion. So, the caste is slowly disappearing and the status has occupied that place. This is as far as the educated families are concerned.

As far as rural communities are concerned, the caste system is still prevalent. Even now, they are not able to adjust themselves fully to the changed environments. Now, under the circumstances, the mover of the resolution has come forward with this Bill. As far as Clause 3 is concerned, the mover of the resolution has said :

“fifty per cent of the posts in Government services have to be reserved to the candidates belonging to economically weaker sections of the people.”

Every well meaning person has to think about this. I congratulate the mover of this Bill because he was able to attract the attention of the Government and some well-thinking people to this aspect. As I said already, there is a lot of heart-burning in other communities. For example, a boy belonging to a forward community gets ninety per cent marks and a boy belonging to Scheduled Caste or Scheduled tribe gets forty per cent. In respect of getting a seat in Medical College or Engineering College, the boy who belongs to SC or ST and got forty per cent marks is given preference to the boy who got ninety per cent. In regard to jobs also, the preference is given to Scheduled Caste or Scheduled Tribe people. Because of such preference, there is a lot of heart-burning in upper communities. It is not as if the upper community people are all rich and the lower community people are all poor. If you take that view, it is incorrect. In the upper community, there are people who are very very poor, who are not able to make both ends meet. Those people are there. Among those people for whom reservations have been made, what is the percentage of people who have taken advantage of that? It is 1 or

2 per cent. If a survey is conducted, you will find that only 1 or 2 per cent of SC/ST man have got employment. I would like to advocate a different standard for consideration as far as jobs and seats in the colleges and schools are concerned. As far as all these jobs are concerned, most of these jobs have been cornered by those people who are near to the political leaders or those people who are near to high-ups or those people whose mother or father is in Government service. If you make a survey, you will find that 70 to 80 per cent of these jobs have been cornered by such people. As far as the rest of the population is concerned, they are suffering. I will put it this way. If an SC or ST comes up in the service, he is interested in his own children. He is not interested in his own caste. An SC or ST officer is interested in his own sons and daughters, in their betterment. He does not take the interest of the community as a whole. I would like to know how many officers, who are occupying high office have made any sincere effort to improve the lot of their own caste. When they themselves do not care for their own caste, how do you expect other caste persons to help them? This is one aspect.

As far as other aspect is concerned, rural people are there. In rural areas, highly educated people are also there. Because of the environmental circumstances, rural people are not able to compete with the urban people because their upbringing is different. When the rural people come to the cities for jobs, they are not able to compete with the urban people because the parents of the urban people are educated, some of their relations are in jobs, either their father or mother is in job and they are able to afford good education for them. So they answer very well when examinations are there or interviews are there. But the rural people are not able to come upto that level. That is why, when the competition is unequal, when the rural people are not in a position to face the competition, all the jobs are cornered by the urban people only. The job position in rural India is very very bad. If you take the statistics 70 to 80 per cent of the urban people and 10 to 20 per cent of the rural people get the jobs. 70 to 80 per cent of the rural people are suffering because of the unethical

competition. I want to urge upon the Government to come forward with a legislation that reservation should be based on population basis. Now rural population is 75 per cent and 25 per cent is urban population. You make reservations on that basis that 25 per cent of the jobs will go to urban areas and 75 per cent of the jobs will go to rural areas. There should be no competition between the urban and the rural people. It should be seen as to what sort of competition should be there so that seventy five per cent of the jobs go to the rural people.

Supposing a Scheduled Caste or a Scheduled Tribe man is a big officer and he has got two or three children, he will be able to give them better education, he will be able to provide them all the amenities that the modern Indian citizens can be given. You take the case of the Scheduled Castes and Scheduled Tribes residing in villages. Their children and the children of those whose standard is very low, will not be able to compete in equal circumstances. So, what I say is when an officer comes to a certain stage, the Government should see that that man is removed from the reservation list. I am not saying that his reservation should be removed but what I am saying is that he must be removed from the reservation list and the job should be given some other person, either Scheduled Caste or Scheduled Tribe. Only then the job potential as far as these people are concerned, can be increased. So, whenever the standard of a man is improved, he must be removed from the reservation list. A legislation has to be brought to that extent. You remove that man from the list and substitute him by some other Scheduled Caste or Scheduled Tribe person in the village. This will give opportunity to other Scheduled Castes and Scheduled Tribes people in the villages. So, I request the Government to give deep consideration to this aspect and make reservations not on the basis of caste or creed or such other basis, but it must be on the basis of rural versus urban population.

I congratulate the mover of this Bill because he has been able to bring some ideas to the notice of this country. The thinkers of this country must think very well. We have to improve the standard of the rural India, we have to bring up the

standard of the rural India, to the standard of the urban India. The two Indias are now completely different. Therefore, I say that when a rural man occupies a very high position and if his sons and daughters are also there, then that man must be removed from the rural list and the opportunity should be given to some other rural person. Then only we can improve their standard. We have to remove the caste considerations and improve the standard of the people in the rural areas so that they are able to come up to a standard where they are able to compete with the urban people. So, I request the Government to consider that reservations, whether in schools or in jobs or in other areas, should be based on the percentage of the people that reside in the rural areas and in urban areas so that the gap between the rural people and the urban people can be removed.

MR. CHAIRMAN : The time allotted to this Bill is almost over. Now what would you like to do ?

AN HON. MEMBER : This is a very important Bill, Sir. Let the time be extended.

MR. CHAIRMAN : By how many hours ?

SOME HON. MEMBERS : By two hours.

SOME HON. MEMBERS : By three hours.

SHRI BHADRESWAR TANTI (Kaliabor) : This is a very important Bill, Sir.

MR. CHAIRMAN : For the present, let us extend the time by two hours and then later on we will see. So, if the House agrees, we will extend the time by two more hours for the present.

SOME HON. MEMBERS : Yes, Sir.

MR. CHAIRMAN : Now, Shri C.S. Tripathi.

[*Tan latior.*]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad) : Hon. Mr. Chairman, Sir, the Bill brought forward by Shri Ram Nagina Mishra has certainly become a controversial Bill. I have heard the views of

[Dr. Chandra Shekhar Tripathi]

the hon. Members. Some of them have severely criticised it while the others have supported it. But it cannot be denied that in this vast nation where one community was downtrodden, untouchable poor and suppressed, the provision of reservation facility made by our forefathers and constitution makers was extremely essential and worth appreciation too. After 40 years of independence a lot of changes were observed in the condition of the poor and the suppressed people for whom this scheme was introduced. The deserving people have certainly not got their right share. If this problem is viewed today, it will be found that about one-two lakh such affluent families have developed in the Scheduled Castes and Scheduled Tribes, who are accumulating all the facilities. Sir, today our leaders will have to think on this subject. It is true that out of the poor, neglected and suppressed people for whose welfare this provision was made to improve their standard of living, 9-10 crores people are still living below poverty line, but on the other hand, nearly 4 lakh families out of those very sections have become millionaires and billionaires. Today all their near relations are getting all the facilities and those people are also getting the top ranks jobs. Therefore, the time has now arrived when the whole country will have to consider about this problem that the 2-4 lakh families of Scheduled Caste and Scheduled Tribe who have reached at par with the affluent society should be taken out of the list of Scheduled Castes and Scheduled Tribes. Today it has become essential to fix a limit. We will certainly have to fix some such level that anyone who reaches that level should be deprived of the facilities (*Interruptions*). No one should be permitted to rob the wealth of the nation freely (*Interruptions*)

