

# LOK SABHA DEBATES (English Version)

Tenth Session  
(Eighth Lok Sabha)



*(Vol. XXXV Contains No. 1 to 10)*

**LOK SABHA SECRETARIAT  
NEW DELHI**  
*Price: Rs., 06.00*

## CONTENTS

[Eighth Series, Volume XXXV, Tenth Session, 1987/1909 (Saka) ]  
No.5, Friday, February 26, 1988/Phalguna 7, 1909 (Saka)

	COLUMNS
Obituary Reference	...1--3
Oral Answers to Questions:	
Starred Questions Nos.	61, 63 to 66, 68 and 69 ... 3-32
Written Answers to Questions:	
Starred Questions Nos.	62, 67, 70 to 80 ... 32--45
Unstarred Questions Nos.	644 to 787, 789 to 818 and 820 to 874 ... 45--277
Papers Laid on the Table	... 283-293
Committee on Public Undertakings--	... 293
Thirty-fourth Report and Minutes-- <i>presented</i>	
Business of the House	.. 294--302
Motion Re: Extension of time for presentation of Report of the Joint Committee to enquire into Bofors Contract--	... 303--343
Shri B. Snankarāṇand	... 303
Shri Suresh Kurup	... 303
Shri Saifuddin Chowdhary	... 304
Shri Amal Datta	... 305
Shri Indrajit Gupta	... 306
Prof. Madhu Dandavate	... 309
Dr. Dattā Samant	... 313

---

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.

Shri Dinesh Goswami	... 315
Shri V. Kishore Chandra S. Deo	... 317
Shri Arif Mohammad Khan	... 322
Shri E. Ayyapu Reddy	... 324
Shri Balwant Singh Ramoowalia	... 326
Shri Ram Narain Singh	... 327
Shri K.C. Pant	... 328
<b>Motion of thanks on the President's Address</b>	... 344-349
Prof. Saifuddin Soz	... 344
<b>Statement Re: Decision of South African Authorities to Ban Anti-Apartheid Groups in South Africa--</b>	... 349-350
Shri K. Natwar Singh	... 349
<b>Committee on Private Members' Bills and Resolutions--</b>	... 350
<i>Forty-Sixth Report--adopted</i>	
<b>Bills Introduced--</b>	... 350-400
(1) <b>Constitution (Amendment) Bill</b> (Amendment of articles 345 and 348)	
by Shri Naresh Chandra Chaturvedi	...350
(2) <b>Electrotherapy System of Medicine (Recognition) Bill</b>	
by Dr. Chandra Shekhar Tripathi	... 351
(3) <b>Constitution (Amendment) Bill</b> (Amendment of article 233)	
by Shri Ganga Ram	... 352
(4) <b>Code of Criminal Procedure (Amendment) Bill</b> (Amendment of section 2, etc.)	
by Shri N. Venkata Ratnam	... 352
(5) <b>Central Sales Tax (Amendment) Bill</b> (Amendment of section 2, etc.)	
by Shri Sharad Dighe	... 353

(6) National Security (Amendment) Bill (Amendment of sections 11 and 12)  by Shri Syed Shahabuddin	... 353
(7) Terrorist and Disruptive Activities (Prevention) Amendment Bill (Insertion of new section 14A)  by Shri Syed Shahabuddin	... 354
(8) Constitution (Amendment) Bill (Amendment of article 276)  by Shri Syed Shahabuddin	... 354
(9) Constitution (Amendment) Bill (Amendment of article 324, etc.)  by Dr. Chinta Mohan	... 355
Constitution (Amendment) Bill (Insertion of new article 394A)  by Shri Naresh Chandra Chaturvedi --Withdrawn	... 355
Constitution (Amendment) Bill (Insertion of new article 15A)  by Shri Thampan Thomas	... 356-400
Motion to consider--	
Shri Shantaram Naik	... 356
Shri V.S. Krishna Iyer	... 360
Shri Ramswaroop Ram	... 367
Shri Sriballav Panigrahi	... 372
Prof. K.V. Thomas	... 379
Shri V. Sobhanadreeswara Rao	... 388
Shri K.D. Sultanpuri	... 394
Shri Ram Bhagat Paswan	... 400



LOK SABHA

Friday, February 26, 1988/Phalguna 7,  
1909 (Saka)

*The Lok Sabha met at  
Eleven of the Clock*

[MR. SPEAKER *in the Chair*]

[*English*]

SHRI BHADRESWAR TANTI: Mr. Speaker, Sir, a very serious thing has taken place today. We were prevented by the police while coming to Parliament. All the roads are closed and we were prevented from coming to this House. You must take notice of this.

SHRI SAIFUDDIN CHOWDHARY:  
Kindly listen to him.

MR SPEAKER: I have already listened to him. I am not deaf and dumb. I have already listened to what he has said.

11.01 hrs.

[*English*]

OBITUARY REFERENCE

MR SPEAKER: Hon. Members, I have to inform the House of the sad demise of SHRI RAGHUBIR SAHAI, who was a Member of the First and Second Lok Sabha during 1952-62 representing Badaun constituency of Uttar Pradesh. Earlier, he had been a Member of the U. P. Legislative Council during 1928-30 and Member, Legislative Assembly, Uttar Pradesh during 1946-51.

An Advocate and a prominent political and social worker, he served as Member of the Budaun Municipal Board during 1922-25 and as Chairman, Rural Development Association, Budaun during 1937-39. He

was member of the Widows Homes and Orphanages Committee of the Uttar Pradesh Government in 1948.

A veteran freedom fighter and an active member of the Swarajya Party, he participated in the freedom struggle and suffered imprisonment for several years.

An able parliamentarian, he had been a member of the Estimates Committee during 1956-57.

SHRI RAGHUBIR SAHAI passed away at Budaun on 3rd January, 1988 at the age of 92 years.

We deeply mourn the loss of this friend. I am sure the House will join me in conveying our condolences to the bereaved family.

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

*The Members then stood in silence for a short while.*

PROF. SAIFUDDIN SOZ: Choudhury Mohammed Shafi has also died.

[*Translation*]

MR. SPEAKER: The confirmation is yet to come. You give me in writing, I shall see.

[*English*]

SHRI BHADRESWAR TANTI: Sir, it is a very serious matter.

All the roads have been closed and we were prevented from coming to the Parliament House..... (*Interruptions*).

MR SPEAKER: I will look into the matter. I shall see what is the problem. I cannot give you off-hand any answer. Let us find out.

PROF. SAIFUDDIN SOZ: Your writ should run large in the precincts of the Parliament.

MR SPEAKER: It is not the precincts of the Parliament, it is something else.

### ORAL ANSWERS TO QUESTIONS

[English]

#### Memo to Prime Minister by State Chief Ministers

\*61. SHRI ANANDA PATHAK:  
SHRI HANNAN MOJAH.

Will the Minister of FINANCE be pleased to state:

(a) whether the Chief Ministers of some States met the Prime Minister on 30.1.1988 and submitted a memorandum to him;

(b) if so, the points raised in the memorandum;

(c) whether Government propose to convene a meeting of the National Development Council to discuss the points raised in the memorandum, if so, when the meeting is being called;

(d) whether Government propose to alter the terms of the Ninth Finance Commission; and

(e) 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). Yes, Sir. In the Memorandum the Chief Ministers *inter alia* suggested change in the terms of reference to the Ninth Finance Commission dealing with normative approach to expenditure, consideration of revenue expenditure in totality, additional duties of excise on goods of special importance, grants in lieu of tax on railway passenger fares, debt position of States and relief expenditure.

(c) and (d). No, Sir.

(e) Does not arise.

SHRI ANANDA PATHAK: Sir, I am very sorry that the Government is taking very lightly such a serious situation. Government is acting very lightly. The Minister has not explained as to what are the alternative proposals of the Chief Ministers made in the memorandum. As to what are those proposals all that not been explained. Secondly, Sir, it appears that the Government has rejected the proposal to convene the meeting of the National Development Council for considering the alternative proposals made by the Chief Ministers. What are the reasons therefor I would like to know. My other point is...

MR. SPEAKER: You cannot give a list of questions. One question at a time is allowed. No, MR. PATHAK, not like that.

SHRI ANANDA PATHAK: Sir, they are taking it very lightly.

MR. SPEAKER: Please sit down now. Let him answer your question and after that you can put your second/supplementary.

SHRI B. K. GADHVI: Sir, in the memorandum various points were raised and if hon. Member wants me to read it out I can read it for him. So many points were raised but basically the point raised was about the normative aspect of the Finance Commission's terms of reference. And, then they wanted that something which was in the State List and for which the Centre was also spending, should be excluded for the purpose of further devolution. So many other points were raised. When we received the memorandum, the Prime Minister received it, it was considered that the Finance Commission's views will also be taken and thereafter the Government came to the conclusion that there is no need to change the terms of reference.

SHRI ANANDA PATHAK: But the normative approach has been kept very very vague. Whether the Government is prepared to reconsider the proposals made by the Chief Ministers so that we can understand as to what is there in the mind of the Government?

My last point is that the Government should spell out the norms of assessing the receipts and expenditure of the States and the Centre. I want to know whether the Government will refer these points to the Ninth Finance Commission? These are my questions.

SHRI B. K. GADHVI: So far as the modification in the terms of reference is concerned, Government do not intend to make any modification. So far as the expenditure is concerned, for the first time a normative approach is suggested to the Commission only with a view to consider the revenue, expenditure and receipts in totality, which is totally in tune, and in consonance, with the provisions of the Constitution.

SHRI ANANDA PATHAK: My second supplementary, Sir..

MR. SPEAKER: No, MR. PATHAK, that is all.

SHRI V. SOBHANADREESWARA RAO: Is it not a fact that the Chief Ministers have also pointed out regarding the need for extending the time limit of clearing the overdrafts by the states from the present ceiling limit of 7 days to 3 weeks. Since all the states will be facing some difficulties in the first week due to payment of salary and other interest and payment of loans, so they need to increase this time limit up to 3 weeks. Also, there was suggestion from the States Chief Ministers that there is a need to convene the National Development Council at least twice in a year instead of once in a year. The ways and means limit of the states, which is at present only one per cent of the Budget...

MR. SPEAKER: A question is coming on this.

SHRI V. SOBHANADREESWARA RAO: These points were also mentioned by the Chief Ministers in their memorandum to the Prime Minister. So, I would like to know what is the reaction.

MR. SPEAKER: The points that you are raising are coming under Q. No. 69.

SHRI. V. SOBHANADREESWARA RAO: But these points were also there in the same memorandum.

MR. SPEAKER: This very question is coming.

SHRI SURESH KURUP: Due to the centralisation of the financial powers, the debt burdens of the states are increasing. They are facing acute financial crisis. For example, for a State like Kerala, the interest on the loan taken comes almost to the principal amount. Such a situation creates frequent difficulties for the states in balancing their cash position and retaining their plan expenditure intact. So, in this context, I would like to know whether the interest on the Central loans would be reduced?

SHRI B. K. GADHVI: This is precisely relevant to Question No. 69 where the question regarding Kerala has been specifically asked. This is nothing to do with the Finance Commission.

SHRI SURESH KURUP: You are the Minister who will be going to answer that question.

SHRI B. K. GADHVI: Question No. 69 is yet to come. This is only Question No. 61.

*(Interruptions)*

SHRI SURESH KURUP: What is this? I have asked a very relevant question.

MR. SPEAKER: There that point is coming. He will answer that.

SHRI SURESH KURUP: It is a pertinent question.

SHRI V. SOBHANADREESWARA RAO: What about my question?

MR. SPEAKER: That question is coming. Anyhow your question will be answered

*(Interruptions)*

SHRI V. SOBHANADREESWARA RAO: Sir, the question which I have raised in the form of supplementary related to Question No. 61. These were the points made by the



Chief Ministers to the hon. Prime Minister. So, I wanted to know the reaction of the Government to these suggestions.

SHRI SURESH KURUP: Sir, you club both the Questions.

MR. SPEAKER: Okay, we can club them. Should we club them?

SHRI B. K. GADHVI: Clubbing it would be difficult. It would not be proper also in the sense that so far as Question No. 69 is concerned, it is with regard to the overdraft and financial assistance--including relief, assistance share from the taxes and other things.

So far as the Finance Commission is concerned, it has got a constitutional bearing and terms of reference and other things. So clubbing will lead to anomalies. Therefore it is better to take them separately.

SHRI V. SOBHANADREESWARA RAO: What about my question?

MR. SPEAKER: It is on the other Question that is coming up.

PROF. MADHU DANDAVATE: Mr. Speaker, Sir, before I ask the question, I would request you to kindly direct the Minister not to take such rigid postures--straight-away saying, No, Sir. That means he admits that the Memorandum is submitted by the Chief Ministers but he says, "we are not going to discuss it in the National Development Council nor are we going to ask the terms of reference to be modified"

Such a negative approach should be given up. Now, I will come to the question

MR. SPEAKER: That is the suggestion!

PROF. MADHU DANDAVATE: Yes, suggestion for action. For you, Sir, the suggestion is that you direct them. (interruptions) Is it not a fact that a suggestion has been made that the Finance Commission

should make a recommendation regarding the distribution of grants so far as the principle is concerned on the basis of which the distribution should be made to various States?

For this purpose, is not a constructive proposal made that the very appointment of the Finance Commission should be timed in such a manner that the Five Year Plan document should be available to the Finance Commission so that they can make concrete suggestions in that regard?

In this context, will you take cognizance of a very important suggestion from all sections of the House that -- today whenever there are increase in the administered prices of commodities, the entire proceeds go to the Centre--they will consider even the distribution of the mobilisation of resources through administered prices between States and the Centre so that the federal polity and economy of the country will be a reality and not remain only on paper?

SHRI B. K. GADHVI: The constitution of the Finance Commission is made in accordance with the constitutional provision.

Therefore, hon. Members would be pleased to know that this Finance Commission also would give its Second Report by June, 1989 which means when the Eighth Five Year Plan would be coming up.

Now, with regard to the administered prices, presently Government do not intend to put them in the process of devolvable fund. Therefore there is no question of referring that matter to the Finance Commission.

PROF. MADHU DANDAVATE: He has not replied whether the recommendation regarding principle of distribution of revenues would be handed over to the Finance Commission?

SHRI B. K. GADHVI: So far as principle of distribution of revenues is concerned, for the first time--in earlier Finance Commission only the non-plan expenditure was taken into consideration--we have

with a view to making it more realistic have taken both plan and non-plan revenue expenditure and the receipts.

Therefore, it would be better for States to have their financial disciplines also. It would also remove one anomaly, namely, that uptill now the experience was that before the Finance Commission the projections by the States with regard to revenue and expenditure were different; before the Planning Commission the projections of the States with regard to revenue and expenditure were different and that would perhaps be removed also because of this normative approach.

PROF. MADHU DANDAVATE: It is a very typical reply: he has revealed little, and concealed a lot. To what I had asked for, he has refused to give a reply.

SHRI V. SOBHANADREESWARA RAO: What is this, Sir? You are giving me the opportunity to ask questions. I have put the question, and he has not answered.

MR SPEAKER: You can ask again.

SHRI V. SOBHANADREESWARA RAO Is it a fact that the Chief Ministers have pointed out to the Prime Minister, the need for extending the time limit for clearing the over-drafts by the States from the present ceiling of seven days to three weeks, and for increasing the ways and means limit which at present works out to 1% of the States, whereas the deficit financing ceiling limit for Centre is 10%; and also for convening the meeting of the national Development Council twice a year? If so, what are the reactions of the Union Government to these suggestions from the Chief Ministers?

SHRI B. K. GADHVI: In my answer to question No. 69, I have already stated...

*(Interruptions)*

SHRI SURESH KURUP: Why talk about question 69; why is he referring to it?

*(Interruptions)*

SHRI B. K. GADHVI: I will reply to his question now, although it is irrelevant to this question.

SHRI SURESH KURUP: How is it irrelevant? *(Interruptions)*

MR. SPEAKER: Please take your seats. You are not running this House. Mr Gadhvi, if you have given that answer in reply to question No. 69, you give it here also.

SHRI B. K. GADHVI: I say that the question of raising the ways and means limit is under the consideration of the Government. I also say that we do not intend to extend the overdraft clearing limit of seven clear working days to more days. But when the States find themselves in difficulty on this financial aspect, we certainly try to help by other devices.

MR. SPEAKER: Now next question. Mr. Sarfaraz Ahmad and Mr. Vilas Muttemwar are not here. Now question 63: Mr Ramoowalia.

*(Translation)*

#### **World Bank Advice on Devaluation of Rupee**

\*63. SHRI BALWANT SINGH  
RAMOOWALIA:  
DR. CHINTA MOHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has recently advised Government of India to devalue the rupee against leading countries and to take other sweeping measures to boost exports;

(b) if so, the details thereof; and

(c) the action taken by Government in this regard?

*(English)*

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.

**SHRI BALWANT SINGH RAMOOWALIA:** As already mentioned by Mr. Madhu Dandavate, the replies given by the Minister are usually very harsh, viz. "No, Sir; Yes, Sir." (*Interruptions*) It pains us.

**PROF. MADHU DANDEVATE:** They are unduly precise.

**SHRI BALWANT SINGH RAMOOWALIA:** The point is that it is reported that the Indian rupee fell sharply by 23.5% against the British pound, 18.34% against the West German Mark, 20% against the Japanese Yen and 1.38% against the U.S. dollar.

My question was whether the World Bank has recently advised Government of India to devalue the rupee against the currencies of all leading countries. In a report of 230 pages published by the World Bank, it has been categorically suggested by that institution to Government of India, to devalue our currency.

**PROF. MADHU DANDEVATE:** They have called it depreciation.

**SHRI BALWANT SINGH RAMOOWALIA:** So, will you again categorically assure the House that the Government will not, at any cost, revise the rupee parity against the basket of currencies?

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI):** There is no question at all of any devaluation of the rupee as such. (*Interruptions*) The hon. Member must have seen the newspaper report wherein Mr. E. Bevan Waide, the Chief of the Bank's resident mission in India, himself has said this in a special interview to the U.N.I. The report says:

In this connection, Mr. Waide referred to reports suggesting that the World Bank had urged the Government to devalue the rupee, and said: 'I would like to state, not only for myself but for my colleagues in Washington, that the Bank has not recommended devaluation to the Government of India.

Now, there is no recommendation; there is no question of any recommendation being made. And even if any recommendation is made by economists and others, we are not going to devalue. I must congratulate the hon. Member for asking a subtle question whether we shall adjust our currency to a basket of currencies now because of volatile exchange rates. Most of the countries are adjusting their currencies according to a basket of currencies. Therefore, you may see a fluctuation on currency rates because of this adjustment of different baskets of currencies. Sometimes we go up; sometimes we go a little marginally down; but we go up and down that way; but that is an adjustment; it is not devaluation.

**SHRI BALWANT SINGH RAMOOWALIA:** I am thankful to the government for assuring that the rate is not being devalued.

**PROF. MADHU DANDEVATE:** For the time being.

**SHRI BALWANT SINGH RAMOOWALIA:** Again, according to the report, the foreign trade deficit will be upto the amount of dollar Rs. 700 crores this year. Keeping in view that, is it true that the government has also been advised to boost exports from this country to meet this deficit?

**PROF. MADHU DANDEVATE:** Following the recommendation of the common-sense.

**SHRI EDUARDO FALEIRO:** As the Finance Minister has said, this question has been based on some report which has been very categorically refuted by the World Bank themselves. Now, as far as exports are concerned, I am happy to inform the House that over the last couple of years there has been a substantial rise in our exports to the extent if you mention in terms of dollars from 1986-87, as compared to the previous year to the point of 15 plus per cent over the previous year; and if you mention this year, upto November, April-November 1987, as compared to the previous year, 1986, there has been a further rise in terms of US dollar to the extent of 21 per cent plus; and as a

result of this, actually the trade deficit has been reduced. This is very comparable to the extent of 1986-87. We were able to exceed the target of exports and this trend is continuing. I am sure the members will congratulate the government for this splendid performance.

PROF. MADHU DANDAVATE: We will wait for the budget figures.

SHRI E. AYYAPU REDDY: Is it a fact that the foreign exchange rate of the rupee has been steadily going down as against the dollar, as against the pound, as against the yen for the last four years? If the foreign exchange rate of the rupee is going down, what are the efforts made by the Government of India to stabilise the rupee with regard to foreign exchange rate especially of these four countries? What are the steps taken to reduce the trade deficit? As a matter of fact, we have been hearing that the trade deficit is going up and not coming down. It only depended upon a few items like jewellery, gems and other things. With regard to engineering goods and capital goods, we have not been at all making any improvement in our foreign exchange and in our export trade. As compared to Singapore and Malaysia, we have not been doing very well at all. So, what are the steps that will be taken to stabilise foreign exchange rate of the rupee?

SHRI NARAYAN DATT TIWARI: It is very difficult for a particular country to maintain exchange rate when the foreign exchange rate of other countries is itself volatile. When the dollar itself is falling continuously and going up and down and all currencies are going up down; if they are volatile, they will adjust exchange rates there in their currencies. It is not just one country's affair; it is because of the volatility of rates of other countries that it also affects us. Therefore, I think it is not as if we ourselves are doing some adjustment; it is because of the urgency of the situation as such; and in a fluid international monetary situation, any revision in the rate of the rupee is an integral part of the process of adjustment; it does not signify any intrinsic weakness or otherwise in the value of the

rupee or for that matter the economy as a whole.

SHRI E. AYYAPU REDDY: The foreign exchange value of the rupee has been going down for the last four years.

MR. SPEAKER: Please sit down.

SHRI THAMPAN THOMAS: It is ascertained that there is no proposal to devalue the rupee. But I would like to know from the hon. Minister, in terms of rupee in 1947 and in terms of rupee in 1960, what is the value of the rupee today because it is reported that one paisa in 1947 is equal to one rupee today and ten paise in 1960 are equal to one rupee today.

SHRI MURLI DEORA: You are talking of purchasing power. This is not the foreign exchange market.

*(Interruptions)*

SHRI NARAYAN DATT TIWARI: It is internal, not external.

PROF. MADHU DANDAVATE: After the budget it will go down further.

#### **Drive Against Income Tax Evasion**

\*64. SHRI BALASAHEB VIKHE PATIL:  
DR. CHANDRA SHEKHAR  
TRIPATHI:

Will the Minister of FINANCE be pleased to state:

(a) the concrete results achieved out of the drive conducted against income tax evasion during the last year; and

(b) whether any special instructions have been issued to the Income Tax authorities in regard to the methods and procedures to be followed by them to make anti tax evasion drive more effective?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). A statement is given below.

## STATEMENT

(a) The details of the results achieved during 1986-87 along with comparative figures of the preceding year and that of the current year are as under:-

Financial year	No. of searches	Value of prima-facie	Amount of concealed	No. of new assesseses	No. of
	conducted	unaccounted	income		discovered
tion orders received in			surrender-assets seized		prosecution cases (Rs.in crores)
1985-86	6431	50.32	--	1,05,688	70
1986-87	7054	100.70	36.85*	6,66,563	66
1.4.87 to 31.1.88	6915	102.60	74.19	4,09,453	51

\* The explanation to Section 271 (1) (c) was amended w.e.f. 10.9.1986 to concealed income in the course of the search operations.

(b) Instructions with regard to conducting of searches and surveys and processing of prosecution cases are issued from time to time for ensuring smooth conduct of operations.

11.26 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

[*Translation*]

SHRI BALASAHEB VIKHE PATIL: Mr. Speaker, Sir, on going through the statement, it is found that a very small amount has been seized by the Government in the raids during the past three years and the amount seized during 1985-86 is nil. The Government seized Rs. 36 crores during 1986-87 and Rs. 74 crores in 1987-88 through these raids. Going by the total quantum of black money which has been put at approximately Rs. 40,000 crores, may I know why this amount is so small? Do not you get more amount in the seizures or is there something wrong with the raids or is there any lacuna in the law? I would like to know from the hon. Minister as to what steps are being taken by the Government in order to increase this amount further?

[*English*]

SHRI A.K. PANJA: The hon. Member must have seen that this is on account of concealed income surrendered. This provision was not in the Act. this came with effect from the 10th September, 1986--that is, Section 271(1)(c). When this provision came under operator we applied that law and therefore in 1986-87 Rs. 36.85 crores were surrendered in course of searches. In 1987-88 up to the 31st January the amount is given, that is Rs. 74 crores and 19 lakhs

SHRI BALASAHEB VIKHE PATIL: Already, I have repeated that. I want to understand why the number of searches is so huge and the black market circulating due to evasion of taxes is so high, then why is the amount so less compared to the number of searches? I want to understand that.

SHRI A.K. PANJA: These are surrendered by the assesseees themselves where search has taken place, not that these are the amounts which will be recovered ultimately. This now provision came in that when the officers go for searches, if they surrender on their own, these are the amounts shown. This provision came in 1986 and that is why those figures are

given. That is not the total amount which has been recovered.

**SHRI BALASAHEB VIKHE PATIL:** If these are the surrendered amounts, is the Government prosecuting them or will they allow them to go, or will they not come under any law? Secondly, already you have investigated and some cases about income-tax evaders were found. The number has gone from one lakh to four lakhs in three years, -- the figures given are one lakh, 6,66,000 and 4,09,000 -- but how many cases are being prosecuted? How much money is likely to come due to recovery of taxes in these cases? How many big houses have come under this raid and what is the amount recovered or surrendered by them?

**SHRI A.K. PANJA:** So far as the first question is concerned, regarding the amount that is coming from one lakh to four lakh assessees, due to the surveys new assessees were discovered. That is why it was in 1985-86 a little over one lakh which rose to 6,66,000 in 1986-87. Because of the new drive given at that time, because of the amnesty given people used to come forward voluntarily. Two policies are adopted by the Government. One is, to let the people come forward voluntarily to become assessees and to voluntarily disclose. Second policy is a deterrent one. If they do not do so then the law is enforced strictly against them. So far as those who surrender, it is not that action is not taken against them. If they voluntarily surrender, as some have already done, then some concession is given to them, because we want to ask the people to participate in payment of tax on their own.

So far as prosecution is concerned, I have got the figures. The number of prosecutions launched in 1984-85 was 2111 number of cases decided--115; number of cases convinced--58; number of cases acquitted--34; and number of cases compounded--23. In 1986-87, the number of cases prosecutions launched 5,258; number of cases decided--202; number of cases of which conviction obtained 66 number of cases acquitted--63 and number of cases compounded--73. Therefore, it is not cor-

rect to say that the number is going down.

**DR. CHANDRA SHEKHAR TRIPATHI:** Mr. Deputy-Speaker Sir, the hon. Minister in his reply has stated that the year-wise the value of *prima facie* unaccounted assets seized has gone up. He has not disclosed the number of persons with whom the unaccounted assets were seized and against how many persons, prosecutions were launched and with whom they dealt? The Minister has also stated just now that the number of prosecutions has gone up from year to year. But the number of conviction orders passed has gone down. It indicates that the raids which conducted by the authorities were not conducted as per the norms. I would like to know the reasons why the conviction orders are being passed by the competent courts in lesser cases; whether there is any anomaly or lacuna in the prevailing rules and whether the Minister is going to plug the loophole or not.

**SHRI A.K. PANJA:** There is no anomaly or lacuna so far as the present law is concerned. If the hon. Member looks at the figures I have given, he will find all the cases of which prosecutions were launched, in a particular year were not disposed of in the same year. There are difficulties of courts disposing of those cases and we have given the particular year in which prosecutions were launched. For example, 5,258 cases were launched in 1986-87 and out of those only 202 cases were decided. If the cases are going to be decided in future, the number will increase. Until all cases are disposed of, it is not correct to say, that it is because of any lacuna. I have already stated that how many prosecutions were launched. So far as the number of new assessees and number of seizures are concerned, I have got the figures. I have given the number of seizures in the figures. But the number of persons comes from the number of searches taking place, that is, unit-wise but in the number of prosecutions, i.e. the actual number of people are not being given.

**SHRI INDRAJIT GUPTA.** Sir, the hon. Minister has given us a large number of statistics relating to this problem. I would

request him to give us one more figure,... that is, what is the latest figure for the total amount of income-tax arrears..which have accumulated. Secondly, is it a fact that in the instructions or guidelines which have been issued regarding searches, it has been laid down that the searches should be confined only to the office premises of these people and not to their domestic houses or residences. This was stated here, I think during the budget discussions year before last, when there was a big hullabaloo by many big houses that their people are being harassed by searches by taking place in their residences and houses. It was decided that henceforth the searches would be confined only to the business premises and office premises of such people and not to their houses. Is it still continuing or not? If so, is it not leaving an obvious loophole? Secondly, will these people be let off from prosecution if they are prepared to express regret as some people have done? I do not want to name them. Everybody knows those cases of big business house people, who expressed regret and said that the evasion was not done deliberately but it was due to some mistake in the accounting or something like that and they gave an assurance that it will not happen again. If somebody does that, is he going to be relieved of the liability of being prosecuted? I want to know if that is also one of the guidelines or instructions which is being followed.

SHRI A.K. PANJA: To take the last point first, there is no provision that just by giving regret they will be relieved of their responsibility.

SHRI INDRAJIT GUPTA: It is not a provision in the law; I understand that.

SHRI A.K. PANJA: Not otherwise also. If they point out any mistake and after scrutiny that mistake is found, we correct it. But mere regret, whether it is in law or convention, does not relieve him from paying the tax. The second thing is that there is no provision that the residences will not be searched. This is continuing. I do not know from where the Member got this information. In fact, we are taking caution for the purpose of going inside the

residential premises. Until we cross check and there is some percentage of certainty, we do not want to do so. By adopting two-pronged policy i.e. asking the people to come voluntarily and an also taking deterrent measures, you will be pleased to know that the value of a particular seizure per search has gone up to Rs. 1.48 lakhs from Rs. 55,000 a few years ago. Therefore, we are getting certainty. We have opened a research cell and also information cell so that there is cross-checking.

So far as the first question is concerned about the total amount of arrears accumulated, the figures are not with me.

### Seizure of Photographic Goods

+

\*65. SHRI SAIFUDDIN CHOWDHARY:  
SHRI AJOY BISWAS:

Will the Minister of FINANCE be pleased to state:--

(a) whether in December, 1987/ January, 1988 officials of the Customs Collectorate, Delhi seized cameras and other photographic goods of foreign origin worth lakhs of rupees in Delhi;

(b) if so, the details thereof; and

(c) the action taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) During December, 1987 and January, 1988, the officials of the Customs Collectorate, Delhi, seized cameras and other photographic goods of foreign origin collectively valued at Rs. 7.85 lakhs.

(b) and (c). On 31st December, 1987, and 1st January, 1988, the Officers of Delhi Customs Collectorate searched the business premises of M/s Patel Roadways (Private) Ltd. 90-New Lajpat Rai Market, Delhi M/s Agarwal Brothers at 17/30 Kucha Chaudhary, Chandni Chowk, Delhi and M/s Agarwal Photosales at 17/16, Kucha Chaudhary, Chandni Chowk, Delhi,

and recovered and seized the above mentioned goods.

Three persons namely: S/Shri Anil Anand, Rajesh Gupta and M. L. Gupta were arrested in this case.

**SHRI SAIFUDDIN CHOWDHARY:** Smuggling is on the increase in the country and this is not only harming many areas of our indigenous industry but also undermining the economy as a whole. May I know from the hon. Minister whether it is a fact that despite many laws and efforts to curb smuggling it is not proving successful due to the nexus of the smugglers and politicians. Do you agree with me or not?

**SHRI A. K. PANJA:** So far as this case is concerned, I do not think it is correct to say that. So far as other cases are concerned, I have no knowledge.

**SHRI SAIFUDDIN CHOWDHARY:** In this case, he has to agree. There is a news item in 'The Times of India' dated 3rd January, 1988 with the heading 'MP's brother held for smuggling. Anybody's brother can be a smuggler. But in this case, he intervened to secure the release of his brother who was the culprit in this case. What is he to say about it?

**SHRI A. K. PANJA:** This report which has come to our notice is wholly concocted and untrue. Not a single Member of this House or of Rajya Sabha is involved nor the persons who were arrested, are anywhere related to any of the Members. The difficulty is that by these concocted reports, causes so much damages to apprehend the real culprits, we also face so many difficulties. So far as this case is concerned, the newspaper report has been referred to. It is not true that anybody interfered with the prosecution nor at the time of search and seizure nor involvement of any MP ever arose.

There is another point written here that the reporter quotes that in the arguments of the prosecution counsel, it was stated that political influence is coming. We have got a letter from the advocate himself. He wrote it down on the next day, after finding

this report, that no one ever made any such request to him, not even an M. P., nor did he ever argue before this Judge that there will be political pressure. Therefore, Sir, it is not correct.

**SHRI D. N. REDDY:** Sir, may I know from the hon. Minister whether he is aware that articles, including gold, seized by the Customs authorities are not disposed of in public, either by auction or by giving wide publicity, leading to many irregularities by the Customs? Will the Minister ensure that the goods are disposed of in a proper way in full public view?

**SHRI A. K. PANJA:** Sir, unless the hon. Member points out to any particular case, it is very difficult to answer. But so far as disposal is concerned, proper public notice is given. It is usually done by public auction. The various confiscated goods are sold only in accordance with departmental instructions on the subject.

#### Loan from Japan

\*66. **SHRI S. B. SIDNAL:**  
**SHRI MAHENDRA SINGH:**

Will the Minister of FINANCE be pleased to state:

(a) whether India has recently signed a 29 billion yen loan agreement with Japan;

(b) if so, the details of the agreement; and

(c) the commodities that would be imported and Scheme/Projects proposed to be implemented therewith?

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

#### STATEMENT

(a) India has signed a loan agreement with the Overseas Economic Cooperation Fund (OECF) of Japan for loan of Yen 29.5 billion on 21st December, 1987.



(b) The loan is repayable over a period of 25 years including a grace period of 7 years and carries interest at the rate of 2.75% per annum.

(c) The loan is available for financing the import of the following commodities:--

- (i) Dried Leguminous Vegetables shell not skinned or split.
- (ii) Oil seeds and oleaginous fruit, whole or broken.
- (iii) Fixed vegetable oils, fluid or solid, crude or purified.
- (iv) Cotton, not carded or combed.
- (v) Man-made fibres (discontinuous), not carded, rumbed or otherwise prepared for spinning.

SHRI S. B. SIDNAL: Sir, in the last part of my question I have asked whether any proposal is there to implement the Scheme/Projects. But information has been given only about commodities, avoiding the Scheme. I would like to know whether this loan is related to some productive purpose or consumptive purpose.

SHRI EDUARDO FALEIRO: Mr. Deputy Speaker, Sir, this is in addition. This loan, the approximate figure of which I have given at the end as Rs. 170 crores, is meant specifically to meet the drought situation in this country. This is in addition to the annual contribution which has been made by Japan at the Aid India Consortium's meeting held in Paris in June last year. They have made an annual contribution of about Rs. 627 crores for 1987-88. The loan I have mentioned in the answer is for commodities and precisely to meet the drought situation.

SHRI S. B. SIDNAL: Sir, I would like to know whether it is directed or demarcated for some of the States which are recently suffering from drought, that is, Rajasthan, Madhya Pradesh and Karnataka.

SHRI EDUARDO FALEIRO: Obviously, Sir, it is not for other countries to

determine which particular areas should be benefited by the assistance they give, and surely, Japan has not imposed any such conditions. We will allocate the resources according to our priorities.

SHRI SYED SHAHABUDDIN: Mr Deputy Speaker, while we welcome such bilateral agreements, we must bear in mind their repayment pattern. I am particularly concerned because, as you know, Yen is one of the strongest currencies in the world and has been consistently rising very sharply in its international value, and therefore, when the time comes for repayment, the actual number of rupees that will be required for repaying this loan, shall, I presume, be much higher than what it is today. What I would like to know from the hon. Minister is whether against such a contingency, there is any clause in the agreement which would restrict the repayment value, when it comes to repayment in a particular year, to the present Rupee-Yen exchange rate.

SHRI EDUARDO FALEIRO: Sir, there is no reason for the apprehensions of the hon. Member because if the hon. Member cares to look at the statement, it will be seen that it is very softer. It is repayable over a period of 25 years, including the grace period of seven years, and at the rate of 2.75 per cent per annum, which is extremely low. Sir, I may add here that in view of the terms of interest, particularly the general terms of credit of the Japanese loan, Prime Minister Nakasone, just before he left office, reduced the terms of interest, so as to make them more comparable to the loans and assistance given by other countries.

SHRI SYED SHAHABUDDIN: Sir, the hon. Minister has not got my question. I did not ask about the soft or the hard terms of the assistance. I am talking about the value when it comes to repayment. At least we shall be repaying the principal amount along with whatever margin of interest that might be. But that in terms of rupees, in terms of the purchasing power, shall be much higher than what it is today. What are you doing about that?

**SHRI EDUARDO FALEIRO:** There is not much base for the speculation of the hon. Member.

**SHRI MURLI DEORA:** Sir, one reason why so many loans and credits are not utilised and are allowed to lapse is what my friend earlier said, the risk due to exchange fluctuation, whatever it is yen or dollar or deutsche mark or Swiss franc, whatever it is, when the repayment is made, the amount of rupees paid is much much more and I am sorry I tend to disagree with the hon. Minister when he replied just now--when you say that it is a soft loan only with 2 per cent or 2.75 per cent rate of interest, by the time it is paid after 20 years or 25 years, the beneficiaries are not ready to take the loan because they will be paying much much more than what they are paying otherwise and in express terms the rate of interest they will be paying is more than 12-15 per cent. I would request Mr. Tiwari to intervene in this question. Those who borrowed 1 million dollars 5 years back, were supposed to pay Rs. 1 crore at that time, but today they are paying Rs. 1.30 crores. Loans through ICICI, IDBI and other institutions in Bombay and all over the countries, the beneficiaries are not ready to take advantage of them. There are several complaints on that. I would request you to see what they do in other countries like Mexico and Brazil. There is a scheme of exchange cover. What they do is to cover the exchange risk. So, in future, if they pay after 10 years or 12 years or so, they will pay the same equivalent amount. I would ask the hon. Minister whether the Government proposes to introduce such a system so that the beneficiary who receives the loan or the credit or the grant does not have to pay more than what he is really expected to pay.

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI):** Sir, the point made by the hon. Member is well taken. We do not want to overload ourselves with debt burden even in the long term which it would be difficult to repay in the future. And therefore, in this particular transaction also we have taken pains to see that the loan

that we get--because of balance of payments situation we have to arrange for foreign exchange, because already the balance of payments situation is such that we have to look at the whole foreign exchange budget very carefully and therefore, when Foreign Minister Korelare of Japan came here, the discussions were held with him and then when our Prime Minister visited Japan, he had also held discussions with the then Prime Minister Nakasone of Japan and then the Finance Secretary himself was sent to Japan to discuss this loan agreement, and it has been our endeavour in such transactions to have a safeguard...

**SHRI MURLI DEORA:** Why don't you cover this exchange risk?

*(Interruptions)*

**SHRI NARAYAN DATT TIWARI:** Well, my hon. Member will agree that our friends, namely, Mexico and Brazil, are not just very illuminating examples of debt management.

**SHRI MURLI DEORA:** Only exchange coverage.

*(Interruptions)*

**SHRI NARAYAN DATT TIWARI:** Of course, I would like to go through that scheme. Since you have given that suggestion, I would go through that scheme. Of course, we are very cautious about it and we shall keep note of what you have said and what the hon. Member has said earlier in view, in future also.

*[Translation]*

### **Balance of Trade**

\*68. **SHRI HARISH RAWAT:** Will the Minister of COMMERCE be pleased to state:

(a) whether there has been considerable decline in the balance of foreign trade during the last six months; and

(b) if so, the total deficit at present and the measures proposed to reduce it?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) and (b). A statement is given below.

### STATEMENT

According to the provisional trade statistics, India's trade deficit during the last six months i.e. July--December, 1987 works out to Rs. 3517.81 crores, which is less by Rs. 68.88 crores as compared to the trade deficit of Rs. 3586.69 crores during the corresponding period of previous year i.e. July--December, 1986. India's total trade deficit during the first nine months of the current financial year from April to December 1987 amounted to Rs. 4913.37 crores which is less by Rs. 297.18 crores as compared to the trade deficit of Rs. 5210.55 crores during April-December, 1986.

In order to contain the trade deficit, the Government have taken a number of steps for export promotion and efficient import substitution. The export promotion measures have been designed to generate capacities for export production, to induce the production of goods contemporary in technology and competitive in prices and to make exports profitable. Efforts are also being made to effect efficient import substitution, particularly in the area of bulk imports.

SHRI HARISH RAWAT: Mr. Deputy Speaker, Sir, despite Government's announcements to increase exports and to keep the import items under check, the deficit in the foreign trade continues to be alarming. Through you, I want to ask the hon. Minister as to what is the latest position in this regard and what plans are there with his Ministry to increase the export of non-conventional goods and to encourage the persons working in such areas of export?

SHRI NARAYAN DATT TIWARI: Sir, the concern expressed by the young hon. Member is surely worth consideration. The

statistics given from time to time in this regard and the reply that I have given to this question make it clear that our exports have increased and the deficit too has gone down as compared to the last year.

Sir, when I present the budget proposals on 29th with the blessings of this House and later the Import and Export Policy, I will get an opportunity to speak something on this subject. It is not possible to say anything in detail as to what is under consideration. All these aspects are being considered in detail. Let 29th come and let the Import-Export Policy be announced. Till then I want to say that all-out efforts are being made to increase the export of non-conventional goods. Consultations are made with the organisations, such as, Asso. Chem., F. I. C. C. I., C. I. I., Engineering etc. for this purpose. Our public undertakings are also making efforts in this direction, especially to push up the exports of engineering goods. If you see, our efforts are continuing for basic chemicals which is a conventional item and recently when I visited Malaysia, I did discuss about the export of B. H. E. L. boilers to that country and they have accepted the offer too.

Thus, we are making every effort to increase the export of engineering goods.

SHRI HARISH RAWAT: There is a great potential for increasing trade with the countries of Middle East and Latin America beside those countries with whom we have been doing trade for the past many years and who have even given us additional facilities. I want to know from the hon. Minister whether his Ministry is aware of this potential for increase in the fruit export to the countries of the Middle East and whether any special efforts will be made in that direction?

SHRI NARAYAN DATT TIWARI: Yes, Sir. It is our endeavour to increase the export of agriculture-based products to the countries of Middle-East. In this direction, we are making all out efforts, and there has been some increase in the trade too.

[English]

SHRI THAMPAN THOMAS: One of the items by which foreign exchange can be earned is the manpower export. Has your Ministry made any efforts in this line to get more foreign exchange on this? Is there any scheme with the Government--of course, people from Kerala are going--by which foreign exchange can be earned. Can the hon. Minister enlighten the House about this programme?

SHRI NARAYAN DATT TIWARI: I agree with him. Manpower export means, not export but it can also be called in terms of skilled and semi-skilled workers. They have been going to the Gulf countries in a very large number. Recently there had been a downward trend of our skilled and semi-skilled workers going abroad. While we do not encourage it, certainly we do not discourage it. Therefore, the Labour Ministry deals with this matter and we are, within the framework of our policy, looking into this.

[Translation]

SHRI MURLIDHAR MANE: Mr. Deputy Speaker, Sir, I want to submit to the hon. Minister that there is an export promotion body of the Government of India which decides about the goods to be exported, the quality of goods to be purchased and the company from which purchases are to be made so as to ensure quality control. I want to tell the hon. Minister that the export promotion body is ineffective for the last many years and some officers including some ex-officers of the Government who are managing its affairs are not active. Therefore, I would like to know whether the hon. Minister is going to reconstitute this body? Is the performance of this body assessed in order to know how much export was done by these people and is the performance of the individual officers also assessed?

SHRI NARAYAN DATT TIWARI: Sir, the hon. Member has asked a very important question. We do evaluate the programmes and progress of our export promotion councils. We have talked to almost all

councils and they have been asked to draw up action plans in respect of individual companies too. A number of export promotion councils have submitted their action plans as well as the action plans of their leading member exporters. While doing so, it has also been ensured that the action plan of the export promotion councils is drawn up on the basis of these individual plans.

As has been pointed out by the hon. Member, some members do not pay as much attention to the activities of the export promotion councils as they should. Therefore, we shall certainly consider reconstituting this export promotion council and they will be asked to replace according to the prescribed procedure the members who do not take keen interest in it, or who are otherwise not active, by those who take interest in it.

#### Overdrafts by Kerala

\*69. PROF. K. V. THOMAS: Will the Minister of FINANCE be pleased to state:

(a) whether the overdraft facility made available to Kerala Government was withdrawn by the Reserve Bank of India in December, 1987;

(b) if so, the reasons therefor;

(c) whether similar action was also taken earlier in Kerala and other States;

(d) the general norms and conditions for making use of the overdraft facilities by the State Governments; and

(e) whether State Government have requested to modify these conditions?

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

#### STATEMENT

Under the Overdraft Regulation Scheme, Reserve Bank of India would stop payments on the account of any State, if it

continues in overdrafts for more than 7 consecutive days. This is applicable to all States except Jammu & Kashmir and Sikkim which do not bank with the RBI. The State of Kerala was in overdraft for 14 continuous days from 5th December, 1987 to 22nd December, 1987. When the State's drawal of overdraft continued for more than 7 continuous working days, the RBI stopped payments on the State Government's account for a few days and the payment was resumed only on 23rd December, 1987 when the overdraft was cleared by the State Government on 22nd December, 1987. Since October, 1985, no State except Kerala has been in overdraft with the RBI for more than 7 consecutive working days.

Some State Governments have requested that the ways and means limits fixed for them by the RBI may be increased keeping in mind the increase in the level of their transactions and their requirements of funds to tackle drought. They have also requested an increase in the time fixed for clearing overdrafts under the Overdraft Regulation Scheme from the present limit of 7 days to around 21 days. The matter is under consideration.

**PROF. K.V. THOMAS:** The present Kerala Government finds it very difficult even to distribute the salary to the Government employees. Kerala is now in a financial mess. I want to know whether this financial difficulty is created by the present Nayanar government or the earlier Karunakaran Government.

**SHRI B. K. GADHVI:** The financial position of the present Kerala Government was under pressure and we have always constantly tried to help this Government in giving assistance in various forms and in various ways. This Government, without much realising the financial position, tried to take populist measures and thereby it came into a little difficulty but we have tried to solve it and, therefore, now I believe the Government is in a comfortable position because of the Centre's assistance.

**PROF. K.V. THOMAS:** In the first week of last December, the overdraft facility to

Kerala was stopped. There was an allegation that the overdraft facility was stopped just to embarrass the present LDF Government just before the local body election.

My question is whether the overdraft facility to Kerala was stopped to the other Governments in other states and whether the proposal of many of the States to extend the period of 7 days to 17 days or 21 days be considered.

**SHRI B.K. GADHVI :** So far as the overdraft facility is concerned, there is a uniform policy that overdraft is allowed for seven working days by any of the States and not for more time. The State of Kerala this year was in a overdraft for 15 occasions. On two occasions, the overdraft was for 7 consecutive days. On one occasion, they held it for 15 days.

On one occasion, the over-draft continued for 14 days. That was from 5th of December to 22nd December 1987. When the State crossed the seven days' limit of overdraft, the RBI stopped the payment. Therefore, now we do not intend to extend the limit from seven days to more days. But, at the same time, when the Kerala Government was facing the situation, we tried to help it. I would like to say that we immediately--in the year 1987--advanced release of share in Central Taxes by 10 times and advanced release of Central Assistance for the State Plan by three times and rephasing of the payment of loan, Central loans and interest was made five times. At the same time, we gave the natural calamity, drought relief assistance also. Thus, the State was helped.

## WRITTEN ANSWERS TO QUESTIONS

[Translation]

### Relief against price rise

\*62. **SHRI SARFARAZ AHMED:**  
**SHRI VILAS MUTTEMWAR:**

Will the Minister of FINANCE be pleased to state:

(a) whether the prices of petrol, coal and some food articles were increased in December, 1987;

(b) the number of times prices of these articles increased during the last three years;

(c) whether due to the rise in the prices of these commodities, the prices of coal based products and other goods have also increased; and

(d) if so, the steps being taken by Government to provide relief to common man from this price rise?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir. The prices of petrol, coal and some other items were increased at different dates during December 1987--February 1988.

(b) and (c). Since January 1985 prices of petrol were revised three times, and those of coal and steel two times. Issue prices of sugar were revised four times in line with revision in minimum statutory price of sugarcane and those of important edible oils twice.

The prices of coal-based products and other goods, apart from administered items, are determined by conditions of supply and demand. Increases in input costs get passed on to prices of final products after a time lag, depending on market and other conditions.

(d) The measures taken by the Government to keep the price rise under check include enhanced distribution of foodgrains through Public Distribution System (PDS); relief programmes and employment programmes; strengthening of 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 by raising Cash Reserve Ratio and Statutory Liquidity Ratio; imposition of selective credit controls and intensive action against hoarders and profiteers. Prices are closely being monitored at various levels to facilitate prompt action.

Mechanisms also exist for periodic revision of compensation to various groups viz. employees of the Central/State governments, employees in the public sector,

workers in the organised sector, agricultural labourers etc. The procurement/minimum support prices paid to the farmers for their products are also revised from time to time in line with the increase in input costs.

#### **Income Tax on Funds Collected by Organisers of Film Star Nites**

\*67. SHRI SAMBHAJIRAO KAKADE: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the 'NITES' organised by individuals and institutions associating the names of film stars and renowned singers for collection of funds;

(b) whether organisers of such 'NITES' have to obtain permission from the Excise and Income-Tax Department; if so, the reasons therefor;

(c) whether the amount collected by the organisers of these 'NITES' is held income-tax free; and

(d) the details of such 'NITES' organised during the last two years in various cities including the amount of funds collected by the organisers and allowed as income-tax free and whether any of such funds were handed over to the film stars or singers whose names were associated with the 'NITES'?

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

(b) There is no such provision either under the Income-tax Act or under the Central Excise Law.

(c) The net income arising from the holding of such 'NITES' is liable to income tax. However, if such a 'NITE' is organised by a charitable society/association etc. the income of which is exempt from income-tax under any other provisions of the Income-tax Act i.e., section 10 or section 11, the net income from the holding of such a

'NITE' may also be exempt in the hands of such charitable society/association provided the income is spent for the charitable objects of that society/association.

(d) There is no system of centrally collecting and collating such information in ordinary course of business.

#### Price of Controlled Cloth

\*70. SHRI RAM SAMUJHAWAN: Will the Minister of TEXTILES be pleased to state:

(a) whether there has been steep rise in the prices of the controlled cloth meant for poor people;

(b) if so, the present rates of all the varieties of controlled cloth and how do they compare with earlier rates and the reasons for increase in their prices;

(c) whether the availability of controlled cloth in the rural areas is scarce; and

(d) the steps taken to make the controlled cloth available in adequate quantity to meet the needs of the weaker sections of the population in rural areas?

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

#### STATEMENT

(a) and (b). The average consumer prices in respect of controlled cloth (Dhoti, Saree, Long Cloth ( cotton varieties ) and polyester cotton) during January, 1988 as compared to the prices during the corresponding period of previous year are as under:--

(Average price/per sq. metre (Rs. ) )

Period	<i>Dhoti</i>	<i>Saree</i>	<i>Long</i>	<i>Polyester</i>	
	Consumer Price	Consumer Price	<i>Cloth</i> Consumer Price	<i>Cotton</i> Consumer Price	
				Bld.	Dyed
January					
1987	3.52	4.20	5.20	10.50	11.50 <sup>2</sup>
January					
1988	4.59	5.68	6.39	10.50	11.50

The consumer price of cotton controlled cloth has gone up on account of the steep rise in the cost of inputs including cotton, power and wages, the consumer subsidy, which was fixed in 1981, remaining unchanged.

(c) The Textile Policy Statement, 1985 envisaged the transfer of controlled cloth from NTC to the Handloom sector. With the gradual transfer of the production of controlled cloth to the Handloom Sector, the availability of controlled cloth, as such, would be progressively reduced. However, there has been increase in production of

similar cloth i.e. Janta cloth in the Handloom Sector.

(d) The Central Government does not directly distribute the controlled cloth. The controlled cloth produced by NTC is passed on, through NCCF, to various State Marketing Federations and Consumer Cooperatives which sell the cloth to the target population in the rural areas.

#### Working of Stock Exchanges

\*71. SHRI SRIBALLAV PANIGRAHI:

**SHRI SHANTARAM NAIK:**

Will the Minister of FINANCE be pleased to state:

(a) whether a number of rules and regulations applicable to stock exchanges stipulated in different Acts are leading to anomalies and confusion;

(b) whether this often erodes the efficiency of the stock exchanges;

(c) if so, whether Government propose to bring a comprehensive legislation to remove the anomalies and increase the efficiency of stock exchanges; and

(d) if so, details thereof?

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**

It is not correct to say that the various Rules and Regulations applicable to Stock Exchanges stipulated in different Acts are leading to anomalies and confusion or have eroded the efficiency of the Stock Exchanges. However, in view of the increase in the volume of business in securities, their increasing importance in resource mobilisation, for safeguarding the interest of investors etc., it has been felt that a greater coordinated approach in regard to the various Rules and Regulations applicable to the functioning of Stock Exchanges is required. Government have decided to set up a Board for the regulation and development of Stock Exchanges and the securities industry. The Board is expected, inter alia, to attend to the above matters and help prepare such legislation as may be necessary.

**All India Handicrafts and Art Exhibition at Surajkund**

\*72. SHRI D. N. REDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether the -All-India Handicrafts and Arts Exhibition at Surajkund (Haryana) has been a success;

(b) whether Government propose to take steps to hold such exhibitions in other countries also; and

(c) whether Government propose to take steps to encourage export of these items to earn foreign exchange?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Yes, Sir. Total sales by handicrafts artisans amounted to Rs. 13 lakhs.

(b) No, Sir.

(c) A statement is given below .

**STATEMENT**

The following steps have been taken/are being taken to promote the export of handicrafts.

- (i) Cash Compensatory support of 10% of FOB value is provided against the export of handicrafts.
- (ii) Duty Drawback @14% of FOB value of imitation jari products and 35% of FOB value on Brass Artwares & Electroplated Nickle Silver wares subject to a minimum of Rs. 23/- per kg. and a maximum of Rs. 36/- per kg.
- (iii) Import Replenishment as permissible under the Import & Export policy is being provided against the export of handicrafts.
- (iv) Export Promotion Council for Handicrafts has been set up for promoting the exports of handicrafts.
- (v) Sale-cum-Study Teams to explore the market potentials in foreign countries.
- (vi) The rate of interest on pre-shipment and postshipment



credit has been reduced to 9.5% w.e.f. 1.8.1986 for a period below 180 days.

- (vii) Handicrafts Exporters are encouraged to participate in Exhibitions/Trade Fairs for which Marketing Development Assistance is available.

#### **Selection of Chairman-cum-Managing Director of CCI**

\*73. SHRI ATISH CHANDRA SINHA: Will the Minister of TEXTILES be pleased to state:

(a) whether the process for the selection of Chairman-cum-Managing Director of the Cotton Corporation of India Limited, Bombay has been initiated;

(b) what guidelines from Government in this regard exist or have been laid down;

(c) whether the choice is restricted only to IAS or a few other cadet officers or made open to others with technical knowledge and professional experience; and

(d) the time by which this appointment is to be finalised?

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

(b) The recruitment is to be made as per recommendation of the Public Enterprises Selection Board.

(c) The choice is not restricted only to IAS or a few other cadre officers. It is open to others with technical knowledge and professional experience.

(d) No specific date can be indicated.

#### **Indigenous Fabrics at International Prices to Garment Exporters**

\*74. SHRI G. M. BANATWALLA: Will the Minister of TEXTILES be pleased to state:

(a) whether garment exporters have approached Government for a scheme to

make available to them the right type of indigenous fabrics at international prices; and

(b) if so, Government's steps in this direction?

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

#### **STATEMENT**

(a) Yes, Sir.

(b) Though indigenous fabrics of the required quality are available, the prices are determined on the basis of domestic cost of production. In order to enable the garment exporter to get fabrics at international prices, there are certain schemes such as Advance Licensing Scheme, Pass Book Scheme, 100% EOU's/Free Trade Zone Schemes under which garment exporters are allowed to import fabrics duty free.

#### **R.B.I. Inspection of Nationalised Banks**

\*75. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India conducts a financial inspection of the nationalised banks once in every four years; and

(b) if so, the main findings of the latest inspection in respect of the Punjab National Bank, State Bank of India, State Bank of Patiala, Central Bank of India, United Commercial Bank and Oriental Bank of Commerce?

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

(b) These Inspection Reports of Reserve Bank of India are confidential in nature. It will not be appropriate to disclose the contents of the same.

