

LOK SABHA DEBATES **(English Version)**

Second Session
(Twelfth Lok Sabha)



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LOK SABHA DEBATES

LOK SABHA

Friday, May 29, 1998 / Jyaishta 8, 1920 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

OBITUARY REFERENCES

[English]

MR. SPEAKER : Hon. Members, I have to inform the House with deep sense of sorrow, of the passing away of Sarvashri Ratansinh Rajda and Purushottam Kakodkar.

Shri Ratansinh Rajda was a Member of Sixth and Seventh Lok Sabhas representing Mumbai South Parliamentary constituency of Maharashtra during 1977-84.

An advocate by profession, Shri Rajda was a well known political and social worker. He was associated with a number of organisations in various capacities. He also participated in the freedom struggle.

An able parliamentarian, Shri Rajda was a member of Public Accounts Committee in Sixth Lok Sabha and Committee on Subordinate Legislation in Seventh Lok Sabha.

Widely travelled, Shri Rajda was India's representative to International Parliamentary Conference for Population and Development in Tunisia during 1978 and attended the World Youth Festival at Edinburgh in 1969.

Shri Ratansinh Rajda died on 10th April, 1998 in Mumbai South, Maharashtra at the age of 71.

Shri Purushottam Kakodkar was a Member of Fifth Lok Sabha representing Panaji Parliamentary constituency of erstwhile Goa, Daman & Diu during 1971-77.

Shri Kakodkar was also a Member of Rajya Sabha during 1985-91.

A veteran freedom fighter, Shri Kakodkar actively participated in the 'Quit India Movement' and suffered imprisonment. He was closely connected with the Goa Liberation Movement and had participated in the Civil Disobedience Movement launched by Ram Manohar Lohia in Goa in 1946. Shri Kakodkar was deported by the Portuguese Government and kept in detention for several years.

An able parliamentarian Shri Kakodkar was a member of Committee on Petitions, Rajya Sabha during 1986-87.

Shri Purushottam Kakodkar passed away on 2nd May, 1998 at Delhi at the age of 85.

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

The House may now stand in silence for a short while as a mark of respect to the deceased.

11.03 hrs.

The Members then stood in silence for a short while.

11.04 hrs.

ORAL ANSWERS TO QUESTIONS

NABARD

+
*41. SHRI MADHAV RAO PATIL :
SHRI RATILAL KALIDAS VARMA :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have reviewed the performance of NABARD during the last three years in various States and particularly in Gujarat;

(b) if so, the details thereof, State-wise;

(c) the details of lapses, if any, observed in implementation of State projects; and

(d) the details of projects cleared with locations during the last three years and the number of projects awaiting clearance/approval by NABARD, State-wise and particularly in Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) A statement is laid on the Table of the House.

Statement

(a) to (d) While the activities of National Bank for Agricultural and Rural Development (NABARD) are monitored by Government on an on-going basis, an in-depth review of its operations is conducted by its Board of Directors which comprises, amongst others, of senior representatives from the Finance, Agriculture and Rural Development Ministries and the Reserve Bank of India (RBI). The activities of NABARD are also reviewed by the Central Board of Directors of RBI every year. An annual review of NABARD's activities is also tabled on Parliament alongwith the annual report of the institution.

As regards assessment of the performance of NABARD, in the case of its credit-related functions, achievement under investment credit and production credit are analysed in relation to quantified targets, while the assessment of performance in relation to institutional development and promotional functions is made in qualitative terms. The State/Union Territory-wise targets and achievements, for the last three years, under investment credit operations of NABARD are given at Annexure-I. The State/Union Territory-wise details of short-term credits provided by NABARD to State Co-operative Banks (SCBs) and Regional Rural Banks (RRBs) during the last three years are shown at Annexure-II. The details of number of projects sanctioned and loans disbursed to different State Governments under Rural Infrastructure Development Fund (RIDF) - I & II are given at Annexure-III. As far as RIDF-III is concerned, NABARD has sanctioned loans to State Governments to an extent of Rs. 2584 crores for rural infrastructure projects against a corpus of Rs. 2500 crores. The State-wise details of number of projects, amount sanctioned and amount utilised is given at Annexure-IV.

NABARD has a well structured monitoring arrangement covering, *inter-alia*, district oriented monitoring, technical monitoring, scheme-oriented monitoring, mid-term review of implementation of schemes and ex-post evaluation of schemes. It has taken a number of steps to further strengthen its monitoring arrangements. These include, *inter-alia*, appointment of technical consultants for projects, setting up special project monitoring cells at Regional Offices (ROs) as well as field level monitoring. State level deficiencies and implementation difficulties are also reviewed at the State Level Bankers' Committee meetings where State

Governments, commercial banks, RBI and NABARD are represented. Further, NABARD also holds structured discussions with the line departments of the State Governments, wherever considered necessary, to resolve outstanding issues.

As indicated by NABARD for the year 1998-99 the flow of refinance from NABARD under investment credit to participating banks is projected at level of Rs. 4200 crores as against achievement of Rs. 3922 crores for the year 1997-98. NABARD has also tentatively proposed a total allocation of Rs. 6350 crores to co-operative banks and Regional Rural Banks for their short term operations for various purposes as against an achievement of Rs. 6039 crores during the year 1997-98.

As reported by NABARD, 1414 projects located in 18 districts in Gujarat have been sanctioned loan assistance amounting to approximately Rs. 431.71 crores under RIDF-I, II & III. As regards Investment Credit, an amount of Rs. 231.10 crores was provided to Gujarat, during the year 1997-98, against a target of Rs. 216.35 crores. Further, NABARD has tentatively allocated a target of Rs. 238.35 crores for the State under Investment Credit during the current year. As of now, as reported by NABARD, three market yard schemes are pending sanction for want of additional information from the financing banks. Further, for supporting short-term agricultural operations in the State through co-operatives, an allocation of Rs. 245 crores is proposed to be made for the current year as against the refinance assistance of Rs. 223 crores provided last year. Allocation for RRBs has been stepped up to Rs. 40 crores from Rs. 37 crores last year.

Annexure - I

State/Union Territory-wise Targets & Achievements of NABARD under Investment Credit for the years 1995-96, 1996-97 & 1997-98

S. No.	State/Union Territory	1995-96		1996-97		1997-98	
		Target	Achievement	Target	Achievement	Target	Achievement
1	2	3	4	5	6	7	8
1.	A & Nicobar Islands	85	85	100	114	210	156
2.	Andhra Pradesh	33621	33771	35395	35401	36185	40074
3.	Arunachal Pradesh	382	301	838	876	294	509
4.	Assam	4376	4446	6440	6553	7994	8133
5.	Bihar	8281	8281	13987	14079	14736	15967
6.	Chandigarh	16	12	4	4	24	0
7.	Dadra & Nagar Haveli	56	56	20	17	24	17
8.	Goa	403	403	761	762	1040	668
9.	Gujarat	10001	18601	19842	19642	21635	23110
10.	Haryana	17090	17114	20584	20583	24484	25683
11.	Himachal Pradesh	2443	2477	3504	3575	4453	5050

	2	3	4	5	6	7	8
12. Jammu & Kashmir	990	1000	936	943	1644	2036	
13. Karnataka	24421	24289	27772	27764	28526	29085	
14. Kerala	12700	12695	19263	18377	20806	20439	
15. Lakshadweep	9	8	20	0	24	15	
16. Madhya Pradesh	15724	15724	15122	15122	15541	15896	
17. Maharashtra	34500	34501	36000	36003	35362	33260	
18. Manipur	420	428	284	742	424	258	
19. Meghalaya	300	304	295	684	709	788	
20. Mizoram	100	124	256	289	300	222	
21. Nagaland	150	152	154	204	242	203	
22. National Capital Territory of Delhi	400	339	661	669	-	-	
23. Orissa	8400	8510	11590	11611	13068	12825	
24. Pondicherry	309	320	142	150	154	185	
25. Punjab	18900	18898	22427	22456	25041	28692	
26. Rajasthan	16799	16783	23666	23587	29613	27471	
27. Sikkim	95	95	100	89	98	134	
28. Tamil Nadu	26597	26607	30250	29802	30484	31357	
29. Tripura	998	909	1414	1446	1515	1625	
30. Uttar Pradesh	47504	47499	48316	48352	50950	54237	
31. West Bengal	11600	11601	12800	12415	14420	14100	
Total	297670	306423	352893	352311	380000	392195	

Annexure - II

State-wise details of short-term credit provided by NABARD to State Co-operative Banks and Regional Rural Banks during the year 1995-96, 1996-97 & 1997-98.

(Rs. in lakhs)

S. No.	State	Amount of ST refinance provided		
		1995-96	1996-97	1997-98
1	2	3	4	5
1.	Andhra Pradesh	97019	119691	125166
2.	Assam	290	205	199
3.	Bihar	8271	12660	10563
4.	Gujarat	22070	26008	31322
5.	Haryana	52474	54768	60401

	1	2	3	4	5
6. Himachal Pradesh	161	248	270		
7. Jammu & Kashmir	152	65	194		
8. Karnataka	37892	50414	60468		
9. Kerala	24764	23604	22406		
10. Madhya Pradesh	51989	58818	67782		
11. Maharashtra	40829	9024	3435		
12. Manipur	621	609	614		
13. Meghalaya	502	360	198		
14. Nagaland	190	120	120		
15. Orissa	20546	23856	29105		
16. Pondicherry	380	380	-		
17. Punjab	25651	31162	36132		

1	2	3	4	5	1	2	3	4	5
18.	Rajasthan	25259	29320	30960	21.	Uttar Pradesh	63555	60018	63075
19.	Tamil Nadu	60441	52130	43451	22.	West Bengal	14634	16631	17600
20.	Tripura	406	130	436	Total		548096	570221	603897

Annexure - III

Details of Projects sanctioned and loans disbursed to State Governments by NABARD under RIDF-I and II (for completion of rural infrastructure projects) as on 31 March 1998

S. No.	Name of State/ Union Territory	No of Projects sanctioned		RIDF-I		RIDF-II	
		RIDF-I	RIDF-II	Amount sanctioned	Amount disbursed	Amount sanctioned	Amount disbursed
1.	Andhra Pradesh	68	415	20520	17296	33418	7316
2.	Assam	-	44	-	-	6329	-
3.	Goa	1	-	685	685	-	-
4.	Gujarat	44	144	14148	12256	12983	391
5.	Haryana	3	5	1828	1312	6106	372
6.	Himachal Pradesh	77	66	1423	1418	4950	168
7.	Jammu & Kashmir	12	1	622	604	806	57
8.	Karnataka	94	249	14393	11415	17300	390
9.	Kerala	136	184	9972	7091	8943	280
10.	Madhya Pradesh	163	70	19963	14773	20760	570
11.	Maharashtra	105	108	17374	14787	23166	139
12.	Manipur	63	-	175	131	-	-
13.	Maghalaya	19	-	339	279	-	-
14.	Mizoram	21	-	238	202	-	-
15.	Nagaland	18	-	138	138	-	-
16.	Orissa	2557	46	15268	13165	12515	57
17.	Punjab	5	5	6050	6050	6250	330
18.	Rajasthan	38	252	11965	8316	14987	70
19.	Tamil Nadu	-	1589	-	-	27138	9
20.	Uttar Pradesh	34	1611	29235	25211	49165	11
21.	Tripura	36	-	182	32	-	-
22.	West Bengal	23	3459	11337	7529	16951	1
Total		3517	8248	174855	142690	261747	81

Annexure - IV

Details of Projects sanctioned and loans disbursed to State Governments by NABARD during 1997-98 under RIDF-III as on 31.3.1998.

(Rs. in lakhs)

S. No.	Name of State	No. of projects	RIDF-III	
			sanc.	disbursed
1.	Andhra Pradesh	304	27510	1005
2.	Assam	11	1607	-
3.	Bihar	424	915	-
4.	Gujarat	1126	16060	3199
5.	Haryana	45	6287	1775
6.	Himachal Pradesh	29	5011	1159
7.	Jammu & Kashmir	164	3595	418
8.	Karnataka	496	17238	75
9.	Kerala	314	9363	197
10.	Madhya Pradesh	281	24870	2485
11.	Maharashtra	722	25431	572
12.	Meghalaya	21	824	-
13.	Orissa	53	16291	2650
14.	Punjab	53	8885	2060
15.	Rajasthan	266	16333	2216
16.	Tamil Nadu	615	20202	186
17.	Uttar Pradesh	9279	40169	-
18.	West Bengal	151	17785	1161
Total		14454	258376	19158

*SHRI MADHAV RAO PATIL : Mr. Speaker, Sir, I would like to refer to Annexure II, III & IV and mention that though NABARD has sanctioned huge amounts for the State of Maharashtra, not even 10% of the amount is disbursed. Even in respect of other States also more funds have been sanctioned than their targets. If you look at Annexure IV, you will find that for Maharashtra Rs. 254 crore 31 lakh have been sanctioned for the new projects but the disbursement is only Rs. 5 crore 72 lakh. If you look at Annexure II, Item 11, under RIDF 231 crore 65 lakh have been sanctioned but disbursement is only Rs. 1 crore 39 lakh. Annexure II points out that in 1995-96 Rs. 408 crore, 96-97 Rs. 90 crore and 97-98 Rs. 34 crore only are proposed to be allocated for the State of Maharashtra. I have a feeling that NABARD is acting with prejudice against the State of Maharashtra. Hon. Minister should

* Translation of the speech originally delivered in Marathi.

clarify the position in this regard and give necessary instructions to the officials of NABARD. It must ask them as to why less amounts than the target of allocation are sanctioned for Maharashtra and when this injustice will be removed.

SHRI KADAMBUR M.R. JANARTHANAN : Mr. Speaker, Sir, first of all, I want to state to the Hon. Minister that there is no step-motherly treatment being given by the NABARD.....(Interruptions)

SHRI AJIT JOGI : He is an Hon. Member and not the Hon. Minister. He may become a Minister.....(Interruptions)

SHRI KADAMBUR M.R. JANARTHANAN : Yes, I stand corrected. I want to inform him first of all that NABARD is only for refinancing; and it is the banker's bank. The disbursement is done by the commercial banks or the other banks which are in Maharashtra. Therefore, I want to make him clear that it is not the attitude of the NABARD to give step-motherly treatment.

There are some States which are defaulting and so, the disbursement figure is coming down. Here also, it is not the fault of the NABARD but it is the fault of your State. So, the NABARD is not responsible for this default. There is no question of giving any step-motherly treatment by the NABARD.

SHRI MADHAV RAO PATIL : Is it in the case of Maharashtra only?

SHRI KADAMBUR M.R. JANARTHANAN : No, it is about Maharashtra and Orissa.

MR. SPEAKER : You can put your supplementary.

SHRI MADHAV RAO PATIL : Thank you, Sir. I do not have any supplementary to ask.

[Translation]

DR. LAXMINARAYAN PANDEY : Mr. Speaker, Sir, the spending the funds which are being given by the Central Government to states for agriculture and rural development is also reviewed. But there are many states which have diverted these funds to some other works. Madhya Pradesh is one such State. I would like to know, through you, whether the Central Government is aware of such a thing? If so, what steps have been taken by the Government in this regard?

[English]

SHRI KADAMBUR M.R. JANARTHANAN : The RIDF (Rural Infrastructure Development Fund) is given by the NABARD to the concerned States. The NABARD is giving this amount to finance the States. The NABARD is giving this entire amount to the States. So, it is the concern of the State to see that it is spent on the correct head.

About the monitoring of the NABARD, we have to wait and see.

[*Translation*]

SHRI LAKSHMAN SINGH : Mr. Speaker, Sir, the Government has stated in the reply that indepth review of NABARD's operations is conducted by its Board of Director which comprises senior representatives from Finance Department, Agriculture and Rural Development Ministries. It is clear that indepth review is conducted only by higher officials. You as well as we know as to how they conduct review. I would like to know from the Hon'ble Minister that since the funds sanctioned by NABARD are spent mostly in rural areas whether he is considering to include elected representatives also on the Board of Directors of NABARD?

[*English*]

Are you planning to include elected representatives in your Board of Directors of NABARD?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Sir, it is a suggestion for action.....(*Interruptions*)

SHRI LAKSHMAN SINGH : I did not hear, Sir.

SHRI KADAMBUR M. R. JANARTHANAN : It is a good suggestion.

SHRI KONIJETI ROSAIAH : In order to give NABARD funds, schemes are taken up. I do not know about the rest of the States, but in the State of Andhra Pradesh they are restricting the schemes to the proposals given by the members of the ruling party. Is there any guideline from the Government of India to the States to see that only schemes on merit are taken up?

SHRI KADAMBUR M. R. JANARTHANAN : I would like to tell the Hon. Member that only schemes on merit are taken up under NABARD.

SHRI KONIJETI ROSAIAH : Let him kindly repeat the answer.

[*Translation*]

SHRI SHAILENDRA KUMAR : Mr. Speaker, Sir, I would like to tell the Hon'ble Minister through you that mostly it has been seen that funds allocated to the States for agriculture and rural development scheme through NABARD are misused by the State Governments. The State officials ignore the Members of Parliament in such matters. For instance the funds for the Employment Assurance Scheme of NABARD are sent by the Government of India but the officials and the local public representatives interfere in that as a result of which we, the M.Ps. are given no importance. Will the Hon'ble Minister give an assurance to formulate any scheme for constituting a direct Committee of M.Ps. so that we are able to participate in the implementation of such schemes?

[*English*]

.....(*Interruptions*)

MR. SPEAKER : The Hon. Minister is there. Why are you standing up?

SHRI KADAMBUR M. R. JANARTHANAN : If the Hon. Member brings a particular report to the Ministry, certainly it will be taken notice of.

[*Translation*]

SHRI SHAILENDRA KUMAR : I want to say that in such schemes direct participation of M.Ps. should be ensured and they should be consulted before its implementation. But it is found that we are ignored by officers and local public representatives. They grossly misuse that funds and no importance is given to us.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, I assure the House that we will ensure participation of M.Ps. in schemes which are implemented at the local level.

[*English*]

SHRI K. YERRANNAIDU : I would like to know from the Hon. Minister as to which are the States that have been getting more money right from the inception of NABARD and which are the States that have been repaying the money perfectly.

DR. T. SUBBARAMI REDDY : I would like to ask a clarifactory question from the Hon. Minister.

MR. SPEAKER : You cannot ask questions like this. Please taken your seat. There is a procedure to be followed.

SHRI K. YERRANNAIDU : I would like to know which State is using more funds and is performing well out of these funds and which State is repaying it perfectly well.

SHRI KADAMBUR M. R. JANARTHANAN : The Hon. Member must know that NABARD is only a refinancing institution. As far as refinancing is concerned, of course, Andhra Pradesh is doing well.

MR. SPEAKER : If you have any information, you can give it.

SHRI KADAMBUR M. R. JANARTHANAN : Funds under RIDF are not yet due for repayment. I will collect the information and give it to the Hon. Member.

[*Translation*]

SHRI THAWAR CHAND GEHLOT : Mr. Speaker, Sir, in Annexure-IV, the number of projects sanctioned by NABARD during 1997-98 is given. I would like to know as to how many projects were submitted by Madhya Pradesh Government for approval and till date how many projects were approved? In Gujarat 1226, in Karnataka 496, in Maharashtra 722 and in Uttar Pradesh 9279 projects were approved whereas in Madhya Pradesh only 281 projects

were approved. According to my information many projects proposed by Madhya Pradesh are pending. May I know the timely by which these projects will be approved?

[English]

MR. SPEAKER : Mr. Minister, would you like to say anything?

SHRI KADAMBUR M.R. JANARTHANAN : Sir, the number of pending schemes is for the States to look after.

Further, if you see the case of Madhya Pradesh, the number of RIDF projects sanctioned under RIDF-I was 163 and under RIDF-II, it was 70. It is for the State Government to fulfil the schemes.

SHRI KAMAL NATH : Sir, the statement which was laid by the Hon. Minister in the House shows two things: one that over the last three years, in investment credit, while all other States have had an incremental amount varying between 20 per cent and almost 100 per cent, Madhya Pradesh has remained static - on the other hand, this statement shows a very strange situation - and that the amount of loans disbursed is less than the per cent of the sanctioned amount. Is there something wrong? Between what has been sanctioned and what has been disbursed, there is a difference of 90 per cent. Why is this difference there? This means, either the figure of sanctioned amount is not correct or the figure of disbursal is not correct or the whole statement itself is not correct.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : The figures are correct. We disburse the money, again I repeat, we give the money to the States. It is the States that do the disbursement. Sanctions under RIDF-III were accorded only last year and the disbursements have started picking up. If the disbursement has slowed down according to you, you are a veteran politician from Madhya Pradesh and you may see how your State is spending the money.....*(Interruptions)*

SHRI KAMAL NATH : This is an incorrect answer. The statistics given in Annexure-IV are for every State including Tamil Nadu.*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : In disbursing loans, is there any guideline issued by the Government, any principle adopted? The Hon. Minister may please refer to Annexure-IV. Take the case of Kerala, where only Rs. 197 lakh have been disbursed whereas the sanctioned amount is nearly Rs. 10,000 lakh.....*(Interruptions)*

MR. SPEAKER : Please put your supplementary.

SHRI VARKALA RADHAKRISHNAN : This State is far away and you are not disbursing the money.

There is also another issue. In the matter of disbursing short-term loans also, this discrimination is patent. So, I would like to know from the Hon. Minister whether there has been any discrimination and if so on what grounds. Is

there any principle adopted by the NABARD in disbursing loans? You sanction very huge amount but the disbursement is very negligible. This is something which cannot be tolerated. Mr. Minister, please answer.

SHRI KADAMBUR M.R. JANARTHANAN : The purpose of allotment of funds is for rural development. Under the guidelines given, funds are disbursed to the States only for rural development.....*(Interruptions)*

MR. SPEAKER : Please take your seat.

SHRI VARKALA RADHAKRISHNAN : He is not answering the question.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : I am answering your question.....*(Interruptions)* It is given to the States for the development of the rural areas. That is the direction given by the NABARD. It is for the State Governments to look out.

[Translation]

SHRI THAWAR CHAND GEHLOT : Mr. Speaker, Sir, please allow Half-an-hour discussion on this question.

[English]

SHRI KADAMBUR M.R. JANARTHANAN : You, as a Member of Parliament can monitor whether the money is spent properly or not.....*(Interruptions)*

SHRI AJIT JOGI : Mr. Speaker, Sir, please allow Half-an-hour discussion on this question.....*(Interruptions)*

MR. SPEAKER : After so many supplementaries on this question you are suggesting for Half-an-hour discussion.

.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : As a Member of Parliament you can visit your constituency and see for yourself whether the funds allotted for rural development are spent properly or not. You can monitor this.....*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : Sir, the question is regarding the funds sanctioned.....*(Interruptions)*

MR. SPEAKER : Shri Radhakrishnan, please take your seat.

.....*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN : Sir, let the Hon. Minister answer my question. My question is regarding the disbursement of funds.....*(Interruptions)*

MR. SPEAKER : This is not proper. Shri Radhakrishnan, please take your seat.

.....*(Interruptions)*

SHRI KADAMBUR M.R. JANARTHANAN : Sir, we are not discriminating against any State. Under RIDF, NABARD sanctions funds mainly according to the rural population of the State.....(*Interruptions*). As a Member of Parliament you can monitor in your constituency whether the fund is properly spent by your State or not.....(*Interruptions*)

Patent Right for Basmati Rice to an American Company

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*42. SHRI MOTILAL VORA :
DR. T. SUBBARAMI REDDY :

Will the Minister of INDUSTRY be pleased to state:

(a) whether an American company 'Ricetech' has illegally got the patent of Basmati rice in its name;

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

(c) the steps taken by the Government so far to raise this issue before World Trade Organisation and other International forums in order to get the above mentioned patent cancelled; and

(d) the measures taken by the Government to prevent other countries from taking out Patents on Indian Products?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (c) A patent under title "Basmati Lines and grains" was granted to Rice Tec. Inc. Alvin Texas on 02.09.1997 by the Commissioner of Patents and Trademarks, United States of America. An Inter-ministerial Committee has been set up under the Deptt. of Industrial Development, Ministry of Industry to prepare a challenge of the Patent accorded of M/s. Rice Tec., Inc. Basic material and scientific data to contest the award of Patent granted by the Commissioner of Patents and Trademarks, United States of America is also being compiled. The revocation of the patent would have to be carried out under the United States Patents and Trademarks law. Therefore, raising the matter for cancellation of patent before the World Trade Organisation and before other international fora does not arise.

(d) Patents are granted by respective Governments under their Patents laws. Whenever information is received about patents being taken on certain products which are of commercial interest to India and which in our view do not satisfy the criteria of patentability, steps are taken to assess whether the grant of patent can be challenged. When sufficient material is gathered, steps are taken for filing a petition for re-examination and ultimate revocation of patent in that country.

[Translation]

SHRI MOTILAL VORA : Mr. Speaker, Sir, I would like to know from the Hon. Minister whether the Commissioner of Patents and Trademarks of United States of America had sought any information from the Government of India before granting Patent of "Rice Tec. Incorporated, Alvin, Texas" on 2.9.97?

[English]

Let the Hon. Minister answer this part of my question.

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : No.

[Translation]

SHRI MOTILAL VORA : Mr. Speaker, Sir, if no information was sought from the Government of India, is the hon. Minister aware of the fact that in the name of basmati rice the company has started selling coarse rice produced under the patent Basmati Lines and Grains in USA.

SHRI SIKANDER BAKHT : We did get this information but it was received on 11.2.97 and we constituted a Committee on 12.2.97 to inquire into the matter to find out as to how we can persuade USA for re-examining the matter.

SHRI MOTILAL VORA : Sir, in reply to the (b) part of my question it has been mentioned that an inter-Ministerial Committee was constituted for it. I would like to know as to when this inter-Ministerial Committee was constituted and what action has been taken by this Committee so far?

SHRI SIKANDER BAKHT : I have stated that we got this information on 11.2.98, prior to that we had no information because such matters are kept secret in U.S.A. till an announcement is made in this regard. After the announcement was made we constituted the Committee on 12.2.98 itself and convened meetings and this process is still going on. I hope that finally we will be able to persuade USA for re-examination of this matter. But so far no final decision could be taken as it was a complicated matter.

[English]

DR. T. SUBBARAMI REDDY : Mr. Speaker, Sir, it is a very important thing for the country. 4.5 lakh tonnes of rice is being exported every year thereby earning a foreign exchange to the tune of Rs. 1,200 crore. It is very strange and surprising that the reply is so vague. It states: "When sufficient material is gathered, steps are taken....."

The situation is that basmati rice which is being produced in our country is accepted all over the world. It is a very famous rice particularly in America. They have very tactfully patented the name 'basmati'. There is every possibility of growing rice in Texas and in other parts of U.S.A. and sell it in the name of basmati.

Due to this, our country is losing foreign exchange and our exports are falling down. It is an irreparable damage for our country and our system. It has come to the notice of the Government in February 1967.

MR. SPEAKER : Dr. Subbarami Reddy, please put your supplementary.

DR. T. SUBBARAMI REDDY : Before putting the question, I should give the background.

MR. SPEAKER : You are not supposed to make a lengthy statement. You can ask only a supplementary.

DR. T. SUBBARAMI REDDY : My question is this. The Government has formed a Committee of eminent personalities drawn the Departments of Industry, Commerce and Bio-technology, Ministries of External Affairs and Agriculture, and also from the Indian Council for Agricultural Research, etc. That Committee was formed long time back. I would like to know why no action was taken till today. The Minister is only saying that the report is coming. There is no secrecy involved here. It is a very straight case.

MR. SPEAKER : The main question is regarding Basmati rice. Please put your supplementary regarding that question.

DR. T. SUBBARAMI REDDY : The Minister has said that it was a secret and that it was not easy to get information from the US, etc. But I am saying that it is not so. It is a very simple thing. A patent for Basmati rice was given to Rice Tec. Inc. of America. The duty of the Government of India is to get the patent cancelled.

MR. SPEAKER : Please you should know something about the procedure also.

DR. T. SUBBARAMI REDDY : Before concluding, I will give this reply!

MR. SPEAKER : You cannot give a reply. You may put a supplementary.

DR. T. SUBBARAMI REDDY : My question is this. When is the Government going to succeed in their efforts to get the patent cancelled through that Committee and through this Government? It should be a commitment and it should not be a vague one. The hon. Minister must clearly say when is he going to do it. I want to know the answer.

SHRI SIKANDER BAKHT : I do not intend to go into the details of the things as you have said. I will tell you only one thing. It is only the exports to America which are going to be affected, if at all.

DR. T. SUBBARAMI REDDY : It is ten per cent.

[Translation]

SHRI SIKANDER BAKHT : Let me reply to this

question. There is no problem on local level, neither in production nor in export of basmati rice. We may face problem in export of rice to America as local patentees can challenge us there. But such chances are also quite remote. There are two or three reasons behind it. The first is that this new variety of rice is being produced in less quantity. This patent is also obtained under the name of Basmati Lines and Grains and not under the name of basmati rice. There is a little different but details are quite complicated. This new variety has been developed from Pakistani basmati rice and cross-breed has been developed there. Apart from that, the question of aroma, length of rice and starch content also arises. The experiment in this regard has not been completed as yet and, hence, there has not been full scale production of rice. That is why our export has not been affected.

[English]

DR. T. SUBBARAMI REDDY : I wanted to know when were they going to do it.

SHRI MURLI DEORA : In that case, why do you not challenge them in the US courts?

SHRI SIKANDER BAKHT : We are doing it. The Committee has not yet come back. They are considering it. They are looking into how they can go and challenge them.

[Translation]

SHRI G.M. BANATWALLA : Sir, the reply given by the hon. Minister reveals the carelessness of the Government in this matter. The reply is that our exports will not be affected. The enquiry has not been completed, we are looking into the matter. We are collecting information and so on. My question is that in this matter.....(Interruptions)

Sir, is it not a fact that our officers were not alert. A non-governmental organisation had to file a writ petition in the Supreme Court to enlighten the Government in this matter.....(Interruptions) so that some action could be taken in this regard.....(Interruptions)

[English]

MR. SPEAKER : Please ask your supplementary.

[Translation]

SHRI G.M. BANATWALLA : Sir, I have asked my supplementary in Urdu language and it is possible that you may not have understood that. Therefore, I ask it again in English.....(Interruptions)

Sir, I have already asked my supplementary. My question is : Is it not a fact that the officers were not alert and - even today with respect to this very important question - has the Government taken note of this fact, and would the Government assure the House by what time the Government will be ready.....(Interruptions)

[Translation]

SHRI RAJVEER SINGH : Hon'ble Member has said his point has gone over his head.....(Interruptions)

[English]

SHRI G.M. BANATWALLA : Sir, eight months have passed and would the Government now give an assurance to this House by what time they would be able to approach the authorities for re-examination of this patent?

[Translation]

SHRI SIKANDER BAKHT : Sir, the issue is under our consideration and action is also being taken(Interruptions)

[English]

MR. SPEAKER : I will get it clarified.

.....(Interruptions)

SHRI AJIT JOGI : Sir, who is the Minister? So many of them are replying.....(Interruptions)

[Translation]

SHRI CHAMAN LAL GUPTA : To say that the point has gone over his head is not good.

[English]

MR. SPEAKER : If there is anything unparliamentary, I will expunge it. Now, please take your seats.

.....(Interruptions)

MR. SPEAKER : We will examine it. Please take your seats now. Mr. Minister, have you replied to the question?

.....(Interruptions)

SHRI AJIT JOGI : Sir, we should know as to who is the concerned Minister?.....(Interruptions)

[Translation]

SHRI SIKANDER BAKHT : He thought that we were neither considering nor paying any attention towards this issue but I told him that we are also considering this issue. I do not agree with Hon. Member's view - That our officers were not alert. The officers are very active. As I have said that we received information on 11th February, 1997, we started our work from 12th February 1997. At present I am not in a position to give any specific assurance about the time by which it will be possible because it is not yet decided how we will go about this problem....(Interruptions)

SHRIMATI SUMITRA MAHAJAN : Mr. Speaker, Sir, the question on patent of basmati rice has arisen today. Earlier also, the question of neem had arisen and similar question be raised tomorrow about allanso also. From the point of view of security of these indian products I would like to know from the Hon'ble Minister whether we are thinking to make patent law part of geographical indiation so that our Indian products remain secure?

SHRI SIKANDER BAKHT : Other things cannot be linked with basmati rice. The point of hon'ble Member is very correct that by seeing the geographical importance it was said in connection with turmeric and neem(Interruptions) I am trying to give reply, you please listen to it(Interruptions) Let me tell you what points can be included in this.

[English]

Patent invention relates to novel rice lines, plants and grains of these lines -

[Translation]

There are various varieties of rice.

[English]

and to a method for breeding these lines. The invention also relates to novel means for determining the cooking and starch properties. This is specifically related to rice. Specifically one aspect of invention relates to novel rice lines whose plants are, semi-dwarf stature, substantially photoperiod insensitive and high yielding and produce rice grains having characteristics similar to or superior to those good quality basmati rice

[Translation]

Basically various other things which the Hon'ble Member has mentioned in connection with rice are totally different.

[English]

SHRI S. JAIPAL REDDY : Mr. Speaker, Sir, this is a matter relating to the definition of patents. If you take up GATT-II under which the WTO has been set up, the geographically specified products have been given certain protection. Did the Ministry try to raise a dispute at the WTO itself? Why did not the Ministry take up the matter in the US Courts?

SHRI SIKANDER BAKHT : I am sorry, Sir, it has nothing to do with the WTO. The question will have to be taken up in the Courts of US because it is entirely of a different nature. It is not a trade-related dispute. It is a patent-related dispute. It will have to be taken up to the US Courts for solution

SHRI S. JAIPAL REDDY : Patents are covered by TRIPS.....(Interruptions) The reply given by the Minister does not seem to be correct.

[Translation]

PROF. PREM SINGH CHANDUMAJRA : It is a very important matter related to World Trade Organisation. There should be Half an hour discussion on it. It is a matter of grave concern if foreign countries will start patenting the Indian products.

SHRI BENI PRASAD VERMA : This matter relates to farmers. It affects the efficiency of our country.

MR. SPEAKER : Please cooperate. We have covered only two questions in 40 minutes.

SHRI S. JAIPAL REDDY : Sir, I am saying that the reply given by the Minister is incorrect.....(Interruptions)

MR. SPEAKER : I have called the next question.

Value of Rupee

*43. **SHRI HARI KEWAL PRASAD** :
SHRI MADHAV RAO SCINDIA :

Will the Minister of FINANCE be pleased to state :

(a) the percentage of fall in the value of rupee against Americal Dollar during the last three years with year-wise break-up;

(b) the reasons behind this sudden devaluation of rupee;

(c) whether the Government have taken short term and long term measures to salvage the Indian rupee;

(d) if so, the details thereof; and

(e) the extent to which these steps have helped in stabilising and strengthening the rupee against the Dollar?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) The year-wise break-up of the nominal depreciation of the exchange rate of the rupee against the US dollar during the last three years is as under:

Financial Year/ Period	Period Average Exchange Rate (Rs. US \$)	Depreciation of the rupee over previous period (in per cent)
1994-95	31.399	
1995-96	33.447	6.12
1996-97	35.500	5.78
1997-98	37.165	4.48

(b) The exchange rate of the rupee in India is market determined. The movement in the nominal exchange rate of the rupee vis-a-vis the US dollar over the years reflect the development in the foreign exchange market conditions in India, which in turn are influenced by the underlying trends in the inflow and outflow of foreign exchange arising from India's international transactions on the current and capital accounts of balance of payments as well as by the short-term speculative factors. Movements of the rupee against the dollar also reflect to some extent the movement of the dollar against other currencies in the international markets.

(c) to (e) The exchange rate development are closely monitored both by the Government and the Reserve Bank of India (RBI). The RBI, as and when necessary, intervenes in the foreign exchange markets and deploys suitable monetary measures to effectively counter speculative pressures on the rupee and to ensure orderly foreign exchange market conditions. The long term measures undertaken by the authorities include fostering macroeconomic stability, pursuit of rapid growth of output and productivity, regular monitoring of the developments in the balance of payments and institution of appropriate policy measures so as to keep the level of the current account deficit within sustainable levels and to manage capital flows consistent with the country's requirement of external financing and build-up of foreign exchange reserves. These measures have helped to maintain reasonable stability in the external value of the rupee during periods of speculative pressures and to maintain the level of exchange rate consistent with the preservation and improvement of India's external competitiveness.

[Translation]

SHRI HARI KEWAL PRASAD : Sir, the Hon'ble Minister himself has admitted in the statement laid on the Table of the House that devaluation of the rupee took place from time to time. He himself has stated that speculation leads to the ups and downs in the value of the rupee. I would like to know from the Hon'ble Minister that if these ups and downs are due to the speculative pressure on the rupee, what steps are being taken to counter it?

SHRI YASHWANT SINHA : Mr. Speaker, Sir, when in August, 1994 rupee was made convertible under current account, its transaction started in the Indian market like any other commodity. People with foreign exchange like Dollar etc. get together in the market and the value of rupee is determined on the basis of demand and supply. The value of every foreign exchange including Dollar is determined in this manner. The main consideration is that besides the economic situation of the country sometimes speculators also enter the market and indulge in the trading of rupee. We have given this answer. So far as checking of this trend is concerned, I would like to say that Reserve Bank of India is continuously monitoring the rupee market. Reserve Bank intervenes in the market from time to time if needed because it is the policy of the

Government that there should not be an excessive volatility in the rupee market and an orderly condition is maintained. Necessary attention is always paid in this regard. Accordingly, the value of the rupee goes up and down in the market.

SHRI HARIKEWAL PRASAD : Sir, after the nuclear tests by India, America, Japan and other countries of the world have imposed economic sanctions against India due to which value of rupee as compared to dollar, has gone down substantially. Now, a new situation has arisen after the test conducted by Pakistan. In these perspectives what measures are being taken to control the depreciation of the rupee.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, the nuclear testing is a very recent incident but if we go back to the period from 1991 to 1996, there was 40 per cent depreciation in the value of rupee. No nuclear bomb was tested at that time. During the regime of the earlier Government there was 11 per cent devaluation of rupee, and at that time also no nuclear test was conducted. As I said, when something happens, it may or may not have an immediate effect but it has some psychological impact which leads to increased buying and selling activity. Now whatever happened recently like the imposition of the sanctions by America and other countries has created a feeling which may not have an immediate effect. But due to these sentiments there was a change in rupee value, I can produce today figures of this change. This test was conducted on 11th May. On 12th May when market opened, the value of the rupee was same as was on 8th May. Even on 13th May it remained same on 14th May there was a slight fall in its value which continued unabated. This is known as sentiment in the market.

[English]

Sentiment, Mr. Speaker, Sir, also plays a very important role. Sentiment is sentiment, it is not related often to the reality on the ground.

SHRI MURLI DEORA : The hon. Minister just replied that after testing the nuclear device, there was not much devaluation in the Indian rupee compared to the dollar. But what we read from the reports which had appeared in the last weeks, it seems that there is a steep fall in the value of an Indian rupee compared to a dollar. It may be due to the sentimental reasons. What steps the Government is proposing to take, if such possible economic sanctions come from Japan, America and Germany?

SHRI YASHWANT SINHA : If you look at the value of a rupee on the 19th of March when this Government took over the office and until yesterday, the fall in the value of a rupee has been to the extent of 4.23 per cent only.

SHRI MURLI DEORA : Otherwise in the last one full year, there was a fall to the extent of 4.48 per cent. So, Mr. Minister you have mentioned in your own reply that in

the entire year of 1997-98, it was 4.48 per cent. Now, you are talking about the last two weeks. **SHRI YASHWANT SINHA :** The hon. Member represents Mumbai and he is more aware than most other people about what happens in the currency market. He must be aware of this fact often pressures build up.....(Interruptions)

SHRI MURLI DEORA : That is why I am asking what steps the Government wants to take.

SHRI YASHWANT SINHA : Pressures build up from time to time and there have been a number of instances in the past where such pressures had built up and the value of a rupee compared to a dollar has gone down substantially. Often it has gone down by eight or nine per cent. So, it was in that context that I was saying that within these last few days, it was around four per cent.

Now, I explain to you the policy of the Government. The policy of the Government is to maintain orderly conditions in the currency market. The policy of the Government is to ensure that no undue volatility takes place. If the hon. Member has looked at the market behaviour, he will notice that often when the market has opened in the morning, there has been something like a run. It has had a wide margin, but subsequently as the day passed, it corrected itself and the peak value which had been touched in the course of the day, came down. That means the market is correcting itself and the market is not supporting the speculators. This is a very very good thing.

Even today, Sir, before I came to this House, I checked up the position and I am very happy to report to the House that at about 1045 hours, the markets were very stable. Now, that is what I am interested in. The market must behave in an orderly fashion. We will not control the value of the rupee because as I have said, it is being bought and sold. But the orderly conditions in the market must prevail. That is the concern of the Government and the RBI is keeping a close watch on this situation.

R. V. Gupta Committee on Agricultural Credit

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*44. **SHRI V. V. RAGHAVAN :**
SHRI SURENDRAN CHENGARA :

Will the Minister of FINANCE be pleased to state:

(a) whether R. V. Gupta panel on agricultural credit set up by RBI has recommended far reaching changes in improving the flow of credit and simplification of procedure for agricultural credit in the country;

(b) if so, the details of the major recommendations made in the report and the Government's reaction thereto;

(c) the present status of the report and likely implications of the recommendations on farm economy;

(d) the reaction of farming community/experts to the major recommendations made by the Committee; and

(e) the time by which the Government is likely to finalise its view and take appropriate decision on the report?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) to (e) A statement is laid on the Table of the House.

Statement

(a) to (e) Reserve Bank of India (RBI) set up a one man Committee of Shri R.V. Gupta (former Deputy Governor, RBI) in December, 1997 with the following terms of reference:

- (1) To study the working of the credit delivery system for agriculture through field level interaction with farmers, agriculturists, borrowers of commercial banks and bank staff and analyse the constraints in the flow of such credit to the farm sector.
- (2) To make suggestions for simplification and improvements in systems and procedures including reduction in paper work for delivery of farm credit.
- (3) To make proposals on other initiatives that may be taken by commercial banks to facilitate credit delivery to the farm sector.

The Committee submitted its report to RBI on April 21, 1998. RBI has reported that the Committee's recommendations cover the following areas:

- (i) Recommendations on operational aspects relating to agriculture credit. These recommendations cover, *inter alia*, rationalisation of internal returns of the banks, delegation of powers to branch managers, introduction of composite cash credit limits to farmers, introduction of new loan product with saving component, cash disbursement of loans, dispensation of "No Dues certificate" and discretion to banks on matters relating to margin/security requirements for agricultural loans above Rs. 10,000.
- (ii) Recommendations on aspects like abolishing of stamp duty for agriculture loans, matters relating to mortgage of land subsidy-linked credit, bank finance to tenant farmers and assistance in recovery of loans.
- (iii) Recommendations of simplification of application forms, agreements and other covenants/documents for agricultural loans and rationalisation of internal returns of bank for monitoring agricultural and other advances.

Major recommendations so far accepted by RBI include, *inter alia*, simplification of procedure regarding loan applications, agreements/documents etc., rationalisation of internal returns of banks, delegation of powers to branch managers, introduction of composite cash credit limits to agricultural farmers, introduction of new loan products with saving component, cash disbursement of loans, dispensation of No Due Certificates, discretion to banks on matters relating to margin/security requirements for agricultural loans above Rs. 10,000 etc. All scheduled commercial banks have been advised by RBI to implement the above recommendations of the Committee. Further, RBI has requested Indian Banks Association (IBA) to work out simplified application forms and documents for agricultural loans and rationalisation of internal returns by branches for adoption by all banks. Certain recommendations such as abolition of stamp duty for agricultural loans, assistance from State Governments for recovery of bank dues, matters relating to mortgage of land, dispensation of compulsory rural posting of bank officials, matters relating to subsidy linked credit etc. have been referred by RBI to the Government for consideration.

The Committee has also made certain recommendations for reforming the rural credit delivery process. These include:

- (a) Freedom to commercial banks to fix rates of interest for loans of all amounts.
- (b) Target for agricultural lending to be based on flow of credit through preparation of Special Agricultural Credit Plans (SACPs).
- (c) A substantial modification of Service Area Approach.
- (d) A thorough review of existing system of subsidy linked loan programmes.

SHRI V.V. RAGHAVAN : Mr. Speaker, Sir, the Gupta Committee Report is against the vital interests of small and marginal peasants.

For instance, the freedom to commercial banks to fix rates of interest for all loans, for all amount is to punish the poor people and favour the big business houses. The banks consider the poor peasantry as unwanted people on earth. This attitude of the banks has driven the peasantry to the merciless moneylenders and ultimately to mass suicide.

At the same time, under the very nose of the RBI and the leading banks, Harshad Mehtas and fake institutions loot our banks at the cost of our exchequer and even some of the corporate houses owe huge amounts to banks. No steps have been taken in this regard and no prosecution has taken place so far in such cases. But a poor peasant who owes a meagre sum of Rs. 100 is prosecuted and harassed. This attitude of the banks has to be changed.

By not depending upon these retired RBI Officers' reports, will the Government examine afresh the hardships caused to the peasantry by the Credit Policy of all the banks?

SHRI KADAMBUR M.R. JANARTHANAN : Sir, I want to assure the hon. Member that the Gupta Committee, the one-man Committee, which was appointed by the RBI has gone to the field, gone to the banks and has interacted with small farmers also before preparing the report. Therefore, keeping in view the interest of the small farmers that Committee was formed. I would like to assure the hon. Member that the Government wants to safeguard the interests of small and marginal farmers.

If the hon. Member may kindly see the answer, which we have given, he will come to know that the main recommendation of the Committee is to give more powers to the Branch Managers and easy accessibility of the small farmers to the Branch Managers so that they may get loans. The interest rates have also been considered by the Committee. If you see the report the regulated rates of interest operate as a barrier in sanctioning of small loans. So the main purpose of the Committee is mainly to increase the income stream of the farmers.

I would like to draw the attention of the House that the main purpose of this Committee was more on the assets which a person is having and not on the old system of Land Development Bank which gave loans on the value based assets. The income stream of the farmers must be increased on this only.

This has been circulated to the Members. If the hon. Member is interested to know more he can come to me and I can show him the reports and operations and recommendations of the Committee. Actually, the Committee's recommendations are in the interest of small and marginal farmers. So, we should not undermine or question the appointment of the Gupta Committee. This efforts of the one-man Committee should be praised by the country. Some of the recommendations are already in the process of implementation.

SHRI V.V. RAGHAVAN : Sir, I am sorry to say that I have not got the proper reply. I have gone through the report which had appeared in the papers. I have also gone through the comments of eminent people who know things. My contention is that the very purpose of the Government is defeated by the main recommendations of the report.

MR. SPEAKER : Please put your supplementary.

SHRI V.V. RAGHAVAN : Sir, my first question has not been replied so far. I am putting my question.

My question is, without depending on the reports of the Gupta Committee or Narasimhan Committee, would the Government independently examine the issues faced by our peasantry? It is a very dangerous position now.

SHRI YASHWANT SINHA : Sir, Gupta Committee, one-man Committee, was appointed by the Reserve Bank of India. It was not appointed by the Government. It was a Committee appointed by the Reserve Bank of India with a set of terms of reference, the basic purpose of which was to facilitate the flow of credit to the farmers.

Now, Gupta Committee has given its report to the Reserve Bank of India. The Reserve Bank of India has examined the recommendations. There are some which need to be examined by the Government. There are some which need to be examined in consultation with some other agencies. That examination is going on. I would like to assure the House that absolutely, in unmistakable terms there is nothing; no decision will be taken by this Government which will be anti-farmer. We are pro-farmer and we shall continue to take the best decisions in their interest.

SHRI SURENDRAN CHENGARA : Mr. Speaker, Sir, the small farmers always find it difficult to get loans from banks and the cooperative societies are easily approachable for them. Will the Government consider the proposal to disburse the agricultural loans to farmers through the primary cooperative societies under NABARD? Easily the bank authorities take action against the small farmers in regard to recovery of their dues. The big farmers, I mean the rich farmers, find some way out to escape from such recovery proceedings. Will the Government take some measures to help the small farmers?

SHRI KADAMBUR M.R. JANARTHANAN : Sir, the Question pertains to Gupta Committee recommendations in regard to making changes and increasing the flow of credit to the farmers. I would like to mention that out of 43 recommendations, as has already been said by the Cabinet Minister, 26 recommendations were on the move and some recommendations are under examination.

I would like to inform to the hon. Member that Gupta Committee is a Committee appointed by the Reserve Bank of India, fully in the interest of the small farmers, to have radical changes so that they can easily approach the banks and they can have easy method of getting loans. Therefore, it is completely a new approach. The Committee's recommendations have a new approach. Some of the recommendations have been accepted by the Government and some recommendations are under consideration. Therefore, I assure the hon. Member that the small farmers' interest will be protected and safeguarded. The main purpose of this Committee will hold good to the farmers.

SHRI T. R. BAALU : Sir, where is the time for me to put a question?.....(Interruptions) I have got only half a minute. Please allow me to put my question.

Gupta Committee has recommended subsidy linked loan. What is meant by 'subsidy linked loan'? If there is any subsidy-linked loan, how are you going to arrive at? How are the farmers going to benefit from this?

MR. SPEAKER : It is a straight question. Please give a straight answer.

.....(Interruptions)

SHRI T.R. BAALU : Sir, it seems that the Minister has not done his homework. What can I do?.....(Interruptions) Sir, the Cabinet Minister should answer on his behalf.....(Interruptions). There is only half a minute left. I should get the answer from the Minister. Sir, the time is up.....(Interruptions)

MR. SPEAKER : Mr. Minister, you can send the reply to him later.

SHRI KADAMBUR M. R. JANARTHANAN : I will send the reply to the hon. Member.

[Translation]

SHRI RAJESH PILOT : Mr. Speaker, Sir, I would like to draw the attention of the hon'ble Minister to the fact that the members of the House have just discussed about the problems and harassment caused to the people due to the indifferent attitude of the banks. These problems can be removed if bank loan limit is fixed for farmers. Suppose, I have 50 Bigha of land worth 50 lakhs of rupees, my bank loan limit can be fixed at Rs. 1 lakh. Then I can take the loan worth Rs. 1 lakh from the Bank at any time. If this can be done, all the problems of the farmers will be solved. Whether the hon'ble Minister is thinking in this direction.

12.00 hrs.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, in reply to the question asked by the hon'ble Member, I would request him to wait for two-three days more for the presentation of the general Budget. If the question remains relevant even after that, I will give the reply.