[English]

MR. CHAIRMAN : Nothing will go on record.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI : Today if some person has become an I.A.S. or another person has got a high rank somewhere, then it is not on the basis of caste or reservation but on the basis of his own capability and ability that he has

got it, whereas you get all the facilities on the basis of caste. Therefore, those who attain a high status should not at all get reservation on the basis of caste. If such thing persists, what will happen to those 10 crore poor people for whose upliftment the whole nation and society is worried. Any provision should be such that 90 per cent of the people should get the benefit of it and not just 10 per cent. If there is any such law, system or machinery which does not bring benefit to the masses, it needs to be improved. Therefore, I would humbly submit to Shri Vir Sen that I myself seen and experienced that not even 2 percent of the petrol pumps, diesel pumps or gas agencies allotted to the Scheduled Castes and Scheduled Tribes are made available to them. All these are run by the high strata, rich people under 'benami' names. The Government will have to consider this problem very seriously. We have not made laws and reservations to enable other influential people to take benefits and deprive those whose standard of living we want to improve. We have formulated reservation policy for the benefit of the poor and our Government, our leaders and masses are worried about their welfare. They must get the benefit. If they do not get any benefit then that system will have to be changed without any hesitation.

It is not an issue towards which Shri Vir Sen has invited our attention. Today it is immaterial as to what extent people of any particular community achieved a high rank. No one can stop appointments to high ranks, neither can there be any ban on it but we should not forget that the fact that our Government had made those provisions and reservations only for the upliftment of the poor. We will have to think that those people in the Scheduled Castes/Tribes, whose standard of living has risen quite high, and who have become quite affluent, should no more get benefits on the basis of caste. The poor of that very caste who are still living in villages in crores, are prey to starvation and poorly clad or whose children can not get education due to poverty, must get those facilities. No one can say that the poor and the neglected should be deprived of assistance; it should certainly be given but that assistance should reach him. On the name of reservation some people want to snatch those facilities

by making fake certificates as is read in the newspapers everyday—that whenever there is a distribution of land, flats etc., a newly developed racket of people snatch the right of the needy by getting fake certificates of Scheduled Castes/Tribes. We, the Government and the society, will have to think in this direction seriously.

Mr. Chairman, Sir, if poverty is recognised as the basis for reservation, then no one should have any grudge. Today, it is a well-known fact that out of 100 families of Scheduled Caste and Scheduled Tribe, 90 families are still below poverty line while the condition, of remaining 10 families has improved a great deal. In other castes there can be 3 to 5 per cent poor people. Therefore when the economic base is taken as criteria for development, and attempts are made to improve their standard, then under no circumstances or way will there be a suppression of the rights of the Scheduled Castes and Scheduled Tribes, nor can there arise any reduction in the privileges and facilities. God knows why, in the grip of intense emotion, without broadening their outlook, people indulge in mutual feuds and the people with vested interest trap the society in struggle. If the reservation is given on the basis of economic condition, then the community which has the maximum number of poor, will get the maximum facilities and seats and *vice versa*. This will be a step towards the unity and strengthening of the country. Therefore, it should be taken very seriously.

Sir, I will not hesitate to state that at different times, the selfish elements and people with vested interests have tried to play with the unity of this country. I would like to state that in this very country and state, the copies of Ramayana were burnt many a times, and its pages were also torn. But, Sir, I would like to invite your attention to Ramayana for two minutes. I have studied Ramayana and have seen that the shining example of classless society which is found in Ramayana which is seen nowhere else, ever since the creation of earth. I quote a couplet by Goswami Tulsidas—“Bair na kar kahu san koi Ram pratap vishamta khoi”. There was no disparity among the people in that society. In that society, all were equal and there was no discrimination on the basis of big or small, rich or poor and caste or creed. Goswami Tulsidas has

written, “Daihik Daiwik bhoutik tapa, Ram raj kaahu nahin vyapa”. He has further stated that no one had any affliction and that the society was free from discrimination. That was the classless society. Sir, apart from this, he has written a lot.....

SHRI R.P. SUMAN : Also mention about his couplet “Shudra, ganwar, dhol, pachhu naari.....

DR. CHANDRA SHEKHAR TRIPATHI : Sir, a question about running “Eye Relief Camps” was raised last year by some hon. Members in this very House. It was stated that the people lost their eye-sight due to the operations done by the doctors of these ‘Eye Relief Camps’ Sir, while replying to this question, Shri Narasimha Rao had told the House that out of 500 operations, there was a possibility of failure in 5 cases or five persons might lose their eye-sight. The loss of eye sight in respect of these five persons becomes a news for the journalists and hon. Members of this August House, and questions are raised about this, while no one even mentions about the fact that 495 blind persons have regained their lost eye-sight. This is the misfortune of the country that all our activities are motivated by the negative aspects. Instead of looking towards 90 percent good works, we generally focus our attention on one or two bad deeds. Our hon. colleague has indicated towards a particular line. But I want to draw your attention towards several lines :

“Harsit rahen nagar ke loga,  
Karhin sakal sur durlabh bhoga”.

I was drawing your attention towards these lines because there has been no provision for discrimination among the people in that society. On the contrary, a special attention had been given to the upliftment of poor and backward people and that is why every body was happy in the Ram Rajya.

Vyasji has written 18 Puranas. In one of the Puranas, he has written—

“Asdash Puraneshu Vyasasya vachan  
dwayam,

Paropvyashya punyay papay par  
peednam”

“Parhit saris dharam nahin bhai,  
Parpeeda sam nahin adhmaai”.

[Dr. Chandra Shekhar Tripathi]

All the scholars, thinkers and the social workers have said in one voice that there is no greater sacred deed than benevolence and there is no greater sin than oppressing others. Therefore, there is no use making a mountain out of a mole hill. No country can progress and no society can prosper by promoting class struggle and by spreading feelings of communal hatred in the society. Adequate help should be provided to the poor and that is what the Government is doing in the welfare concept. This is the duty of the whole society to accommodate the backward, the poor and unrepresented people but in this process the society should not allow accumulation of wealth in a particular pocket, and if it allows it, then the sufferer will be that very society or class for which this law has been enacted. The Government will have to fix a ceiling on income so that the poor people may get more opportunities of progress and better representation in the society. The Government will have to fix such ceiling either today or tomorrow or after 20 years. If the ceiling on income is not fixed, then a particular section, affluent section will go on developing and a poor family will continue to remain where it was. Therefore, all of us will have to seriously think how the poor who actually deserve the benefits of reservation can get them. We shall have to do something to carry them forward.