**Closure of Textile Mills**

\*76. SHRI SHARAD DIGHE:  
SHRI DILEEP SINGH BHURIA:

Will the Minister of TEXTILES be pleased to state:

(a) the total number of closed cotton textile mills in the country:

(b) the number of textile workers affected thereby;

(c) the steps taken by Government rehabilitate these unemployed workers; and

(d) the steps taken by Government to stop the future process of closure of textile mills?

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

**STATEMENT**

(a) and (b). As on 31.12.87, a total of 133 textile mills with 1.71 lakh workers on their rolls were lying closed.

(c) Government have set up a Textile Workers Rehabilitation Fund to financially assist the workers of those mills which close down permanently on or after 6th June, 1985.

(d) Government have constituted a Nodal Agency to examine weak textile mills in order to ascertain whether they are potentially viable or not. The Nodal Agency evolves and manages rehabilitation packages in respect of mills found by it to be potentially viable. For sick industrial companies, a Board for Industrial and Financial Reconstruction has been established. Mills found to be non-viable may have to close down permanently.

**Hike in Yarn Price**

\*77. SHRI BANWARI LAL PUROHIT: Will the Minister of TEXTILES be pleased to state:

(a) whether the handloom and powerloom industry in the country has been severely affected due to steep hike in prices of yarn;

(b) whether Union Government have provided any relief to the handloom and powerloom industry; and

(c) the details thereof and what other steps Government propose to take to save the powerloom and handloom industry?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The handloom and powerloom industries have been affected due to increase in prices of yarn during the past year.

(b) Yes, Sir.

(c) A statement is given below.

**STATEMENT**

(i) In order to safeguard the interests of the decentralised sector, Government have taken certain corrective measures to check the recent hike in the prices of yarn which is basically due to the rise in prices of raw cotton. The export of staple cotton has been suspended. It has also been decided to permit import of cotton against export of cotton yarn/cotton fabrics and made-ups on Advance License basis. Export of hank yarn upto 60s counts has been stopped.

(ii) In order to provide relief to the handloom industry, the following schemes are in operations: The Hank Yarn Obligation Scheme, Loan Assistance to the National Co-operative Development Corporation for setting up of new Weavers Co-operative Spinning Mills and expansion of existing units, and yarn supply operations of the National Handloom Development Corporation. State Governments have also been advised to set up Yarn Price

Fixation Committees for supply of yarn at reasonable prices to the handloom sector from Co-operative Spinning Mills/State Sector Mills/NTC Mills.

- (iii) In order to provide immediate relief to the silk weaving sector affected by rising prices of silk yarn, Government has allowed Central Silk Board (CSB) to import 100 tonnes of raw Silk China as a price stabilisation measure. As a long-term measure, a National Sericulture Project has been formulated by Central Silk Board in collaboration with State Government for increasing silk production in the country. The Project is proposed to be implemented with World Bank assistance.
- (iv) As far as Powerloom Sector is concerned, State Governments have been requested to encourage promotion of powerloom co-operatives so as to facilitate the provision of credit and marketing facilities. NABARD provides refinance for both term loans and working capital to powerloom co-operative societies. Refinance is also made available by IDBI. A scheme for establishment of powerloom service centres is under implementation to provide technical assistance to powerlooms and help in their technological upgradation and product improvement.

#### **Export of Toxic Wastes and Hazardous Materials to India by U.S.**

\*78. DR. A. K. PATEL:  
SHRI C. JANGA REDDY:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that a U.S. firm has exported toxic wastes to India as re-

ported in the Times of India dated 14 January, 1988;

(b) if so, the details thereof; and

(c) the remedial action taken to prevent such imports and the outcome thereof?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) Government has no such information.

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

#### **Rehabilitation of Persons Affected by the Narmada River Valley Development Project**

\*79. SHRI AMARSINH RATHAWA:  
SHRI MOHANBHAI PATEL:

Will the Minister of WATER RESOURCES be pleased to state:

(a) the number of persons being displaced by the Narmada River Valley Development Project in the three affected States, namely, Maharashtra, Madhya Pradesh and Gujarat;

(b) the number out of them who are yet to be allotted land;

(c) how many among them belong to tribal and minority origins; and

(d) the steps taken or being taken to rehabilitate those whose land has been acquired for the project by providing them compensation as well as land and work in order to alleviate their sufferings?

THE MINISTER OF WATER RESOURCES (SHRI DINESH SINGH): (a) Nearly 67 thousand persons in about 12 thousand families are likely to be affected by the Sardar Sarovar Project.

(b) About 1 thousand families have been allotted land.

(c) 45 thousand of tribal origin.

(d) Rehabilitation is being provided as prescribed by Narmada Water Disputes

Tribunal in its final Award with due regard to existing norms in the States.

### **Job-Rotation Policy in Nationalised Banks**

\*80. CH. RAM PRAKASH:  
SHRI MURLIDHAR MANE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have framed any guidelines relating to the job rotation policy in nationalised banks;

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

(c) whether the guidelines were framed in consultation with employees representatives; and

(d) the details regarding the implementation of the guidelines by the bank managements?

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) and (b). Nationalised banks are advised to rotate their officers and clerical staff after 3 and 5 years respectively. While the officers are transferable on an all India basis, the transfer of the workmen is generally confined to the same State/language area.

(c) In terms of the provisions of awards/regulations, no consultation with employees in this regard is called for.

(d) Banks are taking action, in a phased manner, within their overall administrative/operational constraints.

### **Destruction of Trees and Soil Erosion**

644. PROF. MADHU DANAVATE: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Union Government have taken note of the fact that due to indiscriminate destruction of trees, the soil erosion and consequent silting of lakes have increased;

(b) if so, whether this has seriously affected the sources of water; and

(c) if so, what efforts are initiated from the Centre to prevent large scale destruction of trees and soil erosion?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). Soil erosion and sedimentation of reservoirs are natural processes. However, large-scale felling of trees is among the contributing factors for increase in the rates of soil erosion and sedimentation. The Forest (Conservation) Act, 1980, prohibits diversion of Forest land for non-forest purposes without the prior permission of the Central Government. In all cases, where permission is granted for developmental activities, compensatory afforestation is a pre-condition. Soil conservation measures under Centrally Sponsored Schemes have been taken up in catchments of identified River Valley Projects.

### **Land Erosion by the Ganga Alongwith Farakka Barrage**

645. SHRI NARAYAN CHOUBEY: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether there is land erosion by the Ganga along a 90 K. M. Stretch downstream of the Farakka barrage in West Bengal.

(b) whether upto the end of 1982, 30,000 hectares of valuable agricultural land has been lost in the river;

(c) whether any request has been received from the West Bengal Government to take measures to help erosion; if so, the action taken by Union Government thereon;

(d) whether there is any threat to the Railway track and the national highway because of this erosion; and

(e) what will be the cost of a comprehensive plan to obviate the menace and the time taken for its implementation?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b). Yes, Sir. An area of about 30,000 hectares of land is reported to have been eroded by Ganga along its right bank downstream of the Farakka Barrage.

(c) to (e). The Ganga River Erosion Committee set up by the Government of West Bengal studied the problem of erosion along the Ganga river and recommended various protective measures costing about Rs. 294 crores. The State Government prepared an anti-erosion scheme for giving protection to 3 vulnerable reaches, estimated to cost about Rs. 11.64 crores. The Ganga Flood Control Commission has advised the State Government to update the project proposal and the cost estimate in the light of the behaviour of the river observed during the floods of the recent years. The response of the State Government is still awaited.

The Farakka Barrage Project authorities have executed protective measures at a cost of about Rs. 4 crores to give protection from erosion to the project structures. Also, the Ministry of Railways have executed some essential works for safety of the railway track in the area.

#### **Work to Rule Agitation in State Bank of India**

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

(a) whether the subordinate, clerical and supervisory staff of the State Bank of India in Delhi/New Delhi have been on work-to-rule since January 11 resulting in the severe disruption of the clearance of cheques;

(b) the approximate backlog of cheques which the State Bank of India had on 8 February, 1988;

(c) whether he is aware of the considerable inconvenience apart from financial loss in the form of interest caused as a result of this non-clearance of cheques drawn on the State Bank of India; and

(d) the steps being taken to avoid such agitations and consequent disruption of the functioning of the bank?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). State Bank of India has reported that a work-to-rule agitation resorted to by the staff of SBI in Delhi from 11.1.1988 led to backlog of about 30,000 cheques as on 8.2.1988. The dispute has since been amicably settled and the backlog of cheques has since been cleared.

The bank had participated in MICR clearing during the agitation and thereafter also in non-MICR instrument clearing.

#### **Conditions on Companies going in for Public Issues**

647. SHRI H. B. PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that for safeguarding the interest of the investing public, Government have decided to impose stringent conditions on the companies going in for public issues; 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). With a view to further safeguarding the interests of the investing public, Government have recently decided to incorporate a new condition in the list of conditions attached to the consent order issued by the Controller of Capital Issues for raising of subscription for securities from the public by companies. The new condition is the following:

(i) The company shall scrupulously adhere to the time limit of 10

Weeks from the date of closure of the subscription list for allotment of all securities and despatch of allotment letters/certificates and refund orders.

- (ii) The company shall, at the time of filing its application for listing to the regional Stock Exchange, furnish an undertaking for compliance of the above condition, alongwith a scheme incorporating the necessary details of the arrangements for such compliance. This undertaking shall be signed by the Chief Executive or a person authorised by the Board of the company.
- (iii) The company shall file, with the Executive Director or Secretary of the regional Stock Exchange, within five working days of the expiry of the stipulated period as above, a statement signed by the Chief Executive or a person authorised by the Board, certifying that the allotment letters/securities and the refund orders have been despatched within the prescribed time limit as per the condition above. A copy of the statement shall be endorsed to the office of the CCI quoting this consent order and date.
- (iv) Non-compliance of conditions above shall be punishable by the Stock Exchange, in addition to the action that may be taken by other competent authorities.

In order to minimise the problems relating to delays in allotments/refunds and the consequent exchange losses for NRI's subscribing to the public issues of Indian Companies for different types of securities, Government have decided to make it compulsory for Indian Companies inviting NRI subscription to open Foreign Currency Collection Accounts at suitable overseas location(s) from where such subscriptions are being invited. A condition in this regard

is also incorporated in the list of conditions attached to the consent order.

### **NRI's Operations in India**

648. SHRI PURNA CHANDRA MALIK: Will the Minister of FINANCE be pleased to state:--

(a) the total number of Non-Resident Indians operating in India;

(b) the details of total amount of capital invested and in what currency;

(c) whether they have brought in new technologies or they are operating in old industries only; and

(d) how they are linked with the Indian Industrialists and its effects on the economy?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Since the inception of the Special Approval Committee set up in the Deptt. of Industrial Development in November 1983, Government have accorded 193 approvals to Non-Resident Indians to set up new units in India.

(b) The projects approved so far envisage Non-Resident Indians Investment of Rs. 199.80 crores. The investment would be in the approved manner, i.e. either fresh remittances in convertible foreign exchange from abroad or withdrawals from Non-Resident External/Foreign Currency Non-Resident Account maintained in India.

(c) NRI Investments have been both in new technologies as well as in old industries.

(d) Under the policy, the projects can be implemented by the Non-Resident Indians either independently or in association with Resident Indians.

### **Medium and Major Irrigation Project**

649. SHRI ZAINAL ABEDIN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the details of all medium and major irrigation projects in different States which are still behind the scheduled time of its completion for the last three years, State-wise; and

(b) the reasons for the delay in each of the projects?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) The aspect of completion of projects is assessed at the end of each Plan. Most of the 181 major and 433 medium ongoing projects which spilled over into Seventh Plan are running behind schedule.

(b) The main reasons for delay include increase in the number of projects resulting in thin spreading of limited resources; escalation in the costs of labour, material, equipment and land; inadequate investigations at the project formulation stage resulting in under estimation of quantities and consequently the original estimated costs, change in the scope of projects during implementation, difficulties in land acquisition, and non-availability of building materials at times.

[Translation]

#### Settlement of Inter-State Water Disputes

650. SHRI KAMLA PRASAD RAWAT: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Union Government are aware of the inter-State water disputes and if so, the States which are party to these disputes and the time since when these disputes are going on;

(b) whether the farmers of the concerned States are not suffering due to these disputes; and

(c) the reasons for not settling these disputes expeditiously?

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

Kerala and Union Territory of Pondicherry have been made party States by Tamil Nadu in 1986 for settlement of Cauvery Water Dispute. An inter-State meeting fixed on four occasions regarding this could not materialise as the dates were not convenient to some party States.

[English]

#### Prices of Imported Rubber

651. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) the comparative figures of prices fixed for rubber over the past three years 1985, 1986 and 1987;

(b) the total quantum of rubber imported during these years respectively; and

(c) the difference between the domestic rate and the imported rate during these three years?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS, MUNSI): (a) to (c). Government did not fix any prices for rubber prior to the introduction of the buffer stocking scheme in February, 1986 which has, *inter alia* prescribed, a price band for release of imported rubber to the consumers, and various parameters necessitating market intervention by STC.

Prior to the operation of the Buffer stocking scheme the rates for release of the imported rubber were used to be fixed by the Pricing Committee of the CCI & E, on consignment basis based on the international prices and costs incurred by STC in undertaking imports.

The quantum of rubber imports during the last three years have been as under-

Year	Qty. (MT)
1985	29700 (p)
1986	56726 (p)
1987	34491 (p)

(p) provisional.

**Customs Duty on PMCA and PDCA**

652. DR. KRUPASINDHU BHOI: Will the Minister of FINANCE be pleased to state:

(a) whether the customs duty levied on PMCA and PDCA is 70 per cent;

(b) whether it is a fact that 2-Cynopyriline is subjected to 141 per cent;

(c) whether both the products are used in manufacture of drugs for national health programme; and

(d) if so, the reasons of such disparity in customs duty?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (d). Pyrazine Mono Carboxylic Acid (PMCA) and Pyrazine Di Carboxylic Acid (PDCA) and 2-Cynopyriline are used in manufacture of drugs for the National Health Programme. PMCA and PDCA, when imported for manufacture of the drug Pyrazinamide, presently attract a total customs duty of 75% *ad valorem*. Other drug intermediates, in general, attract a total customs duty of 147.25% *ad valorem*. This rate is applicable to the drug intermediate 2-Cynopyriline and a number of other intermediates used in the manufacture of drugs for the National Health Programme. The customs duty rates are fixed from time to time keeping in view the relevant considerations, in consultation with the concerned administrative Ministry.

**Request to reduce prices of Cotton**

653. SHRI SYED MASUDAI  
HOSSAIN:  
SHRI MATILAL HANSDA:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Chief Minister of West Bengal has urged to reduce the prices of cotton because of the production of textile and handloom goods was affected due to rising of cotton price;

(b) if so, the details thereof;

(c) the steps taken by Union Government thereon; and

(d) how Government propose to protect the handlooms from the mill owners in competition?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). The Chief Minister of West Bengal has in September 1987, requested for review of policy for export of cotton and cotton yarn.

(c) Government have suspended exports of staple cotton since July, 1987. To ensure that exports of cotton yarn do not affect the domestic availability of cotton and cotton yarn import of cotton against export of cotton yarn, cotton fabric and made-ups has been permitted on Advance Licensing basis. For ensuring availability of cotton yarn at reasonable prices to the handloom sector, Government have taken several measures namely, implementation of hank yarn obligation scheme, loan assistance to NCDC, setting up of National Handloom Development Corporation etc.

(d) Government have taken various measures to protect the Handloom from the Mill Sector such as reservation of 22 items for production, exclusively by Handlooms, operation of Janata Cloth Scheme and Susman Blended Cloth Scheme in Handloom Sector, implementation of Special Rebate Scheme etc. Hank yarn, used by the Handloom sector, continue to be exempted from excise duty.

**Export of Polyester Fibre**

654. SHRI PARASRAM BHARDWAJ:  
SHRI JAGANNATH PATTAIAK:

Will the Minister of COMMERCE be pleased to state:

(a) whether Union Government have recently granted further concessions to boost export of polyester fibre;

(b) if so, the details regarding the incentives given; and



(c) the salient features of policy in this regard?

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

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

**Cost of Homoeopathic Medicines purchased by STC, MMTC and BHEL**

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

(a) the quantity and cost of the homoeopathic medicines purchased by the State Trading Corporation of India, the Minerals and Metals Trading Corporation of India and the Bharat Heavy Electricals Ltd. for the use of their staff working under their offices in India and abroad during the last three years; and

(b) the details of homoeopathic dispensaries run by these public sector organisations?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). STC, MMTC and BHEL have not purchased any homoeopathic medicines during last three years and do not run any homoeopathic dispensary.

**Cost Escalation formula for NTC (WBABO)**

656. SHRI M.V. CHANDRASEKHARA MURTHY: Will the Minister of TEXTILES be pleased to refer to the reply given to the Unstarred question No. 5343 on 11th December, 1987 regarding NTC (WBABO) Limited on cost escalation formula and state:

(a) whether the contractors for the civil construction jobs were asked to submit their prices on the basis of RBI formula;

(b) if so, the details thereof; and

(c) the action proposed to be taken to

expedite the process of completion of all ending jobs and to render increased prices as per the said formula immediately?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). The information is being collected and will be laid on the Table of the House.

**Currency Note Printing Press in West Bengal**

657. SHRI MATILAL HANSDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any decision to invest in the proposed currency note printing press in West Bengal;

(b) if so, the details thereof; and

(c) when it is likely to be completed?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) While Government has already taken a decision, in principle, to locate the two New Bank Note Presses at Salboni in West Bengal and Mysore, investment decision in this regard, based on detailed feasibility report, is yet to be taken.

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

**World Bank Loan for Modernisation of Upper Ganga Canal**

658. SHRIMATI JAYANTI PATNAIK: Will the Minister of WATER RESOURCES be pleased to state:

(a) the various works included in the modernisation programme of Upper Ganga Canal with the assistance of World Bank; and

(b) the irrigation potentiality of the above projects?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) The World Bank assisted Upper Ganga Irrigation Modernisa-

tion Project consists of the following important works:-

- (i) Risk aversion works consisting of lining of canal surface; improvement, replacement and modernisation of canal structures;
  - (ii) Modernisation of distributary and minor canals;
  - (iii) Modernisation of water courses;
  - (iv) Augmentation of tubewells;
  - (v) Canal communication system;
  - (vi) Drainage improvements;
  - (vii) Replacement of Hydro-Electric Stations;
  - (viii) Setting-up of Water & Land Management Institute; and
  - (ix) Management improvements for the project.
- (b) 9000 ha.

#### **Increase in the Imports of Crude Oil and Petroleum Products**

659. SHRI JAGANNATH PATTHAIK: Will the Minister of COMMERCE be pleased to state:

(a) whether sharp increase in the import of crude oil and petroleum products, pearls, precious and semi-precious stones, electrical machinery transport equipment, organic chemicals and artificial items and plastic materials has been noticed in the first six months of the current financial year as compared with the same period last year;

(b) whether the impact of the drought becoming more pronounced in terms of a drop in small savings, the situation is unlikely to improve in the remaining period of this year; and

(c) if so, the reaction of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) According to the provisional trade statistics, during the six months of the current financial year i.e. April-September 1987 as compared to April-September 1986, import of Petroleum & petroleum products increased by Rs.774 crores, pearls, precious and semi-precious stones by Rs. 268 crores, Electrical machinery by Rs.171 crores. Transport equipment by Rs. 129 crores, Organic and inorganic chemicals by Rs. 21 crores and Artificial resins, plastic materials, etc. by Rs. 44 crores.

(b) and (c). During the period April-December 1987, gross deposits in Small Savings Scheme, excluding 5 year Post Office Time Deposits, do not show any drop as compared to similar deposits during the corresponding period in 1986.

#### **Steps to prevent distress sale of Raw Jute**

660. SHRI T. BALA GOUD: Will the Minister of TEXTILES be pleased to state:

(a) the steps taken by Government to prevent large scale distress sale of raw jute during the current jute season;

(b) the targets for the season (support price purchase and commercial purchase) against the total production, state-wise; and

(c) what is the total quantity of the purchase made by the Jute Corporation of India till date?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) No report about large scale distress sale of raw jute during the current jute season has been received.

(b) No target has been fixed for procurement of raw jute under price support operation and the Jute Corporation of India (JCI) is obliged to procure whatever quantity of raw jute is offered to it for sale by jute growers at the Statutory minimum price fixed by the Government.

(c) The JCI alongwith Cooperatives have procured a total quantity of about 5.11 lakh

bales of raw jute till 11th February, 1988 in the current jute season.

#### **Cultivation of Mulberry Silk**

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

(a) the details of total acres of land

brought under mulberry silk cultivation during the last three years; year-wise and State-wise; and

(b) the total production of raw silk in those state during the above mentioned period; year-wise and state-wise details?

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

## STATEMENT

S. No.	State	1984-85		1985-86		1986-87 (Provisional)	
		Area*	Production*	Area*	Production**	Area*	Production**
1.	Andhra Pradesh	40,891	1250	35,268	1,028	36,437	1460 <sup>+</sup>
2.	Assam	900	16	905	15	930	11
3.	Bihar	261	8	385	9	385	9
4.	Himachal Pradesh	126	4	126	4	150	4
5.	J & K	632	53	632	34	632	46
6.	Karnataka	1,26,567	4,059	1,32,420	4,300	1,39,105	4,671
7.	Manipur	1,000	10	1,000	23	1,000	23
8.	Tamil Nadu	27,151	750	29,418	833	30,750	850 <sup>+</sup>
9.	Uttar Pradesh	2,586	20	2,586	23	2,586	27
10.	West Bengal	12,407	717	12,893	750	13,694	788
11.	Others	2317	8	2206	10	2542	9
	Total	2,14,838	6,895	2,17,839	7,029	2,28,211	7,898

\*Total area under mulberry cultivation (in Hectares)

\*\*Production of mulberry raw silk (in Tonnes)

+ Estimated.

**Import of Rubber**

662. SHRI SURESH KURUP:  
SHRI P.A. ANTONY:

Will the Minister of COMMERCE be pleased to state:

(a) whether Union Government intend to import rubber during 1988-89;

(b) if so, the quantity of rubber to be imported and the estimated demand for natural rubber in the country during 1988; and

(c) the reasons for import?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). Yes, Sir. The internal production of rubber being inadequate to meet the demand, the gap between demand and supply is met through imports. The preliminary estimates made by the Rubber Board place the likely consumption for 1988-89 at 305,000 tonnes and the likely imports between 40-50 thousand tonnes.

**Crop Loss due to Lowering of Ground Water Level**

663. SHRI VIJAY N. PATIL: Will the Minister of WATER RESOURCES be pleased to state:

(a) the number of States where ground water levels have fallen during 1987-88;

(b) whether Government have assessed loss suffered due to lowering of water levels in most intensively cropped areas of the country; and

(c) if so, how Government propose to see that withdrawals do not exceed recharge level?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Fall in Ground Water levels during the period May, 1987 and November, 1987, has been observed in parts of States of Rajasthan, Gujarat,

Western Uttar Pradesh, Maharashtra, Madhya Pradesh, Orissa, Tamil Nadu and Kerala.

(b) No, Sir.

(c) Government of India has circulated a model bill to States for enactment of suitable legislation for regulation and control of ground water withdrawals.

**Committee to Review Security Arrangements in Banks**

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

(a) the recommendations made by the committee set up by the Reserve Bank of India in March, 1987 to review the security arrangements in banks; and

(b) the action taken thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The Committee set up by the Reserve Bank of India in March, 1987 to review the security arrangements in banks, has made several recommendations covering various aspects of bank security such as location of new branches, classification of branches, location of strong rooms, location of sentry posts and guard rooms, currency remittances, use of electronic equipments, setting up of security planning cell in RBI, setting up of State-level security committees etc. RBI has reported that it has set up a Security Planning Cell and has also set up State-level security committees, comprising senior bank officials and State Government officials for considering all aspects of bank security in each State.

**Scheme to Upgrade Fashion Image**

665. SHRI Y. S. MAHAJAN: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Indian Apparels do not have fashion image in the affluent Western countries as reported in Economic Times dated 12 January, 1988, and

(b) if so, the steps taken/proposed to be taken by the Government to encourage Indian garment exporters to produce garments of good taste for boosting up the garment exports?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). India has been exporting fashion garments to the Western countries and the exports of these garments have been consistently increasing both in quantity and value. To further improve the 'fashion image' of Indian apparels, Government has recently set up a National Institute of Fashion Technology in Delhi for education, research and training in the areas of fashion design and also for boosting up the garment exports.

#### **Irrigation Projects pending with Central Water Commission**

666. SHRI C. K. KUPPUSWAMY: Will the Minister of WATER RESOURCES be pleased to state:

(a) the number of new irrigation projects since pending with Central Water Commission for examination of feasibility clearance;

(b) the time normally taken to undertake such technical tests;

(c) how many new projects have been cleared since 1986; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) 231.

(b) About two years for major projects if these are prepared in accordance with the prescribed guidelines and settlement of comments is done promptly by the State authorities.

(c) and (d). No new project has been cleared since 1986 by the Planning Commission.

#### **Foreign Branches of Indian Banks**

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

(a) the number of branches of Indian banks abroad, bank-wise and country-wise, as on 1 April, 1987;

(b) the profits earned by these branches during the last three financial years, year-wise and bank-wise; and

(c) the profits remitted to the country during each year, bank-wise?

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 as on 1.4.1987 there were 126 operating branches of Indian banks abroad. The bank-wise and country-wise break-up of these branches is given in the statement below.

(b) and (c). The Public Sector Banks prepare their Profit and Loss Accounts and Balance Sheets 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 is required to be incorporated in the Profit and Loss Account and the Balance Sheet. The existing formats of Balance Sheet and the Profit and Loss Account do not provide for exhibition of the profit position of the overseas branches.







### **Underground Water Level in Kerala**

668. SHRI P. A. ANTONY: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the ground water level in the State of Kerala has gone down considerably;

(b) if so, whether any study has been conducted in this direction; and

(c) if so, the details thereof and the action taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Ground Water level declines upto 2 metres have been observed only in Trichur, Ernakulam and Wyanad districts during May and November, 1987.

(b) and (c). ~~Ground Water level measurements are being carried out~~ 4 times a year. Water levels, by and large showed recovery due to winter rains.

### **Closure of Jaipur Udyog Limited**

669. DR. S. JAGATHRAKSHAKAN: Will the Minister of FINANCE be pleased to state:

(a) whether the cement plant (Sawaimadhopur, Rajasthan) and captive unit (Kanpur) of Jaipur Udyog Ltd. have been closed since July, 1987 on account of abrupt withdrawal of working finance by State Bank of India, if so, the reasons thereof;

(b) whether 6000 employees of both the units and their families and the whole of Sawaimadhopur town have been badly economically hit due to non-payment of wages for last eight months specially so when the whole of Rajasthan is reeling under severe drought of the century continuously for last three years; and

(c) the steps being taken by Government for reopening the company especially when Union Government have already rendered more than 300 crores assistance

to Rajasthan during last few months to create new employment opportunities in State to combat hunger and starvation rather than creating fresh unemployment by closing the company?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State Bank of India (SBI) has reported that the cement unit of Jaipur Udyog Ltd. in Rajasthan as well as its jute unit at Kanpur were closed from July, 1987. It had been decided that the bank would resume facilities for the unit in Rajasthan as a "holding on" operation, subject to a guarantee being provided by the Government of Rajasthan. SBI has reported that Government of Rajasthan have executed the deed of guarantee and drawings on the company's account would be allowed for payment of salaries/wages to the workers of the unit.

### **Banks operating in Punjab**

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

(a) the names of banks operating in Punjab;

(b) the total number of branches of each of such banks in Punjab;

(c) the loans advanced by each of such banks to the weaker sections of the society in Punjab; and

(d) the schemes under which such loans have been advanced?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India (RBI) has reported that as at the end of September, 1987, 2041 branches of commercial banks were functioning in Punjab. The names of banks indicating the number of their branches are set out in the statement below.

(c) and (d). RBI has reported that the

present data reporting system does not generate State-wise information of weaker section advances of each bank. However, as per the latest available information relating to public sector banks, as on the last Friday of June, 1986, an amount of Rs. 277.64 crores was outstanding in respect of weaker section advances in Punjab. The

schemes covered by weaker section advances are Integrated Rural Development Programme, Differential Rate of Interest Scheme, schemes for improving production on the farm of small and marginal farmers, economic activities undertaken by rural artisans and other small borrowers, etc.

#### STATEMENT

S.No.	Name of Bank	No. of Branches
1	2	3
1.	State Bank of India	214
2.	State Bank of Bikaner & Jaipur	6
3.	State Bank of Patiala	286
4.	Allahabad Bank	27
5.	Andhra Bank	1
6.	Bank of Baroda	32
7.	Bank of India	57
8.	Bank of Maharashtra	5
9.	Canara Bank	70
10.	Central Bank of India	85
11.	Corporation Bank	2
12.	Dena Bank	8
13.	Indian Bank	20
14.	Indian Overseas Bank	35
15.	New Bank of India	131
16.	Oriental Bank of Commerce	104
17.	Punjab and Sind Bank	306
18.	Punjab National Bank	323
19.	Syndicate Bank	10
20.	UCO Bank	85
21.	Union Bank of India	51

1	2	3
22.	United Bank of India	4
23.	Vijaya Bank	6
24.	Grindlays Bank P. L. C.	2
25.	Standard Chartered Bank	1
26.	Faridkot Bhatinda Kshetriya Gramin Bank	5
27.	Gurdaspur Amritsar Kshetriya Gramin Vikas Bank	52
28.	Kapurthala Ferozpur Kshetriya Gramin Bank	43
29.	Malwa Gramin Bank	2
30.	Shivalik Kshetriya Grameen Bank	40
31.	Bank of Rajasthan Ltd.	3
32.	Bharat Overseas Bank Ltd.	3
33.	Jammu and Kashmir Bank Ltd.	6
34.	Punjab Coop. Bank Ltd.	5
35.	Traders Bank Ltd.	10
36.	Bari Doab Bank Ltd.	1
TOTAL		2041

### National Market System

671. SHRI P. M. SAYEED: Will the Minister of FINANCE be pleased to state:

(a) whether his attention has been drawn to the report published in the Hindu dated 6 February, 1988 regarding the decision of Presidents of 15 stock exchanges in the country to establish a "National Market System" by the year 1990;

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

(c) the salient features of the decision

and their likely effects on the general public as investors?

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

(b) and (c). Government have noted that the Presidents of the recognised stock exchanges in the country have constituted a Working Group to examine the modalities of establishing a "National Market System" for securities. This would involve an examination of various aspects such as multiple membership of Stock Exchanges,

common clearing, linking up of stock markets through the computers, availability of telex, telephone and other telecommunication facilities etc. It is expected that the establishment of the National Market System would be beneficial to the investing public.

### **Strike in Jute Mills in Calcutta**

672. SHRI SANAT KUMAR MANDAL: Will the Minister of TEXTILES be pleased to state:

(a) whether the tripartite talks were held at Calcutta on 9.2.1988 with a view to evolving a new wages pattern for jute workers;

(b) if so, the details thereof;

(c) whether a Joint Convention of the Central Trade Unions decided at Calcutta to launch an indefinite strike in all jute mills in the State; and

(d) if so, the steps taken or proposed to be taken by Union Government to arrive at a settlement with the worker's unions to avert the strike?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). Government of West Bengal convened a Tripartite meeting on 9.2.1988 with the Indian Jute Mills Association, National Jute Manufacturers Corporation and the Central Trade Unions. In this meeting IJMA expressed its inability to bear any additional financial burden.

(c) It is reported that a joint convention of the Central Trade Unions have given call for an indefinite strike in all the jute mills in the State.

(d) Negotiations for industry-wide wage settlement are conducted by the State Government. NJMC would abide by any settlement arrived at the tripartite negotiations.

### **Credit to Kerala for Development Purposes**

673. SHRI K. MOHANDAS: Will the Minister of FINANCE be pleased to state:

(a) whether the inflow of credit to Kerala for developmental purposes is meagre;

(b) if so, the full facts thereof; and

(c) the steps being taken to increase 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) and (b). No, Sir. The flow of credit in the State of Kerala has been quite substantial. As on September, 1987, all Scheduled Commercial Banks had outstanding advances of Rs. 2875 crores in the State. The Rate of growth of credit in Kerala during first nine months period of 1987 has been 13.63% as against all India average of 5.31% during the same period.

(c) Public Sector Banks have been advised inter alia to increase the flow of credit to rural and semi-urban areas. The banks have been advised to maintain a credit : deposit ratio of not less than 60 per cent in respect of their rural, as well as semi-urban branches.

### **Take Over of Sick Textile Mills in Gujarat**

674. SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI: Will the Minister of TEXTILES be pleased to state;

(a) the number of sick and closed textile mills in Gujarat at present;

(b) the loss suffered by each mill upto 14 February, 1988;

(c) the number of sick and closed mills taken over by NTC, States Government of Gujarat and Gujarat Textile Corporation; and

(d) the steps taken to take-over and to restore the closed and sick textile mills of

Gujarat, Bombay and other parts of the country?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The number of sick/closed textile mills in Gujarat as on 31st December, 1987 was 33.

(b) The Union Government do not maintain such information.

(c) Since June, 1984 the Gujarat Government has purchased one mill and nationalised 16 sick/closed textile mills which have been transferred and vested in the Gujarat State Textile Corporation Ltd. No textile mill has been taken over by the National Textile Corporation in the last three years.

(d) The Textile Policy Statement of June, 1985 specifically states that takeover and nationalisation of sick textile units is not a solution to the problem of sickness and Government would not, as a rule, intervene in such cases. Government have constituted a Nodal Agency to examine weak textile mills in order to ascertain whether they are potentially viable or not. The Nodal Agency evolved and manages rehabilitation packages for mills found by it to be potentially viable. A Board for Industrial and Financial Reconstruction has been established for sick industrial companies. Mills found to be non-viable may have to close down permanently.

#### **Representations from National Fishing Trawlers Association**

675. SHRI GURUDAS KAMAT: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have received representations from National Fishing Trawlers and Allied Industries Associations regarding problem of the fishing industry

(b) if so, the details thereof; and

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

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

(b) and (c). The National Fishing Trawlers and Allied Industries Association has represented to the Govt. that marine processors and exporters be allowed to freeze and preserve all their marine products whether meant for export or otherwise in their cold storages.

While the processors and exporters are required to freeze separately materials not meant for export, all materials after processing, whether meant for export or otherwise may be preserved in the same cold storage subject to compliance with certain conditions stipulated in the Executive Instructions for Fish & Fishery Products issued by the Export Inspection Council.

#### **Tax exemption to units in Free Trade Zones**

676. SHRI H.M.PATEL: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have discontinued the "Free Trade Zone Scheme" for industrial units set up in the Free Trade Zone exempted from tax for the first five years;

(b) whether the purpose of encouraging export production has been achieved;

(c) whether it is a fact that several companies engaged in the business of processing geological data on computers shifted their existing operations from area outside the Santa Cruz Electronic Export Processing Zone (SEEPZ) to SEEPZ and claimed tax exemption.

(d) if so, the details thereof; and

(e) the penal action taken against such computer companies?

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

(b) The five year tax holiday for units in

the Export Processing Zone, has amongst other measures served to increase exports.

(c) and (d). No, Sir. Two proposals from new applicants were approved for export of processed seismic data in SEEPZ, end in September, 1974 and the other in December, 1982. Units permitted for location in the Export Processing Zones are required to operate within the production regime specified for these Zones and are eligible to the applicable incentives. Units situated in the Domestic Tariff Area are governed by the production regime in the Domestic Tariff Area.

(e) Does not arise.

#### **Financing of Installation of Generators by Financial Institutions**

677. SHRI E. AYYAPU REDDY: Will the Minister of FINANCE be pleased to state:

(a) the number of industrial units which are on the verge of becoming sick on account of power cuts imposed; and

(b) whether Government have proposals to help the industrial units going for generators by directing Industrial Development Bank of India and other financial institutions to finance installation of generators on soft terms?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Industrial Development Bank of India (IDBI) has reported that inadequate or restricted availability of power supply has adversely affected the working of some of the power intensive units assisted by financial institutions. Financial institutions sympathetically consider requests for assistance to acquire generator sets by projects directly assisted by them. IDBI is also operating a refinance scheme for financing installation of D.G. sets. Under the scheme the term loan granted by primary lending institutions (SFCs, SIDCs and Banks) exclusively for purchase of D.G. sets for captive use are refinanced by IDBI. In case of sick units, while finalising rehabilitation packages of

viable units loans for installation of D.G. sets are also considered at a concessional rate.

#### **Irregularities in utilisation of Central Assistance Drought and Flood Relief**

678. SHRIMATI BASAVARAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether any irregularities in the utilisation of Central assistance for drought or flood relief given to 14 States during the last 3 years ending 1985-86 have been discovered;

(b) if so, the names of States where the irregularities have come to the notices;

(c) whether it is also been found that relief benefits in some States did not reach the affected persons and in some cases relief works were entrusted to contractors; and

(d) if so, the action Union Government proposed to take against those States which have misused the Central Aid.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) to (d). The Comptroller and Auditor General of India has given a report on Central assistance for relief of distress caused by drought and flood relating to the years 1983-84, 1984-85 and 1985-86 which has been placed before Parliament. The report has pointed out certain irregularities in the utilisation of Central assistance for drought and flood relief by different States. Central Monitoring Teams have also been sent to Andhra Pradesh, Kerala and Uttar Pradesh in 1987 for monitoring the utilisation of Central assistance approved in the wake of drought and floods. These Teams have also identified certain acts of omission & commission in the utilisation of Central assistance by State Governments. Corrective measures have initiated on the basis of the above reports.

**Expenditure on Administration from Non-Plan outlays of Budget**

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

(a) the percentage of expenditure on administration being incurred at present out of the non-Plan outlay of the Budget;

(b) whether this percentage is very high as compared to that being incurred in many other countries; and

(c) if so, whether any ceiling is proposed to be fixed for the expenditure being incurred under this head by Union Govt., Union Territory and State Government so that more funds can be made available for development work?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) In accordance with the prescribed classification of expenditure of Government the expenditure on administration is deemed to include Revenue expenditure under the following Heads:-

- (i) Organs of State
- (ii) Collection charges of taxes and duties
- (iii) Administrative Services (including External Affairs, Police but excluding Defence Services)
- (iv) Secretariat--Social Services and Economic Services.

According to the Budget documents for the year 1987-88, the expenditure on the above items is estimated at about 9.20 per cent of the total non-Plan Revenue Expenditure (excluding Defence Services.)

(b) The information is not available nor is it practicable to collect the same.

(c) No, Sir. It may, however, be added that the Government are continuously making efforts to reduce the non-developmental expenditure to the barest minimum.

**Seizures of Narcotics in Delhi**

680. PROF.P.J. KURIEN:  
SHRI RANJIT SINGH GAEKWAD:

Will the Minister of FINANCE be pleased to state:

(a) the details of seizures of narcotics in the capital during the past six months;

(b) whether it is a fact that India is being used as an important transit point in the international trade in narcotics; and

(c) the steps being taken to eliminate the illegal trade also drug addiction among children?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) Following quantities of drugs have been seized in the *Capital* from August, 1987 to January, 1988:

Name of drug	No. of cases	Quantity seized (Kilograms)
1. Opium	4	20
2. Heroin	17	47
3. Hashish (Charas)	9	781
4. Methaqualone	4	249

(Note: Figures provisional and rounded off to the nearest kilogram).

(b) It is a fact that India is increasingly being used as a transit country for opiates and cannabis destined for other regions of the world.

(c) The field formations remain vigilant to curb such illicit activities. The preventive and intelligence machinery has been geared up and appropriate enforcement measures are taken in co-ordination with the Central and State Government authorities concerned. A liberalised reward scheme has been announced by the Government under which the Central and State enforcement officers and their informers are entitled to reward for drug seizures. The drug offenders are proceeded against and punished under the Narcotic Drugs and Psychotropic Substances Act, 1985. The States and Union Territories have been advised to mount special vigil especially in schools, colleges and universities.

#### **Nationalisation of Scindia Steam Navigation Company**

681. SHRI YASHWANTRAO GADAKH PATIL. Will the Minister of FINANCE be pleased to state;

(a) whether Government are considering nationalisation of the Scindia Steam Navigation Company;

(b) if so, the details thereof; and

(c) the present financial position of the company?

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 in view of (a) above.

(c) The Shipping Credit & Investment Company of India Ltd. (SCICI) has reported that as on 30th June, 1987, the aggregate carried forward losses of Scindia Steam Navigation Company Ltd., were Rs.93.02 crores as against the equity of Rs. 18.95 crores.

#### **Repayment of Overdrafts by States**

682. SHRI MANIK SANYAL:  
SHRI ANANDA PATHAK:  
SHRIMATI GEETHA  
MUKHERJEE:

Will the Minister of FINANCE be pleased to state;

(a) whether some of the State Chief Ministers demanded extension of the time limit for repayment of overdrafts:

(b) if so, whether this matter was discussed with them;

(c) if so, when such discussion took place; and

(d) the outcome thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) Some State Governments have moved the Government of India to increase the time allowed for clearing overdrafts with the Reserve Bank of India from the present 7 days to at least 21 days. The matter is still under consideration.

(b) No specific discussion has been made with the State Governments in this regard.

(c) and (d) Do not arise.

#### **Consumer Price Index**

683. SHRI KAMLA PRASAD SINGH:  
SHRI RAM PYARE PANIKA:  
SHRI YASHWANTRAO  
GADAKH PATIL:  
SHRI V. VENKATESH: .

Will the Minister of FINANCE be pleased to state:

(a) the consumer price index of August 1987 to date and how does the same compare with those of the last five years;

(b) variation in the rate of inflation



month-wise and how does the same tally with those of the last five years; and

(c) the details of the steps taken to control the rate of inflation?

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

(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 & sugar; strict economy in government expenditure; mopping up of excess liquidity in the economy by raising Cash Reserve Ratio and Statutory Liquidity Ratio; imposition of selective credit controls and intensive action against hoarders and profiteers. Prices are closely being monitored at various levels to facilitate prompt action.

#### STATEMENT

*All India Consumer Price Index for Industrial Workers (Base 1960 = 100) over the last five years (August-December)*

(a) Month	1987	1986	1985	1984	1983
August	736	672	618	586	549
September	745	676	619	589	554
October	750	685	625	592	558
November	755	692	630	595	561
December*	752	688	630	588	559

\*Latest available

(b) *Percentage variation in Consumer Price Index over the month during*

Month	1987	1986	1985	1984	1983
August	+1.7	+0.6	+0.5	+0.2	+1.5
September	+1.2	+0.6	+0.2	+0.5	+0.9
October	+0.7	+1.3	+1.0	+0.5	+0.7
November	+0.7	+1.0	+0.8	+0.5	+0.5
December	-0.4	-0.6	No ch.	-1.2	-0.4

#### Balance of Trade during Seventh Plan

684. SHRI P. KOLANDAIVELU: Will the Minister of COMMERCE be pleased to state:

(a) whether adverse balance of trade is expected by the end of the Seventh Plan period;

(b) the targets fixed for imports and exports during the Seventh Plan period;

(c) whether exports have exceeded the targets; and

(d) if not, the reasons therefor?

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

(b) to (d). The total imports and exports have been projected at Rs. 95437 crores and Rs. 60653 crores respectively, at 1984-85 prices for the Seventh Five Year Plan from 1985-86 to 1989-90 in the Plan Document. Actual export during 1985-86 and 1986-87 at current prices have been Rs. 10894.59 crores and Rs. 12566.62 crores respectively. Apart from domestic constraints, some of the factors militating against higher exports include difficult international economic environment, protective barriers adopted by developed countries, and erosion in commodity prices.

#### Study on Poverty

685. SHRI DATTA SAMANT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Union Government have scrapped "World Bank Poverty Project" in January, 1988;

(b) if so, the reasons therefor; and

(c) the alternate arrangement which Government plan to make a study on poverty in the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). There is no project known as 'World Bank Poverty Project'. Perhaps the reference is to a study of poverty and related issues, for which the World Bank and some bilateral donors had offered assistance. It is not proposed to avail of such assistance. In connection with the projected study, a Highlevel Advisory Committee has been set up under the chairmanship of Dr. D.T. Lakdawala to advise on its scope and modalities and time frame.

#### Quality of Hundred Rupee Denomination Coin

686. SHRI M. MAHFOOZ ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the press report appearing in the 'Hindustan Times' dated 6th January, 1988 regarding breaking-up of a hundred rupee coin into pieces when it inadvertently dropped at a nationalised bank;

(b) if so, whether Government have made any inquiry into the poor quality production of a coin of such a high denomination; and

(c) if so, the outcome thereof and the action taken by Government in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The Government is aware of the press report.

(b) and (c). Special coins known as proof coins/uncirculated coins in the denomination of Rs. 100 have been brought out to commemorate special occasions. These coins are individually struck and are of exceptionally high quality. These are not issued for general circulation. The price of these coins, which are usually bought by coin collectors, is also much higher than the face value.

Some time back two persons who were engaged in the manufacture of counterfeit coins of Rs. 100 denomination were arrested in Delhi. It is likely that the Rs. 100 coin referred to in the press report is a counterfeit one.

#### Scheme to utilise the underground water in Ganga Basin

687. SHRI DHARAM PAL SINGH MALIK:  
SHRI LAKSHMAN MALLICK: ?  
SHRI MANIK REDDY:  
SHRI SUBHASH YADAV:

SHRI P.M. SAYEED:  
DR. B.L. SHAILESH:

Will the Minister of WATER RESOURCES be pleased to state:

(a) whether huge water reservoir has been located in the Ganga Basin from Western Uttar Pradesh to West Bengal while drilling for petrol by the Oil and Natural Gas Commission;

(b) whether the data collected by the Oil and Natural Gas Commission has been handed over for suitable action; and

(c) if so, the action proposed to utilise the underground water for drinking and irrigation purposes and the estimated capital outlay involved therein?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). Interpretation of data collected by the Oil and Natural Gas Commission for exploration for Oil has been made by the Central Ground Water Board, indicating the possibility of the occurrence of deep fresh water aquifers in the Ganga basin. Existence of deeper aquifers remains to be confirmed.

[Translation]

#### Export of Basmati Rice

688. SHRI RAJ KUMAR RAI: Will the Minister of COMMERCE be pleased to state:

(a) whether the price of basmati rice has been increasing sharply for the last many months;

(b) if so, the reasons therefor;

(c) the quantity of basmati rice exported to various countries during 1986-87; and

(d) whether Government propose to ban export of basmati rice so that consumers may get rice at a reasonable price?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Basmati rice is not

covered by the Public Distribution System. The price in the domestic markets vary widely from market to market for different varieties and is governed by the demand supply forces.

(c) Export of basmati rice during 1986-87, as per information supplied by the Agricultural & Processed Food Products Export Development Authority, is estimated as 2,37,153 tonnes.

(d) No, Sir. Basmati rice is not an item of mass consumption and is consumed by the affluent section of the society.

[English]

#### Directions to Marine Food Industries

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

(a) whether his Ministry will take steps to direct the Export Inspection Agency to maintain a flexible attitude with policies affecting marine food industries;

(b) whether requests have been made in this regard to change certain rules of Export Inspection Agency; and

(c) the expected time by which the directions would be given?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). Keeping in view the need to promote exports and also the need to maintain quality in tune with the requirements in the international market, the Technical Committee of the Export Inspection Council reviews the preshipment inspection scheme from time to time and make amendments where warranted. While reviewing, the view of the trade and industry are also considered.

#### D.A. to Central Government Employees

690. SHRI HAFIZ MOHD. SIDDIQ: Will the Minister of FINANCE be pleased to state:

(a) the all India consumer price index numbers for industrial workers on base 1960:100 as on 1-1-1988 based on which the Dearness Allowance is sanctioned to the Government employees;

(b) the increase in the index number on which the D.A. was revised last; and

(c) how much will it cost the exchequer this year?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) The All India Consumer Price Index Numbers for Industrial Workers (General) (Base 1960=100) for the month ending 31-12-1987 is 752.

(b) The increase as on 31-12-1987 over the index number for the month ending 30-6-1987 is 37.

(c) The additional cost of Dearness Allowance with effect from 1-1-1988 is estimated at Rs. 59 crores during the current financial year.

#### **Circulation of Fake Currency Notes**

691. SHRI NARSING SURYAWANSHI: Will the Minister of FINANCE be pleased to state:

(a) the specific measures taken by Government to check the circulation of fake currency notes in the country;

(b) whether the fake currency notes are still in vogue in some States in particular in Karnataka; and

(c) if so, the details of action taken against the concerned culprits?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) In order to prevent counterfeiting, the Indian currency and bank notes are printed on 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.20/ 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.

(b). The Central Bureau of Investigation has reported seizure of 42,255 pieces (total value Rs.29,17,925/-) and 32,832 pieces (total value Rs. 11,98,365/-) of fake currency/bank notes during 1986 and 1987, respectively in several States including Karnataka.

(c) 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.

#### *[Translation]*

#### **Scientific experiment for exploration of Underground Water**

692. SHRI VIRDHI CHANDER JAIN: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether scientific experiments are being conducted at various places in the country for exploration of underground water under the Indo-Soviet Scientific and Technological Cooperation;

(b) if so, the progress made in this regard;

(c) whether the aforesaid scientific experiments have been conducted at various places in Barmer, Jaisalmer and Jodhpur districts of Rajasthan; and

(d) if so, the details of results achieved in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (d). Under Indo-USSR cooperation programme, experimental studies have been carried out at 14 sites, including 2 sites in Barmer district. The studies were carried out to evaluate the use of geophysical equipment "Hydroscope" for groundwater exploration under Indian conditions. The results of these experiments are under evaluation.

[English]

#### Seizure of Narcotics

693. SHRI UTTAM RATHOD:  
SHRI MANIK REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the details of seizures of bulk quantities of narcotics like hashish, heroin, etc. in different places during the last six months;

(b) their estimated value and how the seized narcotics were disposed of; and

(c) the steps being taken to tackle the problem of drug trafficking?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) A statement showing significant seizures of drugs, made in different places of the country, from 1.8.1987 to 31.1.1988 is given below:

(b) No precise value of the drugs seized can be estimated as this is dependent upon various factors like quality of the drugs, place of origin, etc. The confiscated drugs ripe for disposal, after due legal proceedings, are sent to the Government factories. While opium and morphine are further processed, other drugs are destroyed.

(c) Government have initiated various aggressive counter-measures against drug-trafficking which include strengthening of the preventive and intelligence machinery, adoption of a liberalised reward scheme for officers and informers, increased co-operation between various drug law enforcement agencies, bilateral co-operation with Pakistan and regional co-operation under the umbrella of SAARC. The matter is also kept under constant watch for appropriate action.

#### STATEMENT

S. No.	Quantity (kgs.)	Date of seizure	Place of seizure and other details
1	2	3	4
<b>1. Heroin</b>			
1.	20	2.8.1987	by Border Security Force at Ferozepur.
2.	94	31.8.1987	by Customs at Bombay. Two persons arrested.
3.	15	7.9.1987	by Directorate of Revenue Intelligence at Delhi.
4.	108	17.9.1987	by Customs at Bombay.

1	2	3	4
5.	221	18.9.1987	Jointly by Police and Customs. 5 persons arrested.
6.	10	18.9.1987	by Narcotics Control Bureau at Delhi. 6 persons arrested.
7.	105	12.11.87	by Customs at Udhar Dhariwal (Rajasthan).
8.	25	28.11.87	by Police at Rajasthan in Pahi Check-3D. One person arrested.
9.	36	29.11.87	by Customs at Chatiwind (Punjab). 3 persons arrested.
10.	12	21.12.87	by Narcotics Control Bureau at Bombay. One person arrested.
11.	17	24.12.87	Jointly by Customs and Police at Amritsar.
12.	137	28.12.87	by Border Security Force at Jalalabad on Indo-Pak. border after exchange of fire. Smugglers escaped.
13.	84	2.1.1988	by Border Security Force on Indo-Pak. border. Seized along with camel.
14.	175	6.1.1988	by Customs at Ludhiana with 39 kgs. of opium. One person arrested.
15.	10	9.1.1988	by Narcotics Control Bureau at Bombay. Two persons apprehended.
16.	150	21-23.1.1988	by Directorate of Revenue Intelligence at Bombay. One person arrested.
<b>2. Hashish (Charas)</b>			
17.	39	2.9.1987	by Border Security Force at Ghuria village in Rajasthan.
18.	71	16.9.1987	} by Border Security Force at Jaisalmer (Rajasthan). No arrests were made.
19.	121	30.9.1987	
20.	508	2.10.1987	
21.	650	3.10.1987	
22.	1,985	14.10.1987	
23.	20	14.10.1987	by Customs at Jaisalmer, Rajasthan
<b>3. Opium</b>			
24.	180	20.8.1987	by Narcotics Commissioner's office at Rajasthan. Four persons arrested.

1	2	3	4
25.	606	6-7.9.87	by Customs and Central Excise, Shillong. Over 16 persons arrested.
26.	13	19.9.1987	by Border Security Force at Jalalabad sector of Indo-Pak border.
<b>4. Ganja</b>			
27.	1,200	2.8.1987	by Customs (Preventive) at Dharbanga Jainagar Road from a truck.
28.	1,423	28.9.1987	by Customs, Jaynagar.
29.	5,000	2.12.1987	by Customs (Preventive), Patna at Harar in Madhubani (Indo-Nepal border) as unclaimed.
30.	1,640	7.12.1987	by Police at Bombay. Four persons arrested.

(Note: Figures provisional and rounded off to the nearest kilogram).

**Implementation of scheme for constructing Permanent bunds in coalfields in Trichur district of Kerala**

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

(a) whether the State Bank of India had withdrawn from the implementation of the scheme for constructing permanent bunds in the coalfields in Trichur district of Kerala;

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

(c) whether the Kerala Government had represented the matter to the Union Government; and

(d) if so, the details thereof and the action taken by Government in the matter?

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 reference to Coalfields in Trichur district relates to the Trichur Kole Land Development Project (TKLDP). If so, State Bank of India (SBI) has reported that

it has not withdrawn from the implementation of TKLDP being implemented by the Kerala Land Development Corporation (KLDC).

(c) and (d). The Government of Kerala had requested the Union Government on 8th January, 1988 for the continuation of the assistance from State Bank of India to KLDC to enable it to implement the TKLDP. State Bank of India has reported that the bank had originally sanctioned certain facilities to KLDC for implementing TKLDP. However, due to delay in the implementation of the project and cost over runs, the project cost had to be revised upwards. It is further expected to go up. In view of this escalation in project cost, State Bank of India have suggested that the project may be financed by a consortium of banks.

**Scheme for Modernisation and Development of Jute Industry**

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

(a) whether it is a fact that a Rs. 250 crores scheme for modernisation and development of the jute industry has been announced by Government;

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

(c) whether the amount is proposed to be handed over to the jute barons directly and not through the State Government; and

(d) if so, whether the West Bengal State Government has expressed its displeasure over it?

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

(c) No, Sir.

(d) Does not arise.

#### STATEMENT

(a) and (b). Details of two separate schemes for the modernisation and development of Jute Industry are as under:--

(i) *Jute Modernisation Fund of Rs. 150 crores.*

The Govt. has set up a Jute Modernisa-

tion Fund of Rs. 150/- crores for modernisation/rehabilitation of viable and potentially viable jute mills. The sum of Rs. 150/- crores is an estimated amount taking into account the requirement of various categories of mills, if they are going in for modernisation; and the funds will flow from the institutional source and not from Government. The only budgetary support that would be provided by the Ministry of Textiles under this scheme is for the purpose of interest subsidy to be given to IFCI to enable them to lend at concessional rate in respect of a portion of loan towards the promoters' contribution.

(ii) *Jute Special Development Fund of Rs.100 crores.*

This fund has been created for rehabilitation and restructuring of jute industry as well as for development of jute agriculture. The distribution of outlays among various programmes has been worked out as under:

i)	Jute Agricultural Development Programme.	Rs. 25 crores
ii)	Assistance to JCI and its Cooperative procurement agencies.	Rs.10 crores
iii)	Product diversification and R & D support.	Rs.10 crores
iv)	Schemes for benefit of workers in the jute industry:	
	(a) Labour Rehabilitation Scheme in respect of closed mills.	Rs. 10 crores
	(b) Labour Rationalisation Scheme linked to modernisation.	Rs. 22.50 crores
	(c) Part payment of outstanding dues of workers in respect of P.F. and ESI linked to modernisation	Rs. 16.00 crores
	(d) Training and Bank Finance Scheme for the surplus workers of Jute Industry	Rs. 5.00 crores
<b>Total :</b>		<b>Rs. 98.50 crores</b>



The funds under various programmes under Jute Special Development Fund are released/proposed to be released to state Governments/Jute Corporation of India/Jute Manufactures Development Council/Jute Commissioner/Industrial Finance Corporation of India depending upon the nature of programme.