WRITTEN ANSWERS TO QUESTIONS

[English]

New Exim Policy

*45. SHRI INDRAJIT GUPTA : Will the Minister of COMMERCE be pleased to state :

(a) whether the majority of 340 items shifted to OGL list are being produced by the Small Scale Industries (SSI) and as such the new Exim Policy would hit hard the SSI sector; and

(b) if so, the steps taken by the Government to safeguard the interests of SSI sector?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEDGE) : (a) and (b) Out of 340 items shifted to OGL, only 57 items are having small scale angle

either due to their reservation for manufacture in the small scale sector or having strong SSI production base. Further, 50 out of these 57 items were already importable against transferable SIL (Special Import Licence). The actual import of these 50 items during 1997-98 (upto to November, 1997) was approx. Rs. 28 crores. The Customs duty on imports provides safeguard to the SSI Sector.

Loans to Diamond Industry

*46. SHRI DADA BABURAO PARANJPE : Will the Minister of FINANCE be pleased to state:

(a) whether diamond industry and diamond exporters are facing hardship in getting credit from banks; and

(b) if so, the steps taken by the Government to provide loans to the diamond industry and diamond exporters?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Reserve Bank of India (RBI) has informed that it has no information regarding any hardship faced by diamond industry and diamond exporters in obtaining credit from banks. The Gem and Jewellery Export Promotion Council has also reported that at present the diamond industry and diamond exporters are not facing any hardship in getting credit from banks. According to RBI, banks have been given full operational freedom to sanction credit facilities to borrowers based on their commercial judgement. Banks have also been advised to ensure that exporters' credit requirements are met in full and promptly and that no export order suffers for want of funds and cases, if any, of rejection of export credit proposals are brought to the notice of the Chief Executive of the bank concerned. Banks have been advised by RBI to ensure that necessary machinery is in place in their Head/Zonal offices to redress exporters' grievances regarding delay in granting credit limits/denial of credit limits.

Closed Cotton and Textiles Mills

*47. SHRI SADASHIVRAO DADOBHA MANDLIK : SHRI A. VENKATESH NAIK :

Will the Minister of TEXTILES be pleased to state:

(a) the number of Cotton and Textile Mills lying closed at present state-wise;

(b) the number of mills closed during 1996-97 and 1997-98, till date;

(c) the main reasons for their closure;

(d) the number of workers rendered jobless due to the closure particularly in Maharashtra; and

(e) the steps being taken/proposed to be taken by the Government for their rehabilitation and resumption of production in these mills?

THE MINISTER OF TEXTILES (SHRI KASHI RAM RANA) : (a) to (c) According to available information, as on 31.3.98, no cotton/man-made fibre textile mill was closed under the Industrial Disputes Act in the country. However, 170 mills were lying temporarily closed primarily on account of financial difficulties, strikes/labour problems and lockouts etc. while 50 mills were closed under liquidation. The number of workers affected due to closure is 2,60,343. The number of mills lying closed, state-wise, is given below:

Name of State/U.T.	Closed Mills
Andhra Pradesh	17
Assam	4
Bihar	2
Gujarat	66
Haryana	8
Karnataka	8
Kerala	1
Madhya Pradesh	9
Maharashtra	23
Orissa	1
Punjab	2
Rajasthan	9
Tamil Nadu	40
Uttar Pradesh	15
West Bengal	11
Delhi	3
Manipur	1
Total	220

39 cotton/man-made fibre textile mills were reported to be closed during 1996-97 and 22 cotton/man-made fibre textile mills were reported to be closed during 1997-98.

(d) The number of workers rendered jobless due to closure of mills in Maharashtra is 28,764.

(e) Government has set up the Board for Industrial and Financial Reconstruction (BIFR) to inquire into the working of sick industrial companies and to prepare and sanction, as appropriate, schemes for revival of such mills.

Narasimham Committee Report

*48. SHRI VILAS MUTTEMWAR :
SHRI K.D. SULTANPURI :

Will the Minister of FINANCE be pleased to state :

(a) the main recommendations of the Narasimham Committee Report on the reforms in the Banking Sector;

(b) whether any indepth study of implication of the recommendations has been made by the Government.

(c) if so, the details thereof; and

(d) the time by which the final decision by the Government on the recommendations of the Narasimham Committee Report is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) The Committee on Banking Sector Reforms chaired by Shir M. Narasimham has recently submitted its Report to Government. Copies of the Report have been placed in the Parliament Library. The Committee's recommendations cover institutional, supervisory, legislative and banking policy aspects. The recommendations relate to capital adequacy, asset quality, non-performing assets, directed credit, prudential norms, disclosure requirements, systems and methods in banks, structural issues, rural & small industrial credit, regulation & supervision, legal and legislative framework. These recommendations would constitute a valuable input into the on-going exercise by Government and the Reserve Bank of India (RBI) for reform of the Banking Sector. Given the wide variety of issues on which the Committee has made recommendations and the ongoing nature of decision making in Government and RBI, it may not be feasible to set a specific time frame for decisions on these issues.

Privatisation of Insurance Sector

*49. SHRI NARESH PUGLIA :
SHRI PANKAJ CHOUDHRY :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to involve private sector in the Insurance Sector;

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

(c) whether there has been great resentment amongst the officers of the insurance companies on this issue;

(d) whether such a step taken by the Government is likely to affect adversely the insurance companies and also the economy of the country; and

(e) if so, the reaction of the Government thereto and further steps the Government propose to take to bring about reforms in the insurance sector?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (e) Under the existing insurance laws, the Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) and its four subsidiaries have the exclusive privilege of carrying on life and general insurance business respectively in the country. While considering reforms in this sector, this policy will also be reviewed. The interest of the economy, in general, and insurance companies and their employees, in particular, will be kept in view while taking any final decision in the matter.

Disparity in Credit Deposit Ratio

*50. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state:

(a) whether there is great disparity in the credit-deposit ratio in the Indian Banks;

(b) if so, the details thereof; and

(c) the steps the government propose to take to tackle the disparity?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The bank-wise details of Credit Deposit Ratio (CDR) of public sector banks as on 27th March 1998 are given in the Statement enclosed. The main reasons for variation of CDR among the banks include the differences in regional/geographical spread of bank branches and attendant variation in credit absorption capacity as also the variation in Banks Capital as a percentage of Non-Performing Assets (NPAs) which have an impact on the Banks capacity of expand credit.

(c) State Level Bankers' Committee, (SLBC) which comprises representatives of banking operating in a particular state and representatives of Government Departments, reviews in regular meetings all aspects of bank credit, including the Credit Deposit Ratio, in the State.

Statement

Credit deposit ratio of Public Sector Banks as on the last Friday of March, 1998

S.No.	Name of Bank	Credit Deposit Ratio (%)
1	2	3
1.	State Bank of India	57.2

1	2	3
2.	State Bank of D & J	59.0
3.	State Bank of Hyderabad	62.5
4.	State Bank of Indore	61.9
5.	State Bank of Mysore	64.2
6.	State Bank of Patiala	62.0
7.	State Bank of Saurashtra	63.2
8.	State Bank of Travancore	60.4
9.	Allahabad Bank	46.9
10.	Andhra Bank	43.5
11.	Bank of Baroda	56.6
12.	Bank of India	56.1
13.	Bank of Maharashtra	46.3
14.	Canara Bank	50.9
15.	Central Bank of India	45.8
16.	Corporation Bank	45.3
17.	Dena Bank	58.2
18.	Indian Bank	51.6
19.	Indian Overseas Bank	42.2
20.	Oriental Bank of Commerce	48.5
21.	Punjab National Bank	47.7
22.	Punjab & Sind Bank	46.6
23.	Syndicate Bank	43.7
24.	Union Bank of India	46.9
25.	United Bank of India	36.7
26.	UCO Bank	43.9
27.	Vijaya Bank	43.2

Outstanding Amount of Coal India Ltd.

*51. SHRI MOHAN RAWALE : Will the Minister of COAL be pleased to state:

(a) whether a large amount of Coal India Limited is outstanding against various State Electricity Boards and Power Companies on account of supply of coal to them by the subsidiaries of Coal India Limited;

(b) if so, the details of amount outstanding against each State Electricity Board and Power Company, as on date, subsidiary-wise;

(c) the reasons for which such a huge amount is outstanding against State Electricity Boards and Power Companies; and

(d) the efforts made to recover the outstanding amount and achievements made so far in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Yes, Sir.

(b) A statement showing SEB-wise and Subsidiary-wise total outstanding dues to Coal India Ltd. (CIL) as on 31.3.98 is enclosed.

(c) Coal India Limited (CIL) meets the coal needs of various consumers including therein power, steel, cement and various other sectors. Keeping in view the importance of coal for the economy of the country the supplies of coal were being made to bulk consumers like power houses, steel plants etc. without insisting on advance payment. This has resulted in non-payment of coal sale dues over the years. Non-payment of dues by power sector has also occurred on account of dispute over quality of coal supplies etc..

(d) Following steps have been taken by the Government/Coal India Limited to recover the outstanding dues from the State Electricity Boards :

- (1) Coal India Limited (CIL) have been advised to supply coal to power utilities only against advance payment or letter of credit. Cash and Carry Scheme

is being implemented with greater rigour since 1.1.97.

- (2) Coal India and its subsidiary coal companies have been persistently following up with the consumers in diverse sectors for settlement of dues.
- (3) Recovery of dues by way of adjustment against energy bills is also being done in respect of certain power utilities. State Governments have been requested to persuade/enable SEBs to clear the outstanding dues at the earliest.
- (4) Umpires have been appointed for resolving the disputed dues between the coal companies and SEBs.
- (5) Government has recently decided to deduct outstanding dues as on 31.12.96 of Public Sector Undertakings under the Ministry of Power/Railways/Coal/Atomic Energy through Central Appropriation with the stipulation that the appropriation be restricted annually to a maximum of 15% of the Central Plan Assistance for the concerned State irrespective of the number of years that it may take for the outstanding dues to be cleared.

During the year 1997-98, a sum of about Rs. 226.5 crores was recovered from the Central Plan Assistance of the respective State Governments and paid to Coal India Limited.

Statement

SEB's wise and Subsidiary wise total dues (both disputed and un-disputed) as on 31.3.1998

(Rs. in Crores)

Name of SEB'S	ECL	CCL	BCCL	NCL	MCL	SECL	WCL	NEC	Total
1	2	3	4	5	6	7	8	9	10
BSEB	57.41	248.69	3.54	-	-	-	-	-	309.64
UPSEB	6.01	75.76	89.66	277.41	-	-	-	-	448.84
PSEB	6.91	101.96	111.59	-	-	-	-	-	220.46
TNEB	74.05	-	14.96	-	90.00	0.23	(-0.03)	-	179.21
HSEB	0.20	69.08	4.40	2.56	-	0.06	-	-	76.30
RSEB	-	0.00	8.32	2.27	-	29.04	-	-	39.63
MSEB	-	-	-	-	95.85	229.72	412.67	-	738.24
MPEB	-	-	-	-	-	132.46	121.61	-	254.07
GEB	-	-	1.12	15.75	8.72	365.07	5.70	-	387.36
WBSEB	84.45	-	2.73	-	-	-	-	-	87.18
WBPDC	88.93	-	31.12	-	45.07	-	-	-	165.12

1	2	3	4	5	6	7	8	9	10
APEB	-	-	-	-	4.44	(-)0.12	(-)0.08	-	4.24
ASEB	0.86	-	-	-	-	-	-	0.58	1.44
KPCL	-	-	-	-	(-)0.04	-	70.75	-	70.71
DPL	42.51	-	2.71	-	-	-	-	-	45.22
DVC	58.35	44.25	34.49	-	-	-	-	-	137.09
DESU	-	33.18	11.28	2.29	-	-	-	-	46.75
BTSP	22.71	253.22	214.89	-	-	-	-	-	490.82
NTPC	20.97	39.75	2.56	98.50	(-)2.60	29.19	3.60	-	191.97
CESE	10.62	-	2.24	-	-	-	-	-	12.86
AEC	-	-	-	-	-	21.65	0.12	-	21.77
BSES	-	-	-	-	(-)0.48	0.52	-	-	0.04
Grand Total	475.83	855.37	535.61	398.90	250.12	798.82	614.35	0.58	3929.58

(-) Figures indicate adjustments to be made in respect of these EBs/power companies.

Boosting of Export

*52. SHRI PRITHVIRAJ D. CHAVAN : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have formulated a policy to boost the economy, particularly sagging exports;

(b) if so, the details thereof;

(c) whether infrastructure financing, a critical output for boosting investment and reviving the exports has not been given due attention in the policy announced recently; and

(d) if so, the reasons thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Policy review is a continuous process and the Government have initiated a number of policy initiatives to boost the export sector which is important sector of the economy. The external trade sector of India has been further liberalised after the changes introduced recently in the new Exim Policy. The existing export incentive schemes have been strengthened; procedures have been further simplified and automatically introduced; sector-specific issues are being addressed to deal with sectoral inadequacies to achieve a higher growth especially in agro & allied products, jewellery, garments and electronic sectors. The threshold limit under the Export Promotion Capital Goods scheme has been reduced to Rs. 1 crore at the request of the small scale sector for certain sectors and to Rs. 10 lakhs for software sector. Interest rate on export credit has been reduced to improve competitiveness.

(c) and (d) Recognising that infrastructure at important locations is crucial and requires urgent attention, the

Ministry of Commerce is implementing schemes such as the Export Promotion Industrial Park and Critical Infrastructure Balance Scheme for providing critical infrastructure at designated pressure points. Govt. of India have been continuously addressing various issues concerning infrastructural development including finance issues.

Decline in Industrial Growth

*53. SHRI R. SAMBASIVA RAO :
SHRI SUSHIL KUMAR SHINDE :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the rate of industrial growth and production has declined during January to April, 1998 as compared to the corresponding period during previous year;

(b) if so, the details thereof alongwith the reasons for decline and major sectors affected; and

(c) the steps taken by the Government to improve the growth rate and productions?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) Yes, Sir.

The overall industrial growth rate in the months of January, February and March 1998 was 3.1%, 3.4% and 2.1% respectively as compared to 4.5%, 2.8% and -0.7% respectively for these months in the previous year. The rates of growth in February and March though low, were higher than last year. The growth rate for April, 98 is likely to be compiled by June, 1998.

The deceleration in industrial growth is perceived to be the cumulative effect of many macro factors, which

include, subdued export growth, slow down in investment and sluggishness in demand. The sectors which were adversely affected are commercial vehicles, capital goods, sugar, steel, auto ancillary, newsprint, sewing machines, electrical fans and leather and fur products.

(c) The mid-year reviews were conducted to identify areas of concern. As a consequence, certain initiatives have been taken. Bank rate has been brought down by 1 per cent and action has been initiated to increase investment in infrastructure sectors particularly, power, mining etc. This is expected to provide increased demand for the industrial sector. Dialogue will be continued with Industry Associations to identify measures to stimulate growth.

[Translation]

Royalty rates of Coal

*54. SHRI RAMANAND SINGH :
SHRI G. GANGA REDDY :

Will the Minister of COAL be pleased to state :

(a) the established conventions to stipulate the rates of coal royalty;

(b) whether the Government have received any representations regarding discrimination in distribution of coal royalty;

(c) if so, the details thereof;

(d) whether the study group constituted to review the royalty rates of coal had submitted its report to the Government in September, 1997;

(e) if so, the details of recommendations of the study group;

(f) whether according to recommendations of the study group the new rates were to be notified by October, 1997;

(g) if so, the reasons for delay in notifying the recommended rates within the stipulated time; and

(h) the time by which new rates are likely to be notified?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Since 1968 the royalty rates on coal have been stipulated on tonnage basis.

(b) and (c) In addition to royalty on coal, several State Governments had in the past imposed cesses on coal. The Acts imposing such cesses had been struck down by the Supreme Court and the High Courts except in the case of West Bengal the Cess Acts of the State are pending the decision of the Supreme Court. As the cesses in West Bengal are levied at a rate much higher than the royalty on

coal, the rates of coal royalty introduced in August, 1991 are continuing in the State of West Bengal. A representation from the Government of West Bengal requesting for the extension of coal royalty at the current rates has been received.

(d) to (f) The Ministry of Coal had constituted a Study Group on 28.1.97 to interact with the coal producing States and the consuming bodies and to submit a report on the matter for assisting the Government in considering a revision in the rates of royalty. It is beyond the purview of the Group to suggest any specific date for the introduction of new royalty rates. The recommendations of the Group are under consideration of the Government.

(g) and (h) The Mines and Minerals (Regulation & Development) Act, 1957 does not contemplate the automatic revision of royalties on minerals after any specified period. However, it provides that no upward revision of rate of royalty with respect to any mineral can be done more than once during any period of three years. In fact in the decade 1981-91 the Central Government did not revise the royalty rates on coal at all.

[English]

Disbanding of FIPB

*55. SHRI K.C. KONDAIAH : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are considering disbanding of Foreign Investment Promotion Board (FIPB) and preferring case-by-case approach in giving approval to foreign direct investment proposals; and

(b) if so, the details thereof and if not, the steps proposed to be taken to ensure greater inflow of foreign direct investment in Industries?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) No, Sir. No such proposal is under consideration.

(b) Detailed guidelines for the consideration of Foreign Direct Investment (FDI) proposals by the FIPB are already in place. The guidelines endeavour to provide a time-bound, transparent, non-discriminatory and non-discretionary FDI regime to attract greater inflows of foreign capital.

The policy towards FDI is a dynamic one, which is aimed at progressively liberalising the FDI regime with a view to encouraging foreign investments.

Amount Collected through VDIS

*56. SHRI TATHAGATA SATPATHY : Will the Minister of FINANCE be pleased to state:

(a) the total amount collected through the Voluntary Disclosure of Income Scheme (VDIS) during 1997-98;

(b) the State-wise/area-wise details thereof;

(c) whether the Government had a proposal to disburse that amount among different States; and

(d) if so, the details thereof and the steps taken in that direction?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The total amount collected through the Voluntary Disclosure of Income (VDIS) during 1997-98 is about Rs. 9503 Crores.

(b) The details have been maintained Chief-Commissioner charge-wise and the statistics are mentioned in the Statement-I enclosed.

(c) Yes, the Government has decided to disburse that amount among different States.

(d) During 1997-98, Rs. 7594 crores have already been paid to the State Governments in March, 1998. The distribution of individual States' share has been made on the basis of the percentage prescribed by the 10th Finance Commission in respect of States' share in Income Tax. A statement showing State-wise share in the proceeds of VDIS, 1997 paid to States is mentioned in Statement-II enclosed.

Statement-I

Chart showing V.D.I.S. 1997 outcome

S.No.	C.C.I.T. Charges	Total Tax Paid (tax+interest) (Rs. in crores)
1.	Ahmedabad	921.87
2.	Bangalore	581.67
3.	Bhopal	302.36
4.	Calcutta	714.70
5.	Chandigarh	609.74
6.	Chennai	783.44
7.	Cochin	139.29
8.	Delhi	1218.26
9.	Hyderabad	375.36
10.	Jaipur	269.98
11.	Kanpur	346.09
12.	Lucknow	219.00
13.	Mumbai	1978.48
14.	Patna	256.14
15.	Pune	867.45
Total		9583.83

Statement-II

State-wise distribution of shares in VDIS during 1997-98

States	Shares (Rs. in crores)
Andhra Pradesh	642.83
Arunachal Pradesh	12.91
Assam	211.42
Bihar	976.66
Goa	13.67
Gujarat	307.25
Haryana	94.01
Himachal Pradesh	53.46
Jammu & Kashmir	83.31
Karnataka	405.44
Kerala	294.27
Madhya Pradesh	629.54
Maharashtra	465.21
Manipur	21.41
Meghalaya	21.49
Mizoram	11.32
Nagaland	13.75
Orissa	341.35
Punjab	110.95
Rajasthan	421.54
Sikkim	9.57
Tamil Nadu	504.01
Tripura	28.71
Uttar Pradesh	1352.57
West Bengal	567.35
Total	7594.00

Regional Rural Banks

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

(a) whether the Government have reviewed the performance of Regional Rural Banks;

(b) if so, the details thereof, Bank-wise and State-wise;

(c) whether some of such banks are facing acute financial crisis;

(d) if so, since when and the reasons therefor; and

(e) the steps taken to make the Regional Rural Banks effective and economically viable so that the objectives of setting up these banks are achieved ?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The activities of Regional Rural Banks (RRBs) are monitored by National Bank for Agriculture & Rural Development (NABARD) and the Sponsor Banks on an on-going basis. As per the monitoring and review mechanism (MRM) prescribed by NABARD, the Board of Directors of the RRBs comprising, *inter-alia*, of representatives of Reserve Bank of India (RBI) and NABARD have to review the performance of the RRBs on a quarterly basis. The Sponsor Banks and NABARD's regional offices also review the performance of RRBs on a half yearly basis. The Annual Review of RRBs is conducted by NABARD and sent to Government/RBI. The Annual Reports of all the 196 RRBs are also tabled in Parliament.

(c) to (e) A majority of RRBs are making losses. During the year 1996-97, while only 44 RRBs made profits aggregating Rs. 69.68 crores, 152 RRBs incurred losses to the tune of Rs. 879.36 crores. As on 31.03.1997, total accumulated losses of all the RRBs put together amounted to Rs. 3048 crores.

The RRBs are incurring losses, *inter-alia*, due to narrow spread, high transaction costs, low productivity, poor recoveries, restriction on choice of clientele and area of operation, low business volumes relative to branch network and high establishment costs. A number of steps have been taken to bring an improvement in the performance of the RRBs and make them viable. These include, *inter-alia*, the following :

- (i) The share capital of all RRBs has been raised to Rs. 1 crore each.
- (ii) As a part of efforts to revamp RRBs on a 'Stand Alone' basis, 151 RRBs have been provided additional equity support for cleansing up of balance sheets during the last four years (1994-98). A sum of Rs. 773.57 crore has been provided for this purpose by the Central Government.
- (iii) Bank specific Development Action Plans (DAPs) have been prepared and RRBs have entered into Memoranda of Under-Standings (MoUs) with their sponsor banks.
- (iv) Income recognition and asset classification norms

have been introduced with effect from 1995-96 while provisioning norms have been introduced from the year 1996-97.

- (v) RRBs have been permitted to relocate their loss-making branches to better business locations/centres, or convert them into satellite offices. Further, RRBs with Service Area Obligation have also been permitted to open new branches outside their Service Area subject to certain conditions.
- (vi) RRBs have been provided access to profitable avenues for investment of their non-SLR funds on par with Commercial Banks.
- (vii) Earlier, the RRBs were permitted to finance non-target Group beneficiaries to the extent of 60% of their fresh lendings. With effect from 1st April, 1997, the RRBs are required to ensure that their advances to priority sector constitute 40% of their outstanding advances as in the case of Commercial Banks.
- (viii) RRBs have been permitted to, *inter-alia*, issue bank guarantees on behalf of their customers and purchase/discount Demand Drafts and cheques.
- (ix) Organisational Development Initiative (ODI) programme has been developed and introduced.
- (x) Interest Rate Structure of RRBs has been completely deregulated with effect from 26th August, 1996.
- (xi) The Sponsor Banks have been entrusted with greater role to exercise full managerial and operational control over their sponsored RRBs.

[Translation]

Tax Realisation Procedure

*58. SHRI ANAND RATNA MAURYA :
SHRI RAMPAL SINGH :

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government propose to introduce any scheme to bring about improvement in the tax collection procedure;
- (b) if so, the details thereof;
- (c) the amount involved in tax-related disputes; and
- (d) the details of efforts made by the Government for realisation of the disputed amount?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE)

(SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The Government undertakes continuous exercises for improvement of tax collection and to plug potential loopholes. A number of key legislative/administrative measures have been initiated in this regard. These include measures for reduction of tax arrears and major tax reforms, rationalisation of tax structures, enhancement of enforcement and anti-evasion measures and modernisation including computerisation of tax records.

(c) The amounts involved in tax related disputes pending in various courts are as under :

(i) Direct Taxes Rs. 28379.67 crores (Prov) (as on 31.03.98)

(ii) Indirect Taxes Rs. 2742.21 crores (as on 31.03.97)

(d) Appropriate administrative and legal measures are taken on regular basis to realise the amounts involved in tax-related disputes.

[English]

Export of Spices

*59. SHRI T. GOVINDAN : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have taken any steps to boost the export of Spices which is declining; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Export of spices have registered a marked growth in value terms during the last 3 years. The value of spices exported during the last three years are as under:

Year	Value (Rs. Crores)
1995-96	804.43
1996-97	1230.72
1997-98	1352.15

Source : Spices Board

Apart from the general policy reforms, some of the steps taken to enhance exports of spices include abolition of cess on export of pepper (except green pepper in brine), cardamom, saffron and spice oils and oleoresins to make them price competitive in the overseas markets; implementation of brand promotion schemes like "Logo Promotion", grant of "Spice House Certificate" as a recognition of processor/exporter of quality products; setting up of laboratories for testing of products to ensure quality; technology transfer; process upgradation and product development.

Media Projects

*60. SHRI S. S. OWAISI : Will the Minister of INDUSTRY be pleased to state :

(a) the number of media projects cleared by Foreign Investment Promotion Board during the last one year;

(b) whether Foreign Investment Promotion Board has cleared six media projects recently;

(c) if so, the details thereof;

(d) whether it was decided that no new projects would be cleared till the Broadcasting Bill was enacted;

(e) if so, the reasons for clearing these projects;

(f) whether Ministry of I & B has made strong objection against clearing these projects; and

(g) if so, the status of these projects and the steps taken on the points raised by the I & B Ministry?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Sir, 14 projects for production of entertainment programmes, setting up of music studios, electronic on-line services, production and dubbing of audio visuals, publishing of magazines and books, advertising and publicity services have been recommended by Foreign Investment Promotion Board (FIPB) during the period from 1.4.97 to 31.3.98.

(b) and (c) During the period April-May, 1998 the FIPB has recommended one proposal for outdoor advertising and providing consultancy and related services in the field of advertising and its allied field based on the recommendation of the Ministry of Information & Broadcasting. Based on the recommendations of FIPB, Government have approved the aforesaid proposal received from M/s. Vertigo India High Access Services Pvt. Ltd. Mumbai for setting up a joint venture company with 50% foreign equity amounting to Rs. 10.00 lakhs. The foreign collaborator is M/s. Vertigo Asia Ltd., Hongkong. The approval is subject to the condition that the company would not bring out any periodical or publication in connection with their consultancy and related services in the field of outdoor advertising.

(d) No fresh applications for foreign direct investment involving Broadcasting activity are being entertained by FIPB, pending finalisation and announcement of the New Broadcasting Policy.

(e) to (g) The 14 projects were recommended by FIPB after consultation with the Administrative Ministries as the proposals did not involve any core issue central to the issue of broadcasting policy.

Credit Relief to Cotton Growers

413. SHRI R. SAMBASIVA RAO :
DR. T. SUBBARAMI REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has worked out any Scheme by which banks can provide credit relief to cotton growers in Andhra Pradesh where the crop was destroyed by widespread pest infection;

(b) if so, whether the Reserve Bank of India team had discussions with the officials of the State Government in Hyderabad on the possible measures to provide relief to beleaguered farmers;

(c) if so, the details thereof; and

(d) to what extent the RBI has been helpful to the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) Yes, Sir. At the instance of Government of India, a high power delegation comprising Shri Jagdish Kapoor, Deputy Governor, Reserve Bank of India (RBI) and Managing Director, National Bank for Agriculture and Rural Development (NABARD) alongwith Chairman & Managing Director of Andhra Bank (Convenor of SLBC) - State Level Bankers Committee held discussions with the State Government and banks regarding the problems faced by farmers affected by pest and drought in Andhra Pradesh. Taking into consideration extreme distress caused to the farmers by pests, drought etc. which has severely impaired the repaying capacity of the affected farmers, a relief package was extended to the borrowing farmers in Andhra Pradesh by the RBI as a special case. The relief measures envisaged include :

- (i) no recovery of either principal or interest from the affected farmers for a period of two years;
- (ii) conversion/reschedulement of loan for a period of 7 years excluding initial moratorium period of two years i.e. total period of 9 years; and
- (iii) sanction of fresh crop loans to the affected farmers.

RBI has further reported that as per the data available with SLBC convenor bank, all commercial banks have granted loans aggregating Rs. 432 crores (fresh crop loans and conversion/reschedulement of old loans) covering 5 lakh farmers in the State.

Vysya Bank

414. SHRI JANG BAHADUR SINGH PATEL :
DR. BIZAY SONKAR SHASTRI :

Will the Minister of FINANCE be pleased to refer to the answer given to Unstarred Question No. 64 dated November 21, 1997 and state :

(a) whether the Reserve Bank of India has since examined the matter to ascertain if any violation of RBI regulations has been committed by any of the private sector banks referred to by the Honourable Members of Parliament; and

(b) if so, the action taken for such violations?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) In continuation of the information furnished in reply to Lok Sabha USQ. No. 674 answered on 21-11-1997, RBI have reported that it was observed by them from the inspection report, 1997 that one of the Vysya Bank's branches had sanctioned a loan of Rs. 12 crores to the Vysya Bank Employees Welfare Trust on 24.11.1995 and it was disbursed to its employees to enable them to make investment in rights issue of the bank. The rate of interest charged on the said advance was at the rate of 6% which was in violation of the extant instructions of RBI. Such loans are classified as non-priority personal loans and interest rate on such loans should not be less than the prime lending rate of the bank. The matter has been taken up by RBI with the bank for doing the needful. RBI being the regulatory and supervisory authority for private sector banks is seized of this matter. RBI have further reported that they have recovered penalty on account of default in maintenance of SLR and CRR.

Insurance cover to cash Crops

415. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether the Government of Andhra Pradesh has urged the Union Government to include commercial crops under the Crop Insurance Scheme; and

(b) if so, the details thereof and the action taken by the Government thereon so far?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The information is being collected and will be laid on the Table of the House.

Suicide by Clerk of PNB

416. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) whether a bank clerk in the Punjab National Bank committed suicide alongwith his wife in March, 1998 who was suspended after 'fraudulent deal';

(b) if so, the 'fraudulent deal' committed by the clerk and the details of other bank employees involved in the deal;

(c) whether the Central Bureau of Investigation has registered cases against bank officers for embezzlement and connivance with cheats; and

(d) if so, the number of such cases registered by the CBI and the present status of the cases?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) Punjab National Bank (PNB) have reported that Shri Anil Kumar Gupta, a Clerk who was working at Shakur Basti branch, committed suicide along with his wife on 12.3.1998. PNB have further reported that Shri Gupta was suspended on 9.3.1998 for allegedly indulging in fraudulent transactions through accounts opened in the name of his wife at Rani Bagh branch of the bank. On the basis of investigations, one Senior Manager, one Manager, two Officers, two Clerks and one Special Assistant besides Shri A.K. Gupta, were placed under suspension.

PNB have registered a case with Delhi Police. The bank have also reported that Central Bureau of Investigation have not registered any case so far in the matter.

Demands of KVIC

417. SHRI T. GOVINDAN : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have considered the various demands of Khadi & Village Industries Commission including restoration of rebate to improve the decline in sale which directly improve the livelihood of millions of workers especially the womenfolk in the villages;

(b) if so, the details thereof alongwith the action taken in this regard; and

(c) if not, the reasons thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) Yes, Sir. Consideration and disposal of various demands raised by Khadi & Village Industries Commission from time to time is a continuing process. As

regards rebate, it may be stated that the normal rebate @ 10% for whole year and special rebate @ 10 % for a period of 90 days during the festival season on Khadi and Khadi related items were being provided during 1996-97.

In order to further extend support to Khadi in the 50th Anniversary of India's Independence, Government had announced a special rebate of 15% in lieu of and inclusive of normal rebate on sale of Cotton, Woollen and Silk Khadi and Polyvastra during the period 15.8.97 to 14.8.1998. An extra rebate of 10% for 90 days in addition to special rebate of 15% (already allowed) was also announced on the occasion of Gandhi Jayanti to be available during the period 2.10.1997 to 14.8.1998. Rebate on sale of Khadi and Polyvastra to Government and Government aided institutions etc. was also allowed as hithertofore.

In order to settle the outstanding rebate arrears as on 31.3.1997 to the tune of Rs. 125 crores and additional burden of rebate on account of 50th Anniversary of India's Independence, Government provided an additional grant of Rs. 136.55 crores in addition to the normal budget provision of Rs. 84 crores during 1997-98 to clear the rebate claims.

(c) Does not arise.

Tenth Finance Commission

418. SHRI GIRIDHAR GAMANG : Will the Minister of FINANCE be pleased to state:

(a) the main objectives and contents of Tenth Finance Commission relating to Panchayats and Municipalities on the basis of 73rd and 74th Constitutional Amendments suggested, year-wise and State-wise;

(b) the guidelines formulated and funds released so far to the States for such schemes, State-wise; and

(c) the formate and measures adopted for monitoring the works undertaken so far by the States and the Union Government?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) On the basis of the 73rd and 74th Constitutional Amendmets, the Tenth Finance Commission has recommended grants to Panchayati Raj Institutions and Urban Local Bodies in order to augment the Consolidated Fund of States to supplement the resources of the Panchayati Raj Institutions/Urban Local Bodies in the States. Statewise grants recommended by the Tenth Finance Commission during 1996-2000 are given in enclosed Statement-I.

(b) Guidelines have been formulated for proper utilisation of Local Body grants. Details of grants released to State Governments during 1996-97 and 1997-98 are given in the enclosed Statement-II.

(c) During 1996-97 grants were released without any pre-conditions. Grants from 1997-98 are being released based on fulfillment by the State Governments of requirements, indicated in the revised guidelines. Accordingly, State Governments have to forward certificate that grants released by the Centre more than six months ago have been fully released to the

Local Bodies. Also a consolidated statement showing local body-wise details of release of funds and matching contribution, if any, from the State Government should be furnished by the State Governments alongwith a certificate that the grants have been released only to elected local bodies wherever elections are mandatory.

Statement-I

Grants recommended by Tenth Finance Commission during 1996-2000 for Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs)

(Rupees in lakhs)

State	PRI (73rd Amendment)				ULB (74th Amendment)			
	1996-97	1997-98	1998-99	1999-2000	1996-97	1997-98	1998-99	1999-2000
Andhra Pradesh	8775	8775	8775	8775	1848	1848	1849	1849
Arunachal Pradesh	113	113	113	112	3	3	3	3
Assam	3334	3334	3334	3334	355	355	355	355
Bihar	12680	12680	12679	12680	1677	1677	1678	1677
Goa	148	148	148	147	-	-	-	-
Gujarat	4800	4800	4800	4801	1687	1686	1686	1687
Haryana	2066	2066	2066	2066	415	415	414	414
Himachal Pradesh	805	805	804	804	51	51	51	52
Jammu & Kashmir	940	940	940	939	302	302	302	303
Karnataka	5544	5544	5544	5545	1754	1755	1755	1755
Kerala	4470	4470	4470	4471	636	636	636	635
Madhya Pradesh	8717	8717	8717	8718	1544	1544	1543	1543
Maharashtra	8675	8675	8675	8676	3324	3324	3323	3324
Manipur	233	233	233	232	56	56	56	55
Meghalaya	216	216	217	216	37	37	37	36
Mizoram	74	74	73	73	9	9	10	10
Nagaland	116	116	116	117	14	14	14	14
Orissa	5025	5025	5025	5024	478	478	478	477
Punjab	2584	2584	2584	2583	765	765	765	765
Rajasthan	5305	5305	5306	5306	1080	1080	1079	1079
Sikkim	48	48	47	47	14	14	15	15
Tamil Nadu	7183	7183	7184	7184	2888	2888	2888	2888
Tripura	348	348	349	349	26	26	25	26
Uttar Pradesh	18988	18988	18988	18988	3029	3029	3030	3030
West Bengal	8336	8336	8336	8337	3008	3008	3008	3008
Total	109523	109523	109523	109524	25000	25000	25000	25000

Statement-II

Grants released to States during 1996-97 and 1997-98 for Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs)

State	(Rupees in lakhs)			
	1996-97		1997-98	
	PRI	ULB	PRI	ULB
Andhra Pradesh	8775	1848	6581.25	1448.00
Arunachal Pradesh	113	3	28.25	0.75
Assam	3334	355	833.50	88.75
Bihar	12680	1677	-	-
Goa	148	-	37.00	-
Gujarat	4800	1687	1200.00	421.50
Haryana	2066	415	516.50	415.00
Himachal Pradesh	805	51	805.00	51.00
Jammu & Kashmir	940	302	235.00	75.50
Karnataka	5544	1754	1386.00	438.75
Kerala	4470	636	4470.00	159.00
Madhya Pradesh	8717	1544	2179.25	386.00
Maharashtra	8675	3324	8675.00	831.00
Manipur	233	56	58.25	14.00
Meghalaya	216	37	54.00	9.25
Mizoram	74	9	18.50	2.25
Nagaland	116	14	29.00	3.50
Orissa	5025	478	2512.50	239.00
Punjab	2584	765	546.00	191.25
Rajasthan	5305	1080	3978.00	810.00
Sikkim	48	14	12.00	3.50
Tamil Nadu	7183	2888	7183.00	2888.00
Tripura	348	26	348.00	26.00
Uttar Pradesh	18988	3029	14241.00	2271.75
West Bengal	8336	3008	2084.00	752.00
Total	109523	25000	58111.00	11525.75

Supervision System for Non-Banking Financial Companies

419. SHRI ANNASHAEB M. K. PATIL : Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India taken a Comprehensive action plan to strengthen its supervision system on Non-Banking Financial Companies through strengthening market intelligence for instant exchange of information;

(b) if so, the details of the new strategy adopted by the RBI to monitor the operations of Non-Banking Financial Companies; and

(c) the reaction on Non-Banking Financial Companies to the proposed move of RBI?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Reserve Bank of India (RBI) have reported that they have already drawn up a Comprehensive System for supervising the Non-Banking Financial Companies (NBFCs) through on-site inspection as well as through various tools of off-site surveillance which include receiving supervisory inputs through market intelligence as well.

(b) As per the present RBI supervisory system now in force, all the NBFCs which are registered with them and/or those with asset size of Rs. 50 crore and above will be inspected every year. The NBFCs with asset size of Rs. 5 crore and above but less than Rs. 50 crore will be subjected to on-site inspection process once in every two years. All the other NBFCs will be largely supervised through off-site reporting system. However, they could also be taken up for full-fledged on-site inspection or portfolio examinations when triggered by instances of complaints, aberrations noticed through off-site reports/market intelligence, sharp downgradations of credit rating etc.

(c) According to RBI, the NBFCs which are regulated and supervised through this system have been able to provide information and facilitate the surveillance process without any difficulties.

Funds for Modernisation of Industry

420. SHRI CHHITUBHAI GAMIT : Will the Minister of FINANCE be pleased to state:

(a) whether some incidences came to the notice of Government that a large amount of funds provided to the corporate sector for modernisation has gone unutilised and that the outdated technology was the main cause for the high cost of production;

(b) if so, the Government's assessment about the total amount of funds provided for modernisation and how much of it was diverted or remained unutilised during the last two years; and

(c) the steps taken or being taken to ensure that the funds set apart for modernisation are fully utilised for the purpose in order to contain the cost of production and to prevent the industry going sick?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) The information is being collected and will be laid on the Table of the House.

Income Tax Deduction by Foreign Diplomatic Mission

421. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of FINANCE be pleased to state:

(a) whether a number of foreign diplomatic missions which are deducting income-tax from the salaries of their Indian employees and depositing with the income-tax authorities;

(b) if so, whether Government have compiled a list of Indian employees in foreign mission for assessing them for recovery of income-tax; and

(c) if not, the measures taken by the Government to ensure that such employees are assessed by income-tax authorities?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) No Sir. According to the income-tax records, there is no proof that the foreign diplomatic missions are deducting income-tax from the salaries of their Indian employees. However, these employees have been paying necessary taxes on the salaries received by them from their employees.

(b) No list giving the exact number of Indian employees having taxable income has been compiled by the Income-tax Deptt.

(c) It is proposed to request the Ministry of External Affairs to address a note to the foreign missions advising them to deduct taxes on the salaries paid to Indian employees.

Defaultment of Vysya Bank

422. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) the total number of branches of the Vysya Bank Ltd. in Delhi and the number of accounts that have become "default" in making repayment of loans availed of by the customers in the last five years, branch-wise;

(b) whether the branches of the bank are not taking proper documents at the time of releasing the loan to the customers;

(c) if so, whether any responsibility has been fixed for the default in payment and if so, the details thereof;

(d) the action taken against the officials responsible for it; and

(e) the steps taken to recover the default amount?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (e) Vysya Bank Limited is a private sector bank and Government is neither required to, nor keeps itself informed, of the operational details of private sector banks. However, when complaints or allegations regarding functioning of the private sector banks come to Government's notice, they are forwarded to the RBI for such action as is considered appropriate having regard to the fact that the RBI is the regulator of the banking industry in India. In addition whenever irregularities of shortcomings are noticed by the RBI in the course of the inspection of private sector banks, the banks are advised to take necessary remedial action. In cases involving failure of regulatory compliance, RBI takes such action as is deemed appropriate having regard to the circumstances of the case. Matters such as non-compliance of internal instructions issued by such banks are to be addressed by the managements of such banks at appropriate levels.

Coffee Production

423. SHRI RANJIB BISWAL : Will the Minister of COMMERCE be pleased to state :

(a) the quantum of coffee produced by Coffee Board annually;

(b) whether the Coffee Board proposes to expand its sales services; and

(c) if so, the new areas where Coffee Boards proposes to set up its branches during 1998-99, State-wise?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) The total production of coffee in India during 1997-98 was 2,28,000 tonnes. The Coffee Board is not directly involved in the production of coffee. However, the Board produces about 150 tonnes of coffee per annum in its research and extension demonstration farms.

(b) No, Sir.

(c) Does not arise.

Tenth Finance Commission

424. SHRI GIRIDHAR GAMANG : Will the Minister of FINANCE be pleased to state :

(a) whether the Tenth Finance Commission has recommended the funds under First Proviso of Article 275(1) of the Constitution;

(b) if so, the main objectives of the recommendations relating to Fifth Scheduled Areas; and

(c) if not, the reasons for not taken into consideration by the Finance Commission relating to the Fifth Scheduled Areas for strengthening the administration and development of these areas as per the constitutional provisions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) Tenth Finance Commission has not recommended the funds under First Proviso of Article 275(1) of the Constitution because the terms of reference of Finance Commission do not include grants-in-aid under First Proviso of Article 275(1) of the Constitution.

Trade with Erstwhile Soviet Union

425. SHRI K. P. NAIDU : Will the Minister of COMMERCE be pleased to state :

(a) the annual trade between India and the erstwhile Soviet Union before its disintegration;

(b) the value of trade between India and countries of erstwhile Soviet Union during 1996-97;

(c) whether there has been decline in the trade;

(d) if so, the main items in which the decline in trade has occurred; and

(e) the steps taken to increase trade between India and these countries?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) The value of trade between India and erstwhile Soviet Union during 1990-91 was Rs. 7803 crores.

(b) The value of trade between India and CIS and Baltic countries during 1996-97 was Rs. 5829 crores.

(c) and (d) Yes Sir, there was a decline in trade with the countries of erstwhile Soviet Union during 1996-97. The main items in which the decline in trade has occurred include tea, coffee, cashew, cosmetics and toiletries, chemicals, pulp and waste paper, cotton raw and waste, fertilizers manufactured, iron and steel, etc.

(e) The Government has initiated several measures for boosting Indo-CIS trade. These measures include

regular review of trade between India and the countries of this region through meetings of Joint Commissions, Working Groups and Joint business councils, encouraging consignment sales and opening of warehouses, broad-basing the basket of tradeable goods, extending lines of credit, opening of Branches of Indian banks, participation in trade fairs and exhibitions and exchange of delegations.

Revival of Float Glass Industry

426. DR. RAM CHANDRA DOME : Will the Minister of INDUSTRY be pleased to state :

(a) whether Government are aware that the domestic float glass industry with an investment of over Rs. 1000 crores of public funds by financial institution, have been incurring heavy losses for the last three years; and

(b) if so, the details of the measures proposed to be taken by the Government for reviving this industry and recovering public funds?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKTH) : (a) and (b) The float glass manufacturing units in the country have reported losses in the last three years.

The float glass industry is a de-licensed industry. The investment decisions are taken by the entrepreneurs based on commercial considerations and the prices of the products are determined by the market forces. Necessary measures are taken by the Government as and when required to facilitate accelerated growth of the industry. Government has taken steps to improve availability of credit, reduce interest rates and to improve the overall investment climate in the country.

Loans to Minority

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

(a) whether banks submit their returns regularly to the Reserve Bank of India indicating loans/advances provided to specified minorities;

(b) the names of banks who have defaulted in this matter and the action taken if any thereon;

(c) the arrangements made for the scrutiny of these returns and the follow - up work;

(d) the annual target fixed and the amount of loans/advances provided to each of the specified minorities during the last three years; and

(e) the action in case of banks with shortfalls and deficiencies in channelising the flow of credit to minorities?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF

FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Reserve Bank of India (RBI) have reported that the data on credit flow to minority communities are required to be submitted to RBI by Banks of half-yearly basis as at the end of March and September. The RBI have further reported that while the public sector banks generally submit the data regularly, some private sector banks and foreign banks have defaulted in submission of the data. The names of these banks as reported by RBI are Dhanalakshmi Bank, Federal Bank, Karnataka Bank, Lord Krishna Bank, Nainital Bank, Punjab Co-operative Bank, Vysya Bank, Indus Ind Bank, Global Trust Bank, UTI Bank, IDBI Bank, and Development Credit Bank. RBI has reported that the matter is taken up with these banks for submission of the data in time through issue of reminder to them.

(c) to (e) RBI have reported that the data received from the banks are compiled, analysed and are made use of in assessing credit flow to minority communities. While there is no separate target fixed for grant of loans to minority communities, banks are expected to give in a fair and adequate measure finance to these communities. Information as furnished by RBI on the priority sector advances to minorities in the country as at the end of March for the years 1994, 1995 and 1996 is given in the enclosed Statement.

The advances to the minority communities by public sector banks is showing an upward trends and credit flow to minority communities is reviewed at the meetings of District Coordination Committee (DCC), State Level Bankers Committee (SLEC) etc.

Statement

Priority sector advances granted by public sector banks to minorities in the country

Community	As at end of March 94		As at end of March 1995		As at end of March 1996	
	No. of A/Cs	Amount Outstanding	No. of A/Cs	Amount Outstanding	No. of A/Cs	Amount Outstanding
Christians	10.96	953.16	12.32	1105.77	12.94	1299.70
Muslims	35.94	2827.85	36.89	3129.45	39.05	3528.91
Budhists	1.48	90.07	1.45	98.91	1.43	109.57
Sikhs	10.69	2451.30	10.51	2577.68	10.97	2948.26
Zoroastrians	0.04	29.23	0.03	34.98	0.04	29.79
Total	59.11	6351.61	61.20	6946.79	64.43	7916.23

(No. of accounts in lakhs)
(Amount Outstanding Rs. in crores)

[Translation]

Industrial Growth Centres in Uttar Pradesh

428. SHRIMATI KAMAL RANI : Will the Minister of INDUSTRY be pleased to state :

(a) the locations in Uttar Pradesh where Industrial Growth Centres have been set up;

(b) whether the Union Government are contemplating to set up some more Industrial Growth Centres in Uttar Pradesh and whether any request has been received from the State Government in this regard;

(c) if so, the details thereof; and

(d) the progress made so far in this regard and by when these Industrial Growth Centres are likely to be set?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Under the Growth Centre Scheme, 1988, the State of Uttar Pradesh has been allotted 8 growth centres of which 7 centres have already been approved by the Government of India at (i) Bachauli-Buzurg (Jhansi), (ii) Banthara (Shahjanpur), (iii) Chaudharpur (Moradabad), (iv) Dibiapur (Auraiya), (v) Khurja (Bulandshahar), (vi) Mungra - Satharia (Jaunpur), (vii) Sahjanwa (Gorakhpur) The remaining growth centres was proposed to be located at Shivrampur - Padampur, District Pauri-Garhwal. However, the State Government is considering change of location of the growth centre.

(b) No. Sir.

(c) Does not arise.

(d) The Uttar Pradesh State Industrial Development Corporation is the implementing Agency. The growth centre at Sahjanwa (Gorakhpur) has been released the full central assistance of Rs. 10 crores. The other growth centres are at various stages of implementation.

*[English]***Financial Service Scheme**

429. SHRI ASHOK PRADHAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Financial Service Scheme meant for Small Scale Industries is functioning in Uttar Pradesh;

(b) if so, the details thereof and the criteria adopted to provide financial assistance to the entrepreneurs of the State during the last three years; and

(c) the details of financial assistance/services provided to the entrepreneurs in each State including Uttar Pradesh during each of the last three years?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Small Industries Development Bank of India provides Financial Services Schemes for small scale industries all over the country including Uttar Pradesh.

(b) The assistance is made available through appropriate schemes of direct assistance and indirect assistance (Refinance of loans to small scale industries by prime lending institutions viz. Banks/State Financial Corporations and State Industries Development Corporations) for the following purpose:

- (i) setting up of new projects;
- (ii) expansion, diversification, modernisation, technology upgradation, quality improvement, rehabilitation of existing units;
- (iii) strengthening of marketing capabilities of SSI units.

The criteria for providing assistance to entrepreneurs is to ensure that no worthwhile proposal is denied credit by it for want of funds. First generation technocrats, women entrepreneurs and those in tiny sectors are encouraged to set up their units with lower promoter's contribution, lower debt equity ratio, etc.

(c) The total sanctions and disbursements by SIDBI to units in the State of Uttar Pradesh and in the country during the last three years are given below.

(Rs. Crore)

Year	Uttar Pradesh		All India	
	Sanctions	Disbursements	Sanctions	Disbursements
1995-96	450.93	434.14	6065.56	4800.83
1996-97	445.41	319.75	6485.32	4584.69
1997-98	483.98*	332.43*	7484.16*	5240.70*

*Data Provisional.

Prices of Rubber

430. SHRI N.N. KRISHNADAS :
SHRI SURESH KURUP :

Will the Minister of COMMERCE be pleased to state :

(a) whether the State Trading Corporation had procured the Natural Rubber from the domestic market to prevent the fall in the price;

(b) if so, the quantity procured so far and the amount spent, thereon;

(c) whether STC is planning to dispose of the Rubber procured;

(d) if so, whether the rubber procured is going to be released to the domestic market; and

(e) if so, the details thereof and the reasons therefor?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Yes, Sir. During 1997-98, the State Trading Corporation (STC) has procured 9596 MTs. of Natural Rubber from the domestic market on Govt. account by deploying an amount of Rs. 30.51 crores. In the current year, the Government has authorised STC to buy 20,000 tonnes of natural rubber to arrest the declining trend in price.