In his speech, Shri Mishra has advocated the case of reservation of posts in the semi-Government institutions, educational institutions, sugar factories and textile mills. No doubt, it is good but the intention behind reservation should be that the Government's aid, amenities and all facilities should also be provided to those poor people who are not in a position to compete in open competition due to their poor economic condition. In spite of this, if some body is not able to compete in the competition and the Government goes on providing this facility in the name of any particular section, then the condition will certainly deteriorate. I would like to urge Shri Vir Sen that none should have the complaint that he would have progressed, had those facilities been provided to him; but due to his poor economic condition, he could not do so. All facilities should be provided to the poor; but at the same time the capabi-

lity, the competence and the merits of the candidates should not be ignored. The ignorance of the capability, competence and the merits is creating disparity in the society. Very learned persons generally raise issues from the platforms of big public meetings regarding the interests of any particular section of the society. They say that there is no M.P., Minister or Governor from a particular castes, Sindhi for instance. There are thousands of castes in India. How will it be possible to have the representatives of all these castes? Therefore, the system of reservation based upon casteism should come to an end. The provision of reservation was made for the backward people. It was correct to do so and we appreciate it whole-heartedly. It is the responsibility of the Government to ensure that the benefits of reservation reach the depressed, down-trodden, proletariat and exploited people of the society. This is the responsibility of the whole country to see whether the benefits of reservations are reaching the deserving people or are being manipulated for the interests of others. In the name of Harijans, persons belonging to other castes are deriving its benefits. The benefits of reservation will not reach the deserving persons merely by making the provision of reservation in the statute book. The Government will have to do something concrete in this regard so that its benefits may reach the deserving people.

I would like to say that the Bill moved by Shri Mishra can neither be termed as condemnable nor commendable. But at the same time, his suggestion that economic condition should be the basis for reservation cannot be ignored. Today, crores of people belonging to different communities are living below the poverty line. They have neither employment nor any source of livelihood and are on the verge of starvation. Nobody bothers about them. Under these circumstances, it becomes the duty of the Government to safeguard the interests of the poor people belonging to upper castes for whom there is no provision of reservation lest they should die while begging or commit suicides. No civilized society should tolerate the deaths of its people due to starvation. I would like to say that while the provision of reservation made for scheduled castes and scheduled tribes was justified and was a must and our leaders had taken this step in



accordance with the demand of the time and the society, but if in this changing society, changing time and because of increasing population, any Indian citizen belonging to any caste dies due to starvation or remains unemployed and poor, it becomes the duty of the country and the Government to look after his interests by making provision for reservation and by providing him all other facilities. I would like to request you once again that it will do no harm to the interests of scheduled castes and scheduled tribes if economic condition is taken as the basis for reservation. Under this provision also, 90-95 per cent people belonging to S.C. and S.T. communities will continue to be benefited and only 2-3 per cent persons belonging to other communities will get the benefits. The Government will have to pay special attention to ensure that some families which are availing of these facilities today do not go on availing these facilities indefinitely.

Shri Reddy has raised the issue of discrimination of villages as against the cities. This is a very serious issue and needs to be given consideration. The children educated in villages do not find themselves in a position to compete with the children educated in cities whether it is the competition for admission in Engineering College, Medical College or the competition in Indian Civil Service. As a result, 80 per cent population of villages do not get those facilities which are available to 20 per cent urban population. The Government will have to pay attention towards this also. If we want to remove disparities, regional imbalance and want to eradicate poverty, we shall have to give more importance to this by adopting a social viewpoint. In spite of the provision of reservation for Scheduled Castes and Scheduled Tribes and the continuous vigilance of the Government, 80 per cent people of villages do not find themselves in a position to avail of the benefits of reservation, while the urban people go on availing these facilities. I, therefore would like to urge the Government to ensure that benefits of reservation reach the rural people so that the neglected, poor and exploited rural people, could march towards progress and the intention of our constitution makers could be fulfilled.

**SHRI K.D. SULTANPURI (Simla) :**  
Mr. Chairman, Sir, I am thankful to you for giving me time to speak. In my view, the Bill moved by Shri Ram Nagina Mishra is very appropriate. Nearly 50 per cent population is economically backward and it will not make much of a difference if the facility of reservation is provided to all of them.

The people belonging to scheduled castes and scheduled tribes are not getting full benefits of the posts reserved for them under the Constitution. Whether it is any Public Undertaking or a Government office, you will never find the Roaster register completely filled. Many such cases are pending before the High Court and Supreme Court. But no decision has so far been taken on it. These matters are kept pending. Here I want to say that Government has to keep in mind the efforts made by Mahatma Gandhi, Pt. Jawahar Lal Nehru, Shrimati Indira Gandhi and today being made by our Rajivji for upliftment of Harijans and Advasis and for the development of our country and to ensure that such programmes are implemented without any delay. As Rajivji is looking into the problems of the Scheduled Tribes by visiting various tribal areas the same is being done for the welfare of Harijans also. Nobody has been able to make as much efforts as have been made by Shri Rajiv Gandhi for moving the nation forward. Here I want to apprise you that some other parties also came to power here but they could not ensure reservation for us beyond 10 years but when Indiraji came to power, she did work for the welfare of Scheduled Castes and Scheduled Tribes. I feel that today it is the responsibility of our party to make efforts to uplift the poor in the country. It is also essential that repositibility should be fixed on those who have failed to complete the reservation quota for the last 40 years of Independence. It should also be made clear as to the time by which this quota would be completed. If you continue to say that it is the responsibility of the State Government and the State Government says that it is the work of the district administration then this work will never be completed. The Constitution of India envisages a reservation quota of 15 and 7.5 per cent for Scheduled Castes and Scheduled Tribes respectively which must be filled up first.

[Shri K. D. Sultanpuri]

Only then we can think of other people. So far as this contention is concerned that these people score less marks in comparison to those belonging to the urban areas, I would like to say that the number of teachers in the villages is inadequate whether these are High Schools or middle schools. The child who's father is in service scores good marks because he studies in a city and these very people get service also. The children of people living in villages do not get such an opportunity. I feel that same is the reason so far as plains are concerned. I visited a school in Bihar which is situated in a tribal area of Ranchi. When I asked the teacher there about the name of the Education Minister of India, he replied that he was not aware of that. A B.Ed. teacher does not know the name of the Education Minister because they do not try to read the newspaper. Tribals are the backward people but no efforts are made to uplift them. There are people in the opposition who criticise us for having done this or that and raise much hue and cry for the same but do not make any effort to uplift the poor of the country. They can talk about Bofors for days together but nobody talks about the upliftment of the poor people. They do not take any interest in this work. They have never demanded any discussion on this topic or on the report of the parliamentary committee constituted for the welfare of the Scheduled Castes and Scheduled Tribes. I feel that the people of our opposition parties do not take proper steps for the welfare of these people. I request them to take action against those powers who want to weaken the country by not completing their quota. Have you people taken any action against them? You have not taken any. Therefore, I would like to request my colleagues also that it is essential for them that they should make all efforts to supplement the efforts being made by our national leader Rajivji so that nation can move forward and the poor sections also get its benefit. Here I want to say that you have recommended an income of Rs. 500 which is very meagre, our colleague has rightly said that this is what a peon gets. What have you done? Is this amount of Rs. 500 adequate? Now-a-days even a labourer working on daily wages in Himachal Pradesh gets Rs. 15 and a labourer working

in a tribal area of Kinnoor gets Rs. 20-25 daily. I say, the prices have gone up now-a-days. Even the position of a Member of Parliament is very bad. You do not pay any salary to them. In some States in India M.L.As get more than what M.Ps. get here. Their economic condition is better than that of ours. Therefore, I feel that the question of economic condition should also be taken up by you properly.