### **Vamsadhara Stage-II Project**

696. SHRI BHATTAM SRIRAMA MURTY: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Union Government have agreed to sort out issues standing in the way of Vamsadhara State-II Project envisaging irrigation for one lakh acres;

(b) whether the Andhra Pradesh Government had consequently sent revised proposal for Flood Bank etc. to Union Government for approval;

(c) if so, the details thereof;

(d) whether Government have agreed to clear the project; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) and (c). Yes, Sir. The revised proposal envisages limiting of acquisition of land of 106 acres in Orissa Territory.

(d) and (e). Concurrence of Government of Orissa for clearing the project has not been received.

### **Import of Cotton**

697. SHRI KAMAL NATH: Will the Minister of TEXTILES be pleased to state:

(a) whether the hike in cotton price has hit the textile units in the country following rise in prices of long staple American cotton in major mandies in Northern India and drastic production shortfall due to drought; and

(b) the existing price of long staple cotton in the World Bank aided cotton districts of Punjab, Haryana and Rajasthan as compared to the corresponding period last year?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Government have been receiving representations from the textile mills, reporting shortage of cotton and high prices. The production of cotton during current year has decreased due to drought conditions.

(b) The price of long staple cotton in Northern India (F-41) was approximately Rs. 2376/- per quintal in Jan '88 as against Rs. 1329/- per quintal in Jan '87.

### **Surveys and investigation for Water schemes**

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

Will the Minister of WATER RESOURCES be pleased to state:

(a) whether surveys and investigations for water schemes in the peninsula are to be given priority;

(b) whether the Sixth Annual General Meeting of the National Water Development Agency has recommended the decision;

(c) if so, whether Government have accepted the same; and

(d) the steps being taken in this regard and the total amount to be incurred on these surveys?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). The National Water Development Agency is engaged in the investigations and feasibility studies of the peninsular rivers development component of the National Perspectives for water resources development. The National Water Development Agency has, at its 6th Annual General Meeting, inter-alia, decided that studies of schemes proposed under

the peninsular rivers development component should be proceeded with and priority should be given to short links benefiting water deficit areas.

(d) Various studies and preliminary feasibility reports of the schemes under the Peninsular Rivers Development Component are programmed to be completed by the end of the Eighth Plan at an estimated cost of Rs. 38.20 crores.

#### **Non-Traditional market for Jute Products**

699. SHRI SOMNATH RATH: Will the Minister of TEXTILES be pleased to state:

(a) whether Government propose to take steps to implement several schemes to exploit the newly emerging non-traditional markets for jute all over the country; and

(b) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). Govt. propose to take steps to implement some schemes to exploit the newly emerging non-traditional markets for jute all over the country which include:

- (i) Indian Jute Industries Research Association (IJIRA)'s UNDP project entitled "Development and Promotion of the Diversified Enduses of Jute".
- (ii) Measures to find out alternative uses of jute in packing tea, coffee, apples, and production of jute carpets, jute blankets etc.
- (iii) A scheme for International Market Assistance.
- (iv) Projects of research institutions for development of new jute products.

#### **Separate financial institution for Small Scale Sector**

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

(a) whether there is any proposal under consideration of Government to set up a separate financial institution to take care of the credit requirements of the units in the small scale sector;

(b) whether the PHD Chambers of Commerce and Industry has also made similar demand; and

(c) the reaction of Government in this regard and to what extent the small scale units can be benefited by setting up separate financial institution?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The PHD Chambers of Commerce and Industry has requested for, *inter-alia*, a separate financial institution to meet the credit requirements of small scale units. The matter is under consideration of the Government.

#### **Payment of income tax by BCCI and Cricket Players**

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

(a) the amount of income tax collected by Government during the last three years from the office bearers of the Board of Control for Cricket in India and the amount outstanding against each of these people;

(b) the number of Cricket players who have played test cricket and have deposited income tax during the last three years and the details of the amount deposited; the number of such cricket players who have not paid income tax and broad details of the efforts made for the recovery of income tax; and

(c) broad details of the income earned by the Board of Control for Cricket in India as a result of cricket contracts signed with various countries during the last three years?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MIN-

ISTRY OF FINANCE (SHRI A. K. PANJA): (a) and (b). The information is being collected from the field formations and will be laid on the Table of the House.

(c) Income of the Board of Control for Cricket in India is exempt from income-tax under the Income-tax law. Hence, details of the income are not available.

#### **Enhancement of Baggage Allowance to Indians working abroad**

702. SHRI T. BASHEER: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government for enhancement of baggage allowance to Indians working abroad;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) No, Sir.

(b) In view of (a) above, question does not arise.

(c) Since the 25th November, 1986, Indians working abroad for not less than one year and returning after termination of work are allowed to bring, free of duty, used household articles and personal effects up to a value of Rs. 20,000/- subject to conditions stipulated in the relevant Rules. This is in addition to the free allowance of Rs.1250/- which is allowed to all persons, other than tourists, coming to India. Indians working abroad and returning after a minimum stay of two years, under Transfer of Residence, are allowed to import duty free their used household personal effects, subject to the fulfilment of certain conditions. Having regard to the interests of the domestic industry, these allowances are presently considered adequate.

#### **Damage due to Floods over Eastern States**

703. DR. V. VENKATESH: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government are aware of intensive damage due to floods over the eastern States of the Ganga basin last year;

(b) if so, whether any investigations into the causes of the floods have been called for; and

(c) what preventive measures have been taken against the recurrence of floods?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) and (c). The Committee on Flood Management in Bihar, West Bengal, Uttar Pradesh and Orissa was set up by the Central Government on 30-11-1987. It has been directed to submit its report in about 6 months from the date of its constitution. The Committee will, *inter-alia*, study the problems of floods. The Committee held its first meeting on 15-1-1988.

#### **Cotton Crop Adequate to meet demand**

704. SHRI KADAMBUR M. R. JANTHANAN: Will the Minister of TEXTILES be pleased to refer to the news item appearing in the "Indian Post" dated November 11, 1987 captioned "Cotton crop adequate to meet demand" and state:

(a) whether there is a wide off mark in the assessment of cotton crop made by the Textile Ministry and Agriculture Ministry;

(b) whether the Cotton crop of 1987-88 is adequate to meet our demands; and

(c) if not, the steps taken or proposed to be taken by Government in this regard?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Ministry of Agriculture estimated cotton production in

1986-87 at 70.1 lakh bales while the Cotton Advisory Board estimated the same at 95.00 lakh bales.

(b) The Cotton Advisory Board estimated the cotton crop at its meeting held on 11-2-88 at 87 lakh bales, as against 95 lakh bales estimated earlier on 10-11-87. The fall in production of cotton is mainly due to drought. While the total availability of cotton is estimated as 107 lakh bales, including carry over of 20 lakh bales, the domestic requirement is estimated at 99.50 lakh bales. Although the availability is more than the requirement the carry over stocks of cotton will be only 7.50 lakh bales. The carry over stock will not be adequate to meet the requirement of cotton till the arrival of the new-crop of 1988-89.

(c) Government have suspended the exports of staple cotton since July, 1987 and have also permitted import of cotton against export of cotton yarn, cotton fabrics and made-ups on Advance Licensing Basis.

*[Translation]*

#### **Extension of Jawahar Lal Nehru Canal from Haryana to Jhunjhunu District**

705. SHRI MOHD. AYUB KHAN: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Jawahar Lal Nehru Canal which is presently benefiting the State of Haryana is likely to be extended to Jhunjhunu district in Rajasthan State;

(b) if so, the time by which this work is likely to be completed; and

(c) if not, the steps being taken for the supply of water to Jhunjhunu to solve the problem of water for drinking and irrigation purposes?

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

(b) Does not arise.

(c) State Government has to formulate the scheme.

*[English]*

#### **Casual Workers in Income Tax and Allied Government Departments**

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

(a) whether a large number of employees in the income tax and allied Government Departments under his Ministry are still working as casual workers;

(b) if so, the details thereof; and

(c) whether as per the recent Supreme Court directive to pay equal pay for equal work to casual workers, the same wages and allowances as paid to regular workers has been extended to the casual workers?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) to (c). The requisite information is being collected and the same will be laid on the Table of the House.

#### **SC/ST Employees in Oriental Insurance Company Limited**

707. SHRI RAM SWARUP RAM: Will the Minister of FINANCE be pleased to state:

(a) the number of Scheduled Caste/Scheduled Tribe employees working in Oriental Insurance Company Ltd.;

(b) whether fixed quota of reservation has been properly filled up; and

(c) if not, the time by which the proposed quota is likely to be filled up?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) 1507, as on 31st December, 1987.

(b) and (c). For fresh recruitment and for promotions to various cadres/posts, the company follows Government instructions in regard to reservation of vacancies for

**Scheduled Castes/Scheduled Tribes.** There is a shortfall in reserved vacancies in Class I, Class II and Class III posts and the company is undertaking exclusive recruitment for this purpose. The success of this process of exclusive recruitment will naturally depend on the availability of suitable and sufficient number of candidates particularly in the Specialists' disciplines like Marketing Trainees, Engineers and Chartered Accountants etc.

### **Export of Textiles**

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

(a) the details of the amount of the textile exports from April-December, 1987;

(b) the details of the export of textiles boosted as on 31 December, 1987 to be boosted;

(c) the extent to which this export has adversely affected the domestic consumption due to hike in price in domestic markets; and

(d) the steps being taken to meet the demand of the country by putting a check on hike in its prices?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). The export of cotton textiles (yarn, made ups and fabrics) amounted to Rs. 928.14 crores during April-Dec., 1987 compared to Rs. 506.35 crores during the same period last year.

(c) and (d). Exporters are not likely to effect domestic consumption and prices since there is substantial unutilised spinning and weaving capacity in the country. The Government has taken several steps to meet the domestic demand such as supply of cheap cloth like Control Cloth, Janta Cloth and Sulabh Fabrics through National Consumer Co-operative Federation and Co-operative Stores.

*[Translation]*

### **Foreign Indebtedness**

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

(a) the extent of increase in our foreign indebtedness during the last five years; the percentage of the economy which is consumed in repayment of loans and the interest thereon;

(b) the number of additional notes printed by Government so far to mobilise additional resources for the purpose; and

(c) the plans of Government to check rising prices?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO EALEIRO): (a) The cumulative increase in the country's external indebtedness from 1982-83 to 1986-87, for all the years taken together, on account of loans on government and non-government account, IMF credits and external commercial borrowings amounted to about Rs. 27800 crores. The repayments of these loans and interest payments thereon constituted about 0.9% and 0.7% respectively of Gross Domestic Product at market prices in 1986-87.

(b) The question of printing additional notes to mobilise additional resources for repayment of foreign loans does not arise.

(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 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 by raising Cash Reserve Ratio and Statutory Liquidity Ratio, imposition of selective credit controls and intensive action against hoarders and profiteers. Prices are closely being monitored at various levels to facilitate prompt action.

*[English]*

### **Credit Authorisation Scheme**

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

(a) whether a large number of companies taking advantage of credit authorisation scheme (CAS) have failed to submit quarterly financial information;

(b) if so, the details thereof for the period ending 31st December, 1987;

(c) whether there is any penal clause in the scheme for delay in submission of information; and

(d) if so, whether any action has been taken against such erring companies?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India's instructions to banks regarding Credit Authorisation Scheme relate to financial discipline. The banks are required to obtain statements prescribed under Quarterly Information System (QIS) from borrowers whose borrowings exceed the aggregate working capital limits of Rs. 50 lakhs from the entire banking system, not withstanding that RBI's prior authorisation for sanction of working capital limits to borrowers is required only when it is in excess of Rs. 7 crores for export oriented units and Rs. 6 crores for others. The RBI has reported that half-yearly statements for the period ending December, 1987 have not yet been received by it from all the banks.

(c) and (d). Banks are also authorised to charge a penal interest of 1% per annum on total outstandings for the period of default in the event of non-submission of returns by the borrowers. In the case of persistent defaulters, banks may even freeze the accounts. RBI, has not, however, obtained at any time, information relating to the number of cases where banks have  
*Coconut Fresh:--*

taken penal action against defaulting borrowers.

#### **Working Group on Share Transfer System**

711. SHRIMATI D. K. BHANDARI: Will the Minister of FINANCE be pleased to refer to reply given to Unstarred Question No. 4369 on 4 December, 1987 regarding proposals on share transfer and state:

(a) the progress made by the Working Group so far with regard to suggesting measures to simplify the existing system of share transfer in respect of listed companies in order to safeguard the interests of small investors; and

(b) the time by which report of the Working Group is likely to be finalised and submitted to Government?

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 Share Transfer has since completed its deliberations and submitted its report to the Ministry.

#### **Rate of Growth in Cocount Exports**

712. SHRI MANIK REDDY: Will the Minister of COMMERCE be pleased to state:

(a) the rate of growth in our cocount exports during the last three years; and

(b) the measures taken by Government to promote their exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) Exports of Coconut fresh and Desicated for the last three years are as follows:--

Year	Qty. (Nos)	Value (Rs. Lakhs)
1983-84	1,50,360	1.58
1984-85	1,01,900	2.05
1985-86	54,447	1.00

Year	Qty. (Nos.)	Value (Rs. lakhs)
<i>Desicated Coconut:</i>		
1983-84	27795	0.41
1984-85	8513	0.79
1985-86	28920	1.00

(b) No special measures are taken by the Government to promote export of coconut because of heavy domestic demand.

#### **Export of Minerals from Orissa**

713. SHRI HARIHAR SOREN: Will the Minister of COMMERCE be pleased to state:

(a) the value of minerals exported from Orissa during 1986-87 and 1987-88;

(b) whether there has been a sharp decline in export of minerals from Orissa during these two years;

(c) if so, the factors responsible therefor; and

(d) the steps taken to increase export of minerals from Orissa.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) to (c). The value of canalised minerals exported from Orissa through Paradip Port during 1986-87 was Rs. 47.42 crores and during 1987-88 (upto 15.2.1988) was Rs. 38.36 crores, as compared to Rs. 56.68 crores during 1985-86. Main reason for this decline was that Japan curtailed its imports of chrome ore.

(d) Steps taken to increase export of iron ore and chrome ore from Orissa are as under:--

- (i) Provision of incentive by way of discounts in iron ore prices to induce major buyers to increase off-take from Paradip Port;
- (ii) Exports through Paradip Port have been diversified by enter-

ing into contracts with Yugoslavia, Bulgaria and China in recent years;

(iii) As against present capacity to accomodate vessel of upto 55,000 DWT, proposal is to deepen the port for handling vessels of upto 170,000 DWT class. The proposal has already been approved in principle.

(iv) Regarding Chrome Ore, effects are being made to enter into the markets like Phillipines and Sweden and simultaneously old markets of Chrome Ore are being revived.

#### **Enquiry into working of NABARD**

714. SHRI PRAKASH CHANDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the enquiry into the working of NABARD has since been completed;

(b) if so, the details thereof and if not, the time by which the enquiry is likely to be completed;

(c) whether a number of irregularities have been detected in the NABARD; and

(d) the action proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS (SHRI EDUARDO FALEIRO): (a) No enquiry as such has been conducted into the working of National Bank for Agriculture and Rural Development (NABARD).

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

**Theft in Panchsheel Enclave Branch of  
New Bank of India**

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

(a) whether a sum of Rs.11 lakhs was found missing in mysterious circumstances from the strong room safe of the Panchsheel Enclave Branch of the New Bank of India at New Delhi;

(b) whether any investigation has been made into the matter and if so, with what results; and

(c) remedial steps taken or proposed to be taken to keep the strong rooms of the various banks safe?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). New Bank of India has reported that on 10.1.88 a sum of Rs. 11.27 lakhs was found missing from the strong room of its Panchsheel Enclave Branch, New Delhi. The Bank, has further reported that it has already placed under suspension two officers from the Bank's service. In addition the Bank is also initiating action against these officers as well as those, who have been identified as negligent. The Bank has also reported that the Police is also investigating the matter and has since recovered a sum of 8.48 lakhs.

(c) Instructions for the safety of the strong rooms already exist and banks are required to adhere strictly to these instructions.

**Foreign Banks**

716. SHRI RADHAKANTA DIGAL: Will the Minister of FINANCE be pleased to state:

(a) the number of foreign banks under operation in the country;

(b) the names and the location of those banks;

(c) the aggregate deposits of the branches of those foreign banks as on 30 June, 1987; and

(d) the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). At present 21 foreign banks are operating in India through their branches. The names and the location of their branches are given in statement-I below.

(c) and (d). The aggregate deposits (other than inter-bank deposits) of the foreign banks operating in India, as on 26.6.1987, as reported by the Reserve Bank of India are indicated in statement-II given below:

**STATEMENT-I**

*Location of foreign banks operating in India*

S. No.	Name of the Bank	No. of Branches	Location of branches	
(1)	(2)	(3)	(4)	
1.	Abu Dhabi Commercial Bank Ltd.	1	Bombay	1
2.	Algemene Bank Nederland N.V.	3	Bombay Calcutta	2 1



(1)	(2)	(3)	(4)
3.	American Express Bank Ltd.	3	Bombay 1 Calcutta 1 New Delhi 1
4.	Bank of America NT & SA	4	Bombay 1 Calcutta 1 New Delhi 1 Madras 1
5.	Bank of Credit and Commerce International (Overseas) Ltd.	1	Bombay 1
6.	Bank of Bahrain and Kuwait BSC	1	Bombay 1
7.	Bank of Oman Ltd.	1	Bombay 1
8.	Bank of Nova Scotia	1	Bombay 1
9.	Bank of Tokyo Ltd.	3	Bombay 1 Calcutta 1 New Delhi 1
10.	Banque Indo-Suez	1	Bombay 1
11.	Banque Nationale De Paris	5	Bombay 2 Calcutta 2 New Delhi 1
12.	British Bank of the Middle East	1	Bombay 1
13.	Citi Bank N.A.	6	Bombay 2 Calcutta 2 New Delhi 1 Madras 1
14.	Deutsche Bank (Asia)	1	Bombay 1
15.	Grindlays Bank p.l.c.	56	Amritsar 2 Bangalore 1 Bombay 12 Calcutta 18 Cochin 2 Darjeeling 1 Delhi 10 Kanpur 1 Madras 4 Tuticorin 1 Simla 1 Srinagar 1 Gauhati 1 Hyderabad 1

(1)	(2)	(3)	(4)
16.	Hongkong and Shanghai Banking Corporation	20	Bombay 7 Calcutta 9 Madras 1 Visakhapatnam 1 New Delhi 2
17.	Mitsui Bank	1	Bombay 1
18.	Oman International Bank SAO	1	Bombay 1
19.	Societe Generale	1	Bombay 1
20.	Sonali Bank	1	Calcutta 1
21.	Standard Chartered Bank	24	Amritsar 1 Bombay 6 Calcutta 8 Cochin 1 Kanpur 1 Madras 3 Delhi 2 Goa 1 Calicut 1

---

**STATEMENT II**

Sl.No.	Name of the Bank	(Rs. in crores) As on 26.6.1987
(1)	(2)	(3)
1.	Abu Dhabi Commercial Bank Ltd.	9.04
2.	Algemene Bank Nederland N.V.	49.56
3.	American Express Bank Ltd.	243.26
4.	Bank of America NT and SA	218.96
5.	Bank of Credit and Commerce International (Overseas) Ltd.	207.06
6.	Bank of Bahrain and Kuwait B.S.C.	1.73
7.	Bank of Oman Ltd.	30.26
8.	Bank of Nova Scotia	17.86
9.	Bank of Tokyo Ltd.	123.04

(1)	(2)	(3)
10.	Banque Indo-Suez	38.98
11.	Banque Nationale De Paris	106.16
12.	British Bank of the Middle East	115.79
13.	Citi Bank N.A.	487.10
14.	Deutsche Bank (Asia)	33.90
15.	Grindlays Bank p.l.c.	957.68
16.	Hong Kong and Shanghai Banking Corporation	494.53
17.	Mitsui Bank	15.10
18.	Oman International Bank SAO	13.32
19.	Societe Generale	36.90
20.	Sonali Bank	3.04
21.	Standard Chartered Bank	378.30
	Total:	3581.57

### Sale of Cigarettes

717. SHRI V. SOBHANADREESWARA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that some popular brands of Cigarettes were sold in Black market rates in several parts of the country recently;

(b) whether Government have enquired into the matter;

(c) if so, the findings of the enquiry; and

(d) the action proposed to be taken against the persons found guilty?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (d). Duty of excise is based on the length of Cigarettes with effect from 1.3.1987 and

thus prices printed on cigarette packets are not relevant for levy of central excise duty. The question of conducting enquiries in this regard by Central excise Department, therefore, does not arise. However, prior to 1.3.1987 when duty of excise was leviable on the basis of printed retail prices on cigarette packets, investigations/searches were conducted in respect of major cigarette companies. Show cause notices demanding duty of over Rs. 890 crores have been issued to the concerned cigarette companies which were selling cigarettes at prices higher than those printed on the cigarette packets. Most of the show cause notices are under the process of adjudication. The question of enforcing recovery of duty demanded would arise only after adjudication of the cases.

The offence of charging a price higher than that printed on the cigarette packets is punishable under the provisions of Stan-

dards of Weights and Measures Act, 1976 enforceable by the State Government Authorities who have already been requested to take suitable action in the matter.

### **Export Achievements**

718. SHRI H.N. NANJE GOWDA: Will the Minister of COMMERCE be pleased to state:

(a) whether a record in export has been achieved during this year;

(b) whether Government are implementing measures to facilitate increased capacity for export production and upgradation of technology; and

(c) if so, the details of the programme initiated in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) According to the latest provisional trade statistics India's exports during the first nine months of the current financial year, i.e. April-December, 1987 amounted to Rs. 11197.41 crores, which are 24.7 percent higher as compared to Rs. 8978.43 crores during April-December, 1986.

(b) and (c). A series of initiatives have been taken to facilitate increased capacity for export production and upgradation of technology. These include (i) raising the limit of assets for definition of large house under the MRTP Act; (ii) delicensing of various industries and broadbanding; (iii) export production will not be taken into account for purposes of establishing dominance under the MRTP Act, and it will be kept out side the licensed capacity; (iv) exempting export production from industrial licensing, (v) allowing import of machinery and equipment not domestically available on OGL and at concessional rates of duty for selected export thrust sectors.

### **Nationalisation of closed textile mills in Gujarat**

719. SHRI RANJITSINGH GAEKWAD: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have received any proposal to evolve a package scheme for nationalisation of the closed textile mills in Gujarat;

(b) if so, the details thereof; and

(c) the reaction of Government thereon?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). The Textile Labour Association, Ahmedabad had submitted a resolution passed by the textile workers of Ahmedabad seeking the nationalisation of the entire textile industry

(c) The June, 1985 Textile policy statement specifically states that takeover or nationalisation of sick textile units does not provide a solution to the problems of sickness and Government would not, as a rule, intervene in such cases.

*[Translation]*

### **Financial assistance to Small Scale Industries**

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

(a) whether Government have taken any decision regarding the implementation of new schemes through banks and other financial institutions to provide financial assistance to the small scale industries especially those facing crisis and to solve their problems connected therewith; and

(b) 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) and (b). Certain new schemes/measures have been initiated by Government/IDBI recently which include those relating to women entrepreneurs, ex-servicemen; quality control and testing centres; national equity fund; marketing; raw material and other extension services through SSIDCs. The schemes are monitored by the IDBI.

*(English)***Disposal of stock of Handloom Societies in Kerala**

721. SHRI K. KUNJAMBU: Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government have taken any steps to provide yarn to the handloom weavers of Kerala at cheaper prices;

(b) if so, the details thereof; and

(c) what steps have been taken to ensure the disposal of stocks lying accumulated with various handloom societies in the State?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). The Central Government have been making efforts to ensure regular supply of yarn at reasonable prices to the handloom sector in the country through various measures such as -- Hank Yarn Obligation Scheme, loan assistance to National Cooperative Development Corporation for setting up of new weavers cooperative spinning mills and expansion of the existing ones, and setting up National Handloom Development Corporation with the primary objective of supply of yarn and other inputs to the handloom sector.

(c) A special rebate of 20% for 30 days to be shared equally between the Centre and State Government is offered on retail sale of handloom fabrics marketed by the Handloom Cooperative Societies and Handloom Development Corporation. In addition, the special rebate is also available for sales effected in National Handloom Expose and other exhibitions approved and organised by Central Government. In order to clear the accumulated stocks. The State Government of Kerala is allowing additional 20% rebate for a total of 101 days on the sale of handloom cloth. Apart from this, the State Government Departments are purchasing required cloth from the handloom sector. Handloom cloth is sold to Government servants on credit basis by various Handloom Societies in the State.

**Disputed Inter-State Irrigation Project**

722. SHRI V.S. VIJAYARAGHAVAN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the names of irrigation projects involved in inter-state water disputes;

(b) the total potential of these projects;

(c) since when these disputes are pending; and

(d) the details of steps being taken to expeditiously clear the disputes and take up construction of these projects?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAH): (a) to (d). Several irrigation projects are held up due to non-agreement between the party States. Their potential benefits cannot be determined. Efforts are continuing for their settlement by mutual negotiations by the party States and also with Centre's assistance.

**Price rise**

723. SHRI MOHANBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the prices of almost all the commodities have increased during the year 1987;

(b) if so, the percentage of increase; and

(c) the efforts being made by Government to reduce the prices and also to check further rise.

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The percentage variation in wholesale Price Index (1970-71 = 100), on a point to point basis, for all commodities as also for important commodity group/individual commodities is given in the statement below. While the indices for most items have increased, those of some have declined also.

(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 govern-

ment expenditure; mopping up of excess liquidity in the economy by raising Cash Reserve Ratio and Statutory Liquidity Ratio; imposition of selective credit controls and intensive action against hoarders and profiteers. Prices are being closely monitored at various levels to facilitate prompt action.

### STATEMENT

*Wholesale Price Index for All Commodities (1970-71 = 100)*

		Percentage change end-Dec. 1986 & end-Dec. 1987
<b>ALL COMMODITIES</b>		9.2
<b>A.</b>	<b>Seasonal Items</b>	14.2
1.	Food Grains	16.2
	(i) Cereals	10.4
	(a) Rice	9.8
	(b) Wheat	8.7
2.	Pulses	36.5
	i) Gram	31.6
	ii) Arhar	55.7
3.	Fruits & Vegetables	5.3
4.	Milk & Milk Products	15.5
5.	Eggs, Fish & Meat	3.1
6.	Condiments & Spices	44.2
7.	Other Food Articles	--11.4
	i) Tea	--9.1
	ii) Coffee	3.9
8.	Fibres	37.0
	i) Raw cotton	42.3
	ii) Raw jute	22.6
9.	Oilseeds	28.2
10.	Sugar, Khandsari & Gur	4.3
	i) Sugar	1.0
	ii) Khandsari	0.4
	iii) Gur	5.8

		Percentage change end-Dec. 1986 & end-Dec. 1987
11.	<b>Edible Oils</b>	19.0
	i) Groundnut oil	25.4
	ii) Mustard Oil	40.5
12.	<b>Oil Cakes</b>	41.1
B.	<i>Administered Prices</i>	2.2
1.	<b>Petroleum, Crude and Natural Gas</b>	-37.9
2.	<b>Petroleum products</b>	Neg.
3.	<b>Coal Mining</b>	16.3
4.	<b>Electricity</b>	10.2
5.	<b>Fertilisers</b>	10.1
6.	<b>Iron, Steel &amp; Ferro Alloys</b>	12.7
7.	<b>Non-Ferrous Metals &amp; Alloys</b>	16.9
8.	<b>Cement</b>	0.9
C.	<i>Other Important Items</i>	
1.	<b>Beverages, Tobacco &amp; Tobacco Products</b>	4.2
2.	<b>Textiles</b>	11.1
3.	<b>Paper &amp; Paper Products</b>	3.7
4.	<b>Leather &amp; Leather Products</b>	3.7
5.	<b>Rubber &amp; Rubber Products</b>	5.4
6.	<b>Chemicals &amp; Chemical Products</b>	5.9
7.	<b>Non-Metallic Products</b>	1.3
8.	<b>Basic Metals, Alloys &amp; Metal Products</b>	12.6
9.	<b>Machinery &amp; Transport Equipment</b>	3.6
10.	<b>Misc. Products.</b>	1.5

### **Guidelines of Water Conservation**

724. PROF. MADHU DANDAVATE: Will the Minister of WATER RESOURCES be pleased to state:

(a) in view of the recent experience of severe drought in various parts of the country what concrete steps have been taken to offer substantial financial assistance to States to explore new sources of water and evolve schemes for water conservation; and

(b) whether Centre has proposed guidelines to States for water conservation to overcome the scarcity of water during drought conditions?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Water Conservation schemes are planned, funded and implemented by State Governments as part of their developmental Plans. To accelerate completion of identified irrigation projects benefitting drought prone areas, the Centre has sanctioned an additional amount of Rs. 236 crores to 14 States. 50% of this is in the form of drought relief assistance and the balance will be net additionality. Apart from the above an amount of Rs. 209.33 crores has been allocated under drinking water programme sector, to drought affected 15 States and 2 Union Territories for combating problem of drinking water shortage.

(b) Yes, Sir.

### **Rise in liquidity in Banking System**

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

(a) whether there has recently been a steep rise in the liquidity in the banking system;

(b) if so, the estimated amount of excess liquidity at present being nursed by the banks;

(c) the combination of factors resulting

in such excess liquidity which in turn is causing inflation; and

(d) the effective steps being taken to ensure that the increase in money supply is not out of alignment with growth output?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India (RBI) has reported that the liquidity of the Banking system exhibits certain seasonal patterns, rising in the period April-September and declining during the period October-March. The excess liquidity of the major Scheduled Commercial Banks as measured by their holding of liquid assets in excess of what is required, is estimated to be at an average of around Rs. 1650 crores by the RBI--during the fortnight ended 15.1.1988. This liquidity is expected to shrink substantially during the remaining period of the busy season.

(c) and (d). One of the major factors accounting for this excess liquidity is the sharp fall in the requirements of food credit which registered a decline of Rs. 2373 crores during the first ten months period of current financial year as against a decline of Rs. 152 crores in the corresponding period of previous year. In order to check excess liquidity of banking system, the RBI has raised the Statutory liquidity ratio of banks from 37% to 37.5% w.e.f. 25.4.87, and further to 38% with effect from January 2, 1988 as also raised Cash Reserve Ratio from 9.5% to 10% with effect from October 24, 1987 of Net Demand and time liabilities of Banks.

### **Project Exports**

726. SHRI H.B. PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a drastic fall in India's project exports during the past few years;

(b) if so, the reasons thereof;

(c) whether exports, in terms of contracts awarded, rose sharply from Rs.64



crore in 1973-74 to a peak of Rs. 1,705 crores in 1981-82 and there has been a steady decline since then and the exports now average between Rs. 200 and Rs. 250 crores annually;

(d) whether any study has been undertaken in this regard; and

(e) if so, the details as regards drastic decline in project exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (e). In the 1980's there has been a decline in construction project exports as compared to the earlier years. The decline in construction project exports are attributable to fall in oil revenues in the oil rich countries of West Asia and Africa; the war in the middle-east; and foreign exchange problems being faced by many developing countries. While construction projects have declined, exports of turnkey industrial and consultancy projects registered an increasing trend. The total value of projects (including construction, turnkey and consultancy) secured with the support of Export Import Bank of India during 1982-87 indicate an average annual value of about Rs. 418 crores.

#### **Restriction on Installation of High Technology Powerlooms**

727. SHRI G.M. BANATWALLA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware that installation of automatic air jet high technology powerlooms is a great threat to small weavers and would also further aggravate the present wide spread unemployment;

(b) if so, whether Government propose to consider banning or imposing severe restrictions on installation of such high technology powerlooms; and

(c) if so, the steps taken in this direction, and if not, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Installation of high

technology looms either in the organised mill sector or in the decentralised powerloom sector is a step in the direction of modernisation and technological upgradation and is not deemed as a threat.

(b) No, Sir.

(c) Does not arise.

#### **Plan to Increase Irrigation Potential**

728. SHRI AMARSINH RATHAWA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government have drawn any plan to increase irrigation potential in the country particularly in the State of Gujarat during 1987-88;

(b) if so, the achievement made till date State-wise and particularly in Gujarat;

(c) the steps being taken to achieve the target during the remaining period; and

(d) the details of irrigation project programme being adopted to increase the irrigation potential in the country?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a), (b) and (d). The Annual Plan for 1987-88 envisages the creation of an additional irrigation potential of 2.38 million hectares in the country from major, medium and minor irrigation schemes, out of which the target of Gujarat is 69,000 ha. The targets are on annual basis and the achievements are reported by the State Governments annually, after the closure of the year.

(c) Earmarking of outlays for important projects, Central monitoring of the progress of selected projects and extending assistance to State Governments in procuring scarce construction material and equipment are among the steps being taken to realise the targets.

### **Self Employment Programme for Urban Poor**

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

(a) the number of beneficiaries during 1987 under Self Employment Programme for Urban Poor and also the targets fixed for 1988-89, State-wise;

(b) total credit sanctioned and disbursed during 1987-88 and its break-up, State-wise;

(c) the break-up of beneficiaries and the total amount sanctioned and disbursed trade-wise or profession-wise; and

(d) the number of applications received and the number of applications rejected during 1987-88, State-wise?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank

India (RBI) have reported that during the year 1986-87, assistance of Rs. 116.23 crores was provided to 3.41 lakh beneficiaries under Self-Employment Programme for the Urban Poor (SEPUP). A statement showing State-wise details of the number of loans sanctioned under SEPUP during the year 1986-87 is given in the statement below. While the programme would be continued in the financial year 1988-89, the targets have not yet been indicated.

(b) to (d). Reserve Bank of India have reported that as per the data so far available with them, loans amounting to Rs. 54.86 crores have been sanctioned to 1.58 lakh beneficiaries during the year 1987-88. Out of this, Rs. 42 crores have been disbursed to 1.25 lakh beneficiaries. The complete information regarding applications received and sanctioned, trade/profession-wise distribution of beneficiaries and number of applications received and rejected during 1987-88, State-wise, would become available only after the end of the current financial year.

### **STATEMENT**

1.	Andhra Pradesh	26628
2.	Assam	3403
3.	Bihar	16065
4.	Gujarat	15988
5.	Haryana	8176
6.	Himachal Pradesh	365
7.	Jammu & Kashmir	1533
8.	Karnataka	28229
9.	Kerala	10313
10.	Madhya Pradesh	23730
11.	Maharashtra	36918
12.	Manipur	287

139	Written Answers	FEBRUARY 26, 1988	Written Answers	140
13.	Meghalaya			126
14.	Nagaland			148
15.	Orissa			8628
16.	Punjab*			12341
17.	Rajasthan			20095
18.	Tamil Nadu			37622
19.	Tripura			518
20.	Uttar Pradesh			42577
21.	West Bengal			25105
22.	Andaman & Nicobar Islands			170
23.	Arunachal Pradesh			—
24.	Chandigarh			1055
25.	Goa, Daman & Diu			403
26.	Mizoram			120
27.	Pondicherry			311
28.	New Delhi			20285
Total ;				341139

\*Performance of UCO Bank in Punjab, Haryana & Chandigarh has been indicated against Punjab.

Source: Based on data supplied by the banks

#### Tenure of MPEDA

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

(a) the tenure of the present Marine Products Export Development Authority (MPEDA);

(b) whether some persons are being represented/nominated; and

(c) the steps being taken to ensure that the MPEDA Membership is broad based and rotated?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) The tenure of the present membership of the Marine Products Export Development Authority expires on 3rd November 1989.

(b) and (c). Members of MPEDA are ap-

pointed by Government of India in accordance with the relevant provisions of the MPEDA Act, 1972 and its membership is sufficiently broad based and rotated.

#### **Survey by Operation Research Group in Respect of Functioning of Public Sector Banks**

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

(a) whether the Operation Research Group conducted any survey in respect of the functioning of the public sector banks;

(b) if so, the main findings thereof;

(c) whether Government have examined their suggestions; and

(d) if so, the extent to which these are likely to be implemented?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). Government have seen the findings of the survey conducted by the Operation Research Group (ORG) about the services provided by the nationalised banks. The findings reveal that two-thirds of account-holders are happy and satisfied with the services provided by the public sector banks. Some specific services recalled by the customers as recent improvements in the functioning of banks include computerisation, teller system, cheque clearance, higher interest rates, better loan schemes, better security, locker facility, etc.

Staff attitude, slow service and unfavourable procedures or terms are among the more frequently mentioned complaints against the functioning of public sector banks, as per the findings of the survey. It is also indicated by the survey that awareness about the existence of Customer Service Centres as an important instrument for redressal of bank customers' grievances varied between 60% in the executive category to 30% among workers, students and retailers.

Government have advised the banks to initiate measures and improve implementation of all Customer Service measures to remedy the shortcomings highlighted by ORG survey.

#### **Revision of Minimum Release Price for Pepper and Tea**

732. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the minimum release price for pepper and tea has been revised by Government recently; and

(b) if so, the particulars thereof?

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

(b) Does not arise.

#### **Export of Coffee**

733. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) the quantity of coffee exported to various countries during 1987-88; and

(b) the value thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) and (b). Exports of coffee to various countries during April, 1987 to January, 1988 are provisionally placed at 82,932 tonnes valued at Rs. 230.00 crores.

#### **Export of Cardamom**

734. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) the total earnings from export of cardamom during 1987-88;

(b) the main countries importing Indian cardamom and quantity exported to each such country during 1987-88; and

(c) the target fixed for export of cardamom during 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) As per provisional figures available, export earnings from Cardamom during 1987-88 (upto December, 1987) is Rs. 310 lakhs.

(b) The quantity and value of Indian Cardamom exported during 1987-88 (upto December, 1987) to main countries is:--

Country	Quantity (M. T.)	Value (Rs. lakhs)
Saudi Arabia	85	104
Qatar	11	15
Bahrain	7	11
Kuwait	16	21
UAE	2	2
USSR	10	15
Japan	59	66
Singapore	5	4
Malaysia	5	4
Others	49	69
<b>TOTAL:</b>	<b>249</b>	<b>310</b>

(c) Target for export of Cardamom during 1988-89 has not yet been finalised.

#### Marine Export

735. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) whether there has been increase in marine export during 1985-86, 1986-87 and 1987-88;

(b) if so, quantity and value of marine export during these years, year-wise; and

(c) the target fixed for marine export for the year 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) and (b). Yes, Sir. The Export of marine products during these years were:--

	Qty. (Tonnes)	Value (Rs. Crores)
1985-86	83,651	398.00
1986-87	85,843	460.67
1987-88 (Apr.-Dec.)	65,989	368.67
1986-87 (Apr.-Dec.)	62,744	339.86

(Source: Marine Products Export Development Authority, Cochin).

(c) Export target for marine products for 1988-89 has not been fixed, as yet.

#### Concession/Exemption in Customs Duty to Indian Citizens

736. SHRI SHANTARAM NAIK: Will the Minister of FINANCE be pleased to state:

(a) the nature of exemption and concession in customs duty enjoyed by Indian citizens coming to India;

(b) whether Government propose to give any further concessions/exemptions;

(c) whether Government have taken any special steps to ensure proper behaviour of customs officials with the international passengers; 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). Under the Baggage Rules, 1978, passengers of and above 12 years of age, including tourists of Indian origin, arriving from a country other than Sri Lanka or

Nepal or Bhutan are granted a free allowances of Rs. 1250/-. Persons arriving from Sri Lanka are granted a free allowance of Rs. 300/-. Persons arriving from Nepal or Bhutan are not entitled to any free allowance.

Persons working abroad for a minimum period of one year and returning on termination of work are entitled to import their used personal effects and household articles up to a value of Rs. 20,000/-, free of duty, subject to the specified conditions including that the articles have been in their possession and use abroad for a minimum period of six months. As for persons working abroad for more than two years and transferring their residence to India, they are entitled to duty free import of their used personal and household effects, subject to specified conditions, including possession and use of the articles for a minimum period of one year. These exemptions are considered adequate for the present.

(c) and (d). The Government have since 1983 introduced a system of clearance of passengers based on their own declaration regarding the value and contents of their baggage. Examination of baggage is resorted to only where considered necessary. The majority of the passengers are cleared in the walk through Green Channel. The system of clearance provides for adequate and close supervision by senior officers so as to minimise instances of complaints of harassment. Customs Officers are also suitably trained to deal with international passengers.

### **Payment of CCA to Nationalised Banks Employees in Goa**

737. SHRI SHANTARAM NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks have schemes for payment of city compensatory allowance to their employees;

(b) if so, the names of the banks which have schemes for CCA;

(c) the main features of the scheme;

(d) whether the scheme is implemented in Goa; and

(e) if so, the areas in which CCA is paid to bank employees in Goa and the basis thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Yes, Sir. All nationalised banks have formulated a scheme for payment of City Compensatory Allowance to their employees as per the provisions contained in the Bipartite Settlements and Officers Service Regulations. City Compensatory Allowance is admissible to employees working in Urban Agglomeration of Panaji and Marmugoa in Goa.

(c) to (e). City Compensatory Allowance is payable at Urban Agglomeration of Panaji & Marmugoa in terms of the Bipartite Settlements and Officers' Service Regulations at the following rates:

(i)	Officer employees:	10% of Basic pay subject to a maximum of Rs. 200/-p.m.
(ii)	Clerical staff:	10% of Basic pay with a minimum of Rs. 65/-p.m. and a maximum of Rs. 140/-p.m.
(iii)	Sub-staff:	8% of Basic pay with a minimum of Rs. 40/- and a maximum of Rs. 60/-p.m.

### **Progress of Irrigation Projects**

738. SHRI SHANTARAM NAIK: Will the Minister of WATER RESOURCES be pleased

to refer to the reply given to Starred Question No. 606 dated 9 April, 1987 regarding progress of irrigation projects and state the details of progress made so far in the mat-

ter of construction of Anjunem Irrigation Project, Tillari Irrigation Project and Salauli Irrigation Projects?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): The Anjunem Project has been completed except for some canal reaches. The pick up weir of Tillari Project and main dam, canal of Salauli Project are nearly complete.

#### **Opening of Branches by Banks of Federal Republic of Germany in India**

739. SHRI PARASRAM BHARDWAJ: Will the Minister of FINANCE be pleased to state:

(a) whether a large number of well known banks in the Federal Republic of Germany are interested in opening branches in India; and

(b) if so, the details regarding the initiative of Federal Republic of Germany and the reaction of Union Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India has reported that it has not received any proposal in the recent past from any bank based in the Federal Republic of Germany for opening of a branch in India.

#### **Diamond Import-Export Policy**

740. SHRIMATI JAYANTI PATNAIK: Will the Minister of COMMERCE be pleased to state:

(a) the salient features of the policy of Government with regard to export of diamond and import of rough diamond;

(b) whether Government have made certain changes in the export of diamond and import of rough diamond; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI): (a) Import of rough diamonds are currently allowed against imprest licences, replenishment licences and bulk licences, for production of cut and polished diamonds for exports.

(b) and (c). The Government recently notified new replenishment rates for export of cut and polished diamonds to help diversify exports to larger and better quality diamonds while rationalising the level of imports for lower quality diamonds.

#### **Study on Outcome of Liberalisation of Trade Policy**

741. SHRIMATI JAYANTI PATNAIK: Will the Minister of COMMERCE be pleased to state:

(a) whether any study has been conducted on the outcome of the liberalisation of trade policy;

(b) if so, whether trade ties and collaborations have increased; and

(c) the response of traders/industrialists to the liberalisations of foreign tie-ups during the Seventh Five Year Plan?

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

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

#### **Inquiry against Export Deal by C.C.I.**

742. SHRI T. BALA GOUD: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have directed the Central Bureau of Investigation to inquire into an export deal by the Cotton Corporation of India;

(b) if so, the details thereof; and

(c) the outcome of the report received?

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

(b) It has been alleged that the value realisation was lower in certain export transactions of November, 1986.

(c) The report of the CBI has not been received.

#### **Import of Silk**

743. SHRI VIJAY N. PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have authorised import of silk;

(b) if so, the quantity and value of silk that is likely to be imported;

(c) the names of the countries from which silk will be imported; and

(d) the plan of Government, if any, for increasing silk production and reduction of imports?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). Government have allowed the Central Silk Board to import 100 tonnes of raw silk from China at a value of Rs. 4.19 crores.

(d) In order to supplement the efforts of the State Government for the development of the silk industry, the Central Silk Board has established the following major units in the country for R & D and Extension support:

- i) 3 Central Sericulture Research & Training Institutes.
- ii) 1 Central Technological Research & Training Institutes.
- iii) 15 Regional Sericulture Research Stations.
- iv) 64 Research & Extension Centres.
- v) 21 Silkworm Seed production Centres under the National Silkworm Seed project. Besides this, the following Sericulture Development projects are also being implemented:

i) Intensive Sericulture Development project in West Bengal.

ii) Muga Seed Development project in the North-Eastern Region.

iii) Intensive Sericulture Development project in Orissa.

In addition, the Board has formulated a National Sericulture project, in collaboration with State Govts., which is proposed to be implemented with the World Bank's assistance.

#### **Investments by NRI abroad in Ashok Leyland**

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

(a) whether any Non-Resident Indian business group or groups abroad have shown interest in acquiring controlling interest in Ashok Leyland with investment of 700 million in the country;

(b) if so, whether such a group have identified the area or areas where they are likely to invest;

(c) if so, the new areas that will be undertaken; and

(d) to what extent it will be helpful?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). The Reserve Bank of India have not received any application form any Non-Resident Indian Business Group or Groups abroad to acquire controlling interest in Ashok Leyland with investment of ₹700 million in the country.

#### **Visit of Japanese Investment Environment Survey Mission**

745. SHRI E. AYYAPU REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether a Government Mission from Japan led by Deputy President of Mitsui Bank visited India in January, 1988 to study



the environment for investment by Japan on entrepreneurs in Indian industries; and

(b) if so, whether any proposals for such investment has been finalised?

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

(b) The visit was exploratory in nature and was not intended to finalise any specific proposals.

#### **Memorandum from Rubber Growers Association**

746. SHRI E. AYYAPU REDDY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Indian Rubber Growers Association (IRGA) has submitted a memorandum to Government expressing deep concern at the steep fall in rubber prices;

(b) if so, the details thereof and Government response thereto;

(c) whether the IRGA has represented to stop the release of imported rubber to manufacturers; and

(d) whether Government have taken any firm policy decision in respect of the entire tyre industry with regard to the prices of imported rubber and excise duty concessions on inputs?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (d). Government have received a representation dated 29th January, 1988 from the Indian Rubber Growers Association requesting inter-alia for enhancement of the procurement price for natural rubber, in the wake of manifold increase in the wages of time rate workers in the Rubber Plantations high increase of taxation and increase in the cost price of various inputs needed for production of rubber. The association has also requested for discouraging imports of natural rubber in the interest of the Indian rubber growers.

The Govt. is already operating a buffer stocking scheme through STC to ensure remunerative returns to the growers while simultaneously ensuring steady supply of rubber to users at reasonable prices. The release price has been fixed based on the recommendations of the Cost Accounts Branch of the Ministry of Finance.

The release of imported rubber by STC to the users is based on the consumption pattern and the needs of the tyre industry is catered to.

No formal request from either the association or the tyre Industry for excise duty concessions on inputs for the Tyre Industry has been received in the Ministry.

#### **Bank Robberies**

747. SHRI AMARSINH RATHAWA:  
SHRI MOHANBHAI PATEL:

Will the Minister of FINANCE be pleased to state:

(a) the number of bank robberies in the country during the year 1987 and the details of the places where these robberies took place;

(b) the amount looted in each robbery;

(c) whether any bank robbery case has been solved during the year 1987; if so, the details thereof; and

(d) the precautions being taken to foil the bank robberies in future?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Information in respect of bank robberies/dacoities which occurred during the year 1987 and amount involved therein as reported by Public Sector Banks is given in the Statement below.

(c) As reported by banks only two cases of bank robberies/dacoities which oc-

curred in Bihar on 23.4.87 and 29.4.87 have been solved.

(d) A High Power Working Group, which was set up in August 1982 under the Chairmanship of the then Finance Secretary has reviewed security arrangements in banks and made suggestions for improvements therein. The Report of the Working Group was sent to all the public sector banks in August 1983 for implementing the recommendations. The Banks have been implementing these recommendations in a

phased manner. Since the incidence of bank robberies/dacoities depends, to a considerable extent on the general security environment prevailing in the area, with changes in the security situation in a region, security arrangements in banks have to be reviewed and strengthened to meet the requirements of the situation. Security arrangements in banks have accordingly been reviewed from time to time and improvements made in the security arrangements of branches keeping in view the risk factor involved.

### STATEMENT

*Information in respect of bank robberies/dacoities which occurred during the year 1987 and amount involved therein as reported by Public Sector Banks*

Sl. No.	Name of the State/ Union Territory	No. of dacoities/ robberies	Amount involved (Rs. in lakhs)
(1)	(2)	(3)	(4)
1.	Punjab	26	591.44
2.	Bihar	26	46.35
3.	Maharashtra	1	0.15
4.	Nagaland	1	2.25
5.	Manipur	1	0.01
6.	Gujarat	6	7.57
7.	West Bengal	4	13.87
8.	Assam	3	47.24
9.	New Delhi	1	0.22
10.	Tamil Nadu	3	** 4.34
11.	Uttar Pradesh	7	4.22
12.	Andhra Pradesh	2	14.78
13.	Madhya Pradesh	3	0.08
14.	Orissa	1	0.32
15.	Rajasthan	1	1.88

(1)	(2)	(3)	(4)
16.	Chandigarh	1	0.25
17.	Himachal Pradesh	1	0.05
18.	Kerala	2	5.46
19.	Jammu & Kashmir	1	--
		91	740.48

(Data provisional)

### External Financial Assistance for Developmental Works

748. SHRI SRIBALLAV PANIGRAHI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to take recourse to much higher dose of external financial assistance in 1988-89 to maintain the tempo of development in the country in view of erosion in resource base and renewed drive for liberalisation;

(b) whether it has been pointed out that the pressure of India's balance of payments is likely to increase considerably in the coming years; and

(c) the details regarding the external debt at present?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The estimates of level of external financial assistance proposed for the year 1988-89 will be spelt out in the Central Government Budget for 1988-89 to be presented to Parliament on 29th February, 1988. The Government have been following a cautious policy with regard to external borrowings. In doing so, the level of country's indebtedness and the likely burden of debt servicing are constantly kept in view to ensure that they remain within manageable limits. Steps have also been taken to accelerate our exports and to ensure efficient import substitution, as has also been pointed out by the Plan-

ning Commission in the Annual Plan 1987-88 in the context of its assessment therein of the likely pressure on the country's balance of payment in the coming years. The external debt on Government account as on 31.12.1987 is estimated to be about Rs. 35268 crores.

### Overdrafts by Union Government

749. SHRI HANNAN MOLLAH: Will the Minister of FINANCE be pleased to state:

(a) whether there is any time limit for Union Government for the repayment of their own overdrafts, as in the case of State Governments; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) The concept of overdraft followed in the case of State Governments does not apply to the Union Government.

(b) Does not arise.

### Closure of Textile Mills due to Textile Policy

750. SHRI BALASAHEB VIKHE PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether the recent Textile policy has led to the closure of 55 mills and unemployment for 72,000 workers;

(b) whether it has also resulted in the smuggling of textiles on a large scale; and

(c) if so, the facts thereof?

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

(c) Does not arise.

#### **Plan to expand Indo-Austrian Trade**

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

(a) whether it is proposed to expand Indo-Austrian trade;

(b) if so, whether any Austrian delegation had visited India in January in this connection;

(c) whether any subjects were discussed with the delegation; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) There has been an increase in the Indo-Austrian bilateral trade which, it is aimed, will be further improved.

(b) to (d). An Austrian delegation visited India between 27th January and 3rd February, 1988. The delegation was sponsored by the Austrian Federal Economic Chamber and discussed with representatives of Indian commerce and industry possibilities for expanding technology transfer, joint ventures and trade between the two countries.

[Translation]

**Use of underground water in an organised and regulated manner**

752. SHRI HARISH RAWAT: Will the Minister of WATER RESOURCES be pleased to refer to the reply given to Unstarred Question No. 3887 on 2 December, 1987

regarding fall in ground water levels and state:

(a) whether effective measures have been taken to increase infiltration to ground water, in more organised and regulated manner in the drought affected areas of the country; and

(b) if so, the details thereof and the results achieved in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b). Measures like Integrate Water Shed Management Catchment Area Treatment and Soil Conservation have been taken to increase infiltration to groundwater in the country including drought affected areas. Under these programmes percolation tanks, check dams and other water harvesting structures are being constructed. During 1987-88, an area of 8.46 lakhs ha. is proposed to be covered at an estimated cost of about Rs. 184 crores.

Areas covered under these schemes have shown a rise in ground water levels.

#### **Rise in rate of inflation**

753. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the rate of inflation has increased during the last three months; and

(b) if so, the average increase and its impact on wholesale price index of commodities?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The requisite information based on the movement of All India Wholesale Price Index for all commodities (base 1970-71=100) during the last three months is as follows:--

Month	Percent change over previous month	Annual inflation rate
November, 1987	+ 0.7	+ 8.0
December, 1987	- 0.2	+ 8.6
January, 1988 (latest available)	+ 1.1	+ 9.9
Average per month/year	0.5	8.8

### Request for Assistance for Hydel Projects in Uttar Pradesh

754. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether Uttar Pradesh Government have asked for additional financial assistance for the works relating to certain hydel projects;

(b) if so, the names of these hydel projects;

(c) whether his Ministry has acceded to the said request; and

(d) if not, the time by which it will be acceded to?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) (a) No, Sir.

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

[English]

### Ten Year Plan for Cotton

755. SHRI SRIBALLAV PANIGRAHI: Will the Minister of TEXTILES be pleased to state:

(a) whether his Ministry has recently formulated a ten-year perspective plan for cotton;

(b) whether the plan includes the buffer stocking also;

(c) if so, the circumstances led to and the aims and objectives of formulating this ten-year plan; and

(d) the details thereof?

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

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

### Handloom Exports

756. DR. D.N. REDDY: Will the Minister of TEXTILES be pleased to state:

(a) the cost of textiles estimated to be exported during this year; and

(b) what steps are taken to increase handloom exports?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) According to Cotton Textiles Export Promotion Council the exports of cotton handloom textiles during period April-December, 1987 amounted to Rs. 164.57 crores.

(b) The various steps taken to increase handloom exports include sending trade delegations, conducting market studies and market research, releasing advertisements in foreign trade magazines and distribution of publicity material, participation in fairs in major markets, quality improvement of handloom products and grant of Cash Compensatory Support etc.

**Import of Duty Free Garment Making Machinery**

757. SHRI G.M. BANATWALLA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government propose to permit duty-free import of garment making machinery under OGL in view of the need for encouraging modernisation of plant and equipment in apparel export industry to ensure increase in production, efficiency

and uniformity in the quality of output; and

(b) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Of the 119 garment/hosiery making machineries under OGL at present, 97 machines are allowed to be imported at concessional rate of duty for encouraging modernisation in apparel industry.

(b) A Statement is given below.

**STATEMENT**

Sl. No.	Description of goods
(1)	(2)
(1)	Buttonhole sewing machine.
(2)	Two needle flat bed lockstitch industrial sewing machine.
(3)	Power operated flat-bed or circular knitting machines including socks knitting machines (other than single cylinder type).
(4)	Button stitch sewing machine.
(5)	Class feed off-the-arm industrial sewing machine.
(6)	Two or three needle two thread chainstitch feed-off-the-arm machine.
(7)	Lock stitch tacker and button Sewer.
(8)	Blind stitch machines.
(9)	Two thread chainstitch for high speed seaming and banding operation with gear driven puller feed compound feed of speed 3,000 stitches and above per minute.
(10)	Single needle, cylinder bed upper feed blind stitch machine.
(11)	Elastic inserting machine on variety of garment.
(12)	Single needle, drop feed chainstitch machine, speed above 4,000 stitches per minute.
(13)	Threads chainstitch top and bottom covering machine.
(14)	Two needle chainstitch or lockstitch machines.
(15)	High speed two thread chainstitch machine 1, 2 or 3 needles drop feed.