(c) Yes, Sir.

(d) No, Sir.

(e) Does not arise.

Prices of Rubber

431. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether any steps have been taken to fix the floor price of natural Rubber;

(b) if so, the details thereof; and

(c) the guidelines for arriving at the cost of production?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) No, Sir. Government has taken action to fix the Bench Mark Price for Natural Rubber (NR).

(b) the Cost Accounts Branch of Ministry of Finance has conducted a study into the cost of production of NR for revising the Benchmark price of Natural Rubber.

(c) To arrive at revised Benchmark price, the cost Accounts Branch have been taken into account escalation

in the direct costs such as maintenance and upkeep, tapping and collection, processing, transport etc. and other costs like amortisation of development cost, adjustment on account of scrap, plantation tax, management expenses, return on capital employed including interest and bonus etc.

Creation of Upper House in Assam

432. DR. JAYANTA RONGPI : Will the Minister of PARLIAMENTARY AFFAIRS be pleased to state :

(a) whether there is any proposal to bring a Bill to create an Upper House in Assam;

(b) if so, steps the Government propose to take in respect of the Bill, and

(c) if not, the reasons for not bringing the said legislation?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK) : (a) to (c) The matter is under consideration of the Government.

Price Support to Rubber

433. SHRI A. C. JOS : Will the Minister of COMMERCE be pleased to state :

(a) whether the Union Government are aware that there is a regular fall in the price of rubber since 1996, particularly in Kerala;

(b) if so, the reasons therefor;

(c) the measures taken by the Union Government regarding rubber cultivation remunerative to arrest further fall in the prices of rubber;

(d) whether the Government have any plan to declare a support price of rubber and arrange buffer stock, and

(e) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Yes, Sir. Due to the fall in consumption of Natural Rubber by the user industries, there has been a fall in prices of natural rubber, since 1996.

(c) In order to arrest the declining rubber prices and to provide a remunerative price to the rubber planters, Government had instituted a market intervention operation through STC for procurement of 10000 MT of NR on Government Account. The Government has recently decided to procure an additional 20000 MT of NR on Govt. Account.

(d) No, Sir.

(e) Does not arise.

Loan from International Financial Organisations

434. SHRI KRISHN LAL SHARMA : Will the Minister of FINANCE be pleased to state :

(a) the total loans obtained by the Government from International Financial Organisations between 1991 to 1997, year-wise, alongwith the purpose thereof;

(b) the yearly service charges paid on these loans; and

(c) the accumulated loan amount at the end of 1997?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) As per the enclosed Statement. In general, the loans received from the International Financial Organisations are related to development projects in sectors like Agriculture and Rural Development, Coal, Power, Oil, Industry and Finance, Railways, Roads, Ports, Irrigation, Social and Urban Development.

(b) The yearly service charges (interest) paid on these loans are as under :

	(Rs. Crore)
1990-91	1.07
1991-92	24.20
1992-93	167.73
1993-94	290.39
1994-95	412.43
1995-96	599.08
1996-97	718.76
1997-98	764.88

(c) The total accumulated loan amount (debt outstanding) as on 31-12-97 in respect of International Financial Organisations is Rs. 1,03,022.78 crore.

Statement

Statement showing year-wise total loans obtained from the International Financial Organisations

Institution	Currency	Total Loans obtained							
		1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
1. IDA	SDR	606.329	911.290	907.700	504.400	800.700	643.600	726.500	674.900
2. IBRD	US \$	830.180	809.000	503.000	300.000	350.000	253.500	461.100	1165.000
3. IFAD	SDR	0.000	14.500	0.000	21.250	18.950	22.950	0.000	0.000
4. ADB	US \$	322.690	500.000	942.700	0.000	245.000	250.000	335.000	0.000
5. OPEC	US \$	6.500	19.000	0.000	0.000	0.000	0.000	0.000	10.000

(Figures in million)

Loans for small scale Industries

435. SHRI AJOY MUKHOPADHYAY : Will the Minister of FINANCE be pleased to state :

(a) the number of applications for loan received from Small Scale Industries by the public sector banks in the country during the last three years;

(b) the number of applications cleared and the amount sanctioned during the last three years, State-wise; and

(c) the number of applications are lying pending and the time by which these are likely to be cleared State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M R JANARTHANAN) : (a) to (c) Information is being collected and will be laid on the Table of the House to the extent available.

[Translation]

Loans by Coal Companies

436. SHRIMATI SURYAKANTA PATIL : Will the Minister of COAL be pleased to state

(a) whether some coal companies have taken loans from financial institutions.

(b) if so, the name of the institutions from which the loans have been received.

(c) whether the Coal India Limited has not fully utilised the amount of loans received.

(d) if so, whether the Government have formulated any scheme for proper/fully utilization of such amount in future.

(e) if so, the details thereof.

(f) whether the Coal India Limited had advertised certain schemes for utilization of loan amount, and

(g) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) In 1997-98, Coal India Limited (CIL) had taken a loan from Industrial Credit and Investment Corporation of India Limited (ICICI). In the same year Central Coalfields Limited (CCL), Bharat Coking Coal Limited and Eastern Coalfields Limited, the subsidiary companies of CIL had also taken loans from ICICI. In 1997-98, CCL had also taken loan from United Bank of India (UBI).

(c) All the loans taken from ICICI and UBI as indicated

in the answer to parts (a) and (b) of the question have been fully utilised.

(d) to (g) Do not arise in view of the answer to part (c) of the question.

Misuse of Schemes

437. SHRI NARENDRA BUDANIA :
SHRI SURESH CHANDEL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the fact that the Value Based Advance Licence and Quantity Based Advance Licence Schemes are being misused at large scale;

(b) if so, the total loss to the Government due to misuse of these Schemes; and

(c) the preventive measures taken by the Government to remove these lapses?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Yes, Sir. Cases of misuse of Value Based Advance Licences (VBAL) and Quantity Based Advance Licences (QBAL) have been noticed. These cases relate, *inter-alia*, to wrongful avilment of Modvat under VBAL, import of goods not covered by the relevant Customs Notifications, misdeclaration of value of export and import goods, export of inferior or junk materials and diversion of imported goods for domestic market in contravention of the conditions of the Scheme. Adjudication proceedings have so far been completed in 1152 such cases, resulting in confirmation of Rs. 39.25 crores of Customs duty and imposition of penalty of Rs. 14.25 crores. Apart from this, 1192 Show-Cause-Notices are pending adjudication.

(c) Various measures have been taken by the Government to plug the loopholes and to prevent misuse of these Schemes. These measures, *inter-alia*, include requiring the exporters to discharge their export obligation both in terms of value and quantity of export product under VBAL; modification of the sensitive list by placing some items in the said list, and those which constitute upto 2 per cent by weight and quantity of the export product; imposition of Additional Customs Duty on inputs imported under VBAL and QBAL Schemes, explicitly providing for computation of C.I.F. value of inputs with reference to their international prices. The procedure for verification of the avilment of Modvat in respect of inputs used for manufacture of export product has also been streamlined. VBAL Scheme has been abolished w.e.f. 31st March, 1997 and no new VBAL Licences have since been issued.

*[English]***Tractor Industry**

438. SHRI SUSHIL CHANDRA VARMA : Will the Minister of INDUSTRY be pleased to state :

(a) whether the demand of tractors is declining in the rural area and the stocks have been piling up in the tractor producing companies as a result thereof;

(b) if so, the reasons therefor; and

(c) the number of tractors manufactured and sold separately during each of the last three years?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) No, Sir. During the year 1997-98, the market for tractors has grown by 13.3% over the year 1996-97. The off-take of tractors was more or less equal to the production as may be seen from the following figures during the last three years.

(Numbers in lakhs)

	1995-96	1996-97	1997-98
Production	1.91	2.21	2.55
Sales	1.91	2.20	2.50

Privatisation of PSUs

439. SHRI CHANDRESH PATEL : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have privatised some Public Sector Undertakings;

(b) if so, the details thereof;

(c) whether the Government intends to privatise some more Public Sector Undertakings in the near future;

(d) if so, the details thereof; and

(e) the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (e) Since 1991-92, Government have undertaken only partial disinvestment of its equity holdings in a few selected public sector enterprises. The details of the disinvestment made so far is given in the enclosed Statement. Disinvestment of PSU shares is a part of restructuring of public sector units which is a continuous process.

Statement

PSUs-wise Disinvestment and the present Govt. Holding as on 31.3.98

S. No.	Name of the PSE	Total Disinvested Percentage	Percentage Govt. Holding
1	2	3	4
1.	Andrews Yule	9.60	62.84 >>

	1	2	3	4
2.	Bharat Earthmovers Ltd.		39.19*	60.81
3.	Bharat Electronic Ltd.		24.14	75.86
4.	Bharat Heavy Electricals Ltd.		32.28	67.72
5.	Bharat Petroleum Corp. Ltd.		33.80	66.20
6.	Bongaigaon Refineries Ltd.		25.54	74.46
7.	CMC Ltd.		16.69	83.31
8.	Cochin Refineries Ltd.		6.12	55.04 >>
9.	Container Corp. Ltd.		23.07	76.93
10.	Dredging of India Corp. Ltd.		1.44	98.56
11.	Engineers India Ltd.		5.98	94.02
12.	Fert. & Chem (Travancore) Ltd.		1.70	97.38 >>
13.	Gas Authority of India Ltd.		3.40	96.60
14.	HMT Ltd.		8.44	91.56
15.	Hindustan Cables Ltd.		1.04	98.96
16.	Hindustan Copper Ltd.		1.24	98.76
17.	Hindustan Organic Chemical Ltd.		41.39*	58.61
18.	Hindustan Petroleum Ltd.		48.94*	51.06
19.	Hindustan Photofilms Mfg. Co. Ltd.		9.87	90.13
20.	Hindustan Zinc Ltd.		24.08	75.92
21.	Indian Oil Corp. Ltd.		8.74	91.14 >>
22.	Indian Petrochemical Corp. Ltd.		40.05*	59.95
23.	IRCON International Ltd.		0.27	99.73
24.	Indian Telephone Industries Ltd.		22.98	76.67 >>
25.	Indian Tourism & Dev. Corp. Ltd.		10.03	89.97
26.	Kudremukh Iron & Ore Comp. Ltd.		1.00	99.00
27.	Madras Refineries Ltd.		16.92	53.80 >>
28.	Mahanagar Telephone Nigam Ltd.		43.80*	56.20
29.	Minerals & Metal Trading Corp. Ltd.		0.67	99.33
30.	National Aluminium Corp. Ltd.		12.85	87.15
31.	National Fertilizers Ltd.		2.35	97.65
32.	National Mineral Dev. Corp. Ltd.		1.62	96.36 >>
33.	Neyveli Lignite Corp. Ltd.		6.01	93.99
34.	Oil & Natural Gas Corp. Ltd.		3.86	96.14
35.	Rashtriya Chemicals & Fert. Ltd.		7.50	92.50
36.	Shipping Corp. of India Ltd.		19.88	80.12
37.	State Trading Corp.		8.97	91.03
38.	Steel Authority of India Ltd.		14.18*	85.82
39.	Videsh Sanchar Nigam Ltd.		33.04*	66.96

* Including Dilution of Govt. Shareholding by Public Issue/GDR Issue.
>> The Balance Equity is held by State Govt. / Other Collaborators.

Telephone Facilities to Executives

440. SHRI BENI PRASAD VERMA : Will the Minister of FINANCE be pleased to state :

(a) whether the Fifth Pay Commission set up to go into the pay structure of Central Government employees had recommended the telephone facilities to all the executives i.e. all officers in the pay scale of Rs. 8000-13500 and above;

(b) if so, whether the Government have taken any decision on the above recommendation of the pay Commission;

(c) if so, the details thereof; and

(d) if not, the time by which a decision is likely to be taken in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir.

(b) to (d) The recommendation of the 5th Pay Commission in the matter has been examined and it has been decided not to extend this facility to all the officers in the pay scale of Rs. 8000-13500 and above in view of the need to observe economy in Government expenditure.

Indian Economy

441. PROF. P. J. KURIEN :
SHRI PRITHVIRAJ D. CHAVAN :

Will the Minister of FINANCE be pleased to state :

(a) whether the momentum gained by Indian Economy during 1991-96 has lost and India has registered a recessionary trend;

(b) if so, whether the Government have drawn any action plan, particularly in areas like food production, social & physical infrastructure, water resources etc. to rejuvenate the ailing economy; and

(c) if so, the main features thereof ?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The growth rate of GDP from 1991-92 to 1996-97 was as follows :

Year	Growth rate of GDP
1991-92	0.8
1992-93	5.3
1993-94	6.2
1994-95	7.8
1995-96	7.2
1996-97	7.5

There has been a sharp fall in the growth of GDP in 1997-98. As per the advance estimates of CSO, GDP growth in 1997-98 is likely to be five per cent.

(b) and (c) The National Agenda for Governance clearly states Governments resolve to continue, reappraise and revitalise reforms process and give to the entire national development efforts a humane face for total eradication of poverty and "Berozgari hatao" as the ultimate goal. This would be achieved with accelerated development of infrastructure, particularly energy and power production and more investment in agriculture.

Licence to Sugar Mills

442. SHRI RAMPAL SINGH:
SHRI PANKAJ CHOUDHRY :
SHRI AMAR PAL SINGH :

Will the Minister of INDUSTRY be pleased to state :

(a) the total number of licences issued to sugar mills during 1997-98, State-wise; and

(b) the criteria fixed for issuing licences to sugar mills?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) A total number of 54 Letters of Intent (46 for setting up of New Units and 8 for effecting Substantial Expansion) were issued for setting up of Sugar mills in various States under the provisions of Industries (Development & Regulation) Act, 1951. A Statement showing State-wise break up of Letters of Intent (LOI) issued for the manufacture of sugar during the year 1997-98 is given in enclosed statement-I. The Central Government issue letters of intent/industrial licences for sugar factories as per the licensing policy Guidelines issued by this Ministry vide Press Note No.1(1997 Series). A copy of the Press Note is given in enclosed statement-II.

Statement-I

Statement showing letters of intent (LOIs) issued for the manufacture of sugar during the year 1997-98

S. No.	Name of the State	New Unit	Substantial Expansion	Total
1.	Andhra Pradesh	01	0	01
2.	Bihar	04	01	05
3.	Gujarat	02	02	04
4.	Himachal Pradesh	02	0	02
5.	Jammu & Kashmir	01	0	01
6.	Karnataka	11	0	11
7.	Madhya Pradesh	09	0	09
8.	Punjab	0	01	01
9.	Tamil Nadu	04	02	06
10.	Uttar Pradesh	12	02	14
	Total	46	08	54

Statement-II

**GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY AND
PROMOTION**

**PRESS NOTE NO. 1
(1997 Series)**

Subject: Guidelines for considering applications for industrial licences for sugar factories

The Government of India have reviewed the Guidelines for licensing of new and expansion of existing sugar factories issued vide this Ministry's Press Note No. 16 (1991) dated 8.11.91. The existing guidelines need revision in order to take into account the changes in the business scenario following economic liberalisation, the need for introducing simplified and transparent procedures and the technological changes that have taken place in the sugar industry over the years. In suppression of the aforesaid Press Note, Government have now formulated the following revised guidelines .

- (i) New Sugar factories will continue to be licensed for a minimum economic capacity of 2500 tonnes cane crushed per day (TCD). There will not be any maximum limit on such capacity .
- (ii) Preference in licensing would be given to the proposals involving larger capacity, modern technology and development of integrated complex producing value added products and co-generation of power.
- (iii) For the consideration of application, a revenue district will be taken as the unit. In case more than one application is received for any unit of operation, other things being equal, priority will be given to the applications received earlier.
- (iv) Licences for new sugar factories will be issued subject to the condition that the distance between the proposed new sugar factory and an existing / already licensed sugar factory should be not less than 15 kilometres.
- (v) The basic criterion for grant of licences for new sugar units would be cane availability or the potential for the development of sugarcane or both.
- (vi) Other things being equal, preference in licensing will be given to the proposals for the Growers' Cooperative Societies. However, industrial licence issued to such a cooperative cannot be transferred to any other entity.
- (vii) All applications for grant of expansion of the existing factories will be cleared automatically.
- (viii) Applications for the grant of industrial licences for the establishment of new sugar factories as well as expansion of existing units should be submitted to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion, Ministry of Industry, New Delhi in Form IL, along with the prescribed fee of Rs. 2500/-. The applications received for grant of licences would be referred by SIA to the Department of Food and the concerned State Governments/UTs for their comments. If no comments are received from either Department of Food or the concerned State Governments/UTs within one month after their comments are asked for, it shall be deemed that they have no comments to offer. The Licensing Committee would thereafter consider the application for industrial licence and make appropriate recommendations.

B. The procedure and guidelines, as given above are brought to the notice of the entrepreneurs for their information and guidance.

(ASHOK KUMAR)

Joint Secretary to the Government of India

F. No. 10(20)/96-LP New Delhi, the January 1997.

Forwarded to the Press Information Bureau for giving wide publicity to the contents of the above Press Note .

Press Information Officer,
Press Information Bureau,
NEW DELHI.

[Translation]

Crop Insurance Scheme

**443. SHRI ASHOK ARGAL:
SHRI SHIVRAJ SINGH CHAUHAN:**

Will the Minister of FINANCE be pleased to state :

(a) whether there is a provision in the Crop Insurance Scheme to open compulsorily the bank accounts of all the farmers who have taken loan or not ;

(b) whether the nationalised banks have refused to open such accounts ;

(c) if so, the reasons therefor and the steps taken by the Government in this regard;

(d) whether the Gram Panchayats have been adopted as a unit in Crop Insurance Scheme ;

(e) if so, whether the Gram Panchayat-wise data of last five years is available; and

(f) if not, the basis on which the benefit of the scheme is likely to be given to the farmers ?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) to (f) The information is being collected and will be laid on the Table of the House.

[English]

NABARD Loans

444. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether loans by National Bank for Agriculture and Rural Development (NABARD) to Kerala had been stopped during 1997-98;

(b) if so, the reasons therefor.

(c) whether projects financed by NABARD have suffered a lot as a result thereof ; and

(d) if so, the action taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) National Bank for Agriculture and Rural Development (NABARD) had reported that it had not stopped refinance to Kerala State during 1997-98. However during the year 1996-97, refinance was stopped for a brief period from 1st March 1997 to 27th March 1997, to Kerala State Co-operative Bank (KSCB) and Kerala State Cooperative Agriculture and Rural Development Bank (KSCARDB). In terms of one of the covenants of Memorandum of Understanding (MoU) entered into by NABARD with State Government /State Co-operative Bank, the State Government is required to have prior consultation with NABARD for replacing the Chief Executives of both KSCB & KSCARDB. Release of refinance under all lines of credit was suspended, both to KSCB and KSCARDB, as the State Government did not adhere to this stipulation. However subsequent to the discussions held with the State Government officials and on an assurance given by them that they would abide by the various covenants of MoU entered into with NABARD, refinance facilities were restored with effect from 28th March 1997.

Group Insurance Scheme

445. SHRIMATI SHEELA GAUTAM : Will the Minister of FINANCE be pleased to state :

(a) the details of the Group Insurance Scheme for the beneficiaries of the Integrated Rural Development Programme; and

(b) the amount paid as compensation under the scheme during each of the last three years, Statewise and the number of persons benefited therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The Life Insurance Corporation (LIC) of India have informed that the objective of the scheme is to provide insurance cover to the family of a person receiving Subsidy/Financial Assistance/Loan under the Integrated Rural Development Programme (IRDP). The scheme is implemented from 1.4.1988. A Separate fund has been set up by the Government of India for funding the scheme. The scheme is administered through District Rural Development Agency (DRDA) under Zila Parishad. All persons aged between 18 to 60 years receiving Subsidy/Financial Assistance/Loan under IRDP after 1.4.1988 are covered under the scheme. The amount payable prior to 1.1.1994 in case of natural death was Rs. 3,000 and in case of accidental death was Rs. 6,000 and from 1.1.1994 it has been increased to Rs. 5,000 and Rs. 10,000 respectively. No premium is charged from the beneficiary. The full premium is paid out of the fund set up by the Government of India with LIC as above. The Insurance cover terminates at the end of the five years or the beneficiary's completing 60 years of age whichever is earlier.

(b) The amount paid as compensation (including accidental death claims) and the no. of persons benefited therefrom during the last three years is as given below:

Year	No. of persons benefited	Amount paid as compensation
1995-96	11,251	Rs. 5.12 Cr.
1996-97	9,231	Rs. 5.27 Cr.
*1997-98	8,314	Rs. 4.09 Cr.

Figures are provisional as final data is under compilation.

The State wise information is given in the enclosed Statements-I to III.

Statement I**State-wise particulars of basic insurance cover paid under IRDP during the year 1997-98**

S.No.	State/UTs	No. of persons benefited			Amount of compensation paid (excluding amount of accidental death claim) (Rs. in 000)		
		Prior to 1.1.1994	From 1.1.1994	Total	Prior to 1.1.1994	From 1.1.1994	Total
1.	Haryana	2	36	38	6	180	186
2.	Himachal Pradesh	0	2	2	0	10	10
3.	Jammu & Kashmir	1	4	5	3	60	23
4.	Rajasthan	14	450	464	42	2250	2292
5.	Punjab	0	58	58	0	290	290
6.	Chandigarh	1	40	41	3	200	203
7.	Delhi	0	5	5	0	25	25
8.	Madhya Pradesh	68	2771	2839	204	13855	14059
9.	Uttar Pradesh	23	1004	1027	69	5020	5089
10.	Assam	1	111	112	3	555	558
11.	Bihar	13	71	84	39	3555	394
12.	Orissa	19	328	347	57	1640	1697
13.	West Bengal	58	384	442	174	1920	2094
14.	Arunachal Pradesh	0	0	77	0	35	35
15.	Manipur	0	0	0	0	0	0
16.	Meghalaya	0	0	0	0	0	0
17.	Mizoram	0	0	0	0	0	0
18.	Nagaland	0	0	0	0	0	0
19.	Sikkim	0	0	0	0	0	0
20.	Tripura	0	15	15	0	75	75
21.	Andaman & Nicobar	0	0	0	0	0	0
22.	Kerala	9	537	546	27	2685	2712
23.	Tamilnadu	17	242	259	51	1210	1261
24.	Andhra Pradesh	6	139	145	18	695	713
25.	Karnataka	7	384	391	21	1920	1941
26.	Goa	0	2	2	0	10	10
27.	Gujarat	7	441	448	21	2205	2226
28.	Maharashtra	71	966	1037	213	4830	5043
Total		317	7997	8314	951	39985	40936

Total Amount of Claim Paid (including amount of accidental death claim) Rs 4.09 Crore

- NOTES: 1. The basic insurance cover paid in respect of claims was Rs 3,000 per person for claims prior to 1.1.1994 and Rs 5,000 per person for claims from 1.1.1994.
2. LIC informed that the amount of accidental death claims is not available state-wise.
3. * indicates that the figures for 1997-98 are provisional as final data is under compilation.

Statement-II*State-wise particulars of basic insurance cover paid under IRDP during the year 1996-97*

S.No.	State/UTs	No. of persons benefited			Amount of compensation paid (excluding amount of accidental death claim) (Rs. in 000)		
		Prior to 1.1.1994	From 1.1.1994	Total	Prior to 1.1.1994	From 1.1.1994	Total
1.	Haryana	4	69	73	12	345	357
2.	Himachal Pradesh	1	6	7	3	30	33
3.	Jammu & Kashmir	5	11	16	15	55	70
4.	Rajasthan	34	426	460	102	2130	2232
5.	Punjab	10	71	81	30	355	385
6.	Chandigarh	7	28	35	21	140	161
7.	Delhi	0	15	15	0	75	75
8.	Madhya Pradesh	125	2583	2708	375	12915	13290
9.	Uttar Pradesh	80	1414	1494	240	7070	7310
10.	Assam	5	111	116	15	555	570
11.	Bihar	35	131	166	105	655	760
12.	Orissa	34	352	386	102	1760	1862
13.	West Bengal	109	515	624	327	2575	2902
14.	Arunachal Pradesh	7	8	15	21	40	61
15.	Manipur	0	1	1	0	5	5
16.	Meghalaya	0	0	0	0	0	0
17.	Mizoram	0	0	0	0	0	0
18.	Nagaland	0	0	0	0	0	0
19.	Sikkim	0	0	0	0	0	0
20.	Tripura	4	14	18	12	70	82
21.	Andaman & Nicobar	0	0	0	0	0	0
22.	Kerala	38	535	573	114	2615	2789
23.	Tamilnadu	35	219	254	105	1095	1200
24.	Andhra Pradesh	17	319	336	51	1595	1646
25.	Karnataka	36	361	397	108	1805	1913
26.	Goa	0	5	5	0	25	25
27.	Gujarat	13	490	503	39	2450	2489
28.	Maharashtra	106	842	948	318	4210	4528
Total		705	8526	9231	2115	42630	44745

Total Amount of Claim Paid (including amount of accidental death claim) Rs. 5.27 Crore.

- NOTES: 1. The basic insurance cover paid in respect of claims was Rs.3,000 per person for claims prior to 1.1.1994 and Rs. 5,000/- per person for claims from 1.1.1994.
2. LIC informed that the amount of accidental death claims is not available state-wise.

Statement-II

State-wise particulars of basic insurance cover paid under IRDP during the year 1995-96

S.No.	State/UTs	No. of persons benefited			Amount of compensation paid (excluding amount of accidental death claim) (Rs. in 000)		
		Prior to 1.1.1994	From 1.1.1994	Total	Prior to 1.1.1994	From 1.1.1994	Total
1.	Haryana	15	46	61	45	230	275
2.	Himachal Pradesh	3	7	10	9	35	44
3.	Jammu & Kashmir	7	13	20	21	65	86
4.	Rajasthan	87	390	477	261	1950	2211
5.	Punjab	90	17	107	270	85	355
6.	Chandigarh	9	30	39	27	150	177
7.	Delhi	0	11	11	0	55	55
8.	Madhya Pradesh	464	1821	2285	1392	9105	10497
9.	Uttar Pradesh	184	1775	1959	552	8975	9527
10.	Assam	9	55	64	27	275	302
11.	Bihar	107	212	319	321	1060	1381
12.	Orissa	83	329	412	249	1645	1894
13.	West Bengal	133	369	502	399	1845	2244
14.	Arunachal Pradesh	5	15	20	15	75	90
15.	Manipur	0	0	0	0	0	0
16.	Meghalaya	0	0	0	0	0	0
17.	Mizoram	0	0	0	0	0	0
18.	Nagaland	1	1	2	3	5	8
19.	Sikkim	0	0	0	0	0	0
20.	Tripura	88	8	96	264	40	304
21.	Andaman & Nicobar	0	0	0	0	0	0
22.	Kerala	59	552	611	177	2760	2937
23.	Tamilnadu	92	202	294	276	1010	1286
24.	Andhra Pradesh	68	390	458	204	1950	2154
25.	Karnataka	107	333	440	321	1665	1986
26.	Goa	1	0	1	3	0	3
27.	Gujarat	618	908	1526	1854	4540	6394
28.	Maharashtra	355	1182	1537	1065	5910	6975
Total		2585	8666	11251	7755	43330	91065

Total Amount of claim paid (including amount of accidental death claim) Rs. 3.12 Crore.

NOTES: 1. The basic insurance cover paid in respect of claims was Rs 3,000 per person for claims prior to 1.1.1994 and Rs. 5,000/- per person for claims from 1.1.1994.

2. LIC informed that the amount of accidental death claims is not available state-wise.

Programme for Rural and Tribal Areas

446. SHRI RAMESHWAR PATIDAR : Will the Minister of INDUSTRY be pleased to state :

(a) the programme started by the Government in rural and tribal areas under the New Industrial Policy ;

(b) the states where the said programmes are being implemented ;

(c) whether the people in rural and tribal areas are getting benefit of these programmes as declared by the Government; and

(d) if so, the number of people benefited, State-wise?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) The Industrial Policy for Small and Tiny Village Industries announced by Government on 6th August, 1991 emphasises strengthening Khadi and Village Industries as well as Small and Tiny enterprises to enable them to discharge their responsibilities more effectively. In pursuance of that policy, a new scheme of Integrated Infrastructural Development (IID) centres was formulated. The scheme aims to create and develop Infrastructural facilities like developed sites power, water, telecommunication, pollution control facilities etc. in rural and backward areas including Tribal areas. So far, 40 centers have been sanctioned and are at various stages of implementation. The state-wise locations of these IID centres are given in the enclosed Statement-I.

In the Khadi and Village Industries (KVI) Sector, three major important schemes were taken up, namely, Rural Employment General Programme (REGP), Margin Money Scheme and Consortium Bank Credit.

The Khadi and Village Industries Commission (KVIC) has identified 71 districts (Statement-II) for implementing District Special Employment Programme. It also identified 125 R.P.D Backward Blocks for generation of employment for 1000 persons in each of these blocks by developing Khadi and Village Industries (KVIs) (Statement III). Margin Money Scheme of the KVIC is being implemented throughout the country and the Consortium Bank Credit is also available for all the KVI projects.

These programmes are being implemented in rural areas including Tribal Areas and people living therein are getting the benefit of these programmes. The number of people benefited State-wise is as per Statement IV.

Statement-I**State-wise break-up of IID Centres**

S.No.	State	Name of Location of the project (Date of Sanction)
1	2	3
1.	Andhra Pradesh	Vill. Nandial, Distt. Mandal Kurnool (24.06.1994)

1	2	3
2.	Andhra Pradesh	Vill. Gajularamaram Distt. Rangareddy A.P. (30.03.1998)
3.	Assam	Vill. Daigon Distt. Darrang (06.05.1997)
4.	Gujarat	Vill. Miyani, Distt. Junagarh (25.03.1994)
5.	Gujarat	Vill. Radhanpur, Distt. Banaskantha, Gujarat (30.03.1998)
6.	Haryana	Vill. Khirpur, Distt. Sirsa (25.03.1994)
7.	Haryana	Bhiwani Distt., Bhiwani (06.05.1997)
8.	Haryana	Narwana Distt., Jind (06.05.1997)
9.	Himachal Pradesh	Vill. Bhamla Tehsil Distt. Mandi (11.12.1995)
10.	Himachal Pradesh	Vill Gwalathai, Distt. Bilaspur (06.05.1997)
11.	J & K	Vill. Batal Ballain, Distt., Udhampur (24.06.1994)
12.	Karnataka	Vill. Kanbargi, Distt. Belgaum (25.03.1994)
13.	Karnataka	Vill. Aliyabad, Distt. Bijapur (20.06.1996)
14.	Karnataka	Vill. Malur Distt. Kolar (06.05.1997)
15.	Kerala	Vill. Kazhakuttam Distt. Trivendrum (24.06.1994)
16.	Kerala	Vill. Irankoli and Kathirur Distt. Kannur (06.05.1997)
17.	Maharashtra	Vill. Ghatodi Pused Taluk Distt. Yeotamal (24.09.1994)
18.	Madhya Pradesh	Vill. Nadantola, Distt. Satna (11.12.1995)
19.	Madhya Pradesh	Vill. Bandol, Distt. Seoni (06.05.1997)
20.	Manipur	Vill. Moreh, Distt. Chandel (06.05.1997)
21.	Orissa	Vill., Mukanda Prasad Distt. Khurda (20.06.1996)

1	2	3
22.	Orissa	Pittamahar in Rayagada Distt. Orissa (30.03.1998)
23.	Orissa	Paradeep in Kajunga Teh. of Jagatsingh Pur Distt. (30.03.1998)
24.	Punjab	Vill. Dhanchala of Jhans Block Tanda, Distt. Hoshiarpur (23.11.1994)
25.	Rajasthan	Vill. Sangaria, Distt. Jodhpur (25.03.1994)
26.	Rajasthan	Vill. Gpge;ap Tehsil and Distt. Nagaur (18.03.1997)
27.	Rajasthan	Niwai in Tonk Distt. (30.03.1998)
28.	Tamilnadu	Vill. Urangampath Distt. Madurai (23.11.1994)
29.	Tamilnadu	Vill. Kittampalyam Distt. Coimbatore (20.06.1996)
30.	Tamilnadu	Vill. Thirumudivakka Chengai MGR. Distt. (18.03.1997)
31.	Tamilnadu	Vill. Katturavadi, Block Chengai MGR. Distt. (18.03.1997)
32.	U.P.	Kasna Teh. Distt. Sikandrabad Bulandshahr (24.03.1995)
33.	U.P.	Vill. Unnao, Distt. Unnao (20.06.96)
34.	U.P.	Vill. Kotewan, Distt. Mathura (20.06.1996)
35.	U.P.	Uttar Pradesh State Indl. Dev. Area Distt. Etah (18.03.1997)
36.	U.P.	Naini in Allahabad Distt. (30.03.1998)
37.	U.P.	Vill. Dashera Khurja Distt. Bulandsehar (30.03.1998)
38.	U.P.	Vill. Babrala, Distt. Badaun (30.3.1998)
39.	UT of Daman and Diu	Ringwade Vill. Daman UT of Daman & Diu (24.03.1995)
40.	UT of Dadra and Nagar Haveli	Vill. Vellegaum UT of Dadra and Nagar Haveli (24.03.1995)

Statement-II*Districts identified for District special programme*

- I. ANDHRA PRADESH
 1. Kurnool
 2. Adilabad
 3. Mehboob Nagar
 4. Prakasam
 5. Karimnagar
 6. East Godavari
 7. Srikakulam
- II. ARUNACHAL PRADESH
 8. Changiang
- III. ASSAM
 9. Marigaom
 10. Lakhimpur
- IV. BIHAR
 11. Saharsa
 12. Godda
 13. Madhubani
 14. Gaya
- V. GUJARAT
 15. Banaskantha
 16. Panchmahal
 17. Kutch
- VI. HIMACHAL PRADESH
 18. Chamba
 19. Kullu & Mandi
- VII. HARYANA
 20. Rewari-Ambala
- VIII. JAMMU & KASHMIR
 21. Anant Nag
 22. Jammu
- IX. KARNATAKA
 23. Kolar
 24. Raichur
 25. Dharwad
 26. Chitradurg

- | | |
|--------------------------|--------------------------|
| X. KERALA | XVIII PUNJAB |
| 27. Alleppy | 49. Hoshiarpur |
| 28. Rethanamthitta | XIX RAJASTHAN |
| 29. Thrissur | 50. Dausa |
| 30. Kozikode-Wyanad | 51. Tonk |
| XI. MADHYA PRADESH | 52. Udaipur |
| 31. Sarguja | 53. Jaipur |
| 32. Bhind | XX TRIPURA |
| 33. Guna | 54. Tripura (West) |
| 34. Raipur | XXI TAMILNADU |
| 35. Jhabua-Dhar | 55. Ramanathapuram |
| 36. Betual | 56. Tirunelveli |
| XII. MAHARASHTRA | 57. Dharmapuri |
| 37. Chandrapur | 58. North Arcot |
| 38. Yavatmal | 59. South Arcot |
| 39. Raigarh-Ratnagiri | XXII UTTAR PRADESH |
| 40. Beed | 60. Mau-Balia |
| 41. Nanded | 61. Almora & Pithoragarh |
| XIII. MANIPUR | 62. Chamoli & Uttarkashi |
| 42. Imphal | 63. Mathura |
| XIV. MEGHALAYA | 64. Shahjahanpur |
| 43. East Garo Hills | 65. Jhansi |
| West Garo Hills | 66. Jaunpur |
| South Garo Hills | XXIII WEST BENGAL |
| XV. MIZORAM | 67. Birbhum |
| 44. Lunglei & Rizwal | 68. North 24 Parganas |
| XVI. NAGALAND | South 24 Parganas |
| 45. Dimapur & Kohima | 69. Malda |
| XVII. ORISSA | 70. Nadia |
| 46. Kalahandi | XXIV SIKKIM |
| 47. Phulbani-Koraput | 71. Sikkim |
| 48. Dhenkanal-Kendrapada | |

Statement III*Statewise list of Blocks identified for implementing 125 Block Development Programme*

S.No	State	Districts	Blocks
1	2	3	4
1.	Andhra Pradesh	1. Chittoor 2. Prakasam 3. Mahboob Nagar 4. Anantpur 5. Ranga Reddy 6. Warangal	1. Madanapalli 2. Kanigiri 3. Achampet 4. Madakasira 5. Ibrahim Patnam 6. Mahaboobabad

1	2	3	4
	Vishakhapatnam (R.O)	7. Cuddapah 8. Srikakulam 9. West Godawari 10. Vishakhapatnam	7. Pulivendala 8. Kasiburgga 9. Polavaram 10. Paderu
2.	Assam	1. Kamrup 2. Dibrugarh 3. Darrang 4. Goalpara 5. Lakhimpur	1. Rangia 2. Kokopathar 3. Udaigari 4. Matia 5. Bihpuria
3.	Arunachal Pradesh	1. Lower Subansari	1. Kimindoimukh
4.	Bihar (Patna)	1. Dumaka 2. Rohtas 3. Sahabganj 4. Jamui 5. Sibhar 6. Paschim Champaran 7. Ranchi 8. West Singhbhum 9. Palamau 10. Gumla 11. Lohardaga	1. Jama 2. Chanari 3. Borio 4. Lakhmipur 5. Sibhar 6. Gaunha 7. Bero 8. Chaibasa 9. Chandwa 10. Raidih 11. Senha
5.	Gujarat	1. Valsad 2. Surat 3. Rajkot 4. Sabarkantha 5. Bhavnagar 6. Surendera Nagar	1. Dharampur 2. Palsana 3. Jasdan 4. Megraj 5. Savarkundala 6. Desada
6.	Haryana	1. Hissar 2. Mahindragarh 3. Ambala	1. Hissar II 2. Nangal Choudhary 3. Narayangarh
7.	Himachal Pradesh	1. Shimla 2. Kangra	1. Rampur (NRPDS) 2. Paragpur
8.	Jammu & Kashmir	1. Udhampur	1. Reasi
9.	Karnataka	1. Gulbarga 2. Belgaum 3. Mysore 4. Chitradurga 5. Bidar 6. Raichur	1. Aland 2. Athani 3. Yelandur 4. Holalkere 5. Basavakalyana 6. Kustagi
10.	Kerala	1. Trivendrum 2. Mattapuram 3. Trissur 4. Pazhayanur	1. Perukadawala 2. Vellanad 3. Wandoor
11.	Maharashtra	1. Solapur 2. Beed 3. Nasik 4. Pune 5. Bhandrara 6. Nagpur 7. Yavatmai 8. Amravathi 9. Wardha	1. Mangalwedha 2. Kej 3. Malegaon 4. Junnar 5. Salekasa 6. Ramtek 7. Kalamb 8. Chikhaldhara 9. Seloo
	Wardha(R.O)		

1	2	3	4
12.	Madhya Pradesh	<ol style="list-style-type: none"> 1. Raipur 2. Hoshangabad 3. Morena 4. Devas 5. Bilaspur 6. Balaghat 7. Ratlam 8. Chindwara 9. Sidhi 10. Raigarh 11. Bastar 12. Khargaon 13. Durg 14. Guna 	<ol style="list-style-type: none"> 1. Manipur 2. Harda 3. Vijaypur 4. Bagli 5. Pali 6. Kota 7. Baihar 8. Ratlam 9. Chaurai 10. Kusmi 11. Gharghada 12. Jagadhalpur 13. Pansemal 14. Baido 15. Chachoda
13.	Mizoram	<ol style="list-style-type: none"> 1. Mizoram 	<ol style="list-style-type: none"> 1. Mizoram
14.	Nagaland	<ol style="list-style-type: none"> 1. Kohima 	<ol style="list-style-type: none"> 1. Medziphema
15.	Rajasthan Bikaner (R.O) Jaipur (S.O)	<ol style="list-style-type: none"> 1. Badmer 2. Bikaner 3. Churu 4. Dungarpur 5. Jaisalmer 6. Sikar 7. Banswara 	<ol style="list-style-type: none"> 1. Balothara 2. Kolayat 3. Bikaner 4. Taranagar 5. Simalwara 6. Sam 7. Neem Ka Thana 8. Bhatol
16.	Tamil Nadu Madurai (RO) Madras(SO)	<ol style="list-style-type: none"> 1. Kamarajar 2. Chidambamar 3. P.M Thevar 4. Dharmapuri 5. North Arcot (Ambedkar) 	<ol style="list-style-type: none"> 1. Narukudi 2. Vilathikulam 3. Singampunari 4. Bargur 5. Jawadu Hills
17.	Uttar Pradesh Haldwani(RO) Lucknow (SO) Dehradun(R.O) Varanasi (R.O) Meerut(R.O)	<ol style="list-style-type: none"> 1. Nainital 2. Almora 3. Pithorgarh 4. Jhansi 5. Hamirpur 6. Lalitpur 7. Kheri 8. Balha 9. Chamoli 10. Mirzapur 11. Ghaziabad 	<ol style="list-style-type: none"> 1. Gadarpur 2. Takual 3. Pati 4. Mauranipur 5. Chaukhari 6. Birdha 7. Bijoia 8. Balha 9. Ukhimat 10. Channbey 11. Razapur
18.	Punjab	<ol style="list-style-type: none"> 1. Sangrur 	<ol style="list-style-type: none"> 1. Lehvagaga (NRPDS)
19.	Orissa	<ol style="list-style-type: none"> 1. Sambalpur 2. Balasore 3. Mayur Bhanj 4. Koraput 5. Keonjhar 6. Boudh 7. Sundargarh 	<ol style="list-style-type: none"> 1. Paikamal 2. Nilagiri 3. Badasahi 4. Laxmipur 5. Ghatgam 6. Kantamal 7. Sabdega

1	2	3	4
		8. Gujapati 9. Bolangir	8. Guma 9. Patnagarh
20.	Tripura	1. West Tripura	1. Mohanpur
21.	West Bengal	1. Bankura 2. Midnapur 3. Purulia 4. Murshidabad 5. Burdwan 6. Malda 7. Uttar Dinajpur 8. 24 Pargana(s) 9. Jalpaiguri	1. Ranibandh 2. Jhargram 3. Raghunathpur-1 4. Sagardighi 5. Ausgram-1 6. Habibpur 7. Karandighi 8. Canning 9. Alipurwar
22.	Meghalaya	1. West Garo Hills	1. Sel Selia
23.	Lakshdweep	1. Lakshdweep	1. Lakshdweep
24.	Goa	1. North District	1. North District
25.	Manipur	1. Churachandpur 2. Ukhrul	1. Thanglong 2. Kamjong
26.	Andaman & Nicobar	1. Andaman & Nicobar	1. Andaman & Nicobar

Statement-IV*Number of people benefited state-wise*

S. No.	States & UTs	Employment (in lakh persons)
1	2	3
1.	Andhra Pradesh	- 3.59
2.	Arunachal Pradesh	- -
3.	Assam	- 1.13
4.	Bihar	- 3.50
5.	Goa	- 0.05
6.	Gujarat	- 1.07
7.	Haryana	- 0.95
8.	Himachal Pradesh	- 0.93
9.	Jammu & Kashmir	- 0.85
10.	Karnataka	- 1.98
11.	Kerala	- 2.12
12.	Madhya Pradesh	- 1.25
13.	Maharashtra	- 4.78
14.	Manipur	- 0.43

1	2	3
15.	Meghalaya	- 0.13
16.	Mizoram	- 0.11
17.	Nagaland	- 0.16
18.	Orissa	- 2.05
19.	Punjab	- 1.85
20.	Rajasthan	- 4.08
21.	Sikkim	- 0.04
22.	Tamil Nadu	- 11.38
23.	Tripura	- 0.28
24.	Uttar Pradesh	- 11.61
25.	West Bengal	- 3.61
	Total	- <u>57.89</u>
Union Territories		
1.	Andaman & Nicobar	- -
2.	Chandigarh	- 0.03
3.	Dadra & Nagar Haveli	- -
4.	Daman & Diu	- -
5.	Delhi	- 0.21

1	2	3
6. Lakshdweep	-	-
7. Pondicherry	-	0.04
Total	-	0.28
Grand Total		58.17

Summary of Performance of Khadi 1996-97

S. No.	States & UTs	Employment (in lakh persons)
1	2	3

States

1. Andhra Pradesh	-	0.05
2. Arunachal Pradesh	-	*
3. Assam	-	0.20
4. Bihar	-	2.29
5. Goa	-	-
6. Gujarat	-	0.54
7. Haryana	-	0.52
8. Himachal Pradesh	-	0.16
9. Jammu & Kashmir	-	0.25
10. Karnataka	-	0.43
11. Kerala	-	0.14
12. Madhya Pradesh	-	0.27
13. Maharashtra	-	0.18
14. Manipur	-	*
15. Meghalaya	-	*
16. Mizoram	-	-
17. Nagaland	-	*
18. Orissa	-	0.02
19. Punjab	-	0.93
20. Rajasthan	-	1.26
21. Sikkim	-	*
22. Tamil Nadu	-	0.87
23. Tripura	-	*
24. Uttar Pradesh	-	5.09
25. West Bengal	-	0.06
Total-I	-	14.76

1	2	3
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Union Territories

1. Andaman & Nicobar Islands	-	-
2. Chandigarh	-	-
3. Dadra & Nagar Haveli	-	-
4. Daman & Diu	-	-
5. Delhi	-	0.02
6. Lakshdweep	-	-
7. Pondicherry	-	0.01
Total-II	-	0.03
Total-I + Total-II	-	14.79

* Less than 500.

Summary of Performance of Village Industries 1996-97

S. No.	States & UTs	Employment (in lakhs persons)
1	2	3

States

1. Andhra Pradesh	-	3.24
2. Arunachal Pradesh	-	*
3. Assam	-	0.93
4. Bihar	-	1.21
5. Goa	-	0.05
6. Gujarat	-	0.53
7. Haryana	-	0.43
8. Himachal Pradesh	-	0.77
9. Jammu & Kashmir	-	0.60
10. Karnataka	-	1.55
11. Kerala	-	1.96
12. Madhya Pradesh	-	0.96
13. Maharashtra	-	4.50
14. Manipur	-	0.43
15. Meghalaya	-	0.13
16. Mizoram	-	0.11
17. Nagaland	-	0.16
18. Orissa	-	2.03
19. Punjab	-	0.92

1	2	3
20. Rajasthan	-	2.80
21. Sikkim	-	0.04
22. Tamil Nadu	-	10.51
23. Tripura	-	0.26
24. Uttar Pradesh	-	5.92
25. West Bengal	-	2.95
Total-I	-	43.19

Union Territories

1. Andaman & Nicobar Islands	-	*
2. Chandigarh	-	0.03
3. Dadra & Nagar Haveli	-	-
4. Daman & Diu	-	-
5. Delhi	-	0.19
6. Lakshadweep	-	*
7. Pondicherry	-	0.43
Total-II	-	0.25
Total-I + Total-II	-	43.38

* Less than 500.

Board Level Vacancies in PSUs

447. SHRI VILAS MUTTEMWAR : Will the Minister of INDUSTRY be pleased to state :

(a) the status as on 31.3.98 regarding position of vacancies at Board level in various Central Government/ Public Sector Undertakings under Ministries ;

(b) whether these vacancies are lying vacant beyond the normal limit as per the guidelines ;

(c) whether the Government have undertaken indepth review of the performance of the Board for selection of Board level posts in Central Public Sector Undertakings;

(d) if so, the details thereof;

(e) whether the Board is being re-constituted; and

(f) if so, the details thereof ?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) As on 31.3.98, 31 posts of Chief Executives and 71 posts of Functional Directors were vacant in various Central Public Sector Undertakings.

(b) The Policy of the Government is to fill up the posts well in time. There is no specified limit for keeping a post vacant.

(c) Need has not been felt .

(d) Does not arise.

(e) No, Sir.

(f) Does not arise.

Debt GDP Ratio

448. SHRI AJAY CHAKRABORTY : Will the Minister of FINANCE be pleased to state The debt-GDP ratio and debt-service ratio separately during each financial year of Eighth Five Year Plan Period?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : The external debt to GDP ratio, and external debt-service (calculated by using cash payment method) to current receipt ratio during Eighth Five Year Plan Period (1992-97) are as under :

Year	Ext. debt to GDP-ratio %	Debt-Service ratio %
1992-93	39.8	27.5
1993-94	35.8	25.4
1994-95	32.3	25.6
1995-96	28.2	24.8
1996-97	25.9	22.6

Sunderbans, West Bengal-Tourist Place

449. SHRI SAMIK LAHIRI Will the Minister of TOURISM be pleased to state :

(a) whether the Union Government propose to declare Sunderbans (West Bengal) as an International Tourist Spot and to provide the required infrastructural facility for the same;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) to (c) Sunderbans is already a tourist spot being visited by International Tourists. The Department of Tourism, Government of India has sanctioned projects for Sunderbans in West Bengal namely purchase of Cruise Vessels , a Tourist Lodge , a Launch and Tents at Piyali, and a Tourist Lodge at Frasergang.

*[Translation]***Textiles Export Target of Uttar Pradesh**

450. SHRI JAGAT VIR SINGH DRONA: Will the Minister of TEXTILES be pleased to state :

(a) whether a target of export of Textiles worth Rs. 2100 crores for the Uttar Pradesh textiles Industry has been set by the 2000 A.D and the Uttar Pradesh Export Corporation has formulated an action plan for this purpose but the lack of infrastructural facilities are becoming too obstacles in achieving the said target; and

(b) if so, the measures proposed to be taken by the State and Union Government for achieving the Target?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) and (b) The Union Government does not fix export targets state-wise. However, in order to boost the exports of textiles, Government have been taking a number of steps, which includes encouraging exporters to participate in buyer-seller meets; fairs and exhibitions enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of raw materials for export production; ensuring increased availability of export credit etc.

*[English]***Setting up of Industries in Kashmir**

451. PROF. SAIFUDDIN SOZ : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is any proposal under consideration of the Government to set up Eco-friendly Electronic Industries in Kashmir Valley ;

(b) if so, the details thereof; and

(c) the number and type of Industries which are likely to be set up there in the foreseeable future ?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) No, Sir.

(b) and (c) Does not arise.