The main problem which is before us today is about the backward class, Harijans and minorities. We all are one. We are concerned about the upliftment of our people. Most of our people are poor. There are some people among Rajputs and Brahmins who are wandering on roads but nobody talks about them, I want to tell you about recruitment in banks. There are recruitment boards for all the banks. Such Harijans are nominated who do not select Harijans saying that they are not competent. I submit that when I.A.S. Officers are selected, why these people are not selected on the posts of peon, clerks, etc. I want to tell you that Air India is a very big public undertaking where there is also a lot a bungling. Here a reference has been made about fake certificates on the basis of which the people get employment and become high officers there. There are many such cases in the notice of the Government of India. We asked for legal opinion of the Department of Law about it, they confirmed that there are such cases. The relevant file of the Department of Law is now before the Parliamentary Committee for Scheduled Caste and Scheduled Tribes. I want to say that such things are done by those who have their self-interest. Some people say that it is done by politicians who get the their own sons appointed. You are aware of the plight of a Member of Parliament. None of their children have any Petrol Pump or any thing else. The entire work is done by them of their own accord. If recommendation is made or any letter is written to a selection board, the Members of the Board say that they do not believe in recommendations. After all, we are elected Members. I want to say that if such a tendency continues, then we will not be able to ensure welfare of our society or a village. If we want to work properly then the request of a public representative, whether

he is an M.L.A. or M.P. should be acceded to. We try to bring the people of our area above the poverty line, if not all but some of them. Some people may be benefitted. I want to say that the aim of our Government is to uplift the backward people of the country and the Government is trying towards that end. For this it is essential that there should be a time-bound programme for completing the reservation quota for the poor people. If you visit an employment exchange, you will find the names of those poor villagers who got themselves registered there 5-7 years ago but so far no interview call letter has been issued to them. Our organised labour is in an advantageous position. They can resort to hunger strikes, raise slogans and their demands met. The Congress party has tried to benefit the poor people of India living below the poverty line by adopting 20 point programme and this is also mentioned in our manifesto but the bureaucrats hatch a conspiracy against us and take a major benefit in the shape of T.A. and D.A. Our people can be benefitted only when M.Ps. and M.L.As. are involved in this work and are given the right to take decisions in this regard. Only then those people can be benefitted. Efforts are made to spread casteism by saying that he should be ameliorated because he belongs to a particular caste. Every thing is done because he is a Rajput and he is a Brahmin. Harijans also belong to many castes and are moved by caste consideration. There are also many castes in tribes but we have not recognised casteism. The Congress party does not believe in casteism. Everybody should do his work according to his belief. This has been done to achieve national unity. The framers of our Constitution had felt that the benefit should reach the poor of the poor and if this benefit does not reach the poor of the poor it is our inefficiency. There is no doubt about it.

Some people remained in power for two and half years and now they are in the process of uniting four parties coming from North, East, West and South and they have no leader. The defectors from this side become their leaders and they want to usher in socialism. I want to know what are their policies? What is their foreign policy; what is their economic policy and how they want to uplift the poor? They

want to mislead the people of India. Their policy should be clear. This policy should clarify how they will ensure welfare of Harijans. This should be included in their manifesto. Will they adopt the manifesto set forth by Kashiram and defeat the Congress by offering some money to him? Formation of such a Government will not serve any purpose. It will be useful if they have a programme which is based on principles. Let us know what programme they have got and how they want to uplift the poor people; how they want to implement their foreign policy; how they want to solve the problems like Ramjanam Bhoomi? What programme they have got to solve them? They have no plans. Noise making does not accomplish any thing.

The proposal which has been presented here clearly indicates that economically backward people should be given reservation. I want to tell you that a provision is already there in Constitution in regard to the reservation for Scheduled Castes and Scheduled Tribes. The State Government should be made responsible to pass on this benefit to the poor people of those Castes and this should be implemented under a time-bound programme. I want to say that backlog exists in almost all the public undertakings. This backlog should be completed and it is good that a provision of 50 per cent reservation is being made. Out of this 50 per cent 25 per cent posts be reserved for Scheduled Castes and Scheduled Tribe and the remaining 25 per cent for other economically backward people. But I do not agree with the condition of Rs. 500 as income. I do not know whether this will be implemented or not but I want to say that there should be at least a ceiling of Rs. 15 thousand per year so that people can make both ends meet.

17.00 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

I want to say that more and more provision should be made for the weaker section of the people.

Along with this I want to say efforts should be made to dispose of the cases of tribal people and Harijans pending in the courts since long. The Government should see to it that they are finalised as early as

[Shri K. D. Sultanpuri]

possible. There are many cases in the courts about the promotion etc. of these people and are pending since long. The people die but the cases are not decided. Such cases are pending in High Courts and other Courts throughout India. They pray to God about the finalisation of their cases because their plight is worsening due to the same. The Government should see that these cases are decided in accordance with a time-bound programme so that these people may get justice. I want that their cases should be decided with in due course of time.

About the period of ten years, I did get this chance of ten years which is now ending in 1990. God knows what will happen thereafter? The opposition people want to do away with this benefit. But we are fully hopeful that Rajivji would not allow to withdraw this facility. May God grant him long life. We have no fear from Rajivji. If such people who do not want to see Harijans come to power it will be very dangerous. They talk against us much.

I also want to say that the Selection Boards and Public Service Commissions which are constituted, select those who belong to upper classes and urban areas. Poor and the rural children face great difficulty in their selections.

For such children, a separate selection Board should be constituted. In the same way, as a separate system exists for children in rural areas. I feel that a separate Board must be constituted for the selection of tribal and Harijan children so that they are not at a disadvantage when it comes to selection for jobs.

The Government has set up Navodaya Vidyalayas. This is a very good step taken by Shri Rajiv Gandhi. If good schools are meant only for bright students, how can weak students compete with bright students. There should be good schools for weak students also so that they are able to study well and come up. Bright students can show a good performance in any school. But we have to turn weak and unintelligent students into brilliant ones. We have to evolve a sound education system for such children of rural areas. Easy

admission to Government schools, exemption from payment of fees and such other facilities will have to be provided to help these children get educated and compete with other children, so that children of Adivasis, Harijans and weaker sections can be brought at par with the rest.

Seats in colleges are filled by dull students while the bright ones do not get an opportunity to get college education. Reforms are needed in the education system. These days, the children of landlords and capitalists manage to get admission to colleges at the cost of other deserving children. The children who really want to study suffer in the process. To put expenditure on University education to proper use, colleges should be brought under the Education Department so that they function properly. Our educational institutions should be run properly and shortcomings wherever found in the system should be removed. I wanted to say something on hilly areas also but time is limited. Schools are to be opened in the remotest corners of hilly areas. One Navodaya School is opened in one district. All public schools should be closed. Two types of education systems exist in our country. One is where students study pure English and the other is where Hindi is studied. The students taught in the latter are called 'Shastris' and looked down upon in the society and the former, the English-speaking class, occupies a higher status. Why should the country produce only lawyers. We should encourage our rural brethren, the people who are really instrumental in taking the country forward. I support this Bill and I feel that there is nothing lacking in it. The Bill says that income should be Rs. 500. I would like this to be increased to Rs. 15,000. The remaining 50% should be open to everyone. With these words, I conclude my speech.