- 
- | (1)  | (2)   |
|------|---|
| (16) | Single needle flat bed drop feed lockstitch machine.  |
| (17) | Chainstitch overedging machines and safety stitch machines.   |
| (18) | High speed twin needle feed lockstitch of speed 3,000 stitches and above.   |
| (19) | Feed-off-the-arm two thread chainstitch machine.  |
| (20) | High speed double needle lap seam felling industrial sewing machine of speed 3,000 stitches and above per minute. |
| (21) | High speed, needle feed, two needle flat bed industrial sewing machine.   |
| (22) | High speed, two needle lockstitch machine.  |
| (23) | Bar tacking machine.  |
| (24) | Single needle lockstitch machine built in trimmer, speed above 4,000 stitches per minute.                         |
| (25) | Two or three needle chainstitch machines.   |
| (26) | Power driven cloth cutting machine.   |
| (27) | Tie making machines.  |
| (28) | Collar turning and blocking machine and Cuff turning and blocking machine.  |
| (29) | New automatic collar turning machine.   |
| (30) | Pocket creasing machine.  |
| (31) | Vacuum table.   |
| (32) | Elastic lace making machine.  |
| (33) | Hook and bar setting machine.   |
| (34) | Rotary ironing machine.   |
| (35) | Bandknife cutting machine.  |
| (36) | Cloth laying machine.   |
| (37) | Linking machine.  |
| (38) | Shirt folding table.  |
| (39) | Collarete cuffing machine.  |
| (40) | Dias cutting machine.   |

- 
- | (1)  | (2)   |
|------|---|
| (41) | Thread cuffing machine.                       |
| (42) | Presses for shirts, trousers and jackets.     |
| (43) | Fusing presses.                               |
| (44) | Collar press.                                 |
| (45) | Cuff press.                                   |
| (46) | Sleeve press.                                 |
| (47) | Cloth drills, notchers.                       |
| (48) | Pattern perforator.                           |
| (49) | Multi head embroider machines.                |
| (50) | Scalloping embroidery machines.               |
| (51) | Trycot embroidery machines.                   |
| (52) | Embroidery machines (General).                |
| (53) | Hemstitch machines.                           |
| (54) | Saddle stitch machines.                       |
| (55) | Label stitching machines.                     |
| (56) | Heat transfer press.                          |
| (57) | Ticket printing machines, other than off-set. |
| (58) | Pattern making machine.                       |
| (59) | Packing machine.                              |
| (60) | Quilting machine.                             |
| (61) | Fringing machine.                             |
| (62) | Slitting machine.                             |
| (63) | Knife sharpening machines.                    |
| (64) | Pattern grading machine.                      |
| (65) | Steam cabinet.                                |
| (66) | Checking presses.                             |



- 
- | (1)  | (2)  |
|------|--|
| (67) | Conveyors.   |
| (68) | Collar printing machine.   |
| (69) | Button sewing machine automatic.   |
| (70) | Smocking machines.   |
| (71) | Calendering machines   |
| (72) | Button and Rivet fixing machines and/or dies thereof.  |
| (73) | Cup seaming machine.   |
| (74) | Candle wick tufting machine.   |
| (75) | Trimo-trim Master fitted with Howver motor.  |
| (76) | Fully fashioned flat knitting machine (power driven).  |
| (77) | Snap fastners fixing machines and or dies thereof.   |
| (78) | Double jersey circular knitting machine.   |
| (79) | Sewing machine Zig-zag-flat bed.   |
| (80) | High speed circular knitting machines sinker body 18gg and above with multifeeders (over 64 feeds) and equipped with IROS. |
| (81) | High speed circular Rid machines (64 feeders and above) 16 gg and above equipped with IROS.                                |
| (82) | High speed circular interlock machines (64 feeders and above) 20 gg and above equipped with IROS.                          |
| (83) | High speed circular knitting machines for terry fabrics with designing facility and equipped with IROS.                    |
| (84) | High speed circular eyelet knitting machines 14gg and above and multifeeders and equipped with IROS.                       |
| (85) | Shrinkage controlling machines for knitting fabrics.   |
| (86) | Dyeing machines for tubular knitted fabrics.   |
| (87) | Loopdriers for tubular knitted fabrics.  |
| (88) | Mercerising machines for tubular knitted fabrics.  |
| (89) | Singing machines for tubular fabrics.  |
| (90) | Raising machines for tubular knitted fabrics.  |

(1)	(2)
(91)	Pile cutting machines for knitted fabrics.
(92)	High speed multiple needle sewing machine.
(93)	Pintoching high speed multiple needle machine.
(94)	Automatic pocket weld sewing machine.
(95)	Edge control seamers.
(96)	Automatic serger with speed control devices.
(97)	Twin added automatic cuff button holding machine.

### All India Powerloom Corporation

758. SHRI G.M. BANATWALLA: Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government propose to consider setting up an All-India Powerlooms Corporation on the lines of one for handlooms industry;

(b) if so, the steps taken in the direction; and

(c) if not, the reasons therefor?

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

(b) Does not arise in view of reply to (a).

(c) The State Governments have been authorised to register powerlooms. They have also been requested to take necessary steps for development of powerlooms including promotion of powerloom Co-operatives so as to facilitate the provision of credit and marketing facilities.

### Opening of Regional Rural Banks

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

(a) whether the long-term policy regarding the opening of more regional rural banks in the country has been formulated in the light of the recommendations made recently by the Working Group on regional rural banks;

(b) if so, the main features of the new policy, the period for its operation and the likely date by which the policy would be implemented; and

(c) if not, the likely date by which the new policy would be formulated alongwith reasons for delay especially in view of the special role of regional rural banks in the implementation of the anti-poverty measures under the new 20-Point Programme launched by Government?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Yes, Sir. The new policy based on the recommendations made by the Working Group on Regional Rural Banks (RRBs) envisages that more emphasis should be laid on consolidation of existing RRBs rather than opening of new RRBs.

Opening of new RRBs is therefore considered on a selective basis. Districts with concentration of Scheduled Castes/Tribes population are given preference for opening new RRBs. Even in such areas, the opening of new RRBs will be considered taking into account branch network in the area and the scope for further branch expansion, concentration of target groups, credit gap, prospective viability of the RRB with reference to scope of business in the area and the strength of existing cooperative credit structure in the area. Before a RRB is established a detailed survey is carried out by the State Government and the

Sponsor Bank for ascertaining the need and potential for opening a new RRB.

(c) Does not arise.

#### **Compensation paid to the owners of Sick Textile Mills**

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

(a) the names of the textile mills which have been decided sick and taken over by Government during the past three years including the current financial year alongwith the amount of compensation paid to the owners in each case; and

(b) the names of mills with details of their production and the steps taken to ensure adequate protection to them including the taken over by Government?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). No textile mill has been declared sick and taken over by the Union Government during the past three years.

#### **Irrigation Schemes of H. P.**

761. PROF. NARAIN CHAND PARASHAR: Will the Minister of WATER RESOURCES be pleased to state:

(a) the names of the Irrigation Schemes for which approval of Union Government has been sought by the Himachal Pradesh Government during the last five years including the current financial year, along with relevant details of the cost and period of construction and command area;

(b) the names of such among them as have been sanctioned and taken up for construction; and

(c) the likely dates by which other schemes would be approved and taken up for construction?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). Shahnehar Irrigation Project (Major) and Bhabour Sahib

Lift Irrigation Phase-II Project (Medium) costing Rs. 49 crores and Rs. 4.26 crores respectively were received. The medium irrigation project has been found techno-economically viable but work on both projects has been started.

#### **Textile Mills closed since the implementation of new Textile Policy**

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

(a) the number of textile units closed and the number of workers rendered jobless since the implementation of new textile policy in June, 1985;

(b) as on date how many textile units are declared sick and are reported to be on the verge of closure and what amount of tax payers' money is locked up and how many workers are in danger of being rendered jobless;

(c) the reasons for these closures and growing sickness; and

(d) the steps Government propose to take to arrest the closures and growing sickness of the textile industry?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) As on 31-12-87, 133 cotton/man-made fibre textile mills were lying closed in the country. Out of these, 87 mills involving 1.12 lakh workers have closed after announcement of the Textile Policy in June, 1985.

(b) It is not possible to indicate the number of mills on the verge of closure, the investment or the number of workers employed therein.

(c) The reasons which lead to closure of mills are varied and may be attributed to excess capacity, surplus labour, sluggish demand, old and obsolete machinery, high cost of production etc.

(d) Government have constituted a Nodal Agency to examine sick textile mills in order to ascertain whether they are

potentially viable or not. The Nodal Agency evolves and manages rehabilitation packages for mills found by it to be potentially viable.

A Board for Industrial and Financial Reconstruction has also been established to consider the cases of sick industrial companies. A Modernisation Fund has also been set up to meet the modernisation needs of weak but viable textile units.

#### **Non-Payment of dues to Textile Workers in Bombay**

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

(a) whether 13 textile mills in Bombay which were taken over in 1983 and other NTC Mills in Bombay have refused to give work to their nearly 50,000 workers and are refusing to pay them their dues;

(b) whether the Bombay High Court has given the decision in favour of the workers; and

(c) if so, the position of Union Government in the matter?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) As a result of the take-over of management of 13 mills of Bombay, over 23,000 workers have got back employment. Another 10,000 have voluntarily retired and collected their dues

(b) and (c). The matter is pending in the Supreme Court and is subjudice.

#### **Assistance to Cotton Growers of Maharashtra**

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

(a) whether Union Government have been urged to sanction ad hoc payment of Rs. 100 per quintal to cotton growers in Maharashtra under the Monopoly Procurement Scheme;

(b) if so, the details thereof; and

(c) the extent of assistance to be given to Maharashtra cotton growers?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). The Government of Maharashtra has requested for fixation of the guaranteed prices under the Cotton Monopoly Procurement Scheme at Rs. 100/- per quintal over the minimum support prices fixed by the Government of India for different varieties of cotton.

(c) As per information received from the Government of Maharashtra, advance bonus in addition to guaranteed price is being paid to cotton growers.

#### **Proposal to increase yarn subsidy**

765. SHRI BANWARI LAL PUROHIT:  
SHRI LAKSHMAN MALLICK:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Handloom weavers throughout the country have urged the Government to increase in yarn subsidy;

(b) if so, whether Government have provided/proposed to provide and subsidy to the handloom weavers; and

(c) if so, the details thereof and further steps Government propose to provide relief to handloom weavers?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) No, Sir. As there is no yarn subsidy scheme at present, the question of increase in yarn subsidy does not arise.

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

#### **Cases of Tax Evasions**

766. SHRI BANWARI LAL PUROHIT:  
SHRI V. SREENIVASA PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently

asked the income tax authorities to continue their drive against tax evaders;

(b) if so, the details of the firms on which income tax authorities raided during the last six months in the capital;

(c) the particulars of tax evasions detected; and

(d) the action contemplated by Government against the tax evaders?

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

(b) The Income-tax authorities have conducted 296 searches, including searches in the cases of firms, during the last 6 months in the capital.

(c) Prima-facie, unaccounted assets of Rs. 7.43 crores have been seized in these searches. The assesseees have admitted

concealment to the tune of Rs. 3.76 crores during the course of these searches.

(d) Appropriate action, as per law, including penalty and prosecution is taken against the tax evaders.

#### Consumer price index in first ten cities

767. DR. A.K. PATEL: Will the Minister of FINANCE be pleased to state:

(a) the names of first ten cities in the country which are most expensive according to the consumer price index as on 31 January, 1988; and

(b) the indices of these cities during each of the previous three years on the same date?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The requisite information is given below:--

*All India consumer price index number for industrial workers (Base 1960-100)*

City	1987 (Dec.)*	1986 (Dec.)	1985 (Dec.)	1984 (Dec.)
1. Varanasi	888	775	714	667
2. Madurai	838	724	656	638
3. Bhopal	834	784	711	625
4. Bangalore	826	744	694	648
5. Balaghat	820	708	630	605
6. Guntur	819	749	663	635
7. Alleppey	809	794	681	659
8. Bhavangar	805	748	676	593
9. Srinagar	818	734	648	611
10. Delhi	805	711	652	598
ALL INDIA	752	688	630	588

\*Latest available

Source: Labour Bureau, Simla

**Under-Utilisation of Textile  
Modernisation Fund**

768. CH. RAM PRAKASH: Will the Minister of TEXTILES be pleased to state:

(a) the total complement of the Textile Modernisation Fund;

(b) the total number of applications received during the year 1986 and during the last six months of 1987;

(c) the number of application approved and amount sanctioned; and

(d) the main reasons for under utilisation of the funds?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The corpus of the Textile Modernisation Fund is Rs. 750 crores.

(b) The number of applications received during the year 1986 and during the last 6 months of 1987 were 73 and 49 respectively.

(c) As on 31st December, 1987 a total of 94 applications had been sanctioned for an amount of Rs. 455.51 crores.

(d) It cannot be said from the amount sanctioned so far that the Textile Modernisation Fund has been under-utilised. However, drawals from the Fund do take some time as there is normally a time gap between sanctions and disbursements.

**Proposals for Bifurcation of FERA**

769. CH. RAM PRAKASH: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to bifurcate Foreign Exchange Regulation Act for facilitating joint ventures and imports of technology; 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) No, Sir.

(b) Does not arise.

**Submission of statutory returns by  
non-banking financial companies**

770. CH. RAM PRAKASH: Will the Minister of FINANCE be pleased to state:

(a) whether any extension was granted for submitting the statutory returns by some non-banking financial companies till 28th December, 1986; and

(b) if so, the names of the companies which have been prosecuted for not submitting any returns till September, 1987?

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 the non-banking financial companies were required to submit the statutory returns relating to their position as on 31.3.1986, by 30th June, 1986 and that it had not granted any general extension of this date.

(b) According to information furnished by Reserve Bank of India has not, so far, launched any prosecution against companies for not submitting these statutory returns.

[Translation]

**Realisation of Excise and Customs Duty**

771. SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have realised the excise duty from the companies who have evaded the excise duty to the tune of more than two hundred crores during the last three years;

(b) if not, the reasons thereof and the names of the companies against whom excise and customs duty of more than two hundred crores is pending realisation; and

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

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (c). Show Cause Notices have been issued to M/s I.T.C. Limited and their job workers and M/s New Tobacco Company/M/s Duncan Agro Industries Ltd. and their job workers for evasion of Central Excise duty to the tune of more than Rs. 200 crores during the last three years. Adjudication proceedings to decide the show cause notices are in progress. The evaded excise duty could be realised on the basis of the adjudications. In the major cases against M/s NTC/Duncan Agro Industries Ltd. the adjudication proceedings have been stayed by the Delhi High Court. M/s I.T.C. Limited had earlier filed a Writ Petition before the Calcutta High Court against the adjudication proceedings in the major case against them involving duty of Rs. 803.7 crores which was strongly contested by the Government and the Writ Petition was dismissed by the Single Judge. The Company has now filed an appeal before the Division Bench of the High Court. Thus the major cases against the Companies in question as sub-judice and the Government has taken steps to defend the Government's action effectively. For the purpose of speeding up adjudication proceedings, the other cases against the Companies have been/are also being centralised with one common adjudication authority.

#### **Realisation of Excise and Customs Duty from Companies**

772. SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state:

(a) the total amount of excise and customs duty to be realised from top ten large industrial houses of the country and total amount for which show cause notices have been issued to them and pending realisation therefrom company-wise; and

(b) the steps Government propose to realise the amount therefrom?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). Information is being collected and will be laid on the Table of the House.

[English]

#### **Excise duty pending realisation from industrial houses**

773. SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state:

(a) whether there are few large industrial houses whose shares are held partly by foreign companies; and more than one thousand crores of excise duty is pending realisation from them including from their subsidiary companies; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) No, Sir.

(b) Does not arise.

[Translation]

#### **Trade Imbalance**

774. SHRI RAM BHAGAT PASWAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the imbalance of trade has increased due to inflated bills of petroleum products, fertilizers, edible oils and sugar as a result of which payment of balance has been affected adversely;

(b) if so, the action proposed to be taken by Government to reduce the import of these items and other non-essential items in order to reduce the imbalance of trade apart from the recent hike in the prices of petroleum products; and

(c) whether Government propose to educate the people regarding reduction in the consumption of such items which are

being imported such as edible oils, sugar and other consumer goods in order to reduce the import of these items?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) The increase in imports of petroleum & petroleum products, by Rs. 774 crores mainly contributed to the increase in total imports and thereby to the adverse trade balance during the period April-September, 1987 as compared to April-September, 1986. During this period the import of fertilizers declined by Rs. 184 crores and those of edible oil and sugar increase by Rs. 10 crores and Rs. 28 crores, respectively.

(b) and (c). All efforts are being made to effect efficient import substitution, particularly in the area of bulk imports. A number of measures have also been taken to restrict non-essential imports to bring down total import bill.

**Opening of Rural Bank in Darbhanga, Samastipur and Madhubani districts of Bihar**

775. SHRI RAM BHAGAT PASWAN: Will

Name of the Centre/Distt.	Block	Name of the RRB.
<i>Darbhanga</i>		
Rajakharwar	Manigach	Mithila RRB.
Bedauli	Singhwara	Mithila RRB.
<i>Madhubani</i>		
Sudai Ratuali	Ghogadiha	Madhubani RRB.
Patpara	Rajnagar	Madhubani RRB.
<i>Samastipur</i>		
Lakhanpatti	Warisnagar	Samastipur RRB.

the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to open rural bank in Darbhanga, Samastipur and Madhubani districts of Bihar; and

(b) if so, by what time and the locations thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Presumably the question relates to opening of branches of regional rural banks in the districts of Darbhanga, Samastipur and Madhubani in Bihar.

As at the end of June 1987, Mithila Kshetriya Gramin Bank, covering Darbhanga District; Madhubani Kshetriya Gramin Bank, covering Madhubani district; and Samastipur Kshetriya Gramin Bank operating in Samastipur district have opened 80, 89 and 72 branches respectively.

It has further been reported by the Reserve Bank of India that under the current branch licensing policy for 1985-90, the above named RRBs have been allotted following centres for opening new branches:-



As reported by Reserve Bank of India, opening of branches at the allotted Centres is to be spread evenly over the remaining period of the current branch licensing policy.

[English]

#### **D.A. to Central Government Employees**

776. SHRI KAMLA PRASAD SINGH:  
SHRI V.S. KRISHNA IYER;  
SHRI SIDHA LAL MURMU:

Will the Minister of FINANCE be pleased to state:

(a) the percentage of Dearness Allowance that has become due to the Central Government employees from January 1988 consequent on rise in consumer price index; and

(b) when will it be paid in cash?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) Consequent upon the increase in the twelve monthly average of All India Consumer Price Index Numbers for the month ending 31-12-1987 over the index average of 608, the revised rates of Dearness Allowance admissible to Central Government employees with effect from 1-1-1988 will be 18%, 13% and 11% for basic pay upto Rs. 3500/-, over Rs. 3500/- but upto Rs. 6,000/- and over Rs. 6,000/- p.m. respectively.

(b) The matter is under consideration and a decision will be taken soon.

#### **Modifications sought by Southern Exporters in Garment Export Policy**

777. SHRI S.B. SIDNAL: Will the Minister of TEXTILES be pleased to state:

(a) whether the exporters in the Southern areas while welcoming the long-term garment quota policy have sought certain modifications to safeguard their interests;

(b) if so, the details thereof;

(c) whether the suggestions made by the exporters have been examined by Government; and

(d) what modifications in the Government's policy are likely to be announced?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (d). After the announcement of the long-term Export Entitlement Distribution Policy on Garments, Government had received representations from garment exporters including those from Southern region. After examining these representations, the Government made certain procedural changes which included reduction in the premium to be paid at the time of applying for Open Tender System, reduction in the upset prices increase in the number of countries categories for non-quota exporter system, liberalisation in the Bank guarantee/EMD and certain other liberalisations for the hosiery sector.

#### **Computerised Statement of Accounts to LIC Policyholders**

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

(a) whether the policyholders of Life Insurance Corporation are given a computerised statement of accounts at the end of every financial year about the total amount of premium paid, loans taken, loans dues etc.;

(b) if not, whether Government are aware that the policyholders are finding it difficult to get loans due to missing credits;

(c) whether Government propose to take steps to introduce computerised statements of accounts to the policyholders at the end of every financial year as in Provident Fund Accounts; 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) to (d). no computerised statement of accounts is issued to

LIC policyholders. It is not considered a feasible proposition to cover individual policyholders numbering almost three crores. The absence of an annual statement does not however cause any particular problem in payment of loan or settlement of claim or surrender payment. In fact, LIC sends default intimations for premiums not received in time. On specific query, policyholders are also advised individually of the premium position, loan particulars, etc.

#### **Assistance to Industries in improving export**

779. SHRI S.B. SIDNAL: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have decided on export strategies and action plans for certain thrust industries;

(b) if so, the details thereof and also particulars of industries; and

(c) what concrete assistance has been given to these thrust industries to give a filip to their exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). The Government has identified 14 broad sectors for making special thrust in markets abroad, without minimising the importance of increasing exports from other sectors. The 14 sectors identified are:--

1. Tea, especially in packaged and value-added forms;
2. Cereals;
3. Processed foods, including fruits and juices, meat and meat products, and fresh fruits and vegetables;
4. Marine products, especially in value-added forms; -
5. Iron Ore;
6. Leather and Leather manufactures with an emphasis on the latter.

7. Handicrafts and Jewellery;
8. Capital goods and consumer durables;
9. Electronics goods and computer software;
10. Basic chemicals;
11. Fabrics, piece-goods and made-ups;
12. Readymade garments;
13. Woollen fabrics and knitwear; and
14. Projects and services.

A series of initiatives have been taken to promote exports of various items including these of Thrust Commodities. These are designed to generate surpluses for exports, to induce the production of goods contemporary in technology and competitive in prices and to make the exports profitable.

#### **World Bank Loan for Development of Sericulture**

780. SHRI ANANDA PATHAK:  
SHRI R.P. DAS:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Central Silk Board is that loan from World Bank for development of sericulture in the country;

(b) if so, the details thereof; and

(c) the latest progress in the regard?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). The Central Silk Board has formulated a National Sericulture Project in collaboration with the State Government for increasing the production of quality silk in the country. This project is proposed to be implemented with the assistance of the World Bank and a Pre-Appraisal Mission from the Bank is

scheduled to visit India very shortly. The details of the Project will be finalised thereafter.

### Yield of Tea

781. SHRI ANANDA PATHAK: Will the Minister of COMMERCE be pleased to state:

(a) the average per hectare yield of tea in the country; and

(b) the average yield in Tripura?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). The average per hectare yield of tea in the country and the average yield in Tripura during the past three years, for which figures are available, are as follows:

Year	Country as a whole	(Yield/Hect.) Tripura
1983	1468	586
1984	1606	525
1985	1641	513

### Tribunal on Cauvery Water Dispute

782. SHRI P. KOLANDAIVELU: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Government of Tamil Nadu recently requested Union Government to set up a Tribunal for solving the problem of Cauvery water dispute;

(b) if so, whether any Tribunal has been set up for the purpose; and

(c) if not, the reasons for not appointing such Tribunal?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) and (c). An inter-State meeting fixed on four occasions to discuss various aspects of the subject including matters relating to setting up of a Tribunal could not materialise as the dates were not convenient to some party States.

### Strike by Officers and Staff of State Bank of India

783. DR. DATTA SAMANT:  
SHRIMATI GEETA  
MUKHERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether about two lakh officers and staff of the State Bank of India all over India observed one day token strike on 25 January, 1988;

(b) whether the Unions have served notices to the bank; and

(c) the details of the various grievances put before the management?

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

(c) State Bank of India has reported that the details of the grievances put before the management by the Officers and Staff Federations of State Bank of India are as under:

- (i) To stop political interference in the day-to-day working of the bank;
- (ii) To improve recruitment for rendering best customer service;
- (iii) To provide adequate security at all offices of the bank in order to protect the lives of customers and staff and also to safeguard the public property; and
- (iv) To protect the existing Trade Union Rights and industrial relation policy of the bank.

**Studies by experts on Narmada Valley Projects**

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

(a) whether over a million people facing total disruption with their displacement by the Narmada Valley Project have threatened to launch agitation as the State Government concerned have gone back on their promises to rehabilitate them;

(b) whether it is a fact that recent studies by experts have raised serious doubts about the benefits from the project;

(c) if so, the details thereof stating the action taken by Government on the basis of the reassessment, if any, made in view of the doubts raised by the experts with regard to the benefits likely to be accrued from the project; and

(d) what is the reaction of Union Government with regard to (a) above?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (d). About 1.53 lakh persons are likely to be affected. A Sub-Group under Narmada Control Authority is to oversee the rehabilitation work being implemented by the States. No shortfall in the benefits is anticipated.

**Sale of Licences issued to dry fruit importers**

785. SHRI MOHD. MAHFOOZ ALI KHAN:  
SHRI SOBHANADREESWARA RAO:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware that with the import of regulations prohibiting the new dealers to get into the business of importing dry fruits a good number of licences issued to the dry fruits importers are sold at a premium on letter of authority without corresponding liability to pay tax;

(b) if so, whether Government have made any study of such malpractices and if so, the outcome thereof; and

(c) the correcting measures taken/proposed to be taken by Government in this regard, stating the action taken against the dry fruits importers indulging in such malpractices?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). Under the current Import Policy and Procedures, a licence holder can appoint another person as his agent for arranging the imports permitted by the licence. The functions of such holders of letter of authority are limited to placing orders, opening letters of credit, making remittance of payment for importing the goods, arranging movement and clearing the same through the customs having regard to Sec. 147 of the Customs Act, 1962 on behalf of the licensee. However, sale of import licences for dry fruits is not allowed and any violation in this regard is dealt with in accordance with the provisions contained in Imports and Exports (Control) Act, 1947 and Imports (Control) Order, 1955.

**Raids conducted by Income Tax**

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

(a) whether unaccounted wealth concealed by businessmen and lottery organisers through several ingenious methods has been recently detected in a series of raids conducted by the Income-Tax Department;

(b) if so, some of the highlights of these raids; and

(c) the effective steps being taken by Government to countenance such skilful evasion and plug the existing loopholes in the tax structure?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). Yes, Sir. Income-tax Department has conducted 6915 searches in the current

financial year upto January, 1988 including those on businessmen/lottery organisers. These have resulted in the seizure of prima facie unaccounted assets worth Rs. 102.60 crores, besides a large number of incriminating documents indicating tax evasion. During the course of these searches the persons searched have admitted concealment of income to the tune of Rs. 74.19 crores.

(c) The Government is taking all steps, legislative, administrative and procedural, to combat tax evasion.

#### **Cut in US International Development Agency Assistance to India**

787. DR. B.L. SHAIKESH: Will the Minister of FINANCE be pleased to state:

(a) whether the International Development Agency (IDA) of the United States has further cut its assistance to India by another \$ 26 million;

(b) if so, the reasons thereof and its impact on India's existing development plans included in the Seventh Five Year Plan; and

(c) whether Government have taken up this matter with the US Administration and if so, the reaction of the US Government thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Yes, Sir. US Development assistance to India during US Fiscal Year 1988 (Oct. 87 to Sep. 88) is likely to be of the order of \$ 24 million. Government have taken up this matter with US administration who have given us to understand that this reduction from the original level of \$ 25 million is on account of their budgetary constraints. This reduction has to be seen in the context of the total Seventh Five Year Plan of India of about Rs. 180,000 crores.

#### **Single Code for Direct and Indirect Taxes**

789. SHRI DHARMPAL SINGH MALIK:

SHRI M. RAGHUMA REDDY:  
SHRI SUBHASH YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to have a single code for direct and indirect taxes for each assessee which will reduce the paper work; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) No, Sir.

(b) Does not arise.

#### **Italian Credit Contract**

790. SHRI DHARAM PAL SINGH MALIK:  
SHRI M. RAGHUMA REDDY:  
SHRI MANIK REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether a Rs. 325 crores Italian credit contract has recently been signed by Government;

(b) if so, the details thereof;

(c) the terms and conditions of the credit; and

(d) the purpose for which it is proposed to be utilised?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) A Memorandum of Understanding for a credit of US \$250 million (Rs. 325 crores Approx.) for the energy sector has been signed between the Government of India and Government of Italy on 9.1.1988.

(b) and (c). The Credit is repayable over 20 years including grace period of 10 years and carries an interest rate of 1.5% p.a. re-

payable half-yearly. The credit may be used either independently or alongwith export credit and outright grant. The ratio of the above credit and export credit shall be in the minimum proportion of 60:40 respectively. Export credit is repayable over 10 years and carries as interest at OECD consensus rates.

(d) The credit is to be used for financing import of equipment and engineering services of Italian origin for projects in the energy sector.

#### **Threat to Pre-Historic Sites**

791. SHRI DHARAM PAL SINGH MALIK:  
SHRI M. RAGHUMA REDDY:  
SHRI SUBHASH YADAV:

Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Government's attention has been drawn to the press report appearing in the "Times of India" dated 19 January, 1988 captioned "River dams threaten pre-historic sites";

(b) if so, the details thereof;

(c) whether any action is proposed to be taken to save the pre-historic sites in the country by Government; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (d). Yes, Sir. This highlights the need for preservation of pre-historic sites likely to get submerged. Government of Gujarat shall pay all costs for removal and re-installation of ancient or historical monuments.

#### **Problems faced by Tea Industry in Tripura**

792. SHRI AJOY BISWAS:  
SHRI BAJU BAN RIYAN:

Will the Minister of COMMERCE be pleased to state:

(a) the problems being faced by tea industry in Tripura;

(b) whether the Tea Association of India has requested for setting up of a panel to look into the issues affecting tea industry in Tripura;

(c) if so, the details thereof; and

(d) the remedial steps being taken to boost the tea industry in Tripura?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) According to a Techno-Economic survey undertaken by Tea Board, Tripura tea industry has been traditionally confronted with the ill effects of indifferent management, low productivity, lack of technical know-how and lack of finance. Besides, it has disadvantages of geographical location.

(b) and (c). Yes, Sir. Tripura Branch of Tea Association of India represented that although the National Meet on Tea held in Delhi in August, 1981 recommended constitution of State level committee on tea, this has not yet been implemented by the State Government of Tripura.

(d) The remedial steps taken to boost the tea industry in Tripura are:--

(i) Opening of an Office of Tea Board at Agartala in the recent past;

(ii) Tea Estates in Tripura like estates located elsewhere are eligible to avail of the benefit of Tea Board's Development Schemes for improvement of tea plantations and tea factories.

(iii) The benefit of Tea Area Rejuvenation and Consolidation Subsidy Scheme, which was primarily applicable to hilly area, has been extended to cover all tea gardens in Tripura;

(iv) Tea Board has also set up 34 Tea nurseries in Tripura with a

- total capacity of raising about 33 lakhs clonal plants for growers belonging to the weaker section;
- (v) A demonstration plot for training workers in scientific method of cultivation has been set up by Tea Board in 1986-87;
- (vi) During 1987-88 Tea Board has sanctioned an amount of Rs. 7.90 lakhs for raising three tea nurseries with a total capacity of 8 lakhs plants of improved variety;
- (vii) Besides a national level Committee has been constituted to formulate a long-term strategy for tea.

[Translation]

#### Revival of Lapsed Policies by LIC

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

(a) whether the Life Insurance Corporation of India has asked the policy-holders to make payment of pending premiums for the policies which have lapsed;

(b) if so, the details thereof;

(c) the rule in regard to the payment of

number of premiums due to get the policy revived;

(d) the number of old policies lapsed during last three years which have been revived by LIC (Zone-wise); and

(e) the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Yes, Sir. The Life Insurance Corporation of India launched a special revival campaign from 1.10.87 to 31.12.87 to revive lapsed policies of sum assured up to Rs. one lakh subject to declaration of good health only. The LIC waived one-third of interest due on arrears of premiums under such policies.

(c) As per ordinary revival scheme, a policy can be revived on payment of the arrears of premiums with interest and proof of continued good health satisfactory to the LIC, if necessary. Under the special revival scheme only policies which have lapsed within 3 years from the date of issue can be revived by paying only one quarterly premium and on proof of health if necessary. The dates of maturity and last payment of premium are extended in such cases by the period of lapse.

(d) and (e). The Zone-wise number of old policies lapsed during the last 3 years which have been revived by the LIC are as under:--

Zone	1984-85	1985-86	1986-87
Northern	22923	19506	27954
Central	17542	21421	32567
Eastern	22863	30218	30728
Southern	37922	45742	54979
Western	25448	19188	27646
<b>Total</b>	<b>126698</b>	<b>136075</b>	<b>173874</b>

**Frauds in Connaught Circus Branch of State Bank of Indore**

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

(a) the number of cases of frauds/misappropriation in the State Bank of Indore, Connaught Circus Branch, New Delhi during the period 1 January, 1985 to 31 December, 1987;

(b) the details thereof including the amount involved therein; and

(c) the action taken against the persons found guilty in each case?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State Bank of Indore has reported that there has been no case of fraud/misappropriation at its Connaught Circus (New Delhi) Branch during the period 1.1.1985 to 31.12.1987. The bank has, however, reported that there are cases of sanctioning credit facilities by the then Branch Manager to firms in which a relative of the Branch Manager was interested as partner/proprietor, without disclosing this fact to the controlling authority and also issuing guarantees beyond his discretionary powers. Disciplinary proceedings have been initiated against the Branch Manager and charge-sheet has been issued in respect of sanctioning credit facility to firms in which his relative was interested. The officer has also been transferred from the Branch.

**System to Measure Inflation**

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

(a) the present system of measuring inflation and the rate of inflation;

(b) whether the wholesale and consumer price indices are measured with reference to a pre-determined basket of commodities and services;

(c) if so, whether the composition of the basket and weightage given to each component has remained unchanged since 1970; and

(d) if not, the particulars of the change made, the date of introduction of the change and reason therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The inflation is measured by the movement in price index over two points of time. The rate of inflation is calculated by the percentage change in Wholesale Price Index over a year.

(b) Yes, Sir.

(c) and (d). The existing series of Wholesale Price Index is computed on base 1970-71 and the Consumer Price Index on base 1960. The revised series of Wholesale Price Index and the Consumer Price Index at new bases are likely to be introduced shortly.

**Import/Export of Primary Commodities and Raw Materials**

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

(a) the names of primary commodities and raw materials which are both exported and imported;

(b) the quantity exported and imported during the last three years for which statistical data are available;

(c) the licensing instructions and import control order regarding the import of such items; and

(d) the difference in the average unit export earning and CIF import value in each case for the last year for which data are available?

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



**STATEMENT**

(a) and (b). According to the available trade statistics, the exports and imports of principal primary commodities, which were both exported and imported, during 1984-85, 1985-86 and 1986-87 in Quantity are as under:

Quantity : 000T

Item	1984-85		1985-86		1986-87 (P)	
	Export	Import	Export	Import	Export	Import
1. Wheat	39.5	554.2	226.3	175.9	196.5	107.6
2. Rice	247.7	348.6	245.0	43.7	181.1	2.5
3. Sugar	278.4	5195.1	37.9	1794.7	1.8	725.5
4. Cotton Raw	40.7	--	35.7	10.9	175.6	0.1

P: Provisional

Source : DGCI&amp;S, Calcutta

(c) The import of an item is governed by the criterion of its indigenous availability, quality, modernisation and upgradation of technology as also to provide inputs for exports. As regards the licensing instructions, these are detailed in the Import and Export Policy, 1985-88, copies of which are available in the Parliament Library.

(d) On the basis of the provisional data available from DGCI&S relating to overall Quantity and value of exports and imports during 1986-87 and difference between the average unit export earning and c.i.f. imports value for these items, works as under:--

(Value: Rs. per tonnes)

Item	Difference in unit value (Export-Import) 1986-87(P)
1. Wheat	-1740
2. Rice	+5942
3. Sugar	+2004
4. Cotton Raw	-2631

P : Provisional

Source: DGCI&amp;S, Calcutta.

**Contracts for construction of buildings of Central Bank of India**

797. SHRI E. AYYAPU REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Bank of India has awarded contracts for the construction of buildings in Calcutta and Hyderabad;

(b) whether the Central Vigilance Commission has pointed out grave irregularities in awarding the contracts and the wastage of funds involved in the above contracts; and

(c) the action taken against those responsible for the above irregularities and wastage of funds?

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

(b) The Chief Technical Examiner's Organisation of the Central Vigilance Commission has pointed out certain irregularities causing higher expenditure for the construction of its buildings at Calcutta and Hyderabad.

(c) Central Bank of India has reported

that the contracts were awarded with the approval of the Board of Directors and as per recommendations of the Project's Architect, under whose supervision the work was carried out and consequently action against any staff member does not arise.

**Further amendment to Direct Tax Laws  
'Amendment' Act, 1987**

798. SHRI E. AYYAPU REDDY:  
SHRI S. G. GHOLAP:

Will the Minister of FINANCE be pleased to state:

(a) whether there has been adverse reaction of public and eminent Tax Experts against the recent Direct Tax Laws "Amendment" Act, 1987; and

(b) whether there are proposals to further amend the said Act for the purpose of removing the various anomalies pointed out by experts and other public organisations?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) Comments and representations have been received from the members of public including tax advocates, Chambers of Commerce, trade associations, etc. regarding the amendments made in the Direct Taxes Acts by the Direct Tax Laws (Amendment) Act, 1987. While some comments are in favour, others are against the amendments.

(b) Government have an open mind on the various issues that have been raised against the amendments.

[Translation]

**Commerce Minister's visit to Malaysia**

799. SHRI VILAS MUTTEMWAR: Will the Minister of COMMERCE be pleased to state:

(a) whether he recently visited Malaysia and if so, the points discussed with Government of Malaysia and the outcome thereof;

(b) whether palm oil is being imported by India mainly from Malaysia;

(c) if so, whether the point that prices of palm oil should not be raised was also discussed with Government of Malaysia and if so, the details thereof; and

(d) the steps Government propose to take in the wake of any increase in palm oil prices by Government of Malaysia?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) Yes, Sir. The issues relating to expansion of bilateral trade and economic relations in a more equitable manner as well as measures for reducing the growing imbalance in trade through project and bulk commodity exports from India to Malaysia were discussed. It was agreed that the Government of Malaysia would:

- (i) allot the project relating to rehabilitation and conversion to gas of three coal fired thermal power stations to BHEL.
- (ii) Identify other projects for bilateral negotiation and award to India.
- (iii) expeditiously look into the question of purchase of bulk commodities from India including iron ore pellets and lumpy iron ore.

(b) Yes, Sir.

(c) India's deep concern over rise in prices of palm oil was conveyed to the Malaysian Government, who were also equally concerned over the current trend

(d) Many steps have been taken, such as, entry of STC into international market on all working days, bringing down the percentage of palm oils in the allocation to States/Union Territories for PDS by increasing allocations of rapeseed and soybean oils. Other alternative oils such as sunflower oil are also being purchased instead of palm oils. These steps are intended to reduce the imports of palm oils at high prices and to moderate their prices in the international market.

### **Increase in Price of Cloth**

800. DR. CHANDRA SHEKHAR TRIPATHI: Will the Minister of TEXTILES be pleased to state:

(a) whether the prices of cloth have also increased due to increase in excise duty;

(b) if so, whether Government propose to take any measures to reduce excise duty on textiles; and

(c) if so, the details thereof and if not, how Government propose to reduce the prices of cloth?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). Increase in prices of cloth cannot be specifically ascribed to changes in excise duty. The prices of cloth are affected by increases in prices of inputs and manufacturing costs, demand and supply situation and other factors.

The Textile policy in June, 1985, states that fiscal levies on man-made fibres/yarn and on intermediates used as inputs for the production of such fibres/yarn shall be progressively reduced in such a manner as to facilitate absorption of increased domestic production, so that the benefit flows to the consumer in the form of lower prices of synthetic and blended fabrics. However, details of specific proposals regarding changes in excise duties sent to the Finance Ministry are not disclosed before a final decision is taken thereon.

*[English]*

### **Overdrafts by States**

801. SHRI H. M. PATEL:  
SHRI SYED SHAHABUDDIN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several States have crossed the overdraft limit under overdraft regulation scheme of the Reserve Bank of India;

(b) if so, the details thereof as on 31st December, 1987;

(c) whether the Reserve Bank of India has any discretionary power to stop payments in case of overdraft limit or continue the payment in spite of the crossing of limits by any state; and

(d) whether the Reserve Bank has had occasion to use discretionary power in the case of a State which had crossed the limit and it (RBI) continued the payments?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (d). Under the Overdraft Regulation Scheme, if a State Government remains in overdraft for more than 7 consecutive working days, the RBI would necessarily stop payment on behalf of the State Government. Since 1st October, 1985, the overdraft regulation scheme has been strictly enforced. Since then, only one State viz. Kerala was in overdraft with the RBI for more than 7 consecutive working days at a stretch. The State was in overdraft continuously for 14 days from 5th December to 22nd December, 1987. When the State Govt.'s overdraft continued for 7 consecutive days, the RBI stopped payment on the State Government's accounts for a few days and payment was resumed with effect from 23rd December, 1987 when the overdraft was cleared by the State Government on 22nd December, 1987.

### **Growth Rate in Banking Industry**

802. SHRI VIRDHI CHANDER JAIN: Will the Minister of FINANCE be pleased to state:

(a) the annual percentage of growth rate in the banking industry in rural and urban areas in the country with the number of new bank branches opened during 1986 and 1987 in these areas;

(b) the average percentage of increase in the bank deposits and credits particularly in rural areas during 1986 and 1987;

(c) whether Government have made any review to know the areas where the banking service is lacking; and

(d) if so, the details thereof stating the measures contemplated to bring about around improvement in the performance of banks?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN

THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Details of branches opened by the commercial banks in rural and urban areas during 1986 and 1987 and the annual percentage growth are indicated below:-

	1986		1987	
	No. of branches	Growth rate	No. of branches	Growth rate
Rural	183	0.6%	697	2.3%
Urban	30	0.4%	22	0.3%

(b) The percentage growth of aggregate deposits (excluding inter-bank deposits) and gross credit (including bills rediscounted with Reserve Bank of India, Industrial Development Bank of India and other financial institutions but excluding ad-

vances to banks) in respect of rural areas as on the last Friday of December 1986 and September, 1987 as compared to the deposits and credit at the end of the preceding year was as under:-

	Deposits	Credit
December, 1986	21.14	22.91
September, 1987	13.00	10.36

(c) and (d). At the time of formulating the Branch Licensing Policy for the period 1985-90, the development blocks deficient in banking facilities with reference to a population coverage norm of one branch for 17,000 population in rural and semi-urban areas were identified. With a view to provide adequate banking facilities and an even spread of branch network in the rural and semi-urban areas a spatial norm so as to have a bank branch within 10 kms. of each village has also been made part of the Policy. Several measures such as disbursement of loans by rural branches on a fixed day in each week, observance of one day in a week by rural branches as non-public business working day to enable the Branch Managers to meet the present and potential clientele for providing guidance to them, automatic adjustment of subsidy

under the Integrated Rural Development Programme, periodical supervisory visits by the senior officers of the banks to the rural branches etc. have been taken to improve the quality of lending of the rural branches. In the area of customer service, steps taken by the Government and RBI for improvement include evolution of time norms for rendering common services, creation of machinery for quick redressal of customers' grievances, extending to small depositors the facility of immediate credit in respect of outstation cheques upto Rs. 2500/-, payment of interest at Saving Bank rate for delayed collection of outstation cheques beyond 14 days, increased interface between customers and the bank executives with a view to facilitating quick redressal of grievances and promotion of mutual understanding etc.

[Translation]

**Personal Accident Insurance Social Security Scheme**

803. SHRI VIRDHI CHANDER JAIN:  
SHRI HARIHAR SOREN:

Will the Minister of FINANCE be pleased to state:

(a) the number of the districts in the country where Personal Accident Insurance Social Security Scheme for poor families has been introduced so far in a phased manner;

(b) the steps being taken to introduce this Scheme in those districts where it has not been introduced so far; and

(c) the State-wise, number of poor families benefited by the aforesaid social secu-

nity scheme and the extent to which they have been benefited?

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

**STATEMENT**

(a) and (b). The Personal Accident Insurance Social Security Scheme for Poor Families has so far been extended, in phases, to 214 districts in the country since its introduction on 15th August, 1985 and would be progressively extended to all uncovered districts.

(c) As on 31st December, 1987 the State-wise break-up of beneficiaries was as below.-

State/Union Territory	No. of Families benefited	Claim Amount (in Rs.)
1	2	3
Andhra Pradesh	1462	43,86,000
Arunachal Pradesh	6	18,000
Assam	16	48,000
Bihar	149	4,47,000
Goa	31	93,000
Gujarat	207	6,21,000
Haryana	57	1,71,000
Himachal Pradesh	40	1,20,000
Jammu & Kashmir	6	18,000
Karnataka	605	18,15,000
Kerala	1098	32,94,000
Madhya Pradesh	519	15,57,000
Maharashtra	538	16,14,000
Manipur	3	9,000

1	2	3
Meghalaya	15	45,000
Nagaland	4	12,000
Orissa	403	12,09,000
Punjab	8	24,000
Rajasthan	110	3,30,000
Sikkim	8	24,000
Uttar Pradesh	400	12,00,000
West Bengal	612	18,36,000
Chandigarh	1	3,000
Dadra & Nagar Haveli	13	39,000
Daman & Diu	2	6,000
Lakshadweep	1	3,000
Pondicherry	94	2,82,000
Total	6,408	1,92,24,000

[English]

#### **Bank Branches in Bhiwani, Haryana**

804. SHRI C. JANGA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether branches of seven banks, viz. New Bank of India, Bank of India, Indian Overseas Bank, Vijaya Bank, Central Bank of India, Indian Bank and Oriental Bank of Commerce are housed in one and the same building in Bhiwani (Haryana) and the State Bank of India branch is also likely to be shifted to this building;

(b) if so, the particulars of house owner;

(c) whether there is any RBI directive prohibiting housing of branches of nationalised banks in one building; if so, the details thereof;

(d) if answers to parts (a) and (b) above

be in affirmative, what steps Government are taking to disperse these branches in different parts of the city for convenience of customers; and

(e) whether Government propose to order an enquiry into circumstances under which these branches were compelled to be located in one building?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (e). Information is being collected and to the extent available will be laid on the Table of the House.

#### **Relief Measures for Man-Made Fabrics Industry**

805. SHRI H. B. PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently announced relief measures for the man-made fabrics industry by modifying excise duty structure to reduce the burden on cheaper varieties of viscose and nylon fabrics and raise it on costlier varieties; and

(b) 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). Government have modified the duty structure in respect of excise duty on man-made fabrics with effect from the 19th January, 1988, by notification Nos. 2/88-Central Excises to 6/88-Central Excises, dated the 19th January, 1988. The important changes brought about are as follows:--

- (i) the rate of duty on viscose fabrics, whether or not containing cotton, of weight not exceeding 100 grams per square metre and nylon fabrics, whether or not containing cotton or viscose of weight not exceeding 35 grams per square metre has been reduced to 75 paise per square metre as against Rs. 1.25 per square metre applicable earlier;
- (ii) in the case of other fabrics of width exceeding 130 centimetres and of value exceeding Rs. 100 per square metre, the rates of duty have been raised from Rs. 15 per square metre as indicated below:
  - (a) where the value exceeds Rs. 100 but does not exceed Rs. 150--Rs. 20 per square metre.
  - (b) where the value exceeds Rs. 150 per square metre--Rs. 30 per square metre.

#### Export of Iron Ore by MMTC

806. SHRIMATI JAYANTI PATNAIK: Will the Minister of COMMERCE be pleased to state:

(a) the total quantum of iron ore exported by the Minerals and Metals Trading Corporation of India Ltd. (MMTC) during 1985-86, 1986-87 and 1987-88;

(b) whether Government have a proposal to increase export of iron ore in 1988-89;

(c) if so, the target set forth; and

(d) the efforts proposed by the MMTC to increase export of iron ore in 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) The total quantum of iron ore exported by MMTC during 1985-86, 1986-87 and 1987-88 (April-December) is as under:

Year	Quantum in MT
1985-86	16.398
1986-87	18.023
1987-88 (April-Dec.)	10.532

(b) to (d). Target for export of iron ore in 1988-89 will be finalised after considering export performance in 1987-88. Iron ore market in 1988-89 is likely to be depressed. MMTC is trying to diversify its export markets and has given price cuts to maintain its export level.

#### Indira Vikas Patra

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

(a) whether Government have a proposal to introduce Indira Vikas Patra of small denomination; if so, the details thereof and the action taken thereon;

(b) whether such Indira Vikas Patras would be sold in Post Offices and commercial banks as well;

(c) the amount of Indira Vikas Patras sold upto 31st January, 1988 in different States and Union Territories; and

(d) other steps being taken by Government to help small investors?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Indira Vikas Patra in the denomination of Rs. 200/- with initial sale value of Rs. 100/- has been introduced.

(b) Indira Vikas Patras are sold in Post Offices only.

(c) Indira Vikas Patras of Rs. 1635 crores (Initial sale value) have been sold during the period from 19.11.1986 (date of introduction of Indira Vikas Patra) to 31.1.1988 in all States and Union Territories.

(d) By adopting quarterly compounding of interest, maturity value for Post Office Recurring Deposit Account has been increased and for a monthly deposit of Rs. 10/-, maturity value payable after five years, will be Rs. 800.30 as against Rs. 797.10 payable earlier.

#### **Data Collected on Water Basins in Krishna and Godavari Valley**

808. SHRI BHATTAM SRIRAMA MURTHY: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the data collected and the proposals formulated for the development of peninsular water resources by the National Water Development Agency will be made available to the States concerned;

(b) if so, whether the data collection, water balance study and preparation of feasibility report in respect of some Basins in Krishna and Godavari Valley will be completed soon; and

(c) if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Copies of the study reports prepared by the National Water Development Agency which incorporate the relevant data collected, are

sent to the concerned States for their views and suggestions.

(b) and (c). Preliminary feasibility reports on three inter-basin water transfer links relating to the Krishna and Godavari basins viz. (i) Indravati-Wainganga (ii) Mahanadi Godavari & (iii) Godavari (Polavaram) -- Krishna are expected to be finalised during the VII Plan period.

#### **Request to Exempt Captive Consumption Goods from Excise Duty**

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

(a) whether Government have received any representation from the Pesticides Association of India for excise duty exemption for captive consumption of pesticide intermediates;

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

(c) whether there were several anomalies in MODVAT provisions which were detrimental to the pesticide industry; and

(d) the corrective steps proposed to be taken in this direction?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) and (b). Yes, Sir, Government have received a representation from the Pesticides Association of India seeking exemption from excise duty on intermediates used captively in the manufacture of pesticides. The representation of the Association is under consideration.

(c) and (d). Under the MODVAT scheme, credit of the central excise duty or counter-vailing duty of customs, paid on the inputs can be utilised for payment of duty on the finished excisable goods. Pesticides being fully exempt from excise duty, credit in respect of the duty paid on the inputs is not available under the MODVAT scheme. It would, however, not



be correct to regard this as an anomaly in the MODVAT scheme.

### **Statutory Returns by Industrial Units**

810. SHRI G. S. BASAVARAJU: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is considering various steps against those industrial units which have been given financial facilities but have failed to submit their quarterly returns to the commercial banks;

(b) if so, the details thereof; and

(c) the details of industrial units which have not submitted the returns?

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 under the existing instructions, the banks are required to obtain statements prescribed under Quarterly Information System (QIS) from borrowers whose borrowings exceed the aggregate working capital limits of Rs. 50 lakhs from the entire banking system. Where the borrowers do not submit the prescribed statements, the banks are authorised to charge a penal interest of 1% per annum on total outstandings for the period, of default. In the case of persistent defaulters, banks may even freeze the accounts. Reserve Bank of India have also reported that where their prior authorisation is required for sanctioning of working capital limits under Credit Authorisation Scheme, timely and regular submission of statement by borrowers under QIS has, *inter alia* been stipulated for the release of credit limits by the banks without their approval. The measures necessary for ensuring better compliance with QIS discipline are, however, continuously reviewed. As regards the industrial units which have not submitted the returns, it may be stated that in accordance with the statutes governing the public sector banks and as per the customs and usages prevalent among bankers, the

details relating to individual accounts cannot be divulged.

### **Visit of Japanese Business Delegation to India**

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

Will the Minister of FINANCE be pleased to state:

(a) whether a high-powered Japanese business delegation consisting of top industrialist and bankers visited India to explore avenues for investments and increased exports of Indian goods to Japan;

(b) if so, the main points of the discussions; and

(c) whether any agreements have been reached; 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 Japanese Investment Environment Survey Mission comprising 35 members visited India from 21st to 29th January, 1988 for discussions with officials of the Government of India, Reserve Bank of India, State Government etc. as well as with representatives of the industry. The discussions covered India's foreign investment policy and the state of the economy in general.

(c) The visit was exploratory in nature and was not intended to finalise any specific agreements.

### **Textile Export**

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

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the textile exports have been very encouraging during the first 6 months in the financial year;

(b) if so, the target of textile exports achieved and the total export earnings from textile during the year; and

(c) the steps being taken to improve the textile export?

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

(b) The export target for cotton textiles (fabrics, made ups and yarn) for the year 1987-88 and achievements for the period April-December, 1987 are as indicated below:

(Rs. in crores)	
Target	Achievement
660	928.14

Source: Cotton Textile Export Promotion Council.

(c) A statement is given below.

#### STATEMENT

The following steps have been taken to boost the export of textiles:-

- (i) The Government permits import of 4 types of sophisticated textile machines at a concessional rate of import duty of 25% provided the importer exports 5 times the value of machinery over and above the average exports of the exporter during the preceding 3 years. In addition to the existing scheme, the modified export obligation scheme permits imports with an export obligation for exporting 75% of the production for 5 years. The importer is allowed to choose any one of the two export obligations.
- (ii) a textile modernisation Fund of Rs. 750 crores has been created for facilitation of modernisation of textile industry.
- (iii) In order to encourage improvement in the quality of cotton yarn, excise duty on auto-coners manufactured domestically has been reduced from 15% to 5% w.e.f. 11.5.1987.
- (iv) 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. CCS on export of cotton yarn of all counts has been allowed @ 8% from 29th August, 1986. CCS on export of grey fabrics has been raised to 10% w.e.f. 13.2.1987.
- (v) Cotton textiles have been brought under the scheme of Contract Registration with a view to providing an element of certainty to exporters in the matter of CCS.
- (vi) 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%.
- (vii) Many items of raw materials are permitted to be imported under Duty Free REP Scheme and the Import-Export Pass Book Scheme.
- (viii) The scope of Advance Licensing and Pass Book Scheme has been widened and procedures simplified.
- (ix) 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.
- (x) 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.
- (xi) The agency commission has been increased and rules for blanket permission for foreign exchange have been substantially liberalised.

**Excess Utilisation of MODVAT Credit**

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

Will the Minister of FINANCE be pleased to state:

(a) whether the excess utilisation of MODVAT credit of Industry has resulted in huge loss of revenue to Government and has upset the Budget estimates;

(b) if so, the loss incurred during the first seven months of the correct financial year on this account;

(c) if so, the main reasons therefor; and

(d) to what extent Government have undertaken steps to overcome this loss?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (d). MODVAT was introduced with the clear objective of reducing cascading effect of excise duty or countervailing duty on inputs on the ultimate finished products. Magnitude of availment of MODVAT credit this year has been more than last year. MODVAT as introduced in 1986 was in respect of goods covered by 38 specified Chapters of the Central Excise Tariff, and it was a broadly revenue neutral scheme. The scheme was extended in 1987 Budget to all the remaining Chapters except those relating to textiles, tobacco, petroleum product matches and cinematograph films. While so extending the coverage, rates of excise duty in respect of some items were not raised as a matter of policy.

This is one of the reasons why there has been higher availment of MODVAT this year as compared to the previous year.

In regard to inputs manufactured by the small scale sector, duty is realised at a concessional rate but credit is allowed at full effective rate, on a notional basis. The wider coverage of goods in respect of which the notional credit can be availed of, has also, contributed to the increased utilisation of MODVAT.

**Returns on foreign investments**

814. SHRI SOMNATH RATH: Will the Minister of FINANCE be pleased to state:

(a) whether any study on the rate of returns of foreign investment in India is available; 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 Reserve Bank of India had undertaken a study of the finances of foreign-controlled rupee companies for the period of 1975-76 to 1980-81 and this study was published in the Reserve Bank of India Bulletin of August, 1984. This study, among other things, mentions about the profitability of the companies surveyed and some of the key ratios mentioned in that regard are as under:—

Year	Ordinary Dividend as percentage of ordinary paid-up capital.	Current Dividend as percentage of total paid-up capital.
1975-76	13.4	13.0
1979-80	15.9	15.7
1980-81	15.4	15.2

**Construction of Baguha Irrigation Project  
in Ganjam district of Orissa**

815. SHRI SOMNATH RATH: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether any funds has been allocated and released for Baguha Irrigation Project in Ganjam district of Orissa;

(b) whether the construction of dam or the canal has been started;

(c) if not, reasons therefor, and when it is going to be started;

(d) whether any land acquisition have been made in this regard; and

(e) if so, the steps taken to rehabilitate the displaced in this irrigation project?