*[Translation]***Coal reserve**

452. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of COAL be pleased to state :

(a) whether any criteria to conduct an enquiry into the matter of short fall in coal reserve of Central Coalfields Limited and Bharat Coking Coal Limited has been fixed in the Coal India Board's meeting held in 1991;

(b) if so, the details thereof;

(c) whether any positive efforts have been made to estimate the annual production of Coal during the last three years and during the current year, till April, 1998; and

(d) if so, the number of officials against whom action has been taken for over reporting about coal production ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) In the 118th meeting of the Board of Directors of Coal India Limited held on 22.8.91, the Board approved adoption of the "Code for Uniform System of Maintenance, Control and Verification of Coal Stock of all mines of CIL" which consists of guidelines for reporting of correct production from underground and opencast mines separately, reconciliation of the daily maintenance of the proper records/registers of production, stocks etc. and fixing of responsibility of maintenance of such records.

(c) Annual coal production is finalised after physical verification of coal stock by CIL inventory teams. This exercise is taken up every year immediately after the close of the preceding financial year.

(d) The number of cases of coal stock shortages and over-reporting of production in which disciplinary and administrative action has been taken on consideration of the reports of the two Government committees set up to investigate into the coal stock shortages in BCCL and CCL is given below :

Action taken	BCCL Cases	CCL Cases
Removal from service	5	-
Demotion	18	-
Reduction to lower grade	11	2
Minor penalties and administrative action	30	6
Total	64	8

Agenda of WTO

453. SHRI RUPCHAND PAL : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to reconsider and redefine its stand on the agenda set by the W.T.O ; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) India has expressed its views on WTO's work programme through the Commerce Minister's speech in the Second Ministerial Conference of

WTO at Geneva from 18-20 May 1998. India urged rejection of protectionism and unilateral actions and emphasised full and effective implementation of the provisions of the WTO agreements, particularly those relating to improving market access of products from developing countries. India has also demanded that WTO provisions providing special and differential treatment to developing countries should be effectively implemented so that the full benefits of these provisions accrue to developing countries. India's concerns have been endorsed by the WTO membership as reflected in the Ministerial Declaration issued at the end of the Conference.

Tenth Finance Commission

454. DR. VALLABHBHAI KATHIRIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government is contemplating to legislate on the proposal to create Single Divisible Pool for Central Taxes with 29% share of States in view of the Tenth Finance Commission's recommendations ;

(b) if so, the details thereof ;

(c) whether the State Governments have been consulted in this regard ;

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

(e) the Government's decision thereon ?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes Sir.

(b) to (e) On the basis of consensus reached in the Third Meeting of the Inter State Council held on July 17, 1997, the Government has accepted with slight modifications the recommendations of the Tenth Finance Commission to create a single divisible pool for almost all Central Taxes with 29% share devolving on the States.

The required Constitution Amendment Bill is likely to be introduced in the current Budget Session.

Areas suggested by World Tourism Organisation

455. SHRI BIJOY KRISHNA HANDIQUÉ : Will the Minister of TOURISM be pleased to state :

(a) whether the World Tourism Organisation, a Madrid-based United Nation agency propose to launch a full scale tourism development programme for India this year ;

(b) if so, whether the Government in response to a specific proposal made by this organisation has identified six major areas for regional planning ; and

(c) if so, the areas identified for this purpose and details of the proposals ?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) to (c) The World Tourism Organisation has drawn a Programme Support Document for launching a study project for the planning of integrated and controlled development of tourism in Goa and Sindhudurg region, Rajasthan desert triangle ; Bekal beach area in Kerala, Mamallapuram beach area with linkages to Chennai and Pondicherry, Puri beach area in Orissa and North Eastern States. The document was referred to the UNDP for financial support, by the Deptt. of Tourism through the Deptt. of Economic Affairs. The proposal was however not approved by the United Nations Development Fund (UNDP) for financial support.

Coal Supply agreement with Private Sector Power Producers

456. SHRI KAMAL NATH : Will the Minister of COAL be pleased to state :

(a) whether Coal India Limited or its subsidiaries have entered into any coal supply agreement with private sector power producers ;

(b) if so, the salient features thereof ;

(c) whether any counter guarantees have been obtained at the time of signing of such agreement ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) No coal supply agreement has been entered into so far by Coal India or its subsidiaries with Private Sector Producers. However discussions are being held with several IPPs towards concluding such agreements.

(c) and (d) Does not arise.

Anti-Dumping Bill

457. SHRI DILEEP SANGHANI : Will the Minister of COMMERCE be pleased to state :

(a) whether the Newsprint industry in the country is passing through an unprecedented crisis due to delay in framing the Anti-dumping Bill ; and

(b) if so, the facts and details thereof ?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEDGE) : (a) and (b) No, Sir. The Custom Tariff Act, 1975 already provides for the matters relating to investigations and imposition of Anti-dumping duties. Investigations in the case of imports of newsprint from USA, Canada and Russia have been conducted under the said Act, and the rules made thereunder. The final findings have already been announced by way of a Gazette Notification dated 19.3.98.

Branches of NABARD

458. SHRI ASHOK NAMDEORAO MOHOL :
SHRI MADHAVRAO PATIL :

Will the Minister of FINANCE be pleased to state :

(a) the state-wise number of branches of National Bank for Agriculture & Rural Development (NABARD) which were proposed to be opened in the country, particularly in Maharashtra during 1996-97 & 1997-98;

(b) the number of branches opened out of these alongwith their location, State-wise;

(c) whether the Government propose to open some more branches of NABARD during 1998-99; and

(d) if so, the details thereof, State-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARATHANAN) : (a) to (d) National Bank for Agriculture & Rural Development (NABARD) has reported that, in addition to its Head Office at Mumbai, it has 26 Regional Offices (ROs)/Sub-Offices located in the State/Union Territories. NABARD does not have branch offices other than the ROs/SOs. However, with the specific objective of providing expert guidance to financing banks in the areas of credit planning and scheme formulation at the grassroot level as also for improving co-ordination among various organisations involved in implementation of programme for agriculture and rural development, NABARD took on innovative step in the year 1989 by opening one-man District Offices under the charge of District Development Managers (DDMs). It has been pointed out by NABARD that the institution of DDM is not an office and does not have any supporting staff. NABARD has further reported that 234 DDMs have so far been posted in the districts.

The details of district offices opened in the country upto 1995-96 together with additional during the year 1996-97 and 1997-98 are as follows :

No. of DDM Offices	All India	Maharashtra
Opened upto 1995-96	216	19
Opened during 1996-97	18	2
Opened during 1997-98	-	-
Total	234	21

NABARD has further decided to open 25 new DDM Offices in various States during the year 1998-99. The State-wise details of NABARD Offices (including the offices

of DDMs), as on 23.05.1998, are indicated in the Statement enclosed.

Statement

S. No.	Name of State/ Union Territory	Location of Reg. offices	No. of districts covered by DDMs
1.	Andhra Pradesh	Hyderabad	17
2.	Assam	Guwahati	11
3.	Bihar	Patna	14
4.	Gujarat	Ahmedabad	9
5.	Goa	Panaji	2
6.	Haryana	Chandigarh	13
7.	Himachal Pradesh	Simla	6
8.	Jammu & Kashmir	Jammu	2
9.	Karnataka	Bangalore	15
10.	Kerala	Thiruvananthapuram	13
11.	Madhya Pradesh	Bhopal	19
12.	Maharashtra	Pune	19
13.	Maghalaya	Shillong	2
14.	Orissa	Bhubaneswar	11
15.	Punjab	Chandigarh	7
16.	Rajasthan	Jaipur	17
17.	Tamil Nadu	Chennai	16
18.	Tripura	Agartala	1
19.	Uttar Pradesh	Lucknow	31
20.	West Bengal	Calcutta	8
21.	Pondicherry	Pondicherry	1
Total			234

Inferior quality of Coal

459. SHRI RAM TAHAL CHOUDHARY : Will the Minister of COAL be pleased to state :

(a) whether the Government is serious towards the complaints of consumers regarding supply of inferior quality and less quantity of coal;

(b) if so, whether any action has been taken by the Government against those persons, who are found guilty in supply of inferior quality and less quantity of coal;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) to (d) Yes, Sir. The Coal Companies do receive complaints from consumers particularly power houses on size as well as on quality. In order to bring down the quality complaints, steps like installation of feeder breakers, segregation of stones at the time of loading of coal, better supervision and encouraging the consumers to post their representatives at the loading point for quality loading are taken by the coal companies. Electronic weighbridges have also been set up at loading points to minimise complaints on weight.

As per information furnished by Coal India Limited (CIL), in the past few years 18 officers were subjected to disciplinary proceedings on account of quality and quantity complaints in the coal despatches/supply and also Administrative action by way of immediate suspension was inflicted on eight officers including Chief General Manager (CGMs) and General Managers (GMs).

Issue of One Thousand Rupee Notes

460. SHRI CHANDU LAL AJMEERA Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to issue one thousand rupee notes again;

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

(c) the time by which final decision is likely to be taken in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) The proposal for issue of one thousand rupee notes is still under consideration of the Government and a final decision has not yet been taken.

[Translation]

Promotion of Tourism in Himachal Pradesh

461. SHRI SURESH CHANDEL: Will the Minister of TOURISM be pleased to state:

(a) whether there are several beautiful hill stations in which the domestic and foreign tourists show great interest;

(b) if so, whether the Government have made some special efforts to develop and conserve these hill stations so that foreign tourists may be attracted towards Himachal Pradesh;

(c) whether the Himachal Pradesh Government has submitted some tourism projects to the Union Government for approval; and

(d) if so, the details thereof and present positions thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) Yes, Sir.

(b) Himachal Pradesh provides excellent opportunities for adventure sports tourism including trekking, mountaineering, river rafting, camping and skying. The Department of Tourism, Government of India, has been periodically providing funds to the Government of Himachal Pradesh for the purchase of trekking equipment, water sports and ski equipment, tents etc. While promoting tourism in the Himalayas, efforts are made to create an awareness of the importance of preservation of the fragile environment.

(c) and (d) Tourism projects are prioritised every year in consultation with state Governments and thereafter the State and Union Territory Governments forward the detailed proposals for central financial assistance. In 1997-98 five projects were sanctioned for Himachal Pradesh amounting to Rs.119.00 lakhs.

Import of Gold

462. SHRI MANIBHAI RAMJIBHAI CHAUDHARI: SHRI JANARADAN PRASAD MISRA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have allowed some banks to import gold and to sell it in the domestic market;

(b) if so, the details thereof; and

(c) the quantum of gold imported by the banks so far after the said decision and its impact on the domestic market?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Yes Sir. With effect from 21st October 1997 the Government have allowed authorised by the Reserve Bank of India to import gold for sale in the domestic market on payment of duty @ Rs.220 per 10 grms. The Said banks are:

1. Allahabad Bank 2. Bank of India 3. Canara Bank 4. Indian Overseas Bank 5. ABN-Amro Bank 6. Bank of Nova Scotia 7. Standard Chartered Bank 8. State Bank of India 9. Corporation Bank 10. Oriental Bank of Commerce and 11. Bank of Baroda.

(c) Till 31.3.98 the banks have imported 182095.8 kgs of gold for sale in the domestic market. This has resulted in considerable fall in the price of gold in domestic market and narrowed the difference between domestic and international price of gold.

*[English]***Water Sports in Goa for Tourists**

463. SHRI RAVI SITARAM NAIK: Will the Minister of TOURISM be pleased to state:

(a) whether the Government propose to start water sports in Goa for tourists;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG): (a) to (c) Yes, Sir. The Department of Tourism has set up a National Institute of water sports at Caranzalem in Panjim, Goa, which provides training in water sports activities. The Institute has already conducted over 100 courses for 1600 trainees. Further, private Operators in beach resorts provide a number of water sports activities for tourists.

Seizure of Smuggled Goods

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

(a) the amount of smuggled goods and foreign currency seized by customs officials during each of the last three years, State-wise;

(b) the number of arrests made in each of the smuggled goods and foreign currency cases;

(c) whether some Customs/Airlines Officials were also found involved in smuggling cases during the above period;

(d) if so, the details thereof;

(e) the action taken against the smugglers and Customs/Airlines officials found guilty; and

(f) the steps the Government propose to take to check the entry of smuggled goods and foreign currency in future?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (f) The information is being collected from the field formation and will be laid on the Table of the House.

*[Translation]***Tourist Places at Mumbai**

465. SHRI RAMDAS ATHAWALE: Will the Minister of TOURISM be pleased to state:

(a) the number of tourist places in Mumbai at present;

(b) whether a large number of tourist centres are running in loss;

(c) if so, the reasons therefore; and

(d) the details of the loss incurred by each tourist centre during each of the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG): (a) The main tourist places in Mumbai City are Gateway of India, Rajabai Tower, Girgoan Chowpatty, Hanging Gardens, Mani Bhavan, Taraporewala Aquarium, Prince of Wales Museum, Juhu Beach, Film City, Sanjay Gandhi National Park, Essel World.

(b) Most of the tourist establishments are in the private sector. In Mumbai City State Govt. have not developed any tourist centre.

(c) and (d) Does not arise.

*[English]***Export of Groundnut**

466. SHRI C.P.M. GIRIYAPPA: Will the Minister of COMMERCE be pleased to state:

(a) whether export of groundnut has increased steadily during the last three years;

(b) if so, whether the export has advanced affected the indigenous groundnut oil producers;

(c) if so, the details thereof; and

(d) the steps taken by the Government to save the interest of indigenous groundnut oil producers?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEDGE): (a) Yes Sir.

(b) to (d) The total quantity and value of HPS groundnut exported during the last 3 years is as under:

	Qty. in MTs	Value in Rs. crores
1995-96	118908	230.69
1996-97	143446	313.35
1997-98 (April-Feb, 1998)	205185	510.00

(Source: DGCIS)

The exports of HPS groundnut constitute less than 3% of the domestic production. Exports of such meagre quantities is unlikely to have any adverse impact on domestic industry.

Schemes to Promote Tourism in Hilly Areas

467. SHRI BACHI SINGH RAWAT "BACHDA" : Will the Minister of TOURISM be pleased to state:

(a) whether any schemes have been formulated during the last three years by the Union Government for encouraging tourism in different areas of the country and whether there is any special scheme for encouraging tourism in hilly areas;

(b) if so, the number of tourist centres set up in Uttar Pradesh alongwith hilly districts of the state during each of the last three years and the number of tourists visited there;

(c) whether any scheme has been formulated by the Union Government for the near future for providing facility to the tourists during the summer vacation in hilly areas; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) and (b) Tourism in hilly areas is being encouraged by providing a higher tax incentive of 50% in the case of hotels set up in hilly areas and which start operating between 1.4.1997 and 31.3.2002. The Department of Tourism provided assistance for the following projects in the hills of U.P. during the last three years:

- (1) Reception Centre at Rishikesh
- (2) Aero Sports Jolly
- (3) River Rafting equipment
- (4) Ski equipment for Auli
- (5) Water sports equipment, Nanaksagar
- (6) Kumaon Festival
- (7) Garhwal Festival

The number of tourists who visited the hills of Uttar Pradesh during the last three years are estimated to be as follows :

Year	Domestic	Foreign	Total
1995	1,39,83,000	41,000	1,40,24,000
1996	1,56,44,356	45,220	1,56,89,576
1997	1,62,70,130	47,028	1,63,17,158

(c) and (d) Tourist facilities at hilly places are normally utilised in the summer times. Department of Tourism has provided Central Financial Assistance for tourist complexes, tourist reception centres, cafeterias, way-side amenities etc. in hilly regions.

[Translation]

Payment of Royalty for Coal

468. SHRI LARANG SAI: Will the Minister of COAL be pleased to state:

(a) the estimated quantity of coal extracted per day from various mines in Bihar particularly in Sarguja district;

(b) the royalty paid to the State on per day basis;

(c) whether the Government have noticed any irregularities in making payment of royalty to the State;

(d) if so, the details thereof; and

(e) the action taken by the Government to check such irregularities?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) CIL intimated that Sarguja District is in the State of Madhya Pradesh and not in Bihar. However, the estimated quantity of coal extracted per day in the mines of Bihar and in the mines of Sarguja District in Madhya Pradesh during the year 1997-98 were as under:

(In '000 tonnes)

In Bihar Mines	245.36
In the mines of Sarguja District	30.35

(b) According to CIL, royalty is paid to the State Government on despatches of coal on monthly basis and not on daily basis. Details of royalty paid to the different States by subsidiaries of CIL during the last three years are as under:

(Rs. in crores)

State	1995-96	1996-97	1997-98
West Bengal	7.82	10.87	12.64
Bihar	658.33	682.77	665.24
Orissa	180.79	185.33	237.42
Maharashtra	217.90	200.29	204.79
M.P.	666.77	684.14	663.63
Uttar Pradesh	113.50	121.41	102.35
Assam	21.59	9.92	6.13
Total	1866.70	1894.73	1892.20

(c) to (e) No information about any irregularities in making royalty payments by the coal companies to the coal producing states has come to the notice of Ministry of Coal.

[English]

Foreign exchange earned through Export

469. DR. RAMKRISHNA KUSMARIA : Will the Minister of COMMERCE be pleased to state:

(a) the value of export and import made during the last two years; and

(b) the commodities which earned the highest foreign exchange?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) According to the provisional data of the DGCI & S, the value of exports and imports made during last two years in Dollar terms and in Rupee terms are as under :

(in US \$ Million)

Year	Exports	Imports
1996-97	33106	38548
1997-98	33980	40779

(in Rs. Crores)

Year	Exports	Imports
1996-97	117525	136844
1997-98	126286	151554

(b) As per the available data from DGCI & S, during April-Feb., '97-98 the commodities which earned the highest foreign exchange are textiles, gems and jewellery, chemicals & allied products, engineering and agriculture & allied products, which accounted for 76.8% of the total foreign exchange earned through export trade.

Loan by IDBI and SBI to ITPC

470. PROF. AJIT KUMAR MEHTA : Will the Minister of FINANCE be pleased to state :

(a) whether IDBI and SBI has recently released complete loan of Rs. 100 crore to the project company launched by NTPC, Spectrum technologies and Jaya Food Industries to undertake power project at Kakinada in Andhra Pradesh;

(b) whether the Government have approved the foreign borrowings by the company on the written commitment of NTPC and Spectrum Technologies (NRI);

(c) whether IDBI and SBI released the loan without fulfilling all the loan condition and with only 45% of the equity putting public fund at risk;

(d) whether NTPC and Spectrum Technologies (USA based NRI) the original promoters are excluded from subscribing foreign equity by Jaya Food Industries;

(e) if so, the reasons therefor and whether this advancement of waiving requisite conditions by IDBI and SBI facilitating breach of promoters agreement by Jaya Food Industries is likely to jeopardize future investment in power sector; and

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

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (f) Information is being collected and will be laid on the Table of the House to the extent available and permissible under the rules.

[Translation]

Income Tax problems of Cooperative Sugar Mills

471. SHRI S.B. THORAT : Will the Minister of FINANCE be pleased to state:

(a) whether the Cooperative sugar mills in Maharashtra have represented to the Union Government about their Income Tax problem through National Federation of Cooperative Sugar Factories (NFCFSF);

(b) if so, the details thereof;

(c) the reaction of the Government thereto; and

(d) the present status regarding action taken on the specific issues to provide financial relief to the sugar industry?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Representations have been received from certain Cooperative Sugar Factories in Maharashtra regarding the tax-treatment to be given to the excess cane-price paid by them to their member producers over and above the standard price fixed for this purpose. The assessing officers disallowed the claim for deduction of such excess amount under the provisions of the Income tax Act and this action has been upheld by the first appellate authority. The matter is now pending before the second appellate authority, i.e. Pune Bench of Income tax Appellate Tribunal.

(c) and (d) The matter is now *sub-judice* and the Revenue is bound by the decisions of the statutory appellate authorities as and when those are available. Further, the Department has made a request for the speedy disposal of appeals.

*[English]***Vaishali-The International Tourist Centre**

472. SHRI SITA RAM YADAV:
SHRI RAGHUVANSH PRASAD SINGH:

Will the Minister of TOURISM be pleased to state:

(a) whether the Government had planned for creating/encouraging the tourist circuit in Bihar;

(b) if so, the details of tourist circuit covering all the Buddhists places of the state;

(c) whether the sacred Asthikalasha of Lord Buddha kept in the museum of Patna has been found in Vaishali which is considered to be an International Tourist Centre as it has been the first Lichhvi republic of the world and the work place as well as birthplace of Lord Buddha;

(d) if so, whether there is any proposal of the Government for covering Vaishali and Sitamarhi being the birthplace of Sitaji;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) to (f) Development of tourism is a continuing process and is primarily undertaken by the State Government/UT Administrations. However, the Ministry of Tourism, Government of India provides assistance for development of tourism infrastructure based on specific project proposals received from the state Government/UT Administrations and the availability of funds.

The places covered in the Buddhist circuit in Bihar include Patna, Bodhgaya, Nalanda, Rajgir and Vaishali. Some of the projects sanctioned by the Ministry of Tourism in the Buddhist circuit in Bihar during 8th plan and 1997-98 are Tourist Reception Centre at Bodhgaya, Yatrika at Gaya, Vaishali Mohotsav, Rajgir Festival, Tourist Complex at Vaishali, development of Temple premises, Rajgir.

The Government has entered into a loan agreement with the Overseas Economic Co-operation Fund (OECF) of Japan in December, 1988 for the development of Infrastructural facilities along the identified Buddhist Travel Circuit in Bihar. The Overseas Economic Co-operation Fund financial assistance is to the tune of Rs. 249.14 crores for the development of tourism infrastructure in Buddhist circuits of Bihar covering Bodhgaya, Nalanda, Rajgir and Vaishali.

*[Translation]***Coal India Limited**

473. SHRI AJIT JOGI : Will the Minister of COAL be pleased to state:

(a) the number of employees were working in Coal India Limited before its nationalisation;

(b) the number of employees were working in it after one decade of nationalisation and the total number at present;

(c) the per ton price of different categories of Coal before the nationalisation of coal mines and the present price thereof;

(d) the number of times the prices of coal has been increased after nationalisation; and

(e) the extent of increase in coal production capacity and efficiency after nationalisation?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) The number of employees working in Coal India Ltd., as on 1.5.1973, i.e. on the date of nationalisation of non-coking coal mines, after one decade i.e. 1.4.1983 and as on 1.4.1998 were as follows:

As on 1.5.1973	As on 1.4.1983	As on 1.4.1998
5,21,167	6,46,318	6,11,689

(c) The prices of different grades of coal before nationalisation are given below:

Non-coking Coal (as on 30.1.1973):

Grade	(Rs. per tonne)	
	Steam	Slack
I	34.26	33.23
II	31.59	30.54
IIIA	30.04	29.06
IIIB	28.89	27.89
Coking Coal (as on 19.10.1971) :		
Special Steel Grade		45.00
Steel Grade I		42.09
Steel Grade II		39.87
Washery Grade I		38.48
Washery Grade IIA		37.35
Washery Grade IIB		36.23

Washery Grade IIIA	35.73
Washery Grade IIIB	35.23
Washery Grade IVA	34.23
Washery Grade IVB	33.23
Washery Grade V A	31.73
Washery Grade V B	30.23

The present prices of various grades of coal is given in the enclosed Statement.

(d) The basic price of non-coking coal has been revised 16 times after nationalisation, while that of Coking Coal 17 times.

(e) After Nationalisation of Coal mines, coal production has increased from 78.99 million tonnes in 1974-75 to 260.68 million tonnes (provisional) in 1997-98 showing an increase of 330 percent. Output per manshift has also increased by 333 percent.

Statement

Current Gradewise Rom. Prices of Coal are as under :

(In Rs. per tonne)

Grades of Coal	ECL, CCL & SECL	WCL	BCCL
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Coking Coal

Steel Grade I	-	-	1541
Steel Grade II	-	-	1287
Washery Grade I	1024	1024	1115
Washery Grade II	848	848	924
Washery Grade III	627	765	683
Washery Grade IV	584	628	635
Semi-Coking I	1024	1024	1075
Semi-Coking II	848	848	890

Non Coking Coal	ECL (Rajmahal)	ECL (SP mines, Mugma & Salanpur)	MCL	BCCL	WCL
A	-	907	828	864	936
B	-	815	743	776	880
C	-	670	611	638	819
D	-	524	504	524	754
E	559	416	400	416	627
F	475	332	319	332	523
G	380	237	227	237	394

Deaths due to Collapse of Coal Mines

474. SHRI K. YERRANNAIDU : Will the Minister of COAL be pleased to state:

(a) the number of persons died in coal mines collapse in Dhanbad during 1996-97 and 1997-98 till date;

(b) the reasons for the collapse;

(c) the steps taken by the Government to stop recurrence of such incidents in future; and

(d) the amount of compensation provided to the affected families?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) The number of persons who died in the coal mines collapse, which was predominantly due to roof and side fall, in under ground mines of Coal India Limited in the district of Dhanbad during 1996-97 and 1997-98 are as below :

Company	1996-97	1997-98	1998-99 (up to 25th May'98)
BCCL	10	11	2
ECL	0	1	0
Total	10	12	2

(c) The steps taken by coal companies to stop recurrence of such incidents in future are as below :

- Implementing support plans drawn up on the basis of rock mass rating.
- Replacement of timber support by steel support, roof bolting and stitching methods of support.
- Training and retraining of workmen and supervisory staff as well as Officials.
- Standardisation of quick setting cement capsules used for roof bolting/stitching being manufactured in the mines in accordance with the formulas developed by Central Mining Research Institute.

(d) The amount of Compensation provided to the affected families of victims of roof/side falls in 1996-97 and 1997-98 is given below:

Company	1996-97	1997-98	1998-99 up to May'98
BCCL	1,472,760	1,505,867	Under process
ECL	0	149,670	
Total	1,472,760	1,655,537	

Tourism in U.T. Chandigarh

475. SHRI SATYA PAL JAIN : Will the Minister of TOURISM be pleased to state :

(a) whether the Government are considering any proposal for encouragement of tourism in Union Territory of Chandigarh;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether the Government are aware that world famous Rock Garden of Chandigarh has the potential of attracting tourists of the world ; and

(d) if so, the steps being taken to encourage tourism in Chandigarh?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) to (d) Development of tourism is a continuing process and is primarily undertaken by the state Government/UT Administration. However, Department of Tourism, Government of India provides assistance for the development of tourism infrastructure based on specific project proposals received from the state Govts./UT Administration and the availability of funds.

During the last three years, the Department of Tourism has sanctioned financial assistance for the Carnival Festival, Printing of publicity material, the Rose Festival, Boats for Sukhna Lake and the Garden Festival in Chandigarh.

[Translation]

Package for Eastern UP and Bihar

476. SHRI MOHAN SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received demands for a Special Economic Package for development of areas of Eastern Uttar Pradesh and Northern Bihar (besides Jharkhand); and

(b) if so, the amount demanded for this economic package and initiatives being taken by the Government for the same?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) No request for Special economic package for Eastern UP has been received in the recent past.

However, a representation seeking special compensatory package for North Bihar after creation of Vananchal/Jharkhand for an amount of Rs. 50,000 crores as down right assistance and Rs. 1000 crores per year for ten years, has been received.

When States are bifurcated, share of Central Assistance and Nonplan grants amongst the successor States are being determined by the Planning Commission and the Finance Commission respectively. Appropriate methodology is also evolved for apportionment of existing assets and liabilities to ensure just and equitable distribution at the time of bifurcation.

Issue of Licences

477. SHRI KANTILAL BHURIA : Will the Minister of INDUSTRY be pleased to state:

(a) whether Tehsil Meghnagar, a tribal area of district Jhabua in Madhya Pradesh has been declared an industrial area;

(b) if so, the number of industries to which licences have been issued for establishing their units from the year 1990 to March 1998;

(c) the number of industries which have been transferred to other places; and

(d) the reason for transfer of such industries?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) A Growth Centre was set up at Meghnagar in Jhabua District in Madhya Pradesh under the scheme of Central assistance for development of infrastructure facilities in "No Industry Districts" and it was completed in October, 1995. Jhabua District has been categorised as an industrially backward district in terms of Ministry of Finance Notification No. S.O.714(E) dated 7th October, 1997.

(b) to (d) In the liberalised economic scenario, it is for the entrepreneurs to decide about the location of their industries. Information on industrial investments are not maintained Tehsil-wise. However, during the period 1990 to March, 1998 one Industrial Licence and two Letters of Intent have been issued and fourteen Industrial Entrepreneurs Memoranda have been filed for Jhabua District in Madhya Pradesh.

Privatisation of Coal Mines

478. SHRI AMAR PAL SINGH : Will the Minister of COAL be pleased to state:

(a) whether the Government propose to hand over the work of coal mining to Private Sector to check mismanagement and corruption prevailing in coal sector;

(b) if so, the details thereof;

(c) the time by which the coal sector is likely to be handed over to Private Sector; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) No Sir.

(b) to (d) Do not arise in view of reply to part (a) of this question.

[English]

HRA to the Employees of Central Government Undertakings

479. SHRI NRIPEN GOSWAMI : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Central Government Undertakings have implemented the recommendations of the Fifth Pay Commission;

(b) if so, the details thereof;

(c) whether the enhanced House Rent Allowance payable to the employees of the Central Government Undertakings has been implemented by all the undertakings;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (e) There are 69 PSUs which follow Central Government pay scales and are covered by the pay Commission's recommendations and Government decisions thereon. Government orders have been issued for implementation of the new pay scales and other benefits in the case of these employees. Actual implementation of the orders are monitored by the administrative Ministries concerned and the respective PSU managements.

Delicensing of Core Sectors

480. SHRI K.S. RAO : Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal for delicensing of refinery, coal and mining sectors;

(b) if so, the details thereof;

(c) the advantage that are likely to accrue by delicensing of these sectors; and

(d) the time by which a final decision is likely to be taken in the matter?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) Review of delicensing of industries is a continuous process and refinery, coal, lignite sectors are among the industries being considered.

(c) and (d) No final decision regarding delicensing of these sectors has yet been taken by the Government nor any time frame has been formulated for the purpose.

Functioning of Government Hotels

481. SHRI V.M. SUDHEERAN : Will the Minister of TOURISM be pleased to state:

(a) whether Government have taken or proposed to take any steps to improve the condition of the Government owned hotels;

(b) if so, whether these hotels are running in profit;

(c) the details regarding the financial position of these hotels;

(d) whether Government have made any study on the staff pattern of these hotels; and

(e) whether Government have taken any steps to avoid wasteful expenditure in these hotels?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) Steps are taken for the improvement/upgradation of ITDC's Hotels on a continual basis. A provision of Rs. 28 crores has been made in the Annual plan of ITDC for the year 1998-99 for the renovation/upgradation of its various hotels.

(b) and (c) A statement showing the turn over and the net profit/loss for the year 1997-98 (provisional figures) in respect of 26 ITDC Hotels is attached.

(d) The requirement and deployment of staff in hotels is reviewed and decided on the basis of operational needs.

(e) In order to control wasteful expenditure, the matter has been reviewed and it has been impressed upon the heads of all the units that they should (i) ensure that there are no leakages specially in the Food & Beverages Departments (ii) monitor the performance of health clubs (iii) treat each restaurant in all the hotels as a separate profit centre.

Statement

Statement showing financial performance of IDTC Hotels during 1997-98

S.No.	Name of the unit	1997-98 Turn over	Prov. Net Profit/ Loss (Rs. in lakhs)
1	2	3	4
1.	Agra Ashok, Agra	147.30	-74.22
2.	Airport Ashok, Calcutta	1258.61	53.86
3.	Ashok, Bangalore	1610.31	209.36
4.	Ashok, New Delhi	5246.02	1124.32
5.	Ayn, New Delhi	752.00	-23.80

1	2	3	4
6.	Aurganabad Ashok	69.77	-56.07
7.	Bodhgaya Ashok	81.78	8.30
8.	Hassan Ashok	132.00	6.00
9.	Jaipur Ashok	183.64	-64.91
10.	Jammu Ashok	74.32	-27.49
11.	Janpath Hotel, N. Delhi	1069.33	86.08
12.	Kalinga Ashok, Bhubaneswar,	185.48	-23.51
13.	Kanishka Hotel, N. Delhi	2117.14	472.04
14.	Khajuraho Ashok	38.31	-44.44
15.	Kovalam Ashok Beach Resort	1025.40	122.26
16.	Lalithmahal Palace Hotel	512.55	179.56
17.	Laxmi Vilas Palace Hotel	365.58	121.51
18.	Lodhi Hotel, New Delhi	751.41	109.68
19.	Madurai Ashok	130.82	-11.46
20.	Manali Ashok	31.34	-30.17
21.	Pataliputra Ashok, Patna	197.55	11.19
22.	Qutab Hotel, N. Delhi	930.48	397.33
23.	Ranjit Hotel, N. Delhi	240.60	-121.21
24.	Samrat Hotel, N. Delhi	1434.58	151.38
25.	Temple Bay Ashok Beach Resort	167.45	14.63
26.	Varanasi Ashok	169.77	-87.05
		18923.54	2503.17

Income tax Exemption to Political Parties

482. SHRI RAMKRISHNA BABA PATIL : Will the Minister of FINANCE be pleased to state:

(a) whether some political parties are not eligible for exemption of income tax;

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

(c) the number of political parties which have not paid income tax regularly; and

(d) the action proposed to be taken by the Government against such parties?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) Yes Sir.

(b) Under section 13A of the Income-Tax Act, 1961, Income from House property and Other Sources or income by way of voluntary contributions, accruing to the political parties, is exempt from income-tax, subject to fulfilment of conditions specified therein. However, those political parties which are not registered with the Election Commission of India under paragraph 3 of the Election Symbols (Reservation & Allotment Order 1968), or which are not deemed to be registered under the proviso to sub-paragraph 2 of the aforesaid paragraph or which do not fulfil conditions laid down u/s 13A of the Income-Tax Act, 1961 are not eligible for such exemption.

(c) and (d) Information is being collected and will be laid on the Table of the House in due course of time.

[Translation]

Steps to Unearth Undisclosed Money

483. SHRI RAGHUVANSH PRASAD SINGH : Will the Minister of FINANCE be pleased to state:

(a) the steps being taken to unearth the undisclosed money;

(b) the extent to which sources has been achieved in this regard and the amount of undisclosed money seized during the year 1996-97 and 1997-98 so far ; and

(c) whether the Government have assessed the quantum of such money and the manner in which it is utilised?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARATHANAN) : (a) The Government have been taking necessary legislative, fiscal and administrative measures, from time to time to unearth the undisclosed money. Rates of taxation have been progressively rationalised. Besides, the Income Tax Act, 1961 contains a number of provisions aimed at unearthing the undisclosed money. These include, *inter alia*, provision regarding compulsory maintenance and audit of accounts in appropriate cases u/s 44AA and 44AB, restrictions on cash transactions u/s 40 A(3), 269SS and 269T, preemptive purchase of properties under Chapter XXC and provisions regarding penalties and prosecutions for punishing tax defaulters. The Act also contains provisions regarding summons, surveys and searches etc. to detect tax evasion. A new procedure for making assessments in cases of search has been introduced with the levy of tax on undisclosed income at 80%. These provisions are resorted to in appropriate cases.

(b) It would be difficult to estimate the extent of success solely because of these steps. The total quantum of undisclosed money seized during the years 1996-97 and 1997-98 is as below :

Year	Total Seizure (Rs. in lakhs)
1996-97	40563.42
1997-98	30684.69

(c) The study made by the National Institute of Public Finance and policy in 1983-84 estimated undisclosed money between Rs.31584 cr. to Rs.36786 cr. Thereafter, no study has been made by the Government.

Expansion of Currency Note Printing Presses

484. SHRI THAWAR CHAND GEHLOT : Will the Minister of FINANCE be pleased to state :

(a) whether any scheme for expansion of currency note printing presses, and mints in the country, particularly at Devas and Nasik, is under consideration of the Government;

(b) if so, the names of printing presses and mints likely to be expanded;

(c) since when their expansion schemes are under consideration; and

(d) the time by which expansion work is likely to be undertaken?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Bank Note Press, Dewas; Currency Note Press, Nashik; India Government Mints at Mumbai, Calcutta and Hyderabad are presently under modernisation for increasing their capacity.

(c) and (d) While the Mints' modernisation project was started in 1989-90, the modernisation of Presses began in 1996-97. Both the modernisation programmes would be completed by the end of this year.

PMRY

485. SHRI JAGDAMBAI PRASAD YADAV: Will the Minister of FINANCE be pleased to state:

(a) the number of complaints received from Bihar regarding non-payment of loan by the nationalised banks sanctioned under the Prime Minister Rojgar Yojana and other schemes;

(b) whether any instructions have been issued to provide loans to the unemployed persons on the basis of such complaints; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) Reserve Bank of India (RBI) have reported that 10 complaints were received from Bihar during the past two years regarding non-release of loan/difficulties in obtaining loans from public sector banks under the Prime Minister's Rojgar Yojana (PMRY). No complaints were received in respect of other centrally sponsored schemes during the same period. RBI have further reported that the complaints received from were forwarded by them to their Regional Office at Patna for investigation/enquiry at the concerned bank/branch and for taking necessary action in the light of extant PMRY guidelines.

Development of Handloom Industry

486. SHRI JAYSINHJI CHAUHAN :
SHRI HARIN PATHAK :

Will the Minister of TEXTILES be pleased to state:

(a) whether there is any proposal under consideration of the Government for development of handloom industry in the country;

(b) if so, the details thereof, State-wise;

(c) if not, the reasons therefore;

(d) the steps taken or propose to be taken for development of handloom industry in Gujarat;

(e) whether Government propose to provide assistance for the development of said industry; and

(f) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) to (f) The Government of India has been implementing various schemes for the development of handloom sector in the Country. Major Schemes include Projects Package Scheme, Workshed-Cum Housing Scheme, Welfare Package Scheme, Organisation of Handloom Exhibitions and Export Development Scheme etc. Statement of funds released in the year 1997-98 to different states is enclosed. The Government of India has released Rs.104.71 lakhs to the State Government of Gujarat under various handloom development schemes during 1997-98. Depending on the viable proposals received from various State Governments, funds are released under various handloom development schemes to the State Governments.

Statement

Funds released to different states during 1997-98 for Development of Handloom Sector

S.No.	Name of the State	Funds Released
1	2	3
1	Andhra Pradesh	1544.27
2.	Arunachal Pradesh	107.27
3.	Assam	1287.75
4.	Bihar	82.83
5.	Delhi	123.24
6.	Gujarat	104.71
7.	Haryana	41.73
8.	Himachal Pradesh	120.99
9.	Jammu & Kashmir	374.92
10.	Karnataka	1002.82
11.	Kerala	858.32
12.	Madhya Pradesh	626.11
13.	Maharashtra	263.41
14.	Manipur	-
15.	Meghalaya	-
16.	Mizoram	20.00
17.	Nagaland	1242.44
18.	Orissa	537.45
19.	Pondicherry	1.76
20.	Punjab	35.22
21.	Rajasthan	217.01
22.	Tamil Nadu	2942.79
23.	Tripura	63.42
24.	Uttar Pradesh	746.75
25.	West Bengal	680.87
26.	Sikkim	18.80

[English]

Economic Crises in Financial/Industrial Institutions

487. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state:

(a) whether a large number of financial and industrial institutions in the country have come under the grip of

economic crisis due to the insolvency of Baring Bank in United Kingdom;

(b) if so, the names of institutions of the country affected by the insolvency of the said Bank alongwith the estimated losses suffered by each of the above institutions;

(c) whether the Government have taken/propose to take any precautionary measures to neutralise the effects of such eventualities in the world on the economic structure of the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) Information is being collected and will be laid on the Table of the House to the extent available and permissible under the rules.

Export Promotion

488. SHRI MAHESH KUMAR KANODIA : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have identified fifteen products for undertaking special export promotion;

(b) if so, the names of those products; and

(c) the steps taken by the Government to increase export of these products?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Government has been taking regular measures to promote all exports. However, there are some thrust areas such as engineering goods, agriculture & allied, chemical & allied products, garments, gems and jewellery, electronics, sports goods, toys, leather, project exports, etc. where the Government is trying to impart an added momentum

(c) A number of measures are being undertaken to promote the exports of these products which include strengthening of existing export incentive schemes in general and evolving special schemes for thrust sectors. The new Exim Policy has included special measures to support these thrust sectors.

[Translation]

Investment by NRIs

489. SHRI MOHAMMAD ALI ASHRAF FATMI : SHRI RAM TAHAL CHAUDHARY :

Will the Minister of INDUSTRY be pleased to state :

(a) the amount of investment made by the Non-Resident Indians, as on date, in terms of both foreign and Indian currency, sector-wise;

(b) whether the non-resident Indians do not have any interest in making investment in India;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government to make up the gap between the actual investment made and the investment target set in respect of NRIs?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) Since the introduction of New Industrial Policy in July, 1991, till December, 1997 the Government have approved NRI investment in foreign currency equivalent to about Rs.6710.62 crores. The proposals cover sectors like hotel and tourism related industry, real estate, mining, power, textiles, financial services, hospitals and advanced diagnostic centres etc.

(d) Government constantly reviews the policy relating to NRI investments to make it competitive and provide adequate incentives and facilities to NRIs. With this end in view, the Government has taken a number of steps to boost NRI investment. In certain selected sectors, 10% NRI equity is permissible with full repatriation benefits. No specific target for investment by NRIs has been set.

[English]

Export Oriented Units in J & K

490. SHRI CHAMAN LAL GUPTA : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any proposal for setting up of large scale, medium scale and hundred percent export-oriented units in Jammu and Kashmir;

(b) if so, the details thereof; and

(c) the time by which these units are likely to be set up?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (c) Two proposals for hundred percent export oriented units have been approved in Jammu and Kashmir in the food processing sector of which one units is under implementation.

[Translation]

Funds for Irrigation Projects by NABARD

491. SHRI FAGGAN SINGH KULESTE : Will the Minister of FINANCE be pleased to state:

(a) whether any funds have been provided by NABARD for irrigation projects in Madhya Pradesh during 1996-97 & 1997-98;

(b) if so, the details thereof and whether the Matiyari project of Mandala district is also included under this NABARD scheme;

(c) if so, the amount made available to Matiyari projects; and

(d) the details of the other projects on which this amount was proposed to be spent?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) to (d) National Bank for Agriculture and Rural Development (NABARD) has reported that it has sanctioned loans for minor irrigation projects in Madhya Pradesh during the last three years as under :

(Rs in Crores)

Year	No. of projects	Amount	
		Sanction	Disbursement
1995-96	143	61.00	46.98
1996-97	64	107.73	24.49
1997-98	98	127.25	-

Further, NABARD has reported that an amount of Rs.21.32 crores has also been sanctioned for the Matiyari project and an amount of Rs. 5.33 crores stands disbursed against the sanctioned amount as on 31.03.1998.

[English]

Global Liberalisation

492. SHRI SUBRATA MUKHERJEE : Will the Minister of FINANCE be pleased to state:

(a) the names and addresses of the foreign companies which have entered the Indian market after global liberalisation;

(b) the effect of the global liberalisation on the Indian economy and Indian companies;

(c) the benefit of global liberalisation to the people of this country;

(d) whether the global liberalisation has thrown out of service to the large number of workers/employees;

(e) if so, the action taken/being taken by the Government to rehabilitate those people; and

(f) the policy of the Government on global liberalisation?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (f) The information is being collected and will be laid on the Table of the House.

Gross Domestic Production Growth

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

(a) the average Gross Domestic production growth rate before and after Economic Reforms during 1980-81 to 1990-91 & 1991-92 to 1997-98; and

(b) the sectoral shares of Gross Domestic production during the above mentioned period; year-wise?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The average gross domestic production rate before and after economic reforms during 1980-81 to 1990-91 and 1991-92 to 1997-98, based on annual growth rates for the years, is 5.8% and 5.7% respectively.

(b) The year-wise sectoral shares of Gross Domestic Production during the period 1980-81 to 1997-98 is given in the enclosed Statement.

Statement*Sectoral Share of Gross Domestic Production (%)*

Year	Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Trade, hotels and restaurant	Transport storage and comm. business	Financing, insurance, real estate and services	Community, social and personal services
1	2	3	4	5	6	7	8	9	10
1980-81	38.1	1.5	17.7	1.7	5.0	12.0	4.7	8.8	10.5
1981-82	38.0	1.6	18.0	1.7	5.0	12.1	4.6	8.7	10.2
1982-83	36.4	1.8	18.6	1.8	4.6	12.4	4.7	9.0	10.7
1983-84	37.3	1.7	18.9	1.8	4.5	12.0	4.6	8.9	10.2
1984-85	35.9	1.7	19.4	1.9	4.5	12.1	4.9	9.1	10.5
1985-86	34.6	1.7	19.4	2.0	4.6	12.5	5.1	9.4	10.7
1986-87	32.6	1.8	19.9	2.1	4.6	12.8	5.2	9.7	11.2
1987-88	31.4	1.8	20.4	2.2	4.6	12.8	5.4	9.9	11.5
1988-89	33.0	1.9	20.1	2.2	4.4	12.4	5.2	9.8	11.0
1989-90	31.4	1.9	21.0	2.2	4.4	12.5	5.3	10.1	11.2
1990-91	30.9	2.0	21.1	2.3	4.6	12.5	5.3	10.2	11.1
1991-92	30.0	2.0	20.2	2.5	4.7	12.5	5.5	11.2	11.4
1992-93	30.2	2.0	20.0	2.5	4.6	12.7	5.5	11.1	11.4
1993-94	29.5	1.9	20.4	2.5	4.4	12.9	5.5	11.8	11.1
1994-95	28.8	1.8	21.2	2.6	4.3	13.4	5.5	11.7	10.7
1995-96	26.0	1.9	22.5	2.6	4.4	14.5	5.5	12.0	10.6
1996-97	26.1	1.7	22.5	2.5	4.3	14.6	5.8	12.1	10.4
1997-98	24.4	1.8	22.7	2.5	4.3	20.4*	-	12.6	11.3

Q-Quick estimates A-Advance estimates

* Includes transport, storage and communication also.

Growth in Export

494. SHRI SUDHIR GIRI : Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a dismal growth in the export during 1997-98 despite the fact that the volume of world exports grew by 9.5 percent during 1997;

(b) whether the Government are apprehending uncertainty over the impact of Asian financial crisis as 31.5 percent of India's exports and 24.1 percent of import depend on Asian region; and

(c) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) As per the DGCI&S's provisional figures exports grew by 2.64% in dollar terms and 7.45% in rupee terms during 1997-98. The world trade grew only by 3% in value terms during 1997, though in volume terms the growth rate was 9.5%.

(b) and (c) The South East Asian financial crisis has partially affected and is likely to affect India's competitiveness in those items which are of common export interest for South East Asia and India. These include agro products, textiles, iron & steel, gems and jewellery, plastic products, automotive parts, chemical, machinery and transport equipment.

Inflation Rate

495. SHRI K.H. MUNIYAPPA : Will the Minister of FINANCE be pleased to state:

(a) whether there is steep increase in the inflation rate in the recent times particularly during the month of May, 1998;

(b) if so, the reasons therefor;

(c) whether the Government have taken/propose to contemplate any concrete measures to check this increase; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The annual inflation rate has increased by one percentage point from 5% to 6% in the month of May, due mainly to an unusually large seasonal rise in the price of vegetables, especially potato and onion, fruit, tea and to some extent edible oils. The prolonged wet spell in November-December 1997 caused decline in the output of vegetables and fruits. Output of sugar, oilseeds, pulses and coarse cereals was lower in Kharif 1997 compared to preceding kharif season. Hence there is some inflationary undercurrent in the prices of primary articles.

(c) and (d) The government keeps a constant watch on the price situation specially with regard to essential commodities such as rice, wheat, sugar, edible oils and pulses. Public Distribution System/Targeted Public Distribution System is the principal price stabilising system operated by the central and state governments. The government ensures the availability through movement of stocks so as to check sudden supply shortfalls. It also builds up public stocks and imports whenever stocks fall or are likely to fall below the minimum buffer stock norms. Private trade is free to import pulses, edible oils, sugar and also broken rice to supplement domestic availability.

Setting up of Hotel Institute at Shillong

496. SHRI P.R. KYNDIAH : Will the Minister of TOURISM be pleased to state :

(a) whether any proposal has been received by the Union Government from the Government of Meghalaya for setting up of an Institute for Hotel Management at Shillong;

(b) if so, the salient features of the project;

(c) whether the Union Government have initiated any action for the implementation of the project; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) Yes Sir.

(b) The proposed Institute will impart training in a three year diploma course in hotel management and catering technology.

(c) and (d) The Ministry of Tourism has already initiated action by preparing a feasibility report and consulting related Departments.

Restructuring of PSUs

497. DR. Y. S. RAJASEKARA REDDY : Will the Minister of INDUSTRY be pleased to state the measures the Government propose to adopt in Public Sector Undertakings for restructuring, disinvestment and reduce losses?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : National Agenda for Governance adopted by the Government has emphasised restructuring, rehabilitation and disinvestment in the PSUs. The specific measures for restructuring would vary from unit to unit and would be undertaken by the administrative Ministries concerned after considering all possible options. As far as disinvestment in PSUs is concerned this is done taking into consideration the recommendations of the Disinvestment Commission and subject to market conditions.

Foundry Industry

498. SHRI RAJVEER SINGH : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Indian Foundry Industry is gripped with problem like obsolete technology, lack of skilled manpower, power shortage and non-availability of raw materials;

(b) if so, the facts thereof; and

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

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) No, Sir. Foundry Industry in India have geared up technologically and are using both state of art as well as conventional technology. Further, there is no shortage of skilled manpower or of raw materials for the foundry industries in the country. National level institutions like: The National Institute of Foundry & Forge Technology (NIFFT), Ranchi, Process & Product Development Centre for Foundry and Forging Technology; Agra & SITARC Pump Institute, Coimbatore are engaged in the development of skilled manpower. As regards power shortage of Foundries, Govt. has not received any complaints in this regard. In order to improve the availability of power, Central Govt. is actively engaged in formulating a power policy.

Decline in FDI

499. SHRI P. SANKARAN :
SHRI JANARDAN PRASAD MISRA :
SHRI MANIBHAI RAMJI BHAI CHAUDHARI.

Will the Minister of INDUSTRY be pleased to state:

(a) whether Foreign Direct Investment has declined and has not been used upto the optimum extent during the last few years;

(b) if so, the details thereof alongwith the quantum of Foreign Direct Investment made during the last three years and expected during 1998-99;

(c) whether the Government propose to take any steps to boost foreign investment in the country and its proper utilisation;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) The total amount of Foreign Direct Investment approved for the last 3 years i.e. 1995, 1996, 1997 and 1998 (upto March) is as follows :

Year	Proposals Approved	Total FDI Amount (In Crores)
1	2	3

1	2	3
1996	1559	36146.81
1997	1665	54891.35
1998 (upto 31st March)	298	8187.61

The details of such proposals viz. name and country of Foreign Collaborator, percentage of equity, items of manufacture/activity are published on a monthly basis in SIA Newsletter which is widely circulated, including the Parliament Library.