[*English*]

SHRI BHADRESWAR TANTI (Kaliabor): Mr. Chairman, I thank you very much for giving me an opportunity to participate in the debate on the Bill to provide for reservation of posts in Government services and seats in educational institutions for persons belonging to economically weaker section of people. The Con-

titution of India has been enacted by the people of India. These five words are like a Bible to the people of the country. It guarantees to the people various things, namely, personal rights, liberty, equality before law, equal opportunity in employment, etc. etc. But I am sorry to say that this Constitution has hopelessly failed to protect the interests of the poor people. I would like you to look at Chapter III of the Constitution which is lenient towards the working class as well as the poor people of the country. It has failed to protect the people. I am citing you an example. It is Constitutionally guaranteed that the working class is to be paid a living wage. Now tell me how many people in the country are getting a living wage. I would say even people working in the industry for eight hours do not get a living wage. More than 33% of the people in the country are living below the poverty line after 40 years of Independence. Seventy three per cent of people are illiterate after 40 years of Independence. This is the taste of freedom that people have got after 40 years of Independence.

No doubt, we have achieved many things but we have also achieved Bofors deal and other things like Rs. 6.5 crore ONGC deal. We should not ignore that. That is why I say the poor people have not got the taste of freedom and the Constitution has failed to protect their life and liberty. Article 21 provides for protection to life and personal liberty. Who are the people who get protection to life and personal liberty? They are rich people, politicians and those who are placed in very high positions. I am sorry to say that the lives and personal liberty of the poor people are not protected.

Article 23 talks about prohibition of traffic in human beings and forced labour. Now many people in the country are working as bonded labourers. The Government says that bonded labour has been abolished. But it is not so. If you go to remote places in the rural areas, you will find that this system is still going on. On 22nd of this month, I visited Khomta Tea Estate in Gholaghat district of Assam. There I found that 56 young girls, below 10 years of age, were forced to work in the factory. When I tried to find out as to

how many-hours of work they were putting in, I was surprised to know that they worked from 7 a.m. to 5 p.m. But what does the law, already passed in this House, say? Why does the law not protect these young children from such torture? Why the benefit is not given to them.

There is a provision for a just and humane conditions of work and maternity benefits under Article 42. The poor people are forced to work even on five rupees a day. They are not given their dues in time. The government machinery is silent about this.

There is a provision in Article 44 for a uniform civil code for citizens. It has hopelessly failed to protect the rights and liberties which have been granted to the people of this country, particularly those belonging to the poor sections of the society and the working classes.

In British days, some people were taken from Orissa, Madhya Pradesh, Bihar, Uttar Pradesh, Andhra Pradesh to the State of Assam to engage them in different industries as labourers. Now their population has risen to 50 lakhs. I am very sorry to say that even after 40 years of independence, the percentage of educated people is less than .01 per cent. That is the taste of freedom. So, I support this Bill only partially and not wholly because of the fact that now in the name of scheduled castes and scheduled tribes, only those people, who are placed high in the society, are getting all the benefits. The poor people are deprived of the benefits. I will cite an example. Recently, an interview was held by the Oil and Natural Gas Commission in Assam for recruitment of an engineer. A boy, named Mohan Lal Teli, we ignored. He is a first-class engineer. Unfortunately he was born in a tea estate. He was not selected because he belonged to a community which has been ignored by other sections of the society. That's why he was not considered. But some candidates, who scored less marks than him, were selected. Is it not unfair? Now, in this country, we, the people of India means the people of this country, not the affluent class, not the bureaucrats alone and not the politicians alone. These words are from the Constitution of this country. This Constitution is the Bible of this country but it has failed to protect the

[Shri Bhadreswar Tanti]

rights of the poor people and the working class. After independence of the country, we have seen two classes of societies. One is the very rich and the other is the poorest of the poor in the country. Rich people are very high and the poor people are going down every day. That is the taste of freedom and the Government has failed in its real perspective to bring the people above the poverty line. The Bill says 'economically weaker section of the people means the class of persons irrespective of the caste whose income from all sources including the income of the family members does not exceed Rs. 500 per mensem.' I do not agree to this system. The privileges and the rights under Article 15 of the Constitution given to the Scheduled Castes and Scheduled Tribes should continue. But there should be some reservations, restrictions for misuse of these benefits by the people of those respective sections. Now, who are the beneficiaries particularly under this provision? They are those who are affluent, rich, socially well known and economically sound. They are getting all the benefits. The poor people for whom these benefits are really meant do not get the benefits. In the name of Scheduled Castes and Scheduled Tribes, all the benefits are being enjoyed by the other people. For example, the LPG connections and petrol pumps which have been reserved for Scheduled Castes and Scheduled Tribes are being enjoyed by certain privileged categories. What I want to say is that the provisions of the Bill are no doubt good but there should be some restrictions so that the poor people should get equal benefits.

The Constitution gives protection to the minorities. Why do they not provide for some provisions for employment and reservation of seats in educational institutions for the minorities? Why do they not promise or guarantee to the people of this country? All minority people are not rich, all of them are not economically sound. There should be some reservation for them also. Only because of this lacuna, 70 per cent of the people remain illiterate and 33 per cent of the people are living below the poverty line. Unless these things are seen in a microscopic way, the very philosophy of the Prime Minister, *i.e.* the unity and integrity and 'Bekari Hatao' will be jeopardized.

The country cannot progress without improving the conditions of the poor people; without redressing the grievances of the economically weaker sections of the people. If you go to big cities like Delhi, Bombay and other cities, I ask you, where is the place for the poor people to live? They have already been displaced from their places. That is what is happening.

So, the Government must come forward with practical solution, so that the conditions of poor people are properly looked into and then only the country will progress in a big way.

[*Translation*]

SHRI BAPULAL MALVIYA (Shajapur) : Mr. Chairman Sir, I am very grateful to you for giving me time to speak. I cannot but agree with hon. Shri Mishra so far as his good intentions in introducing this Bill are concerned. But it seems as if this Bill is only good on the surface. In reality, some other objective is sought to be achieved under the cover of this Bill. I am sure the intentions behind the Bill are good. Yet the Bill goes against the protection accorded to Harijans and Adivasis in the Constitution. This Bill does not fulfill those provisions. I fail to understand his objective in presenting this Bill. He says in this Bill that reservation should be done on economic basis. Looking at other reasons on the basis of which reservation is provided to Harijans and Adivasis, we find that the first is poverty and the second is to accord them equal status in society. These are the two main reasons why Harijans and Adivasis have been provided reservation. Adivasis wear loin-cloth, live in jungles and remain secluded from the world around them. Reservation is meant to pull them out of deprivation and bring them into the mainstream of society.