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

expenditure of about Rs. 60 lakhs is likely to be incurred during the current year. Steps to rehabilitate persons displaced by the project have been taken by Government of Orissa.

**Foreign Aid for Drought Relief**

816. SHRI SOMNATH RATH: Will the Minister of FINANCE be pleased to state:

(a) the amount received from World Bank and other countries for drought aid; and

(b) whether any further amount is to be received in this connection; if so, what is the estimated amount?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The details of assistance offered by the World Bank and other countries for drought aid, are given in the statement below.

**STATEMENT**

*External Assistance received/Offers Assistance received for Drought Aid*

S. No.	Country	Amount of Assistance	Purpose
1	2	3	4
1.	Japan	Yen 29.5 Billion	Import of edible oils & drought related commodities. The loan become effective from 23.12.87.
2.	U.S.A.	i) Rs. 8-10 crores (approx)	Agreement for supply of 5200 MT of butter oil to the Indian Dairy Corporation was signed on 29.9.87.
		ii) 3 lakhs tonnes of edible oil under the Export Enhancement Programme.	Contracts for import of Soyabeen/Sunflower oil of 1 lakh MT worth US \$ 45.69 million have already been concluded by the STC.
		iii) 4 lakhs tonnes of Maize under Section 416 of the US Agricultural Act of 1949	This quantity will be imported by NAFED and NDDDB in the ratio of 3:1 and funds generated by the sale would

1	2	3	4
			be deposited in Government Account. Agreements for import of 75000 MT by NAFED and 25000 MT by NDDDB were signed on 9.2.1988.
		iv) U.S have also provided advances out of their committed aid for the projects being funded under USAID bilateral assistance programme.	
3..	USSR	Supply of 6 drilling rigs and other accessories to explore and to tap under ground water resources in the drought affected areas.	
4.	E.E.C.	ECU 20 million	An amount of ECU 3.75 million channelised through the Government has already been received and deposited in PM's National Relief Fund accounts. ECU 1.25 m to be channelised through NGOs. EEC have also offered commodity assistance amounting to ECU 15 million for import of 9000 tonnes of vegetable oil, 2000 tonnes of S.M.P., 3000 tonnes of butter oil.
5.	West Germany	DM 10 million	Have been received in the form of rapeseed oil.
6.	France	FF 40 million	To be received in the form of rapeseed oil.
7.	IBRD IDA	US \$ 150 million US \$ 200 million	To assistance Government of India in meeting the additional costs imposed by the drought.
8.	Italy	US \$ 5 million	To be received in the form of rapeseed oil.
9.	Sweden	\$. Kr. 50 million	Agreement for import of edible oil was signed on 9.2.88.

**Supply of cheap yarn to powerloom owners**

817. PROF. MADHU DANDAVATE: Will the Minister of TEXTILES be pleased to state:

(a) what is the latest position of the closing down of powerlooms on account of the non-availability of cheap yarn;

(b) the steps taken to supply cheaper yarn to the powerloom owners; and

(c) as a result, when will the powerlooms closed down due to non-availability of cheap yarn commence production again?

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

**STATEMENT**

1. The levels of weaving activity in the decentralised powerloom sector change from time to time depending upon the prices of yarn, off-take of cloth, availability of power and the economic decisions of powerloom owners. The profitability of weaving operations in recent months has been affected because of the rise in prices of cotton yarn and poor off-take of cloth due to erosion of purchasing power in rural and urban areas. Because of the decentralised nature of the industry, it is not possible to give any precise estimate about the percentage of the powerloom which may have stopped weaving activity. The available figures of yarn deliveries to the powerloom sector, for the country as a whole, indicate that the production of cloth in the powerloom sector has been maintained during the first eight months of the current financial year.

The rise in prices of cotton yarn has been largely because of the rise in prices of cotton. Government have reviewed the situation for corrective action. Government have suspended exports of staple cotton since July 1987. To ensure that export of cotton yarn do not affect the domestic availability of cotton and cotton yarn,

import of cotton against export of cotton yarn cotton fabrics and made-ups has been permitted on advance licensing basis.

It is not possible to give any precise estimate about the increase of utilisation in the powerloom sector in future months.

**Causes of severe floods in Eastern States**

818. DR. G.S. RAJHANS: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Union Government have set up any expert committee to identify the causes of the severe floods in the rivers in the eastern States;

(b) if so, the details of the investigations conducted in this regard;

(c) whether any new strategy has given since been adopted to control floods in future; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) to (c). The Committee on Flood Management in Bihar, West Bengal, Uttar Pradesh and Orissa was set up by the Central Government on 30-11-87. It has been directed to submit its report in about 6 months from the date of its constitution.

**Japanese Loan**

820. SHRIMATI BASAVARAJESWARI: SHRI CHINTAMANI JENA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government had approached the Japanese Government to tide over the balance of payment difficulties faced by India;

(b) if so, whether Japan has agreed to provide 700 m. Japanese loan to India;

(c) whether any agreement in this regard has been signed; and

(d) to what extent the balance of payments difficulties have been checked?

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

(b) to (d). In the context of the drought the Government of Japan had come forward with an assistance of yen 29.5 billion to help us obtain commodities needed to overcome any likely shortages. Also as part of the Nakasone plan of recycling Japan's surpluses, the Governments of Japan and India have had discussions on possible additional assistance for various projects under implementation in India. As part of this effort, the Export Import Bank of Japan would be assisting NTPC and the Indian Railway Finance Corporation to the tune of \$ 560 million.

#### **Under-utilisation of Jute Modernisation Fund**

821. SHRIMATI BASAVARAJESWARI: Will the Minister of TEXTILES be pleased to state:

(a) whether the utilisation of Jute Modernisation Fund by mills has so far been poor;

(b) if so, whether it is a fact that the Modernisation Fund Committee met in January, 1988 in Calcutta to identify factors responsible for under-utilisation of the funds;

(c) if so, the main reasons identified for under-utilisation of the fund; and

(d) the steps suggested by the Modernisation Fund Committee?

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

#### **STATEMENT**

The Jute Modernisation Fund Scheme of Rs. 150 crores was formulated on the assumption that the entire amount would be utilised by the jute mills over a period of 5 years at the rate of Rs. 30 crores per year. Till January, 1988, the institutions have sanctioned aggregate assistance of Rs. 21.89 crores to Jute mills for undertaking modernisation under the Scheme. As such, the progress of the scheme may be considered as, by and large, satisfactory so far and the implementation of the Scheme is expected to pick up further, in future.

The Monitoring Committee on Jute Modernisation Fund Scheme met on 21st January, 1988, at Calcutta to review the progress of implementation of Scheme. The Monitoring Committee noted that most of the pre-conditions for proper utilisation of Jute Modernisation Fund had already been met and that disposal of modernisation applications was expected to pick up speed in the coming months.

#### **Supply of Raw Silk from China**

822. SHRIMATI BASAVARAJESWARI: Will the Minister of TEXTILES be pleased to state:

(a) whether China has reduced its supply of raw silk to India during the last two years;

(b) if so, the main reasons thereof;

(c) whether the Ministry had authorised import of 100 tonne of silk last year to improve the availability in the domestic market;

(d) whether the Ministry has also cleared the import of 100 tonnes during the current year; and

(e) to what extent, this less import has affected the silk industry?

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

(b) Does not arise.

(c) No, Sir.

(d) and (e). Prices of silk yarn in the domestic market have increased during recent months. The Government has therefore, allowed Central Silk Board to import 100 tonnes of raw silk during the current year which is expected to have a salutary effect on prices.

### Export of Gold Jewellery

823. SHRI YASHWANTRAO GADAKH PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether gold jewellery export has been stagnant during the last three years;

(b) if so, the details thereof; and

(c) the steps taken to boost export of gold jewellery?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) (a) and (b). Exports of gold jewellery during the last three years have been as follows:-

	(Rs. crores)
	Exports
1984-85	86.10
1985-86	101.67
1986-87	89.20

(c) The gold jewellery export policy has been constantly rendered pragmatic for the entrepreneurs to secure larger share of the world market, including facilities for manufacture of jewellery in export processing zones and in special export-oriented jewellery complexes with liberal fiscal and trade regime, besides the facilities of Advance Licence for carat gold and gold findings for export production, provision of gold manufacturing loss, etc.

### High Powered Board for Regulation of Stock Exchanges

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

(a) whether Government propose to set up a high powered board for regulation of stock exchanges; and

(b) if so, the details thereof including the composition of the Board?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Government have decided to set up a separate Board for the regulation and development of Stock Exchanges and the Securities Industry. Dr. S.A. Dave, Executive Director, IDBI has been appointed as Officer on Special Duty to take up the work relating to establishment of the Board

### Import of Cotton and Viscose Staple Fibre

825. SHRI YASHWANTRAO GADAKH PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are considering to import cotton and viscose staple fibre;

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

(c) the foreign exchange outgo involved?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). While cotton imports are not ruled out, Govt. has not yet taken any decision to import cotton and staple fibre for domestic consumption.

(c) Does not arise.

[Translation]

### Refund of Premium by LIC

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

(a) the number of policies with the Life Insurance Corporation which have lapsed due to non-payment of premium regularly;



(b) the total amount so far deposited under such policies;

(c) the legal basis of forfeiting this amount by Life Insurance Corporation instead of refunding it to the respective policyholders; and

(d) whether Government propose to issue directive to the Life Insurance Corporation of India to refund the balance amount after deducting service charges, stationery cost, etc. in order to protect the interests of poor people who purchase policies with their hard earned money but later on find it difficult to continue their policies on account of financial strains?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Out of a total number of 298,01,866 policies serviced by the LIC, 9,39,279 policies lapsed during the financial year 1986-87.

(b) It is not the practice of the LIC to keep separate account of premiums collected under discontinued policies. Besides meeting the commission and other expenses of the LIC, the amount of premium deposited by all policyholders is utilised to pay the benefits under the policy contract of those policyholders whose policies result into claims by death or survival up to the stipulated date of maturity.

(c) and (d). Section 113 of the Insurance Act, 1938, clearly stipulates that minimum of three year's premiums have to be paid before a policy can acquire a paid-up or a surrender value. The forfeiture of amount under lapsed policies is made by the Life Insurance Corporation of India in terms of non-forfeiture clauses in its policies which are based on the above legal provision in the Insurance Act. The question of Government issuing any directive to L.I.C. does not arise in view of the above legal position.

#### **Central Assistance for Narmada Valley Development Projects**

827. SHRI DILEEP SINGH BHURIA: Will

the Minister of WATER RESOURCES be pleased to state:

(a) whether Union Government propose to grant any interim assistance to Madhya Pradesh and Gujarat States for Narmada Valley Development Projects; and

(b) if so, the details thereof?

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

(b) Does not arise.

#### **Sick Industries in Bihar**

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

(a) whether the condition of about ten thousand industries has become critical in the whole of Bihar;

(b) if so, the details of Government money involved there in and the number of labourers employed in these industries and whether Government have taken any action to ensure their livelihood and to save them from unemployment and if so, the details thereof and the outcome thereof during the last three years; and

(c) the broad details of the amount sanctioned/proposed to be sanctioned in near future by Union Government for various districts of Bihar, district-wise from January to December, 1988 for the improvement and modernisation of the sick industries of the State?

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 as at the end of December, 1986 there were 17 large sick units (with aggregate credit limit of Rs. 1 crores and above from the banking sector) and 9649 small scale sick units in the State of Bihar. Outstanding bank amount involved were Rs. 50.28 crores and Rs. 55.23 crores in such large and SSI units

respectively. Of the 17 large units, RBI has reported that 8 were considered viable, 8 non-viable and in one case viability was yet to be decided. They have also reported that 5 large units involving Rs. 13.83 crores were under nursing programme.

IDBI has been operating since 1983-84 refinance scheme for modernisation and rehabilitation of industrial units in SSI/medium sectors. The data regarding refinance assistance sanctioned under two scheme to industries in Bihar is given below:--

(Rs. lakhs)

Year (July-June)	Rehabilitation		Modernisation	
	No.	Amount	No.	Amount
1984-85	5	37.90	5	65.21
1985-86	16	58.30	16	254.74
1986-87	19	233.98	17	431.79
July-Dec. 1987	9	31.62	2	30.07

Guidelines have been issued by Reserve Bank of India to banks from time to time impressing upon them inter-alia for identification of sickness at incipient stage itself, watching for warning signals and symptoms of sickness, and initiating timely corrective action. Banks have also been advised to evolve rehabilitation packages for potentially viable sick industrial units. Where the term lending institutions are involved, rehabilitation packages are prepared by them in consultation with banks and other agencies concerned. The Board for Industrial & Financial Reconstruction set up under the Sick Industrial Companies (Special Provision) Act, 1985, also suggests inter-alia preventive, ameliorative and remedial measures which are required to be taken in respect of sick industrial companies coming within its jurisdiction.

#### **Handloom Export Target During Sixth Five Year Plan**

829. SHRI KALI PRASAD PANDEY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the apprehension of lakhs of labourers engaged in the handloom sector, being deprived of their jobs has increased this year;

(b) if so, the action taken by Union Government since January 1987 till date to protect the interest of labourers engaged in these industries;

(c) whether it is also a fact that targets set for the production, employment and export in Handloom sector for the Sixth Plan have not been achieved;

(d) if so, the main reasons therefor; and

(e) the concrete steps taken by Union Government and the details of the outcome thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (b). Due to increase in prices of yarn and drought conditions prevailing in different parts of the country, the handloom industry has been going through a difficult period during the past year. However, the Union Government has taken the following steps to project the interests of handloom weavers during this period. Export of staple cotton has been suspended and export of hank-yarn up to 60's count has been stopped. Import of Cotton against export of cotton yarn/cotton fabrics and made-ups on duty-free Advance License basis has been permitted. The operations of the National Handloom Development Corporation have been stopped up. In the context of the drought conditions prevalent

in many States, affecting among others, handloom weavers, the Chief Ministers have been requested to take necessary steps to ensure supply of yarn at reasonable prices to the handloom sector. At the instance of the Union Government, NABARD have increased the credit limits to cooperative societies on their anticipated sales from 40-45% to 75%. RBI has also instructed nationalised banks to sanction additional working capital limit upto 20% of the existing limits to National/State Handloom Development Corporations for holding higher than normal level of inventories for a temporary period till the end of June 1988.

(c) There has been a marginal shortfall in the targets set for production and employment in the Handloom sector during the VI Five Year Plan, whereas the achievement in exports has far exceeded the target.

(d) The main reasons for the above shortfall are the inherent cost-handicap suffered by the handloom sector vis-a-vis mill/powerloom sector and the decentralized and unorganized nature of the industry.

(e) The following are the main steps taken by Government to protect and develop the handloom sector:

- (i) Share Capital assistance to handloom weavers to enrol themselves as members of cooperative societies;
- (ii) Share capital assistance to handloom weavers primary appex cooperative societies and State handloom corporations,
- (iii) Assistance for modernisation of looms;
- (iv) Managerial subsidy to handloom weavers' primary societies;
- (v) Financial assistance to State Handloom Development Corporations and Handloom Cooperative Societies for setting

up pre-loom and post-loom processing facilities;

- (vi) Special rebate at the rate of 20% on sale on handloom products;
- (vii) Janata Cloth Scheme;
- (viii) Thrift Fund Scheme;
- (ix) Workshed-cum-Housing Scheme;
- (x) Reservation of 22 items for exclusive production in the handlooms sector through the Handloom (Reservation of Articles for Production) Act, 1985.

#### **Funds Incurred in the Construction of Indira Gandhi Canal Project**

830. SHRI KALI PRASAD PANDEY: Will the Minister of WATER RESOURCES be pleased to state:

(a) the provision made for Indira Gandhi Canal Project in the Seventh Five Year Plan and the amount so far incurred thereon; and

(b) the time by which this project is likely to be completed and whether Government propose to get financial assistance from some special source for its early completion?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) A provision of Rs. 262.50 crores has been made in the Seventh Five Year Plan for the Indira Gandhi Nahar Project. The total expenditure till March 1987 was Rs. 544.7 crores. During 1987-88, an expenditure of Rs. 26.16 crores was incurred till November 1987.

(b) The project is likely to be completed by the end of the Eighth Five Year Plan subject to availability of resources. To enable early completion of the project the State Government has sought assistance from the Central Government and also

requested for posing the project for external aid.

**Utilization of Central Assistance on Drought Relief by States**

831. SHRI SHANTARAM NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has prepared any report on utilization of Central Government's assistance on drought and floods to the State and Union Territories Governments;

(b) if so, main findings of the reports;

(c) whether his Ministry is satisfied with report to the proper and effective utilization of Central assistance by State Governments; and

(d) if not, the details of the observations made in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) No, Sir.

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

**Concessions to Fishing Industry by SCICI**

832. SHRI T. BALA GOUD: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received representations from the fishing industry for granting urgent concessions by the Shipping Credit and Investment Company of India Ltd.;

(b) if so, the steps taken by Government in this regard; and

(c) the reliefs granted to the fishing industry by the SCICI in view of the failure of catches in the last two years?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Representations have been received from

the fishing industry for various financial concessions, which include, amongst others, deferment/moratorium on payment of instalments of term loan and interest in respect of deep sea fishing vessels. SCICI has indicated that depending on the performance and profitability of each deep sea fishing company, the question of granting relief could be considered on merits on a case to case basis.

**Supply of Diesel Oil at International Prices to 100 Per Cent Deep Sea Fishing Industry**

833. SHRI T. BALA GOUD:  
SHRI GURUDAS KAMAT:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government are considering supplying diesel oil to 100% exporters, including indirect exporters at international prices;

(b) the steps being taken to implement this policy so as to give assistance to the deep sea fishing industry; and

(c) the reasons for the delay in implementing this policy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) to (c). Government have decided that units exporting 25% or more of their production would be supplied diesel oil at prices comparable to international price to the extent it is used for captive power generation in relation to the production exported. Deep Sea Fishing trawlers approved as 100% Export Oriented Units are permitted use of duty free high speed diesel oil for their operations.

**Issue of Bonds by Public Sector Companies**

834. DR. V. VENKATESH: Will the Minister of FINANCE be pleased to state:

(a) whether government have permitted public sector bonds to enter into the capital market;

(b) if so, the details thereof as subscribed by private and financial institutions;

(c) whether any public sector other than the energy sector has been permitted to issue bonds; 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) Yes, Sir.

(b) The details of subscription for the Public Sector Bonds during 1986-87 are as follows:--

Sl. No.	Name	Amount	Rate of Interest
1	2	3	4
1.	Neyveli Lignite Corpn. Ltd.	88.83	9% & 13%
2.	National Hydroelectric Power Corpn.	130.00	9% & 13%
3.	Indian Petrochemicals Corpn. Ltd	65.00	13%
4.	Hindustan Photofilms Manufacturing Co. Ltd.	88.00	13%
5.	Rural Electrification Corpn.	150.00	9%
6.	Nuclear Power Corpn. Ltd.	100.00	9% & 13%
7.	Indian Railway Finance Corpn.	400.00	9%
8.	Mahanagar Telephone Nigam Ltd.	350.00	9% & 13%
9.	Hindustan Urban Development Corpn.	50.00	9% & 13%
10.	Power Finance Corpn.	100.00	9%
11.	National Thermal Power Corpn.	400.00	9% & 13%

	Amount (Rs. in Crores)
Public Financial Institution	123.45
Nationalised Banks	883.28
Others	971.23
<b>Total</b>	<b>1977.96</b>

(c) Yes, Sir.

(d) Names of the Public Sector Undertakings which were permitted to issue bonds in 1987-88 are given below:--  
(Rs. in crores)

**Recovery of Amount Looted from RBI Chest in Punjab National Bank**

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

(a) how much amount has been recovered so far out of the Rs. 5.70 crore looted from the RBI chest in the Punjab National Bank, Ludhiana;

(b) the details of the persons apprehended in connection therewith; and

(c) the action taken so far in regard thereto by police and other authorities?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The Central Bureau of Investigation (CBI) have reported that cash and movable and immovable properties, amounting in all to Rs. 94.41 lakhs approx., have been recovered and 22 persons have been arrested in connection with the incident of looting from Punjab National Bank, Ludhiana. The CBI have further reported that the case is still at the investigation stage.

**Clearance to Indian Garments Cargo at EEC Destination**

836. DR. KRUPASINDHU BHOI: Will the Minister of TEXTILES be pleased to state:

(a) whether Indian Cargo worth crores of rupees are remaining uncleared at various EEC ports and airports;

(b) whether Indian garment exporters are facing a serious problem due to that reason;

(c) if so, the reasons why such huge amount worth cargo have remained uncleared;

(d) the steps taken by Government to obtain early clearance; and

(e) the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (e). The Introduction of Harmonised System of classification by the EEC Member States with effect from 1.1.1988 had resulted in difference of categorisation of certain textile products exported from India which led to holdup of consignments in some of the EEC Member States. Government has authorised clearance of all such held-up consignments pending consultations with EEC authorities.

**Setting up of Regional Level Housing Finance Institutions**

837. DR. KRUPASINDHU BHOI: Will the Minister of FINANCE be pleased to state:

(a) whether efforts are being made to set up regional level housing finance institutions;

(b) whether such regional level housing finance institutions are being set up by the National Housing Bank;

(c) if so, the number of such regional housing finance institutions proposed to be set up at the first instance; and

(d) the details thereof?

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

(b) No, Sir.

(c) and (d). Pending establishment of the National Housing Bank, State Bank of India and Canara Bank have been permitted to set up through their subsidiaries viz., "SBI Capital Markets Ltd.," and "Canbank Financial Services Ltd." two housing finance companies viz., 'Housing Promotion and Finance Corporation Pvt. Ltd.' and 'Can Fin Homes Ltd.' to cater to the housing need of Eastern/North-Eastern and Southern Regions respectively. Punjab National Bank also proposes to set up a wholly owned housing finance subsidiary "PNB Housing Services Pvt. Ltd."

which will finance housing activities in the Northern Region.

#### **Diversification of Jute Products**

838. DR. KRUPASINDHU BHOI: Will the Minister of TEXTILES be pleased to state:

(a) whether there is a need to initiate steps to encourage diversification of Jute products apart from exploiting the non-traditional markets all over the country;

(b) if so, the steps taken by Government thereon; and

(c) the number and details of products identified to achieve the above objectives?

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

(b) and (c). Government have initiated various measures/steps for diversification of Jute products apart from exploiting the non-traditional markets all over the country which includes:

- (i) Indian Jute Industries Research Association (IJIRA)'s UNDP project entitled "Development and Promotion of the Diversified Enduses of Jute".
- (ii) Measures find out alternate uses of jute in packing tea, coffee, apples and production of jute carpets, jute blankets etc.
- (iii) A sum of Rs.10 crores has been set apart for product diversification and R&D support under the Jute Special Development Fund. Necessary action has been initiated for introduction of an Internal Market Assistance Scheme for diversified jute products. Besides, this projects of Research Institutions for development of new jute products have also been taken under the scheme.

#### **Income Tax Relief on Acquisition of Plot and Construction of House**

839. DR. KRUPASINDHU BHOI: Will the Minister of FINANCE be pleased to state:

(a) whether income tax relief is being given for investment made by Government employee/private individual in the acquisition of plot and construction of house;

(b) if so, to what extent and the details of the relief being granted;

(c) whether it is applicable for the urban and rural areas both; and

(d) if not, the norms fixed in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). Under Section 80C(2) (h)(ii) of the Income-tax Act, 1961, as inserted by the Finance Act, 1987 with effect from 1-4-1988, any sums paid in the previous year by an assessee out of his income chargeable to tax for the purposes of purchase or construction of a residential house property the construction of which is completed after the 31st day of March, 1987, and the income from which is chargeable to tax under the head "income from house property" (or which would, if it has not been used for the assessee's own residence, have been chargeable to tax under that head), are allowable as deduction where such payments are made towards or by way of:--

- (a) Any instalment or part payment of the amount due to under any self-financing or other scheme of any development authority, housing board or other authority engaged in the construction and sale of house property on ownership basis; or
- (b) Any instalment or part payment of the amount due to any company or cooperative society of which the assessee is a shareholder or member towards towards the cost of the house property allotted to him; or

(c) Re-payment of the amount borrowed by the assessee from:

- (1) the Central Government or any State Government, or
  - (2) any bank, including a co-operative bank, or
  - (3) the Life Insurance Corporation, or
  - (4) any public company formed and registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes which is approved for the purposes of clauses (viii) of sub-section (1) of section 36, or
  - (5) any company in which the public are substantially interested or any co-operative society, where such company or co-operative society is engaged in the business of financing the construction of houses, or
  - (6) the assessee's employer where such employer is a public company;
- (d) Stamp duty, registration fee and other expenses for the purpose of transfer of such house property to the assessee.

The deduction allowable under this section will be limited to an amount of Rs.10,000/- in respect of any assessment year subject to the overall qualifying limits of Rs. 60,000/- or Rs. 40,000/- as the case may be, as per section 80C(4) of the Income-Tax Act, 1961.

(c) Yes, Sir. The deduction under section 80C is applicable in respect of the purchase or construction of a residential house both in the urban and rural areas.

(d) Does not arise.

#### **Shortage of Supply of Yarn**

840. SHRI Y. S. MAHAJAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Government aware that the handlooms particularly in Tamil Nadu has been experiencing shortage of supply of Yarn required for export production of handlooms and against the requirement of about 43,000 bales of Yarn, allotment has been hardly 10,000 bales;

(b) if so, the reasons for this situation; and

(c) the steps taken/proposed to be taken to ensure adequate and regular supply of requisite quality of yarn to handlooms especially in the cooperative sector so that they are in a position to produce the required quantities of export fabrics?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The handloom industry in Tamil Nadu is not experiencing shortage of supply of yarn. Tamil Nadu is a surplus State in the production of yarn and the requirement of yarn for the handloom sector is hardly 50% of the production in the State.

(b) Does not arise.

(c) The requirement of yarn of the weavers under the cooperative fold are fully met by the cooperative spinning mills in the State through Cooptex. The prices of yarn produced by cooperative spinning mills are fixed below the market rate by a Yarn Price Fixation Committee of the government of Tamil Nadu every month with a view to make available yarn to handloom weavers at reasonable prices. Additionally, Central Government have been operating schemes/institutional arrangements like hand-yarn obligation, loan assistance to National Cooperative Development Corporation for setting up New Weavers' Cooperative Spinning Mills and expansion of the capacity of existing mills and activating the operations of the National Handloom Development Corporation to ensure adequate availability of yarn for the handloom sector. Exports of staple cotton and hand-yarn upto 60's count have been stopped.



### Move to Scrap Engineering Goods Export Assistance Fund

841. SHRI Y. S. MAHAJAN: Will the Minister of COMMERCE be pleased to state:

(a) whether there is a move to scrap the Engineering Goods Export Assistance Fund (EGEAF);

(b) if so, the consideration for doing so; and

(c) its likely repercussion on the export of engineering goods, engineering industry and producers of steel?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) to (c). No, Sir. There is no proposal to Scrap Engineering Goods Export Assistance Fund.

### Import of Palm Oil and Edible Oils

842. SHRI Y. S. MAHAJAN: Will the Minister of COMMERCE be pleased to state:

(a) the existing arrangements for import of palm oil to meet the shortage of edible oils within the country;

(b) at what price palm oil is imported from various countries and the landing cost at Indian ports;

(c) the amount of foreign exchange involved in the import of edible oils and whether Government have considered countertrade arrangements for import of edible oils and if so, with what results; and

(d) the long-term arrangements being made for import of palm oil and other edible oils in view of the likely shortage of indigenous edible oils?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) to (d). Import of edible oil in-

cluding Palm oil is decided based on indigenous production and domestic demand including requirements of Public Distribution System and Vanaspati manufactures. Palm oil is imported at international market prices. The average CIF landed price of Palm oils purchased by STC during 1987-88 (April-1987-January, 1988) have been as under:--

(Provisional)	
Neutralised	Rs. 4485 PMT CIF
Palm oil	
RBD Palm Oil	Rs. 5125 PMT CIF
RBD Palm Olein	Rs. 4981 PMT CIF

Amount of foreign exchange involved in purchase of edible oils during current financial year upto 24.2.88 is Rs. 936 crores. STC tries to use these imports to promote exports from India depending upon market availability of edible oils. Countertrade exports have been generated as a result of it. STC does not have any long-term contract for import of Palm oils.

### Setting up of Bank for Small Scale Village and Cottage Industries

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

(a) whether a proposal has been made by the small scale village and cottage industries to set up a separate apex development bank to cater exclusive to these sectors and also to administer and monitor the national equity fund;

(b) the reaction of Government to the above proposal;

(c) whether Government/RBI have made any review of the grant of bank credits to the small scale sectors in the recent past; and

(d) if so, the findings of such a review and the action taken thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Proposal in this regard is under consideration of the Government.

(c) and (d). Reserve Bank of India (RBI) constantly reviews the performance of commercial banks in regard to their credit assistance to SSI sector. The RBI has also set up a separate high level standing advisory committee to review the flow of institutional credit to small scale industry and other related matters and to suggest measures for improving the performance of credit delivery system in securing increased assistance to the sector. Various steps have been taken towards providing sufficient credit to SSI sector. These include setting up of the National Equity Fund for providing long-term equity type support to the small entrepreneurs for establishment of new projects in the tiny and small scale sector and for rehabilitation of viable sick units. Public Sector Bank's assistance to the SSI sector had increased and the outstandings stood at Rs. 9391 crores involving (20:5) lakhs accounts as at the end of September, 1987.

#### **Import of Dry Fruits**

844. SHRI V. S. KRISHNA IYER: Will the Minister of COMMERCE be pleased to state:

(a) whether Government are importing dry fruits;

(b) if so, the name of the countries and the quantity for 1986-87;

(c) the foreign exchange involved in the import of dry fruits;

(d) whether Government are aware that these dry fruits are being used by only a small sections of society; and

(e) if so, whether Government propose to take steps to canalise such imports through STC and distribute it through cooperative societies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) to (c). Import of Dry fruits is allowed against licences issued to dealers engaged in this trade. During 1986-87 10,584 import licences were issued for value (c.i.f.) Rs. 17.81 crores for import of dry fruits (excluding cashewnuts & dates).

Afghanistan, Australia, Cyprus, Jordan, Iran, Iraq, Pakistan, Greece, Oman, USA and USSR are the major countries from which dry fruits are imported.

(d) Dry fruit is not a mass consumer item and its import is allowed on a restricted basis.

(e) The policy of import of dry fruits is being reviewed along-with other policy provisions in the context of the formulation of the forthcoming Import & Export Policy.

#### **Increase in Budget Deficit**

845. SHRI V. S. KRISHNA IYER: Will the Minister of FINANCE be pleased to state the main reasons for the continuously increasing of budget deficit year after year?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GAHVI): The step up in plan outlay from year to year and the relatively smaller contribution from Public enterprises for financing the Plan, and the increases in unavoidable expenditure on internal and external security of the country, essential subsidies, obligatory transfers to State Governments and the debt servicing charged have mainly accounted for the increase in budget deficit over the years.

#### **Income-Tax Raids**

846. SHRI V. TULSIRAM: Will the Minister of FINANCE be pleased to state:

(a) the number of income-tax raids conducted from July to December, 1987 in various parts of the country;

(b) the total illegal amount recovered by these raids;

(c) the number of Government officials/businessmen at whose premises the raids were conducted;

(d) whether such income-tax raids were conducted at the premises of the Income Tax Department, Officials and Customs Department during the period, if so, details thereof and if not, the reasons therefor; and

(e) whether there is some proposal under consideration of Government to make a provision in the Income Tax rules to abolish the exemption of income-tax and customs departments employees from income-tax raids?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) From July, 1987 to December, 1987, 5008 searches were conducted by the Income-tax Department in various parts of the country.

(b) Prima facie unaccounted assets worth Rs. 73.89 crores were seized during these searches.

(c) Three State Government Doctors were searched during this period. The remaining searches were at the premises of businessmen and professionals.

(d) Searches were not conducted by the Income-Tax Department at the premises of the Income-Tax Department Officials and Customs Department Officials during this period as there was no information regarding tax evasion by such officials.

(e) No, Sir as the Income Tax and Customs Departments employees are not exempt from income-tax searches.

#### **Establishment of Export Processing Zone at Visakhapatnam**

847. SHRI V. TULSIRAM: Will the Minister of COMMERCE be pleased to state:

(a) whether Government of Andhra Pradesh has provided infrastruc-

ture for establishment of Visakhapatnam Export Processing Zone;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) to (c). The Government of Andhra Pradesh has suggested some sites for the location of a possible Export Processing Zone at Visakhapatnam. Aspects relating to the choice of a suitable location from out of these, the terms and conditions for the transfer of land and the extent of infrastructural support required would have to be examined by the State and Central Governments in accordance with the relevant administrative procedures.

#### **Cut in U. S. Development Aid**

848. SHRI V. TULSIRAM: Will the Minister of FINANCE be pleased to state:

(a) whether U. S. Development Aid to India has been drastically cut down by the U. S. A.;

(b) if so, the details of the cut in aid and the amount that India will receive;

(c) the extent to which such a cut in aid would adversely affect the development programmes in India particularly in agricultural field; and

(d) the steps being taken to get full aid from the U. S. A.?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Yes, Sir. US Development Assistance to India during US Fiscal Year 1988 (Oct. 87 to Sept. 88) is likely to be of the order of \$ 24 million.

(c) and (d). The reduction in the level of US aid will not significantly affect the development programmes in India. However, our concern at the cut in the aid, which has

been reported to be on account of their budgetary constraints, has been conveyed to the U. S.

### **Trade Agreement with West African Countries**

849. SHRI V. TULSIRAM: Will the Minister of COMMERCE be pleased to state:

(a) whether India has entered into trade agreement with West African countries such as Cameroon, Ivory Coast etc. recently;

(b) if so, the details of the agreements together with the details of items, raw and finished, imported/exported by each country; and

(c) whether some exhibitions were held in those countries, if so, the details thereof and the details of Indian companies that participated at the exhibition?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) During the last three years India has not entered into any trade agreement with any West African Country.

(b) Does not arise.

(c) During the last three years, Trade Fair Authority of India has not participated in any exhibition in West African countries. However, the Trade Fair Authority of India is participating in second Ghana Industry Fair, Accra (Ghana) from February 27th to March 12th, 1988 and organising an Indian Exhibition in Douala (Cameroon) from 11-20th March, 1988.

*[Translation]*

### **Water Resources Development Projects in Drought Affected Areas**

850. SHRI KAMLA PRASAD RAWAT: Will the Minister of WATER RESOURCES be pleased to state:

(a) the names of drought affected areas in the country where water resources de-

velopment projects have been started on priority basis; and

(b) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b). Irrigation schemes covering parts of almost all the drought-prone areas have been taken up by the State Governments. Further, for accelerating the creation of irrigation benefits, an additional outlay of Rs. 236 crores has been made available for irrigation works to be taken up under drought relief programme.

### **Cost of Opium Production**

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

(a) whether the cost of opium production is increasing continuously whereas the procurement price has not increased proportionately;

(b) if so, whether farmers will not produce opium if incentive is not given to them;

(c) if so, whether this will not have adverse effect on the production of life saving drugs; and

(d) the names of the countries to which Indian opium is exported and the reasons for fall in demand of Indian opium in foreign countries at present?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) to (c). The procurement price of opium is fixed with reference to the total income estimated to accrue to the cultivator from poppy cultivation. In recent years, there has been a considerable increase in the price of poppy seeds and mainly because of this, poppy crop continues to be remunerative to the cultivator. Persistent demands for fresh licences to cultivate opium poppy would also appear to substantiate

this. However, with a view to provide adequate incentive to the farmer, the procurement price of opium has been revised

from the current crop year (i. e., 1987-88). The previous and current prices are indicated below:

I. Price applicable from the crop year 1981-82 to 1986-87

Yield per hectare	Rate at which payment made at 70°C (Rupees/kilogram)
Less than 30 kgs. per hectare	130
30 kgs. or more but less than 45 kgs.	240(a)
45 kgs. or more but less than 60 kgs.	280(a)
60 kgs. or more	300(a)

(a) Payment at higher rates to be made only in respect of additional quantities in these slabs and not for the entire quantity.

II. Price of opium payable to the cultivators from crop year 1987-88.

Yield per hectare	Price payable at 70°C (Rs./kg.)
Upto 34 kgs. per hectare	175/-
Above 34 kgs. per hectare	205/-

The price payable now would be Rs. 175/- per kg. upto an yield of 34 kgs. per hectare and Rs. 205/- per kg. above 34 kgs. per hectare, applicable to the entire quantity.

The major alkaloids present in opium viz., morphine and codeine are mainly used in pain relieving and cough suppressant formulations only.

(c) At present, opium is exported mainly to U. S. A., U. S. S. R., Japan and U. K. Indian opium has been facing stiff competition from alternate opiate raw materials, particularly, concentrate of poppy straw. Moreover, the advantage enjoyed by opium by virtue of the presence of certain additional alkaloids which are not present in the concentrate of poppy straw has been considerably eroded due to certain syn-

thetic drugs, thereby slackening the demand for opium.

**India's Share in World Trade**

852. PROF. NIRMALA KUMARI SHAK-TAWAT: Will the Minister of COMMERCE be pleased to state:

(a) whether the rise in export was only 2 percent during the last decade and whether India is lagging far behind in world trade;

(b) the percentage of India's trade paid in terms of dollar; and

(c) the steps being taken to reduce this trade imbalance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI): (a) According to the UN Monthly Bulletin of Statistics (October, 1987 issue), India's exports, in dollar terms, increased by 64 per cent during the decade 1976 to 1986, whereas the World Trade increased by over 100 per cent during the same period. It may be relevant to mention that this period was marked by steep hike in oil prices, which accounted for much of the value growth in world trade.

(b) Information is being collected and will be laid on the Table of the House as soon as it becomes available.

(c) The Government have taken a number of steps for export promotion. These are designated to generate capacities for export production, to induce the production of goods contemporary in technology and competitive in prices and to make the exports profitable.

[English]

#### Financing of Minor-Irrigation Projects

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

(a) the policy adopted by the Reserve Bank of India with regard to financing the minor irrigation projects (dig wells);

(b) the assistance/loans being given to the States under different centrally sponsored schemes; and

(c) the details thereof?

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 banks grant loans for minor irrigation projects as part of their agricultural advances. Bank credit for minor irrigation is treated as a part of Direct Agricultural lending and public sector banks are required to ensure that share of direct agriculture advances in the total bank credit is not less than 16%.

(b) and (c). Information is being collected and will be laid on the Table of the House to the extent possible.

#### Seizure of Gold

854. SHRI VIRDHI CHANDER JAIN: Will the Minister of FINANCE be pleased to state:

(a) the total quantity of gold seized by the Directorate of Revenue Intelligence during the year 1986-87 and 1987-88 (upto January, 1988);

(b) the extent to which such contraband gold has increased the gold reserve in the country and

(c) how the seized gold is being disposed of?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) The total quantity of gold seized by the Directorate of Revenue Intelligence during the years 1986-87 and 1987-88 (upto January, 1988) is given below:--

Year	Quantity (in Kgs. approx)
1986-87	467.5
1987-88	461.1
<b>(upto 31.1.88)</b>	

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

(c) As per the prescribed mode of disposal, confiscated gold is deposited in the Government of India Mint.

#### Investment in Major Irrigation Projects

855. SHRI VIJAY N. PATIL: Will the Minister of WATER RESOURCES be pleased to state:

(a) the investment made on major irrigation projects with location during last two years;

(b) whether it is a fact that the productivity of canal irrigated land continues to be disappointing;

(c) if so, how Government propose to increase the productivity of canal irrigated land; and

(d) the proposals of Government regarding command area development instead of constructing new projects?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) The information relating to investment on major and medium

irrigation projects is given in the Statement below.

(b) No, Sir.

(c) Question does not arise.

(d) Command Area Development Programme is aimed at bridging the gap between creation and utilisation of irrigation potential and achieving optimum agricultural production from irrigated land whereas new projects are for creation of irrigation facilities to cover new areas. A balanced view is taken while planning the two distinct activities.

#### STATEMENT

(Rs. in crores)

Sl. No.	Name of State/Union Territory	Expenditure during 1985-86	1986-87 (Likely)
1	2	3	4
STATES/U.Ts.			
1.	Andhra Pradesh	204.06	205.30
2.	Arunachal Pradesh	0.13	0.11
3.	Assam	21.17	24.80
4.	Bihar	220.31	266.88
5.	Goa	10.41	10.15
6.	Gujarat	151.53	167.00
7.	Haryana	112.29	130.56
8.	Himachal Pradesh	1.47	1.65
9.	Jammu & Kashmir	13.85	14.53
10.	Karnataka	86.96	114.47
11.	Kerala	59.59	53.00
12.	Madhya Pradesh	204.50	246.09
13.	Maharashtra	253.32	293.86
14.	Manipur	11.56	11.83
15.	Meghalaya		0.04

1	2	3	4
16.	Mizoram	0.01	0.21
17.	Orissa	91.70	114.00
18.	Punjab	40.32	50.33
19.	Rajasthan	98.97	102.19
20.	Tamil Nadu	46.78	42.25
21.	Tripura	4.40	4.50
22.	Uttar Pradesh	198.76	219.07
23.	West Bengal	39.21	52.50
24.	Dadra & Nagar Haveli	1.00	0.90
25.	Delhi	0.05	Negligible
26.	Daman & Diu	Included in GOA	
27.	Pondicherry	0.14	0.25
28.	Central Sector	9.58	10.95
TOTAL		1882.07	2137.39

N. B: Information regarding investment on major and medium irrigation is maintained together.

#### **Low Prices of Indian Tea at International Auctions**

856. SHRI VIJAY N. PATIL: Will the Minister of COMMERCE be pleased to state:

(a) the reasons for continuing low tea prices of Indian tea in London and at other international auctions;

(b) whether low prices in auctions are due to poor quality of Indian Tea or due to competitions from East African countries; and

(c) if so, the steps Government are taking for International tea agreements to procure suitable tea prices for Indian Tea in auctions?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DAS MUNSI): (a) and (b). As far as International auctions are concerned Indian tea is only sold at London Auctions. The prices of tea at London Auction have been suppressed during 1987. However, due to the superior quality of Indian tea the average Indian tea prices at London Auction during 1987 have higher than the average tea price of Sri Lanka, Kenya and Tanzania.

(c) Indian Auctions are fairly developed and hence majority of Indian tea which is exported is sold through our own domestic auction system. Indian auction prices have been prevailing higher than the London Auction prices. India has been persuading other countries to arrive at an International Tea Agreement so as to maintain a global



balance in demand and supply. The Inter-governmental sub group on exports has reaffirmed the quality standard of teas of producing countries to the standard specification of ISO 3720 or equivalent.

#### **Income Tax deduction pertaining to National Savings Scheme**

857. SHRI P.M. SAYEED: Will the Minister of FINANCE be pleased to state:

(a) whether the procedure regarding income tax deduction pertaining to the National Savings Scheme has been simplified;

(b) if so, the details of the changed procedure; and

(c) whether the existing rate of interest on the deposits made under the scheme has also been increased?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Drawing and disbursing officers have now been authorised to allow deductions at source, admissible under Section 80 CCA of the Income Tax Act, in respect of deposits made by Employees in National Savings Schemes, 1987.

(c) No, Sir.

#### **Wool Development Board**

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

(a) the number of members of the Wool Development Board and its staff strength;

(b) the details of the works undertaken by the Board so far; and

(c) the future programmes of the Board?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Presently, there are

25 members of the Wool Development Board. 22 posts have been created.

(b) and (c). The Board has been assigned the following functions.

(i) Market intelligence;

(ii) Monitoring and evaluation;

(iii) Price Stabilisation;

(iv) Advice to the Government on policy matters;

(v) Quality control and Regulations; and

(vi) Coordination.

[English]

#### **Seizure of Heroin in Punjab**

859. SHRI PARKASH CHANDRA: 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 of 7 January, 1988 wherein it has been stated that Heroin worth crores of rupees has been seized in Ludhiana, Punjab;

(b) if so, the details thereof;

(c) whether any arrest has been made; and

(d) the action taken by Government in regard thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) to (d). On 6.1.1988, the Customs staff at Ludhiana seized 175 kgs. of brownish powder, reported to be heroin, and 39 kgs. of opium, along with two trucks involved in the case. One person arrested in this connection has been remanded to judicial custody. Appropriate action has been initiated to trace the other connected persons.

**Closure of Silk Industries due to Non-Availability of Raw Silk**

860. SHRI VISHNU MODI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the various silk industries in the country are facing closure because of inadequate availability of raw silk; and

(b) if so, the steps taken/ proposed to be taken to meet their urgent requirement in order to avert their closure and also keep the price of available stocks under control?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b). Certain leading silk producing states have reported a marginal decrease in silk production due to drought conditions. Further, there have reportedly been some policy changes in China due to which their exportable quantity of raw silk has come down. The demand for silk both for indigenous consumption and for exports is on its increase in the country. All these factors have led to a rise in prices of silk. In order to provide immediately relief to the silk weaving industry, Government has allowed the Central Silk Board (SSB) to import 100 tonnes of raw silk from China during the current year which is expected to have a salutary effect on prices. As a long term measure, a National Sericulture project has been formulated by CSB in collaboration with State Govts. for increasing silk production in the country. This project is proposed to be implemented with the assistance of World Bank.

[Translation]

**Clearance of Irrigation Scheme of Madhya Pradesh**

861. SHRI MAHENDRA SINGH: Will the Minister of WATER RESOURCES be pleased to state:

(a) the reasons for not granting approval by Union Government to Bhensatori and Bandia Nallah projects in Guna District

submitted by Government of Madhya Pradesh and time by which a decision would be taken in this regard;

(b) the names of other irrigation schemes of Madhya Pradesh Government pending clearance by Union Government; and

(c) the time by which these schemes are likely to be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Bandiya Nallah Irrigation Scheme has already been approved in 1982. The other project has not been received for clearance.

(b) and (c). Eight major and five medium projects are awaiting clearance for want of compliance to comments sent by the Centre.

[English]

**Implementation of Personal Accident Insurance Social Security Scheme in Andhra Pradesh**

862. SHRI V. SOBHANADREESWARA RAO: Will the Minister of FINANCE be pleased to state:

(a) the districts in Andhra Pradesh that are likely to be covered by the Personal Accident Insurance Social Security Scheme during the year 1988-89;

(b) the number of districts that would still remain uncovered under this scheme after 1988-89; and

(c) the likely date by which all such districts also would be covered by this scheme?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). With fourteen districts of Andhra Pradesh already covered, the remaining districts are proposed to be covered during 1988-89.

### **India-Iran Economic Cooperation**

863. SHRI H.N. NANJE GOWDA: Will the Minister of COMMERCE be pleased to state:

(a) whether India-Iran Economic Cooperation has identified various areas of cooperation between the two countries;

(b) if so, the salient features of the discussion held;

(c) whether any agreement has been signed; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Yes, Sir. Discussions at corporate and government level were held during the visit of H.E. Mr. Behzad Nabavi, Minister for Heavy Industry, Islamic Republic of Iran, in December, 1987 to identify areas for technical and industrial cooperation between the two countries. .

(c) and (d). A number of Memoranda of Understanding were signed between Indian and Iranian companies covering cooperation in transfer of technology and supply of equipment in sectors such as castings and forgings, machine tools, automotive components etc.

### **Invitation for participation at International Milan Fair**

864. SHRI H.N. NANJE GOWDA: Will the Minister of COMMERCE be pleased to state:

(a) whether Italian Government has invited Union Government to participate in the 66th International Milan Fair in April, 1988;

(b) if so, whether Government have accepted the invitation; and

(c) if so, the extent to which it will boost bilateral trade?

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

(b) No, Sir.

(c) Does not arise.

### **Sick Textiles Mills in Gujarat**

865. SHRI RANJIT SINGH GAEKWAD: Will the Minister of TEXTILES be pleased to state:

(a) the number of sick textile mills in the country in each State and mills closed with particular reference to Gujarat as on 31st December, 1987;

(b) whether Government are aware that the indigenously manufactured textile is facing difficulties to create new market and demand has gone down for the last one year;

(c) if so, whether Government have analysed the reasons for the same; and

(d) if so, the details of measures taken or likely to be taken by Government to give support to the textile units for marketing the products?

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

(b) to (d). The textile industry as a whole is faced with the problem of demand recession and high cotton prices. There has been poor off-take of cloth due to erosion of purchasing power in rural and urban areas, mostly due to drought conditions and floods. In July, 1987 the RBI advised banks to consider more liberal credit for composite units, for a period of one year. The level of finished goods and receivables eligible for credit could be 3½ months instead of 3 months. The facilities under the Modernisation Fund and rehabilitation packages (where applicable) would help composite units to improve their product-mix and marketing.

**STATEMENT**

(a) The number of cotton/man-made fibre textile mills which were lying closed as on 31-12-87 in each State is as under:--

State	No. of closed mills
1. Andhra Pradesh	3
2. Bihar	1
3. Gujarat	33
4. Haryana	2
5. Karnataka	8
6. Kerala	2
7. Madhya Pradesh	4
8. Maharashtra	13
9. Rajasthan	7
10. Tamil Nadu	39
11. Uttar Pradesh	10
12. West Bengal	11
<b>Total</b>	<b>133</b>

[Translation]

**Investment through Capital Market**

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

(a) whether it is a fact that the pace of investment through capital market has substantially slowed down during the last two years;

(b) if so, the comparative statement of the last three years in this regard; and

(c) the details of steps taken by Government to increase the percentage of investment through the capital market?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The approvals given by the Controller of Capital Issues for the past three years are as follows:

Year	Amount (Rs. in crores)
1985-86	3459.24
1986-87	5488.99
1987-88 (upto 31-1-88)	4972.00

(c) The steps taken by Government to increase the percentage of investment through the capital market are as follows:

(1) An Employees Stock Option Scheme was introduced by Government as a result of which 5% of any issue of capital by a company has to be given to the employees of the companies.

(2) A new financial instrument in the form of Convertible Cumulative Preference Share was allowed to be issued by companies.

(3) Public Sector Undertakings were allowed to go to the market for issue of partially taxable/tax-free Bonds.

(4) Government have decided to set up a separate Board for the regulation and orderly functioning of Stock Exchanges and the securities Industry.

(5) Government have decided to implement various recommendations of the Working Group which examined various aspects of the problems and procedures relating to transfer of shares.

(6) The major technological development in the area on display and

dissemination of share prices was achieved when the scheme of electronic linking up of major stock exchanges was inaugurated on 11-8-1987. The Scheme would make the Markets more competitive and benefit the investors by providing timely information on share prices.

- (7) The Securities Contracts (Regulation) Rules, 1957 was amended in July, 1987 in order to enable a company to be admitted as a member of a Stock Exchange.
- (8) Mutual funds were allowed to be established by the State Bank of India and Canara Bank. These funds would provide valuable investment services to the public.
- (9) Guidelines were issued for the protection of the interest of Debentureholders which would facilitate the serviceability and repayment of debentures to the debentureholders on time.
- (10) In pursuance of the announcement made in the Budget of 1987-88, the exemption under Section 80-CC of the Income Tax Act, 1961 was extended by 3 years. The holding period for availing exemption for these shares was also reduced from 5 years to 3 years.
- (11) To encourage eligible closely held companies to go to the public the facility of a bonus issue of higher than 1:1 was extended by 3 years i.e. upto 31st March, 1990.
- (12) Period for holding of long-terms Capital gains was reduced to one year from three years.

[English]

**Dave Commission recommendations on working of Stock Exchanges**

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

(a) whether it is a fact that following implementation of the recommendations of Dave Commission, the percentage of capital investment in stock exchanges have decreased considerably;

(b) if so, whether the main objectives behind it is to curb 'Badla' transactions in stock exchanges;

(c) if so, whether Government propose to continue carry forward system in stock exchanges for the transactions of shares bonds as it was in the past; and

(d) if so, since when 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) and (b). The main objectives of the Dave Group recommendations are to introduce relaxations in restrictions on trading in specified shares in a phased manner and to ensure that there is no unwarranted and unjustifiably large fluctuations in share prices due to excessive trading.

Although there have been fluctuations on a day to day basis, the turnover in specified shares in the concerned Stock Exchanges has generally been steadier and somewhat higher following the implementation of Phase I programme of Dave Group recommendations, as compared to the period immediately preceding Phase I.

(c) and (d). A decision in regard to carry forward system in transactions in securities in Stock Exchanges as it was in the past, has not been taken so far, in view of the present stage of implementation of the Dave Group recommendations.

**India's Irrigation Potential**

868. PROF. P.J. KURIEN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the total irrigation potential available in the country;

(b) how much has been exploited so far; and

(c) the steps being taken during the Seventh Five Year Plan to tap the potential fully?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). The estimated irrigation potential of the country is about 113 m. ha. A potential of about 67.5 m. ha. has been created upto the end of Sixth Plan. It is proposed to create the ultimate potential by 2010 AD or so and the Seventh Plan envisages the creation of an additional potential of 12.9 m. ha. towards achieving this objective. Earmarking of outlays on important projects, central monitoring of selected projects and assisting State Governments in procuring scarce construction material and equipment are among the steps being taken to realise this target.

#### **Delay in clearance of Kerala Irrigation Project**

869. PROF. P.J. KURIEN: Will the Minister of WATER RESOURCES be pleased to state:

(a) the names of irrigation schemes in Kerala still pending clearance with Union Government;

(b) the reasons thereof; and

(c) the time by which each of these projects will be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) to (c). Comments on 2 major and 1 medium projects received since 1985, have been sent to Government of Kerala for their Compliance.

#### **Closing of navigation lock-gate at Farakka**

870. SHRI ZAINAL ABEDIN: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the navigation lock-gate at

Farakka was opened on 16 November, 1987;

(b) whether it is a fact that the said lock-gate was closed on 29 November, 1987;

(c) the reasons for closure of the gate;

(d) whether it will be opened again; and

(e) if so, when?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI):(a) Yes, Sir.

(b) No, Sir.

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

#### **Privatisation of Public Sector Steel Plants**

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

(a) whether the World Bank in a report recently submitted to Government has advocated partial privatisation of the public Sector Steel Industry and has made some other suggestions;

(b) if so, the details thereof; and

(c) Government's reaction thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). The World Bank staff has prepared a draft report entitled "India--Steel Sector Strategy Report". This is an internal document of the World Bank. While the staff report has considered various issues related to the Steel Industry, the World Bank has not made any recommendations to Government of India in this regard. Any decisions on concerned matters will be taken strictly according to India's own priorities and policies.

#### **Revenue collection**

872. SHRI SOMNATH RATH: Will the Minister of FINANCE be pleased to state:

(a) whether the revenue collection is short of the estimated collection of both direct and indirect taxes for the year 1987-88; and

(b) if so, the steps being taken to enhance the collection?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) No, Sir.

(b) Does not arise.

#### **Investments by Unit Trust of India**

873. SHRI VIJAY N. PATIL: Will the Minister of FINANCE be pleased to state:

(a) the amount realised from sales of various schemes of the Unit Trust of India upto 31st December, 1987;

(b) the amount of investible fund expected during 1987-88;

(c) whether this investible fund has doubled in last two years; and

(d) the measures being taken by the Unit Trust of India for disposition of huge funds to secure increased income and capital appreciation in view of low current yields on equities and reduction of interest rates on debentures in industrial units?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The amount realised from sales of various schemes from 1st July, 1987 to 31st December, 1987 is Rs. 1455 crores.

(b) The amount of investible funds expected during 1987-88 is in the range of Rs. 1650 - Rs. 1700 crores.

(c) No, Sir.

(d) The Unit Trust of India invests its funds in a diversified manner in equities, debentures, public sector bonds and Central Government Securities, etc, in order to

secure increased income and capital appreciation.

#### **Agreements with African Countries**

874. SHRI V. TULSIRAM: Will the Minister of COMMERCE be pleased to state:

(a) whether a high powered delegation visited some African countries recently;

(b) if so, the composition of the delegation and the detail of terms of reference of the delegation;

(c) the details of agreements with African countries for import and export of material including raw and finished; and

(d) the extent to which both sides will be benefited?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Yes, Sir. Minister of State for Industry led an Indian delegation to Cameroon and Ivory Coast in Feb., 1988.

(b) to (d). The composition of the Indian delegation is given below in the statement. The visit was essentially of exploratory nature and no agreement for import and export of any material was signed. The visit has helped in creating better awareness about Indian capabilities and identifying areas of commercial co-operation. The delegation found business opportunities in the fields of small scale industries, agriculture, transport, railways and construction.

#### **STATEMENT**

*[Composition of the Indian Delegation]*

Shri M.Arunachalam, Minister of State for Industry.

Shri M. Raman Iyer, PS to MOS (I).

Shri N.S. Hariharan, Director, Ministry of Commerce.