(c) to (e) Government has already expanded the list of high priority industries by inclusion of more industries eligible for automatic approval upto 50%, 51% and 74% foreign equity.

To make foreign direct investment policy more transparent, guidelines for consideration of foreign direct investment proposals by FIPB have been notified.

- It is the endeavour of the Government to constantly review the foreign investment policy so as to make it increasingly competitive and investor friendly.

FERA Violation

500 SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state

(a) whether the Enforcement Directorate (ED) has studied the matter relating to violation of FERA by the Urban Affairs and Employment Minister.

(b) if so, whether the ED has completed its study;

(c) if so, the outcome thereof; and

(d) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) Consequent to appearance of certain reports in the press, the Enforcement Directorate has taken up for initial verification, the issue relating to the alleged violations of the provisions of the Foreign Exchange Regulation Act, 1973 by the Urban Affairs and Employment Minister.

[Translation]

Mahboob Dhahi Kalaburgi Mills

501. SHRI BASWARAJ PATIL SEDAM : Will the Minister of TEXTILES be pleased to state:

(a) since when the Mahboob Dhahi Kalaburgi Mills,

Gulbarga (Karnataka) is closed and the number of employees of different categories affected as a result thereof;

(b) whether the Government is providing the pay and other facilities to the employees; and

(c) the scheme of the Government to revive the said mill as this is the only mill located in the backward area of Hyderabad and Karnataka region and the time by which the said mill is likely to be started again after removing all the obstacles?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) The MSK Mills, Gulbarga has not been closed. There is presently only cessation of activities in the mill. The workers and employees numbering 907 in this mill are being paid idle wages.

(c) On the basis of a unit-wise viability study made by NTC, Government is considering a revised turn around strategy for the viable mills of NTC, keeping in view the BIFR norm of the net worth of these mills turning positive, within the period prescribed by BIFR. The interest of the workers will be kept in view in the revival plan.

[English]

Development of Handicrafts

502. SHRI K. P. NAIDU : Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have reviewed recently the ongoing programmes and schemes formulated for promotion and development of handicrafts in the selected areas of the country;

(b) if so, the details thereof, State-wise;

(c) the funds allocated and provided for upgradation of skills of traditional artisans and craftsmen during 1997-98, state-wise;

(d) the details of the new schemes taken up/proposed to be formulated for upgradation of skills of artisans and craftsmen through institutional support; and

(e) the other steps taken for promotion of traditional handicrafts of the country?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) Yes, Sir. However the review is for the entire country. The programmes and schemes reviewed include: training; survey & studies; marketing development programme; setting of craft development centres; opening of new emporia and renovation/expansion of existing emporia; workshop-cum-housing; group insurance; common facility centre; health package and member education programme.

(c) State-wise funds are not allocated in the handicrafts

sectors. The funds provided for upgradation of skills of artisans including traditional artisans during 1997-98, state-wise is as per statement attached.

(d) The details of new schemes taken up/proposed for upgrading the skill of artisans through institutional support include: training for trainers; supply of modern tools and equipment; and member education programme.

(e) The other steps taken for promotion of traditional handicrafts of the country by the Government include survey and studies; design development; setting up of crafts development centres; opening of new emporia and renovation/ expansion of existing emporia; setting up of common facility centres.

Statement

S. No.	Name of the State/UT	Amount provided (Rs. in lakhs)
1	2	3
1.	Andhra Pradesh	8.34
2.	Assam	27.71
3.	Arunachal Pradesh	5.06
4.	Bihar	12.48
5.	Gujarat	7.70
6.	Goa	2.26
7.	Haryana	3.61
8.	Himachal Pradesh	1.20
9.	Jammu & Kashmir	3.13
10.	Karnataka	23.68
11.	Madhya Pradesh	17.73
12.	Maharashtra	13.21
13.	Manipur	11.71
14.	Meghalaya	0.30
15.	Mizoram	-
16.	Nagaland	8.18
17.	Orissa	15.15
18.	Punjab	3.30
19.	Kerala	12.18
20.	Rajasthan	1.03
21.	Sikkim	9.68
22.	Tamil Nadu	12.69
23.	Tripura	- 12.76

1	2	3
24.	Uttar Pradesh	78.81
25.	West Bengal	17.18
26.	Andaman and Nicobar Islands	2.27
27.	Chandigarh	-
28.	Dadar Nagar Haveli	-
29.	Delhi	5.21
30.	Daman & Diu	-
31.	Pondicherry	0.77
32.	Lakshadweep	-

Dumping of Float Glass

503. DR. RAM CHANDRA DOME : Will the Minister of COMMERCE be pleased to state:

(a) whether the government are aware of the large scale dumping of float glass into Indian market by the Indonesian Companies at prices which are far below their cost of production; and

(b) if so, the details of the preventive measures taken/proposed to be taken by the Government to protect the domestic industry?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Under the Anti-dumping laws; anti-dumping duties can be imposed only if there is evidence of dumping, injury and the casual link between the two. The Designated Authority, therefore, takes a view on initiation of a case and required investigations after receiving the necessary information from the affected industry. A petition has been received by the Designated Authority only on 27.5.98 alleging dumping of float glass from Indonesia.

Cashew Board in Kerala

504. SHRI G.M. BANATWALLA : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have received any representation from the Government of Kerala for setting up of Cashew Board in the State; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Yes, Sir. Representation received from Govt. of Kerala stated that for the scientific promotion of a crop having vast commercial potential, setting up of a Board would be necessary. It is stated that this would help in providing full employment to

workers engaged in cashew industry, introduce better management, improved R&D and extension of cultivation of wastelands to result in an increase in production leading to full employment of approximately 1.3 lakh workers.

Rubber Prices

505. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have released any quantity of Natural Rubber procured from farmers to the open market or to industrialists to avoid crash of price of natural Rubber;

(b) whether the State Trading Corporation has taken steps in this regard;

(c) if so, the details thereof;

(d) whether such release has further deteriorated the price of Natural Rubber;

(e) whether the Government propose to take action to raise the price of Natural Rubber to help the farmers; and

(f) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (c) No, Sir. STC has initiated steps to export and/or sell the procured rubber to Advance Licence Holders only.

(d) Does not arise.

(e) and (f) Government have recently authorised STC to procure 20000 MT of Natural Rubber on Government Account in addition to the 9596 tons already procured by STC to arrest the decline in the price of Natural Rubber.

Industrial Growth Centres in Assam

506. DR. JAYANTA RONGPI : Will the Minister of INDUSTRY be pleased to state:

(a) the amount released so far by the Union Government to the Government of Assam for development of these Industrial growth centres in the State;

(b) the amount utilised so far by the State Government in these three centres, centre-wise; and

(c) the target fixed and achievements made so far in respect of these growth centres, centre-wise?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) Of the three growth centres allotted to the State of Assam, two i.e. Chariduar (district Sonitpur) and Matia (district Golpara) have already been approved.

The New Industrial Policy for the North Eastern Region provides for central assistance of Rs. 15 crores towards each growth centre. The progress made in respect of the approved growth centres upto 31st March, 1998 is as under:

Name of the Growth centre	Central Releases (Rs. in lakhs)	State Release	Total expenditure
Char-Duar	50.00	05.00	17.00
Matia	50.00	NIL	15.00

Import Duty on Rubber

507. SHRI A.C. JOS : Will the Minister of COMMERCE be pleased to state:

(a) whether the Union Government proposed to raise the import duty on rubber;

(b) if so, the details thereof; and

(c) the other measures taken by the Union Government to control the import of rubber?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) The Question seeks information pertaining to the Union Budget which is likely to be presented in the Parliament on 1.6.98.

(c) Import of Rubber is already under Negative List of Exim Policy and is permitted only against Advance Licence/Special Import Licence.

Foreign Direct Investment

508. SHRI AJAY MUKHOPADHYAY : Will the Minister of FINANCE be pleased to state the details of the Foreign Direct Investments cover the annual investments in the Indian economy during each of the last six years?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : The details of Foreign Direct Investments received during last six years are as follows:

Year	Foreign Direct Investment received (in US \$ Million)
1991-92	135
1992-93	313
1993-94	586
1994-95	1314
1995-96	1929
1996-97	2587

Violation of FERA, 1973

509. SHRIMATI SURYAKANTA PATIL : Will the Minister of FINANCE be pleased to state:

(a) whether there has been a constant increase in the cases of violation of FERA, 1973 during the last some years;

(b) if so, the details thereof;

(c) whether the Government has announced some concessions in FERA, 1973, recently;

(d) if so, the details thereof; and

(e) the amount involved in such cases of violation, the number of persons found guilty and the action taken by the Government against them?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) No, Sir. However the number of cases taken up for investigation by the Enforcement Directorate during the last three years are as under :

Year	Number of cases
1995	5633
1996	5486
1997	5577

(c) No, Sir.

(d) and (e) Do not arise.

[Translation]

Gratuity Limitation

510. SHRI SUSHIL CHANDRA VARMA : Will the Minister of INDUSTRY be pleased to state:

(a) whether the gratuity amount of the Government employees has been raised from Rs. 1 lakhs to Rs.2.50 lakhs w.e.f. 1st April, 1995 and wheter it is also a fact that prior to 1st April, 1995 the gratuity limit for the public sector employees was same as had been fixed for the Government employees;

(b) if so, the reasons for not maintaining equality in regard to gratuity limit; and

(c) the steps being taken by the Government to ensure that the employees of the public sector undertaking likely to get enhanced gratuity from April, 1995 like that of the Government employees?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Yes, Sir.

(b) and (c) Gratuity limit has been raised to Rs. 2.50 lakhs for Government employees and the public sector employees. The date of effect of the enhanced gratuity for Government servants is from 1-4-95 and for the public sector employees it is from 24-9-97, the date on which the ordinance was issued to effect the change in the gratuity limit for the organisations covered under Payment of Gratuity Act. PSUs are covered under this Act.

[English]

Acqua Farms

511. SHRI MULLAPALLY RAMACHANDRAN Will the Minister of COMMERCE be pleased to state:

(a) whether Marine Product Export Development Authority has made any study on Acqua Farms in the country;

(b) if so, the findings thereof alongwith the area covered by such acqua- cultural farms ; and

(c) the number of multinational companies which are involved in acqua- culture in the country?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir.

(b) The findings of the studies conducted directly by the Marine Product Export Development Authority or through other agencies, are as follow:

1. Findings of the study of viral disease in shrimp farms

After the November, 1994 outbreak of a viral disease in shrimp farms, the MPEDA conducted a study of the shrimp farms infected with the viral disease in selected aquaculture farms in Andhra Pradesh State. Based on this, the MPEDA advised the shrimp farmers to observe a crop holiday for one complete season and advised them on the steps to be taken to destroy the virus in the soil of the aquaculture farms.

2. Findings of macrolevel survey for estimating the area covered by shrimp aquaculture within the Coastal Regulation Zone (CRZ)

The Regional Centres of the MPEDA conducted a brief macrolevel survey covering all the maritime states in the year 1997. As per the findings of the above survey a total area of 1,35,500 hectares is under aquaculture out of which an area of 87,000 hectares is covered by non traditional aquaculture. Approximately an area of 4,000 hectares of aquaculture farms facing seafront and 16,000 hectares of creek based aquaculture farms falls within the Coastal Regulation Zone.

3. Findings of the study on potential impacts of shrimp culture activity on environment by National Environmental Engineering Research Institute (NEERI), Nagpur sponsored by the Marine Products Export Development Authority (MPEDA)

Under this study samples were drawn from the farms located in Tuticorin, Sirkali and killai in Tamil Nadu; in Nellore, Kakinada and Visakhapatnam in Andhra Pradesh and in Palghar in Maharashtra. As per the findings of this study no heavy metal concentration has been found in the aquaculture farm effluents and the shrimp farming has not been found to be causing any salinisation problems. The study has also pointed out that the effluents of the shrimp farming activity cause lesser pollution or harm as compared to the domestic or industrial effluents and the shrimp farming has caused no threat to the nearby drinking water wells.

4. Findings of the study on shrimp viral disease management by Mangalore Fisheries College sponsored by Marine Product Export Development Authority (MPEDA)

This study was conducted in 15 shrimp farms in Kundapur and 20 shrimp farms in Kumta of Karnataka State. As per the interim findings of the study, white spot disease outbreaks are more common in areas where farms are located in large numbers and if 60% or more of the population of shrimps in a pond is found with clear white spot, it is a sure sign of impending high to total mortality of shrimps and such a pond should be got harvested immediately. It has been proved beyond doubt that there is a vertical transmission of virus from mother shrimp to their seedlings and therefore, the seedlings of shrimp have to be screened for virus disease before stocking in the aquaculture farms.

(c) Two multinational companies are involved in aquaculture in India.

[Translation]

Promotion of Tourism in Madhya Pradesh

512. SHRI MOTILAL VORA Will the Minister of TOURISM be pleased to state:

(a) whether the Government of Madhya Pradesh has sent any proposals to the Union Government to improve the tourist places of historical and religious importance;

(b) if so, the action taken thereon; and

(c) whether the Union Government have recognised the ancient Bharamdev Temple situated in Rajnandgaon as a tourist place?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) and (b) The

Government of Madhya Pradesh sent 9 project proposals to the Union Government for financial assistance during 1997-98 to improve the tourist places of historical and religious importance. These projects have been approved and a sum of Rs. 119.30 lakhs has been sanctioned.

(c) The State Govts. are primarily responsible for assessing the tourism potential of a place. On the basis of the State Governments proposals, the Department of Tourism considers providing financial assistance for the development of certain places according to the schematic guidelines.

Development of Parshuram Dham, Deoria, U.P

513. SHRI HARI KEWAL PRASAD:
SHRIMATI KAMAL RANI:

Will the Minister of TOURISM be pleased to state:

(a) whether the tourist places including major pilgrim places, particularly Parshuram Dham in Deoria and Buddhist pilgrim places developed/renovated with the Central assistance in Uttar Pradesh;

(b) if so, the details thereof and the progress made during the last three years, till date, and the amount spent thereon, place-wise and year-wise;

(c) the details of above tourist places/pilgrim places proposed to be developed with Central assistance during 1998-99 alongwith financial assistance proposed to be provided to the State in this regard; and

(d) the steps taken by the Government for speedy development/renovation of tourist places and pilgrim places in the State?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) and (b) The Department of Tourism, Government of India has been providing financial assistance to the State Government of Uttar Pradesh for the development of tourist places in the State. The amount sanctioned and released during the last three years were as given below:

Year	Sanction	Release (Rs. in lakhs)
1995-96	31.10	25.55
1996-97	237.78	91.55
1997-98	221.10	76.13

The important places for which the projects were sanctioned. Includes Sunauli, Kapilavastu, Mathura, Haridwar and Vrindavan. No project was sanctioned for Parshuram Dham in Deoria.

In addition infrastructure development in the Buddhist Centres of Sarnath, Kushinagar, Piprawaha and Sravasti was taken up with the loan assistance of Rs. 105.96 crores from the Overseas Economic Co-Operation Fund of Japan.

(c) Financial assistance is provided each year on the basis of projects prioritised in consultation with the State Government and specific proposals received, and the progress of implementation of earlier sanctioned projects. Projects for 1998-99 have not yet been identified.

(d) Development of tourist places is a continuing process and is primarily undertaken by the State Government/UT Administrations. The Union Government has also launched a scheme for providing financial assistance for the development of pilgrim centres.

[English]

Priority Sector Lending

514. SHRI V.V. RAGHAVAN:
SHRI INDRAJIT GUPTA:
SHRI AJAY CHAKRABORTY:
SHRIMATI GEETA MUKHERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether the bank inspection reports of various commercial banks prepared by the Reserve Bank of India do not make any mention of the concerned banks exposure to the priority sector lendings;

(b) if so, the reasons therefor;

(c) whether it has been made non-obligatory on the part of the commercial banks including foreign banks to stick to the guidelines issued by the RBI on priority lendings; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Reserve Bank of India (RBI) have reported that their Annual Financial Inspection Reports on commercial banks contain a paragraph on policy compliance, where in the banks lending to priority sectors *vis-a-vis* the mandated norms etc. are commented upon by the RBI Inspecting Officers.

(b) Does not arise.

(c) and (d) RBI have further reported that in terms of guidelines issued to commercial banks including foreign banks operating in India, it is obligatory for them to lend to the priority sector as per the details furnished below:

Indian commercial Banks
(Both public and private sector)

Total priority sector advances: 40% of net bank credit

Total agricultural advances: 18% of net bank credit

Advances to weaker sections: 10% of net bank credit

Foreign banks operating in India

Total priority sector advances :	32% of net bank credit
Advances to SSI :	10% of net bank credit
Export credit :	12% of net bank credit

Anti dumping Duty on Import

515. SHRI INDRAJIT GUPTA : Will the Minister of COMMERCE be pleased to state:

(a) whether the steel manufacturers in the country including Steel Authority of India have complained that the import of cheaper hot rolled coils from South Korea, South Africa and Turkey have cut into their market shares locally and in the export market and have demanded an anti-dumping duty on import from these countries; and

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

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir. A petition was received by the Designated Authority for imposition of anti-dumping duties on import of HR Coils from South Korea, South Africa and Turkey.

(b) Since the petition was not properly documented, the petitioners were asked to furnish full details. The case was subsequently closed as no response was received from the petitioner industry.

Mineral based Industries

516. SHRI DADA BABURAO PARANJPE : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government are aware of a pilot project scheme formulated to establish Mineral Based Industrial units in the rural areas of Madhya Pradesh; and

(b) if so, the progress made in this regard so far and the reaction of the Union Government thereto?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) No such scheme has been brought to the notice of Ministry of Industry by the Government of Madhya Pradesh.

(b) Does not arise.

Setting up of Spinning Mills

517. SHRI SADASHIVRAO DADODA MANDLIK :
SHRI A. VENKATESH NAIK:
SHRI ASHOK NAMDEO RAO MOHOL:
SHRI MADHAV RAO PATIL:

Will the Minister of TEXTILES be pleased to state:

(a) whether during the end of Eighth Plan the Government have to set up about 40 spinning mills in different States;

(b) if so, the details thereof, State-wise;

(c) whether all the proposed spinning mills have been set up in all the States;

(d) if so, the details thereof, State-wise and if not, whether the Government propose to set up such mills in the remaining States during Ninth Plan;

(e) if so, the details thereof; and

(f) the existing pattern for providing financial assistance to co-operative spinning mills?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) No, Sir.

(b) to (e) Do not arise.

(f) National Cooperative Development Corporation (NCDC) provides loan assistance to State Governments for contribution to the share capital in the cooperative spinning mills, particularly in the growers and handloom weavers mills. A statement indicating pattern of NCDC's assistance is attached.

Statement**Pattern of Assistance**

(%age of project cost)

Developed States	Handloom Weavers Coop. Spinning Mills			Growers Coop. Spng. Mills		
	New Mills	Expansion	Modernisation	New Mills	Expansion	Modernisation
1	2	3	4	5	6	7
Equity						
(i) Members Contribution as share capital	5.00	5.00	-	10.00	10.00	5.00
(ii) State Govt's share capital						
(a) Own resources	22.50	17.50	10.00	20.00	15.00	7.50

1	2	3	4	5	6	7
(b) With NCDC's loan assistance	22.50	17.50	10.00	20.00	15.00	7.50
Sub Total (ii)	45.00	35.00	20.00	40.00	30.00	15.00
Debt						
(iii) Term loans	50	60	80	50	60	80
	100	100	100	100	100	100
Cooperatively under-developed states						
Equity						
(i) Members Contribution as share capital	5.00	5.00	-	7.50	7.50	5.00
(ii) State Govt's share capital						
(a) Own resources	11.25	8.75	10.00	12.50	9.75	7.50
(b) With NCDC's loan assistance	33.75	26.25	10.00	30.00	22.75	7.50
Sub Total (ii)	45.00	35.00	20.00	42.50	32.50	15.00
Debt						
(iii) Term loans	50	60	80	50	60	80
Total	100	100	100	100	100	100

Supply of Coal to Steel Industries

518. SHRI NARESH PUGLIA: Will the Minister of COAL be pleased to state:

(a) whether the supply of coking coal from indigenous sources to the steel sector is not coping with the need of the steel industries;

(b) if so, the total monthly demand of coal by steel industries;

(c) whether poor quality of coal is being supplied to steel industries; and

(d) if so, the steps the Government propose to take to make availability of good quality of coal to steel industries in the country?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Yes, Sir.

(b) All India Coking Coal demand assessed for the year 1998-99 for steel sector is 37.70 million tonnes which works out to 3.14 million tonnes/month. Against which the actual raw coking coal supply from CIL to steel plants during April, 1998 had been only 1.361 million tonnes.

(c) Ash percentage of coal supplied to steel plants is maintained at agreed levels, but there are a few slippages.

(d) Because of depletion in reserve of good quality coking coal in the country, supply of specified quality of coking coal to the washeries is getting affected. This is causing production of washed coal of somewhat inferior quality. Apart from commissioning two washeries at Kedia (CCL) and Madhuband (BCCL) which would produce desired quality of washed coal from presently available coking coal, the Government has also reduced the import duty on coking coal, so that steel sector may import required

quantity of desired quality coking coal for blending with indigenous coal.

Loans to Unemployed Youths

519. SHRI A.VENKATESH NAIK : Will the Minister of FINANCE be pleased to state:

(a) the number of educated unemployed youths in Karnataka who applied for loan from the nationalised banks for starting their own industries/ business during each of the last three years;

(b) the amount of loan sanctioned and disbursed by the said banks and the number of youths provided loans;

(c) the number of applications pending and the reasons for delay; and

(d) the time by which the remaining applications are likely to be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) and (b) A statement giving details in respect of Prime Minister's Rojgar Yojana (PMRY) is enclosed.

(c) and (d) Reserve Bank of India (RBI) have reported that number of applications pending with the banks under PMRY are 987, 2982, and 4786 for programme years 1995-96, 1996-97 and 1997-98 respectively. The reasons for pendency of applications are generally (i) bunching of applications towards the end of the programme year; (ii) incomplete applications (iii) borrowers not responding to the calls of the bank etc. RBI has further reported that

guidelines have been issued to all implementing banks to dispose of all eligible loan applications upto Rs. 25,000 within a fortnight and those above Rs. 25,000 within 8-9 weeks.

Statement

Statement showing the total number of applications received, loans sanctioned and disbursed under Prime Minister's Rozgar Yojana (PMRY) in Karnataka and by nationalised banks during the programme years 1995-96, 1996-97 and 1997-98

(Rs in Lakhs)

Prog. Year	No. of applica- tions recd.	Loans sanctioned		Loans disbursed	
		No.	Amount	No.	Amount
1995-96	18668	10010	5550.29	8719	4692.04
1996-97	18923	9861	5476.10	7727	4288.85
1997-98 (Provisional)	17350	9178	5310.66	4488	2560.52

Consumer Price Index and Inflation

520. SHRI MOHAN RAWALE: Will the Minister of FINANCE be pleased to state:

(a) the trend of Consumer price index and inflation since April, 1997 till date and the comparative figures for the previous two years, month-wise,

(b) whether despite low rates of inflation recorded in the past, the prices of most of the commodities are still too high for the common man; and

(c) if so, the reasons for this paradoxical situation?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Trend of Consumer price Index and inflation rate since April, 1997 is listed below:

	1997-98		1996-97		1995-96	
	CPI Index (1982=100)	Infla- tion Rate (%)	CPI Index	Infla- tion Rate (%)	CPI Index	Infla- tion Rate (%)
1	2	3	4	5	6	7
April	354	9.3	324	9.8	295	9.7
May	352	7.3	328	9.3	300	10.3
June	355	6.6	333	8.8	306	10.5
July	358	5.6	339	8.0	313	11.4

	1	2	3	4	5	6	7
August		359	4.7	343	8.9	315	10.9
September		361	4.9	344	8.5	317	10.1
October		365	5.5	346	8.5	319	10.4
November		366	4.9	349	8.7	321	10.3
December		372	6.3	350	10.4	317	9.7
January		384	9.7	350	11.1	315	9.0
February		382	9.1	350	10.8	316	8.6
March		380	8.3	351	10.0	319	8.9

(b) and (c) There was a seasonal spurt in the prices of a few commodities—mostly fruits and vegetables, even though inflation rate remained low for much of 1997-98. The wholesale prices of 30 essential commodities increased by 8.4 percent during the first six weeks of 1998-99. Much of this rise was on account of a very sharp increase in the prices of potatoes (325.8%), onins (32.9%) and Tea (26.4).

The trend of rise in the prices of essential commodities is listed below:

Annual Inflation Rate in Essential Commodities (as on 09.05 1998)

	Commodities	Weight(%)	Price rise(%)
High price rise (more than 10%)	Potatoes	0.47	325.8
	Onions	0.16	32.9
	Tea	0.56	26.6
	Rape & Mustard Oil	0.27	16.5
	Chillies(dry)	0.32	16.1
	Arhar	0.27	15.3
	Gur	1.75	14.7
	Fish	0.51	12.7
Price rise (5-10%)	Salt	0.04	10.7
	Milk	1.96	8.3
	Masur	0.05	8.2
Falling prices (more than 5%)	Groundnut oil	0.56	7.3
	Coconut oil	0.17	16.8
	Bajra	0.18	12.6
	Jowar	0.42	12.3
	Gram	0.41	11.3
	Urad	0.15	7.9

Textile Export Target

521. SHRI PRITHVIRAJ D. CHAVAN:
SHRI BACHI SINGH RAWAT 'BACHDA'
PROF. P.J. KURIEN:

Will the Minister of TEXTILES be pleased to state:

(a) whether textiles exports which increased by 4.6 percent in 1997-98 fell short of the \$ 13.36 billion target by 7.3 percent;

(b) If so, the reasons for the failure in meeting the target;

(c) whether Government have prepared any action plan to strengthen the export capability of textile industry;

(d) if so, the details thereof; and

(e) the export earnings of textile industry during each of the last three years and the reasons for decline in export earnings, if any?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) According to provisional figure available with the Ministry of Textiles, in dollar terms, the overall growth in the export of textiles during 1997-98 was approximately 4.6% and the performance fell short by 7.3%.

The shortfall in achieving the target was due to continued recession and slump in the retailing activities in some of the major importing countries, particularly the EU and the USA and unfavourable market conditions due to currency crisis in certain South East Asian countries.

(c) and (d) In order to boost the exports of textiles, Government have been taking a number of steps, which include encouraging exporters to participate in buyer-seller meets; fairs and exhibitions; enabling import of capital goods at concessional duty for export production; special arrangements for duty free import of raw materials for export production; ensuring increased availability of export credit etc.

(e) The exports of textiles (including handicrafts, jute and coir) during 1994-95, 1995-96 and 1996-97 had been as follows:

Year	Value (In US million dollars)
1994-95	9,980.15
1995-96	10,685.07
1996-97	11,839.13

Session of Un-economic and Social Commission

522. **SHRI K.C. KONDAIAH:** Will the Minister of COMMERCE be pleased to state:

(a) the details of the issues discussed at the recently held 54th Annual Session of the UN Economic & Social Commission for Asia and the Pacific; and

(b) the outcome thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) The 54th Annual Session of Economic and Social Commission for Asia and the Pacific which was held at Bangkok during 16-22 April, 1998 deliberated on the theme topic Asia and the Pacific into the Twenty first Century: Prospects for Social Development. Issues relating to South-East financial crisis; Regional

Economic Cooperation; pro-active trade agenda for 2000 and beyond; regional cooperation on environment and sustainable development, transport, tourism, infrastructure, rural poverty alleviation etc. were discussed.

(b) The Commission endorsed India's suggestions on:

- (i) preparation of a pro-active positive agenda for future trade negotiations under the WTO;
- (ii) priority consideration for routing of Trans-Asian Railway southern corridor linkages through north eastern sector of India; and
- (iii) hosting of the second Ministerial Conference on space Applications in New Delhi in 1999.

India also co-sponsored the following 5 resolutions which were adopted during the above session:

- (1) Strengthening regional support for persons with disabilities into the twenty-first century.
- (2) Mobilization of human and financial resources for further implementation of actions to achieve the population and development goals of the ESCAP region.
- (3) International year of older persons: towards a society for all ages.
- (4) Manila Declaration on Accelerated Implementation of the Agenda for Action on Social Development in the ESCAP Region.
- (5) Strengthening the role of the family in social development.

Discovery of Coal Mines

523. **SHRI TATHAGATA SATPATHY:** Will the Minister of COAL be pleased to state:

(a) whether some new coal mines have been discovered recently by different coal companies;

(b) if so, the details thereof; Company-wise, coal mine-wise;

(c) the details of different grades of coal deposits found in those coal mines;

(d) whether Chhendipada Coal Mines is one of them; and

(e) if so, the total area of coal reserve in the Chhendipada Coal Mines and the grade of coal reserve found in that coal mines?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) Coal reserves are identified by Geological Survey of India (GSI) as a result of exploration conducted by various agencies in different parts of country. Coal reserves of India (down to a depth of 1200 metres) estimated by GSI, as on 1.1.97 and 1.1.98

has been 204,652.69 mt. and 206,239.50 mt. respectively. Their state-wise distribution is indicated below:

State	Coal companies concerned	Reserves in million tonnes	
		As on 1.1.97	As on 1.1.98
A.P.	SCCL	13057.23	13127.23
Arunachal Pradesh	NEC	90.23	90.23
Assam	NEC	320.21	320.21
Bihar	CCL, BCCL, ECL	67819.36	67996.71
M.P.	WCL, SECL, NCL	41451.21	42116.35
Maharashtra	WCL	6738.79	6778.65
Meghalaya	NEC	459.43	459.43
Nagaland	NEC	19.94	19.94
Orissa	MCL	47889.83	48376.46
U.P.	NCL	1061.80	1061.80
W. Bengal	ECL	25774.66	25892.49
Total		204652.69	206239.50

Based on the exploration results, demand of coal, grade of coal, location of the deposit, geo-mining conditions and financial viability, projects are taken up

(c) Based on the estimates of GSI as on 1.1.1998, the details of the different grades are given below.

(In million tonnes)

Non-Coking Coal-	Grade A -	2087.95
	Grade B -	6979.55
	Grade C -	16526.95
	Grade D -	23111.06
	Grade E, F & G -	86337.48
	Inferred -	40177.06
	(Grade yet to be firmed up)	
	Total	175220.05
Coking coal		30132.43
Tertiary coal		887.02
Grand Total		206239.50

(d) and (e) No, Sir, Chhendipada is an on-going project under Mahanadi Coalfields Limited (MCL). Total mineable coal reserves of Chhendipada are 2.56 mt. and the grade of coal is 'E' & 'F' (non-coking)

Number of Textile Mills

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

(a) the number of textile mills in the Public Sector, State-wise,

(b) the number out of these have fallen sick;

(c) whether the Union Government propose to hand-over all the sick mills to the respective State Governments; and

(d) if so, the relief and incentives proposed to be given to the State Governments who are willing to accept the offer made by the Union Government?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) There are 124 textile mills in the Public Sector. A statement is attached indicating the statewise break up of these mills.

(b) As per the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, it is the individual companies and not the mills under them that are referred to BIFR on account of sickness. In respect of National Textile Corporation 8 out of its 9 Subsidiaries covering 104 mills, have been declared sick by the BIFR. In addition the British India Corporation and its two Subsidiaries, Elgin Mills Co. Ltd., and Cawnpore Textile Ltd. having 5 mills have been declared sick by the BIFR.

(c) and (d) An offer to take over sick textile mills of NTC and BIC Subsidiaries at a National cost or even free of cost was made to the respective State Governments provided the State Governments were willing to accept the responsibility of running the viable mills and protecting the interest of the workers. Offer was also made that the Central Government would write-off/waive the loans given by the Government of India/NTC(HC) to these mills and interest thereon as well as the amount of VRS paid to the workers who had accepted voluntary retirement. In addition, the Government of India would be willing to discharge the liabilities towards arrears of statutory dues of the workers.

Statement

Statement showing position of NTC and BIC Mills State-wise and Urban Territory-wise

S.No	Name of the State	No. of Mills
1	2	3
1	Punjab	5
2	Rajasthan	4
3	Madhya Pradesh	7
4	Uttar Pradesh	15
5	Maharashtra	35
6	Gujarat	11
7	Andhra Pradesh	6

1	2	3
8.	Karnataka	4
9.	Kerala	5
10.	Pondicherry	3
11.	Tamil Nadu	13
12.	Assam	1
13.	Orissa	1
14.	Bihar	2
15.	West Bengal	12
Total		124

[Translation]

Trade Deficit

525. SHRI ANAND RATNA MAURYA :
SHRI RAMPAL SINGH :

Will the Minister of COMMERCE be pleased to state:

(a) whether there has been heavy increase in the trade deficit of the country during 1996-97;

(b) if so, the reasons therefor; and

(c) the trade deficit during 1996-97 as compared to 1995-96?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir.

(b) The trade deficit is measured by excess of imports over exports. There has been an increase in overall import of petroleum products and fertilizers besides capital goods, raw material and intermediate goods required for accelerated industrial production and exports.

(c) As per the available DGCI & S data the trade deficit during 1995-96 and 1996-97 is placed at Rs. 16325 crores and Rs. 20103 crores respectively in rupee terms and US \$ 4881 million and US \$ 5663 million respectively in dollar terms.

[English]

Foreign Exchange Regulation Act

526. SHRI S.S. OWAISI : Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to replace FERA with FEMA (Foreign Exchange Management Act);

(b) if so, the details thereof;

(c) whether the Interpol has urged the Union Government not bring the FEMA as it would make it difficult to track down Hawala Operators;

(d) if so, whether the ED, CBI and other agencies have also expressed their apprehensions in this regard;

(e) if so, the reasons for replacing FERA with FEMA;

(f) whether the FERA is hampering investment in the country; and

(g) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The Government propose to repeal FERA, 1973 and replace it by Foreign Exchange Management Act (FEMA). The draft of the new Act is under consideration of the Government.

(c) and (d) No, Sir.

(e) The Foreign Exchange Regulation Act, 1973 (FERA) was reviewed in 1993 and it was felt that many of the restrictive provisions of the 1973 Act needed modification in line with the increasing integration of the Indian economy with ongoing reforms. The Task Force of the Reserve Bank of India has also recommended substantial changes in the FERA, 1973. Keeping in view the changed environment, Foreign Exchange Management Bill is under consideration of the Government.

(f) and (g) The flow of foreign investment has not retarded, rather it has increased from US\$ 5.1 billion in 1994-95 to US\$ 5.6 billion in 1996-97.

Promote Silk Export

527. SHRI JAGAT VIR SINGH DRONA : Will the Minister of TEXTILES be pleased to state:

(a) whether despite being the second largest silk producing country in the world India's export performance is deplorable because of lack of infrastructural facilities; and

(b) if so, the action proposed to be taken by the Government to boost export of silk?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) No, Sir. It is estimated that exports constitute about 15% of the production in the country and the balance is domestic consumption. The Indian domestic demand for silk is extremely high compared to other producer countries. Moreover, the present average unit price in the domestic market is usually higher than the present average unit export price. The silk exports from India have risen from Rs. 786.22 crores in 1993-94 to 904.42 crores in 1997-98.

(b) Does not arise.

Revival of NTC Mills

528. SHRI PANKAJ CHOUDHARY:
SHRI A.C. JOS:
SHRI ANNASAHEB M.K. PATIL:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government propose to revive some closed mills of National Textile Corporation;

(b) if so, the details thereof;

(c) the expected amount likely to be spent on revival of these closed mills;

(d) the number of mills of National Textile Corporation in Uttar Pradesh are lying sick; and

(e) by when these are likely to be made operational?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) and (b) None of the mills under National Textile Corporation have been closed. There is only either partial or total cessation of activities in some of the mills mainly due to shortage of working capital.

(c) to (e) The NTC (UP) Ltd., under which there are 11 mills located in Uttar Pradesh is under reference to the BIFR and has been declared a sick company. On the basis of a unit-wise viability study made by NTC, Government is considering a revised turn around strategy for the viable mills of NTC, keeping in view the BIFR norm of the net worth of these mills turning positive, within the period prescribed by BIFR. The interest of the workers will be kept in view in the revival plan.

[Translation]

Losses in Coal Companies

529. SHRI RAVINDRA KUMAR PANDEY:
SHRI TATHAGATA SATPATHY:

Will the Minister of COAL be pleased to state:

(a) whether some coal mines under different coal companies like the Central Coalfields Limited, Bharat Coking Coal Limited, the Eastern Coalfields Limited etc. are running in losses;

(b) if so, the details of such sick and loss making coal mines;

(c) whether the Government propose to close down these coal mines; and

(d) if not, the action plan chalked out by the Government to check the losses being suffered by the said coal mines and to revive them?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) Yes, Sir.

(b) During 1996-97, following 381 coal mines incurred losses:

S.No.	Company	No. of loss making mines
1.	ECL	109
2.	BCCL	61
3.	CCL	51
4.	WCL	36
5.	SECL	27
6.	MCL	29
7.	NEC/CIL	06
8.	SCCL	62
Total		381

(c) and (d) During 1996-97, production in 6 mines (4 in ECL and 2 in WCL) were suspended because of geo-mining conditions, safety reasons and inadequate working reserves.

The Coal Companies have taken a number of steps for revival of the loss making mines such as:

- (i) Deployment of manpower to improve productivity.
- (ii) Short term schemes to augment production.
- (iii) Replacement of manual loading by SDL & LHD.
- (iv) Proper utilisation of equipment.
- (v) Better maintenance, adequate back-up of spare parts and proper training to operators and maintenance personnel.
- (vi) Strict cost control measures.
- (vii) Additional resource generation through better quality control of despatches.
- (viii) Reduction of surplus manpower through Voluntary Retirement Scheme (VRS).

[English]

Non-performing Assets

530. SHRI RUPCHAND PAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received the Report of the Committee on Non-Performing Assets (NPAs) headed by Mr. A.T. Pannir Selvam, Chairman, I.B.A.;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) The Committee has looked into causes of NPAs and factors for slump in recovery of loans and suggested measures to be taken for effective recovery of banks' dues and reduction of NPA.

(c) Government and Reserve Bank of India (RBI) have been exhorting Bank Management to improve recovery of loans and reduce the levels of NPAs. In this direction, Reserve Bank of India had already advised banks to have documents on Loan Policy and Loan Recovery Policy prepared and vetted by their Board of Directors. Recovery cells have also been set up by each bank at headquarters under the charge of General Manager. Branch-wise targets for recoveries are fixed. The recovery position is reviewed by Chairman and Managing Director on monthly basis any by the Board of Directors also on regular basis. The recommendations of the Pannir Selvam Committee constitute an input in the ongoing efforts at containment and reduction of NPAs.

Coal Production

531. SHRI KAMAL NATH:
SHRI AJIT JOGI:

Will the Minister of COAL be pleased to state:

(a) the total quantity of coal produced from different coal mines during each of the last three years, Company-wise; and

(b) the quantity of coal exported during the above period and the total amount of foreign exchange earned therefrom alongwith the names of the countries to which coal has been exported?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) The details of coal produced from the mines of subsidiaries of Coal India Limited (CIL), Singareni Collieries Company Limited (SCCL) and captive collieries of TISCO, IISCO & DVC during the last three years are as under :

(Million Tonnes)			
Company-wise/ Subsidiary-wise	1995-96	1996-97	1997-98 (Prov)
1	2	3	4
ECL	27.81	29.65	27.44
BCCL	27.81	27.14	30.92
CCL	30.76	32.18	33.20

1	2	3	4
NCL	35.20	37.01	37.12
WCL	29.01	31.23	32.51
SELC	53.17	55.30	56.63
MCL	32.70	37.36	40.17
NEC	0.82	0.75	0.69
CIL	237.28	250.62	260.68
SCCL	26.77	28.73	28.94
CAPTIVE COLLIERIES (TISCO, IISCO & DVC)	6.08	6.28	6.31
Total	270.13	285.63	295.93

(b) Coal is exported only to Bangladesh, Nepal and Bhutan by Coal India Limited. The quantity of coal exported by Coal India Limited and export earning during the last three years are as under:

Year	Quantity exported (in' 000 tonnes)	Export earning
1995-96	92.0	Rs.14.88 crores (including 14.4 lakh US \$)
1996-97	125.5	Rs.22.60 crores (including 17.4 lakh US \$)
1997-98	55.8	Rs.12.04 crores (including 3.39 lakh US \$)

Export of coal to Nepal and Bhutan is made in Indian Rupees.

Dereservation of SSI Items

532. SHRI ANNASAHED M.K. PATIL: Will the Minister of INDUSTRY be pleased to state:

(a) whether Small Scale Industry sector is peeved at dereservation of the items;

(b) if so, the details thereof alongwith the representations received by the Government from SSI Organisations;

(c) the action taken or proposed to be taken in this regard;

(d) the action taken on the recommendations of Nagar Committee to safeguard the interests and promote healthy growth of Small Scale Industry Sector; and

(e) the steps taken or proposed to be taken by the Government to deal with the problems of sickness of SSI?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) Recommendations of the Abid Hussain committee including the issue of dereservation were discussed in detail at the meeting of SSI Board held on 30th August, 1997 and as a follow up on the decision taken thereat, State Governments and several SSI associations were asked to express their opinion specifically on dereservation of certain identified items. While some of the SSI associations have opposed dereservation in general, some of them have also supported the recommendation for dereservation.

(c) On the advice of the Advisory Committee on Reservation, Government has decided to go in for dereservation only in a phased manner after careful consideration and keeping in view the overall interest of small scale sector.

(d) Government is not aware of any Committee in the name and style of Nagar Committee to safeguard the interests and growth of the small scale sector.

In order to promote healthy growth of the SSI sector, Government implements several policies and programmes specifically designed for the benefit of the Sector. These include policy measures for reservation of items for exclusive manufacture in the Small Scale Sector, price and purchase preference for SSI products in Government procurement, fiscal concessions in the form of excise relief and Government assisted schemes for infrastructure development, technology upgradation and modernisation and promotion of the entrepreneurship.

(e) Reserve Bank of India had appointed the Nayak Committee to examine the adequacy of institutional credit and allied issues in SSI sector. The Committee looked into, *inter-alia*, the aspects of sickness in the SSI sector and identified various factors, internal as well as external, responsible for sickness. Based on the recommendations of this Committee, Reserve Bank of India has advised banks on modified definition of sick SSI units, reduced rate of interest for rehabilitation, prompt viability studies/nursing programme of identified sick units, setting up of cells at important regional centres and Head Office to deal with sick industrial units and provision of expert staff, including technical personnel to look into technical aspects. State Level Inter-Institutional Committee exist under the Chairmanship of Secretary (Industries) of the State Government for revival of sick units.

Free Ports

533. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to set up some free ports in India;

(b) if so, details thereof alongwith the sites selected;

(c) the funds allocated for the purpose;

(d) the time by which the free ports are likely to be set-up; and

(e) the manner in which it is likely to help the Indian Economy?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (e) The Advisory Committee set up under the Chairmanship of Shri Raunaq Singh, Industrialist, to examine the desirability and feasibility of establishing a Free Port in India had submitted its report on the subject. The report has been examined and the Government has asked Indian Institute of Foreign Trade to draw up an implementation model including likely changes in laws & rules, administrative framework and also various fiscal measures to enable the Government to take a policy decision.

[Translation]

Items Purchased for Coal Companies

534 SHRI RAM TAHAL CHOUDHARY Will the Minister of COAL be pleased to state:

(a) the items purchased from H.E.C. for various coal companies during the last three years and value thereof, item-wise.

(b) whether the Government are aware that the items manufactured by the H.E.C. are being purchased from the private sector instead of H.E.C. directly; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) The items purchased from M/s. H.E.C. by Coal India Limited and Singareni Collieries Company Limited during the last three years are as under

Coal India Limited

Year	Equipment	Nos.	Total Value (Rs. in lakhs)
1	2	3	4
1995-96	Others items	-	2554.45
1996-97	5 M3 Rope shovel	17	4505.00
	250 mm Drill	3	370.50
	Others	-	6965.25
1997-98	5 M3 Rope shovel	13	3445.00
	Others	-	2308.55

1	2	3	4
<i>Singareni Collieries Company Ltd.</i>			
1995-96	Centre Lathe, LC-100L/4M	-	31.09
1996-97	Others	-	66.45
1997-98	5 CUM Rope shovel	2	530.00
	Others	-	21.76

(b) and (c) As regard proprietary items like shovels, drills etc. items which have established satisfactory performance record are being procured from H.E.C. Critical spares for shovels and drills supplied by H.E.C. are purchased from H.E.C. As per the established procedure for procurement of equipment/items, enquiries are advertised and the sources /suppliers are selected depending on the technical acceptability of their offers, competitive prices and performance of similar equipment supplied earlier.

[English]

Revival of Exports

535. SHRI SUSHIL KUMAR SHINDE : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have evolved a new strategy for revival of exports, including WTO related matters;

(b) if so, how far exports have suffered a decline during 1996-97 and 1997-98 and the details of the new strategy; and

(c) the main thrust areas for the export strategy and the WTO related matters covered thereby?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) The Ministry has prepared a Medium Term Strategy to accelerate the growth of exports.

(b) and (c) As per the DGCI & S provisional estimates, the value of exports have increased from US\$ 33106 million in 1996-97 to US\$ 33980 million in 1997-98. The new strategy covers sectoral and directional aspects for achieving a targeted export level of US \$ 90-100 billion by m2002 and to achieve 1% share in world exports. The strategy addresses WTO issues such as market access, non tariff barriers, etc. to improve India's export advantage. The Sectoral strategy discusses sector specific issues and suggests measures to improve trade in these sectors. The directional strategy suggests a special focus upon the emerging markets in Africa, Latin America and CIS countries.

Export of Industrial Production

536. SHRI G. GANGA REDDY : Will the Minister of COMMERCE be pleased to state:

(a) the target fixed for the growth of industrial production and export during 1996-97 and 1997-98;

(b) whether achievements have been made as per target fixed;

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

(d) if not, the steps taken or proposed to be taken by the Government to boost the exports?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (c) The target rate of growth of industrial production for 1996-97 was 6.8% Ministry of Industry have informed that no such target was fixed for 1997-98. The target rate of growth of industrial production for 1996-97 has been achieved as actual industrial growth rate during the year 1996-97 was 7.1%. The overall industrial growth rate during the year 1997-98 was 4.2%. A target growth of 20% in US \$ terms and 18% in US \$ terms was envisaged for exports during 1996-97 and 1997-98 respectively. The export targets fixed could only be partially achieved during the years 1996-97 and 1997-98. As per the provisional data of DGCI&S, the growth rates achieved in dollar terms were 4.01% and 2.64% and in Rupee terms 10.39% and 7.45% during 1996-97 and 1997-98 respectively.

(d) Export performance is influenced *inter-alia* by international market conditions, infrastructure facilities and policy framework. Export promotion measures are continuously being taken by Government through changes in policies and procedures for providing environment, involvement of States in export promotion and consultation with Trade and Industry. Some of the recent step taken in this regard include modification in DEPB rates, announcing of DEPB rates for about 300 new export items, preparing a medium term strategy for growth of exports, launching of Focus LAS Scheme and strengthening incentive schemes.

Revenues from States

537. SHRI RATILAL KALIDAS VARMA : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have earned revenue from various districts of Gujarat and other States of the country through various sources like Income Tax, Excise Duty, Customs Duty, Small Savings and such other various sources from 1995 to 1998 till date, year -wise;

(b) the amount of Tax Collected from each source during the above period; and

(c) the amount given back to Gujarat and other States during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) and (b) Data for these purposes are not maintained District-wise. The total

revenue, collected by the Union Government through Income Tax (including Corporation tax), Excise and Customs duties and also small saving collections during the last three years in Gujarat vis-a-vis other States are as under:

(Rs in crores)

Year	Income tax (including corporation tax)		Central Excise		Customs		Small Savings Collection	
	Gujarat	Other States	Gujarat (including UTs)	Other States	Gujarat (including UTs)	Other States	Gujarat	Other States
1995-96	1953.48	30120.52	5052.60	35512.78	4763.26	30733.47	1060.58	8676.75
1996-97	1915.33	34885.67	6011.48	38906.14	6671.69	36211.27	982.47	11362.83
1997-98 (Provisional)	1846.92	35138.08	7142.60	40639.07	6211.56	34030.53	1825.75	17730.58

(c) the amount given to Gujarat vis-a-vis other states as share of Central Taxes and the long term loans on account of net small saving collections during the last three years are as under :

Year	Share of Central Taxes		Loan on account of net small savings	
	Gujarat	Other States	Gujarat	Other States
1995-96	1139.56	28126.65	838.56	7333.28
1996-97	1359.54	33747.90	760.33	8246.60
1997-98	1704.25	41857.96	1226.24	12313.60

[Translation]

Regional Rural Banks

538. SHRI BACHI SINGH RAWAT 'BACHDA' Will the Minister of FINANCE be pleased to state :

(a) whether any decision has been taken to bring Regional Rural Banks at par with Nationalised Banks in the country;

(b) if so, the details thereof;

(c) whether the employees of Regional Rural Banks have been demanding to bring their pay scale at par with pay scales of Nationalised Banks from time to time and

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

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF

FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) to (d) The pay and allowances of the employees of the Regional Rural Banks (RRBs) are to be determined by Government under section 17(1) of the Regional Rural Banks Act, 1976. Such determination was last carried out by an order dated 22.02.1991, pursuant to the award of the National Industrial Tribunal (NIT) which was set up as per the directions of the Supreme Court in a Writ Petition. A wage revision has been carried out in the commercial banks following the six-
Bipartite Agreement between the Indian Banks Association and the Employees' Unions/Officers' Associations in February, 1995 and June, 1995 respectively. The employees of RRBs have demanded a similar wage revision. However, most of the RRBs have heavy accumulated losses. In order to have a package that will reconcile the interests of the employees, the clients and the institutions themselves Reserve Bank of India, (RBI), on the advice of Government, appointed a Committee to make recommendations to Government on the issue. The Committee has since submitted its report. A final decision on the Report will be taken by the Government in the light of the examination of the said report by RBI.

Dumping Laws

539. SHRI SANDIPAN THORAT Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have taken any steps to bring more transparency in dumping law;

(b) if so, details thereof along with changes carried out recently;

(c) the effects of these changes; and

(d) the present position in regard to incidence of dumping and action taken thereon?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (c) The provisions of Anti-dumping laws in India with regard to exchange of information, disclosure, oral hearing, etc. make the investigations transparent subject to the provisions of confidentiality. Further, the notifications issued by the Designated Authority are detailed and touch upon all aspects of the investigations. Therefore, there is no specific proposal for bringing about any changes in this regard.