Even 40 years after Independence we have not fulfilled the provisions of reservation. The policies of the Administration may be good but the number of technical hands emerging from these classes is much below the expected number. Posts are lying vacant. No Harijan or Adivasi is available to fill up technical posts. What is the reason behind it? So far as I understand, the reason is lack of encouragement to Scheduled Castes and Scheduled Tribes. That is why they are backward.

People feel bitter about Harijans being given the benefit of reservation. But in reality, Harijans do not get this benefit. The number of admissions is very low. Although the Administration has framed very good policies, but technical personnel coming from these classes are very few. More attention should be given to them so that posts lying vacant could be filled by the candidates belonging to these classes. The Government has clearly laid down that wherever there is reservation for Harijans and Adivasis and posts are vacant in their quota these people should be directly appointed. But what did the concerned officials do? They appointed people from general categories on a daily-wage basis for 90 days. Later on, their appointments were made permanent and what the officials gave in writing was that no Harijan was available. I have seen that although 50 Harijans were available from Employment Exchange and they were either graduates, higher secondary or matriculates, yet the officer gave non-availability of Harijans as the reason for appointing candidates from the general category. The real reason behind it is corruption. We are all aware of the existence of corruption but who is bothered? Corruption, like wind, is not tangible. We can feel it but can not see it. At some places the rate of corruption is upto Rs. 10,000, at others upto Rs. 20,000. Harijans and Adivasis are deliberately denied their rightful dues. The officer simply writes a note that posts be filled by general category candidates because Harijans are not available. Can we ever hope to reach benefits to Harijans with this state of affairs? The Government's policy is to provide employment to Harijans and Adivasis. But Central and State Government officials fail to implement it because of their dubious methods of working. Money is something which can make a person ruin another person's life. It is a kind of disease. Harijans and Adivasis should be directly appointed in the Government service. Reservation quotas should be filled up.

The intention behind this Bill is very good. Now even backward classes will get reservation. They should get this benefit on the basis of their being poor. If reservation is demanded by those who enjoy a high status in society and those who want to maintain prestige, then it will become

very difficult. A beginning should be made from the village level. People possessing 100 acres of land should not be given jobs. Reservation in the true sense is to provide jobs only to those who have only 5 acres of land.

It would be wrong to give jobs to people who already have large businesses. Today jobs are cornered by the rich.

I have seen that today it is the writ of the Finance Minister which influences every sector. Officials of the Administration frustrate the objective of its policies. This aspect has to be looked into. The process should start from the landless. Today people having large areas of land are also employed. This is due to the moneyed class getting jobs on the basis of money power. The poor remain unemployed. In the present scheme of things, the poor will remain below the poverty line because he does not have the money power to get a job. I feel that at least one member of every family should be given a job. One person in every poor family must have a job so that he can maintain the family.

Society consists of a variety of people, rich, businessmen and poor. But I feel that it would not be proper to do away with reservation for Harijans and Adivasis in order to provide them jobs. I have no objection to everyone being given the benefit of reservation. The reservation for Scheduled Castes and Scheduled Tribes should continue as it is. You may make reservation for everyone, we shall have no objections to that. But it has been seen that obstructions are created in the opportunities for progress of the Harijans and Adivasis. Hon. Shri Ram Nagina Mishra has brought this bill. I do not know as to what is the intention behind the bill, but the provisions made in it are very good. I agree with the point that the economically weaker sections should get priority in matters of employment, but in spite of it all, the reservation provision should remain as it is. 80 per cent of the poor people living in the villages should be allotted land free of cost. This is my request to you.

With this, I conclude. I am grateful to you for having given me the time to make my submission.

SHRI MOHD. MAHFOOZ ALI KHAN (Etah) : Mr. Chairman, Sir, the object of the Bill presented in the House is to provide for reservation of posts in Government services and seats in educational institutions for persons belonging to economically weaker sections. This bill has been presented by Shri Ram Nagina Mishra. No doubt, Shri Mishra has conveyed his intention through this bill. I do not want to criticise the Constitution. I cannot understand as to what are the reasons behind these discriminations and reservations when all human beings are equal? What are the reasons behind it? Today slogans for unity are being raised. How can there be unity? We shall have to come together to strengthen its roots. The constitution was framed by our great leaders. That is why, I do not want to go into its criticism. If we are all equal, why this discrimination? I think reservation was introduced for the upliftment of the large number of people belonging to the Scheduled Castes and Scheduled Tribes who were very backward and to enable them to get their due rights. During these 40 years, they have got the rights which they deserved. But in spite of that many seats are still lying vacant. I would like to know from the Government as to how many judges of the High Court belong to the Scheduled Castes? Even today, these classes are harassed in matters of employment and issue of loans. I regret to say that even the scholarship money meant for the children of these poor people is pocketed by the teachers. In this way the teachers pay little attention towards the children of those poor people.

As my colleague has submitted just now, 80 per cent of our population lives in the rural areas. As regards the condition of education there, you must be aware of it. The teachers only teach for two hours. These teachers live in the villages itself. They attend schools after ploughing 3 bighas of land everyday. The number of students is very large and generally one finds only one teacher in the entire school. You can guess as to what would be the condition in these schools. You stay in the cities, talk about Delhi University. You go to the villages and see the management of education there. In Bihar, there are numerous talented children belonging to the economically weaker sections who are refused admissions.

In this connection, hon. Shri Mishra has stated and I certainly support him that the system of reservation on the basis of caste should remain as it is; but at the same time the children belonging to the weaker sections irrespective of the community they belong to, should also be given an opportunity for upliftment. But they are deprived of these benefits. The minorities should also be included in it. Have we not fought for the freedom of the country? Was there any question of minority community then? What are the consequences of having neglected the minorities? What has been the result? Have we not participated in the freedom struggle? The minorities are not included in the benefits, the christians are also a minority community. There are little facilities available for us. Our children are getting education and are capable but they are deprived of opportunities. I do not mean that you should do away with the policy of reservation. You have been providing for reservation for 40 years and there is no harm in continuing it. They have their rights and the reservation policy should be implemented properly. Along with it, as hon. Shri Mishra has submitted, and rightly so, that the economically weaker sections of the society irrespective of the caste they belong to, should get these facilities in the Government Services and in education. I support this bill and the spirit behind it and I am certainly not opposed to it as some hon. Members of the Scheduled Castes present here might be thinking. In fact, injustice is being done to them.

Malviyaji, do not take it otherwise, but I must say that even among Scheduled Castes, a particular section dominates. The others, for example the sweepers, the washermen are totally deprived of the benefits and, as a result, they are nowhere seen in the services. Jatavs should not feel offended, but it is true that in spite of their belonging to the same caste, only a certain section dominates and corners all the benefits. The officers belong to their group and they are selected and other Schedule Caste candidates are deprived of it. The reservation facility is for the Scheduled Castes as well as the Scheduled Tribes. What is the per centage of reservation for Scheduled Tribes? How many people have been taken in this quota, and



how many of them are there on the basis of forged certificates? Therefore, I want to submit that the provision for reservation is all right and should continue but at the same time, as hon. Shri Mishra has also stated, economically weaker sections of society should be provided with all sorts of opportunities. The children should also get the opportunity to compete in the examinations get proper educations and every sort of facility should be made available to them. Sir, you should also consider inclusion, of minorities for these facilities, ultimately, you will have to do it.