Shri Anand Krishna, Executive Director, Projects and Equipment Corporation of India Ltd.

Shri P.M. Joseph, Group General Manager, Indian Railway Construction Company Ltd.

Shri J.S. Juneja, Chairman, National Small Industries Corporation (Ivory Coast only)

Shri R. M. V. Raman, Dy. General Manager, Exim Bank.

Shri R.S. Sapra, Regional Manager, Engineering Export Promotion Council, Abidjan.

Shri Anup Hiranandani, Resident Representative, Exim Bank, Abidjan.

Shri D.N. Shah, TELCO.

Shri Harbhajan Singh, Punjab Tractors (Ivory Coast)

12.00 hrs.

[Translation]

SHRI HARISH RAWAT (Almora): Mr. Deputy-Speaker, Sir, the employees of Telephone Department have been agitating for the last few days....(Interruptions)...

[English]

MR. DEPUTY-SPEAKER: I will call you next, Take your seat. Now, Prof. Thomas to speak.

(Interruptions)

PROF. K.V. THOMAS (Ernakulam): Mr. Deputy-Speaker, Sir, the Telecommunication System in the entire country has collapsed for the last 15 days. In my State of Kerala and also in Tamil Nadu, the entire Telecommunication System has collapsed. Some action has to be taken. The Technical Staff are on strike.

MR. DEPUTY-SPEAKER: Give it in writing. I will pass it on to the Minister and find out. Then, I will come to you.

[Translation]

SHRI HARISH RAWAT: The employees of Telephone Department have been agitating for the past few days in support of their demand for better pay-scales. The Committee appointed for the purpose has, in a way, given completely wrong recommendations. Due to that, all the services are being affected and the consumers too are feeling its pinch. Their demands should be accepted at the earliest....(Interruptions)....

[English]

MR. DEPUTY SPEAKER: It is the same thing. I have already said. You please give it in writing. I will pass it on to the Minister.

[Translation]

SHRI HARISH RAWAT: We have already given a notice. It should be discussed.....(Interruptions).....

[English]

MR. DEPUTY SPEAKER: That is why I am asking you to give it in writing. I will pass it on to the Minister and get the facts.

[Translation]

SHRI HARISH RAWAT: Permission should be given for discussion on that matter

[English]

MR. DEPUTY SPEAKER : I will see. Now, I call Dr. Kalanidhi to speak

DR. A. KALANIDHI (Madras Central): Mr. Deputy Speaker, Sir, yesterday the Home Minister has made a statement here and misled the House...

MR. DEPUTY SPEAKER: No, no...  
(Interruptions)



DR. A. KALANIDHI: Please listen to me.

*(Interruptions)*

MR. DEPUTY SPEAKER: No, no, you give it in writing.

SHRI K. R. NATARAJAN (Dindigul): I have already given a letter to the hon. Speaker.

*(Interruptions)*

DR. A. KALANIDHI: He said that Mr. Thangaraju of the AIADMK Group went and joined the Jayalalitha Group on his own accord. But today Mr. Thangaraju has given a statement...

*(Interruptions)*

MR. DEPUTY SPEAKER: No, if at all you feel like that, give it in writing. I will consider it.

*(Interruptions)*

DR. A. KALANIDHI: You have permitted me to speak. So, you must please listen to me.

*(Interruptions)\*\**

MR. DEPUTY SPEAKER: No, no. I cannot allow like this. You please give it in writing.

SHRI V. SOBHANADREESWARA RAO (Vijayawada): He says that the Home Minister has misled the House.

MR. DEPUTY SPEAKER: Let him give it in writing. I will see.

*(Interruptions)*

DR. A. KALANIDHI: The Home Minister has made a wrong statement and misled the House. It is a breach of privilege.

*(Interruptions)*

MR. DEPUTY SPEAKER: I cannot allow

like this. I have already told you to give it in writing. That is all.

*(Interruptions)\*\**

MR. DEPUTY SPEAKER: I told you that I cannot allow you like this. If at all there is anything, you give it in writing.

*(Interruptions)*

MR. DEPUTY SPEAKER: Please order. Go to your seats.

*(Interruptions)*

MR. DEPUTY SPEAKER: Now, papers to be Laid on the Table. Shri Narayan Datt Tiwari.

*(Interruptions)*

MR. DEPUTY SPEAKER: I don't want any discussion. It is not the proper way. Please take your seats.

*(Interruptions)*

PROF. MADHU DANDAVATE (Rajapur): Sir, on 9th of February, 1989, I had given a notice that..

*(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF PARLIMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): 1988.

PROF. MADHU DANDAVATE: 1988. I am sorry. You are right!

SHRI AMAL DATTA (Diamond Harbour): Occasionally she is right.

PROF. MADHU DANDAVATE: On 9th of February, 1988, I had given a notice that on 20th of April, in this House, the Prime Minister and the Defence Minister had made a wrong statement about Bofors and on 2nd of February, they have been contradicted in the Indian Express.

MR. DEPUTY SPEAKER: The comments

of P.M. and the Defence Minister have already been received and it is under consideration.

*(Interruptions)*

PROF. MADHU DANDAVATE: I can't hear. I want to hear what you are saying.

*(Interruptions)*

MR. DEPUTY SPEAKER: I am telling that regarding the Privilege Motion, it had already been passed on to the Prime Minister and the Defence Minister and we have got their comments. It is under consideration.

PROF. MADHU DANDAVATE: You are expecting their comments?

*(Interruptions)*

MR. DEPUTY SPEAKER: Already, I have got the comments. It is under consideration.

PROF. MADHU DANDAVATE: That means, the Privilege Motion against the Prime Minister is still under your consideration.

MR. DEPUTY SPEAKER: Yes.

*(Interruptions)*

SHRI VAKKOM PURUSHOTHAMAN (Allepey): I am on a point of order.

MR. DEPUTY SPEAKER: What is it?

SHRI VAKKOM PURUSHOTHAMAN: After the Zero Hour, you had already gone to the next item of the agenda...

MR. DEPUTY SPEAKER: There is no Zero Hour.

*(Interruptions)*

SHRI VAKKOM PURUSHOTHAMAN: You please give a ruling. *(Interruptions)* After the Zero Hour, you had already gone

to the next item of the agenda and called Mr. Tiwari to lay his paper.

*(Interruptions)*

MR. DEPUTY SPEAKER: There is no Zero Hour.

*(Interruptions)*

SHRI VAKKOM PURUSHOTHAMAN: After you had gone to the next item, whatever he said should not come on record. You give your ruling.

*(Interruptions)*

MR. DEPUTY SPEAKER: There is no Zero Hour. The ruling is, there is no Zero Hour. That is my ruling.

*(Interruptions)*

SHRI A. CHARLES (Trivandrum): There are certain additional privileges given to some of the Members. Everyday some of the senior Members are misusing the House.

*(Interruptions)*

PROF. MADHU DANDAVATE: You yourself have said that the matter is under your consideration. He cannot cast aspersions on the Deputy Speaker.

*(Interruptions)*

SHRI N. V. N. SOMU (Madras North): Ministers are always misleading the House.

*(Interruptions)\*\**

MR. DEPUTY SPEAKER: No comments. Nothing goes on record.

SHRI DINESH GOSWAMI (Guwahati): May I make a submission?

MR. DEPUTY SPEAKER: What is your submission?

SHRI DINESH GOSWAMI: Sir, we are

facing a serious situation in Assam where the prospect of an agitational approach is again dawning. The Government introduced a Bill for amendment after assuring for three successive sessions that the Bill will come. We have passed a number of Bills by now. If this Bill is passed, we can get to a safety situation. I would like to know from the Minister of Parliamentary Affairs what has happened to that IMDT Bill? When are you bringing it?

*(Interruptions)*

MR. DEPUTY SPEAKER: Now we take up Papers to be Laid. Mr. N. D. Tiwari.

12.08 hrs.

#### PAPERS LAID ON THE TABLE

*(English)*

#### **Economic Survey 1987-88 and Review on the Working and Annual Report of Cashew Corporation of India for 1986-87.**

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): I beg to lay on the Table--

- (1) A copy of the 'Economic Survey', 1987-88 (Hindi and English versions). [Placed in Library See No. L. T. 5519/88]
- (2) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:—
  - (i) Review by the Government on the working of the Cashew Corporation of India Limited, Cochin, for the year 1986-87.
  - (ii) Annual Report of the Cashew Corporation of India Limited, Cochin, for the year 1986-87 along with Audited Accounts and the comments of the comptroller, and Auditor General thereon. [Placed in Library See No. L. T. 5520/88]

#### **Annual Reports of and Statements regarding review on the Working of Central Board of Irrigation and Power for 1986-87 and National Water Development Agency for 1986-87, etc.**

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): Sir, on behalf of Shri Dinesh Singh, I beg to lay on the Table--

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Central Board of Irrigation and Power, New Delhi, for the year 1986-87 along with Audited Accounts.
- (ii) A statement (Hindi and English versions) regarding (a) Review by the Government on the working of the Central Board of Irrigation and Power, New Delhi, for the year 1986-87 and (b) showing reasons for delay in laying the papers mentioned at (i) above. [Placed in Library See No. L. T. 5521/88]
- (2) (i) A copy of the Annual Report (Hindi and English versions) of the National Water Development Agency, New Delhi for the year 1986-87 along with Audited Accounts.
- (ii) A statement (Hindi and English versions) regarding (a) Review by the Government on the working of the National Water Development Agency, New Delhi, for the year 1986-87 and (b) showing reasons for delay in laying the papers mentioned at (i) above. [Placed in Library See No. L. T. 5522/88]

#### **Annual Report of and a Statement Regarding review on the working of North Eastern Handicrafts and Handloom Development Corporation for 1986-87.**

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): I beg to lay

on the Table a copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:—

- (i) Review by the Government on the working of the North Eastern Handicrafts and Handlooms Development Corporation Limited, Shillong, for the year 1986-87.
- (ii) Annual Report of the North Eastern Handicrafts and Handlooms Development Corporation Limited, Shillong for the year 1986-87 along with Audited Accounts and the Comments of the Comptroller and Auditor General thereon. [Placed in Library See No. L. T. 5523/88]

**Notifications under Central Excises and Salt Act, 1944 and under Customs Act 1962, etc etc.**

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): I beg to lay on the Table--

- (1) A copy of the Central Excise (Amendment) Rules, 1988 (Hindi and English versions) published in Notification No. G.S.R. 51(E) in Gazette of India dated the 26th January, 1988 under sub-section (2) of section 38 of the Central Excises and Salt Act, 1944. [Placed in Library See No. L. T. 5524/88]
- (2) A copy each of the following Notifications (Hindi and English versions) under section 159 of the Customs Act, 1962:—
  - (i) G.S.R. 955(E) published in Gazette of India dated the 3rd December, 1987 together with an explanatory memorandum making certain amendments to Notification No. 188/87-Customs dated the 29th April, 1987 so as to withdraw concessional rate of

basic customs duty of 50 per cent on flat flexible cables.

- (ii) G.S.R. 957(E) published in Gazette of India dated the 4th December, 1987 together with an explanatory memorandum making certain amendments to Notification No. 127-Customs, dated the 1st July, 1987 so as to extend the benefit of exemption from the whole of the basic duty of customs to palm kernel also together with a corrigendum thereto published in Notification No. G. S. R. 963(E) in Gazette of India dated the 7th December, 1987.
- (iii) G.S.R. 990(E) published in Gazette of India dated the 17th December, 1987 together with an explanatory memorandum making certain amendments to Notification No. 21/84-Customs, dated the 15th February, 1984 so as to prescribe a minimum basic rate of 25 per cent *ad valorem* on liquid Nitrogen Plant having a capacity upto 10 Liters per hour, its accessories and spares when imported into India for use in Artificial Insemination Centre for cattle Breeding and also to extend the concession upto 31st December, 1988.
- (iv) G.S.R. 991(E) published in Gazette of India dated the 17th December, 1987 together with an explanatory memorandum making certain amendments to Notification No. 42/78-Customs dated the 1st March, 1978 so as to modify the description of item from 'Combined hydraulic sammying and setting machine' to read as 'Hydraulic Pneumatic Sammying and/or setting machine.
- (v) G. S. R. 1000(E) and 1001(E) published in Gazette of India dated the 21st December, 1987 together with an explanatory

- memorandum regarding exemption to Synthetic fat liquors (with or without hydrocarbons), Nonionic fat liquors, and mixtures thereof and Syntans when imported into India for use in the leather industry from the basic customs duty in excess of 45 per cent *ad valorem* and from the whole of the auxiliary duty of customs leviable thereon.
- (vi) G.S.R. 1014(E) published in Gazette of India dated the 30th December, 1987 together with an explanatory memorandum making certain amendments to Notification No. 123/85-Customs, dated the 11th April, 1985 so as to increase the value limit from Rs. 15000/- to Rupees 20,000/- and also to extend the validity without any time limit.
- (vii) G.S.R. 1015(E) published in Gazette of India dated the 30th December, 1987 together with an explanatory memorandum seeking to reduce customs duties on copper matter and master alloys from 80 per cent to 50 per cent, unwrought copper and copper rods from 95 per cent to 50 per cent and copper waste and scrap from 100 per cent to 60 per cent.
- (viii) G.S.R. 1016(E) published in Gazette of India dated the 30th December, 1987 together with an explanatory memorandum making certain amendments to Notification No. G. S. R. 275/87-Customs, dated the 8th July, 1987 so as to fix the effective basic duty of customs on styrene monomer at 20 per cent *ad valorem* plus Rupees 1700/- per tonne upto 30th June, 1988.
- G.S.R. 1017(E) published in Gazette of India dated the 30th December, 1987 together with an explanatory memorandum making certain amendments to Notification No. 207/87-Customs, dated the 12th May, 1987 so as to withdraw exemption from auxiliary duty in respect of styrene.
- (x) S.O. 1050(E) published in Gazette of India dated the 9th December, 1987 together with an explanatory memorandum regarding revised rate of exchange for conversion of Swedish Kroner into India currency or *vice versa*.
- (xi) G. S. R. 4(E) and 5(E) published in Gazette of India dated the 1st January, 1988 together with any explanatory memorandum regarding exemption to Oleo Pine Resin when imported into India for the manufacture of Gum Resin and Terpentine from basic customs duty in excess of 25 per cent *ad valorem* and from the whole of the auxiliary duty of customs leviable thereon.
- (xii) S. O. 189(E) published in Gazette of India dated the 17th February, 1988 together with an explanatory memorandum regarding revised rate of exchange for conversion of Swiss Francs into Indian currency or *vice versa*. [Placed in Library. See No. L.T. 5525/87]
- (3) A copy of Notification No. G. S. R. 977(E) (Hindi and English versions) published in Gazette of India dated the 10th December, 1987 together with an explanatory memorandum seeking to provide that the excise duty in excess of that which is equivalent to the duty differential between the duty of excise leviable on the value of motor vehicles and duty of excise leviable with reference to that part of the value thereof which represents the value of chassis used in such motor vehicles, is not required to be

paid in respect of body built motor vehicle falling under heading No. 87.02 or 87.04 of the Central Excise Tariff and manufactured from duty paid chassis, during the period between 1.3.1986 to 2.4.1986 issued under section 11C of the Central Excises and Salt Act, 1944 [Placed in Library See No. L. T. 5526/88]

- (4) A copy of the Notification No. G.S.R. 8(E) (Hindi and English versions) published in Gazette of India dated the 5th January, 1988 together with an explanatory memorandum making certain amendments to Notification No. 32/86-Central Excises, dated the 10th February, 1986 so as to provide effective rates of Excise Duty on tea produced in different zones issued under the Central Excise Rules, 1944. [Placed in Library See No. L. T. 5527/88]

#### **Review on the working of and Annual Report of Coal India Limited for 1987-88**

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): On behalf of Shri C.K. Jaffar Sharief I beg to lay on the Table--

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (i) of section 619A of the Companies Act, 1956:-
- (i) Review by the Government on the working of the Coal India Limited, Calcutta, for the year 1986-87.
- (ii) Annual Report of the Coal India Limited for the year 1986-87 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.
- (2) A statement (Hindi and English versions) showing reasons for delay in

laying the papers mentioned at (1) above. [Placed in Library. See No. LT 5528/88]

#### **Notifications under Article 283 (1) of the Constitution and under General Insurance Business (Notification) Act, 1972**

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): On behalf of Shri Eduardo Faleiro I beg to lay on the Table--

- (1) A copy of the Central Government Accounts (Receipts and Payments) Rules, 1983 as amended upto 14th November, 1985 (Hindi and English versions) published in Notification No. G.S.R. 739 in Gazette of India dated the 3rd October 1987 issued under Article 283 (1) of the Constitution. [Placed in Library See No. LT 5529/88]
- (2) A copy of the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Second Amendment Scheme, 1987 published in Notification No. S.O. 1038 (E) in Gazette of India dated the 7th December, 1987 issued under section 17A of the General Insurance Business (Nationalisation) Act, 1972. [Placed in Library See No. LT 5530/88]
- (3) 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-I officers (Revision of Terms and Conditions of Service) Amendment Rules, 1987 published in Notification No. G.S.R. 960 (E) in Gazette of India dated the 7th December, 1987.
- (ii) The Life Insurance

- Corporation of India Class III and Class IV Employees (Revision of Terms and Conditions of Service) Amendment Rules, 1987 published in Notification No. G.S.R. 961(E) in Gazette of India dated the 7th December, 1987.
- (iii) The Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Amendment Rules, 1987 published in Notification No. G.S.R. 962 (E) in Gazette of India dated the 7th December, 1987. [Placed in Library. See No.LT 5531/87]
- (4) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Investment Centre New Delhi, for the year 1986-87 along with Audited Accounts.
- (ii) A statement (Hindi and English versions), regarding Review by the Government on the working of the Indian Investment Centre, New Delhi, for the year 1986-87. [Placed in Library See No. LT 5532/88.]

**Annual Report of and Review on the working of the Brahmaputra Board for 1986-87 etc.**

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): I beg to lay on the Table--

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Brahmaputra Board for the year 1986-87 along with Audited Accounts.
- (ii) A statement (Hindi and English versions) regarding (a) Review by the Government on the working

of the Brahmaputra Board for the Year 1986-87 and (b) showing reasons for delay in laying the papers mentioned at (i) above. [Placed in Library See No. LT 5533/88]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the National Institute of Hydrology, Roorkee, for the year 1986-87 along with Audited Accounts.
- (ii) A statement (Hindi and English versions) regarding Review by the Government on the working of the National Institute of Hydrology, Roorkee, for the year 1986-87.
- (3) A Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above. [Placed in Library. See. No. LT 5534/88]

**Annual Report of and Review on the working of Chemicals and Allied Products Export Promotion Council for 1986-87**

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): Sir, On behalf of Shri P.R. Das Munsii I beg to lay on the Table--

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Chemicals and Allied Products Exports Promotion Council, Calcutta, for the year 1986-87 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Chemicals and Allied Products Export Promotion Council, Calcutta, for the year 1986-87. [Placed in Library See No. LT 5535/88]

(2) (i) A copy of the Annual Report (Hindi and English versions) of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Bombay, for the year 1986-87 along with Audited Accounts.

12.11 hrs.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): Sir, with your permission I rise to announce that Government Business in this House during the week commencing Monday, the 29th February, 1988 will consist of :—

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Basic Chemicals Pharmaceuticals and Cosmetics Export Promotion Council, Bombay, for the year 1986-87. [Placed in Library See No. LT5536/88]

1. Consideration of any item of Government Business carried over from today's Order Paper.

(3) (i) A copy of the Annual Report (Hindi and English versions) of the Plastics and Linoleums Export Promotion Council, Bombay, for the year 1986-87 along with Audited Accounts.

2. Discussion under Rule 193 regarding recent hike in administered prices of petrol, coal, steel, edible oils, sugar etc.

(ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Plastics and Linoleums Export Promotion Council, Bombay, for the year 1986-87. [Placed in Library See No. LT 5537/88]

3. General discussion on Railway Budget for 1988-89.

As members are already aware, the General Budget for 1988-89 would be presented on Monday, the 29 Feb., 1988 at 5.00 P.M.

SHRI G.M. BANATWALLA (Ponnani): Sir, I am on a point of order.

12.10 hrs.

AN HON. MEMBER: What is the rule?

COMMITTEE ON PUBLIC UNDERTAKINGS

MR. DEPUTY SPEAKER: I don't know on what basis, it may be related to this. I want to know.

[English]

Thirty-Fourth Report & Minutes

SHRI G.M. BANATWALLA: Mr. Deputy Speaker, Sir, about the list of Government business which will be transacted next weeks we have a particular procedure and those members who are to give notices of submission they have to give the notices, the notices are balloted and then only those members whose names appear in the ballot are allowed to make submission. Here there is a particular discipline which we always follow and this is a proper thing.

SHRI VAKKOM PURUSHOTHAMAN (Alleppey): I beg to present the Thirty-Fourth Report (Hindi and English versions) of the Committee on Public Undertakings on Indian Airlines--Passenger Services and Minutes of the sittings of the Committee relating thereto.

However, just a few minutes ago a very



[Shri G. M. Banatwalla]

senior member of this House made a submission on a point which is really a point related to the business to be taken up by the Government in the days to come, viz., he referred to the Government taking up the Assam Tribunals Bill. Not only that submission was allowed by you, but that submission was even replied to by the Hon. Minister saying that she has taken note of what has been submitted and that she will look into it. This makes a mockery totally of the procedure which we disciplined members follow.

Otherwise from next time we shall also not give any notice whatsoever. We will go on raising, make our own submissions and you will have to allow them. Otherwise whatever had preceded earlier in gross violation of this particular procedure....(Interruptions)....I am not here talking about adjournment motions which you allow and on which you hear their submissions; but this is a total violation and those members are punished who come according to the procedure and who follow the procedure. Therefore, that particular submission must be expunged and must not form part of the record.

SHRI DINESH GOSWAMI (Guwahati): As reference has been made to me, I would say that I made that reference in the context of the agitation that is coming in Assam...(Interruptions)...

SHRI G.M. BANATWALLA: Proper notice must be given. Otherwise we must also be exempted from the procedure.

MR. DEPUTY SPEAKER: When he rose at that time on a point of order, I thought he may mention certain rules and procedure. But he mentioned that point and I did not allow him further.

SHRI G.M. BANATWALLA: That means you have not allowed him and the Minister's reply also.

(Interruptions)

SHRI DINESH GOSWAMI: It will be a

part of the record, unless it is unparliamentary, it cannot be expunged.

SHRI G.M. BANATWALLA: If it is not a part of the record, I thank you for that.

MR. DEPUTY SPEAKER: I did not allow the Minister's reply to his submission at that time. I thought he was raising a point of order. When it was not a point of order, that is ruled out.

SHRI DINESH GOSWAMI: You cannot expunge whatever I have said.

MR. DEPUTY SPEAKER: To see whether it is appropriate or not I will go through the record.

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram): The record is a document to maintain what has been said in the House. One cannot fabricate the record.

MR. DEPUTY SPEAKER: I will go through the record and then I will see what I can do. Please take your seat.

[Translation]

PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh): Mr. Deputy Speaker, Sir, I submit that the following subjects may kindly be included in the agenda for the next week.

The incidents of atrocities on women are increasing. In Deoghar district in Bihar, the poor tribal women were gangraped. Similar incidents have also occurred in Darjeeling in West Bengal and Assam.

A number of suicides are being committed due to the problem of dowry. Recently, three girls in Kanpur committed suicide, the main cause of which was attributed to the failure in managing sufficient dowry. An immediate discussion to find ways and means to this problem is called for. Stringent law be made to root out this evil.

[English]

SHRI MANVENDRA SINGH (Mathura): The following matter may please be included in next week's agenda:

It has been indicated that recovery proceedings under Paragraph 7(2) of Drugs Price Control Order, 1979 against IDPL and HAL have been dispensed with. Government have no power to do so, except through a notified order under paragraph 2B. Such an order has not yet been issued. This has, however, resulted in certain companies withholding recovery of crores of rupees. Mention may be made of recovery in respect of metranidazole and dipyradi-zol. Similarly in respect of dozycycline etc. crores of rupees have not been paid to the Government although from 1984 Government is indicating that the process of recovery is on in accordance with the due process of law. In fact notices have not been pursued and for the past months even details have not been obtained and verified. This is being done at the cost of poor consumers.

*[Translation]*

SHRI BALWANT SINGH RAMOOWALIA (Sangrur): Mr. Speaker, Sir, the situation in Punjab is going from bad to worse for the past few months. During President's rule itself, 822 civilians and 27 police personnel have been killed in the State. The migration of people from the villages of Punjab to towns and from Punjab to other states continues. During the President's rule, the number of murders/killings has doubled as compared to the last year.

The Government has been completely alienated from the people. All the Punjabis have now come to this conclusion that the Central Government is not at all interested in solving the Punjab problem and wants to keep it alive due to some political motives. I, therefore, urge upon the Central Government that in order to find a political solution to Punjab problem, items like taking of solid steps in this regard, convening of a round table conference of all political parties on this issue and early installation of a popular Government in Punjab should be included in the agenda for the next week.

In the beginning of current sugarcane crushing season in October, 1987, the peasants producing sugarcane had an amount of Rs. 2314.15 lakh due against the

sugar mills, out of which, a sum of Rs. 2.02 lakh was due in Haryana and in the state of Punjab, an amount of Rs. 14.83 lakh was due to the peasants. It may well be presumed that this amount is at least one year old. If a farmer does not pay the cost of the fertilizers, seeds, insecticides etc. purchased from Govt. agency or a private agency, immediately, he has to pay the interest on this amount. But the farmer does not get any interest on the arrears due to him. Due to this prevailing arrangement, he does not get adequate reward of his labour. Therefore, I request the Government that it should issue necessary instructions without any delay to ensure that the farmer gets the interest on the arrears due to him. This will force the mill owners to clear the arrears due to the farmers at the earliest. So, this subject of public importance should be taken up for consideration in the House next week.

*[English]*

SHRI S.G. GHOLAP (Thane): A tax on sale of goods is levied by all the states. The definition of 'sale' is construed as per the definition in the Sale of Goods Act. Whenever a dealer sends goods to his branch or agent in other State, such a transaction is known as branch transfer or consignment. These transactions are not covered by the definition of 'sale' and the States cannot levy sales tax on the same. Similarly, tax under the Central sales Tax Act cannot be levied, though under these transactions the goods are sent outside the States for sale. To overcome the legal difficulties, States approached the Central Government for suitable action and 46th Constitutional Amendment was enacted which came into force from 3rd February, 1983. It is now possible to levy tax on the transaction of consignment or branch transfers. This tax is known as Consignment Tax. The Central Government is to enact suitable legislation in this behalf.

The matter was discussed at the National Development Council and again in a meeting of States convened by the then Union Minister. During these discussions, certain points in regard to the rate of tax, collecting machinery, valuation of goods,

[Shri S.G. Gholap]

distribution of receipts have been unanimously decided. The States are eagerly awaiting the legislation. As there is very little scope left to the States for resource mobilisation, the revenue from consignment tax legislation by the Centre is now a matter of urgency.

SHRI SYED SHAHABUDDIN (Kishanganj): The 15-Point Directive for the Welfare of the Minorities was an important and useful initiative by the late Prime Minister, Mrs. Indira Gandhi and has been endorsed by the present Prime Minister as well. A special cell for monitoring implementation exists in the Ministry of Welfare. But so far no report has been made to the Lok Sabha on the progress of implementation of the directive.

Preliminary and Final Reports of the High Power Panel under Dr. Gopal Singh on the economic situation of the minorities, which were submitted in 1981 and 1983, are still reported to be under consideration. The reports have not yet been tabled but they are reported to contain viable recommendations on removing the educational and economic backwardness of the minorities and securing for them their due share in the fruits of development.

The Minorities Commission has been in existence since 1977. Some of its reports have been tabled in the House but there has never been an in-depth discussion on the Annual Reports.

The Annual Reports of the Deputy Commissioner for Linguistic Minorities have also not been discussed in the Lok Sabha.

Of late, the problems of the minorities have engaged the attention of the nation and the last session of the National Integration Council was devoted to a discussion on this subject.

In order to focus attention on the legitimate grievances of the minorities and to evolve a national consensus on adequate remedial measures, it is proposed

that Lok Sabha may take up the subject for discussion during the coming week.

SHRI SHANTARAM NAIK (Panaji): Yesterday, India successfully fired a new generation surface-to-surface missile of 250-km range capacity. The country is proud of our scientists who have achieved this scientific feat, thus placing India along with US, USSR, France and China, which are the only other countries who have such missiles.

However, in this context, we recollect how the entire country had greeted our late Prime Minister Mrs. Indira Gandhi when our scientists had achieved nuclear explosion for peaceful purposes two decades ago. Today also, country will be failing in its duty if we do not commend the efforts of our Prime Minister, Shri Rajiv Gandhi, whose consistent encouragement to our scientists and whose efforts in modernisation of our defence equipments have direct bearing on what we achieved yesterday.

I suggest that a Resolution congratulating our scientists as also our Prime Minister under whose leadership the country has achieved a magnificent scientific achievement should be included in the next week for adoption.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): Mr. Deputy Speaker, Sir, although various crops are produced by the farmers in our country, yet seen from income's point of view, sugarcane is the only crop which can bring adequate income to the farmer. Majority of the farmers want to produce sugarcane since it is the most significant crop from income point of view, but if seen from production point of view, it is Uttar Pradesh only which produces the maximum sugarcane in the country and even today, several sugarcane mills are under operation there. But if seen in right sense, then in the eastern Uttar Pradesh, especially Basti, Gorakhpur, Devaria and Gonda, sugarcane is not being produced in as much quantity as it should. The reason for it is the non-availability of good quality

of seeds and lack of technical know how. In my view, if arrangements are made in the above districts for the supply of good quality seeds and technical know-how more sugarcane can be produced there. A vast area of land is available in my Khalilabad constituency near Bhanpur Inter College. If a "Sugarcane Research Centre" is established there, production of sugarcane can be increased.

Therefore, I request the Central Government that necessary instructions may kindly be issued to establish "Sugarcane Research Centre" in the above area without any delay so that the farmers may be benefited by this.

SHRI VIJOY KUMAR YADAV (Nalanda): Mr. Deputy Speaker, Sir, embankments to all the rivers in Nalanda District have given way in recent floods "Alang", "Ahar" (water reservoirs) and "Pain" (canal) have destroyed. The farmers of this region and the crops are likely to be adversely affected because no concrete plan has been made to repair them.

Therefore, the Central Government should allot at least Rs. 2 crores to the State Government without any delay and the subject be included in the next week's agenda for consideration.

The minimum wages for the Biri workers have not been revised for the last several years. Therefore, the Central Government should arrange to fix the minimum wages of the Biri workers at least at Rs. 20/- per thousand bidis and this subject may be included in the next week's agenda for consideration.

*[English]*

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Deputy Speaker Sir, the following subject may please be included in next week's agenda.

While welcoming the decision of the Indian Railways to introduce an Express train between Sambalpur and Bhubaneswar from the next financial year, I would request that this train should be ex-

tended upto Jharsuguda, an important junction on the Howrah-Bombay rail line for the convenience of the travelling public of that area.

Further, it is understood that with the introduction of this train link express now running between Waltier and Raipur is going to be withdrawn. Since this link express is very well serving a large backward area of Western Orissa, proposal to withdraw this train should be dropped.

Besides the longstanding demand of providing a fast Express Train for the people of Western Orissa to come to the national capital, Delhi should be conceded by introducing a superfast train between Sambalpur and Delhi from the coming financial year. If the same is not possible immediately at least the erstwhile Kalinga Express with an Allahabad bogie attached at Jharsuguda may please be revived forthwith.

SHRI ANOOPCHAND SHAH (Bombay North): Mr. Deputy Speaker Sir, the following subject may please be included in the next week's business.

There are lot of representations from various institutions, organisations and individuals regarding 'Direct Tax Laws (Amendment) Act' which was passed during the last Session

Going through all the representations and details of it, it seems that Act needs second thought. So, the same subject should be included in the next week's business.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): I have noted the submission made by the hon. Members.

12.30 hrs.

**MOTION RE: EXTENSION OF TIME FOR  
PRESENTATION OF REPORT OF THE  
JOINT COMMITTEE TO ENQUIRE INTO  
BOFORS CONTRACT**

*[English]*

SHRI B. SHANKARANAND (Chikkodi): I beg to move:

"That this House do further extend upto the last working day of April, 1988, the time for presentation of the report of the Joint Committee to enquire into Bofors Contract."

MR. DEPUTY SPEAKER: Three Members from CPI(M) have given notices to oppose this. Any one of them can oppose instead of all the three.

SHRI INDRAJIT GUPTA (Basirhat): It is a right of the individual.

SHRI SAIFUDDIN CHOWDHARY (Katwa): All of us would like to speak.

MR. DEPUTY SPEAKER: All right. Shri Suresh Kurup.

SHRI SURESH KURUP (Kottayam): Mr. Deputy-Speaker, Sir, this is the second time when the Chairman of this Joint Committee is coming before this House for an extension. On the previous occasion, when he came before this House, the Members had expressed their apprehension that the Committee was going to seek endless extensions. That apprehension has come true. The reasons for extension given in the statement are flimsy. The Chairman of the Joint Committee should explain to this House the pace at which this Committee has been working. Then, the proceedings of the Committee have been appearing in the press every day. The Chairman has not denied the correctness of the same. There is no secrecy in this Committee. Everything is coming in the press and nothing has come before the House.

There are some strange co-incidences happening. It may be a co-incidence only. The Prime Minister goes to Sweden and immediately after his visit, the enquiry by the Prosecutor of Sweden is dropped regarding the Bofors gun deal. I am not casting any aspersions; it may be a co-incidence. But this co-incidence is happening regarding this enquiry and the whole contract only.

All this creates suspicion in the minds of the people.

The Chairman of the Joint Committee says that some more witnesses are there to be examined. I would like the Chairman to inform the House who are the other witnesses the Committee would like to examine. All these things are part of a massive cover-up operation and people of our country know that the real culprits are going to be exonerated.

The actual functioning of the Committee is a waste of public money.

So, I oppose the move for extension of the term of this Committee.

SHRI SAIFUDDIN CHOWDHARY (Katwa): Sir, this Committee has brought a bad name not for itself, but for the whole of Parliament because it goes in the name of a Parliamentary Committee. It had a specific job, but it had not done that. Utter humiliation heaped on this Committee and thereby on the Parliament also was seen when the officials from Bofors visited our country. At that time what should have been done was that the officials of the Government should not have met them. They should have been directly sent to the Committee because the Government, its Ministers and Members of the ruling party were accused in this case. But after a long dialogue with the high officials of Bofors, they were sent to the Committee and to the Committee they had not revealed anything. With temerity those officials said that they had given three names to the Government officials. What is the use of this Committee. We expected that if anybody had any qualms of conscience, he would

resign from this Committee. This Committee has reduced itself to an appendage of the Government. It is not serving any useful purpose. Many things are coming in the press and no contradiction has been made by the Chairman. The Committee has still not taken up the main task of investigating who has received the kickbacks. It is now bothering about technicalities, the quality of the gun and all that.

That is not the main thing. It may be a good gun. Anyway that is not their job. They are not doing their real job. Instead of clearing any doubt, the way the whole thing is being conducted, it is creating more suspicion. Sir, so far the main person has not been examined. The Prime Minister has not been called by the Committee and even if he is called one knows what kind of question will be put to him. We know the people who are there in the Committee. So, for the sake of fairness, if a proper committee is not there with proper power, we demand that no extension be given to this committee. It should be dismantled forthwith. People in our country are very intelligent. They can understand why the money was given and what connection does it have with the high people in power. Everybody understands all these things. Therefore, I would strongly appeal to stop this cover-up operation immediately.

**SHRI AMAL DATTA (Diamond Harbour):** Sir, when this committee was constituted we suggested certain terms of reference for the Committee which were not agreed to by the Government and hence the Opposition found itself constrained not to be included in the Committee. The Committee when constituted, it appeared to us and in fact to the whole country--there were a lot of comments--that this is entirely a white washing operation and those comments are now being proved true. It is taking an inordinately long time to find out something which has been already found long time ago. In fact recently a newspaper Report said that the Committee has got the name of the three companies who received the money from the Bofors. This is a very funny thing because these names were published in the Hindu more than six

months ago and in fact before the Committee was constituted.

The Committee was constituted and it went into taking evidence from all kinds of people who cannot really enlighten beyond what was already known and what was already published in the Press. Committee never followed up what is already known to the people. Only recently it says that it has found the name of the three companies. These are such companies about which nobody know who are their owners. Had they been doing a real enquiry, they should have immediately started the work with these names and would have tried to find out who are the people behind these companies. This work which was to be done much earlier has started now, six months after the Committee has been appointed. This is a very strange type of situation. Now, what people believe and we also do, that this Committee will go on taking extensions like this and ultimately just before the elections are announced, it will come up with a white-washed report saying that nobody is to be found guilty, at least nobody in India is to be found guilty. Some company whose ownership is not known, will be held responsible. They have been paid some Rs. 200 crores more as remuneration. For what purpose, one does not know. I never heard of people receiving money for actual work done and which they are entitled to receive surreptitiously through such companies whose ownership is not known and cannot be known under the laws of the country in which they are registered. The Government wants to maintain this kind of position through the instrumentality of the Committee. This is what is objectionable. The Parliament is now being made a scapegoat and through Parliament the Government is getting itself white washed. Sir, we very strongly protest against the extension of time.

**SHRI INDRAJIT GUPTA (Basirhat):** Sir, the short point of the term of reference of this Committee, the point to which the Government attaches great importance and to which the entire country attaches great importance, was to try to find out the recipients of the kickbacks. The fact of the kickback is established not by us but by the

[Shri Indrajit Gupta]

Audit Commission of the Sweden. So, the explanation which is being given here in this note justifying the extension of time does not throw the slightest light or an indication of any optimism that they will be able to find out the source. Other things they can do. They can convert this into a bunch of artillery experts and can see as to how the gun fires in the mountain or in the desert and all that. I would not go by their opinion on that. But as far as finding out who has taken the money is concerned, there are only four or five possible sources. He should tell us whether any of them is within the competence of his Committee to find out that.

Firstly, the people who have taken the money naturally are not going to come and confess.

Secondly, it is the Bofors' company itself which pays the money. They are not going to say who they paid the money too. They have only given the names of the three companies which are registered abroad. We do not know whether any Indian or any non-resident Indian or anybody else is connected with those companies. I do not know whether this Committee has even tried to find that out.

Thirdly, there is Mr. Win Chadha. He may know it because he was operating in this country as a sort of permanent representative or agent of this company. But Mr. Win Chadha is beyond the reach of this Committee perhaps beyond the reach of our Government also. We are trying unsuccessfully to get him back here. But certainly Mr. Shankaranand is not able to get hold of Win Chadha, I am sure, to testify anything before this Committee.

Lastly, there is the Audit Committee itself of Sweden which knows who has taken the money. But in their Report, they have said clearly that "on grounds of confidentiality we are not going to reveal the identity of the recipients."

So beyond this, there is no source. Six months have passed. The Public Prosecutor

of Sweden Mr. Ringberg--according to Press Reports--had taken it upon himself to conduct some independent investigation. But after sometime, he also had said that there is no use doing this because nothing is going to come to light. So I am closing my investigation. As Mr. Kurup said, it was perhaps the coincidence that Mr. Ringberg gave up the task very soon after the Prime Minister visited Sweden. Now the only reason for which this Committee can be given extension is that they may be thinking of having a joy ride to Sweden which is quite useless. What will they find out there? Nothing. This Committee will be exposed to more ridicule, I should say ... the Committee or Sub-Committee of the Indian Parliament or whatever it is. If all this expenditure is incurred to send them to Sweden, they will go around and not find anything is quite obvious which the Public Prosecutor cannot find, the Audit Commissioner refuses to divulge, the Bofors' company refuses to divulge. So nothing can be found out and I think.....

THE MINISTER OF DEFENCE (SHRI K.C. PANT): May I ask him a question? When the Terms of Reference were being framed, Members opposite were so insistent that the Committee should be allowed to go to Sweden. My friend knows that very well.

SHRI INDRAJIT GUPTA: It is because of our insistence that you are now thinking of sending them to Sweden. There were authorities.

SHRI K.C. PANT: They are all more concerned with the provisions. That is what I have said.

SHRI INDRAJIT GUPTA: When the Terms of Reference were being framed at that time there were certain authorities in Sweden who--it was not wrong for us to think--might be available for giving us some information. But in the last six months it is being shown that those authorities are also either not willing to co-operate or they themselves have said that there is no possibility of getting at the truth. After all this money is being spent out of the Consolidated Fund--the expenditure of this Com-

mittee. And if we have the slightest assurance or any kind of optimism that they are on the track of the culprits and they will be able to find out something, that would be a different matter. But it seems to me, that has never been the intention of this Committee as constituted. They are not able to do anything. I am not prepared to ask the tax payers of this country to finance a trip to Sweden by them at this stage when it is already known that nothing will be forthcoming. Therefore, we strongly object to all this. The whole thing is a kind of red herring being drawn across the trail. And the people of this country have got no confidence whatsoever in the capacity of this Committee to do this job. Therefore, on all these grounds I am strongly opposed to Mr. Shankaranand's Motion. I think no permission should be given for extending this. They have collected the evidence of nine non-official witnesses and four official witnesses. Thirteen witnesses have been examined by them. According to this note, there are some top military officials--two people from Bofors, and some high officials of the Defence Ministry, and so on, have been examined. So, whatever evidence they have collected, let them make it in the form of a report and come to the conclusion that nothing further is available or possible; and inform the House, and not prolong this agony, by spending more money out of the Consolidated Fund.

PROF. MADHU DANDAVATE (Rajapur): Without any elements of cynicism, when this Committee was formed, headed by Mr. Shankaranand, I had the feeling that the only work that will be left to Mr. Shankaranand will be to come repeatedly before this House, seeking the extension of time for the Committee. It was not a cynical attitude. I knew what was the situation; I knew the members very well also, and I felt this would happen. And as per my expectation, for the second time they have come here, and they will come for yet another occasion. They will not be able to find anything.

Here, a reference was made to the terms of reference. In fact, if we are today opposed to the extension of the term of this Committee, remember that our atti-

tude emanates right from our basic approach to the formation of this Committee. We did not say that we would not join this Committee at all. I want to recall and to go on record that we had suggested: 'Forget everything else: the composition of the Committee, who heads it how many seats are given to the Opposition--of course, we had given suggestions, but we are prepared to give all that.' But we gave four rock bottom, minimum suggestions. If they had been accepted, probably this Committee would not have been in the soup as it is today.

Number one: Because the Prime Minister had repeatedly said that it had been our decision since 1980 not to have any middlemen in these types of deals--Defence deal or other deals--our first term of reference was : 'Give to the Committee the power to examine all the decision related to Defence purchases, procurement and storage right from 1980.' Number two: We had also suggested that if we are dealing with the particular aspect of Bofors, it is not that we are interested in one particular scandal, or the other. We are concerned about the security of the country--the Defence expenditure--and, therefore, we wanted that not only this particular Bofors scandal on the kickbacks, but even the corruption that is involved in the West German submarine deal, should also be included. And, incidentally, the former Defence Minister, the former Finance Minister and now only a Member of Parliament has said: 'Actually, as far as the submarine deal is concerned, I have noted the concerned name on the file; and if the Minister is not prepared to come forward with it, I will do it.' So, there are a number of complications. We wanted that issue also to be included.

Lastly, there may be some foreign nationals, not necessarily connected with Bofors, but those who are in the know of the culprits, because the conspiracy has been hatched in collusion with some friends outside and, therefore, let this Committee be given an inherent power, not leaving it to the Speaker, the power to summon any foreign national to this country to appear before the Committee, and to



[Prof. Madhu Dandavate]

record the evidence given by that witness. All these three propositions were rejected; and that is the reason why we did not function in the Committee.

While the investigations are going on, I would like to draw the attention of the Committee and its Chairman that two things are already before us. Number one: the National Audit Bureau has already submitted a report, in which they have said: "We are holding back the names"--as Mr. Indrajit Gupta has said--"on grounds of confidentiality, because the banks from which we have obtained the information, to them we have given an assurance that we will not reveal the names." And, therefore, those gaps were already there. Really, the work of this Committee is to fill in the gaps of the Swedish Audit Bureau's report. That is a major task.

Secondly as far as the Chief Public Prosecutor of Stockholm is concerned, he has already admitted two things. The payment has been made. He has quantified Rs. 64 crores. Further three companies have been named; further, it has been alleged that since no authorities of the Government of India--that statement came at the time when the Prime Minister had also gone there--he said that since no authorities are prepared to cooperate with us in finding out the names and giving up the information, no useful purpose will be served further. But, *prima facie*, about payment being made, quantity of the payment made, the name of the company, everything has been mentioned. When the concerned authorities came here, they said that they had already met the Defence Minister and they had given some information which they could pass on to the Committee. I go by the paper reports. We are told through the newspaper that while he was prepared to give some names, the Chairman was reported to have said that he would not accept the names orally; he will not accept them at all. Now, this is the manner in which this Committee has been functioning. I do not want to cast aspersion on the individual members of the Committee and

specially the Chairman. He is a learned and hon. Member of this House. We do not want to cast aspersion on any one of them individually. Only I want to tell them that the road to hell is paved with best intentions. Your intentions are very fine to see that their cleanness is restored in the country of the scandals have been dug out, skeletons are dug out. But what are the concrete measures. Your Committee, which is powerless in its terms of reference, when such a powerless Committee functions just beyond their ability--Mr. Chairman, I am not talking about personal ability but institutional ability; I am not casting aspersion on him, but I am saying that the very nature of the terms of reference are such that even when the best of the intentions are there, you will not be able to find out the truth; and when this Committee is not going to dig out the truth and find out facts, what is the use of having this Committee for a long time? No doubt enough status has been given to this Committee. Shankaranandji is no more in the Cabinet, but he is in the unique position of having a Cabinet status without Cabinet responsibility. It is a very very interesting development. So, he has all the powers; he has all the status. But with all the status since terms of reference which we wanted to build up are not there, what will be the work of the Committee in arriving at the truth? Since we are convinced that this is not the Committee with limited powers and terms of reference that can actually dig out facts and truth, we are totally opposed to giving extension to this Committee. The best thing that they can do is they may drag it on till the Parliament is dissolved and that is likely to happen; I will not be surprised. Probably, the Committee will go along with Parliament; that means the term will be over. I think, they will, again and again, under some pretext or other, come before this House and see that there should be further extension. But we do not want to make a mockery out of such an Institution.

In this Parliament, various Committees have certain status, tradition and dignity. We do not want that the dignity of the Institution if the Committee of the Parliament is destroyed; and that is the reason why to

protect your reputation, Mr. Chairman, and also to protect the reputation of the Committee and of the Institution of the Parliamentary Committees, I would suggest that let this Committee be wound up and let no extension be given at all.

DR. DATTA SAMANT (Bombay South Central): We think with reasonable suspicion that the people of higher ranks and the biggest politicians are involved. Perhaps the whole country and the average man of this country is knowing about it. I am really surprised the way in which this Committee was appointed. Already six months have passed. It is not a question of individual it is a question of sanctity and integrity of the country. It is a question whether the corruption at the highest level is involved or not.

If you have gone through all these details, then you should have observed that in the last six months, it created a reasonable suspicion. I do not want to say anything against anybody. Our Ministers have gone in August last year to Sweden. Then our Prime Minister was in Sweden from 21st and 22nd January this year. At a Press Conference he was repeatedly asked about Bofors. But he did not say a single word except saying that a Parliamentary Committee was appointed. Even the Prime Minister of Sweden had come to his rescue at the Press Conference then, saying that the meeting was about nuclear weapons but not about Bofors guns. Such type of behaviour even by people at high places shows that they are trying to avoid the whole situation and it is causing suspicion in the minds of the people of this country. The average man is likely to believe that people of high ranks are involved in such type scandals.

The functionaries of Bofors and others, all of them say that they all very nice people, that they are all honest people. But these things are done by the Bofors company; it is a bad company. It only shows that they are trying to avoid the big issued. All the Swedish people say that they are very nice people and that their relations with India are very good, but the Bofors may be a bad company, and they may have

given the money. This type of attitude is creating suspicion. Even the Swedish people are coming to the Government's rescue. It is really going to prove that some people, some high ranking people are involved.

I do not want to take more time. The Audit Bureau have come out with the names. Three companies are involved. I have read the names in the newspapers. One in Svenska, the second is A and E Services, and I do not know the third name. It is the duty of our Government to find out who are the Indian people linked with these companies. What is the link? I think the Government knows, the people who are involved in these companies. It is a question of Rs. 65 crores.

Instead of finding out these links, honourable Shri Shankaranandji and the members are showing in the Press, TV and through the radio details about the range or firing-of the gun, just mislead us. It is very difficult. I am putting this in this House, because the average illiterate man of this country is very intelligent. Without taking the *prima facie* case, they are delaying. It is difficult for Win Chadha to come, he is getting certificates though he is hale and hearty.

I think all this corroborates that instead of trying to find out the facts, the Committee is misleading and creating such type of conditions just to delay. They think that delaying is the best thing because the people will forget. But the Indian people will not forget.

Some hon. Members have said that the Government is afraid that because there is something troubling their minds, something may come out. They are afraid that the people may get annoyed.

I therefore, totally oppose giving extension to this Committee. On the contrary, let us scrap the Committee. If you are not willing to do that let us not spend the money of the poor people of this country, and instead of making a farce let us wind up the Committee. I am accusing in this

Dr. Datta Samant]

house that definitely some people of high ranks and politicians are involved. That is the only conclusion that can be drawn after all that has been going on and hearing about the Committee's work in the last six months.

MR. DEPUTY-SPEAKER: I have received six more notices after 10 o'clock but now it is lunch time. I think we can adjourn for lunch and re-assemble at 2 p.m.

13.00 hrs.

*The Lok Sabha adjourned for Lunch till  
Fourteen of the clock.*

14.06 hrs.

*The Lok Sabha re-assembled after lunch at -  
Six minutes past Fourteen of the Clock*

[English]

MOTION RE. EXTENSION OF TIME FOR  
PRESENTATION OF REPORT OF THE  
JOINT COMMITTEE TO ENQUIRE INTO  
BOFORS CONTRACT--Contd.

MR. DEPUTY-SPEAKER: Shri Dinesh Goswami. Please be brief.

SHRI DINESH GOSWAMI (Guwahati): Mr. Deputy-Speaker Sir, I come here to oppose this motion for extension. In fact when this Committee was formed with the terms of reference in spite of our objections, we pointed out that it would be a bypassing exercise. When Mr. Shankaranand was taken from the Water Resources Ministry to head this Committee, we knew that it will meet with watery grave, that is what virtually happened. He has come second time for extension.

Initially, Sir, on this side of the House when we strongly said that payment has been made by Bofors to middlemen, it was denied by the Government. The Swedish Audit Report blacked out the names of the recipients. But the names of the recipients have by now come in papers, I do not know, that has come to the Committee,

that is something to which we only get through the newspaper reports. The three names have come. They are, Svenska; Moresco; and A and E Services. I feel it is now the duty of the Government to find out through its machinery as to how and why these payments were made, because payments were made, as it has appeared in newspapers, for example to A and E Services after the Government made it clear that no middlemen will be allowed to be engaged for no services being rendered by this Company to Bofors, so far as the gun deal is concerned. But unfortunately, the Government takes a very peculiar position. When the Government is confronted with such questions, the Government escapes by saying that the matter is entirely with the jurisdiction of the Parliamentary Committee. But when the Bofors delegation came here and submitted the names to the Government, the Government did not take up the position that the names should not be given to us because the matter is under adjudication by the Committee, you should go and tell the Committee all the details. The Government accepts the names and passes them on to the Committee. Whenever it is inconvenient to the Government, the Government shifts its responsibility to the Committee and decides not to discharge its own obligations. We knew at that particular point of time that it will be beyond the Committee, really on the terms of reference as it was to come to the truth.

In fact, I have got another complaint. I think, the Government is not taking this Committee seriously, is apparent from the fact that while the Committee was doing its half work, two members of the Committee were inducted into the Cabinet and thereby they will have to go out of the Committee. If the Government is serious regarding the Committee, I feel that the members of the Committee ought not to have been taken out of the Committee. This also shows the casual attitude of the Government to the whole Committee.

Now, in the grounds for extension, the Chairman has said that the examination of the witnesses are not yet over. But unfortunately if this Committee is really to make a pretence of some job, it is necessary to

examine some persons like the Prime Minister. The hon. Prime Minister said that he had a definite assurance from Mr. Olof Palme. We do not have any contemporary document regarding this assurance. We do not have today Mr. Olof Palme, who unfortunately was assassinated. Therefore, the Prime Minister's statement must go before the Committee. I think it is in the fitness of things that the Committee ought to examine also the former Defence Ministers also to find out the real position.

Now in the list of witnesses that has been furnished regarding the Committee, we find that neither the Prime Minister nor the former Defence Minister has been examined. There is no indication whatsoever as to what this Committee proposes to do to find out from the three recipients regarding the details because I believe, that the three recipients are outside the purview of this Committee. And if these three recipients are outside the purview of this Committee, then however an honest attempt is made by this Committee, the Committee cannot succeed. There the Government is the only authority as the Government has got certain agencies as its command which may make an attempt. If it fails it can come before the House and say that it did make an honest attempt but because of the laws of those countries it is not possible to get the details. But the Government, at the present moment, is silent about this. These are the grounds on which we opposed the extension knowing fully well that extension after extension may be granted, but ultimately the result of this Committee will be totally nil. Therefore, while supporting the other arguments which have been advanced by my friends already which I do not want to repeat, I strongly oppose the extension of this Committee and I feel that whatever the Committee has done that should be placed before the House. Let us go through it. There is no need for giving further extension to this Committee.

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram): I rise to oppose the extension of time that has been sought by this Committee because the manner in which the Committee has been formed and

the way it has been functioning, has lowered the dignity of Parliament as an institution.

When reports first appeared regarding payments that were made for securing this contract by the Bofors company from India, all of us from this side demanded the formation of a parliamentary committee specifically to find out whether these reports were true; if they were true, how it took place and who were the recipients. I would like to recall that at that particular moment of time, the then Minister of Defence including the Prime Minister himself who held the portfolio, charged us with falling into a trap of a process of destabilisation. He said that these reports were malicious, mischievous, false, motivated, etc etc. We took them by the word and dropped the matter and after that the discussion was over. But when the Swedish National Audit Bureau gave the report saying that money had passed hands, Government virtually accepted the position and then decided to set up a committee. Here I would like to point out to the Defence Minister, who has repeatedly been saying that it is you who have asked for the Committee, that there was a qualitative difference between the time when we asked for the Committee and the time you decided to set up the Committee. We asked for the Committee when this report came, to find out whether it is true or not. And you decided to agree to set up this Committee after it was established that money had passed hands and corruption had taken place at very high places.

When this Committee was formed, one of the things we insisted upon was that a sub-committee of the Committee should be allowed to go abroad, if it was necessary, in case the institutions abroad said that they would give you the information if you came over to Sweden. Please go through the motion that you have brought forward on the floor of this very House. The motion debarred the Committee from examining anybody, any foreigner and from recording evidence in a foreign country. We have been told that you have to go and gather the evidence. How does one gather evidence without recording it? Would

[Shri V. Kishore Chandra S. Deo]

sight-seeing trip have brought out the truth as to who had received or taken the bribes? Well, at that particular moment of time I felt and still feel that there was no necessity for a Committee at all. It was a question between the buyer and the seller to determine who these recipients were and for what purpose this money was paid. At that time, several colleagues of mine from this side including me had demanded that Win Chadha's passport be impounded. Government did not find enough reason to impound his passport. I charge that he was deliberately let off. Now, you say that Win Chadha is necessary for evidence. But he is not available and so on and so forth. In the annals of parliamentary democracy, in the history of parliamentary democracy, this will go down as one of the most deplorable incidents where the institution of parliament has been used to carry on a huge cover up operation to push under the carpet the truth regarding such huge amounts of corruption which have taken place at very high places.

Mr. Deputy Speaker, Sir, much of the information which emanated, came from institutions abroad. Mr. Ringberg, the Chief Prosecutor started an investigation himself. Well, one of my colleagues mentioned over here that it may have been a coincidence that he announced the discontinuance of this particular investigation just at the moment when our Prime Minister was present there. That besides, I would like to point out to the reason that he has given. He has said that there has been no effort made from the Indian side and that there has been no cooperation from the Indian Government who obviously don't want to know the truth, so, he felt that it would be a futile exercise for him to carry on this investigation. Well, several reports have appeared in newspapers. On the 2nd of February, there was a report giving the bank accounts, names, addresses, people who have been handling those accounts, and no contradiction has come from the Government so far. I really don't know whether any show cause notice has been issued. It is a breach of privilege, when the Committee is looking into something, for

somebody to publish information which would go against the interests of the Committee. If that was so, they should have instituted some kind of proceedings against that newspaper, or at least called him to give evidence before the Committee.... (*Interruptions*).