(d) The details of cases where preliminary/final findings have been announced are given in the Statement attached.

Statement

A. Cases where Definitive (Final) Anti Dumping Duties recommended

Product	Country/ies	Range of Duty Recommended (Rs. per Unit)
1	2	3
1. PVC Resin*	Brazil Mexico Korea RP USA	2036/MT 1619/MT 1253/MT 504/MT
2. Bisphenol-A**	Japan	7477/MT
3. Potassium Permanganate	China PR	5992/MT
4. Isobutyl Benzene \$	China PR	10634/MT
5. 3,4,5 Trimethoxy Benzaldehyde (TMBA)	China PR	237/Kg.
6. Theophylline Caffeine	China PR	108/Kg. 101/Kg.
7. Acrylonitrile Butadiene Rubber (NBR)	Japan	19306/MT
8. Bisphenol-A	Brazil Russia	10263/MT 12559/MT
9. Sodium Ferrocyanide	China PR	16358/MT to 20287/MT
10. Dead Burnt Magnesite (DBM)	China PR	1333/MT to 1925/MT
11. Low Carbon Ferro Chrome (LCFC)	Russia Kazakhstan	10900 to 18600/MT 18500/MT
12. 8-Hydroxyquinoline	China PR	183/Kg to 206/Kg
13. Bisphenol-A	USA	10,000/MT
14. Acrylonitrile Butadiene Rubber (NBR)	Germany Korea RP	13255/MT 8316/MT
15. Acrylic Fibres	USA, Korea RP Thailand	6.30 to 42.93 per kg.

1	2	3	4
16. Catalysts	Denmark	21.24-192.01 per ltr.	
17. Graphite Electrodes ***		5517-30997/MT	
18. Newsprint	USA, Canda, Russia	Reference price 22958-26696/MT	
19. PTA	Thailand, Korea, RP, Indonesia	1130-3375/MT	
20. Vitamin-C	China PR, Japan	27.59-61 per kg.	

* Duties recommended to be discontinued on 23.12.1997 after review.

** Increased to 8434/MT after review.

\$ Increased to 12465/MT after review.

*** USA, China, Spain, Italy, Germany, Belgium, Austria, France.

B. Cases recommended for provisional duties and investigation in Progress

Product	Country/ies	Recommendation date	Quantum of Duty Recommended
1. Magnesium	China PR	06.02.98	27509/MT
2. Metallurgical Coke	China PR	20.03.98	1800/MT
3. Polystyrene	Korea RP, Japan, Taiwan Malaysia	12.05.98	Nil to 11388/MT

Earnings of Mahanadi Coalfield

540. SHRI AJIT JOGI: Will the Minister of COAL be pleased to state:

(a) the total revenue earned by Mahanadi Coalfield during each of the last three years;

(b) whether the Government propose to expand the activities of the above Coalfield; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) The total revenue earned by Mahanadi Coalfields Limited (MCL) during the last three years is given below :

(Rs. in crores)

1996-97	1995-96	1994-95
1014.46	1081.94	810.12

(b) Yes, Sir.

(c) The actual production of coal in MCL in 1996-97 was 37.366 million tonnes. The tentative targets of coal production of the company in 1997-98 and 2001-02, the terminal year of the Ninth Plan are 39.50 million tonnes and 47.20 Mts. respectively. Presently MCL is having five ongoing coal projects with a capital outlay of Rs. 865.02 crores with a total capacity of 20.10 million tonnes per year. Moreover, advance action schemes have been sanctioned for six more coal projects of MCL with a total capacity of 20.35 million tonnes per year.

Anti Dumping Law

541. SHRI MOHAN SINGH : Will the Minister of COMMERCE be pleased to state:

(a) whether anti-dumping law has been strictly imposed in Europe and America on the import of rice and cotton cloth;

(b) if so, the quantity of Basmati rice and cotton cloth exported to the above countries during each of the last two years; and

(c) the extent to which Indian export is likely to be affected by this law and the steps taken by the Government to save Indian export?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Anti-dumping investigation against export of unbleached cotton fabrics from India had been initiated by the European Commission and a provisional duty ranging from 4.9% to 16.9% has been recommended. No anti-dumping case has been initiated against export of basmati rice.

(b) Export of Cotton grey fabric to European Commission:

Year	Quantity (in million kg.)	Value (in Rs. crores)
1996	46.50	696.28
1997	44.38	699.09

(c) The Anti-dumping duty, if imposed, may have adverse effect on Indian exports. The Government has taken the matter up with the European Commission authorities through the Embassy of India at Brussels, while the Cotton Textiles Export Promotion Council (TEXPROCIL) is depending the case on behalf of the exporters of cotton textiles.

Stowing Excise Duty

542. SHR KANTILAL BHURIA : Will the Minister of COAL be pleased to state:

(a) whether the coal companies run by the Central

Government are required to pay stowing Excise Duty at the rate of Rs. 3.50 per tonne to the State Government for extraction of coal in Madhya Pradesh;

(b) if so, whether the amount under the above head is deposited with the Controller of coal, Calcutta for implementation of welfare programme;

(c) whether the said amount is being provided to States properly for the purpose;

(d) if so, the amount provided to each State during the last three years; and

(e) if not, the reasons for not providing the above amount to the States?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) and (b) An excise duty is levied and collected by the Coal Companies and deposited with the Coal Controller on all coal raised and despatched and on all coke manufactured and despatched from the collieries in India under the Coal Mines (Conservation and Development) Act, 1974. The present rate is Rs. 4.25 per tonne for coking coal and Rs. 3.50 per tonne for non-coking coal. No excise duty is required to be paid to the State Government for extraction of coal.

(c) In accordance with the provisions of Section 9 of the Coal Mines (Conservation & Development) Act, 1974 the duty of excise levied and collected is to be disbursed by the Central Government to the owners, agents or managers of coal mines or to any other person for one or more of the following purposes; namely:

- (i) Conservation of coal and development of coal mines;
- (ii) grant of stowing materials and other assistance for stowing operations;
- (iii) execution of stowing and other operations for the safety in coal mines or conservation of coal;
- (iv) prosecution of research work connected with conservation and utilisation of coal; and
- (v) any other purpose connected with the conservation of coal or development of coal mines, or transportation, distribution or utilisation of coal.

(d) to (e) Do not arise, in view of 'c' above.

Tax Relief

543. SHRI AMAR PAL SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to give tax relief to encourage the entrepreneurs who are running their industries on private power production;

(b) whether there is any scheme with the Government to encourage private power production; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Government's response in this regard will be contained in the annual budget proposals.

(b) and (c) In view of the above, answers to parts (a) (b) and (c) do not arise.

[English]

Consumption of Coal in Thermal Power Stations

544. SHRI ASHOK PRADHAN : Will the Minister of COAL be pleased to state:

(a) the annual consumption of coal in thermal power stations of Uttar Pradesh State Electricity Board, station-wise;

(b) the quantum of coal supplied to these power stations during each of the last three years, till date, station-wise;

(c) the estimated shortage in coal supply noticed in these stations during the above period; and

(d) the steps being taken by the Government to supply the required quantity of coal to the said power stations of Uttar Pradesh State Electricity Board?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) According to the data furnished by Central Electricity Authority, consumption of coal of power stations of UPSEB during the year 1997-98 is as follows :

(In '000 tonnes)

Name of Power House	Annual Consumption during 1997-98
1. Anpara	7954
2. Harduaganj	646
3. Obra	3481
4. Panki	729
5. Paricha	556
6. Tanda	889
Total	14225

(b) The quantum of coal supplied to UPSEB power houses during each of the last three years are as follows:

(In '000 tonnes)

Power Station	Coal supply during		
	1997-98 (Prov.)	1996-97	1995-96
Harduaganj	917	772	917
Panki	823	576	633
Obra	4084	3428	4063
Anpara	8039	8201	7770
Tanda	1282	1058	989
Paricha	718	574	331
Total	15863	14609	14703

(c) & (d) The materialisation of supplies against linkages to UPSEB during the year 1997-98, 1996-97 and 1995-96 were 96%, 107% and 98% respectively. The less supplies were on account of supplies being regulated against payment and also restriction imposed by UPSEB in respect of Harduaganj, Tanda and Panki power Stations.

Coal supplies to Power Sector is accorded highest priority. Supply of coal to power sector is monitored regularly by an inter-ministerial group. Appropriate corrective action is taken to step up coal supplies wherever necessary.

Financial Allocation to NEHDC

545. SHRI NRIPEN GOSWAMI : Will the Minister of TEXTILES be pleased to state:

(a) the allocation of funds to the North Eastern Handicrafts and Handlooms Development Corporation Ltd.(NEHDC) during the last three years and proposed to be allocated during the Ninth Plan; and

(b) the details of achievements made by the NEHDC during the last three years?

THE MINISTER OF TEXTILES (SHRI KASHI RAM RANA) : (a) The sum of Rs. 240.00 lakhs (Rs.80.00 lakhs each every year) have been allocated to the North Eastern Handicrafts & Handlooms Development Corporation Ltd.(NEHDC) during the last three years. During the 9th Plan period, the amount to the tune of Rs. 570.00 lakhs have been proposed to be allocated to the said corporation.

(b) The details of achievement made by the North Eastern Handicrafts & Handloom Development Corporation Ltd.(NEHDC) during the last three years include: holding of 109 exhibitions in various parts of the country; participation in various fairs/festival including Indian Handicrafts and Gifts Fair, National Handloom Expo's,

India International Trade Fair and North East Craft Fair, etc.; besides, the five emporias of the Corporation located at Chennai, Calcutta, Bangalore, Guwahati and Shillong did their usual marketing operation.

Price of Rubber

546. PROF. P.J. KURIEN:
SHRI N.N. KRISHNA DAS:
SHRI P.C. THOMAS:

Will the Minister of COMMERCE be pleased to state:

(a) whether the price of Natural Rubber has steeply gone down;

(b) if so, the price of Natural Rubber during the last three years, month-wise; and

(c) whether any steps have been taken to help the farmers of Natural Rubber who are in great distress?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir.

(b) A statement showing domestic and international price of Natural Rubber for the last three years is enclosed.

(c) In order to arrest the declining trend in the price of Natural Rubber (NR), the State Trading Corporation, on the directions of the Central Government have procured 9596 MTs of Natural Rubber from the domestic market during 1997-98. To further improve the price situation of NR in the domestic market, the Government have recently directed the STC to procure additional 20,000 MTs of Natural Rubber from the market. A study into the cost of production of NR has also been undertaken for revising the Benchmark price of Natural Rubber.

Statement

Prices of Rubber

(Rs./Quintal)

Month	India (RSS-4)	International (RSS-3)
1	2	3
1996		
January	4273	4987
February	4673	5388
March	5195	5565
April	5441	5640
May	6047	5275
June	6171	4759
July	5231	4154
August	4295	4005
September	4197	4370
October	4694	4798
November	4925	5498
December	5598	5503

1	2	3
1996		
January	5587	5327
February	5249	5488
March	5007	5162
April	5005	4790
May	5252	4929
June	5385	4911
July	5121	4537
August	5033	4409
September	5060	4440
October	5121	4236
November	4897	4467
December	4752	4406
1997		
January	4700	4327
February	4286	4305
March	4199	4343
April	3979	4085
May	4483	3920
June	4224	3933
July	3937	3314
August	4298	3256
September	3892	3127
October	3495	3091
November	3389	3026
December	2970	2637
1998		
January	2890	2426
February	2700	2963
March	2700	2867
April	2663	2988

Regulatory Authority to oversee Financial Reforms

547. SHRI K.S. RAO : Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of the Government for setting up of an autonomous new regulatory authority to oversee the implementation of financial sector reforms;

(b) if so, the details of the functions to be assigned to the proposed regulatory authority indicating *inter-alia* the necessity and the reasons for setting up of such an authority; and

(c) the time by which the proposed regulatory authority is likely to be set up?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) No such proposal is under consideration at present.

(b) and (c) Do not arise.

Scheme to Promote Khadi

548. SHRI V.M. SUDHEERAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether Government have chalked out any special scheme to promote Khadi as part of the Golden Jubilee Celebration of India's Independence; and

(b) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) To commemorate the Golden Jubilee Celebrations of Independence the Government of India announced a special rebate on Khadi sales for the period up to 14th August, 1998. In addition, the Khadi & Village Industries Commission has taken the following measures during the period to popularise the Khadi & Village Industries programmes.

(i) KVIC participated in the Republic Day parade held at New Delhi on 26.1.98 with its flot representing the activities being implemented by the KVIC in rural areas for strengthening the rural economy.

(ii) An exhibition of Indian handicrafts and machinery was jointly organised by KVIC and the High Commission of India at Accra, Ghana to mark the 50th anniversary of India's Independence.

Ban by European Union on import of Marine products

549. SHRI RANJIB BISWAL :
SHRI T. GOVINDAN :

Will the Minister of COMMERCE be pleased to state:

(a) the date since when the ban has been imposed by European Union (EU) on import of marine products from India;

(b) the reasons for imposing ban;

(c) whether the Government have taken up the matter with EU;

(d) if so, the reasons of EU thereto;

(e) whether the crisis arises due to the ban on export of marine product likely to be resolved; and

(f) if so, the efforts made in this regard along with present status?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) The European Commission *vide* its decision dated 1st August, 1997 prohibited the import of Indian fish fishery products based

on the findings of deficiencies with regard to the infrastructure and hygiene in some of the fishery establishments as noticed by a team of veterinary experts of European Union (EU). In their decision of 1st August, 1997, the European Commission have also stated that there were not enough guarantees of the efficiency of the controls carried out by the Competent Authorities.

(c) Yes, Sir.

(d) to (f) The Government of India revamped the export inspection procedures and systems for the inspection and monitoring of the fishery product processing units. A two tier system of inspection of fishery product processing units with technical personnel drawn from CIFT (Central Institute for Fishery Technology), MPEDA (Marine Products Export Development Authority) and EIAs (Export Inspection Agencies) was put in place.

Consequently the European Union *vide* their decision dated 23rd December, 1997 decided to lift the import ban on the import of fish and fishery products from the fishery product processing units conforming to the standards. Director, Export Inspection Council, has till now approved a total of thirty fishery product processing units including two freezer vessels for exporting fish and fishery products to the European Union and this has been communicated to European Commission through the office of the Mission of India to European at Brussels. Out of the above approvals given by Director, EIC, the European Commission have till now notified *vide* their notification dated 7/4/98, a list of 23 fishery product processing units who are eligible to export fish and fishery products to the member countries of the European Union. The rest of the fish product processing units as have already been approved by Director, EIC, also are likely to be notified by the European Commission in due course.

New Income Tax Payers

550. SHRI MADHAVRAO SCINDIA : Will the Minister of FINANCE be pleased to state:

(a) the number of new income-tax payers who have come into tax-net as a result of declarations under the Voluntary Disclosures of Income Scheme, 1997; and

(b) the expected annual income tax collections from them?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) One of the key elements of the Voluntary Disclosure of Income Scheme, 1997 was its confidentiality. Under the Scheme, no person except the Commissioner of Income Tax to whom the declaration was made, was to come to know of such declaration. Therefore, the question of

linking the declarations with returns of income to be filed by such declarants in future does not arise. In view of this it would not be possible also to indicate the expected annual income tax collections from the declarants.

International Monetary Fund

551. SHRI RAMKRISHNA BABA PATIL : Will the Minister of FINANCE be pleased to state:

(a) the International Monetary Fund has recently said that "India needs stronger reforms to grow further";

(b) if so, the details thereof; and

(c) the steps Government propose to take in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir.

(b) In the IMF document titled "The World Economic Outlook", May 1998 it has been observed that to put India on a sustainably faster growth path, stronger efforts are needed to reduce the large fiscal deficit, liberalize foreign trade and investment, alleviate infrastructure bottlenecks, deregulate domestic product markets, and reform the financial and enterprise sectors.

(c) The Government has affirmed its commitment to broadening and deepening the reform process. The aim is to achieve a GDP growth of 7 to 8 per cent over the next five years.

[Translation]

Printing Presses/Mints

552. SHRI THAWAR CHAND GEHLOT Will the Minister of FINANCE be pleased to state:

(a) the number of currency note printing presses and mints in the country and the capacity thereof, location-wise;

(b) the denomination and quantity of currency notes printed and coins minted in these presses and mints during 1995-96, 1996-97 and 1997-98;

(c) the names of mints and printing presses to whom orders were given by the Reserve Bank of India to print/mint currency notes/coins alongwith their denominations and the rates at which the currency notes and coins were printed and minted;

(d) whether the Government have received the currency notes/ coins printed/minted in the foreign countries during the above period; and

(e) if so, the quantity of currency notes and coins

received by the Government or Reserve Bank of India from foreign countries till April, 1998 and the names of countries thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The information is as under:

Name of Press/Mint with its location	Annual Capacity (in million pieces)
(1) Bank Note Press, Dewas	1875
(2) Currency Note Press, Nashik	4000
(3) India Government Mint, Mumbai	750
(4) India Government Mint, Calcutta	750
(5) India Government Mint, Hyderabad	400
(6) India Government Mint, Noida	1000 (in one shift)
(7) Bhartiya Reserve Bank Note Mudren Ltd., Mysore (Karnataka).	These are under RBI. Their annual capacity would be 4950 million pieces each, when they fully become operational by end of 1999.
(8) Bhartiya Reserve Bank Note Mudran Ltd., Salboni (West Bengal).	

(b) The information is as under:

Notes	(In million pieces)		
	1995-96	1996-97	1997-98
Rs. 5	177	-	-
Rs. 10	2743	2929	3000
Rs. 20	61	109	189
Rs. 50	1125	823	877
Rs. 100	1359	1190	1375
Rs. 500	104	59	-
	5569	5110	5441

Coins	(In million pieces)		
	1995-96	1996-97	1997-98
05 P	26	4	-
10 P	23	41	50.36
20 P	24	20	6.25
25 P	240	142	135.56
50 P	148	267	394.17
Rs. 1	198	528	527.35
Rs. 2	454	279	254.55
Rs. 5	337	280	309.73
	1448	1561	1677.97

(c) Notes - RBI placed orders as under:

	(In million pcs.)		
	Rs. 100 deno.	Rs. 500 deno.	Cost in US \$ per 1000 pcs.
(a) M/s. Gliesecke & Devrient, Germany.	-	785	29.89
(b) Francoiff Charles Oberthur Fiduciaire, France.	-	480	29.89
(c) British American Bank Note Co., Canada.	-	335	29.89
(d) Thomas De la Rue, Singapore.	1092	-	23.73
(e) Debden Security Printing, UK.	273	-	23.73
(f) American Bank Note co., USA.	635	-	23.73
Total	2000	1600	

Coins- Government imported as under:

Name of the Mint	(In million pcs.)	
	Quantity Ordered	Cost in US \$ per 1000 pcs
(a) Casa De Moneda, Mexico.	Rs. 1- 700	14.88
(b) Hyundai Corporation, S. Korea.	Rs. 2- 300 1000	35.23
(d) and (e) The details of imported notes/coins received from abroad as on 11.4.98 were as under:		
Notes	Quantity (in million pieces)	Name of countries
	1	2
Rs. 100	1092	Singapore
	190	U.K.
	200	USA
Rs. 500	326.5	Germany
	186.4	France
	160.0	Canada
Coins		
Rs. 1	537.60	Mexico
Rs. 2	300.00	South Korea

KVIC Centres

553. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of INDUSTRY be pleased to state:

(a) the details of the centres opened by Khadi and Village Industry Commission so far in the country, State-wise;

(b) the total capital outlay of the above Commission; and

(c) the loss of revenue during the last three years and the steps taken by the Government to minimise the loss?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) A statement indicating the details of the trading centres and production-cum trading centres opened by Khadi and Village Industries Commission (KVIC) upto 31.3.1997 is enclosed.

(b) The total capital investment involved in these centres as on 31.3.1997 is as under:

(Rs in crores)

Khadi	Village Industries	Total
95.96	7.93	103.89*

* This amount includes terms loan and working capital.

(c) During the last three years i.e. from 1994-95 to 1996-97, KVIC's trading operation on both Khadi & Village Industries generated a net profit of Rs. 12.58 lakhs. The Statement is as under:

Year	Profit	Loss	Net(-)/(+)
1994-95	8682120	10302132	(-) 1620012
1995-96	11971776	11928681	(+) 43095
1996-97	16222042	13387239	(+) 2834803
Total	36875938	35618052	(+) 1257886

In order to avoid loss, KVIC has made and is continuing to make efforts for reducing the establishment expenditure of the Centres and for enhancing the sales performance in order to earn sufficient margin over and above the expenditure.

Statement

State-wise Statement showing Trading Centres of KVIC

Andhra Pradesh	Category
1. Muslin Sliver Godown, Hyderabad	T
2. Khadi Gramodyog Bhawan, Vishakhapatnam	T
3. Khadi Gramodyog Bhawan, Chikkadapalli, Hyderabad	T

	Category		Category
4. Trading Operation, Kakinada	T	Madhya Pradesh	
5. Polyvastra Sliver, Godown, Hyderabad	T	28. Cocoon Purchase, Bhopal	T
6. Polyvastra Trading, Karnool	PT	29. Khadi Gramodyog Bhavan, Bhopal	T
Arunachal Pradesh		30. Gramshilpa, Bhopal	T
7. Khadi Gramadoyog Bhavan, Itanagar	T	31. Khadi Trading, Jagdalpur	T
Biher		32. C.S.P. Sehore	PT
8. C.S.P., Saharsha	PT	33. Director, KVIC, State Office, Bhopal, Poly action Plan	PT
9. C.S.P., Hajipur	PT	Maharashtra	
10. Khadi Gramodyog Bhavan, Patna	T	34. Directorate of Cotton Supplies (RM), Mumbai	T
11. Muslin Sliver Godown, Patna	T	35. A.T. Supplies, Maharashtra	T
12. Cocoon Purchase, Patna & Ranchi	T	36. Directorate of Instrumentation, Mumbai	T
Goa		37. Khadi Gramodyog Bhavan, Mumbai	T
13. Khadi Gramodyog Bhavan, Goa	T	38. Director of Wool, Mumbai	T
Gujarat		39. Director, Pottery, KVIC, Mumbai-56	T
14. Khadi Gramodyog Bhavan, Ahemadabad	T	40. Director, HMPI, KVIC, Mumbai-56	T
15. Khadi Gramodyog Bhavan, Radhanpur	T	41. Director, Palmgur Industry, Mumbai-56	T
16. Ambar Saranjam Bhandar, Ahmedabad	PT	42. Director, Cottage Match, KVIC, Mumbai-56	T
17. KVIC, State Office, Ahmedabad Unit, Pilot Agarbatti	PT	43. Director, NEO & Soap, KVIC, Mumbai-56	T
Haryana		44. Director, Bee keeping, KVIC, Mumbai-56	T
18. U.N.D.P. Leather Project, Ambala	PT	45. Director, J.B.C.R.I., Trading, Wardha	T
19. Bhartiya Kutir Charmodyog, Karnal	PT	46. Director, Fibre Industry, Mumbai-56	T
Jammu & Kashmir		47. T.Q.C.S. Dahanu	PT
20. Trading Operation, Srinagar	T	48. C&B Workshop, Dahanu	PT
Karnataka		49. Directorate of Leather, KVIC, Mumbai-56	T
21. Khadi Gramodyog Bhavan, Bangalore	T	50. Directorate of NCES, KVIC, Mumbai-56	T
22. C.S.P. Chitradurga	PT	Manipur	
23. Central Village Pottery Industrey, Khanapur	PT	51. Khadi Gramodyog Bhavan, Imphal	T
Kerala		52. Khadi Production Centre, Imphal	PT
24. C.S.P. Kuttur, Trichur	PT	Mizoram	
25. N.M.C. Spare Parts Kuttur, Trichur	T	53. Trading Operation, Aizwal	PT
26. Khadi Gramodyog Bhavan, Ernakulam	T	54. Gramashilpa, Aizwal	T
27. R.T.C. Kannimangala, Trichur	T		

	Category		Category
Meghalaya		75. Bhartiya Kutir Charmodyog Agra	PT
55. Khadi Gramodyog Bhavan, Shillong	T	76. Director Regional Office, KVIC Meerut Unit, Charmashilpa	T
Nagaland		77. Director KVIC, State Office, Lucknow Unit, Charmashilpa	T
56. Khadi Trading Regional Office, Kohima	T	West Bengal	
Orissa		78. Khadi Gramodyog Bhavan, KVIC, Calcutta	T
57. N.M.C. Spare Parts, Bhubaneshwar	T	79. Khadi Gramodyog Bhavan, Burdwan	T
58. Khadi Gramodyog Bhavan, Bhubaneshwar	T	80. Muslin Sliver Godown, Calcutta/Malda	T
59. C.S.P. Chowduwar	PT	81. Director, KVIC, State Office, Calcutta, Polyvastra Unit (Six Spl)	PT
60. Central Vastragar, Bhubaneshwar	T	82. Gramshilpa, Darjeeling	T
61. Director, KVIC, Bhubaneshwar, Charmashilpa Unit	T	Delhi	
Punjab		83. Khadi Gramodyog Bhavan, New Delhi	T
62. Director, KVIC, State Office, Chandigarh Unit, Beekeeping Industry	T	84. Charmashilpa, New Delhi	T
Rajasthan		85. Director, T.C.D.C New Delhi Village Oil	T
63. Khadi Gramodyog Bhavan, Barmer	T	86. Director, T.C.D.C New Delhi P.C.P.I.	T
Tamil Nadu		87. Director, T.C.D.C New Delhi Soap	T
64. Honey Marketing Depot, Tripunithurai	T	Dadra Nagar Haveli	
Tripura		88. Khadi Trading Silvasa	T
65. Marketing Unit	T	T : Trading	
Uttar Pradesh		PT: Production-Cum-Trading.	
66. C.S.P. Raibareilly	PT	Revival of Sick Industries	
67. Haridwari Kambal, Meerut	T	554. SHRI JAYSINHJI CHAUHAN: SHRI CHANDRESH PATEL: SHRI KRISHNA LAL SHARMA:	
68. Trading Operation, Pithoragarh	PT	Will the Minister of INDUSTRY be pleased to state:	
69. C.S.P. Etah	PT	(a) the number of the Public and Private Sector Industries at present in the country, particularly in Gujarat;	
70. Khadi Gramodyog Bhavan, Lucknow	T	(b) the state-wise number of industries lying closed and the reasons for closer;	
71. H.B.A. Unit	PT	(c) the details of the losses suffered by these industries;	
72. Marketing Unit	T	(d) whether the Government have taken any steps to revive these sick industries;	
73. Beekeeping Industry, Rishikesh, Dehradun	T		
74. Director, Regional Office, Haldwani Unit, Splints & Veeners Kashipur	T		

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Government maintain centralised data for Central Public Sector Undertaking which are under administrative control of the Central Government. There were 243 Central PSUs as on 31.3.96 of which 2 PSUs namely Indian Petro-Chemicals Ltd., (IPCL) and NTC (Gujarat) Ltd. are situated in the State of Gujarat.

(b) to (f) At present no central Government enterprises located in any State has been closed. The losses incurred by the Central PSUs including sick industrial PSUs, have been indicated in Statement No.7B of Volume I of the Public Enterprises Survey, 1995-96, which has already been laid before the both Houses of Parliament on 5.5.97. The sick Industrial PSUs have been referred to BIFR for formulation of revival/rehabilitation schemes. As on 31.3.98 out of 62 PSUs referred to BIFR, 2 PSUs have already been revived and in respect of another 19 Central PSUs, BIFR have approved the revival schemes which are at different stages of implementation.

[English]

CBI Raids on Income Tax Officials

555. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state:

(a) whether the CBI has conducted raids on Income Tax officials in Delhi recently;

(b) if so, the details thereof;

(c) the outcome of the raids alongwith the details of indiscriminate assets/documents seized; and

(d) the action taken or proposed to be taken against the officials found guilty?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) As per information available with Directorate of Income Tax (Vigilance) and Chief Commissioner of Income Tax, Delhi, for the period between 1.4.97 to 26.5.98, two Officials of the Income Tax Department at Delhi are under investigation by the CBI. The details are given below:

- (I) A raid was conducted by CBI on the residential premises of an Income Tax Officer of Delhi charge on 26.6.97.
- (II) The CBI after laying a trap on 12.7.97 detained in custody an Income Tax Inspector for accepting bribe of Rs.1,000/-

Details of documents/assets seized from the residential/Official premises of Income Tax Officer is as follows:

1. Cash	33,38,300
2. DDA flat No.12/29A Kalkaji	10,00,000
3. Flat at 59, South Park Apartment	30,00,000
4. FDRs	6,08,153
5. NSCs (IVP & KVP)	2,59,000
6. Bank Balances	97,000
7. Investment in shares	83,000
8. Value of Household goods (As per observation memo dated 27.7.97 in RC 52/97 DLI.) One diary for the year 1996	2,76,553

Besides above, Recovery of Rs.13,50,000 from the locker located at Allahabad Bank, Nehru Place, Rs. 2,80,000 from Locker at Allahabad Bank, C.R. Park and investment to the tune of Rs.1,83,000 in Vikash Patras etc. Similarly, recovery of Rs.2,49,900 from the lockers located at Punjab National Bank, Mandakini Enclave. No search was conducted by the CBI in the case of Income Tax Inspector and hence no assets/documents were seized

The Income Tax Officer and the Income Tax Inspector were placed under suspension vide order dated 16.7.97 and 4.8.97 respectively.

Housing Loan

556. SHRI MAHESH KUMAR KANODIA:

SHRI MOHAMMAD ALI ASHRAF FATMI

Will the Minister of FINANCE be pleased to state:

(a) the eligibility criteria for the House Building Loan being sanctioned by the various financial institutions;

(b) the rate of interest being charged by these financial institutions, institution-wise;

(c) whether it is a fact that these financial institutions do not sanction the loan easily and if so, the reaction of the Government thereto; and

(d) whether the Government are considering to amend the procedure for sanction of the House Building Loan so that middle and weaker classes can be benefited?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) Information is being collected and will be laid on the Table of the House.

[Translation]

Goods Recovered by Customs Officials

557. SHRI MOHAMMAD ALI ASHRAF FATMI : Will the Minister of FINANCE be pleased to state:

(a) whether the goods recovered are wrongly estimated by the Customs Officials such as less estimation of goods of relatives of customs officials and higher estimation of the goods of other persons;

(b) the rules framed by the Government to prevent such malpractices and whether any such cases have come to the notice of the Government;

(c) if so, the details thereof and the efforts made by the Government to prevent such malpractices; and

(d) the number of complaints received in during the last three years collectorate-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) The Government has not noticed any case where goods recovered are wrongly estimated by Customs officials, in the form of lower estimation of the goods of relatives of Customs officials and higher estimation of the goods of other persons. Therefore, the need for framing of rules for such cases does not arise.

(d) The number of complaints received in this regard, if any, during the last three years collectorate-wise is being collected and will be laid on the Table of the House.

[English]

Asian Economic Crisis

558. SHRI SUBRATA MUKHERJEE:
SHRI BASU DEB ACHARIA:
SHRI SUDHIR GIRI:

Will the Minister of FINANCE be pleased to state:

(a) the Government's reaction to the Asian economic crisis over the collapse of currencies and commodity prices;

(b) whether the Government's export to East Asia and South East Asia is going to suffer in consequence of the crisis;

(c) if so, the details thereof;

(d) whether crisis calls for new thinking in Indian economy; and

(e) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The economic and financial crisis which erupted in Southeast Asia in July 1997, spread to several other economies in Asia and the spillover effect has been felt throughout the global financial system. The countries that became vulnerable to the crisis in the beginning were those with potentially unsustainable current account deficits and exchange rates system, fragile financial sector and heavy reliance on short term borrowing. This adversely affected the confidence of foreign investors in the strength of these economies.

(b) and (c) The Southeast Asian financial crisis will to some extent affect the competitiveness of Indian exports in respect of items which are of common interest to S. E. Asia and India like textiles and clothing, iron and steel, automotive parts, chemicals, machinery and transport equipment.

(d) and (e) The lessons of the crisis, underscore the need to follow macro economic policies which ensure sustainable levels of current account deficits and exchange rates, adequate supervision of the financial sector with limited reliance on short-term foreign borrowings. In India, prudent financial sector norms and supervision are already in place and the economic fundamentals are reasonably strong.

Consumption of Drugs

559. SHRI SUDHIR GIRI : Will the Minister of FINANCE be pleased to state:

(a) whether the International Narcotics Control Authorities has warned India about the increasing trend of the Indian Population on to opiates;

(b) if so, whether any national survey has been conducted to determine the accurate level of drug consumption in India;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) No, Sir.

(c) and (d) Do not arise.

Declaration of Movable and Immovable Assets by Ministers

560. DR. Y.S. RAJA SEKARA REDDY : Will the Minister of PARLIAMENTARY AFFAIRS be pleased to state:

(a) whether one Central Minister unilaterally declared details of his properties, bank balance and jewellery to the media;

(b) if so, the details thereof;

(c) whether it is the policy of his Government to have such declarations from all the Ministers; and

(d) if so, the details thereof?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA):
(a) to (d) The information is being collected.

Sick Textile Mills

561. SHRI RAJVEER SINGH:
SHRI K.P. NAIDU:

Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government have received any proposal from the Government of Uttar Pradesh to take over sick textile mills in the State;

(b) if so, the details thereof and the names of such textile mills;

(c) whether the Government have prepared any package for the revival of sick textile mills in various States;

(d) if so, the details thereof, state-wise;

(e) the details of textile mills which need revival and work force employed in these mills, State-wise;

(f) whether the Government propose to make any classification of these textile mills to earmark specific items of production keeping in view the need of domestic trade and export; and

(g) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) No, Sir.

(b) Does not arise.

(c) to (e) Government has set up the Board for Industrial and Financial Reconstruction (BIFR) to inquire into the working of sick industrial companies and to prepare and sanction, as appropriate, schemes for revival of mills. State-wise details of rehabilitation schemes sanctioned, number of workers involved etc, are given in the Statement attached.

(f) No, Sir.

(g) Does not arise.

Statement

The State-wise details of mills registered with BIFR, rehabilitation schemes sanctioned and number of workers involved etc. of the mills registered with BIFR as on 30.4.98

S.No.	State	No. of mills registered with BIFR	No. of Workers involved	No of rehabilitation Schemes Sanctioned	No. of mills declared no longer sick
1	2	3	4	5	6
1.	Andhra Pradesh	25	10418	4	1
2.	Assam	3	1369	-	-
3.	Bihar	3	1083	1	1
4.	Chandigarh	1	497	1	1
5.	Dadra Nagar Haveli	3	189	-	-
6.	Gujarat	69	82254	20	3
7.	Haryana	18	7072	2	-
8.	Kerala	5	3274	5	1
9.	Karnataka	16	24319	7	2
10.	Madhya Pradesh	16	28256	4	-
11.	Maharashtra	65	75417	27	4
12.	NCT Delhi	2	6820	-	-
13.	Orissa	5	12017	2	-
14.	Punjab	8	1800	2	-

1	2	3	4	5	6
15.	Rajasthan	18	7974	4	1
16.	Tamil Nadu	52	37225	18	5
17.	Uttar Pradesh	36	77864	7	3
18.	West Bengal	12	29207	-	-
Total		357	407055	104	22

Land-Customs Posts along Meghalaya-Bangladesh Border

562. SHRI P.R. KYNDIAH : Will the Minister of FINANCE be pleased to state:

(a) whether some representations are pending with the Union Government for setting up of Land-Customs Posts along Meghalaya-Bangladesh Border for facilitating export of traditional commodities like coal etc.;

(b) if so, the reasons for the inordinate delay in clearing the proposals;

(c) whether the Government propose to set up Barter Trade posts on the lines operating along Indo-Tibetan borders for the local populace/traders exchanging wares on nominated day bazars; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) Opening of Land Customs Station by India requires corresponding facilities on the other side of the border in Bangladesh. Ministry of Finance had thus taken up the matter with Ministry of External Affairs, who has got in touch with Bangladesh. Bangladesh's response is still awaited.

(c) No Sir There is no proposal to set-up Barter-Trade Posts on Indo-Bangladesh Borders.

(d) In view of (c) above, does not arise.

Fall in Pepper Prices

563. SHRI P. SANKARAN : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are aware that the new export policy of Government has resulted drastic fall in Pepper price in domestic market; and

(b) if so, the step Government propose to take to boost the Pepper price for the benefit of Pepper growers?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) No, Sir.

(b) Does not arise.

Foreign Aided Projects

564. SHRI R. SAMBASIVA RAO : Will the Minister of FINANCE be pleased to state:

(a) the total number of foreign aided projects being implemented in Andhra Pradesh at present;

(b) the total amount spent so far on these projects;

(c) the extent to which these projects are lagging behind the time schedule; and

(d) the steps taken or proposed to be taken by the Union Government as well as by the State Government to complete these projects at the earliest?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) At present there are twenty five externally aided projects being implemented in the State of Andhra Pradesh. The total amount spent on these projects so far is Rs. 3204.69 crore. While there have been slippages in some of these projects, the overall performance of externally aided projects in Andhra Pradesh is satisfactory.

(d) The Union Government has taken several steps to improve utilisation of foreign aid, such as release of 100% external assistance as Additional Central Assistance (ACA) to the State in all sectors, release of advance ACA in the beginning of financial year, intensified monitoring of projects through quarterly reviews by the Department of Economic Affairs, setting up of a project Management Unit in the Department of Economic Affairs as well as appointment of a Nodal Officer for the state. An external aid monitoring information system to strengthen external Portfolio management is being implemented in the Department of Economic Affairs and select States/Central Ministries. Andhra Pradesh is one of the nine select state in this project.

At the state level, the performance of externally aided projects is being reviewed at the level of Chief Minister/Chief Secretary on a regular basis. A Project Management Unit has also been set up in the State Finance Department for monitoring externally aided projects.

Vysya Bank

565. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to refer to the answer given to Unstarred Question No. 572 dated 21.11.1997 regarding "Vysya Bank Limited" and state:

(a) whether the information has since been collected;

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

(c) if not, the reasons therefor and the time by which the information is likely to be collected?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) The Punjab & Sind Bank has reported that all the three bank officials involved were suspended and subsequently the suspensions were revoked. Two officers involved were later transferred and departmental action taken against them for absenteeism resulting in termination/removal from services. Action against the third official who is a clerk was kept in abeyance as per the Bipartite Settlement. The Metropolitan Magistrate vide his order dated 16.7.1997 had acquitted all the accused in criminal case filed by the police.

RBI has reported the details of case of frauds involving issue of cheque books and passing of forged cheques in Delhi/New Delhi branches of Vysya Bank. The details are given in the Statement enclosed. Failure to observe laid down systems and procedures and precautions for the issue/safe custody/payment of cheque books and drafts led to the frauds in Vysya Bank.

(c) Does not arise.

Statement

Details of frauds in issue of cheque books and passing of forged cheques in Delhi Branches of Vysya Bank Ltd.

Sl.No.	Name of the Branch	Amount involved	No. of officials involved	Date of issue of chargesheet	Departmental action taken	Details of police case, if any
1	2	3	4	5	6	7
1.	Connaught Place	Rs. 1 lakhs	3 Officials	16.1.1995	One increment withheld from salary of each official.	Police declined to register a case
2.	Karol Bagh	Rs. 4.40 lakhs	2 officials	16.10.1996	One increment withheld from salary of each official.	Investigation has been completed by the police and chargesheet filed in court.
3.	Karol Bagh	Rs. 2,90,500	One clerk directly involved 5 officers for lapses for issue of cheque books and passing forged cheques. 2 officers for supervisory lapses.	5.11.1996 to clerk and 26.10.1996 to others	The clerk was suspended and later reinstated. Departmental action against him is in progress. Six officers have been awarded punishment of withholding one increment and one officer has been issued letter of caution.	Police investigation is in progress.
4.	Chandni Chowk	Rs. 80,000	One Officer	5.3.1997	Awarded punishment of withholding one increment	Police investigation is in progress.

Setting up Industries in Karnataka and Maharashtra

566. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of INDUSTRY be pleased to state:

(a) the details of the industrial units in the central or centrally sponsored sectors set up in the States of Karnataka and Maharashtra during each of the last three years; and

(b) the investment made therein during the above period?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) No new Central Industrial units have been set up in the states of Karnataka and Maharashtra in the last three years. The cumulative investments in terms of gross block made in the existing central units in both the

states in the last three years is as under:

Total Investment in terms of gross block

(Rs. in Crores)

Year	Karnataka	Maharashtra
1993-94	4247.93	40662.78
1994-95	4956.75	46438.25
1995-96	5950.57	50483.46

Bank Scam

567. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 2742 dated August 8, 1997 and state:

(a) whether the information has since been collected by the Government;

(b) if so, the details thereof;

(c) the action taken by the Government thereon; and

(d) if not, the reasons for delay and the time by which the information is likely to be collected?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) to (d) Reserve Bank of India (RBI) have reported that accommodation bills totalling Rs. 2.41 crores were purchased by Bank of Rajasthan Ltd., Indore (New Palasia) branch from 2 firms on 16th and 17th April, 1996. While bills valued at Rs. 120.29 lakhs were realised the remaining bills for Rs. 120.28 lakhs were returned unpaid and were still outstanding as on 30th June, 1997. The bank had treated the above as non-performing assets (as loss assets) as on 31.3.97 and made full provision. A charge sheet was issued on 26.3.97, to the Chief Manager of the Indore (New Palasia) branch and transferred from that branch.

Government has not conducted any enquiry as the RBI is the competent authority to regulate and supervise the activities of the scheduled private banks. RBI issued show cause notice under section 47A of the B.R. Act on 30th October, 1996 to Bank of Rajasthan Ltd. seeking to know as to why penal action should not be taken for violation of RBI guidelines. After giving a personal hearing RBI imposed Rs. 5 lacs as penalty on the bank on 3rd February, 1997. The penalty has been paid on 1st March, 1997. RBI has further informed that a show cause notice was issued to two of the Bank's Directors on 21.3.1997 under section 36AA (2) of B.R. Act for their removal from the Bank's Board. In the show cause notice the above

irregularity was also cited as one of the reasons for issuing a show cause notice. After considering the submissions made by two directors in their replies, and after giving a personal hearing in June 1997, RBI in exercise of the powers conferred under section 36AA(1) of B.R. Act, issued Orders on 21st October, 1997 for removal from the banks board from the date of the order. Besides, a direction was also issued to the bank on 7th November, 1997, that no person should be appointed as Director whether by Co-option/election or otherwise on the Board of the Bank without the prior approval of the RBI.

Coal Projects in Orissa

568. SHRI GIRIDHAR GAMANG : Will the Minister of COAL be pleased to state:

(a) the coal projects started/proposed to be started in Orissa; and

(b) the co-ordination initiated by his Ministry with other concerned Ministries and the State Government regarding the utilisation of vast coal resources of that State?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Details of on-going projects and future projects of Mahanadi Coalfields Limited (MCL) operating in the State of Orissa are indicated below :

Name of the Projects/mines	Type of mine	Capacity (MTY)
<i>On-going projects</i>		
1. Bharatpur Expansion	OC	1.50
2. Basundhara (East)	OC	0.60
3. Chhendipada	OC	0.35
4. Kalinga	OC	8.00
5. Lakhanpur	OC	5.00
6. Lingraj	OC	5.00
<i>Future Projects</i>		
1. Lakhanpur Expansion	OC	5.00
2. Basundhara (West)	OC	2.40
3. Bhubaneshwari	OC	10.00
4. Hingula-I	OC	4.00
5. Kaniah	OC	3.50
6. Kulda	OC	10.00
7. Belpahar Expansion	OC	1.50
8. Lajkura Extension	OC	1.00
9. Lingraj Expansion	OC	5.00
10. Garjanbahal	OC	8.00
11. Siarmal	OC	4.00

(b) Based on the demand of coal projected by various industries like power, cement, steel and other sectors, production programmes of various coal companies at the beginning of the five year plan are worked out, discussed with the Planning Commission and agreed to. Planning Commission, in turn, interacts with the State Governments and other coal consuming administrative Ministries/ Departments like power, steel etc. in order to firm up the projected coal demand.

Financial needs in various Sectors of Infrastructure

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

(a) whether any study has been made about the financial needs for various sectors of infrastructure;

(b) if so, the total investment required in the country in infrastructure, sector-wise;

(c) whether any action plan has been prepared to mobilise resources for the infrastructural sector; and

(d) if so, the main features thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The Expert Group on the Commercialisation of infrastructure Projects, set up by the Ministry of Finance in October 1994, have made an estimate about the infrastructure investment requirements in 'The India Infrastructure Report' submitted to the Government in June 1996. Assuming that the domestic savings, specially public sector savings will grow, the Expert Group have calculated that it is quite feasible for total investment in infrastructure to increase from the current level of 5.5 percent of GDP to 7 percent by 2000-01 and 8 percent by 2005-06. In absolute terms, it implies the annual level of investment rising from the current Rs. 600 billion to about Rs. 1,100 billion by 2000-01 and Rs. 1,800 billion by 2005-06. This implies total infrastructure investment requirements of about Rs. 4,000 to Rs. 4,500 billion over the period 1996-97 to 2000-01 which would rise to about Rs. 7,500 billion in the period 2001-02 to 2005-06.

The Expert Group have also made bottom up estimate for infrastructure Sectors, which are as under:

Sector	1996-97 to 2000-01	2001-02 to 2005-06	Total (in Rs. Billions)
Power	1834	2849	4995*
Telecom	740	1175	1915
Road	320	630	950
Port	100	150	250
Urban Infrastructure	800-940	Not est.	800-940

* Includes provision of additional investment of Rs.312 billion over 1996-97 to 2005-06 for plant renovation and generation.

(c) and (d) The India Infrastructure Report has highlighted the need for large investments in infrastructure and has called for private participation to supplement public investment. Infrastructure has been awarded very high priority in the programme for economic development. The Government has encouraged private participation in select infrastructure projects and services, while at the same time ensuring proper regulatory mechanisms in different sectors. Procedures pertaining to FDI (Foreign Direct Investment) have been substantially relaxed in order to facilitate greater flow of funds into the core sectors of the economy.

Import of Rubber

570. SHRI P.C. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether import of rubber has taken place by special import licence and advance licence during the last two years, item-wise and year-wise;

(b) if so, the details thereof;

(c) whether there is surplus production of Natural Rubber in the country;

(d) if so, the details of domestic production and demand;

(e) whether there is demand from farmers to ban the import of natural rubber; and

(f) if so, the response of the Union Government thereon?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) No import of rubber took place against Special Import Licence. However, some imports have taken place against Advance Licence export obligation.

(Source : DGCI&S, Calcutta)

(b) Item	1996-97	1997-98 upto Feb. 98
	Qty-Value (MT)-(Rs. Lakhs)	Qty-Value (MT)-(Rs. Lakhs)
Natural rubber	18057-9829.96	25977-11489.15

(c) and (d) Yes, Sir. The projected production and consumption of the Natural Rubber during the year 1997-98 is 5.84 lakhs MTs and 5.74 lakhs MTs respectively.

(e) and (f) Yes, Sir. The import of rubber, however, is already in the Negative List of Exim policy and is permitted only against Advance Licence/Special Import Licence against export obligation.

Export target for Handicraft Sector through UNDP

571. SHRI A.C. JOS : Will the Minister of TEXTILES be pleased to state:

(a) the export target of textiles for the handicraft sector during the current financial year;

(b) whether the Government have any proposal to launch a United Nations Development programme for the promotion of wooden handicrafts; and

(c) if so, the details thereof and the names of the major beneficiaries?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Items-wise export target are not fixed in the handicrafts sector. However, the export target for handicrafts which include textiles has been fixed at Rs. 7776.00 crores for the current financial year.

(b) and (c) Yes, Sir. The Government has already launched United Nation Development Programme for promotion of wooden handicrafts in the country. The major beneficiaries under this programme will be artisans, manufacturers and exporters of wooden handicrafts in and around Trivandrum (Kerala) and Jodhpur (Rajasthan).

[Translation]

Contribution of SSI

572. SHRIMATI SURYAKANTA PATIL: Will the Minister of INDUSTRY be pleased to state:

(a) whether the contribution of the Small Scale Industries (SSI) have increased in country's industrial development over the last several years.;

(b) if so, the percentage thereof during each of the last three years, state-wise;

(c) whether the percentage of investment made in Steel, Power, Petro-refinery and Fertilizer industries have been increasing out of the total investment made in the industrial field in the country;

(d) whether small scale industries are facing difficulties due to investment by multinational companies and private sector;

(e) if so, the details thereof; and

(f) the steps being taken by the Government to strengthen the small scale industries?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) The contribution of Small Scale Industrial Sector in the industrial development of the country is estimated only at all-India level on the basis of values of Gross Domestic Product available from National

Accounts Statistics. The contribution of SSI sector in the industrial development of the country has remained around 40%. The exact figures of contribution during the last three years are given below:

1994-95	40.92%
1995-96	40.64%
1996-97	40.23%

(c) The percentage of investment proposals in the Steel, Power, Petro-refinery and Fertiliser industries has not been increasing during 1996 and 1997 out of the total investment made in the industrial field.

(d) and (e) This office has not received any complaint from the SSI units facing difficulties due to investment by multinational companies and private sector. However, for items exclusively reserved for manufacture in the small scale sector, occasional complaints have been received from the small scale units about the entry of multinational companies into this sector. It has been clarified to them that no medium/large scale units including multinationals are allowed to manufacture items exclusively reserved for small scale sector except under 50% export obligation. The undertakings which had been manufacturing these items prior to the date of reservation can continue to manufacture these items after obtaining a carry on business (COB) licence. Such units are however, not allowed to enhance production capacity.

(f) The steps taken by both the Central and State Governments to strengthen the small scale sector include (i) entrepreneurship development, (ii) technical support through inspection, guidance, workshop, testing, tool room and product-cum- process development facilities, (iii) marketing support through price and purchase preference and through National Small Industries Corporation and State Small Industries Development, (iv) infrastructural support by the State Governments through developed industrial plots, sheds etc. and (v) priority sector lending to SSIs through Banks and Financial Institutions.

Subsidiary Units of BHEL

573. SHRI SUSHIL CHANDRA VARMA : Will the Minister of INDUSTRY be pleased to state:

(a) the number of subsidiary industrial units of Bharat Heavy Electricals Limited (BHEL) set up in Bhopal;

(b) the items being purchased by BHEL indicating value thereof from these units during each of the last three years;

(c) whether BHEL is not making payment to these units in time resulting closure of small units;

(d) if so, the details thereof alongwith the steps being taken to remedy the situation;

(e) whether some corrupt practice is involved in making payment; and

(f) if so, the details thereof alongwith action taken in this regard?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) There are no Subsidiary Industrial Units of BHEL at Bhopal. However, there are 48 Ancillary Units.