[*English*]

You have to consider the cases of minorities also.

[*Translation*]

Government will have to consider the case of the minorities. We do not have any quota, any reservation. Do we not live in this country? Have we not participated in the freedom? Do we not have any right in this regard? It is all right that you provided for reservation for the Scheduled Castes and Scheduled Tribes.

[*English*]

Why not Muslims, Christians and other communities which come under this category?

[*Translation*]

Without saying anything further. I want to submit only this much that the intention behind what hon. Shri Mishra has submitted is not as hon. Shri Malaviya has stated that it is like killing two birds with one stone. He has only expressed his opinion that the economically weaker sections irrespective of their caste, should also get opportunities for their upliftment.

I thank the Hon. Chairman for having given me time to speak. With these words, I concluded my speech.

**SHRI HARISH RAWAT (Almora):** Mr. Chairman, Sir, a very large section of society which has been economically and socially exploited for years is called the Scheduled Castes and Scheduled Tribes. The reservation issue does not merely concern the framing of the respective law. It involves the thinking of years and includes the age-

old views of our great men. All great men, in whatever era they might have born, have said that the backward sections of every society which are suppressed in the name of caste or group should be uplifted. Until we lift them up, we cannot have equality in society. The resentment prevailing in the society cannot be quietened. It is for this reason that during the Independence struggle, our freedom fighters, Mahatma Gandhi and Pandit Jawaharlal Nehru had said that Harijans and Girijans would be given maximum importance in free India and the point of view of the congress has always been the same and it has always lent strong support to the cause of Harijans and Girijans and it continue to do so even today. Recently, when the period of reservation was about to expire, the question of extending it further was raised and our party took this issue up in the House strongly. The period was extended and even today we feel that the reservation policy should be strictly implemented. I am happy to submit that our Government has implemented it strictly at all levels. However, it does not mean that there are no shortcomings anywhere. There can be shortcomings at different levels. India is such a vast country. In a vast country like India, Harijans and Girijans have been given reservation. It is also not necessary that the entire machinery should stand with the same point of view and the commitment of the Government with which the Congress Party is standing. It is possible that there might be a number of bureaucrats who might be influenced by the common mentality of our society and might not be implementing the reservation policy strictly. But this does not mean that the Government is not determined to implement its policy effectively.

I would like to point out to the hon. Minister that the question of reservation is raised here and through newspapers quite frequently saying that the posts reserved in various services like I.A.S., I.P.S., etc. are not being filled properly. I feel that it is our own misfortune but the Government must clarify as to what the factual position is? It is extremely essential to clarify whether the State Governments are following the reservation rules and whether the Central Government is providing adequate reservation at all levels.

[Shri Harish Rawat]

So far as this Bill is concerned, I do not feel that its aim is to stop the reservation for Harijans and Girijans. This thing has not been mentioned anywhere in the Bill, nor can Shri Ram Nagina Mishra say so since he is a faithful worker of the Congress Party which is committed to the policy of reservation. Its worker, therefore, cannot go against it. The object of this Bill is to uplift those poor, suppressed and down-trodden people, who are found in every caste, whose economic condition is so weak that they can be compared to Harijans and Girijans and cannot, therefore, utilise the facilities available to them in the society. There are thousands of such brahmin children and those belonging to caste Hindus who are unable to pursue their studies, who have no means to wear good clothes and are deprived of the facilities due to poverty. After all it is the responsibility of the Government, the Parliament and the society to uplift them. I feel that this Bill has been brought keeping this point in view. Therefore there is no need to form an impression that reservation or the policy of the Government is being abandoned through this Bill. At no point does this Bill give such an impression. This Bill aims at trying to draw our attention towards the poor section which is found in every caste. I would like to ask the hon. Home Minister as to why we cannot give preference in the matter of admission to schools to those who have been deemed to be below the poverty line, irrespective of their being Muslims, Christians or Hindus, when we can provide reservation facility to Harijans and Girijans. If we give them preference, it will surely create confidence in them and there is not only a need to give them preference but also to provide financial assistance to them and the Government must step ahead to do the same. I feel that if this is the aim of this Bill, then the Government should not face any problem in achieving it. There can be various areas in which we can help the poor people. The Government has launched various schemes which aim at helping the poor people but what is seen is that instead of the poor people getting any benefit, it is the prosperous and economically advanced person who gets the benefit. Just now my

colleague was saying that the quota for Harijans in the distribution of petrol pumps and gas agencies is fixed. But who is getting the benefit of that quota? It is the one who is already a rich trader and who gets the agency under a fake name. Similarly the Government has started a scheme for giving loans through the banks to the poor and unemployed persons to enable them to start their own business. But even in this case also, the beneficiaries are those who are already in business. Such people are adding to their wealth by getting loans from the banks in the name of their children, relatives etc. and those who genuinely need money are unable to get it. I would like to submit to the hon. Home Minister that there is a need to look into such areas and to make efforts to complete the quota reserved for Harijans, Girijans and others who are living below the poverty line and then, thereafter, there will be no scope for any feeling of jealousy developing in various sections. On the contrary it will rather bridge the gulf caused in our heart due to the fact that some people are given reservation on the basis of a caste. For this, the Planning Commission, the Banks and the Ministry of Finance can be consulted and a solution found.

The hon. Prime Minister had recently presented a resolution before the country in Madras that we have to solve the problem of unemployment and I feel that if we take the people of the poor section with us in the direction of solving the problem of unemployment and say something to that effect, then we will be carrying out that resolution which the hon. Prime Minister has brought before the nation.

With these words, while welcoming the intention of this Bill I would only like to request that there should be no such feeling that we are trying to reduce the existing facilities available to any particular caste or community. We are rather trying to see that the reservation policy is implemented vigorously and effectively and at the same time due attention is paid to the section which is equally poor like Harijans and Girijans.

\*SHRI MAURICE KUJUR (Sundargarh) : Mr. Chairman, Sir, I rise to speak

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\*Translation of the speech originally delivered in Oriya.

a few words on the Bill moved on this House by Shri Ram Nagina Mishra. The Scheduled Tribe and Scheduled Caste people are the most neglected and backward section of our society. They remained neglected and backward during the preindependence days. Mahatma Gandhi, the father of the nation saw their plight. He felt that the standard of living of these people should be raised. Therefore, he took keen interest in helping them in every sphere of life. Then the country got freedom and Pandit Jawahar Lal Nehru was made the first Prime Minister of India. Pt. Nehru felt the need to help these people. Then it was decided that reservation facility be provided for them. The Constitution was amended with the provisions for reservation of seats in Educational Institutions and in services. This was done, because Jawahar Lal Nehru wanted to raise the status of SC and ST at par with the upper caste people. Smt. Indira Gandhi was just like the mother of SC and ST. When she became Prime Minister, she laid much emphasis on the upliftment of SC and ST. She laid stress on translating the ideas of Mahatma Gandhi and Nehru into practice. When reservation facility was going to be discontinued, Smt. Indira Gandhi made immediate effort to restore it. Due to her effort we are still enjoying that facility. Like Smt. Gandhi, our present dynamic youth Prime-Minister, Shri Rajiv Gandhi is very sincerely trying his best for the around development of SC and ST. While visiting different states, he enters the small huts of the poor SC and ST. He enquires about their well-being. He has full sympathy for these neglected people.