THE MINISTER OF DEFENCE (SHRI K.C. PANT): What does one do if an hon. Member reads out from newspapers the same names? The sense of responsibility should also extend to the House.

SHRI V. KISHORE CHANDRA S. DEO: Well, I would like to know from the Chairman of this Committee whether at least he summoned the Editor of this newspaper to find out from where he got this information and whether it was true or not. When it has appeared, did he make this minimum effort of even asking him from where he got this information, to verify whether it was true or not?

PROF. MADHU DANAVATE: That was raised in the Committee.

SHRI V. KISHORE CHANDRA S. DEO: Sir, further I would like to state that when a Committee was already functioning for a particular purpose, the people who came from this company were allowed to give names to the Government. This is against all the precedents, conventions, traditions and privileges that a parliamentary committee enjoys. When the Parliamentary committee is seized of a particular matter, we don't even raise it on the floor of the House. And here, when the Committee was already there for this purpose, the members of this Committee did not know that these representatives from that particular company were coming here, and after they came here, they had the audacity to give the names to the Government, ignoring the parliamentary committee, and the Committee members don't seem to have taken any objection to that.

Sir, there have been many a slip between the cup and the lip, as far as this Committee is concerned. Several questions remain unanswered. The main purpose of

us to ask for this committee was to find out about the corruption, whether bribes were paid, whether commissions were paid and, if so, who received them. But to divert the attention of the people and of this Parliament, this Committee has gone into the technicalities. We are not technical people. But even here I would like to mention that according to the Mayadas Committee's Report, which was placed on the Table of this House by one of my colleagues--I do not know whether it has been circulated to the members of the Committee--there was one gentleman who preferred this Bofors gun; sixteen gave it the third place. This particular gentleman who had given Bofors the first preference, has been promoted to the rank of Major General, and he is assisting the Committee. It is unfortunate, Sir. I further understand that there is another Report given by one Mahendra Singh who had said that this Bofors was as good as the French gun. In fact, he has preferred the Sofma's rapid fire capability, about which they are talking. I am told there was a difference of one and a half second between the two guns and the cost was also not more as far as the other gun was concerned. This gives rise to a lot of speculation. So, Sir, I would again like to stress over here that it is the dignity of the Parliament that we are concerned about and we cannot allow the institution of Parliament to be utilised in this clandestine manner, for sopping up probably one of the biggest clandestine operations that have taken place in recent times. Therefore, I hope that this Government would at least wind up this Committee and lay on the Table of the House whatever information they have with them because I have my own doubts whether they will get any information at all. In fact I personally feel that the Report has already been ready even before the witnesses have been examined. What is the point of continuing this farce? For how long? How is it going to help? So, Mr. Deputy-Speaker, Sir, I oppose the extension of this rather vehemently and I would like to register my protest and go down on record against this kind of an operation which has actually affected the dignity, prestige and decorum of this institution which we have nurtured for the last 40 years.

SHRI ARIF MOHAMMAD KHAN (Bahraich): Sir, I rise to oppose the motion for the extension of the term of the Joint Parliamentary Committee to give its report on Bofors.

Sir, Bofors in the last six months has become a name. It is a name which sounds odious to the ears of every one who believed this promise of clean Government. The scandal involving Bofors is appalling, horrifying, shocking and has eroded the moral authority of the Government, has even cast reflections on our institution and, Sir, I very strongly feel that we should not allow anything more to be done which further harms.

Shri Shankaranandji, who has moved the motion, when he took over this responsibility to chair the Committee, if I am right, Sir, then he was holding the charge of the Ministry of Water Resources. He was made to resign from the Ministry at a time when the country was facing the most serious drought of its history. We thought possibly the Government attaches more importance to the work of the Bofors Committee that the work of providing water to those who are 'thirsty, who are suffering on account of drought, and we thought that because you are making the Minister for Water Resources to resign and take over this responsibility, then naturally you feel that the matter is urgent and it will be attended to. But now all the time he is coming to the House asking for extension of the term of the Committee. Then, even those hopes that Government attaches importance and considers this as urgent, even all those hopes have been belied. Sir, I feel we seem to have reached a stage where we don't have the courage to speak the truth nor we do have the grace to tell a convincing lie, and that is the whole problem, that is the reason why again and again we are:....

DR. KRUPASINDHU BHOI (Sambalpur):  
Lie' is unparliamentary.

*(Interruptions)*

SHRI ARIF MOHAMMAD KHAN: Very well, Sir. This is a remark and I am not

[Shri Arif Mohammad Khan]

taking credit for it, but almost a similar remark has been made even in the House of Commons. If necessary, I will present the proceedings here. That is the whole problem and that is the reason because they do not have the courage to admit the truth and they do not have the guts, they do not have the grace to convince about their cover up operations. That is the reason why all these extensions are being sought. I would like to point out, Sir, that after the Prime Minister had made this statement to which many hon. Members have referred that he has personally sought an assurance from the Prime Minister of Sweden that there will be no kick-back, there will be no middleman. If I am not wrong, he even went to the extent of saying that he put a provision into the contract that there will be no middleman and after that, when the Director General of Sweden, of the Audit and Accounts, when he in his report admitted that the kick-back has been paid, Sir, they took only 30 days to tell us that the statement which was being made by the Prime Minister here was not true or even if it was true, the other party has not honoured the commitment, the assurance which they had given to our Prime Minister. They took only 30 days to establish that. Our Committee is already six-months old. Half the work has already been done by the Audit Bureau of Sweden. But our Committee in six months' time has not been able to establish who are these people who have received the kick-backs. The people of this country are not interested in niceties; they are not interested in any other thing. They are interested in knowing who are these people who have run away with 53 crores or 163 crores or Rs. 200 crores, whatever the amount. Who is the person who has run away with this huge amount, which should have been spent on the millions of poor people of India, who do not even have the basic amenities. They are interested in knowing this.

The Chairman of JPC is asking for extension of time, and the Prime Minister before he leaves for Sweden, makes a statement, in the course of and interview: "It is

a very difficult to get the names" When the Prime Minister has already given his mind, he has almost given his direction that it is difficult to get the names, I do not know whether the options of the Committee are still open, after this statement of the Prime Minister. If the Prime Minister feels that it is not possible to get the names, what is the purpose of asking another extension for this committee. With a Urdu couplet, I would like to conclude:

*"Tum hi dilbar tumhi katil, tumhi musif thahre,"*  
*Akarba mere kren khun ka dawva kis par"*

SHRI E. AYYAPU REDDY (Kurnool): Mr. Deputy-Speaker, Sir, I am on a different aspect. I do not want to repeat the points already stated.

The extension of time that has been asked for is the last working day of April, 1988. There are hardly 40 working days and in this busy Budget Session, does the Committee hope to conclude its deliberations and prepare a report? According to our expert on Parliamentary Practice and Procedure, Shri Shakhder the Prime Minister is an important witness because he was the person who concluded directly the deal with Olof Palme. Has the Committee decided, in view of the expert opinion of Mr. Shakhder, whether it must examine the Prime Minister or not. Has it come to the conclusion that it must examine him, or if it has come to the conclusion, then again it will take time. Another important witness is Win Chadha. Will you able to get at him, within these 40 days? The other important witnesses who have to help are the people who were in the Audit Bureau of Sweden. No attempt has been made to examine them so far. So, the principal witnesses, most important witnesses have yet to be examined by this Committee. With a lot of work ahead, does the Committee seriously hope to complete its work and give a report before April, 1988. In other words, you have to seek another extension. Why can't you come straight-away and say, you require more time, say up to April, 1989. It would be better if they ask for a realistic time extension.

SHRI DINESH GOSWAMI: Extension up to December, 1989 will be better!

SHRI E. AYYAPU REDDY: If really serious work has to be done, these are the important items of work which are ahead of this Committee.

I understand, officers and officials of the Bofors gave information to the Defence Department and at the instance of the Defence Department, they appeared before the Committee. They were not summoned by the Committee. They refused to disclose the names before the Committee.

Now, as was pointed out by learned friend Shri V. Kishore Chandra S. Deo, it really involves a breach of privilege of the Committee and breach of privilege of this House.

DR. G.S. RAJHANS (Jhanjharpur): There is no breach of privilege.

SHRI E. AYYAPU REDDY: It is all right. That is one of the opinions.

PROF. MADHU DANDAVATE: He says that is something worse than that.

SHRI E. AYYAPU REDDY: It has appeared in the press also that the Chairman has engaged an investigating Agency, of the names given to him, and Members of the Committee took objection to the Chairman unilaterally taking a decision with regard to the investigation and selection of the Agency for investigation also. Therefore, apparently there seems to be some sort of a contradiction or difference of opinion in the Committee with regard to the methodology of employing the agency for investigating into the names that were given to the Chairman or to the Defence Department. This has to be resolved.

I will not further repeat what has already been stated but it is necessary for me to quote Mr. Kuldip Nayar who has quoted from the public Prosecutor of Sweden, Mr. Ringberg. This is what Mr. Ringberg, Public

Prosecutor of Sweden has to say about India's Cooperation:—

"India is a country of justice and I expected some form of response. But I got nothing at all." His regret is that "Nobody wants to get any information anywhere and all the efforts by India for clarification amounted to a farce."

This is the quotation which a very reputed journalist has published very recently.

DR. G.S. RAJHANS: He is very much biased

SHRI ARIF MOHAMMAD KHAN: We may be entitled to our opinion. The hon. Member is entitled to his opinion.

SHRI E. AYYAPU REDDY: There has been no contradiction of the statement of the Public Prosecutor of Sweden. He could not misquote him and if he had misquoted him, certainly the Defence Department should have clarified the position.

Under these circumstances, I say that the motion for extension of time till April is only artificial and the real purpose must be to ask for an extension for a further date.

SHRI BALWANT SINGH RAMOOWALIA (Sangrur): Sir, regarding the motion for extension of Bofors Committee's term, I want to submit that, at first the Chairman of the Committee must inform this House whether he is getting full cooperation and information from this Government and the concerned Government of that country and the concerned company.

I feel that if the Committee has not done sufficient spade work, the Committee will not be able to arrive at a concrete conclusion even if more time is given to it. So better all the facts, whatever you have found out through the deliberations and meetings and from the witnesses which were available to the Committee during the last one year, and on the basis of that information, certain conclusions should be



[Shri Balwant Singh Ramoowalia]

reached and keeping in mind the importance of this august Committee, the sincerity and seriousness and also the object of the Committee, no further extension of time should be given to the Committee. With these words, I express my feelings.

[Translation]

SHRI RAM NARAIN SINGH (Bhiwani): Mr. Deputy Speaker, Sir, as far as the extension of term of this Committee is concerned, I oppose it. The Members of the opposition parties have spoken and they have given all facts. With regard to this matter, I would like to submit that the whole of India knows about it and the Public Prosecutor and the Auditor General of Sweden too have said that commission was paid in the contract. Mention is being made by the whole of the Indian press and the people that the commission has been paid in this deal. In this regard, a Parliamentary Committee was formed. This Committee has no representation of the opposition Members. Therefore, its proceedings are ex-parte and the ex-parte proceedings are of no use. When a court comes to know that the people have lost confidence in its, it does not take up the case for hearing. The whole press and the public is of the opinion that this Committee is working under pressure and it is not in a position to find out full facts.

Secondly, I want to state that the whole country is facing severe drought and the people are on the brink of starvation. The money to be spent upon this committee will go waste and there will be no use of extending the term of this committee. If that money is spent for the benefit of drought affected people, they will get help from it and would also be thankful to the Government for this. You can see how many cattle in Rajasthan and Gujarat are starving due to shortage of fodder and the situation has worsened to such an extent that the people have also reached the point of starvation. If the term of the Committee is extended, more money will be spent on this. I would like to say that

money should be spent for the drought affected people. That is why I am opposing the extension of the term of the Committee.

[English]

THE MINISTER OF DEFENCE (SHRI K.C. PANT): Mr. Deputy-Speaker, Sir, before Shri Shankaranand speaks, may I just say two things because it may be a little embarrassing for him to say and therefore I would like to say it and that is, certain reflections have been cast on the working of the Committee... (Interruptions). The Chairman is there. It may be a little embarrassing for the Chairman. Therefore, I consider it my duty to say that this is both unfortunate and unwarranted.

SHRI AMAL DATTA (Diamond Harbour): How do you know?

(Interruptions)

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram): We cannot help it if the truth is unfortunate to you.

SHRI K.C. PANT: I know the officers who are going there. I know the materials have given. I know the agencies that are at their command. I know all those things certainly.

SHRI AMAL DATTA: Are you giving every cooperation to the Committee?

SHRI K.C. PANT: Certainly. We are cooperative. It is for the Chairman to say that the Government is cooperating or not. But I would certainly know as much as any of my hon. friends on the Opposite who have chosen to make these remarks against the Committee. Now, the Committee is a Committee of the House. It is our Committee. It is a Committee of all of us. You had asked for the Committee. At that time also you perhaps knew that the Committee functions in a certain way and it represents the whole House. Some Members did not choose to come on the Committee. We wanted them to.

(Interruptions)

SHRI V. KISHORE CHANDRA S. DEO: It is not like any other Parliamentary Committee. This is an unprecedented Committee.

SHRI K.C. PANT: My hon. friend knows that this is not the time to go into all these things. But it is not we who set the precedent. It is you who wanted the precedent set. Please remember this.

*(Interruptions)*

SHRI V. KISHORE CHANDRA S. DEO: We wanted it because this was an unprecedented case.

SHRI K.C. PANT: Please remember this. Therefore, you cannot change the facts retrospectively. It is not possible. Retrospective change of facts is simply not possible.

*(Interruptions)*

SHRI SATYAGOPAL MISRA (Tamluk): Change it now.

MR. DEPUTY-SPEAKER: Please order. Let the Minister speak.

*(Interruptions)*

SHRI K.C. PANT: A responsible reaction can only be to await the report of the Committee. That can be the only responsible reaction and in the meantime, to maintain the respect of the Committee and to maintain the dignity of the Committee, that is our duty, in this House. *(Interruptions)* And I do not think, irrelevant remarks are going to change the facts because we owe it to this Committee, we owe it to every Committee of this House, we owe it to every Member who is sitting on that Committee to give them the respect that is due to them as Members of this House. I think, all of us are involved in it. This is not a party matter.

*(Interruptions)*

SHRI V. KISHORE CHANDRA S. DEO: We are not involved in it.

*(Interruptions)*

SHRI K.C. PANT: Of course, some of the opposition members are there. And let me tell my friends that some opposition members are there.

*(Interruptions)*

I do not want to call anyone names. But the point of the matter is that even if it were only members opposite, I would not say such things against them. This is all I can say. I would hold them in respect. Today they are sitting opposite, do I call them names? Is that the way to behave in the House? Just because you are sitting opposite does not mean that I will call you names. *(Interruptions)* Many things have been said. I do not want to repeat them. But I think, we owe it to ourselves to show more respect to our Committee to await its report.

*(Interruptions)*

SHRI AMAL DATTA. We disown this Committee.

*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY (Katwa): It is a useless Committee.

*(Interruptions)*

SHRI K.C. PANT: I beg you pardon? My young colleague at the back who called this Committee a useless Committee, let me listen to him.

SHRI SAIFUDDIN CHOWDHARY Government should show respect to the Committee. But first the officials met them and then they were sent to the Committee...*(Interruptions)*. They were not allowed to give names

SHRI K.C. PANT. My friend, the Government has shown every respect to this Committee and it intends to show every respect to this Committee. If you also show respect to the Committee, that will go down well in the country and if you do not show respect, it will betray your bias

SHRI SAIFUDDIN CHOWDHARY: They have to.

(Interruptions)

SHRI K.C. PANT: I am afraid that your remarks today will be construed in the country as showing bias. Otherwise, an unbiased approach would have been to wait the report of the Committee. After that there will be a debate. You could have picked holes in it. It was open to you to have criticised at that stage. But at this stage, when the Committee is going into the facts, it almost seems as though you are afraid of the truth that the Committee will bring out.

(Interruptions)

SHRI V. KISHORE CHANDRA S. DEO: It is in your interest.

(Interruptions)

SHRI DINESH GOSWAMI (Guwahati): Do you think we have got no right to oppose extension?

(Interruptions)

SHRI K.C. PANT: I am not saying you have no right. Far be it from me to say that you have no right. But I have only referred to only one particular point. I am not answering a debate. I would refer to one particular point because, I thought, it would be embarrassing for the Chairman to say these things. I think somebody ought to say it and therefore, I said it.

Now the other thing is, a point which is not quite relevant to this matter has been raised, that is, the Prime Minister's visit to Sweden and trying to link it up with the Prosecutor's closing of his enquiry there. Now the point is very simple. All the Hon. Members know that the Prime Minister's visit was in connection with the meeting of the six leaders and six leaders of five continents who have been working for peace and who have been active in the whole process which has led to the INF Treaty between USA and USSR. We should

be proud of that effort and the Prime Minister's role in it.. (Interruptions) ... Yes, because this is the same group of six and the meeting was fixed much earlier.

Hon. Members are entitled to their opinion about Mr. Ringberg's inquiry. I have nothing to say about it, I have already said something about it earlier, I have nothing more to say. But the two have no connection and to link it up in this manner is most unfortunate. It shows the paucity of argument and it shows that everything is good enough to beat the Government with, even though it means denigrating country's effort in the direction of peace. What an unfortunate thing this is that something which pitched at that level should be dragged down to this level here! This is all I would say.

SHRI V. KISHORE CHANDRA S. DEO: If you are saying all this to defend this Committee and its operation, I am extremely sorry and if you have to drag matters about peace, etc. When have we not supported the Government's efforts on these matters?

SHRI K.C. PANT: That is what the meeting in Sweden was about.. (Interruptions) .... My young friend, this is what the meeting was about in Sweden. If you are following it closely, then you would know that the purpose of the meeting in Sweden was the meeting of the six leaders. Once you know that, then you should know what all that group of six has done for peace, for non-alignment and for a cause which all of us support.

PROF. MADHU DANAVATE: Nobody questions that.

SHRI K.C. PANT: Well, nobody questions that. I am only submitting to you that the Prime Minister's visit was in that connection.

PROF. MADHU DANAVATE: I am afraid Mr. Defence Minister, even if we raise the question of privilege, you may say that it will disturb world peace. That is the trouble. Why do you have all this cause-effect relationship?

SHRI K.C. PANT: Cause and effect must be related. You are quite right. Therefore, when here it is wrongly related, I have a right to tell you so. You are not agreeing with me. But I must say so because if I do not say this, than what five-six members have said will be reported in a wrong way. I don't want that. The country must not misunderstand this matter and therefore I want to make it clear that there is no linkage between these two matters.... . . . . .  
(Interruptions)

SHRI B. SHANKARANAND (Chikkodi): Sir, I never expected that the opposition for the extension of time to the Committee will take such a long time.

PROF. MADHU DANDAVATE: Actually, we wanted more extension for discussion. We did not press for it.

SHRI B. SHANKARANAND: The Opposition Members must thank you because you allowed them to say anything which is not relevant here.

SHRI AMAL DATTA: This is a reflection on the Chair. This should be withdrawn. I am very serious about it. Sir, kindly expunge it.

(Interruptions)

MR. DEPUTY SPEAKER: This is not a reflection on the Chair. Please carry on.

(Interruptions)

SHRI B. SHANKARANAND: I never interrupted a single Hon. Member during all these two-three hours. May I expect the same from them? After all, you are speaking of the dignity of the House. Let us keep the dignity of the House. I can only say one thing to the Hon. Member who spoke about the dignity of the House. Should I say with all humility that I have been here in this House for the last more than 20 years continuously? I know what the dignity of the House means. I have not read about it only in the newspapers. I know that an Hon. Member should be responsi-

ble to keep the dignity of the House. People outside are just looking at us as to how are we behaving. There are Hon. Members, may be more senior than myself sitting on the other side. I need not tell them what the dignity of the House means but let us not indulge in things simply to denigrate the parliamentary committee which is the creature of this House by saying so many things which are utterly irrelevant. The dignity of the House can be kept if the members behave in a responsible manner.  
(Interruptions)

It pains my heart to see that those people who are crying hoarse about the dignity of the House are not all caring for the dignity of the House. (Interruptions) The dignity of the House is there in observing the rules and procedures of the House. Dignity of the House depends on the behaviour of the members in the House. Dignity of the House depends on keeping parliamentary procedures and how well we are equipped and earnest in keeping those procedures. That alone will keep the dignity of the House and not by slanderous and suspicious statements and not by creating baseless scandals. This will not keep the dignity of the House.

(Interruptions)

SHRI V. KISHORE CHANDRA S. DEO: If it is baseless scandal then why do you want this committee?

SHRI AMAL DATTA: By saying it is a baseless scandal he has already reached his conclusion.

SHRI V. KISHORE CHANDRA S. DEO: By saying it is a baseless scandal he has already given his report.

(Interruptions)

MR. DEPUTY SPEAKER: He is explaining. Please first listen to him.

(Interruptions)

PROF. MADHU DANDAVATE: Mr. Shankaranand, if you have already said that these are baseless scandals then that

means you have already arrived at the conclusions and there is no need for extension of time or you want extension only to build up reasons.

SHRI B. SHANKARANAND: Sir, I may be allowed to clarify. I have never referred to the term 'scandal'.

SHRI V. KISHORE CHANDRA S. DEO: Of course, you did.

SHRI SAIFUDDIN CHOWDHARY: Sir, you see the record he has said 'baseless scandal'. (*Interruptions*)

MR. DEPUTY SPEAKER: Let him clarify.

SHRI B. SHANKARANAND: Sir, the dignity of the House requires that they listen to me. Scandals I said not with reference to the work of the Committee or any subject-matter. That has nothing to do with that. (*Interruptions*) Creating baseless scandals does not mean or in any way affect the work and functioning of the Committee or matter before the Committee. That is what I am saying: I am not going to deliberate upon the proceedings of the Committee here because under the rules, the proceedings of the Committee are to be treated as confidential. May I for the benefit of the hon. Members refer to the rules?

SHRI SAIFUDDIN CHOWDHARY: Everything is coming out.

SHRI B. SHANKARANAND: I don't expect that the hon. Member knows anything. If you know it, all the while, you should please.....

SHRI AMAL DATTA: It is coming in the paper.

SHRI B. SHANKARANAND: You have a habit for which there is no medicine.

In the Rules of Procedure, rule 41, sub-rule (2) (xxi) says:

"It shall not ordinarily ask for information on matters which

are under consideration of a Parliamentary Committee;"

(*Interruptions*)

MR. DEPUTY-SPEAKER: Give time. Have patience.

SHRI B. SHANKARANAND: Rule 275 says:

"(1) A Committee may direct that the whole or a part of the evidence or a summary thereof may be laid on the Table.

(2) No part of the evidence, oral or written, report or proceedings of a Committee which has not been laid on the Table shall be open to inspection by any one except under the authority of the Speaker.

(3) The evidence given before a Committee shall not be published by any member of the Committee or by any other person until it has been laid on the Table."

Now I quote direction 55 from Directions by the Speaker:

"(1) The proceedings of a Committee shall be treated as confidential and it shall not be permissible for a member of the Committee or any one who has access to its proceedings to communicate, directly or indirectly, to the press any information regarding its proceedings including its report or any conclusions arrived at, finally or tentatively, before the report has been presented to the House."... (*Interruptions*)...

May I request you to please listen? Running commentary is not required here. It is required somewhere else.

AN HON. MEMBER: His point is that Committee is constantly leaking.

SHRI B. SHANKARANAND: It is for the

House to decide what what action can be taken against any Member if he is leaking. (Interruptions) ... I am quoting direction 65(2).

AN HON. MEMBER: Nobody is disputing that. What is the use of reading the rule.

SHRI B. SHANKARANAND: Let the other Members know that.

(Interruptions)

MR. DEPUTY-SPEAKER: He wants to build up his case. Just listen.

(Interruptions)

SHRI B. SHANKARANAND: This is how they are keeping the dignity of the House. (Interruptions)... Direction 65(2) says:

"Relevant portions of the verbatim proceedings of the sitting, at which evidence has been given, shall be forwarded to the witnesses and members concerned for confirmation and return by a date fixed by the Lok Sabha Secretariat..."

Now these verbatim proceedings are to remain confidential under the rules

15.00 hrs.

Now, Sir, I am really wondering because the Members are speaking as if they are deliberating upon the merits and demerits of the report which is before this House. I do not know whether they are speaking out of their mind or not. Perhaps, they are basing their arguments on the newspaper records. Otherwise, may I ask any Member who spoke about the merits or the functioning and the proceedings of the report. Has any hon. Member come to know about this? If they know, from whom? It is for the House to take any action prescribed under the rules. If not, they are speaking out of their imagination.

(Interruptions)

SHRI AMAL DATTA: Why can't he explain?

(Interruptions)

MR. DEPUTY-SPEAKER: I cannot.

(Interruptions)

SHRI AMAL DATTA: Let him explain.

MR. DEPUTY SPEAKER: Let him speak.

SHRI B. SHANKARANAND: Now, some hon. Members who spoke in the beginning--he is asking about the pace of the working of the Committee. Perhaps, let the hon. Member have some patience to listen to what has happened. I do not know what the hon. Member believes about it. Sir, I have already said to the House as to why I am seeking extension. It has been clearly stated that when the evidence of the witnesses is being recorded, I need time. May I inform the House if I am not revealing about the proceedings to the House--one thing I can say is that we had 12 sittings before I sought extension on 6th November 1987. The Committee had 12 sittings and after that till now, the House may appreciate, that we have had 26 sittings. We are not sitting quiet without doing any work. I cannot tell the work we are doing unless I submit the report before the House. I cannot tell you. If you know the rules, you will not ask this question. That is why I read the rules for your benefit.

(Interruptions)

SHRI AMAL DATTA: You are saying that you don't know the rules.

(Interruptions)

AN. HON. MEMBER: We are not owls.

SHRI DINESH GOSWAMI: My learned friend is always quoting the rules. The rules say that the verbatim proceedings of the evidence cannot be cited but if my friend wants extension of time on the ground of examining, then the House is entitled to know as to who are the witnesses that he is going to examine because he has given

[Shri Dinesh Goswami]

the witnesses. If this is the case that the names of the witnesses violates the confidentiality, then he has given such names. He has given 12 names which he has examined. The House is entitled to know whether relevant witnesses are to be examined. There is no violation of confidentiality. We know the rules as well as he does. Let him not take up the position that we do not know the rules.

SHRI B. SHANKARANAND: The hon. Member has taken a very good stand. I have no dispute with what he says.... (Interruptions)... Please keep quiet. I am going to tell you what you have said. I am supporting you.

(Interruptions)

SHRI DINESH GOSWAMI: Why are you opposing me unnecessarily?

(Interruptions)

SHRI B. SHANKARANAND: The hon. house is entitled to know as I have stated, the witnesses whom I have examined and is also entitled to know the witnesses whom we are going to examine.

(Interruptions)

SHRI DINESH GOSWAMI: Will you examine the Prime Minister?

(Interruptions)

SHRI B. SHANKARANAND: Please listen to me. The Committee has to decide its own proceedings. The Committee has to decide as who are to be examined and we are yet to decide.

(Interruptions)

At the moment the Defence Secretary is being examined. What else do you want to know?

SHRI DINESH GOSWAMI: Who are the other persons who you are going to examine?

SHRI B. SHANKARANAND: I said that his evidence is being recorded and that is all.

(Interruptions)

SHRI ARIF MOHAMMAD KHAN: Sir, I am on a point of order. In his statement he said:

"Besides the Committee has recorded the evidence of the following officials of the Ministry of Defence"

and on first number appears the name of Shri S.K. Bhatnagar which means his evidence has already been recorded and his evidence has already been completed whereas Mr. Shankaranand is saying here that at the moment Mr. Bhatnagar is being examined.

SHRI B. SHANKARANAND: This will not help my friend.

SHRI ARIF MOHAMMAD KHAN: Then say something which will help.

SHRI B. SHANKARANAND: I am stating the facts and I am not misleading the House. We are still examining the Defence Secretary.

SHRI AMAL DATTA: It means what is stated here is incorrect.

(Interruptions)

MR. DEPUTY-SPEAKER: Let him explain.

SHRI B. SHANKARANAND: Sir, one can wake up a man who is really sleeping but if one is pretending to sleep then we cannot help it.

SHRI DINESH GOSWAMI: That is the difficulty with you.

SHRI B. SHANKARANAND: I cannot satisfy you. All the Members who opposed this motion on extension were deliberating upon the merits of the case. They do not know what is happening in the Committee.

Its proceedings are confidential. They are merely giving their surmises based on the newspapers' records. They want me to react on the newspapers' records. How can I do that? If I do the same thing, I will be committing the same mistake by revealing the facts that are going on in the proceedings of the Committee. I will not do that.

PROF. MADHU DANDAVATE: O.K., then let us come to the Motion.

SHRI B. SHANKARANAND: Yes, I will do that. Members said that this is a white wash and cover up operation. May I say, with all humility, that they should not denigrate their own Committee. It is a Parliamentary Committee. *(Interruptions)*

The members have revealed enough of their agony but they have not revealed their anxiety to know the results of the Committee. They are only worried... *(Interruptions)*

SHRI ARIF MOHAMMAD KHAN: This is a baseless allegation. *(Interruptions)*

MR. DEPUTY SPEAKER: Please, order.

SHRI B. SHANKARANAND: I cannot give them any dose for their emergent fears. I thought...

SHRI ARIF MOHAMMAD KHAN: We can give you information but we cannot give you courage.

SHRI B. SHANKARANAND: May I say a word about me.

SHRI ARIF MOHAMMAD KHAN: No, not about you personally.

SHRI B. SHANKARANAND: Some members said that I was made to resign. Because my name was taken, I have a small explanation for that. *(Interruptions)*

I am thank the hon. Members if there are no aspersions on my individual stand.

SHRI AMAL DATTA: You are a nice chap. We know about you.

SHRI B. SHANKARANAND: I have made you laugh and for nothing else except laugh

on your own performance. You will be laughing at yourself. *(Interruptions)*

Hon. Members have suggested some names of the witnesses. The Committee will definitely take into consideration the suggestions made by the House. For the effective and purposeful conclusion of the work of the Committee, we will call all those people who are necessary to depose before the Committee. We will call all the records that are necessary.

I must bring it to the notice of the House that the Government of India, the Ministries concerned, the Officers are extending full co-operation for the working of the Committee.

I want to refer to Prof. Madhu Dandavate's objections. I do not want to comment on the merits of his objections. But they are not relevant for the extension of the Committee. That much I can say. He has talked about the Terms of Reference. He has said the same thing since the Committee was constituted or even before the Committee was proposed to be constituted. He is repeating the same arguments/judgements today also. He wanted that all the Defence deals should be the subject matter of the Committee. He wanted the Minister to disclose. This is what he has stated in the House. These arguments of the hon. Members opposing the very constitution of the Committee are being repeated here. Now, they are opposing the extension of the time for the Committee. They are not at all relevant. I do not know what they want this Parliament to do. But I am sure we are not going to oblige them.

PROF. MADHU DANDAVATE: You need not oblige us, but don't oblige Bofors. *(Interruptions)*

SHRI B. SHANKARANAND: This Committee is not going to oblige Bofors or for that matter anybody else. There should have been an appreciation for the work which the Committee has been doing. We took the first opportunity of catching the Bofors' people when they were here in this country. We did not wait. If the House is at



[Shri B. Shankaranand]

all interested--specially the Members who are opposing this--in finding out the truth, they should gladly agree for the extension. Why they are not prepared for the extension of the Committee, I do not know. The intentions are not clear. Perhaps they do not want to see the entire Report of the Committee. They want that this Committee should be wound up and whatever it has done be placed on the Table of the House.. What for? Are you not interested in finding out the truth? At least let us know what are you driving at? Do you not want to see the result of the Committee? Do you not want to see the full report of the Committee? If not, then why are you saying that the Committee should be wound up? You want that whatever is written should now be placed on the Table of the House. These things are not going to help you. I can only say that irrelevancy is not going to bring any best interest. Relevancy can definitely act. What I found from the objections that have been taken for the extension of this Committee are all irrelevant which I should not have replied to, but still I say please set a good example. The Committee is the Committee of Parliament. I know your intentions. I need not tell or comment on the intentions but I can only sum them up. I know your eagerness for seeing the result of the Committee. They want that truth should be found out. That is how I take your comments. If that is so, may I request the hon. Members to say 'yes' for the extension of the Committee. Let us not divide ourselves on the extension of the time because we are all interested in finding out the truth. Thank you.

MR. DEPUTY SPEAKER: The question is:

That this House do further extend upto the last working day of April, 1988, the time for presentation of the report of the Joint Committee to enquire into Bofors Contract."

*The motion was adopted.*

PROF. MADHU DANDAVATE: We are protesting against a very wrong decision and we are symbolically staging a walk-out.

15.14 hrs.

*Prof. Madhu Dandavate and some other Hon. members then left the house.*

15.15 hrs.

MOTION OF THANKS ON THE PRESIDENT'S ADDRESS --Contd.

[English]

MR. DEPUTY SPEAKER: The House now shall take up further consideration of the following motion moved by Shri B.R. Bhagat and seconded by Shri Naresh Chandra Chaturvedi on the 24th February, 1988:--

"That an Address be presented to the President in the following terms;--

"That the Members of Lok Sabha assembled in this Session are deeply grateful to the President for the Address which he has been pleased to deliver to both Houses of Parliament assembled together on the 22nd February, 1988."

Prof. Soz, you can continue your speech. You have already taken 11 minutes. Within 10 minutes, you try to wind up.

PROF. SAIFUDDIN SOZ (Baramulla): I have already placed on record my appreciation for the President's Address. I have also indicated areas where I have found that the esteemed President had paid his attention to certain very urgent problems. Then I have also found that the President has not dealt with certain areas deeply in his Address. The President has not dealt with communalism deeply and gone to the root of this problem. In this connection, I had said that although personally I was not interested in the dispute like Mandir and Masjid because I feel that the Constitution of India must be treated as the Bible for all Indians and we must always be conscious of what the Constitution provides for, but then there is a dispute known as Babri Mosque dispute. Although I personally feel that the Muslims have a rightful claim on

this, for solving this problem, I was suggesting that the court should come to some decision at this time. There is a suit for it in Faizabad and the Government of Uttar Pradesh has moved a petition for its transfer to Allahabad Court. I would suggest that a panel of three judges should be constituted and they should decide this case. Whatever they decide, after that I have suggested for the Hindu-Muslims amenity and harmony, that Mosque, as it was, should be handed over to the Department of Archaeology and preserved as a national monument. In this connection I suggest that we should not leave any loophole anywhere without closing it and it is for this August House to find a solution, a lasting solution.

So far as disputes of shrines, mosques, gurdwaras, etc. are concerned, places of worship, all those disputes can be solved if this House comes to a conclusion that we must accept the *status quo*, we must accept the position that obtained on 15th August, 1947. If there was a mosque, it should continue to be a mosque; if there was a temple, it should continue to be a temple. We should not allow anybody to raise any dispute whatsoever.

I was citing an example that somebody said that Meerut riots took place because of Babri Mosque. Yes, Babri Mosque must have stoked the fire in Meerut. Therefore, we must go to the root cause and solve this problem. Therefore, I felt that the President of India should have given this suggestion in his Address. These are some of the salient points which I have framed after studying the President's Address minutely.

Then, I come to another area, and he rightly was concerned about the common man. But the President did not throw full light on the price spiral that is going on in the country. The other day in the Railway Budget the Railway Minister excluded some articles of mass consumption, from levying freight charges on those articles. They are only a couple of articles but articles of mass consumption. There is a very high increase of prices, that is the inflationary spiral and I feel that the President should have urged the Government of India to take stringent

action to curb this inflationary spiral because this spiral has crippled the purchasing power of the common man. I am particularly worried about the men and women who are on the poverty line or much below the poverty line.

Then, because I have followed the President's Address paragraph after paragraph, it may be that some cohesion is lacking in my remarks and observations, from communalism I should not have gone to price spiral, but that is the design of this Address. Even if there is no cohesion in my remarks and observations, all these are relevant to the discussion on the Motion of Thanks on the President's Address, but these remarks are relevant to the common man.

The President did not come to electoral reforms. Some people have taken objection to sending Army to Tripura. I have not got the full details. There are divergent opinions, but I feel, it may be Tripura, Mizoram, Meghalaya or Jammu and Kashmir, or any State in India, we have been crying hoarse for electoral reforms and the Presiding Officers are appointed as returning officers, because we have to pass through this democratic system it should be our concern that we fight for electoral reforms. But the President's Address was very much deficient.

Then, as I said yesterday, the President mentioned that he was concerned about terrorism, and he did mention Punjab without delving deeper and describing the situation in Punjab. Perhaps it was not possible. But it is now possible for me to make a remark or two on the situation in Punjab. I am not the person who will say that the Governor Shri Ray or Mr. Ribeiro should surrender before the terrorists there in Punjab. That cannot be done under any circumstances. But I want it to go on record that it may be the bullets of terrorists or the bullets of the police it is violence and it is the negation of the philosophy of Mahatma Gandhi. I want this to go on record that for Punjab there will have to be a solution and it will never be offered by the Governor of that State Mr. Ray or Mr. Ribeiro, but the solution will be offered by

[Prof. Saifuddin Soz]

the people of Punjab, by the people of this country and through a dialogue and through a political solution. The more we delay the political solution the more violence will take place in Punjab. If there is a graph, Mr. Deputy-Speaker, you will see the graph. I do not doubt the intentions of the Governor there. I do not doubt the intentions of the President of India in imposing the President's Rule there. I do not doubt the intentions of Mr. Ribeiro. He seems to be a competent Officer. But I want to say with full force at my command in this House that in Punjab we shall have to find out a political solution.

PROF. N. Ç. RANGA (Guntur): What is that solution? (*Interruptions*)

PROF. SAIFUDDIN SOZ: There is no occasion to tell you that Mr. Barnala was elected by somebody, who are at that time powerful and he has deprived the Prime Minister, perhaps the Prime Minister's selection was not that (*Interruptions*)

PROF. SAIFUDDIN SOZ: I am not going into the details. Perhaps, I cannot retrospectively say that Badal would be better. I cannot say that. But I say that Punjab requires a political solution and the Government of India is capable of finding a solution. We must work very hard on that. I say that we must rise above political party affiliations and find a solution. I only say that Mr. Ribeiro and other people have told us that they will control violence. But you can see the statistics. The kill violence is there, and the killings are there. So, the chapter of killings will have to be closed and the Punjab problem will have to be solved. My senior colleague, perhaps the senior most hon. Member of the House Prof. Ranga asked me, what is the solution. If we continue to wait for the reports from Mr. Ray, we shall continue to believe those reports and continue this atmosphere of violence. We have to find a solution. I have no doubt that the Government of India will receive cooperation from all walks of life. We want an end to terrorism, we want an end to all kinds of secession and there is no question

of Khalistan. Short of Khalistan, we can have a dialogue in Punjab and we shall force the leadership and that leadership can be united. We cannot be happy if Barnala group is separate and Badal group is separate. So long as we have these separate groups in Punjab, we shall be facing a worse political drama and we should force the leadership in Punjab, so that they help us to resolve the crisis in Punjab. Ultimately, it is the political solution.

PROF. MADHU DANDAVATE: The only ray of hope is Governor Ray.

PROF. SAIFUDDIN SOZ: The President mentioned cursorily about the educational reforms. I want to say that Education Policy in my opinion needs a review, because you cannot say that your model schools have been a success. I have no time. When the budget for Education comes, I will express my views. Education Policy which was propounded here, and supported here, needs a review. We have to see whether our money has gone down the drain. In my opinion, our model schools have not been a success, but that is debatable. What pains me is that ninety seven per cent of the student population are in Government schools and only three per cent of the student population at the elementary stage are in the private and public schools. Mostly they are teaching shops. Some of them are good private schools and only a couple of them are real public schools. The student population in the private schools constitutes three per cent. For the ninety seven per cent student population, there is no modernisation of the school system; there is no upgradation of curriculum; there is no thought; and it is a wasteful activity.

Therefore, I thought that the President should have shed more light on this aspect.

Then Sir, a word about Sarkaria Commission.

MR. DEPUTY SPEAKER: Your time is over. Please wind up. It is now nearing 3.30 pm.

PROF. SAIFUDDIN SOZ: I will take only two minutes. In my opinion, the Sarkaria Commission's recommendations should

receive wide ranging support from this House.

The President has not said anything about the clearance of slums from the country. He should have made a commitment for us all that we should not have slums in Calcutta or Bombay or elsewhere.

We must take measures to eradicate all areas of corruption, particularly the parallel economy which is run by those people who are trained in black money.

Finally, we suffer the worst drought in the country and we have to be cautious so far as generation of electricity is concerned. While the President mentioned generation of power in his Address, he did not caution the nation that if water resources will be deficient, you will be producing energy from other sources. In Jammu & Kashmir water resources are there which can generate electricity to the tune of 20,000 MW. Those water resources should be harnessed for the good of the country.

15.30 hrs.

STATEMENT RE: DECISION OF SOUTH  
AFRICAN AUTHORITIES TO BAN  
ANTI-APARTHEID GROUPS IN SOUTH  
AFRICA

[English]

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI. K. NATWAR SINGH): I rise to express on behalf of the entire membership of this House and the Government and people of India our deep sense of outrage and dismay at the decision of the South African authorities to ban all activities of 17 anti-apartheid organisations in South Africa which we unreservedly condemn. The denial of the right to engage even in peaceful protest against the abhorrent system of apartheid is not only another vicious assault on liberty in South Africa but also a clear demonstration that the draconian measures in force under the state of emergency have totally failed to extinguish the flame of nationalism and the spirit of defiance on the part of the brutally

oppressed masses of South Africa. The time has surely come for the international community to address itself in all earnestness to the urgent challenge of dismantling apartheid by all available means. In this hour of trial the Government and people of India reiterate their firm and unequivocal support for the valiant struggle of the oppressed masses of South Africa to undo apartheid and to establish a democratic polity in that country.

15.32 hrs.

COMMITTEE ON PRIVATE MEMBERS BILLS  
AND RESOLUTIONS

[Translation]

Forty-Sixth Report

SHRI RAM AWADH PRASAD (Basti): Sir, I beg to move that this House do agree with the Forty-Sixth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th February, 1988."

[English]

MR. DEPUTY-SPEAKER: The question is:

"That this House do agree with the Forty-sixth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th February, 1988."

*The motion was adopted.*

15.32 ½ hrs.

THE CONSTITUTION (AMENDMENT) BILL  
(Amendment of Articles 345 and 348)

[Translation]

SHRI NARESH CHANDRA CHATURVEDI (Kanpur): Mr. Deputy Speaker, Sir, I beg to move that leave be granted to introduce a Bill further to amend the Constitution of India.

[English]

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

[Translation]

SHRI NARESH CHANDRA CHATURVEDI: I introduce the Bill

[English]

MR. DEPUTY-SPEAKER: Shri K.S. Rao--not present. Shri G.S. Basavaraju--not present. Shri H.N. Nanje Gowda--not present.

15.33 hrs.

ELECTROPATHY SYSTEM OF MEDICINE  
(RECOGNITION) BILL \*

[English]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): I beg to move for leave to introduce a Bill to provide for the recognition of electropathy system of medicine and for matters connected therewith or incidental thereto.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the recognition of electropathy system of medicine and for matters connected therewith or incidental thereto."

*The motion was adopted.*

DR. CHANDRA SHEKHAR TRIPATHI: I introduce the Bill.

MR. DEPUTY-SPEAKER: Dr. Chinta Mohan--not there.

15.33 ½ hrs.

CONSTITUTION (AMENDMENT) BILL \*  
(Amendment of Article 233)

[English]

SHRI GANGA RAM (Firozabad): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

MR. DEPUTY SPEAKER: The Member may now introduce the Bill.

SHRI GANGA RAM: Sir, I introduce the Bill.

15.34 hrs.

CODE OF CRIMINAL PROCEDURE  
(AMENDMENT) BILL \*  
(Amendment of section 2, etc.)

[English]

SHRI N. VENKATA RATNAM (Tenali): Sir, I beg to move for leave to introduce a Bill further to amend the Code of Criminal Procedure, 1973.

MR. DEPUTY SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Code of Criminal Procedure, 1973."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The Member may now introduce the Bill.

SHRI N. VENKATA RATNAM: Sir, I introduce the Bill.

15.34 ½ hrs.

26/2/88

SHRI SYED SHAHABUDDIN: Sir, I introduce the Bill.

CENTRAL SALES TAX (AMENDMENT) BILL \*

(Amendment of section 2, etc.)

[English]

SHRI SHARAD DIGHE (Bombay North Central): Sir, I beg to move for leave to introduce a Bill further to amend the Central Sales Tax Act, 1956.

MR. DEPUTY SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Central Sales, Tax Act, 1956."

*The motion was adopted.*

MR DEPUTY SPEAKER: The Member may now introduce the Bill.

SHRI SHARAD DIGHE: Sir, I introduce the Bill.

15.35 hrs.

NATIONAL SECURITY (AMENDMENT)  
BILL\*

(Amendment of sections 11 and 12)

[English]

SHRI SYED SHAHABUDDIN (Kishanganj): Sir, I beg to move for leave to introduce a Bill further to amend the National Security Act, 1980.

MR. DEPUTY SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the National Security Act, 1980."

*The motion was adopted.*

MR. DEPUTY SPEAKER: The Member may now introduce the Bill.

15.35 ½ hrs.

TERRORIST AND DISRUPTIVE ACTIVITIES  
(PREVENTION) AMENDMENT BILL\*

(Insertion of New Section 14A)

[English]

SHRI SYED SHAHABUDDIN (Kishanganj): Sir, I beg to move for leave to introduce a Bill to amend the Terrorist and Disruptive Activities (Prevention) Act, 1987.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to amend the Terrorist and Disruptive Activities (Prevention) Act, 1987."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The Member may now introduce the Bill.

SHRI SYED SHAHABUDDIN: Sir, I introduce the Bill.

15.36 hrs.

CONSTITUTION (AMENDMENT) BILL \*

(Amendment of article 276)

[English]

SHRI SYED SHAHABUDDIN (Kishanganj): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

\* Published in Gazette of India Extraordinary, Part II, Section 2, dated 26.2.88.

\*\* Introduced with the recommendation of the President.

MR. DEPUTY SPEAKER: The Member may now introduce the Bill.

SHRI, SYED SHAHABUDDIN: Sir, I introduce the Bill.

15.36 ½ hrs.

CONSTITUTION (AMENDMENT) BILL \*

(Amendment of article 324, etc.)

[English]

DR. CHINTA MOHAN (Tirupati): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

*The motion was adopted.*

MR. DEPUTY SPEAKER: The Member may now introduce the Bill.

DR. CHINTA MOHAN: Sir, I introduce the Bill.

15.37 hrs.

CONSTITUTION (AMENDMENT) BILL

(Insertion of new article 394A)

[Translation]

SHRI NARESH CHANDRA CHATURVEDI (Kanpur): Mr. Deputy Speaker, Sir, I introduced the Bill No. 16 in 1986 with a view to getting the constitutional recognition to the Hindi version of the Constitution. As the Government itself has performed this task by bringing a similar Constitution (Amendment) Bill in the last session, I, therefore, beg that leave be granted to withdraw the Bill. I beg to move that leave be granted to withdraw the Bill further to amend the Constitution of India.

[English]

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to withdraw the Bill further to amend the Constitution of India."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: The member may now withdraw the Bill.

[Translation]

SHRI NARESH CHANDRA CHATURVEDI: I withdraw the Bill.

15.38 hrs.

CONSTITUTION (AMENDMENT) BILL--Contd.

(Insertion of new article 15A)

[English]

MR. DEPUTY-SPEAKER: The House will now take up further consideration of the following motion moved by Shri Thampan Thomas on the 4th December, 1987, namely:--

"That the Bill further to amend the Constitution of India be taken into consideration."

Shri Shantaram Naik,

SHRI SHANTARAM NAIK (Panaji): Mr. Deputy Speaker, Sir, my colleague Mr. Thappan Thomas has sought to add article 15A to the Constitution which says that all citizens have the right to employment. Any citizen who cannot be provided with employment, shall be given an unemployment allowance at the rate fixed by a statutory authority appointed by the Government of India."

In my humble submission, I can share the concern of the Member with respect to the problem of unemployment which is

\* Published in Gazette of India Extraordinary Part (II), Section 2, dated 26.2.88.

going on and which is increasing in the country day by day. Every one of us, whether he belongs to the ruling party or to the Opposition or to other institutions in the country, is concerned with the problem of unemployment which the country is facing. But if the introduction of an article in the Constitution could be a solution to this problem, then I would also have been equally happy that if this is the magic rod, why not have it. But, Sir, the solution does not lie merely in amending the Constitution on an aspect involving huge financial expenditure the solution cannot lie. Therefore, it has to be seen whether we have got appropriate resources to face or to meet the requirement of this proposed amendment. And in my humble submission even my colleague will admit that at this stage we do not have those Rs. 800 crores which, according to the Financial Memorandum would be required in case we adopt this article. From where are we going to get this amount? Are we going to tax the common man on each and every item to see that hundred rupees are given as unemployment dole to persons who are unemployed. Are you going to tax the poor man in the street on each item of consumption while he is already over-burdened on account of increased prices and taxation? This is the aspect which has to be seen. Therefore, I would say that although my learned colleague's spirit or concern is welcome, yet for want of finances, we as a country cannot afford this Rs. 800 crores. I see that even the State Governments who wanted to have this sort of legislation to provide for unemployment dole are finding it difficult to have it.

The second argument against this dole system is this. By having this sort of provision in our Constitution or by any law that may be proposed under the Constitution, we are making our youth basically weak, we are taking away their resisting power, we are making them subservient to that 100 rupee note and making them further lazy if we promise them any sort of unemployment dole. Certainly this country cannot afford. We have to give them direction to tap the resources of this country, we have to give them direction to be

self-employed, we have to give them assistance in all ways possible to see that even though jobs in Governemnt and other sectors are not available to see to it that they employ themselves, they do some sort of activities whereby they earn sufficient means to sustain themselves and not to rely upon or not to beg for that Rs. 100 or whatever dole my learned colleague proposes for them. Instead, I would say, we should inculcate the spirit of entrepreneurship whatever it is, big or small, in our unemployed youth and give a direction to be self-employed rather than having this system of giving them doles.

Another aspect in this connection I would like to state is that our new education policy which lays stress on technical education has to be fortified. No doubt the hon. Minister for Human Resource Development has said that we will see to it that every State Government tries to have this system of technical education strengthened in each strata or in each level, yet unless we keep monitoring at the Central level regarding the activities of the State with respect to technical education, perhaps all the State Governments may not attain the objective of technical education to the desired effect. Therefore, this is one area which we should stress as a solution to unemployment because the system as it is, is found to be defective in the sense that we create graduates and undergraduates who do not have scope for employment. It is, therefore, that our new education policy lays stress on and therefore, we should now stress upon the implementation part of it.

Secondly, we should inculcate entrepreneurship. We should see, that our younger generation, after they come from schools or whatever institutes if they have got the enterprising spirit, and would like to establish some industrial units, then the Government should go all the way to help them. We have got various schemes. But I would say, whatever procedures which are there with respect to obtaining industrial licences, loans, subsidies and all this, have to be simplified so that no youth who desire to get self-employed or desire to establish industrial unit is frustrated half-way



[Shri Shanta Ram Naik]

because rules are complicated, just because, he does not understand how to go about. Therefore, it is essential that we simplify our rules.

Secondly, bureaucratic delay in getting licences or sanctions or loans should be minimised. I would say, if any officer in any Section or Department of the Government is found that he is not cooperating with the people who approach for self-employment or if he behaves rudely etc., he should be dealt with seriously, should be castigated and these things should not be taken lightly. Unless it is done, the tendency of the officers, bureaucrats who are in-charge of these schemes will not change. The system of single-door redressal which is there should be implemented. In case persons want to get self-employed would like to set up industrial units, they have to go, at least, to 10 windows. Therefore, the Central Government in the Department of Public Grievances are trying their best to have a single door system. We should implement this system effectively. The person who wants to come and establish a unit, must get all assistance in one-window itself. How the Government coordinates and manages with other sections or other Departments should be the concern of the Government but not of the person. The concerned person should be dealt with through one window only. The system is there already but is not being effectively implemented. I would say that the Central Government should send directives to all the State Governments to effectively implement the single door system. Our 20th point of the 20-point programme which speaks of simplification of procedure should be effectively implemented by the Central Government. If that point is implemented effectively, all these problems can be solved.

Lastly, I would say about the industrial policy. In fact, the Central Government has the industrial policy that they should make that more elaborated. We should review the industrial policy to guide the entire nation, including the States. At the same time,

I would suggest that since each State Government has got its own peculiar conditions, the State Government should be asked to chalk out their own industrial policy also based upon facts and conditions in a particular State and that policy should be in line with the Central Government so that monitoring of the Central Government policy and that of the State Government can be done at the Central level.

With these few submissions, I would request my hon. Colleague not to press for this Bill and to withdraw the Bill because although the entire House will be agreeing that we should solve this unemployment problem, merely because we amend this article of the Constitution the objective cannot be achieved, since it involves huge finance.

15.49 hrs.

180 SHRI V.S. KRISHNA IYER (Bangalore South): Mr. Deputy-Speaker, Sir, I wholeheartedly support the Bill piloted by my esteemed colleague, Shri Thampan Thomas. Hon. Member, Shri Shantaram Naik was just now saying, though he accept it in principle, he was sceptical about the implementation of the Bill. Of course, I do understand what he says but I am not pessimistic in that regard. Just now I was glancing through the Economic survey which is placed on the Table of the House this morning. At the moment, the unemployed in the live registers of the Employment Exchanges is 304 lakhs as at the end of November, 1987. It is increasing year by year. It has increased by nearly 3% over last year's figures. That is what the Economic Survey says. I can understand that the Government has not been able to tackle this unemployment problem. In our registers, books and reports, we get information only with regard to the persons who are registered in the Employment Exchanges. But there are millions and millions who do not know where the Employment Exchange is and what the Employment Exchange means. That is the problem. What is to be done? It is not a party question. Many of the Members opposite also supported this resolution. It is necessary that we should put forth all our heads and see that this problem is solved. I am also a freedom fighter. I never expected that our country

will face such a situation. There is terrible poverty. Even after 40 years of independence, 50% of the population is below poverty line. When I was a boy, I fought for freedom. We expected that immediately after independence, there will be no unemployment problem in our country. That is what Mahatmaji wanted. Mahatmaji knew the condition of the country. He wanted us to go in a particular way. But unfortunately, we have forgotten not only Gandhiji but even Gandhian ideals. I will come later on to what Gandhiji said on this matter. How are you going to tackle this problem? Whenever a youngman wants to apply to some job, there is no advertisement at all with regard to the recruitment. Whenever we ask about any employment the Government says that Government of India has stopped all recruitment except in a very few cases. How are you going to solve this problem? Even in the organised sector, even in the public sector and every sector, the number of sick industrial units in our country as on today is 1½ lakhs involving an investment of Rs. 5,000 crores. I came to know this from Economic Survey which is supplied this morning. A survey has been made and according to the survey, only about 5,000 industries could be revived as they are viable and 1,25,000 are unviable. What has happened to the investment there? What about the lakhs and lakhs of workers who are working in those units? It will add to the problem.

It is, therefore, necessary that we should think over this matter very seriously. We have been debating many subjects. I think this is an important subject on which the entire House must discuss.