(b) BHEL Bhopal is sourcing a variety of parts/components/sub-assemblies like motor shafts, motor stator frames fabricated parts including structures, switchgear panels etc. from ancillary Units. The year wise value of order placed is as under:

Year	Value
1995-96	Rs. 19.97 crores
1996-97	Rs. 22.75 crores
1997-98	Rs. 17.82 crores

The above value excludes free issue materials by BHEL.

(c) and (d) All payments are being made to these units as per purchase contract terms and as per information received from BHEL no ancillary has closed down on this account.

(e) and (f) The payment is made as per contract terms on receipt and acceptance of goods at BHEL stores. We are not aware of any corrupt practice involved in making the payments.

Sugar Mills

574. SHRI HARI KEWAL PRASAD:
SHRI ADITYANATH:
SHRI MOHAN SINGH:

Will the Minister of TEXTILES be pleased to state:

(a) the number of sugar mills being run by the undertaking under the Textile Ministry, location-wise, state-wise;

(b) the number of mills out of these mills which are closed, sick and working separately, location-wise, State-wise;

(c) whether any proposal is under consideration of the Government to revive these closed sugar mills;

(d) if so, the details thereof, state-wise, location-wise, particularly Anand Nagar Sugar Mill of Eastern U.P.;

(e) whether the payment of labourers, farmers is also due on such sick/closed mills; and

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

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) NTC has under it Swadeshi Mining & Mfg. Co.Ltd. which own Ganesh Sugar Mills, Anand Nagar, Distt. Maharaj Ganj (U.P.)

(b) The Ganesh Sugar Mills has no production activity since February, 1994. Swadeshi Mining & Mfg.Co. Ltd., which owns Ganesh Sugar Mills has been ordered to be wound up by the AAIFR and the case is pending before the High Court of Allahabad for winding up.

(c) No, Sir.

(d) Does not arise.

(e) and (f) In respect of Ganesh Sugar Mills, approx. Rs. 1.25 crores is payable to the workers towards retaining allowance and P.F. dues. However, no dues are payable to the farmers. These dues will be cleared on availability of funds.

[English]

Top Vacant posts in PSUs

575. SHRI V.V. RAGHAVAN:
SHRI INDRAJIT GUPTA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether about 100 posts of Chief Executive Officers (CEOs) and functional Directors in the Public Sector Undertakings are lying vacant at present;

(b) if so, the details thereof and since when each of these are lying vacant; and

(c) the reason for delay in filling up these posts and the steps being taken to fill up these vacancies without further delay?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) 29 posts of Chief Executives and 66 posts of functional Directors were vacant in various Public Sector Undertaking as on 30.4.98. The details of these posts are given in the Statement enclosed.

(c) Posts of Chief Executives and functional Directors in Public Sector Undertaking are required to be filled up in accordance with a prescribed procedure which includes Selection by PESB and appointment by the administrative Ministry concerned after completing various formalities including vigilance clearance. In certain cases the posts are kept in abeyance due to proposed restructuring of the PSU concerned. At times the selected persons do not join the posts immediately due to personal reasons. In order to avoid delay in the appointment, a time schedule for completing various steps of appointment has been laid down and the vacancies are monitored on a regular basis.

Statement**Details of posts of Chief Executives and Functional Directors lying vacant as on 30.4.98**

S.No.	Name of Post	Date of vacancy
1	2	3
1.	MD, Orissa Drug & Pharmaceuticals Ltd.	21.12.96
2.	Chairman, Hindustan Aeronautics Ltd.	1.8.97
3.	MD, Indian Railway Finance Corpn. Ltd.	1.9.95
4.	MD, North Eastern Regional Agricultural Marketing Corpn. Ltd.	3.6.97
5.	MD, State Farms Corpn. of India Ltd.	1.3.98
6.	CMD, Coal India Ltd. (Subsidiary)	1.8.97
7.	CMD, Hindustan Vegetable Oils Corpn. Ltd.	1.10.97
8.	CMD, C.M.C. Ltd.	1.8.97
9.	MD, Central warehousing Corpn. Ltd.	1.3.98
10.	CMD, Hospital Services Consultancy Corpn. Ltd.	16.5.97
11.	MD, Burn Standard Co. Ltd.	2.9.92
12.	CMD, National Industrial Dev. Corpn. Ltd.	10.10.97
13.	CMD, India Tourism Dev. Corpn. Ltd.	1.1.0.97
14.	CMD, Artificial Limbs Mfg. Corpn. of India	24.11.97
15.	MD, Smith Stanistree Pharmaceuticals Ltd.	1.6.97
16.	CMD, Hindustan Insecticides Ltd.	1.2.98
17.	MD, Manipur State Drugs & Pharmaceuticals Ltd.	1.10.97
18.	MD, U.P. Drugs & Pharmaceuticals Ltd.	1.3.98
19.	MD(AC), Hindustan Aeronautics Ltd.	1.3.98
20.	CMD, National Hydro-Electric Ltd.	1.10.97
21.	Chairman, Airports Authority of India Ltd.	15.10.96
22.	CMD, Minerals & Metals Trading Corpn.	13.5.97
23.	CMD, Projects & Equipments Corpn. of India	6.10.97
24.	CMD, Oil India Ltd.	1.2.98
25.	CMD, Hooghly Dock & Port Engineers Ltd.	6.10.97

1	2	3
26.	CMD, Central Inland Water Transport Corpn.	6.3.98
27.	CMD, Fertilizers & Chemical Travancore Ltd.	5.3.98
28.	CMD, Hindustan Salts Ltd.	1.4.98
29.	MD (BC), Hindustan Aeronautics Ltd.	5.3.98
30.	Dir (Mktg. & OPe), Broadcasting Engineering Consultations	New Post.
31.	Dir (Fin), Electronics Trade & Tech. Dev. Corpn.	1.4.94
32.	Dir (Fin), Goa Shipyard Ltd.	1.9.95
33.	Dir (Tech), Rural Electrification Corpn. Ltd.	1.5.97
34.	Dir (Mktg), National Jute Mfr. Corpn. Ltd.	1.4.97
35.	Dir (Fin), Jute Corporation of India Ltd.	13.2.97
36.	Dir (Prod), Instrumentation Ltd.	13.11.97
37.	Dir (Gas Cracker), Indian Petrochem. Corpn.	18.6.96
38.	Dir (R&D), Indian Petrochemicals Corpn. Ltd.	1.4.94
39.	Dir (Fin), Rural Electrification Corpn. Ltd.	27.11.96
40.	Dir (Fin), Hindustan Fertilizer Corpn. Ltd.	1.11.95
41.	Dir (Mktg), Paradeep Phosphates Ltd.	New Post
42.	Dir (Mktg), National Fertilizers Ltd.	New Post.
43.	Dir (Fin)(MCL), Coal India Ltd.	New Post.
44.	Dir (Engg), Hospital Services Consultancy Corpn.	26.9.96
45.	Dir (Tech), Bharat Yantra Nigam Ltd.	1.5.96
46.	Dir (Tech), Bharat Bhari Udyog Nigam Ltd.	15.9.95
47.	Dir (Pers), Bharat Bhari Udyog Nigam Ltd.	1.3.97
48.	Dir (Fin), Mining & Allied Machinery Corpn.	13.12.95
49.	Dir (Pers), Cement Corpn. of India Ltd.	1.11.96
50.	Dir (Prod), Tyre Corpn. of India Ltd.	1.2.97
51.	Dir (Fin) Braithwaite & Co. Ltd.	22.7.97
52.	Dir (Fin), Scooters India Ltd.	Post revived
53.	Dir (Ope), Hindustan Paper Corpn. Ltd.	1.11.96
54.	Dir (Fin), Hindustan Photo Films Mfg. Co. Ltd.	4.2.98
55.	Dir (Fin), Indian Renewable Energy Dev. Agency	New Post

1	2	3
56.	Dir (Fin), Mahanagar Telephone Nigam Ltd.	Post revived
57.	Dir (Tech), Mahanagar Telephone Nigam Ltd.	Post revived
58.	Dir (R &D), Indian Telephone Industries Ltd.	1.3.98
59.	Dir (Pers), Bharat Electronics Ltd.	1.1.97
60.	Dir (HRD), Bharat Earth Movers Ltd.	3.9.96
61.	Dir (Tech), Coal India Ltd.	28.10.97
62.	Dir (Com.) National Thermal Power Corpn. Ltd.	3.9.96
63.	Dir (Pers), Power Grid Corporation Ltd.	—
64.	Dir (Civil), Nathpa Jhakri Power Corpn.	31.12.97
65.	Dir (Fin), State Trading Corpn. of India Ltd.	12.1.98
66.	Dir (Fin), Hindustan Corpn. Ltd.	1.3.98
67.	Dir (R&D), Indian Oil Corpn. Ltd.	1.2.93
68.	Dir (Proj), Gas Authority of India Ltd.	1.4.96
69.	Dir (Commerce), Engineers India Ltd.	10.10.97
70.	Dir (Pers), Indian Oil Corpn. Ltd.	1.2.98
71.	Dir (Pers), Bharat Petroleum Corpn. Ltd.	1.3.98
72.	Dir (Pers), Engineers India Ltd.	1.3.98
73.	Dir (Fin), Oil India Ltd.	31.10.97
74.	Dir (Fin), ONGC Videsh Ltd.	New Post.
75.	Dir (Prod), Bongaigoan Refinery & Petrochemicals Ltd.	—
76.	Dir (Tech), Konkah Railway Corpn. Ltd.	31.12.96
77.	Dir (Prod), Kudremukh Iron Ore Co. Ltd.	19.11.97
78.	Dir (Prod), National Mineral Dev. Corpn. Ltd.	24.12.97
79.	Dir (Fin), National Mineral Dev. Corpn. Ltd.	17.1.98
80.	Dir (Tech), British India Corpn. Ltd.	1.6.95
81.	Dir (Fin), Hindustan Antibiotics Ltd.	11.3.98
82.	Dir (Mktg), Fertilizers & Chem. Travancore Ltd.	New Post.

1	2	3
83.	Dir (Mktg), Rashtriya Chem. & Fertilizers Ltd.	New Post.
84.	Dir (Mktg), Heavy Engineering Corpn. Ltd.	7.2.96
85.	Dir (Tech), Scooters India Ltd.	New Post.
86.	Dir (Dev.) Videsh Sanchar Nigam Ltd.	Post revived
87.	Dir (Fin), Videsh Sanchar Nigam Ltd.	Post revived
88.	Dir (Network), Videsh Sanchar Nigam Ltd.	Post revived
89.	Dir (D&D), Hindustan Aeronautics Ltd.	Post revived
90.	Dir (OS), Mazagon Dock Ltd.	11.12.97
91.	Dir (Mktg), State Trading Corpn. Of India	28.1.98
92.	Dir (Pers), Bharat Aluminium Co. Ltd.	1.4.98
93.	Dir (Ope), Steel Authority of India Ltd.	2.2.98
94.	Dir (Pers), National Jute Mfr. Corpn. Ltd.	1.2.97
95.	Dir (Fin), British India Corpn. Ltd.	1.12.97

Reduction in Orders of BHEL

576 SHRI INDRAJIT GUPTA .

SHRIMATI GEETA MUKERJEE :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the steep reduction in import tariff and introduction of zero duty on imports for refineries and fertiliser industry has adversely affected the Bharat Heavy Electricals Limited (BHEL) resulting in the reduction in the inflow of orders;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) This has been one of the factors resulting in the reduction of inflow of orders, as estimated by BHEL.

(b) BHEL has estimated that during the past three years, the volume of business lost by it on account of factors including the above duty reduction is of the order of Rs. 600 crs. approximately.

(c) The Government is seized of the matter.

Export of Fruits and Vegetables

577. SHRI SADASHIVRAO DADODA MANDLIK:
SHRI ASHOK NAMDEORAO MOHOL:
SHRI MADHAV RAO PATIL:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to provide special facilities to the producers of fruits and vegetables for increasing the export of fruits, particularly in Maharashtra; and

(b) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Some of the steps taken to enhance production and exports of fruits and vegetables from various states in India including Maharashtra are:

- (i) Providing assistance for raising small and large nurseries for production of good quality planting material, upgradation of technical knowhow of farmers through demonstrations, trainings and publicity, rejuvenation of old orchards, area expansion, supply of minikits for vegetables, improving productivity and training of farmers under the Centrally Sponsored Scheme on Integrated Development of Tropical, Temperate and Arid Zone fruits;
- (ii) Provision of soft loans for setting up of grading/processing centres, auction platforms, ripening/curing chambers and quality testing equipment;
- (iii) Providing financial assistance to exporters/growers/Cooperative Societies for development of infrastructural facilities such as purchase of specialised transport units, establishment of pre cooling/cold storage facilities, integrated post-harvest handling systems (pack houses);
- (iv) Grant of financial assistance for improved packaging and strengthening of quality control;
- (v) Establishment of vapour heat treatment facilities for improving the acceptability of the product especially the mangoes in overseas markets;
- (vi) Grant of Air Freight Subsidy for export of selected fresh vegetables and fruits;
- (vii) Arranging promotional campaigns such as buyer-seller meets and participation in important international fairs and exhibitions;
- (viii) Setting up of integrated cargo handling and cold storage facilities at various international Airports for handling export of perishable items such as fresh fruits and vegetables.

New Projects of Coal India Limited

578. SHRI VILAS MUTTEMWAR : Will the Minister of COAL be pleased to state:

(a) the total number of new projects taken up for execution during the Eighth Plan by Coal India Limited and the details of progress achieved, particularly in Maharashtra and Bihar;

(b) the reasons for slow progress on execution of new projects in Bihar;

(c) the details of new projects identified for allotment to private investors and Coal India Limited subsidiaries during the 1998-99/Ninth Plan;

(d) the impact potential of new projects on the economy of coal producing States particularly in respect of Bihar; and

(e) the steps taken by Coal India Limited to have a critical and objective economic impact of new coal projects on the changes in the income level of persons living in tribal and backward areas?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) 21 projects were taken up for execution by Coal India Ltd. during the 8th Plan period of which six projects are in Bihar, seven projects are in Maharashtra; seven projects are in Madhya Pradesh and one is in Orissa. Out of six projects taken up in Bihar, two projects have been completed, one project is on-going, one project is on schedule and two projects are delayed. Of the seven projects taken up in Maharashtra, one project has been completed, five projects are on schedule and one project is delayed.

(b) The main reasons for slow progress of implementation of new projects in Bihar are delay in acquisition of forest land and availability of revenue land for compensatory afforestation; and problem faced in the matter of re-settlement/rehabilitation of project affected families.

(c) 57 coal mining blocks (72 including sub-blocks) have been identified by CIL and 11 coal mining blocks have been identified by Singareni Collieries Company Ltd. for captive mining.

(d) 28 coal mining blocks in all have been allocated for captive mining. Out of these four blocks are allocated in the State of Bihar. Coal mining blocks allocated for captive mining in different States, including Bihar, when implemented, would open up employment opportunities directly as also indirectly through creation of increased business activities. Owing to creation of additional infrastructural facilities like road, railway and power supply, the local population would also stand to gain considerably. The State Governments would also earn extra revenue through royalty and cess which in turn is spent for the

upliftment of people of the State. It is, however, difficult to quantify such gains for individual States. The working Group on Coal and Lignite for the 9th Five Year Plan in their Report have projected production of 13 million tonnes of coal to come from captive mining.

(e) No such study has been undertaken by CIL and its subsidiaries.

Intellectual Property Right

579. SHRI NARESH PUGLIA : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have found any bottlenecks in the Intellectual property Right and patent regime;

(b) if so, the details thereof;

(c) whether the Government propose to have a fresh look at issues relating to Intellectual Property Rights and the patent regime; and

(d) if so, the reasons for giving a fresh look on these issues?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) The Government is not aware of any bottlenecks in the Intellectual Property Right and patent regime. However, the Government has been taking steps from time to time to modernise the intellectual property administration to improve the quality of services provided to the users of the system.

Refinance by NABARD to Co-operative Bank

580. SHRI A. VENKATESH NAIK : Will the Minister of FINANCE be pleased to state:

Limit	No. of DCCBs		Limit Sanctioned		Limit Utilised	
	1996-97	1997-98	1996-97	1997-98	1996-97	1997-98
ST(Seasonal Agricultural Operations)	16	15	312.70	375.92	280.60	310.00
ST(Weavers)	4	6	3.45	5.80	2.86	3.69

NABARD has further reported that it has not provided refinance to any of the co-operative banks in Karnataka which were not eligible for refinance during the above period.

Sick Mills of N.T.C.

581. SHRI MOHAN RAWALE : Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government have taken any decision to hand over all the mills under the National

(a) the amount of refinance provided by NABARD to the co-operative bank in Karnataka during 1996-97 and 1997-98 and the number of such co-operative banks;

(b) whether NABARD has also provided refinance to some of the co-operative banks in the State which were not eligible for the refinance during the above period; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) The amount of refinance provided by National Bank for Agriculture and Rural Development (NABARD) to the co-operative banks in Karnataka during the year 1996-97 and 1997-98 under investment credit is indicated below:

Name of the Bank	Amount (Rs. in Crores)	
	1996-97	1997-98
(i) Karnataka State co-operative Apex Bank on behalf of District Central Co-operative Banks (DCCBs)	20.51	31.82
(ii) Karnataka State Co-operative Agriculture & Rural Development Bank	115.14	129.03

Further, as reported by NABARD, it has provided production credit viz Short Term(ST) credit limits to Karnataka State Co-operative Apex Bank under various schemes as follows :

(Rs. in crore)

Textile Corporation to the State Governments concerned for revival without any additional burden on them;

(b) if so, the details thereof;

(c) the reaction of the State Governments to the said move of the Union Government;

(d) whether the Government of Maharashtra have Submitted certain proposal to the Union Government in this regard; and

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

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) to (c) An offer to take over sick textile mills at a nominal cost or even free of cost was made to the respective State Governments provided the State Governments were willing to accept the responsibility of running the viable mills and protecting the interest of the workers. Offer was also made that the Central Government would write-off /waive the loans given by the Government of India/NTC(HC) to these mills and interest thereon as well as the amount of VRS paid to the workers who had accepted voluntary retirement. In addition, the Government of India would be willing to discharge the liabilities towards arrears of statutory dues of the workers. The Government of Rajasthan, Karnataka, Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Kerala and Maharashtra have declined the offer. No concrete response has been received from the other State Governments to whom the offer was made.

(d) No, Sir.

(e) Does not arise.

Maruti Udyog

582. SHRI K.C. KONDAIAH Will the Minister of INDUSTRY be pleased to state:

(a) whether the long standing row between the Government and Japanese Auto Mobile major, Suzuki Motor Corporation over Maruti Udyog Ltd. was discussed recently to resolve the issue amicably, and

(b) if so, the outcome thereof?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) . (a) and (b) M/s. Suzuki Motor Corporation (SMC) of Japan has petitioned the International Court of Arbitration(ICA) under the International Chamber of Commerce opposing the appointment of Shri RSSLN Bhaaskarudu as the Managing Director of Maruti Udyog Limited. The proceedings are pending before the ICA. There have been informal discussion between the representatives of Government and the representatives of SMC to resolve the dispute. However, these have not yielded any result so far.

Land acquired by Mahanadi Coalfield Limited

583. SHRI TATHAGATA SATPATHY : Will the Minister of COAL be pleased to state:

(a) the total land acquired by the Mahanadi Coalfield Limited (MCL) in Orissa;

(b) the number of families displaced due to the acquisition of land by MCL;

(c) the compensation paid to each affected family; and

(d) the rehabilitation measures taken for these displaced families?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) The total land acquired by MCL inclusive of land inherited from its predecessor companies is 20,041.316 hectares. Physical possession given by Government, however, is for 6,455.918 hectares only.

(b) Till date 384 families have been displaced due to acquisition of land by MCL.

(c) Rs. 52,92,41,838.00 has been paid as compensation to the affected families.

(d) In MCL following rehabilitation measures are undertaken in accordance with the rehabilitation guidelines issued by the Government of Orissa.

Self-employment, allotment of free Govt. land for homestead purpose, help for shifting of villagers for rehabilitation. The rehabilitation sites are provided with facilities like road, street light, School buildings, health centre, provisions of drinking water, recreation centres, ponds, tanks, play ground, veterinary centres, tree plantation, shopping centres etc.

Reduction in Japan Aid

584. SHRI S.S. OWAISI : Will the Minister of FINANCE be pleased to state:

(a) whether Japan has decided to reduce its aid to the developing countries over the next three years;

(b) if so, the details thereof;

(c) whether India is also likely to be affected by reducing this aid;

(d) if so, the extent to which India is likely to be affected; and

(e) the steps taken by the Government to meet the requirements keeping in view of the decision taken by India?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir.

(b) Japanese Government have proposed 10% cut in the Japanese Official Development Assistance Budget for 1998-99.

(c) to (e) Japanese Official Development Assistance to India is announced annually at the India Development Forum Meeting. The impact of the cut will be known only at that time. The Japanese have also recently announced freezing of loans and grants for new projects in India.

Withdrawal of Income Tax Exemptions to Exporters

585. SHRI PANKAJ CHOUDHRY:
SHRI MADHAVRAO SCINDIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to withdraw the income tax relaxation given to exporters;

(b) if so, the reasons therefor;

(c) the time by which the final decision is likely to be taken in this regard;

(d) whether the Government propose to formulate any alternative schemes which may allow the same income tax benefits, to the exporters which they were enjoying earlier, and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Government's reponse in this regard will be contained in the annual budget proposals.

(b) to (e) In view of the above, answers to parts (b) to (e) do not arise.

[Translation]

Pending Income Tax against SSI

586. SHRI RAVINDRA KUMAR PANDEY Will the Minister of FINANCE be pleased to state:

(a) the number of Small Scale Industrial units in the country against which income tax is outstanding for three years till May, 1998;

(b) the prevalent rules for recovering the outstanding amount of income tax from Small Scale Industrial units;

(c) whether the Government give any relaxation while recovering the outstanding amount of income tax from closed Small Scale Units;

(d) if so, the details thereof; and

(e) the stipulated period for recovering outstanding income tax from such Small Scale Units which are closed or running in loss?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF

FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (e) No separate record is maintained by the Income Tax Department as regards the number of SSI Units and no special treatment has been prescribed under the Income Tax Act for this class of assessee. Further the Rule for recovery of the outstanding amount of income tax demands are uniform for all classes of assessee including the SSI units. As such, therefore, the furnishing of the information sought for in the question would require verification of all the arrear entries for the past 3 years in respect of all the assessee involved in any industrial activities. The efforts made and the time spent in the collection of information sought for will not be commensurate with the results sought to be achieved. In any specific case if an application for waiver of interest, penalty etc. is made by the assessee the same would be disposed of on merits.

[English]

New Coal Projects

587. SHRI KAMAL NATH Will the Minister of COAL be pleased to state:

(a) the total number of new coal projects approved or pending for approval of the Government for the last three years, location-wise;

(b) whether any target for opening of new coal mines in 1998, 1999 and the year 2000 has been fixed; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Coal projects costing more than Rs. 100 crs are required to be sanctioned by the Government. No new projects were sanctioned by the Govt. for Coal India Limited (CIL) during the last three years i.e. 1995-96 to 1997-98. However, during these three years following 2 new coal projects were sanctioned by the Government for Singareni Collieries Company Ltd. (SCCL):

S.No	Name of Project/ Location	Capacity(MTY)	Sanctioned cost (Rs.Crs.)
1.	Gautam Khani, OCP, Kothagudem, Andhra Pradesh	2.00	415.93
2.	Ravindra Khani New Tech. UG, Srirampur Andhra Pradesh	1.22	242.94

The following projects of CIL are at various stages of consideration for sanction of the Government:

S.No.	Name/Location	Capacity (MTY)	Capital cost (Rs. Crs.)
1.	Jharkhand OC, CCL West Bokaro Coalfield	1.00	110.89
2.	Urdhan OC, WCL Pench Kanhan CF	0.70	114.14
3.	Bina Mine II OC, NCL Singrauli CF	1.80	325.42
4.	Topa OC, CCL West Bokaro CF	1.20	119.14
5.	Hingula OC, MCL Talcher CF	4.00	201.27

(b) and (c) As per the Annual Plan of the Ministry of Coal contribution from new projects for the year 1997-98 and 1998-99 in respect of CIL and SCCL are as follows:

(Figures in million tonnes)

Company	Target 1997-98	Target 1998-99
ECL	-	-
BCCL	-	1.15
CCL	0.90	1.00
NCL	-	-
WCL	-	0.04
SECL	-	-
MCL	0.50	0.50
NEC	-	-
CIL (Total)	1.40	2.69
SCCL	-	-

Target of new coal mines contribution for the year 1999-2000 has not been firmed up.

Gold Smuggling

588. SHRI MANIKRAO HODLYA GAVIT:
SHRI T. GOVINDAN:
SHRI JANARDAN PRASAD MISRA:
SHRI MANIBHAI RAMJIBHI CHAUDHARI:

Will the Minister of FINANCE be pleased to state:

(a) whether gold smuggling is on the rise even after the Government declared its liberal policy;

(b) if so, the reasons therefor;

(c) the number of cases of gold smuggling came to the notice of the government; the quantity and value of gold smuggled, seized at different Airports of the country during 1997-98, as on date;

(d) whether involvement of some official in these cases has been found;

(e) if so, the action taken against them; and

(f) the steps taken by the Government to check the smuggling of gold?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The reports available do not indicate rise in smuggling of gold after the liberalised gold import policy.

(b) Nil in view of (a) above.

(c) The details of seizures of smuggled gold effected at different airports of the country during the year 1997-98, as on date are as per Statement -I enclosed.

(d) and (e) The details of certain officials of different agencies, *prima facie* found involved in smuggling of gold at different airports during the year 1997-98, as on date and the action being taken against these officials are as per Statement-II enclosed.

(f) Apart from liberalisation in policy regarding import of gold in recent years which has helped reduce the incentive for smuggling of gold, the field formations are alerted to prevent and detect smuggling of gold. They undertake surveillance/patrolling in and around sensitive areas/places. Collection of intelligence/dissemination of information and targetting suspect identified passengers/cargo, rummaging of vessels and aircrafts etc. to detect/check possible concealment/mis-declaration/non-declaration of gold, are also regularly undertaken.

Statement-I

Details of gold seized at different airports during the year 1997-98 & 1998-99 (up to 15.5.98)
(Ref: Para (c) of parliament Question)

Year	No. of cases	Qty. of gold seized (in Kgs.)	Value of gold seized (Rs. in lakhs)
1997-98	1648	841.901	3820.71
1998-99 (upto 15.5.98)	175	30.787	112.54

Note: Figures furnished are provisional.

Statement-II

Details of cases of official found involved in smuggling of gold at different airports during 1997-98, as on date and action taken against them. (Ref. Para c & d of Parliament Question)

1. During the year 1997-98, in one case, one Superintendent of Central Excise, was found involved in smuggling of 270 gold biscuits and 4 video cameras, valued at Rs. 1.5 crores, at Bangalore Airport. The Superintendent and other persons involved were arrested and detained under COFEPOSA. Prosecution is being launched against the official. Departmental action is also being taken against the official.
2. During the year 1997-98, in a case relating to seizure of 29.745 kgs. of gold, valued at Rs. 136.42 lakhs, two Assistant Managers of State Bank of India, based at Hyderabad, were found involved in the smuggling. They were arrested and prosecution is being launched. Show Cause Notices were also issued to them in the adjudication proceedings initiated against the persons concerned with smuggling.

During year 1998-99, no involvement of any official has been noticed, so far.

Share of states from Central Revenue

589. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state:

(a) whether the State Governments are unhappy despite increase in share of Central revenues;

(b) if so, whether the Union Government on its part has set up a Financial Commission at regular intervals which have revived the revenue sharing aspects and have suggested changes so as to meet the demands of the shifting priorities and requirements of the States;

(c) if so, whether all the recommendations of the Finance Commission have been fully implemented by the Government and if so, the main reasons therefor;

(d) the main recommendations made by the latest Finance Commission and the number of its recommendations have been implemented; and

(e) the main reasons for being unhappy over the sharing of revenues by the State Governments?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (e) Despite increase in States' share of Central revenues in Revised Estimates 1997-98 over Budget 1997-98, some states have been facing financial difficulty.

(b) to (d) The Finance Commissions are set up under article 280 of the Constitution. So far Ten Finance

Commissions have been set up and their recommendations regarding revenue sharing arrangements have been implemented in full except one major recommendation of the Tenth Finance Commission for an alternative scheme of devolution of share in Central Taxes to States. This recommendation has been accepted by the Inter-State Council and the Government.

The required Constitution Amendment Bill is likely to be introduced in the Current Budget Session of Parliament.

Debt repayment to Russia

590. SHRI SUSHIL KUMAR SHINDE : Will the Minister of FINANCE be pleased to state:

(a) the balance of Rupee-payments due to Russia against the Rouble credits received from erstwhile Soviet Union (USSR), as at present;

(b) the terms of the debt-repayment agreement signed to clear the debt;

(c) whether any instances of abuse and misuse of the Russian Debt Repayment arrangements by exporters and importers have come to the notice of the Government during the last three years;

(d) if so, details thereof, and

(e) the extent to which the damage caused thereby to Indian economy?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) India's outstanding rupee debt to Russia as on 31.3.98 was about Rupees 23269.82 crores.

(b) The state credits given to India by the former Soviet Union are being repaid as per the agreement arrived at between India and Russian Federation in January, 1993. Under the agreement, the rouble denominated debt, as on 1.4.92, was converted into rupees using the exchange rate on 1.1.90 as per the Inter-Governmental protocol of 1978 (Rouble 1=Rs 19.9169). This is repayable as per the schedule and terms of the relevant agreements. The principal debt as on 1.4.92 was also converted into rupees using the exchange rate as on 1.4.92 as determined by the protocol of 1978 (Rs. 31.7514) and the difference between the rupee value of the rouble debt converted at the two rates was rescheduled for payment in annual instalments over 45 years. The rescheduled portion carries no interest. Repayments of the rupee debt are made into a Central Account of the Russian Bank for Foreign Economic Relations (BFER) with the RBI, and the balances used exclusively for exports of goods and services from India to Russia.

(c) to (e) Some cases of misuse have come to the notice. These cases *inter alia* include, misuse, of Value Based Advance Licences (VBAL) and Quantity Based

Advance Licences (QBAL), wrongful availment of MODVT under VBAL; import of goods not covered by the relevant Customs notification, mis-declaration of value of export of inferior or junk materials. Allegation of diversion of export consignments meant for Russia to third country destinations have also come to light.

Various measures have been taken by the Government to plug the loopholes and to prevent such misuse. These measures, *inter alia*, include streamlining the procedure of verification for availing MODVAT, etc. VBAL scheme has been discontinued with effect from 1st April, 1997 in the new Exim Policy.

The Government of Russian Federation has also introduced a new scheme called the "Passbook Scheme for Import" for preventing loss of revenue due to switch trade and this measure is expected to curb diversion of export consignments meant for Russia.

Due to various steps taken, reduction of misuse of the Russian debt Payment Arrangements has taken place.

The damage caused to the Indian economy on this account has consequently also been reduced.

Credit Policy

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

(a) whether the Government have taken note of the general disappointment on the failure to lower the cash reserve ratios (CRR) for banks when the present credit policy was announced;

(b) whether the failure to do so is likely to effect adversely the difficult liquidity position and if not, the reasons therefor;

(c) whether the Government propose to reconsider it and appropriate reduction is likely to be announced;

(d) if so, the details thereof; and

(e) the steps taken to ensure that the one percentage cut in lending rate does not lead to cut in deposit rate and effect savings adversely?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Policy with regard to Cash Reserve Ratio (CRR) is decided by Reserve Bank of India keeping in view the macro economic and monetary policy needs of the economy.

(b) No, Sir. The banks are not experiencing a difficult liquidity position.

(c) and (d) It is for the Reserve Bank of India (RBI) and not the Government to make changes in Cash Reserve Ratio (CRR) in the light of liquidity conditions and financial market developments.

(e) Banks have the freedom to fix their Prime Lending Rate (PLR) and this is determined by each bank after taking into account its cost of funds, transaction costs and other relevant factors.

Grants to Financial Institutions

592. SHRI RATILAL KALIDAS VARMA : Will the Minister of FINANCE be pleased to state:

(a) whether some Financial Institutions of Gujarat have represented/urged the Union Government to sanction various loans, aid and grants to serve better to the public and various small, medium and large scale Industrial Units;

(b) if so, the details thereof;

(c) the action taken on each of these; and

(d) the total amount of loans and grants provided to the State and disbursed to each such Financial Institution from 1.1.1995 till date and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) The information is being collected and will be laid on the Table of the House to the extent available.

[Translation]

Pulp and Paper Plants

593. SHRI BACHI SINGH RAWAT 'BACHDA':
SHRI P. SANKARAN:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Pulp and Paper Plants are on the verge of closures in the country;

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

(c) whether thousands of workers are facing unemployment as a result thereof;

(d) if so, the details thereof; and

(e) the steps being taken by the Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (d) The Paper Industry has witnessed a steady increase in installed capacity and production over

the decades. The demand is estimated to be around 54.80 lakh tonnes in 2005-2006 on the basis of growth rate of 6.5% for the period 2000-20001 to 2005-2006. The Paper industry which grew at the rate of 7.9% in the year 1995-96 witnessed a slump in the year 1996-97 when the growth rate of paper industry came down to 3.1%. The paper industry reported a growth rate of 4.89% in the year 1997-98 which is marginally better than the performance of the last year. The share of imports is still below 10% of the total production of paper and paper board industry in India and the indigenous paper industry enjoys a dominant position in the domestic market.

(e) In order to improve the viability of paper mills in India, Government has provided a fiscal framework which allows import of pulp and waste paper at a basic duty 5%. Further import of wood logs and wood chips are permitted at 'zero' duty. Concessional excise duty is levied on mills using 75% or more non-conventional raw material.

Promote tourism in Indian ocean countries

594. SHRI RAMPAL SINGH : Will the Minister of TOURISM be pleased to state:

(a) whether the countries of Indian ocean have been arrived at an agreement to promote mutual tourism;

(b) if so, details thereof; and

(c) the time by which this agreement come into force?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) No, Sir.

(b) and (c) Does not arise.

[English]

Non-Banking Financial Companies

595. SHRI SANDIPAN THORAT : Will the Minister of FINANCE be pleased to state:

(a) the total number of Non-Banking Financial Companies in Maharashtra and their performance as per quarterly return for the year ending on March 31, 1998;

(b) the general emerging trend in performance in terms of anticipation of securing financial targets set;

(c) the response of the Non-Banking Financial Institution to the newly introduced reporting system of quarterly returns to the Reserve Bank of India for the period upto March 31, 1998;

(d) the total number of non-responding NBFC in the country State-wise; and

(e) the details of action being taken against the defaulting NBFCs with a view to bring them under financial discipline?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) According to Reserve Bank of India (RBI), the data on the number of Non-Banking Financial Companies in the State of Maharashtra is as under:

No. of companies which have applied for registration with RBI

(a) Net owned Fund (NOF) more than 25 lakhs - 1225

(b) NOF less than 25 lakhs - 3887

Total - 5112

The present format of the quarterly return on maintenance of liquid assets (i.e. investment in approved securities) has been recently revised and the first return in the revised format relates to March, 1998. Pending scrutiny of returns by the RBI, it is not possible to comment on the general emerging trends in the performance of the NBFCs.

(b) According to RBI they have not set any financial targets to be achieved by NBFCs.

(c) According to RBI under the extants Directions issued by them only those Non-Banking Financial Companies which hold/accept public deposits are required to submit to the Bank a quarterly return in the specified format showing therein the liquid assets required to be maintained (@ 15 percent of the amount of public deposits outstanding), and the amount of liquid assets actually held. The quarterly return has been specified for monitoring the maintenance of liquid assets by NBFCs. The compliance by NBFCs in respect of submission of the quarterly return is generally satisfactory.

(d) Unless the process of registration of NBFCs with the RBI is completed, it will not be possible to assess the number of non responding NBFCs.

(e) Under the provisions of Section 45 IB, of Reserve Bank of India Act, 1934, the Reserve Bank has been vested with power to require the NBFC which fail to maintain liquid assets, to pay penal interest at the rate of 3 percent per annum above the Bank Rate on the amount of shortfall in maintenance of liquid assets. With a view to ensuring the discipline in regard to maintenance of liquid assets, the RBI recovers penal interest from the defaulting NBFCs.

*[Translation]***Coal Depots of BCCL**

596. SHRI AJIT JOGI : Will the Minister of COAL be pleased to state:

(a) the location-wise number of centralised coal depots of Bharat Coking Coal Limited and the expenditure incurred in setting up of these depots;

(b) the purpose of setting up these depots;

(c) the annual transportation capacity of each of these depots;

(d) whether these depots are functioning as per their capacity;

(e) if so, the details thereof; and

(f) the per tonne unloading charges realised on the coal sold by these depots?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Location-wise centralised coal depots of Bharat Coking Coal Ltd., and the expenditure incurred in setting up of these depots are as under:

Name of dump	Location	Cost Incurred (Rs. in Lakhs)
Katras Depot	Katras Area	122.88
Ramkrishna Depot	C.V. Area	46.42
W.Mudidih Depot	Katras Area	8.80
E. Basseria Depot	Kusunda Area	197.64
Alakdiha Depot	Bastacola Area	159.55

(b) The objective of setting up of centralised coal depots in BCCL envisaged that all road despatches to road sale consumers would be effective from the depots which are situated strategically near to the collieries thus restricting entry of road sale consumers to the colliery premises.

(c) Transport/despatch capacity of each of the depots are as follows:

Name of Dump	Transport/despatch capacity per annum.
Katras Depot	3,84,000 tonnes
Ramkrishna Depot	1,38,500 tonnes
W.Mudidih Depot	1,86,500 tonnes
E.Basseria Depot	7,20,000 tonnes
Alakdiha Depot	9,12,000 tonnes

(d) Coal India Limited have reported that two coal depots namely E. Basseria and Alakdiha depots are not functioning only Katras, Ramkrishna and W.Mudidih Depots are functioning but not at their installed capacities.

(e) Details of despatches made through these Depots during the last three years are as follows:

Depot	1997-98	1996-97	1995-96
Katras	6614	26388	170407
Ramkrishna	195059	183197	127934
W. Mudidih	156807	187800	270105

(f) No unloading charges is realised by these depots. However, BCCL is charging dump/service charges. These were revised from time to time. The current dump/service charge is Rs.80 per tonne.

*[English]***Profit/loss of Nationalised Banks**

597. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state:

(a) the profit/losses incurred by each Nationalised Banks during each of the last three years; and

(b) the steps taken and time bound programmes formulated by the Government to make the loss making Banks profitable and efficient?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBURM.R. JANARATHANAN) : (a) The profit/loss incurred by each of the nationalised banks during each of the last three years, i.e. 1994-95, 1995-96 and 1996-97 is given in the Statement enclosed.

(b) Reserve Bank of India (RBI)/Government have been taking/taken the following measures to ensure that banks do not incur losses:

(i) RBI holds annual discussions on various performance parameters with the top Executives of Nationalised Banks to review their performance against various parameters and *vis-a-vis* the commitments for performance made earlier. Banks also commit to attain higher levels of business and performance to improve profitability, recovery of NPAs, tone up housekeeping and staff productivity.

(ii) With the introduction of prudential norms, banks

evolved their loan recovery policy and have set up loan recovery cells to effect speedy recoveries of NPAs.

- (iii) Banks have also been asked to strengthen their credit appraisal and supervision machinery to improve the quality of assets and to reduce addition of fresh NPAs.
- (iv) Debt Recovery Tribunals (DRTs) have been set up to help banks in the recovery of dues.
- (v) Loss making banks are advised to refrain from incurring fresh capital expenditure, other than for computerisation/automation and undertaking branch expansion and fresh recruitment of staff and reduce all operating expenses through rationalisation of their organisational structure.

Statement

Profit and loss positions of Nationalised Banks

	1994-95	1995-96	1996-97
Allahabad Bank	-76.36	5.62	64.30
Andhra Bank	-43.57	11.07	35.70
Bank of Baroda	175.54	204.27	276.53
Bank of India	50.36	276.48	360.02
Bank of Maharashtra	-40.80	12.60	47.26
Canara Bank	204.10	252.52	147.40
Central Bank of India	-84.24	-73.53	150.83
Corporation Bank	72.55	104.75	125.13
Dena Bank	30.02	51.69	72.91
Indian Bank	14.26	-1336.40	-389.09
Indian Overseas Bank	10.39	3.20	104.51
Oriental Bank of Commerce	110.00	172.75	180.25
Punjab & Sind Bank	-7.42	-132.18	20.00
Punjab National Bank	85.79	-95.92	238.00
Syndicate Bank	-91.79	20.17	66.96
UCO Bank	-83.81	-236.66	-176.23
Union Bank of India	106.48	80.49	215.68
United Bank of India	-197.23	-234.46	-113.64
Vijaya Bank	31.70	-250.95	18.96

(Figures in Rs Crores)

(-) Indicate losses.

Agriculture Development Finance Companies

598. SHRI NRIPEN GOSWAMI : Will the Minister of FINANCE be pleased to state:

(a) whether the State level agriculture development finance companies are likely to be set up in Assam; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) No proposal is under consideration of National Bank for Agriculture and Rural Development (NABARD), as of now, for setting up a Agriculture Development Finance Company in Assam.

Exim Policy

599. PROF. P.J. KURIEN:
SHRI V.M. SUDHEERAN:
SHRI N.N. KRISHNADAS:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government of Kerala has requested the Union Government for making amendments in the new Exim policy declared recently;

(b) if so, the details thereof; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) No, Sir. No such communication has been received from Government of Kerala.

However, there were newspaper reports that the Legislative Assembly has passed a Resolution to this effect.

(b) As per the newspaper reports the Kerala Legislative Assembly had requested the Union Government to withdraw the recently announced Exim Policy on the ground that the placing of cash crops, particularly rubber under OGL, would adversely affect the economy of the State of Kerala.

(c) On the basis of these newspaper reports the Commerce Minister wrote a letter to the Chief Minister of Kerala explaining that the list of 340 items put on OGL was carefully drawn up in consultation with the concerned Ministries and that no large scale imports were expected despite freeing the imports of these items. It was further explained that the list did not contain any item pertaining to Natural Rubber.

Fifth Pay Commission

600. SHRI V.M. SUDHEERAN : Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the wide-spread resentment existing among various sections of Central Government employees due to the unbalanced Pay Commission report; and

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

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Some Associations and Unions of Central Government employees have represented to the Government against certain recommendations of the Fifth Pay Commission. The Government after careful consideration of the recommendations of the Commission in consultation with staff side have accepted the Report with some Modification and implemented the same vide Notification No. G.S.R. 569(E) dated 30.9.97. The Government has also constituted Anomalies Committees to look into specific anomalies.

Technology Development fund for SSIs

601. SHRI RANJIB BISWAL : Will the Minister of INDUSTRY be pleased to state:

(a) whether a Technology Development Fund has been set up for the small scale industries;

(b) if so, the amount of loan and other assistance proposed to be sanctioned to the small scale industries for their establishment, expansion and revival from that fund;

(c) the norms prescribed for the purpose; and

(d) the details of State where the Small Scale Industries have availed loan out of that fund so far?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Yes, Sir. A Technology Development and Modernisation Fund has been set up during 1995-96 by SIDBI for the small scale industry.

(b) An amount of Rs. 200 crore has been earmarked by SIDBI from its own resources for the purpose. The amount of loan to a small scale industries depends on the project cost and other parameters and is decided on a case to case basis. SIDBI provides direct assistance under the scheme as well as through primary lending institutions by way of refinance.

(c) The prescribed norms are as follows:

(i) The SSI units should be in operation at least for a period of three years and the project should result in modernisation/technology upgradation.

(ii) The unit should not be in default to institutions or banks.

(d) The details of States where the small scale industries have availed loan out of that fund as on 31.3.1998 are:

State /UT	Amount sanctioned* (Rs in crore)	Amount disbursed* (Rs in crore)
Andhra Pradesh	2.49	1.38
Delhi	15.36	0.36
Gujarat	8.29	5.26
Haryana	6.08	1.52
Kerala	4.01	1.51
Karnataka	3.26	2.31
Maharashtra	14.00	5.30
Madhya Pradesh	1.27	1.27
Orissa	0.80	0.0
Pondicherry	0.30	0.12
Punjab	3.63	1.91
Rajasthan	2.59	0.0
Tamil Nadu	24.11	12.49
Uttar pradesh	1.82	1.16
West Bengal	0.64	0.56
Goa	0.42	0.0
Total	89.07	35.15

* Figures Provisional.

Panel for Import restrictions

602. SHRI MADHAVRAO SCINDIA:
SHRI CHANDU LAL AJMEERA:

Will the Minister of COMMERCE be pleased to state:

(a) whether US has again requested the World Trade Organisation to set up a panel to look into India's import restrictions;

(b) if so, the details thereof;

(c) whether the first request made by the US in October this year was turned down;

(d) if so, the grounds on which rejected ; and

(e) the decision taken on the second request by the Dispute Settlement Body?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (e) Pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) in the World Trade Organisation (WTO), on 15th July 1997, the United States requested consultations with India on restrictions maintained by India in the Importation of agricultural, textile and Industrial products. However, the consultations failed to settle the dispute. On 3rd October 1997, the United States requested the establishment of a panel by the Dispute Settlement Body (DSB) at its meeting scheduled for 16th October, 1997. At this meeting, the DSB noted that the consultations were at a crucial stage which could result in a mutually agreed satisfactory solution and that therefore it might not be in the interest of either party to establish a panel. However, the United States on 6th November, 1997 once again re-introduced its request for a panel to examine its allegation of violation of the WTO Agreement by India. This request was considered at the meeting of the DSB held on 18th November 1997, and since this was the second consecutive meeting of the DSB in which the United States had requested for the establishment of a panel, under the provisions of the DSU, the panel was established automatically at this meeting.

Rationalisation of Coal Regulations

603. SHRI RAMKRISHNA BABA PATIL : Will the Minister of COAL be pleased to state:

(a) whether the Government propose to rationalise coal regulations;

(b) if so, the details thereof;

(c) whether the Government have short-listed foreign firms in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) The regulations exclusively applicable to coal mining operations is the Coal Mines Regulations, 1957. There is no proposal in the Ministry of Coal to rationalise or amend the Coal Mines Regulations, 1957.

(b) to (d) Do not arise in view of answer to part (a) of the question.

[Translation]

Number of NTC Branches

604. SHRI JAGDAMBI PRASAD YADAV: Will the Minister of TEXTILES be pleased to state:

(a) the number of branches of National Textiles Corporation opened in the country during the last three years;

(b) the names of Institutions from which the National Textiles Corporation have made purchases during the last three years, the names of those items and cost thereof; and

(c) number of such branches proposed to be opened in Bihar by the Government during the Ninth Five Year Plan?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) The NTC has not opened any new branches (retail outlets) in the country during the last three years.

(b) The names of the institutions from where the NTC has made most of its purchases during the last three year are indicated in the enclosed statement-I. The names of the often purchased items and their unit cost are indicated in the enclosed statement-II.

(c) The NTC does not propose to open any new show room in Bihar in the Ninth Five Year Plan period.

Statement-I

Names of Institutions from where the NTC have made most of their purchases during the last three years

1. All India Handlooms Marketing Coop Society Ltd., New Delhi.
2. Himachal Emporium
3. The "Weaver" (State Govt. Emporium of Haryana)
4. K.H.D.C. (Karnataka Handloom Development Coporation)
5. New Egerton Woollen Mills
6. Cannpore Woollen Mills
7. Shri Markendeya Yantra Audhyogik Cooperative Society Ltd.
8. Prabhat Powerloom Owners Industries Co-op. Society Ltd.
9. KAPCO Society, Karur.
10. Balarampuram Mktg. Co-op. Society, Balarampuram
11. Arvind Co-op Powerloom Industries Society Ltd.
12. Madhusudan Powerloom Co-op. Society Ltd.,
13. Bhavani Powerloom Co-op. Society Ltd., Surat
14. Phulkari (State Govt. Emporium of Punjab)
15. J&K State Govt. Handloom Corporation.
16. U.P. Handloom (State Govt. Emporium)
17. Mrignayani (State Govt. Emporium of MP)
18. Maharashtra State Govt. Emporium.

19. Maharashtra State Textile Corporation Ltd.
20. MP State Textile Corporation Ltd.
21. U.P. Industrial Cooperative Association Ltd., Kanpur
22. Haryana State Handloom & Handicrafts Corporation Ltd., New Delhi.
23. Jammu & Kashmir Handloom Fabrics Marketing Co-op Society Ltd. Delhi
24. Textile Corporation of Marathwada.
25. East Bengal State Handloom & Powerloom Dev. Corpn. Ltd.
26. Shri Balaji Coop Powerloom Ind. Society.
27. Mahajan Spp. Mills, Punjab.

Statement-II

Names of the often purchased items and their unit costs

S.No.	Name of the items	Cost (Rs. per Mtr.)
1	2	3
1.	Belgium Carpet Cotton	100.00
2.	Poncholi	102.00
3.	Polyester Jaquard	93.00
4.	Plain C Drduroy	88.00
5.	Yarn Dyed Plain & Dobby Design Fancy Shirting	30.00
6.	Yarn Dyed Plain Fancy Suiting	120.00
7.	Sarees	175.00
8.	Lungies	40.00
9.	Double Dhoties	70.00
10.	Dobby Designs and Woven Superior Assorted Towels	24.00
11.	Two x Two /Two x One	38.00
12.	Furnishing Materials	40.00
13.	Woollen Blazer	157.00
14.	Woollen Serge	132.00
15.	Woollen Worsted	140.00
16.	Dosuti, 89 Cms.	34.50
17.	Jersey	147.00 each
18.	Socks	27.00 each
19.	Blankets	190.00 each

1	2	3
20.	Towel	50.00 each
21.	Durry	124.00 each
22.	Khes	131.00 each
23.	Bed Sheet	103.00 each
24.	Poly Shirting	26.00 to 34.00
25.	Woollen Serge	142 to 360.00
26.	Woollen Blazer	78.00 to 165.00
27.	Bld. Shirting (Poly)	30.00 to 34.00
28.	Angola Shirting (Poly)	87.00 to 192.00
29.	Poly Suiting	63.50 to 120.00
30.	Towels	49.00 to 110.00 (per piece)
31.	Woollen Jersey	172.00 to 226.00
32.	Fancy Blankets	179.00 to 186.00
33.	Wall Paper	67.00
34.	Sheeting Cloth	32.00 to 35.00
35.	Bed Covers	101.00 to 275.00
36.	Saree (Synth)	110.00 to 250.00
37.	Saree (Handloom Cotton)	57.00 to 228.00

[English]

Foreign Debt

605. DR. JAYANTA RONGPI : Will the Minister of FINANCE be pleased to state:

(a) the amount of foreign debt stands against India at present;

(b) the amount paid as interest on such foreign debt during each of the last three years;

(c) the amount collected by the Government through direct taxes; indirect taxes or through other means during the above period; and

(d) the steps the Government propose to adopt to get rid of the foreign debt trap?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The amount of external debt against India at end-September 1997 is estimated at US \$ 92.88 billion.