Sir, while speaking on this Bill, we are discussing the reservation policy. We know why the provision for reservation has been made. Now, we have to review the present condition of SC and ST and see whether they have been benefitted all these years. How far the reservation facility is fruitful for them? Forty years have passed since independence. Has the standard of living of these people improved? Have they received proper education which was necessary for them? What are the facilities being made available to them on the field of education all these years? We have to make a detail review of these aspects. In my opinion, a lot of improvement has been made in the field of education. Certain benefits have

been given to them. But their condition has not improved in all spheres as it was expected. The real benefit has not reached them. Therefore, now we have to find out the reasons why they could not make progress upto desired level. What are the lapses in our reservation policy? I think there is nothing wrong in our reservation policy. Fund is being provided under different scheme sponsored by the Centre for the upliftment of SC and ST. But the fund is being misused or misappropriated. The entire allocation is not being spent for them. There is nothing wrong in the programme, but there is lack of sincerity among the officials who are incharge of implementing various programmes pertaining to the welfare of SC and ST. So, we have to identify the lapses. We have to identify the dishonest officials and take action against them. We have to plug the loopholes in the implementation of the policy and programmes introduced with a view to bring the SC and ST people at par with other section of the society.

Sir, it is said here that benefit is being provided to SC and ST in service matter. Posts are reserved for them. Have all the posts reserved for them been filled? How many SC and ST candidates are getting into I.A.S. and other allied cadres services? We have to make a correct review of all these things.

Sir, the Adivasis are worst sufferer. You go to the remote areas, you will find the Adivasis. You go to mines, you will find them struggling hard to earn their daily bread. They are extracting minerals and engaged in loading and transporting activities. They are breaking stones and doing hard manual labour. They are exposed to sun and showers. If you go to a factory, you will see Adivasis working near a blast furnace. You can not stand up there for a minute but that is their place of work. It is so hot that you will feel as if your body is burning. But the Adivasis bear all the trouble. They continue to work there. They do not care for the health hazardous atmosphere. But you will not find them in air-conditioned offices. Therefore, we have to think of the working conditions of the poor Adivasis and Harijan workers. We have to think about their welfare. As I have stated earlier there is nothing wrong on our policy and programmes. But the machinery involv-

[Shri Maurice Kujur]

ed in implementing the programmes should change their attitude towards SC and ST. They should implement the programmes sincerely and wholeheartedly. Then only the programmes will be implemented successfully and the real benefit will reach to SC and ST.

I am reminded of an Urdu couplet : I would not speak out that couplet but will speak about the grievance of every Adivasi and Girijan :

“Kisse kahun apna koi is  
kabil nahin

Yahan pathar bahut milta hai  
par dil nahin.”

The purpose of my saying so is that the entire machinery involved in the implementation of tribal and Harijan Welfare Programmes should be reactivated. Those who are at the helm of affairs and implementing the reservation policy should have soft corners for the SC & ST. They should be given their due share. They do not want anything more. Then they will improve their standard of living and they will be at par with other sections of the society. The main thing is devotion and sincerity. The programme should be implemented the way the father of the Nation and Pt. Nehru wanted it to be implemented. It should be implemented with the devotion shown by Smt. Indira Gandhi and the sincerity shown by our Prime Minister Rajiv Gandhi. If we think about the upliftment of SC & ST on the same way with that much devotion, then only they will derive benefit out of those programmes as well as reservation policy. They will make progress in the field of education. Their standard of living will improve.

Sir, I do not wish to say more about the Bill. If any Bill is brought before the House with a view to discontinue the reservation facility, I will say that the mover has no sympathy towards SC & ST. But I think that this Bill does not seek to discontinue the reservation policy. The mover of the motion perhaps does not have that intention. But he has demanded in the House for the reservation of seats in services

and educational institutions for economically weaker sections of the society. Sir, some schemes have been sponsored by the Central Government as well as the State Governments for the welfare of economically weaker section of the society. The economically poor people should be identified. The development schemes which are already there should be implemented for them. Then they will be able to become equal with other people in the society. When there are already ways to raise their standard of living, then where is the need to provide reservation for them in services as in the Educational Institutions ?

With these words, I thank you very much for giving me the opportunity to take part in the discussion and conclude my speech.

\*SHRI A.J.V.B. MAHESWARA RAO (Amalapuram) : Mr. Chairman, Sir, Shri Ram Nagina Mishra has introduced this Bill to provide for reservation of posts in Government services and seats in Educational Institutions for persons belonging to economically weaker sections with a good intention. The noble objective of our constitution is also to establish a socialistic pattern of society in our country. The establishment of a socialistic pattern of society was the cherished dream of the founding fathers of our Constitution. They thought of establishing a society where everyone living in this noble land of ours can enjoy equal status in all respects. They thought of a society where no man will suffer any sort of discrimination whatsoever. The Constitution was drafted in such a way as to realise the dreams of Bapuji, the father of our nation. Mahatma Gandhi dreamt of Ram Rajya. Shri Baba Saheb Ambedkar dreamt of a socialistic society where even a person belonging to a lower than the lowest strata of society enjoyed rights equal to those who belong to the uppermost stratum. But, in spite of having such a noble constitution to guide us, we are still far far away from that cherished goal even after striving for 40 years. These forty years of independence could not narrow down the various differences that are existing in our society. Certain sections of our society which were

neglected and humiliated throughout the centuries continue to groan under the weight of humiliation and maltreatment. The reservation facility was provided to SC and ST persons so that they can come on par with others. That was the intention why the reservation facility was provided to SC and ST under the Constitution. Initially the reservation was provided only for a period of 10 years. But later, experience has shown us that it was too brief a period to correct the existing imbalance. Hence the facility was extended time and again to provide these hapless brothers in our society to come up and occupy a respectable position in the society. But, as the misfortune would have it, the implementation of the reservation policy was so hopeless that there is hardly any change in their condition even after enjoying this facility for the last forty years. When we could not fulfil our commitment to SC and ST, a new section in our society is being sought to be created by the Bill. Hence, I do not feel it proper to ask for the reservation facility for economically weaker sections. The time is not ripe as yet. Sir, I do sympathise with the cause. Hunger is hunger whether one is born in a Brahmin family or in a Harijan

family. Hunger knows no caste or community barriers. But what I say is that a Harijan suffers humiliation coupled with hunger. Hence, in the case of Harijans the suffering is much more painful. These sections need our immediate attention. So, it is better if we fulfil our commitment towards these people before taking up the cause of economically weaker sections. The Constitution has already provided for reservation facility for the emancipation of SC and ST. Yet, we could not do justice to them. In no Department of the Government, the reservation policy was implemented strictly.

[English]

MR. CHAIRMAN : Mr. Maheswara Rao, you may continue your speech next time. Now, the House stands adjourned.

18.00 hrs.

*The Lok Sabha then adjourned till  
Eleven of the Clock on Monday,  
August 1, 1988/Sravana  
10, 1910 (Saka)*