Shri Shantaram Naik said it would be difficult for the Government to provide doles to unemployed when Government commits itself to this Article. I do agree. I do not mean that everybody must be given a Government job. It is impossible. No Government can do it, not even in the capitalist country or socialist country. What I mean is that employment should be provided which means right to work which again means that conditions must be created by which a person gets himself employed. There are millions of families where

there is not even a single earning member in the family. What should happen to them? Is it not the responsibility of any civilised Government to see that every man is employed? He should earn. One member in the family atleast should have an earning. That point, we have ignored and even our planners have ignored it right from the time of Pandit-ji. I know the Government has been doing it. I don't say that the Government has not done it at all. We have a number of schemes for the poverty alleviation. We have got the schemes like IRDP, NREP and RLEGP and so many schemes. Even then, with all the schemes and spending crores of rupees over those schemes, yet we have 50% of persons below the poverty-line. It remains almost the same. Of course, marginal decrease is there. But it is the same for the past several years. Therefore, we should think of alternatives. My hon. friend is right in saying that if it is merely by substitution of the amendment if it can be done then we will certainly support it. But it is not a magic wand. But it is not so. I am now coming to the point as to what we should do. Under the circumstances what I feel as an humble Member, I have said that thing, at the outset--is that we have failed and the planners have failed because we did not pay heed to the advice given by Mahatmaji. That is why we have failed in solving this problem in our country. I have just now mentioned about sickness in the industry--small-scale, big-scale and in the big industries. We are now thinking of going to the 21st century as a modern country. Our main theme and thrust and particularly the present Prime Minister's thrust has been of modernisation. I am not against modernisation because I know the benefits that will accrue out of modernisation. To quote one simple example, I would like to say that here in the Railway counter, it used to take us 15 minutes to get a ticket and it is the same as far as airlines booking is concerned. But now we get it in one or two minutes. Of course, advantages are there. But at the same time we should also bear in mind the effect of modernisation. Unemployment is already there. The Government say that there will be no retrenchment; it will not create unemployment. I would like to say

[Shri V.S. Krishna Iyer]

that it does create unemployment. Maybe, at the moment there will be no retrenchment. I have seen in practice. To cite an example, there is a textile mill in Karnataka, a recently established one, which is near Bangalore. The gentleman who has established each a textile mill in Bombay used to have thousands of workers in his factory. But in the factory which was established in Karnataka, only with 80 workers, he is carrying on double the business and double the production because he has modernised the whole thing. Therefore, we should seriously think of what is best suited for our country. We should think in which sector or which sphere we should go in for modernisation and how we should deal with modernisation. Modernisation, if it involves retrenchment or unemployment, could we afford that luxury in our country? Therefore, we should ponder over this point.

Having said so, it will be a pertinent point to ask what my suggestion would be. If I were to emphasise again--I have already said many a time on the floor of this House--I have firm belief and faith in what Mahatma Gandhi taught us. India means not 20 per cent cities like Delhi, Bombay, Bangalore and Calcutta. Bharath means the 80 per cent that lives in villages. That is Bharath. So, to solve this unemployment problem, to solve this under-employment problem, it is very necessary that we should go back to what Mahatma Gandhi said and implement it with fairness and also with faith in that. So, the only solution which occurs to me is that we should go in for village industries and cottage industries. That alone will solve the problem of unemployment in our country. Government should create conditions. Government should see that in every village there is an industry and every person becomes engaged in the industry. Even if you invest crores of rupees in a factory, what is happening now. You have nationalised so many things. Only the other day, the hon. Minister was saying that in the Coal India Ltd., a loss of Rs. 350-400 crores has been incurred per year. In heavy industries, we

invest crores and crores of rupees and the loss is there. In fact, the loss is also in crores of rupees. Of course, we want big industries in the core sector. I don't object to that. There should be a mixed economy. I do agree to it. But if we had only given a few thousands of rupees to a villager and asked the villager to start a village industry, we would have, by this time, solved many of the unemployment problems in many of the rural parts in our country. On a previous occasion also. I had mentioned about our famous late-lamented Engineer-Statesman ~~Sir. M. Vishveshwariah~~.

~~16.00 hrs.~~

He was a pioneer in industrial and irrigation projects. He was the builder of modern Mysore, that has now become Karnataka. He had a plan which was called Vishveshwariah Scheme for Rural Upliftment. I would request the Hon. Minister Mr. Dinesh Singh to get that scheme. If only it is implemented in full, this unemployment problem would be solved. Shri Vishveshwariah was telling: "you implement it and there will be no unemployment problem in Mysore." I would suggest that that is a beautiful scheme which he has given. He has said about what is to be done in each village. Now if you take broad things of that scheme and see what could be implemented, it would help a lot.

~~16.01 hrs.~~

[SHRI VAKKOM PURUSHOTHAMAN in the Chair]

My whole point is, ~~as Mr. Shantaram Naik has said~~, it is not merely what Government should do. If the founding fathers of the Constitution, had included it in the Fundamental Rights, right from the beginning, things would have been different. Now, it is in the Directive Principles. Of course, in the Directive Principles, there are so many things like the eradication of illiteracy. But unfortunately, we do not take seriously what is there in the Directive Principles. Unfortunately, all these years, we have not taken what is enshrined in the Directive Principles of the Constitu-

tion. That is why, my esteemed friend ~~Mr.~~ ~~Thampan Thomas~~ who is an advocate himself, has piloted this Bill. I would request all the Hon. Members, and also the Government, not to treat it as a party subject, because it has been brought by an opposition Member. It is a serious matter.

Another point which I would like to suggest, at this juncture, is that whether they have got figures of how many of the families in our country are there where there is not a single earning member in the family? It is necessary that we should identify those families. You select them first, and see at least one person gets gainful employment. In this connection, the Hon. Minister Shri Dinesh Singh must be knowing that in Karnataka an experiment has been tried. Mr. Rama Krishna Hedge did propose this. It was in the election manifesto and people voted for it. But unfortunately, he made a beginning only in one or two blocks; due to continuous droughts for four years, that could not be proceeded with. Of course, it is going at a snail's pace. But that is not due to Government's fault, nature come in the way. I would request the Government of India to first of all, identify the families. It is not difficult for the State Government. You can get that figure in one months' time.

Now I know you have got a number of rural development programmes like IRDP, NREP. But are you ensuring permanent appointment? No. You are giving a few thousands of rupees. Do you think that by paying Rs. 2000 or Rs. 5000, poverty can be eradicated? It is impossible particularly at the present rate. What I would suggest is that if a family contains five members, at least, they should have two square meals a day. You can understand how much that man should earn for living because we are talking of minimum wages, need based wages. You should consider that. What I would suggest to you is to select the family in a village. Suppose he needs Rs. 20,000 or Rs. 25,000. You give him that not as a dole but as a loan. You give him that in a repayable easy instalment basis and ask him to earn his livelihood through setting up industry and if he is a tiller of the land then by tilling it. If you can give loan for

small business, you give it for small business. Please don't give a nominal or token amount like in 'Luan Melas' because that will just be spent in three or four days; not even in months. That will not suffice. You should plan it in such a way that the family which has been given assistance by the Government gets gainful employment, attains a position of being able to repay the Government loan and at the same time lead an honourable life. We should have a plan like that.

If the Government has a statutory responsibility, if it is enshrined in the Constitution, then it would have done like that long back. Unfortunately in the absence of this particular article in the Constitution as a fundamental right, no Government--State or Central--takes it seriously.

The Bill brought forward by Shri Thampan Thomas is very timely. We are now formulating the 8th Plan and this is the time to think about it. I hope the Government will give a serious thought to it. At the same time, I would appeal to all the Hon. Members--both on this side and on the ruling side--to support this Bill and see that this is included in the Constitution by way of an amendment suggested here. With these words, I support the Constitution Amendment Bill.

MR. CHAIRMAN: Before I call upon the next person to speak, I bring to the notice of the House that the time allotted for the discussion on this Bill is over. What is the consensus of the House?

SOME HON. MEMBERS: Two hours' extension should be given.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): I have no objection to it if the Hon. Members agree to it.

SHRI SATYAGOPAL MISRA (Tamluk): The next Bill should also be taken up today.

SHRIMATI SHEILA DIKSHIT: It is physically impossible to have both the things. It is already past 4 O'clock and if two hours'

[Shrimati Sheela Dikshit]

extension is given to this Bill, the next Bill will not come up today.

MR. CHAIRMAN: The time is extended by two hours.

Shri Ram Swarup Ram to speak.

[Translation]

SHRI RAMSWAROOP RAM (Gaya): Mr. Chairman, Sir, the Constitution Amendment Bill which has been brought by Mr. Thomas for providing employment to all people is very relevant to the present political context. Measures stated in this bill warrant serious discussion.

Mr. Chairman, Sir, the problem of unemployment has assumed a gigantic proportion in our country. The number of unemployed young youths with Matric, B.A. and M.A. degrees have touched to a whopping figure of 4 crores. Their names are registered in Employment Exchanges. I am of the view that if the names of the people, who live in the remote villages and are unable to get their names registered in Employment Exchange due to their poverty, are also added to it, this figure will touch another high.

We are about to enter into 21st century with a vast army of four crore unemployed people. This is not a political issue. This is an issue closely related to the national problem which required to be looked into national perspective. We introduce so many schemes. We are thankful to the Prime Minister for his endeavour for providing employment to the people under the different programmes such as IRDP and RLEGP in the country, we have also got success in it. Previously, the number of people living below the poverty line was fifty four percent, now it has come down to 37 percent but this employment has been provided to the people who are illiterate, uneducated and working as farm labourers and those who did not get work in the villages, but so far as number of educated unemployed is concerned, they have not

been covered under these schemes and the number of such youths registered with the employment exchanges continues to be the static at the figure of four crores and their problems are not being solved. On the one hand, we see that our problem of unemployment is increasing by leaps and bounds and on the contrary, a ban is imposed on the new recruitment in all the departments. On the one side, we want to remove this unemployment problem and while on the other side a ban is imposed on new recruitment in all the departments, this is contradictory to each other.

In order to solve this problem, we will have to make a fresh plan, we have to ponder over it. If this gigantic problem is not solved, it will pose a serious problem for us, when children of farmers, poor villagers with B.A., M.A. and Matric degrees are not provided employment, their minds may turn to devils as idle mind is a heaven for the devils. He may take the wrong path. To my mind, the eruption of law and order problem is mainly attributed to this unemployment problem. Our un-employed youth have no source of livelihood, which has become a problem. So this is a very appropriate and critical time that this bill may not be taken as a private-member Bill but the Government should accept this bill. I do agree that the Government is not in a position to provide employment to all the unemployed youths but I want that whatever the minimum possible relief could be given to them, it should be given through this bill. Some State Governments have provided for unemployment allowance at the rates ranging from Rs. 50 to 100/- per month. But the amount is paid to them after six months. In Bihar this is given at the rate of Rs. 50 per month. To my mind, by providing doles to our youth, we are encouraging the tendency of begging among them and thus we are not giving them a very good incentive as they are the future of the country. Hon. Prime Minister is equally concerned about it and he had announced from the rampart of the Red Fort that an amount of Rs. 35 thousand would be provided to each unemployed for this self employment. But there is some lacuna in it also. When we attend the meetings of Twenty Point Programmes in

District and ask the target under self employment programme, we are told that it is to be given to 1300 people. But in fact, not more than three hundred to four hundred persons are provided employment under the scheme in a district. Banking process is so complicated that the unemployed youth becomes frustrated half-way and leave all hopes of upliftment through such measures, thinking that this programme will not prove to be successful for them.

I would like to say one thing more that what to talk of providing employment to general people, even persons belonging to scheduled castes and scheduled tribes do not get employment. There is a provision of reservation in the constitution, but I see that persons with even B.A., M.A., and Matric degrees are not getting job and they are forced to lead a life of Agricultural labourers in each and every village. When we visit the villages, we find that in every village youths, as many as hundred or so in number with B.A., M.A. degrees are unemployed. Among them, five to ten persons belonging to harijans are also found to be unemployed. This bill has been brought forward to provide for right to work in the constitution so that employment could be provided to each and every person but I would like to say that had the provision for Reservation enshrined in the Constitution was implemented in toto, at least persons belonging to Scheduled Castes and Scheduled Tribes would not have to face the problem of unemployment. Today, they are also facing the same problem. The bill brought forward by Mr. Thomas to provide for guarantee of employment in the constitution, will not solve the problem unless it is implemented in toto. The solution of this problem lies in our will power, that how much political will power we possess and only then we can solve this problem. I also want to say that whatever urgent arrangements have been made in Reservation System, I request the Government that a nation-wide-movement should be started in the country to implement them and the people should get facilities and reservation as provided in the constitution be implemented *in toto*. Only then, I think that a gigantic problem like this can be solved.

I want to say that we are proceeding towards modernisation. We are encouraging modern technology in the country, but I feel that the problem of unemployment can not be solved by modern technology. Both the things can not go hand in hand because where you use modern technology, you will have to employ say five persons instead of 105 and thus remaining 100 people would be rendered jobless. To compensate this, you will have to make alternative arrangements. I do not want that modern technology should not be introduced in India and the people of India should not get benefit of it. We should use it fully but the manpower which will be retrenched due to adoption of modern technology and will be rendered jobless, alternative arrangements will have to be made for them. For alternative arrangements, I feel that we would have to encourage rural industries. You may formulate a plan so that at least small scale industries which are carried on at our panchayat levels, be extended and our rural khadi industries brought to panchayat level so as to provide employment to people there. Mr. Speaker, Sir, you have observed that stress is increasing on the cities today due to unemployment, stress is ever increasing on metropolitan cities. Due to shortage of employment avenues in rural areas, poor people are migrating towards cities. The truth behind this remains that we have not made proper planning. Unemployed in the villages should be provided employment there itself by establishing new industries and developing technology so as to avoid stress on the cities. But you must be observing that out of 1 lakh and 30 thousand small scale units, 1 lakh units have been closed. Crores of rupees pertaining to the Government has been lying unutilised in these units. One can well imagine the plight of the people who have been retrenched from those units.

For this, I want to cite the example of Rohtass Industry Udyog complex in Bihar. Thirty thousand people worked there. I agree that this is a private enterprise. But the owners of the Rohtass Udyog Complex have closed it. They owe an amount of Rs. 19 crore pertaining to Electricity Board alone. When the owners of this complex

[Shri Ramswaroop Ram]

felt that they have squeezed the complex to the maximum, they closed it. I have raised this issue in this august House many times, I also raised the matter through special motions that 30 thousand workers have been rendered jobless due to closing of this industry. Therefore, this complex should be transferred to public sector from private sector. But this complex remains as it is.

There is a sugar mill in Guraru in my constituency. This is the only mill in south Bihar where one thousand labourers worked. That mill has also been lying closed for the last two years. When I enquired as to why this mill had been closed, I was intimated that modernisation of the mill was under way. If the mill is closed in the name of modernisation or the Rohtass Industry complex is closed down, you can imagine, how much unemployment it will lead to.

This is our Prime Minister's over riding desire that problem of unemployment should be eradicated from our country. But the beaurocrats and the men working under them do not want that the schemes started by the Prime Minister be successful. Our Prime Minister desires whole heartedly that unemployment should be eradicated and doing his best towards it.

Mr. Speaker, Sir, unless we solve this problem with full determination, unemployment will not be eradicated. I would like to say to the extent that if there is no big reaction to it, principle of one family one job should be adopted. Unless such step is taken, problem of unemployment will keep increasing day by day. Four crores of people stand registered to the live registers of the employment exchanges. Next time, when we discuss it, this number will be found to be another high and a critical problem would have to be faced in the country. Therefore, I want that the principle of one family one job should be enforced.

Sir, you have seen that members of the same family are engaged in various fields

such as govt. service, industry, business and transport etc. Unemployment among 80 per cent of the youths is attributed to this. It is found that a few people possess land in the villages and the very same persons own industries too. Calibre and education are also confined to a very small number of the persons. I want that one man should have only one means of occupation. If I am a member of the parliament, I have no right of doing other work. If one is a lawyer, he has no right to do other work. Unless we adopt the principle of one family one job, the problem of unemployment existing in our village will not be eradicated.

Mr. Speaker, Sir, this is a big problem of our country. Our Government very much desired to solve this problem. I want that policy of 'one family, one job' be enforced. The justice which could not be given to the people living in villages, this policy would do now. If we can succeed in getting them justice, the future of this country will brighten up, otherwise it will look dimmed.

With these words, I support this bill and insist upon the Government that it should get this bill passed in this House by bringing a Government bill.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh): MR. Chairman, Sir, I thank you for giving me this opportunity to participate in this discussion on a Private Member's Bill. Sir, at the outset, I would like to thank the hon. Member, Shri Thampan Thomas for having brought forward this Bill and thus provided an opportunity to this House to discuss an important matter like this.

Sir, the purpose underlying this Bill, i.e. it is intended to insert a new clause--clause 15(a)--is that all citizens shall have the right to employment. This is the provision he wants to be inserted in the Constitution after Article 15. As you know, Article 15 deals with the fundamental right. His intention is that the right to employment should also be included in that fundamental right, in the list of the fundamental rights.

Sir, it is very sound, quite all right, quite laudable. Everybody is inclined to support it and I am no exception but in principle I would like to support it. The point here is, how far it is realistic and how far it is practical. Is it practical at all in our present set up? Whether it is practical to make the right to employment a fundamental right?

Sir, it may be appreciated that ours is a vast country and our population, as you know, is of the order of about 80 crores. It was about 35 crores at the time of partition. At what speed we are increasing our population, is a matter of great concern. That is the whole cause of our plight. We have achieved a lot since independence. In every field we have achieved remarkable progress, be it in the field of agriculture, industry etc. Still poverty is something we are not able to overcome. Of course, determined efforts are being made so that the percentage of people below the poverty line is gradually reduced. During the past years we have achieved good results in the field of implementation of poverty amelioration programme. But then, Sir, I would not like to undermine the importance of the subject. This is quite a serious problem, a burning problem of the day, i.e. the problem of unemployment. As somebody was saying, it is difficult to say what is the number of unemployed persons in India because their number is quite large. But they do not go to the Employment Exchanges for registration. The condition in our rural areas is such, particularly among the uneducated people, that they do not even go to the Employment Exchange. In fact, they do not even know that there is a provision like that. So, nobody knows as to how many people are uneducated, who are unemployed. Even regarding educated unemployment, we cannot rely on the figures, which are there in the live registers of our Employment Exchanges. Even some hon. Members who were quoting the figures were not accurate--some of them said it is 3.6 crores and others say, it is 6.0 crores. But whatever may be the case, even this 3.6 crores does not include uneducated unemployed.

The question of under-employment is also there. Our agricultural labourers whom

we do not call unemployed, are actually under-employed. You leave apart the irrigated area and see for yourself the dry area. As you know one-third of our area is irrigated.

We have to depend on the rain God. This is a very-very serious problem. Without rains they cannot do anything. This under-employment problem has assumed alarming proportions. In the country of about 80 crore population if 5 crore or 6 crore people are under-employed what will be the position. It may be even more. It may be much more than 5 per cent or sometimes it may be more than 10 per cent.

Yesterday, a Parliamentary Delegation from Mauritius was here in our Parliament House. We have had some exchange of ideas with them. It is a very small country. It has a population of only one crore. They are also not free from this problem of unemployment. This menace is there in Mauritius also. As much as 50,000 unemployed youths are there waiting for employment. Even in developed countries--European countries--this problem is there. Two years back I had been to Sweden. As you all know, it is a developed country. There also this problem is there. I had been to Sweden in a Parliamentary Delegation. But they have a provision of giving unemployment allowance. According to our Indian currency, they get about Rs. 4000 to Rs. 5000 per month by way of Unemployment Allowance. But there the situation is completely different.

There, the total population is less than that of our Calcutta city. There the Government wants sincerely to increase the population. They want the productive parents to oblige the Government in increasing the population. Here, our Government wants our productive parents to oblige them by going in for a small family, sincerely. Many people here do not oblige the Government. So, you see the contrast as to why things are moving like that. In spite of the tremendous achievements which we have made over the years, this problem is assuming serious proportions. Day by day.



[Shri Sriballav Panigrahi]

it is assuming serious proportions. The figures are very frightening. Every year the number is going up. The number is increasing by about 40 lakhs every year. What will happen now? What is the problem? Why it is going up?

Our educational system is something different. All those who are educated, who are coming out of Alma Mater, most of them, excepting a few whose number can be counted on the finger tips would like to go in for Government and Public Undertakings employment. They seek Government jobs. Hardly you will find, good educated young men go to agriculture, to work in the field or to work even in the rural areas by running any industry. They want white collar jobs or public undertakings or good private undertakings. Unless there is a serious departure, unless there is a revolutionary approach, unless there is some re-thinking in our approach, how can we solve this problem?

Even in communist countries, jobs are not provided to people like this. This is to amend the Constitution by inserting this provision but this will come in confrontation or this will come in for a clash or this will rather contradict the provision so far freedom of profession is concerned. Presently, we have the freedom of profession in our Constitution; and again what is intended to be put here or inserted in the Fundamental Rights Chapter is there in the Directive Principles of State policy but in a different form. It will not be realistic, not practical. Although I am inclined to support it, in principle I oppose this from this point of view, but, certainly, thereby I do not want to undermine the importance, the significance of this Bill. But it requires so many things to be done. We have to make serious efforts in cooperation with all concerned. It has got nothing to do with politics. By all means we have to have small family; we have to contain our population growth. Unless that is done, whatever we do, we cannot solve the problem of unemployment, problem of poverty.

As you know, even the Postgraduates

are now going in for Loader Posts in coalmines. What are the qualification prescribed for a Loader's post? One has to be illiterate. He has to certify that he is illiterate; he also does not know how to put his signatures because he has to work like a coolie inside the mine, in the underground mine, which no educated young man will do. Unemployment is such that he does not get anything to eat also. So, people are coming forward. Even the Graduates are coming forward to openly say that they are illiterate and as such they get into the coalmines as Loaders. But, once, they are appointed, the other day they try to be upgraded as Clerks. This is our own experience. There are so many things. Where there is an advertisement for two posts, you will find that about 1000 people are coming forward. In many places, the authorities are not able to conduct an interview because the rush is so much. Sometimes it takes a violent turn. This is our experience. We have to apply our mind that there has to be dignity of labour manifested in our educational system so that some remedy should be found out. While I talk of this dignity of labour, I am reminded of Gandhian philosophy Gandhian economy.

There he had advised the people to go back to the villages. But now people are deserting the villages and coming over to towns in search of livelihood. You know even in urban areas how slums are being built up making the life miserable. There are so many things. Our educated young men will have to undertake any type of job; even they would like to serve as cultivators, farmers. Unless such an approach is developed, we cannot solve this problem. Of course, it cannot be done overnight and it is something where there has to be a unanimous approach, a national consensus. It could be promoted that way.

There are some suggestions which I would like to give. India is basically an agricultural country. If we have more and more irrigation facilities, then only we only we can make the people to remain in the villages. Otherwise, we find that people desert the dry area and go to the urban area.

But in the irrigated areas where there is

standing crop in the agricultural field, people are always occupied. There also the labourers are well paid, not under-paid. There also we find the labourers from other areas, even outside the State, they flock in. That is the situation. So, more of irrigation, more of energy, more of electrification, more of all these things will go a long way to provide employment in the rural areas at least to those uneducated labour force.

Then in the village industries and cottage industries also we come across some contradictions. We want to promote the handloom sector, we want to promote also the powerloom sector. When pressure is built up on the Government some times so many measures are also taken for the revival of the sick textile industry and these things also clash with each other when it comes to some basic objectives. As a result some thousands or lakhs of weavers are affected. There also they have their own problems and they are not attended to properly. That is why these village industries and cottage industries they will have to be promoted and again somebody was mentioning one family one job. I think my hon. Friend the previous speaker was meaning this but he said, one man, one job. In Indian conditions it is ideal. There are a large number of families where not even a single member is having any substantial job. There is no substantial income for the entire family.

Therefore, we should support this policy of one job, one family. But there are several vacancies. You will find that there are a large number of vacancies, but as a measure of economy, since this is a difficult year, for the last two or three years in certain public undertakings, in Railways and in so many other companies also in Government offices, they are just not filling up the vacancies. Naturally, all these vacancies are to be filled up. Unless they are filled how can the unemployment problem be solved? This also aggregates the problem further.

Again, we have so many programmes to fight out poverty like the IRDP, NREP, RLEGP and so on. We have also linked up banks with these programmes so that bank loans, bank finances can be made available

to the educated unemployed graduates, so that they can run some business. I do not say that the entire scheme has flopped, or that the entire scheme is not working. To a large extent it is not working properly. The desired result is not achieved, because there are so many loopholes which are not being attended to with the seriousness it deserves. How? In this the first thing is the choice of the beneficiaries or the selection of the beneficiaries. It is not proper in some cases. And with some illegal gratifications, with some nasty things going on, bribery etc. also, they are having their own place. In this case also, the BDO and some non-officials are involved. The people's representatives, as you know, have nothing to do with regard to the selection of the beneficiaries. It is prepared by the DICs, the district industries centres, where the MPs and MLAs are associated with it. It is to be chaired by one of the MPs. But, only the list is placed before it for approval. You cannot disapprove it. What is this sort of conduct? What is this approach? We know that in certain cases this is not being properly done. The list of beneficiaries is not being properly drawn up. This should be properly drawn up.

Again, if they take a loan of Rs. 25,000, by the time it reaches the beneficiary, it will be Rs. 20,000 or Rs. 15,000. Naturally an intention develops in the mind of the beneficiary to run away with that money. Even if the purpose underlying this is not achieved, he is encouraged to spend in any manner he likes because 25 per cent of it is taken away in between. Naturally, corruption is raising its ugly head. Corruption and illiteracy are the enemies of our democracy. I welcome the unemployment allowance but how far this can be done in our present circumstances. In the Financial Memorandum attached to this Bill it is estimated that about Rs. 800 crores will be required per annum for giving Rs. 100 to every unemployed person. The number of persons who are unemployed is much larger than the figure we are having. So this will be more than Rs. 800 crores. There are people in Government employment who do not get even Rs. 100. Take the case of barefoot doctors. This scheme was started during Janata Party time. But what is their

[Shri Sriballav Panigrahi]

plight? They say that they are regular employees but they get Rs. 50. There are angawadi teachers who are getting less than Rs. 100. We have to do something for them so that they should not feel neglected. We have to provide the unemployed some sort of employment. We have to give them financial support, call it unemployment allowance. Let them go to the villages and let them educate the illiterate persons. Let them be engaged in publicity work, in plantation programmes, in creating social atmosphere in the country in rural areas, to educate about dowry system, bride burning and so many other things. Let them also be gainfully employed in making road in the villages, in clearing tanks. Unless dignity of labour is manifested in education, this problem cannot be solved. We have to teach the students about the Gandhian philosophy. We have to tackle the problem like this on so many fronts.

I thank Shri Thampan Thomas for bringing forward this Bill. By this we get an opportunity to at least apply our mind to this burning topic, to have a discussion and place our views on the record and find out the solution together. Unless we fight out this problem and provide some sort of employment to our educated unemployed, all our achievements in various fields will be negated. This is a very serious menace and we have to get rid of it. This calls for a united approach and a national consensus from all over so that we can positively solve this problem. No problem howsoever serious it may be, is beyond solution.

PROF. K. V. THOMAS (Emakulam): Sir, I am thankful to my friend and colleague Shri Thampan Thomas for bringing this piece of legislation so that this House can have a loud thinking about the unemployment problem that our country is facing. Unemployment is a very serious problem that is being faced not only by under-developed and developing countries but also by developed nations. The figures given by ILO show that compared to many of the developing and developed countries, our position is much more better. In Spain, there is 22 per cent unemployment; in France, it is

9.72 per cent; in Federal Republic of Germany, it is 9.3 per cent; in United Kingdom, it is 11.9 per cent; and in India it is only 3.04 per cent. Even though this percentage is small, compared to the vast population of our country, the number is very very huge. In March 1985, there were 9.2 million people who were unemployed. Out of these 9.2 million people, 15.88 lakhs were graduates, 2.14 lakhs were handicapped, and 50.98 lakhs were women. It is also conceded that the growth rate of unemployment is four per cent. When we come to 1988, already we have crossed the figure of about or twelve million people who are unemployed...(Interruptions).

SHRI THAMPAN THOMAS (Mavelikara): I think the Member is wrong. In the Economic Survey, which has been presented to us, it is 305 lakhs - more than thirty million. So, somewhere you are mistaken. That I wanted to point out.

PROF. K. V. THOMAS: What I am telling is that the growth rate of unemployment is four per cent. This unemployment problem is heavily felt in our major cities like Bombay, Calcutta and Madras. It is seen that 1,500 people are coming everyday to Bombay to find employment. Out of these 1,500 people, about 1,100 people are from Maharashtra and the remaining 400 are from the rest of the country. If this rate goes up by the end of this 20th century, the population of Bombay will increase by 7 million which would bring about the total population of Bombay to about 20 million. Already between 30 and 50 per cent of the population of Bombay are staying in slums. So, this is a very serious situation that is being faced by our metropolitan cities. So, how this problem can be solved? Sir, this also shows how serious the unemployment problem is. Right from the time of Panditji to the time of Indiraji and now during the rule of Rajivji the Congress has taken very effective steps to meet the unemployment problem. Sir, the Leftist parties in this country and other Opposition parties are only doing a lip service to solve the problem. The youth organisations of the CPI(M) and CPI, the DYFI and AIYF are raising the slogan of employment or jail.

They have conducted national bandh, they have blocked the national highways, they have blocked the railways. But these Leftist Parties and other Opposition parties who have come to power from time to time in different States could not arise a finger to solve this problem.

Sir, during the last Assembly election in Kerala one of the promises made by the IDF coalition was that every year 10 lakhs of unemployed youth will be given employment. That means, if the LDF Government in Kerala continues in power for five years, 50 lakhs of unemployed youth will be given employment. That means, the unemployment problem of Kerala will be wiped out. That was a major campaign of the Marxist Party and the LDF partners in Kerala during the last Assembly election. Now, the LDF Government has completed one year. How much employment they have given? We asked how many youngsters were given employment. Now, they say it is a printing mistake and it was not at all included in the Election Manifesto. Again, they say, if the Government of India hands over 50 per cent of the stock of foodgrains stored in the depots of the Food Corporation of India in Kerala to the Government of Kerala freely, then they will find out employment.

MR. CHAIRMAN: How much unemployment created?

PROF. K. V. THOMAS: Unemployment created? Mr. Thomas knows. From almost all Government institutions in Kerala thousands of employed youngsters are sent out. For example, from the Kerala Warehousing Corporation alone, about thousand employed graduates are sent out.

---

16.59 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

The argument given out by the Government of Kerala is, they are all Congressmen. My humble submission is that if the Congressmen are replaced by

LDF, I would say that I will be happy. But they cannot do it.

17.00 hrs.

So, LDF Government or the Leftist Governments who are in power in different parts of this country could not take any effective steps or solve this major problem. Shri Rajiv Gandhi in his address to the National Development Council in November, 1985 said:

“One of our fundamental priorities is the expansion of employment. We propose to increase employment faster than the growth of labour force. For the first time, in the history of planning not only will there be no current backlog but the previous backlog will also be reduced.”

Shri Rajiv Gandhi, when he took over as the leader of this nation had taken the first pledge to see that unemployment problem was solved to the best of our satisfaction. Now what are the steps taken. In a country like ours, our major work force is in agriculture. We want modernisation. In the agricultural field, we have to bring all the advanced techniques and adopt modern science for development. When modernisation comes, what is the attitude of the Left Parties? That are always against modernisation. They are against computerisation. Why? If any particular Department, if computerisation brings unemployment, they can say so. But in general, how can they be opposed to computerisation. They are opposing it because they are against modernisation. This attitude of the Left Parties against modernisation can be seen from a very long period. When I was a young boy studying in a school in Cochin, I had seen the attitude taken by the Marxist Party. In my city, about 30 years back, we had only rikshaws pulled by men. Then it was replaced by cycle rikshaws. Immediately the Marxist Party opposed it saying that it would cause unemployment. Later, these cycle rikshaws were replaced by auto rikshaws. Again they opposed it and said, it would cause unemployment. For all types of modernisation and advanced technology, the Left Parties are against. Similarly, in the paddy field, when the bullock tillers

[Prof. K.V. Thomas]

were replaced by mechanised tillers, not only Marxist Party opposed it but they physically prevented the mechanised tillers from putting into use.

This shows that when the Congress Government led by Shri Rajiv Gandhi is earnest in solving the burning problem of unemployment by modernising the industry and the agricultural sector, many of the so-called Leftist Parties who vehemently argue for the employment of the youth and who use the youth for their political purposes never assist the youth. In Kerala, what did they do? Before they came to power, they gave the slogan "Employment for all". They have come back to power now. What do they say now? They say that people must form into a human chain. They ask them to hold their hands together from Trivandrum to Kasergode. This is the employment they give.

But, on the other hand, the Congress Party was always earnest to provide employment to people.

SHRI VAKKOM PURUSHOTHAMAN (Alleppey): Do you know that our traditional industries in Kerala are migrating to the neighbouring States because Marxist party is opposing the modernisation in the State and cheaper products are made due to modernisation in the neighbouring States?

PROF. K. V. THOMAS: It is a question which Mr. Thampan Thomas knows very well. In the traditional industries like cashew and coir, the majority of work has gone to Tamilnadu and Karnataka. Whenever we bring modernisation, the Marxist party is against it. At the time of Karunakaran Ministry, when this suggestion was put forward, Marxist workers threatened strike. Now I ask the present Industries Minister Gowriamma to start modernisation in coir industries and cashew industry so that they will not go to Tamilnadu or Karnataka. Same is the case of West Bengal and Kerala. If there are more unemployed, it is only because of the attitude and the policy of the Marxist party.

How can we solve unemployment? The clerk system in our country was brought by the British and the British had only one thing in mind, to have their clerks in their company.

Now a new nation is born. We have to march forward. We have to change our education system.

When Shri Rajiv Gandhi came to power, his attempt was half a new education policy. We have got our Navodaya schools and new education policy. What is the attitude of many of the opposition political parties? They oppose these Navodaya schools and the new education policy saying that it is bound to create two types of citizens. But, really what should be our system of education? Can we simply produce graduates and post-graduates? One of my friends was saying that more graduates and post-graduates are now trying to get even manual work. In Kerala, my friend Mr. Thampan Thomas knows.

SHRI VAKKOM PURUSHOTHAMAN: He knows the whole truth. He is not a Marxist.

PROF. K. V. THOMAS: His soul is with us and his body is with them. The graduates and the post-graduates are working as conductors in the buses. This is the position. We have to change the entire education system. It should be a job-oriented education system. Those students who are par-excellent they can go up. They can become post-graduates. But there are people of mediocre standard. You have to find employment for them. In a State like Kerala where unemployment is an acute problem, we cannot get a good carpenter and a good mason. In Kerala, the wage of a Carpenter is to the tune of Rs. 60/- per day and of a mason Rs. 65/- per day. We are not getting good carpenters and good masons. Similarly I had my won problem. A few months back my VCR has got some damage. It was not working. I took it to one of the repairing shops in Delhi. They charged me about Rs. 2,500/- I gave this amount.

But, after a few days again, the problem

started, I called one of my friends who is an expert and an engineer. He looked into it and found that there was nothing wrong with it. He put a washer or something like that. I paid only Rs 150/ for the entire thing. So, when modern devices are coming, we have to train our youngsters. We have got TV, we have got VCR and other machines which are used by the people. But just to repair these modern machines and devices, we do not have properly educated, properly trained people, youngsters. So, this is one of the areas where our youngsters can be trained. We have got our agricultural sector. Our economy is an agriculture-based economy. How much we are advancing in it? Still, in many of the States of this country, we are making use natural manures. We are not making use of fertilisers etc, we are not making use of proper irrigation system. Therefore we have to go on those lines, so that our agriculture flourishes. Along with agriculture, there are other allied fields of activity. We have got 200 kms of our economic zone in the sea. There is a very vast potential of fishing. But what about our fishing industry? It is not yet developed. The fishing boats and trawlers from Japan and South Korea are coming to Arabian sea or Bay of Bengal and catch the fishes, go back to Singapore and sell there with big margins. Fishing is the major sector, where we can train our youngsters. They can be given financial aids through our banks and they can be helped. The other point is that many of our women who are educated in our college do not know how to catch an egg. Poultry is one of the fields where our young women can be trained. They can get a good profit. Even bee-keeping is another major field and we have to concentrate on it. If we take different fields in agriculture itself, I find it that it is not all difficult to give employment to our youngsters.

Next, coming to Planning, I would like to say that planning has to start at the grass-root level. Now, our Prime Minister has called the District Collectors and Magistrates for a meeting in order to find out how the planning can be started from district-level. But what is the attitude of many of our Opposition political parties. They say that the Prime Minister is going to ha-

ass the State Government and the Prime Minister is going to have direct control over these District Collectors and District Magistrates. To the question whether the Prime Minister has the right to have direct control, I would like to say that he has got the right, he has got the right to talk direct with the people concerned to find out how the Planning can be started atleast at the District-level. If only we start our Planning at the lower-level and at the grass-root level, then alone we can find out effective solutions for the major burning problem like unemployment. Ours is a country which has so much tourist potential. But we could not make use of it. If something is talked of tourism, people abroad things about Kashmir and Coa. But our entire country from Cape Comorin to the Himalayas is full of tourist attraction. But we do not make use of that tourist potential. If we make an earnest attempt to attract the tourists from abroad, I am sure that will be another way of finding a solution to our unemployment problem. Shri Rajiv Gandhi's Government has brought forward a number of schemes which will give ample employment opportunities to the unemployed youngsters. One such scheme is the Self-Employment Scheme. Any unemployed boy who is a matriculate, can get Rs 25000/- from any nationalised bank. There is nothing to give. There is no Guarantee.

SHRI THAMPAN THOMAS: Provided your slip is there.

PROF. KV THOMAS: Your slip is also good. Just send a slip and find out whether a matriculate gets Rs 25000/- or not. This is the attitude. This is the problem with you. You don't want that these unemployed people are employed. You just want unemployed people so that you can make use of them for political purposes. Here any matriculate who is desirous of doing any work, he can just walk into any nationalised bank and get Rs 25000. With that he can start a small industry by which he can earn Rs 20 to Rs 25 a day. This is something which the Government has done.

Now about the loan meals. Sir, the women folk from the fishermen areas,

[Prof. K.V. Thomas]

women folk the traditional industries, if they can get Rs. 5000 on Rs. 10,000 from loan meals, I think that will help them Kerala, is facing acute unemployment and actually half of the Kerala population is now outside Kerala--even in Delhi, we have got three to four lakh Keralites. Even in Kerala, what is the attitude of the present Government towards loan meals? On the one side they say that the employment opportunities have to be given to unemployed youth. On the other side they say: "we are against the loan meals, we do not want loan meals," Poojary give money congressmen" when Poojary comes and given money not only to the youngsters who may have some faith and confidence, in congress party, but also together. There are a large number of youngsters who do not believe in any political parties and they are also given. So when loan meals are conducted the benefit goes to the poor. But even those loan meals are being opposed. That is why, I telling that when Rajiv Gandhi's Government is in right earnest in finding out the solution for unemployment problem, then also these leftist are dead against it. Sir, some of my friends are telling about unemployment assistance. Personally speaking, I am dead against it because it is Kerala which started this unemployment assistance scheme. You are giving Rs. 50 or Rs. 55 to an unemployed youth, what is the use of that amount? Mere Rs. 50 to Rs. 55 is not going to help the unemployed youth. Instead of that I can agree with Mr. Thampan Thomas that you can pay Rs. 100. But let them do some job, some specific job like educating the old people. What Marxist Government in Kerala is asking the youth "you catch a mad dog, you can get employment." That is the slogan now. The UDF Government in Kerala says: you go and catch the mad dog." What I am suggesting is that you can give Rs. 100 to do a specific job. You educate the workers in the rural areas. You educate the old women folk in the Fisherman village or in a coir village. Some specific job can be given and then given them some payment. Otherwise, just giving unemployment assistance without any job, it is

going to be a curse on a coming generation.

Before I conclude, I have got one point. When we face the problem of unemployment, it should be above the party lines. Congress Party is always prepared for this. But it is the leftist party and other political parties which do not have a clear idea as to how this problem can be faced. Now a stage has come when all the major political parties in the country have to sit together in a table and think about how this problem can be effectively faced. I think, this Bill which has been brought forward by my friends Shri Thampan Thomas, even though that cannot be practically implemented, at least, it has given a lot of opportunity to think aloud about this major problem facing our country and other countries outside.

SHRI V. SOBHANADREESWARA RAO (Vijayawada): Mr. Chairman Sir, first of all, I would congratulate my colleague Mr. Thampan Thomas for bringing this Private Members' Bill to enable a lively discussion to take place in this august House.

The Bill brings in for discussion a very important item which is causing concern not only to the Union Government, but to all the State Governments in our country. Unemployment is not altogether a new phenomenon to our country. As my predecessor speaker Prof. Thomas has said, unemployment is there even in advanced countries. But the unemployment and the under-employment levels in our country are quite alarming.

You are quite aware, due to unemployment as well as under-employment, there are reports of several starvation deaths in some State like Orissa. You are also aware that due to poverty, due to unemployment and due to lack of purchasing power, several hundreds of people die during the winter months in northern states in the absence of adequate cloth to protect themselves.

I don't know how my friends has arrived at the figure of 3% unemployed in our country. Leaving the persons who are not

registered with Employment Exchanges, it comes to 5%. It is more than 30 million. Because of illiteracy and lack of communication and road facilities, several people who are unemployed in the villages, in the far-flung corners of this country are not accustomed to registering their names in Employment Exchanges. If all such factors are taken into consideration, the number of unemployed will be much more than this 30 million. Out of this 30 million unemployed, merely 2.5 millions are graduates and post-graduates. The number of persons who have passed higher-secondary course are more than 3.5 million. The total number of people who are literates, i.e. who can write and read, if such people are also taken into consideration, it will be around 15 million unemployed in the country.

But the disturbing trend is, while there is an increase of 2.0% in just a matter of about three months from 1st January 1986, during the same period the total number of vacancies notified by various employers in public sector as well as private sector to Employment Exchanges have declined from 1.62 lakhs to 1.43 lakhs — registering a declining trend in the employment opportunities available in the country.

The employment in public sector has gone up from 17.58 million in December 1985 to 17.68 million in March 86. But the employment in the private sector has decreased from 7.43 million in December 1985 to 7.36 million in March, 1986, That means in one year the figure instead of going up has come down.

The annual rate of unemployment has increased among the educated - graduate and post-graduates. It is now around 17 per cent. The number of placements is less than 10 per cent of the total number of registrations in a particular period.

Sir, this large-scale unemployment is leading to several distortion in the economy of our country. Because of this restlessness is increasing. The youth who are educated but unemployed are resorting to wrong acts. We see the disturbing reports of dacoities on the periphery of

urban areas where youth are trying to loot the inmates taking away all valuables.

Sir, many youths in several parts of the country are being attracted towards Naxalism. In the hostels of many engineering and medical college some people who are committed to that line of thinking are succeeding in winning over the hearths of several other students telling them that there is no opportunity for them in the coming years to get employment. Like that they are attracting them towards Naxalism and the moment they come out they go to the forests and resort to naxalite activities.

This is after 40 years of self-rule. Unfortunately, either credit or discredit goes to the ruling party because barring 30 months of Janata Rule it is only the Congress (I) which has been ruling this country. So either the credit of giving some jobs to some people or discredit of creating so much unemployment goes to the ruling party. This is not to criticise the party. I am telling it with agony. Unfortunately because the successive governments have ignored the advice of Mahatma Gandhi, the Father of the Nation, we have to face this situation. Mahatma Gandhi advocated Charkha as a symbol of self-employment. He was a great thinker and had studied different political and economic philosophies and the way in which countries had development from the socialist pattern as well as free economy like in USA and Britain. With great forethought, he clearly stated his views that he was not against industrialisation or modernisation. In fact, he welcomed modernisation. But at the same time, he made it amply clear that he was against such industrialisation or such industrial policy which would render thousands or lakhs of people jobless. Such industrial policies which throw several people, who are already doing their own job through self-employment, into the streets jobless. In fact, he quoted some examples like sewing machines. He welcomed them to the extent where human labour can be supplemented or these machines can be of some help in carrying out the job.

I don't say that the policies were intentionally adopted. The intention was quite



[Shri V. Sobhanadreesware Rao]

good right from the time of late Prime Minister, Mr Jawaharlal Nehru. But unfortunately due to certain wrong policies, in practice, what has happened is that some lakhs of cobblers living in several lakhs of villages have now become unemployed whereas very very large multinational companies or some large industrial houses with huge investments are entering into shoe-making or *chappal*-making. I wonder why should big multinationals be allowed to continue the manufacture of even cosmetics like powder or toothpaste which are small items of our daily use. Why are such items not prepared in small scale sector, cottage industries, in handloom industries, in *khadi* and village industries sector?

When China with nearly a population of 90 crores is able to provide employment to all its people, why our country is failing in that aspect? My only appeal to the Government is to reconsider and make an in-depth study at least now after 40 years as to what we should do. Where does the wrong lie? This is not to criticise the ruling party or Mr. Rajiv Gandhi's Government that we are saying these words. My information is that in China several thousand mini-steel plants spread over the length and breadth of that country, supply steel to the country. But in our country only few steel factories like Bokaro, Durgapur, Rourkela, etc, are supplying steel. Somebody may argue that if we run the mini-steel industry in the small scale sector, the steel prices will be beyond the reach of the common man. But can anybody say that the price of steel produced in any of these plants is at least nearer the price of steel manufactured in Japan or in any other country? Our steel prices are much more than the steel prices in other countries.

Similarly, there are several units in China which are producing inorganic fertilisers and supply them to the farmers in their respective areas. The main question here is how long will you keep these people unemployed like this? For how many more decades the rural people, who are

under-employed, have to wait for full employment? Should we not take a serious view of the situation? If necessary, bring some change in the economic, industrial and fiscal policies. In this context, we have to congratulate the Government of Maharashtra which has taken up the Employment Guarantee Scheme since 1972. There may be some lapse. I do not deny. In a new effort or experiment, some mistakes do creep in but we have to congratulate their bold efforts to implement a scheme to provide employment to some people who demand some work. It is not a dole. It cannot be treated as a dole. The persons who is receiving that small amount of money has put his effort in the construction of road or bunds to the land or digging a well or construction of some other assets for the benefit of the society. Sir, I appeal to the Government to have a thorough study as to how the scheme was implemented, what are its positive contributions where certain lapses are there, how such lapses can be prevented, how corruption or misdeeds or some such things can be prevented. A mechanism can be invented to implement such scheme which will be foolproof. In this context, Karnataka as well as Tamil Nadu have passed some legislative measures and have taken their efforts in some blocks if not all. So, I appeal to the Members, irrespective of the political differences, to support this Private Member Resolution moved by Sh. Thampan Thomas. The Government should not think that because it is moved by an Opposition Member, it should be opposed. Instead they should support it and in the coming times, the Government should think seriously and formulate as how this Employment Guarantee Scheme can be started with the assistance of the Union Government. This measure will certainly help in reducing unemployment and under-employment, which is prevalent in the rural areas. It will reduce the dependency of the poor people belonging to the weaker sections over the rich people and the landlords. It will give some self-respect to those people, the poor down-trodden people who are suppressed all these decades. Apart from that, this scheme definitely will contribute to some extent in creation of durable assets for the society. NREP, RLEGP

and ITDA and some such programmes are very good in their work for the development of rural areas and the betterment of socio-economic conditions of the rural people. This will also supplement the efforts taken. My main submission is that basically some change should be brought in the educational set-up. When an engineer or a technician or a diploma holder comes out of the institute, he does not have that much confidence that he can stand on his own legs. My suggestion is apart from undergoing training and theory these people should be given more practical orientation. The Government should issue instructions that the local needs of the particular area, or the industries situated near an engineering college or a polytechnic or an IIT should be considered and some items, not sophisticated items, required for those industries should be made in the foundry of that engineering college or the polytechnic institute. These items can be made in these institutions while the students are undergoing training. This would give practical training to these students. As is prevalent in other countries, they would earn while acquiring knowledge. That type of educational system should take firm roots in our country.

As Prof. Thomas said there is need to give training for the work of masons and carpenters and other type of artisans instead of turning out a large number of granulates in arts or commerce. That type of education has no relevance today and is of no use. There should be some sort of education about agriculture at the intermediate or degree level as is done in several Agricultural Colleges in Uttar Pradesh. Unfortunately, in South India, we have a small number of agricultural colleges; we have more college which turn out graduates in arts, commerce etc. The degree is of no use to the son of a farmer who has five or ten acres of land. But if he learns something about agriculture, it will be of some help.

Sir, more funds should be earmarked for agriculture, irrigation, rural development and house building activities. Instead of capital intensive industries, if the Government provides more funds for small scale sector for Khadi and Village industries, I

think, the unemployment problem will be reduced considerably; it may not be completely overcome. It will provide opportunities to a large number of people for employment; those people who have spent some amount and a precious part of their life in some institution or the other. It would be able to stand on their legs and carry on a decent life.

I once again appeal to all the Member to support the Bill before the House. I hope, the Government will come forward with a scheme in the 8th Plan on the lines of employment guarantee scheme of Maharashtra.

With these words, I thank you, Sir, for having given me time to speak on this Bill.

[Translation]

SHRI K.D. SULTANPURI (Simla): Mr. Speaker, I support the bill brought forward in this august House by Shri Thampan Thomas. So far as the question of unemployment in the country is concerned, our Govt. has been trying to provide employment to the people of the whole country through planned methods and as a result thereof people have been provided employment under the various scheme which are going on in rural areas throughout country. People from opposition parties also accepted that the policy of gov't. to eradicate unemployment is very praiseworthy

So far as the question of this country and the educated people of the country is concerned, education primarily means to prepare the people to work. The education should not be confined to become a clerk. A suggestion has been made that different types of industries can be established by our youths, which can benefit our country. The nation can move further. So far as the question of establishing industries is concerned, first of all I will make a suggestion that in the states where industries are established, unemployed youth of the same place should be accommodated so that the local boys and girls could be trained in the work undertaken by the factories.

[Shri K.D. Sultanpuri]

Our hilly areas lack in industries. Electronic industry can be set-up there. Unemployed people in those areas have to travel very far to register their names in employment exchanges. If they have an interview somewhere or a Central Government department calls them for interview, they are not able to reach there. Banks in our country are sources of employment for unemployed people. But people from big cities in the plains are sent to work in banks located in hilly areas. They think that if they do not serve the people properly they will be transferred back to the plains. It is generally believed that a transfer to the hills is a form of punishment. I shall suggest that if people of hilly areas, be they from Garhwal, Himachal Pradesh, Jammu and Kashmir, Nagaland, Mizoram or Sikkim, are to be given employment in banks or public undertakings then they should be given adequate importance. This way they will not be at a disadvantage as compared to others.

My contention is that in people from hilly areas are not represented fully in any public undertaking, be it Air-India, Railways and other Public undertakings. In every department there is a backlog in terms of quota reserved for Scheduled Castes and Scheduled Tribes. Uptil now we have not been able to decide the time by which we will finish this backlog.

I suggest that this practice be stopped and a policy to provide employment be formulated. This way the people belonging to Scheduled Castes and Scheduled Tribes can get employment. It has been said that these days schools in hilly areas are backing teachers. The teachers who are appointed in middle or high schools there, are more interested in getting a transfer. The same situation exists everywhere in the country. They do not want to live in rural areas. It is very hard to find educated people among the rural population who can teach people in villages.

Recently our hon. Prime Minister has taken a very good step wherein attempts

are being made to set up Navodaya Schools in every one of our districts. This is a praise-worthy step of course this may take 15 years but ultimately the nation can boast of having a good, well-educated and mature citizenry. I feel that this is a step in the right direction. As to the question of providing employment, the Government of India has tried to generate employment through its five-year plans. From 1949 till the present year, 1988, there has been no change in the role played by this policy within the larger framework of the plans. The Government of India is following the path shown by Mahatma Gandhi, Pandit Jawaharlal Nehru and Shrimati Indira Gandhi. All tasks are being accomplished in keeping with their guidelines. I want to say that in many States educated people were provoked and exploited. It is well known what was told to young people during the Janta rule. The youngsters were asked to make out with shoe-shining. The Janta Government claimed to have no money for the young because there was large-scale hunger and poverty in the country. We are going to Parliament from where we will realise the dreams of Mahatma Gandhi. They even took an oath at Mahatma Gandhi's Samadhi saying that they had come to Bapu with a pledge to serve the weak and downtrodden people of our nation. But after two-and-a-half years their rule came to an end. And with that ended their pledge and their promise to provide livelihood to people. They were themselves demoralized. And in their demoralization lay the shattered hopes of young men and women who were unable to get any means of livelihood.

The same thing has happened in our neighbouring state. Elections were held in Haryana some days back. That area lies in our neighbourhood. People there were told that if they requested a waiver of amounts as much as Rs. 20,000, the Chief Minister would sign his approval.

They promised to write off all loans. They also said that unemployed people whose names are registered with employment exchanges would be given to-and-fro fare for appearing at interviews and related examinations. But all these promises re-

remained confined to the election period only. On being elected they forgot all their promises. Even where they have written off the loans several co-operative societies went bankrupt. They even made certain attempts which might have led to the failure of several banks. I should say that strict action must be taken against a government which misleads its people and weakens the society.

Our late Prime Minister Shrimati Indira Gandhi had and our present Prime Minister Shri Rajiv Gandhi is serving the people with a whole-hearted dedication. He continues to work for the upliftment of the nation. But it is beyond comprehension why our colleagues in the opposition remain blind to all this. Even wrong political movements are being encouraged by members of our opposition parties. It is only due to Shri Rajiv Gandhi's efforts that education is being encouraged in our country.

Our colleagues in the opposition make tall claims about removing unemployment. But for this purpose they are not able to bring together all small parties on one platform. This type of an atmosphere should not prevail in the country. It is our Congress Party alone which can solve this problem of unemployment.

Our Congress Party has its goal. It is carrying the country forward and serving it continuously. Shri Rajiv Gandhi is fulfilling the dream realised by Mahatma Gandhi for the development of the country. The people of the country elected us for a five year term with thumping majority. During these five years for the growth of the nation we will vigorously implement the schemes formulated for the development of the country.

I would like to cite an example. During the Janata Party rule, the Chief Minister of Himachal Pradesh often visited Delhi. They used to fight among themselves in order to become the Prime Minister of the country. I blame the opposition for trying to disrupt the unity of the country. Opposition has used the nation for furthering its own interests. At present also many small parties of the opposition are represented in this

August House. Country incurs a great loss when someone crosses over to the opposition side after violating the party discipline. If we want to carry the country forward it is necessary to follow some sort of rules. You say that unemployment allowance be paid to unemployed. This is totally unjustified, because people will stop working and will become lethargic. All of us should think the matters in keeping country's interest in mind and discuss them seriously among ourselves, as also steps should be taken for the development of the country.

Now I would like to say something about my hilly areas. During the debate on Railway Budget I will speak in detail about laying of railway lines there. But right now I would like to state that no railway lines have been laid except the railway lines laid by the Britishers which is still in use. Decision had already been taken to complete the railway line in the jungles of Talwara which is lying incomplete for the last 10 to 15 years. The people of my state are industrious and despite drought they are working hard and cannot be seen begging anywhere. Licences are issued to big industrial houses for setting up industries, who bring with them labourers from outside. In all the border areas be it Punjab or Haryana or U.P. factories set by the outsider industrialists are full of outsider labourers who create disturbances in the areas. Industries owned by the people of the Himachal Pradesh are negligible. This has resulted in nonconstruction of hostels in Himachal Pradesh for boys and girls by industrialists. I request the Government of India to add one more clause to the licences being issued for setting up industries in the border areas so as to make it obligatory to for them to employ local people in the factories, so that the people keep a vigil on the activities of terrorists and keep them at bay. This clause should be inserted to enable local people to secure employment in these industries. How many people can be employed in Government job? To my mind, not many Britishers have only Produced Babus for Government jobs and now people do not consider any other work as a job except becoming Babus in Government Of-

[Shri K.D. Sultanpuri]

fices. We can utilise the available brain power and through training within the country, transform them into technical hands for the rapid development of the nation.

No useful purpose will be served by merely keeping the country in a state of agitation and calling the unemployed to march to Boat Club to raise slogan of eradicating unemployment by the parties who mushroom as many as 44-45 in number for collecting donations for election. After their defeat in the election, they will found nowhere, as they have no programme for taking the country forward. It is the Congress Party alone which could take the country forward. No other party can do this. I do agree that this resolution sounds well; when Shri Thomas and persons belonging to well off families demand to give dole of Rs. 100. But the rest of the hon. Members like me would advocate creation of jobs instead of payment of unemployment allowance. If you want to make such

laws you can do it at your sweet will but I do not support this. However, I support the efforts of the Government to provide jobs to the people.

SHRI RAM BHAGAT PASWAN (Rosera): I felicitate Shri Thampan Thomasji for moving this Bill which is in accordance with the need of the hour.

[English]

SHRI N.V.N. SOMU (Madras Central): I have also given my name, Sir.

MR. CHAIRMAN: Yes; I know, but not today. Mr Paswan, you can continue next time. The House is now adjourned.

18.00 hrs

*The Lok Sabha then adjourned till  
Eleven of the Clock on Monday,  
February 29, 1988/Phalgun 10, 1909 (Sak*

---

---

**© 1988 BY LOK SABHA SECRETARIAT**

**Published under Rules 379 and 382 of the Rules of Procedure and  
Conduct of Business in Lok Sabha (Sixth Edition) and  
printed by Akashdeep Printers, 20, Ansari Road,  
Darya Ganj, New Delhi-110 002.**

---

---