(b) The amount paid as interest on external debt (calculated using cash payment approach) during the three years from 1994-95 to 1996-97 is as under:

Financial Year	Interest (US \$ millions)
1994-95	4043
1995-96	4293
1996-97(P)	4397

(c) Amount collected by the Government through direct and indirect taxes during the last three years are as under:

(Rs. in crores)

	1995-96	1996-97	1997-98 (P)
<i>Direct Taxes</i>			
Corporation Tax	16487.13	18566.69	19835.37
Income Tax	15587.17	18233.99	17149.78
Interest Tax	1170.05	1712.39	1181.65
<i>Indirect Taxes</i>			
Customs	35502	42890	40242
Excise*	40565	44917	47782
Service Tax	862	1036	1455

P : Provisional

* Excludes of cesses not administered by Deptt. of Revenues

(d) The external indebtedness position of the country has improved considerably in the last few years. The debt service ratio (using cash payment approach) has come down from 35.3 percent in 1990-91 to 22.6 percent in 1996-97. The debt-GDP ratio has also come down from the high of 41.0 percent in 1991-92 to 25.9 percent in 1996-97. This has been possible through a prudent external debt management policy followed by the Government. As such, the country is not facing any situation of foreign debt trap.

Service Tax on Transporters

606. SHRI JAYSINHJI CHAUHAN : Will the Minister of FINANCE be pleased to state:

(a) whether the representatives of the Transport Companies were invited by the Government to a meeting to sort out the question of 5% service tax levied on the transporters; and

(b) if so, the details and the outcome of that meeting?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The representatives of All India Motor Transport Congress (AIMTC) were called for a meeting to discuss the manner in which the 5% service tax on the services of goods transport could be levied. The representatives of AIMTC reiterated that the truckers should not be made liable to collect this service tax.

Projects Assisted by Indian Finance Institutions

607. SHRI AJOY MUKHOPADHYAY : Will the Minister of FINANCE be pleased to state:

(a) whether Indian Financial Institutions including IDBI have assisted various projects in the State during the Seventh Plan and Eighth Plan; and

(b) if so, the details thereof, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The Industrial Development Bank of India (IDBI) has reported that Financial institutions including IDBI have extended financial assistance to various projects in different States of the country during the Seventh and the Eighth Plan periods. The details of assistance sanctioned and disbursed, State-wise, by all financial institutions during said plan periods are given in the enclosed Statements I and II.

Statement-I

State-wise Assistance Sanctioned and Disbursed by All Financial Institutions during the 7th five year plan (1985-86 to 1989-90)

(Rs. Crores)

Sl. No.	State	1985-86		1986-87		1987-88		1988-89		1989-90		Total	
		S	D	S	D	S	D	S	D	S	D	S	D
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Andhra Pr.	381.7	386.9	844.5	413.9	843.9	532.1	1185.1	884.9	1003.8	725.7	4259.0	2943.5
2.	Arunachal Pr.	2.0	1.9	2.2	1.5	1.5	1.0	0.8	0.6	1.7	1.2	8.2	6.2

1	2	3	4	5	6	7	8	9	10	11	12	13	14
3.	Assam	24.8	48.1	54.7	48.9	58.2	39.9	62.6	47.8	213.9	64.2	414.2	248.9
4.	Bihar	133.1	78.4	195.6	137.0	362.6	207.0	201.7	179.8	377.6	224.5	1270.6	826.7
5.	Goa	34.2	25.4	53.1	27.2	67.8	39.4	95.5	48.7	127.0	84.4	377.6	225.1
6.	Gujarat	715.3	560.1	932.9	745.6	1006.9	798.5	1745.5	1148.1	1548.2	1003.3	5948.8	4255.6
7.	Haryana	125.6	101.4	176.3	137.0	225.1	126.2	243.7	200.5	5248	301.6	1295.5	866.7
8.	Himachal Pr.	66.1	64.5	66.1	58.9	86.0	56.9	111.6	84.6	159.3	100.5	489.1	365.4
9.	J. & K.	37.3	33.1	82.8	46.1	81.2	68.0	62.8	64.6	63.7	55.7	327.8	207.5
10.	Karnataka	466.3	410.5	397.0	352.0	498.8	340.7	590.2	481.2	615.2	498.2	2567.5	2082.6
11.	Kerala	128.5	102.9	173.2	124.1	156.2	132.5	246.6	178.9	265.2	220.3	969.7	758.7
12.	Madhya Pr.	357.5	310.2	449.7	267.2	534.1	361.9	860.8	531.5	649.5	460.6	2851.6	1931.5
13.	Maharashtra	1087.2	758.9	1153.2	861.6	1373.0	1062.1	2020.9	1537.6	3272.5	1840.7	8906.8	6060.9
14.	Manipur	3.3	2.2	8.5	4.7	10.8	6.1	11.2	4.2	11.0	9.6	44.8	26.8
15.	Meghalaya	9.9	9.7	17.4	8.8	9.4	6.7	14.2	12.1	10.0	13.0	60.9	49.3
16.	Mizoram	4.8	4.0	5.6	3.5	5.9	5.8	6.1	6.4	4.6	4.7	27.0	24.4
17.	Nagaland	3.9	3.9	1.6	3.5	5.2	4.8	7.2	5.8	3.6	4.3	21.5	22.3
18.	Orissa	130.6	162.9	167.1	170.5	187.3	166.6	429.5	254.9	396.4	196.5	1310.9	951.4
19.	Punjab	179.6	109.1	306.7	164.8	263.5	263.8	552.4	312.7	377.3	401.6	1679.5	1252.0
20.	Rajasthan	273.8	176.4	332.3	248.2	331.4	256.3	789.9	254.3	622.8	327.7	2350.2	1262.9
21.	Sikkim	5.9	3.0	5.8	5.5	3.2	6.1	0.2	2.4	7.4	3.4	22.5	20.4
22.	Tamil Nadu	734.1	460.1	486.6	485.0	888.2	640.2	1157.5	767.2	1251.9	925.2	4518.3	3277.7
23.	Tripura	1.6	1.3	4.0	1.5	2.2	3.3	6.1	3.7	9.9	3.6	23.8	13.4
24.	Uttar Pr.	798.0	469.2	1000.5	633.8	956.9	904.6	1490.3	956.7	1164.9	813.2	5410.6	3777.5
25.	West Bengal	507.3	227.3	380.0	309.9	338.7	295.0	495.3	479.5	598.6	485.0	2319.9	1796.7
26.	National Capital Territory of Delhi					169.3	119.5	225.3	173.8	169.0	133.0	593.6	426.6
27.	Union Territories:	196.7	146.0	227.3	143.1	46.0	49.3	131.0	72.0	96.8	61.3	697.8	471.7
	(a) Andaman & Nicobar					1.2	0.4	1.4	0.7	0.2	0.2	2.8	1.3
	(b) Daman & Diu					0.1	0.1	5.2	0.1	4.4	3.2	9.7	3.4
	(c) Dadra & Nagar Haveli					15.5	11.8	35.3	29.5	35.7	21.0	86.5	62.3
	(d) Chandigarh					3.3	3.1	7.9	7.3	19.3	12.9	30.5	23.3
	(e) Lakshadweep							0.2	0.2			0.2	0.2
	(f) Pondicherry					25.9	33.9	81.0	34.2	37.2	24.0	144.1	92.1
Total		6409.1	4657.5	7524.7	5403.8	8513.3	6494.3	12774.0	8694.5	13546.6	8962.3	48767.7	34212.4

S: Sanctions D: Disbursements.

Statement-II**State-wise Assistance Sanctioned and Disbursed by All Financial Institutions during the 8th Plan (1992-93 to 1996-97)**

(Rs. Crores)

S. No.	State	Sanctions						Disbursements					
		1992-93	1993-94	1994-95	1995-96	1996-97	Total	1992-93	1993-94	1994-95	1995-96	1996-97	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Andhra Pr.	1492.5	1963.0	2954.7	3939.1	3145.5	13494.8	1205.7	1183.5	1873.1	2347.6	2494.9	9104.8
2.	Arunachal Pr.	1.1	0.4	4.0	4.5	9.9	19.9	1.6	1.0	3.2	2.6	1.3	9.7
3.	Assam	100.0	86.1	143.2	643.9	105.7	1079.2	96.0	94.8	99.2	127.0	250.0	667.0
4.	Bihar	571.0	295.5	149.2	462.9	570.5	2049.1	442.2	222.1	244.3	255.7	240.8	1414.0
5.	Goa	117.4	314.8	247.2	250.4	298.9	1228.7	95.1	153.9	209.6	114.0	116.1	688.7
6.	Gujarat	4048.9	6839.0	10027.9	9443.1	8844.5	39203.4	2832.2	2828.4	4319.2	4778.8	6298.7	21057.3
7.	Haryana	840.8	762.6	1090.2	1626.4	1396.2	5715.5	461.5	522.1	643.9	1050.9	1101.7	3780.1
8.	Himachal Pr.	255.8	98.9	861.4	873.4	270.8	2360.3	214.8	232.9	492.6	280.6	358.9	1609.8
9.	J. & K.	14.9	6.0	10.8	40.1	22.8	94.4	32.2	9.9	12.0	32.0	18.0	104.1
10.	Karnataka	1735.7	2135.7	4168.3	5893.3	4931.5	18867.5	1038.8	1634.7	1899.9	2721.3	3041.5	10336.2
11.	Kerala	474.7	494.5	501.9	851.7	792.2	3118.0	329.9	410.7	359.4	490.1	797.2	2387.3
12.	Madhya Pr.	1319.9	1631.4	2083.6	3102.3	1690.5	9827.7	901.0	1256.5	1399.3	1825.4	1709.9	7092.1
13.	Maharashtra	7686.3	8750.9	12816.5	13103.2	9115.3	51472.2	4842.4	5918.1	7645.8	7763.3	8798.2	34967.8
14.	Manipur	1.5	1.1	0.2	2.3	62.1	67.2	2.1	1.3	0.4	4.5	2.1	10.4
15.	Meghalaya	1.9	4.1	5.7	2.5	10.9	25.1	2.1	3.4	4.5	1.9	6.2	18.1
16.	Mizoram	2.6	2.1	1.8	2.6	2.3	11.4	1.4	1.5	1.6	1.9	2.2	8.6
17.	Nagaland	2.5	0.4	1.9	4.2	11.4	20.4	4.4	1.6	1.7	6.4	9.9	24.0
18.	Orissa	406.3	377.7	1047.7	582.5	1609.2	4023.4	333.0	516.7	328.9	304.2	453.1	193.9
19.	Punjab	669.0	744.6	1189.6	1183.8	1018.4	4805.4	442.0	550.6	774.5	834.3	713.5	3314.9
20.	Rajasthan	1125.3	1294.4	1943.7	2389.9	2536.7	9290.0	1075.6	1079.8	1453.3	1801.7	1518.8	6959.2
21.	Sikkim	00.6	2.9	1.6	7.0	10.4	22.5	1.7	2.9	1.3	11.6	4.1	21.6
22.	Tamil Nadu	2096.8	2716.8	5604.6	6755.7	5044.4	22218.3	1494.3	1846.9	2747.8	3501.6	3548.4	13139.0
23.	Tripura	3.4	0.8	3.2	4.7	5.9	28.0	1.8	0.7	1.5	8.7	5.3	18.0
24.	Uttar Pr.	1642.5	2774.9	3010.5	4878.9	4212.3	16519.1	1169.6	1208.5	2219.3	3148.8	3402.2	1148.0
25.	West Bengal	1161.4	1252.8	1943.8	2886.2	2157.2	9181.4	659.1	977.5	800.9	1114.7	1278.1	4830.3
26.	National Capital Territory of Delhi	963.6	1496.8	2434.4	1483.1	2384.5	8762.4	667.4	686.4	1349.0	1576.1	1294.9	5573.8

1	2	3	4	5	6	7	8	9	10	11	12	13	14
27.	Union Territories:	133.1	156.8	830.3	884.1	616.9	2621.2	102.1	115.3	262.9	378.1	454.4	1312.8
	(a) Andaman & Nicobar	1.4	2.2	9.4	14.8	7.1	34.9	0.8	2.3	12.3	2.4	12.0	29.8
	(b) Daman & Diu	18.5	23.9	95.0	77.5	47.3	261.2	9.3	35.6	51.6	59.3	50.6	206.4
	(c) Dadra & Nagar Haveli	35.6	90.4	531.4	312.8	423.5	1393.7	24.8	25.8	134.3	232.2	273.9	691.0
	(d) Chandigarh	12.3	10.0	31.3	52.4	60.7	166.7	9.2	7.8	30.0	16.0	47.6	100.6
	(e) Lakshadweep												
	(f) Pondicherry	65.3	31.3	162.2	426.6	78.3	764.7	58.0	43.8	44.7	68.2	70.3	285.0
28.	Multi-state/Non-specific areas	5091.7	5549.9	5014.7	2711.5	3319.4	21687.2	3746.4	3965.5	3247.7	2920.5	3041.2	16921.3
	Total	31860.5	39809.1	56095.6	63793.3	54199.3	247857.8	22228.1	25427.2	32396.7	37403.9	41000.6	158456.5

§- Data relate to LIC & UTI

#- Includes assistance of Rs 53.9 crore sanctioned by ICICI to Malaysia and Saudi Arabia

⊙- Includes assistance of Rs 63.3 crore sanctioned by ICICI to Malaysia and Saudi Arabia.

* - Includes assistance of Rs 1.7 crore disbursed by ICICI to Malaysia.

Import of Rubber

608. SHRI RAJVEER SINGH : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have any proposal to import natural rubber during the current year; and

(b) the total requirement of rubber during the current year in the country, industry-wise?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) No, Sir.

(b) The total requirement of rubber during the current year is projected as 603,000 tonnes. There is also a direction to industry to maintain two months stock reserve, which would amount to 100,500 tonnes this year. The approximate industry-wise consumption requirement of natural rubber would be as follows:

Products		Estimated requirement of NR (tonnes)
1	2	3
1.	Auto tyres and tubes	269,000
2.	Cycle tyres and tubes	79,700
3.	Camel back	38,200
4.	Footwears	63,100
5.	Belts & Hoses	43,700
6.	Latex foam	31,300

1	2	3
7.	Dipped goods	27,700
8.	Battery boxes	2,100
9.	Cables & Wires	1,800
10.	Others	45,600
	Total	603,000

Non-banking Finance Companies

609. SHRI P.R. KYNDIAH : Will the Minister of FINANCE be pleased to state:

(a) whether many Non-Banking Finance Companies (NBFCs) based in Delhi have been operating in North Eastern States especially in Meghalaya, luring the gullible public with dubious savings schemes;

(b) if so, the details thereof;

(c) whether one out of such companies named JVG Finance has recently closed its branches in Meghalaya leaving the poor investors high and dry;

(d) if so, the measures taken by the RBI to protect the interest of investors;

(e) whether the Government are considering to bring a legislation banning all such NBFCs and plantation companies operating in the country until and unless they agree to secure the deposits with the Apex bank and thereby guarantee timely repayment to investors;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) According to Reserve Bank of India (RBI) complete information of Non-Banking Financial Companies (NBFCs) based in Delhi operating in the North-Eastern States, especially in Meghalaya, is not available. However, as per the information available with RBI, M/s. JVG Finance Ltd has a Zonal Office, 5 Regional Office and 17 Branches in Assam and Meghalaya as under:

State	Zonal-offices	Regional Offices	Branches
Assam	1	4	14
Meghalaya	-	1	3

All the Regional Offices and branches were opened during the year 1995-96. The Zonal and Regional Offices are common for 3 companies in the JVG Group viz. JVG Finance Ltd., JVG Leasing Ltd. and JVG House Finance Ltd.

NBFCs are free to open and close their branches without prior permission of RBI and no information is required to be sent to RBI when any branch is opened or closed. RBI is not aware whether JVG Finance Ltd. has recently closed its branches in Meghalaya.

(d) RBI has recently revised its regulations regarding acceptance of public deposits by NBFCs. Only those NBFCs, which have investment grade credit rating can accept public deposit. Depending upon the grade of its credit rating, an NBFC can accept more or less amount of deposits *vis-a-vis* its net owned fund. RBI has also made it compulsory for NBFCs accepting public deposits to adhere to the Directions on prudential Norms relating to income recognition asset classification, provisioning against bad and doubtful debts; capital adequacy ratio and concentration of credit and investments. NBFCs accepting public deposits are also required to invest 12.5 per cent of the amount of public deposits in Government securities or Government guaranteed bonds. All these measures are intended to afford an indirect protection to the depositors by streamlining the working and strengthening of the financial position of the NBFCs.

(e) to (g) According to RBI, the deposits with NBFCs are not guaranteed or insured. As stated above, the measures taken by RBI will provide a degree of indirect protection to the depositors' interests. If any NBFC fails to repay any deposit according to the terms and conditions of the deposit, the depositor can approach the Company Law Board and the Company Law Board can issue a direction to the NBFC to repay the deposit forthwith or within the time specified by the Board.

Export of Natural Rubber

610. SHRI P. SANKARAN : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have issued any instructions to stop the export of Natural Rubber already collected by the State Trading Corporation;

(b) whether these instructions have resulted further fall in the price of Natural Rubber in Domestic market;

(c) if so, whether the Government propose to review the orders issued and restart exporting Natural Rubber; and

(d) the policy of the Government to improve the demand of Natural Rubber in India and thereby benefit the Rubber growers?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) No, Sir.

(b) and (c) Does not arise.

(d) In order to sustain the market for natural rubber in India, the Government had ordered market intervention operation for procurement of 10,000 MT of natural rubber during 1997 by STC. The Government has recently decided to procure an additional quantity of 20,000 MT.

Technology Park in Delhi

611. SHRI K.S. RAO : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have decided to set up a technology park in Delhi;

(b) if so, the details thereof indicating the location, approximate expenditure involved, source of funding; and

(c) the time by which the technology park in Delhi is likely to start functioning?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) As per the information available from the Government of Delhi, they are in the process of locating appropriate land for the purpose of setting up a "Software Technology Park". The approximate cost and source of funding have not yet been finalised by them.

World Bank aid for economic restructuring programme

612. SHRI R. SAMBASIVA RAO : Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has sanctioned Rs. 2,334 crore under the Economic Restructuring Programme to the Government of Andhra Pradesh;

(b) if so, whether the grants given by the World Bank in the last one-and-half years has gone to the tune of Rs. 10,000 to Rs.12,000 crores;

(c) if so, the heads on which the present World Bank loan is likely to be utilised;

(d) whether the earlier loans provided by the world banks was fully utilised by the State Government; and

(e) if not, the unutilised amount remained with the State Government?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) No, Sir.

(b) and (c) Do not arise.

(d) and (e) The World Bank assistance, including loans, is normally provided for specific projects, which are to be implemented over a number of years (normally 5-6 years). There are 6 ongoing World Bank assisted projects currently under implementation in the State of Andhra Pradesh. On these projects an amount of \$221.242 million has been utilised while \$671.602 million remains unutilised as on 31.03.1998. The unutilised amounts do not remain with the State Government but are reimbursed as and when expenditures take place through Government of India as Additional Central Assistance, depending upon its pace of utilisation.

Proposals submitted by Orissa Government

613. SHRI GIRIDHAR GAMANG : Will the Minister of TOURISM be pleased to state:

(a) the details of the proposals submitted by the Government of Orissa for the development of tourism in the State;

(b) the funds provided by the Government for development of tourism there alongwith the schemes thereof; and

(c) the steps taken by the State Government to identify the tourist spots for their development during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) The State Government of Orissa submitted proposals for the construction of tourist reception centres, tourist complex and wayside amenities, refurbishment of monuments and organising fairs and festivals during 1997-98.

(b) The Department of Tourism, Government of India approved 28 projects and sanctioned Rs.557 lakhs. It include 8 projects for re-furbishment of temples, 5 public conveniences, 6 Tourist Reception Centres and 4 Tourist Complexes.

(c) The State Government has taken up consultation with various agencies and has undertaken surveys for identification and development of tourist spots.

India's share of export in international market

614. SHRI K.P. NAIDU:
SHRI G.M. BANATWALLA:

Will the Minister of COMMERCE be pleased to state:

(a) whether India's share of export in the international market is very low at present;

(b) if so, the reasons therefor;

(c) the details of the actual share;

(d) the growth rate of export during the last three years; and

(e) the step being taken by the Government to boost the exports?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNAHEGDE) : (a) to (c) Yes, Sir. India's share in world exports is 0.6% in 1996-97. Low share of India's exports is largely attributable to the policies which focussed on import substitution.

(d) Growth rate of exports during last three years as per the DGCI&S' provisional figures, are as under:

	US \$ terms	Rupee terms(%)
1995-96	21.4	29.3
1996-97	4.0	10.4
1997-98	2.6	7.5

(e) Export performance is influenced *inter alia* by international market conditions, competitiveness of domestic industry, supportive infrastructure, etc. and the Government, through its policy of liberalisation and globalisation, is trying to provide a policy environment conducive to high growth in exports. Some of the recent steps taken up in this regard include modification in DEPB rates, announcement of DEPB rates for about 300 new export items, allowing the setting up of private bonded warehouses so as to ensure easy and timely availability of raw materials to exporters at internationally competitive prices and to facilitate bulk imports from India by large overseas buyers, preparing a Medium Term Strategy for growth of exports, launching of Focus LAC Scheme, etc.

[Translation]

Free Import of consumer items

615. SHRI SUSHIL CHANDRA VARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have allowed free import of 340 consumer items;

(b) if so, whether before giving such permission the effect of import of these items on cottage and small industries was examined;

(c) if so, the main features thereof; and

(d) the number of small industrial units closed till now after implementing the new Exim policy?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Yes, Sir.

(b) Yes, Sir.

(c) The decision to allow free import of 340 items has been taken view of the over all policy of phased removal of quantitative restrictions followed since June, 1991.

The list of these items has been prepared in consultation with the Administrative Ministries with a view to seeing that there is least injury to the domestic industry and more particularly to the small scale industry.

(d) Government has not received any report of this nature.

[English]

Assistance to Unemployed Youths

616. SHRI SADASHIVARAO DADOBHA MANDLIK:
SHRI ASHOK NAMDEO RAO MOHOL:
SHRI MADHAVRAO PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether some schemes are under implementation to provide financial assistance to the unemployed youths;

(b) if so, the details thereof;

(c) the number of youths so far been provided financial assistance under the Schemes during the last three years, State-wise; and

(d) the total financial assistance proposed to be provided during 1998-99 under the scheme; State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) Presumably, the Hon'ble Members are referring to the Prime Minister's Rozgar Yojana (PMRY) under which financial assistance is provided to the unemployed youth for sustained employment. The scheme was started during 1993-94. Youth between 18-35 years who are matric passed or failed or ITI passed or undergone Government sponsored technical courses for a minimum duration of 6 months and whose annual income does not exceed Rs.24,000 and upto Rs.24,000 per annum of parents of beneficiary and permanent resident in the area atleast for 3 years are eligible for assistance under this scheme. While 15% of the project cost subject to a ceiling of Rs.7,500 is given as subsidy, the beneficiary would have to provide 5% of the project cost as margin money. Under this scheme, loans for projects costing upto Rs. 1 lakhs are provided as per the interest rate directives issued by RBI. The assets created out of loan will be the security and no third party guarantee/collateral is necessary under this scheme. The loan is repayable within 3 to 7 years after initial moratorium of 6-18 months.

(c) Information indicating state-wise details of the number of youths who have been provided financial assistance under PMRY during the last three years is given in the enclosed Statements I, II and III.

(d) Targets are not fixed in terms of financial assistance under the scheme. However, physical targets for the current year have not been indicated to the banks.

Statement - I

Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)

Programme Year 1995-96

Name of the State/ Union Territory	No. of cases Target	No. of cases Sanctioned	No. of cases Disbursed
1	2	3	4
Andhra Pradesh	31900	29795	24081
Arunachal Pradesh	300	256	226
Assam	10125	9039	7786
Bihar	22150	17100	12738
Gujarat	8500	10477	8919
Goa	550	514	409

1	2	3	4
Haryana	7480	9026	7268
Himachal Pradesh	2100	2570	2351
Jammu & Kashmir	3152	2657	1692
Karnataka	17700	15895	13445
Kerala	16000	14236	12651
Maharashtra	35900	40122	31938
Manipur	4000	1278	1149
Madhya Pradesh	27058	30592	23325
Meghalaya	550	534	391
Mizoram	250	250	215
Nagaland	300	295	292
Orissa	8310	7941	5961
Punjab	15000	15312	12369
Rajasthan	14000	10017	7073
Sikkim	260	161	144
Tripura	1300	1433	695
Tamil Nadu	22870	18312	14999
Uttar Pradesh	42613	34498	28820
West Bengal	25950	11635	7384
NCT of Delhi	1550	4337	2554
Andaman & Nicobar	100	82	72
Chandigarh	150	177	162
Dadra & Nagar Haveli	150	188	177
Daman & Diu	100	44	29
Lakshadweep	50	35	35
Pondicherry	500	404	341
Not Specified		11	7
All India	321360	289233	229698

Statement -II**Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)****Programme Year 1996-97**

Name of the State/ Union Territory	No. of Cases Target	No. of cases Sanctioned	No. of cases Disbursed
Andhra Pradesh	31900	28319	19336
Arunachal Pradesh	450	296	287
Assam	15000	8626	7355
Bihar	22150	17354	14343
Gujarat	8500	9505	8447
Goa	550	485	398
Haryana	7200	8260	6370
Himachal Pradesh	2100	2409	2250
Jammu & Kashmir	3500	1256	710
Karnataka	17700	15908	11897
Kerala	15000	14599	12708
Maharashtra	35900	37333	31201
Manipur	3000	2047	1527
Madhya Pradesh	27050	31548	22091
Meghalaya	825	495	445
Mizoram	375	225	197
Nagaland	450	317	301
Orissa	8250	7361	4469
Punjab	8600	9817	8063
Rajasthan	10400	10189	7396
Sikkim	200	125	102
Tripura	1950	1376	626
Tamil Nadu	21800	15294	11076
Uttar Pradesh	35813	33622	27113
West Bengal	22900	3742	6368
NCT of Delhi	4550	1883	1038
Andaman & Nicobar	100	81	59
Chandigarh	150	148	117
Dadra & Nagar Haveli	150	173	131
Daman & Diu	100	24	19
Lakshadweep	50	36	36
Pondicherry	500	284	211
Not Specified		18	13
All India	307163	260155	206700

Statement - III**Prime Minister's Rozgar Yojana for Education Unemployed Youth (PMRY)****Programme year 1997-98 (Provisional)**

Name of the State/ Union Territory	No. of Cases Target	No. of Cases Sanctioned	No. of Cases Disbursed
Andhra Pradesh	34200	22121	11405
Arunachal Pradesh	300	117	26
Assam	13400	5233	1210
Bihar	21500	12358	6606
Haryana	6300	5927	3130
Gujarat	12600	9754	7898
Goa	600	305	205
Himachal Pradesh	2300	2297	1748
Jammu & Kashmir	3500	2384	1157
Karnataka	22000	14392	6829
Kerala	16000	8958	6330
Maharashtra	42600	34977	24856
Madhya Pradesh	31500	28553	10738
Meghalaya	550	251	84
Mizoram	400	11	4
Nagaland	450	58	5
Orissa	9250	6429	700
Punjab	9000	8525	4864
Rajasthan	14300	11583	5284
Sikkim	100	62	23
Tripura	1300	404	124
Tamil Nadu	27700	13318	7223
Uttar Pradesh	45200	33765	21342
West Bengal	23000	3804	1935
NCT of Delhi	4700	963	505
Andaman & Nicobar Islands	100	47	37
Chandigarh	200	161	70
Dadra & Nagar Haveli	50	75	67
Daman & Diu	50	31	30
Lakshadweep	50	38	26
Pondicherry	500	363	160
Not Sepecified		3272	1996
All India	345000	230555	126842

Memorandum by All India Regional Rural Bank Employees Association

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

(a) whether the All India Regional Rural Bank Employees Association has submitted a Memorandum to the Government suggesting *inter-alia* formation of a National Rural Bank of India by amalgamation of 196 regional rural banks in the country apart from other demands seeking pay parity & other service conditions etc;

(b) if so, the details of the demands made by the Association; and

(c) the reaction of the Government thereto and present status thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) Various Associations of the employees of Regional Rural Banks (RRBs) like All India Regional Rural Bank Employees Association (AIRRBEA) have been raising a number of demands from time to time. The demand for formation of a National Rural Bank of India (NRBI) by way of amalgamation of all the 196 RRBs in the country was considered by the Government, Reserve Bank of India (RBI) and National Bank for Agriculture & Rural Development (NABARD) some time during the year 1992-93. After considering a number of alternative models for restructuring of RRBs, including setting up of a National Rural Bank, it was decided to revamp the RRBs by cleansing of their balance sheets on a "Stand Alone" basis. Accordingly, 151 out of 196 RRBs have been taken up during the period 1994-98, for comprehensive restructuring including cleansing up of their balance sheets and infusion of fresh capital. An amount of Rs. 774 crore has been provided by the Central Government for this purpose as budgetary support. The objective of this exercise has been to transform the presently weak and ailing RRBs into financially viable and effective instruments of decentralised rural banking

Detection of F.D. Account in Allahabad Bank

618. SHRI JANG BAHADUR SINGH PATEL: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question Nos. 2186 and 1744 dated December 6, 1996 and August 1, 1997 respectively and state:

(a) whether the information has since been collected;

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

(c) if not, the reasons therefor and the time by which it is likely to be collected?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Yes, Sir.

(b) Central Bureau of Investigation has informed that during the investigation in case No.RC.22(A)/96-Pat, a number of benami accounts in the different branches of Allahabad Bank were detected and a separate "Disproportionate Assets" Case has been registered vide RC.79(A)/96-Pat. CBI have informed that they have not yet completed investigation.

Reserve Bank of India has informed that during the period 1.1.1993 to 30.6.1997, 600 bank officials of public sector and 90 officials of private sector banks were found guilty for opening bank accounts without observing the necessary formalities. During the last three years ended 30th June, 1997, three accounts in Federal Bank Ltd., one account in Karnataka Bank Ltd., one account in Karur Vysya Bank Ltd., three accounts in Jammu & Kashmir Bank Ltd., one account in Vysya Bank Ltd and one account is Bank of Madura in which cases of opening / operations of the account after the demise of the account holder were detected. The banks have taken appropriate action for recovery of the amounts and initiated departmental/criminal action.

(c) Does not arise.

Strikes by Bank Employees

619. SHRI MOHAN RAWALE: Will the Minister of FINANCE be pleased to state

(a) the number of times the employees and officers of the nationalised banks and also of Reserve Bank of India went on counter-wide strike during the last three years;

(b) the total loss suffered during the period of strike.

(c) the reaction of the Government to frequent strikes resorted to by bank employees, and

(d) the measures taken or proposed to be taken by the Government to ensure that the bank employees do not paralyse the banking sector any more?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Indian Banks' Association (IBA) has reported that while the award employees resorted to strike on seven occasions during the last three years, the officer employees went on strike thrice during the last three years. Reserve Bank of India (RBI) has also reported that its Class III employees went on All India strike once in 1996.

(b) to (d) IBA and RBI have further reported that it is different to assess the monetary loss to the bank and also the loss to the trade and industry. All concerned authorities make efforts to avert strikes whenever a strike is imminent.

[Translation]

Financial Irregularities in States

620. SHRI RAVINDRA KUMAR PANDEY : Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have decided to stop central assistance to the States having financial irregularities;

(b) if so, the number of States in the country which have been found having financial irregularities; and

(c) the criteria laid down by the Government so far to identify such States?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) Central Assistance is being released to the State Governments by Central Government for financing the annual plans of the States. Therefore, its release is linked with the plan performance of the States. If there is shortfall in plan expenditure, proportionate cut is made in the Central Assistance. Central Assistance has not been stopped to any State.

So far as financial irregularities are concerned, under Article 151 (ii) of the Constitution of India, Comptroller and Auditor General of India is required to submit the Audit Reports of the States to the Governor of the State who shall cause them to be laid before the State Legislature. After the Audit Reports are laid on the Table of State Legislature; these are required to be discussed and examined in detail by the Public Accounts Committee and Committee on Public Undertakings of the State. These Committees submit

their Reports to the State Legislature giving their recommendations after detailed examination of the matter reported.

[English]

Losses of GIC

621. SHRI MANIKRAO HODLYA GAVIT : Will the Minister of FINANCE be pleased to state:

(a) whether all the four subsidiaries of GIC are incurring losses;

(b) if so, the details thereof for the last three years, subsidiary-wise and the reasons therefor;

(c) the remedial measures taken by the Government in this regard; and

(d) the amount invested by each subsidiary of GIC so far and annual income earned therefrom during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN) : (a) and (b) The General Insurance Corporation of India and its four subsidiary companies have been producing overall profits every year except for one year in 1995-96 when one of the subsidiaries, namely, Oriental Insurance Company Ltd., incurred a net loss of Rs. 45.96 crores due to increase in the management expenses on account of wage revision and heavy losses sustained in the motor portfolio.

(c) The motor tariffs have been revised w.e.f. 15.2.1998, as recommended by the Tariff Advisory Committee.

(d) The requisite information, as furnished by the GIC, is as under:

(Amount in crores of Rupees)

	NATIONAL			NEW INDIA		
	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
Total Investment made upto	1424	1712	2029	3257	3739	4254
Investment Income during the year	169	213	252	342	433	448
	ORIENTAL			UNITED INDIA		
	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
Total Investments made upto	1529	1890	2165	1889	2230	1590
Investment Income during the year	179	229	282	212	281	314

Task Force of Financial Autonomy to States

622. DR. T. SUBBARAMI REDDY : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to set up a task force to work out the modalities for devolution of financial powers to the States;

(b) if so, the time by which the Committee has been asked to submit its report; and

(c) the main points referred to the Committee?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) In terms of the Notification constituting the Special Task Force it was to make its recommendation within 4 weeks from the date of Notification. The said time has now been extended to 31st July, 1998.

(c) The Task Force will examine and recommend such measures as would enable the States to raise more resources including by additional or alternative means, and also devolution of additional financial powers to the States of the Union.

Smuggling of Goods

623. SHRI SUSHIL KUMAR SHINDE : Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news items appearing in the *Hindustan Times* dated January 1, 1998 captioned "Open border is smugglers' delight" inviting attention towards the rampant smuggling through Hong Kong-Nepal-Delhi route by abusing the Indo-Nepal Trade Treaty;

(b) if so, the facts of the matter reported therein;

(c) the details of smuggled goods seized at Indo-Nepal border during 1997-98, so far; and

(d) the steps taken to effectively curb such smuggling?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Yes. The Government has seen the news item mentioned by the Hon. Member. The facts of the seizure case highlighted in the news item are as under:

Acting on a tip-off, the officers of New Custom House, Delhi, on 30.12.97, seized 14 packages alongwith the Matador van used for carrying them belonging to one M/s Pawan Cargo Forwarders, Shankar Market, Connaught Place, New Delhi, while being transported for booking of

the same to various destinations in the country through Indian Airlines. These packages were found to contain 193 cellular phones of different foreign makes alongwith the accessories and computer parts, collectively valued at Rs. 1.08 crores. From the evidence available it appeared that these goods had been *prima facie*, smuggled into the country and arrangements were being made for their distribution to various centres in the country. Two persons namely, Shri Umashanker and Shri Ravinder Kumar, partner and employee respectively of the said Cargo Forwarders, were arrested. In their respective statements recorded under Section 108 of the Customs Act, 1962, these persons had *inter alia*, disclosed that these computer parts and Cellular Phones were smuggled from Nepal by the land route.

The news item also refers to *modus operandi* of Nepal based smugglers importing various foreign made electronic gadgets and other items into Nepal by using the transit facilities under "Indo-Nepal Treaty for transit and trade" and then diverting them to India through large open border for sale in various grey markets in India at cheaper rates than regular customs cleared goods.

(c) The details of smuggled goods seized at Indo-Nepal border during 1997-98, so far are as under:

- | | |
|------------------------------|--|
| (i) No. of cases | : 4595 |
| (ii) Value of goods seized | : Rs.5673.41 lakhs |
| (iii) Nature of seized goods | Ball bearings Chinese silk fabrics & yarn, gold, electronic goods, cardamom, cinnamon etc. |

(d) The Government is seized of the issue of reported diversions of third country goods from Nepal to India and necessary effective preventive measures are being taken to curb smuggling across the Indo-Nepal border. Steps are being taken to bring the reports/detected cases of smuggling to the notice of H.M. Government of Nepal during bi-lateral talks for appropriate corrective measures. In the next operational level talks at the level of Director-General of the two countries, scheduled on 15th/16th June, 98, this issue would once again be discussed.

Income tax/excise duty arrears

624. SHRI G. M. BANATWALIA : Will the Minister of FINANCE be pleased to state:

(a) the total amount of arrears of income tax and excise duty during the last three financial years, till date State-wise/Circle-wise ; and

(b) the steps being taken for expeditious recovery of these arrears?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAI) : (a) and (b) The information is being collected and will be laid on the Table of the House.

[Translation]

Safety Measures in Coal Mines

625. SHRI BACHI SINGH RAWAT 'BACHDA':
SHRI P.R. KYNDIAH:
SHRIMATI JAYANTI PATNAIK:

Will the Minister of COAL be pleased to state:

(a) whether the Government have directed the coal companies to take up adequate safety measures to check the number of casualties in the coal mines accidents;

(b) if so, the number of accidents taken place in the coal mines in different States under different coal companies during the last three years;

(c) the specific safety measures adopted in the coal mines during the above period;

(d) the details of action plan proposed to be chalked out to provide adequate safety to the workers in the coal mines in the near future;

(e) whether the Government have received any complaints in regard to illegal and unscientific mining going on in collieries; and

(f) if so, the action taken so far in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Yes, Sir.

(b) As reported by the Coal Companies, the number of accidents that resulted in fatalities in the Coal Mines of Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) during the last three years are as below:

State	Coal Company	Number of Accidents		
		1997(Prov.)	1996	1995
1	2	3	4	5
Assam	NEC/CIL	1	2	1
Bihar	BCCL	29	26	30
	CCL	14	17	18
	ECL	2	0	2
West Bengal	ECL	18	19	17
	BCCL	0	2	0
Maharashtra	WCL	4	5	3

1	2	3	4	5
Madhya Pradesh	NCL	1	2	2
	SECL	17	12	21
	WCL	7	4	7
Orissa	MCL	6	7	9
Uttar Pradesh	NCL	1	0	3
Sub Total	CIL	100	96	113
Andhra Pradesh	SCCL	35	28	18
Total	CIL+SCCL	135	124	131

(c) In addition to compliance of the statutory requirement of the Mines Act, 1952 and Coal Mines Regulation, 1957, some of the specific measures adopted during the above period are:

- (i) Conducting periodic safety audits of mines and monitoring of the safety status of mines through the Internal Safety Organisation of Coal Companies and Trade union members of CIL Safety Board;
- (ii) Prior safety clearance of the Coal Production districts before commencement of production;
- (iii) Introduction of Scientific method of roof support through Rock Mass Rating (RMR) and increased use of roof bolting/roof striching and replacement of timber supports by Steel supports;
- (iv) Preparation of emergency organisation plans for every mine and conducting of mock rehearsals; and
- (v) Review of safety performance of mines by tripartite bodies having workers representatives like CIL Safety Board, Standing Committee of Safety in Coal Mines etc.

(d) Some of the measures being taken by the Coal Companies to provide adequate safety to workers in the near future are:

- (i) Continued thrust in the implementation of roof/ side support techniques in underground mines;
 - (ii) Thrust on inspections of mines more frequently by senior executives of Internal Safety Organisation; and
 - (iii) Training and retraining of workpersons and supervisors and increasing their safety awareness through periodic safety campaigns.
- (e) and (f) Coal mining in the organised sector is

carried out scientifically and in accordance with the various statutes laid down in this regard. However cases of illegal mining by anti social elements occur from time to time. Control of illegal mining is squarely a law and order problem which can be tackled only by the respective State Governments acting through the local administration. However, some of the steps taken by the coal companies to check illegal mining are as below:

- (i) Close liaison is kept with the district and State authorities for co-operation in curbing illegal mining.
- (ii) Regular patrolling by security forces in the leased areas of the coal companies.
- (iii) Surprise check/raids of illegal mining sites by security force.
- (iv) Cases of illegal mining are brought to the notice of district authorities and complaints lodged with local police.
- (v) Illegal mining sites are dozed & filled up wherever feasible to stop access to the coal seams

[English]

Bank Frauds

626 DR. BIZAY SONKAR SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) whether the cases of frauds continue to take place in the banks unabatedly and the CBI has filed FIRs in many cases of bank frauds;

(b) if so, the number of cases of frauds that have taken place in the public and private sector banks during each of the last three years, bank-wise;

(c) the details of cases in which the CBI has filed FIRs and the present status of all such cases; and

(d) the steps taken or proposed to be taken by the Government to check the cases of frauds in the banks?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) to (d) The information is being collected and will be laid on the Table of the House.

[Translation]

Reserves of Coal

627. SHRI AJIT JOGI: Will the Minister of COAL be pleased to state:

(a) the names of mines of Coal India Limited and its ancillary Companies in which the shortage in reserve of

coal was found during the last three years at the time of inspection;

(b) the details of the action taken by the Government in this regard; and

(c) the steps taken by the Government to prevent recurrence of such incidents in future?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) A list of coal mines of Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL), the subsidiary companies of Coal India Limited (CIL), where coal stock shortage was detected in 1994-95, 1995-96 and 1996-97 is given in the enclosed statement. As per information received from CIL the audit of coal inventory for 1997-98 has not yet been completed.

(b) and (c) Whenever any coal stock shortage beyond the permissible limit of 5% of the book stock is detected, the concerned subsidiary company of CIL takes action against the Officials responsible for the shortage. In order to prevent recurrence of the stock shortages, physical measurement of coal stock is done every month by the unit level teams, quarterly by the area level teams, bi-annually by the terms of subsidiary company Hqrs. and annually by CIL teams. Check measurements by survey or team including surveyors from outside CIL are done in 10% of the collieries having high stock. Ministry of Coal had set up three Government Committees to investigate into stock shortage in BCCL, CCL and ECL. On consideration of the reports of these three committees, disciplinary action was initiated against a large number of officers and in many cases penalties have already been imposed. In order to report the stock figures with the break-up of vendible stock and non-vendible stock, a format has been prescribed by the Ministry of Coal for adoption in the annual accounts of 1995-96 and onwards of each subsidiary and of CIL also. The format requires the CIL and its subsidiaries to give proper explanation for shortages. CIL has also been advised by Ministry of Coal to review the progress of inquiries in stock shortage cases at every meeting of the Board of Directors of each subsidiary. This review goes into the reasons of the recurrence of stock shortage in particular collieries and evolve special measures, in addition to disciplinary action, to reduce the incidence of stock shortage. CIL has also been directed to review the annual position of stock shortages and inquiries in all the subsidiaries in the meeting of the CIL's Board of Directors when the annual accounts are put up for being adopted.

Statement

List of coal mines of ECL, BCCL and CCL where coal stock shortage beyond 5% of book stock took place in 1994-95, 1995-96 and 1997-98

Eastern Coalfields Limited

1996-97

Mandherboni, Nakrakonda, Gopinathpur, Moira,

Dalurband, S Samla, Kapasara, S S pur, Khandra, C L Jambad, Lachipur, KK OCP, Ratibati Project, Chaputkhas, W.Kendra OCP, New Kenda, Nabakajora, Nutandanga, Amritnagar, Kuardih, Tirath, Pure Searsole, Bhanora, Bhanora, W/B, Kalidapur, Ardhamgram, Ghusick, KD Seam, Madhiapur.

1995-96

Madhaipur, Pandaveeshwar, South Samla, SSpur, Tirath Kurdi, Ratibati, Chapuikhas, Mithapur, Kunustoria Poidih, Khairabad.

1994-95

Pandaveeshwar, Dalurband, UG, South Samla, Madhaipur, Dalurband OCP, J Palasthali, Gangaramachak, Kumardihi A, Kumardihi B, Tilaboni, Bannora, Khandra, Siduli, CL Jambal, Lowerkenda, Madhushdanpur, Madhujore, Parascole, Khas Kajora, Lachipur, Ghanashyam UG, Belband, N/Searsole, Kunustoria, Parasia. 6 & 7 Inc. Chapuikhas, Ardhamgram, Bhanora R, Bhanora West, Kalipahari, Ghusik R, Methani, Narasmunda, Parbella, Dubeshwari, Mohanpur, Barmuri, Shyampur B.

Bharat Coking Coal Limited

1996-97

East Katra, Kustore, Ganhoodih, G OCP, Maheshpur, Jogidih, Balihari, Laikidih Deep, Victoria West.

1995-96

Mudidih, North Tisra, South Tisra

1994-95

Moodidih, Kankanee, Tetulmari Bastacolla, Bera, Dobari, Ganhoodih, Kujama, Kuya, G OCP, N. Tisra, S Tisra, Jeenagora, Jairampur, Muraidih, Jamunla OCP, Balihari, Bhagaband, Hurliladih, Basantimata

Central Coalfields Limited

1996-97

Lapanga

1995-96

Siraka UG, Argara, Kathara, S Dhord Kalyani

1994-95

Bhurkuna, Lapanga, Saunda, A Karanpura, K Karanpura, Sayal D, Urimari, Gidi 'A' Religara, Sirka UG, Sirka OC, Rohini OCP, Churi, Karkata, Shok OCP, Tetarikhar OC, K Dewarkhand, Swang & Pipradih, Govindpur (P), Kathara, Jarandih, Dhori, N.S. Dhori, Amlo, Kalyani, Tarmi, Dhori-K, Giridih OCP, Kabribad PDS/TRN, Kuju, Seemra, Sugla, Pundi, Topa, Pindra, Sarubera, NR Siding, Chinpur Siding.

[English]

Import of Cardamom

628. SHRI MULLAPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the price of cardamom has fallen during 1997-98;

(b) whether licence has been given for importing cardamom;

(c) if so, the details of the countries from which import of cardamom is proposed and quantum thereof;

(d) whether the Government are aware that a large quantity of cardamom is being smuggled into India from countries like Nepal; and

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

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir.

(b) and (c) Cardamom being a consumer item, its import is not permitted except against an import licence. Details of import of small cardamom during last two years are given below:

Year	Qty (MT)	Value (Rs. Lakhs)
1995-96	26.00	20.75
1996-97	28.00	45.40
1997-98	22.00	36.09
(Up to Nov. 97)		DGCI&S, Calcutta.

Import are mainly from Singapore and Myanmar.

(d) Growers of Cardamom have represented to the Government that small cardamom is finding its way illegally into India.

(e) Concerned Customs authorities and their field formations have been alerted to prevent any smuggling of cardamom from Nepal into India.

Industrial Policy for North-Eastern Region

629. SHRI NRIPEN GOSWAMI : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is any proposal under consideration of the Government to formulate a separate Industrial Policy for the North-Eastern Region;

(b) if so, the details thereof alongwith the salient features of the policy; and

(c) the time by which the final decision is likely to be taken in this regard?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (c) A new industrial policy for the North Eastern region was announced by the Government on December 24, 1997. Details of the Policy are given in the enclosed Statement.

Statement

New Industrial Policy and other concession in the North-Eastern Region

The Government has approved the new Industrial Policy and other Concessions in the North Eastern Region which *inter alia* envisage the following:

A. Development of Industrial Infrastructure

- (i) Government has approved that entire expenditure on the growth centres would be provided as Central assistance, subject to a ceiling of Rs. 15 crores.
- (ii) In respect of the IID centres the funding pattern would be changed from 2:3 between GOI and SIDBI to 4:1, and the GOI funds would be a grant.

B. Transport Subsidy Scheme

- (i) The Transport subsidy scheme will be extended further in so far as N.E. States are concerned, for a period of another 7 years i.e. upto 31st March, 2007.

C. Fiscal incentives to new industrial units and their substantial expansion

- (i) Government has approved for converting the growth centres and IIDCs into a tax free zone for the next 10 years. All industrial activity in these zones would be free from income tax and excise duty, for a period of 10 years from the commencement of production. State Governments would be requested to grant exemptions in respect of Sales Tax and Municipal Tax.
- (ii) Industries located in the growth centres would also be given capital investment subsidy at the rate of 15% of their investment in plant and machinery, subject to a maximum ceiling of Rs. 30 lakhs.
- (iii) An interest subsidy of 3% on the working capital loans would be provided for a period of ten years after the commencement of production.
- (iv) Similar benefits would also be extended to the new industrial units or their substantial expansion in other Growth centres of IIDCs or industrial estates/ parks/export promotion zones set up by the States in the NE region.

D. Relaxation of PMRY Norms

- (i) The PMRY would be expanded in scope to cover areas of horticulture, piggery, poultry, fishing, Small tea gardens, etc. So as to cover all economically viable activities. PMRY would have a family income ceiling of Rs. 40,000 per annum for each beneficiary along with his/her spouse and upper age limit will be relaxed to 40 years. Projects costing upto Rs. 2 lakhs in other than business sectors will be eligible for assistance. No collateral will be insisted for projects costing upto Rs. 1 lakh. Group financing upto Rs. 5 lakhs will be eligible. Scheme will have a subsidy component @ 15% with an upper ceiling of Rs. 15,000. The margin money may vary from 5% to 12.5% of the project cost to make the subsidy and margin contribution at 20% of the project cost. PMRY would continue to have Entrepreneurship Training Component as per the existing rate.

E. Other Incentives Proposed

- (i) A comprehensive insurance scheme for industrial units in the North East will be designed in consultation with General Insurance Corporation of India Ltd. and 100% premium for a period of 10 years would be subsidised by Central Government.
- (ii) A one time grant of Rs.20 crores will be provided to the North East Development Financial Corporation (NEDFI) by the Central Government through NEC to fund techno-economic studies for industries and infrastructure best suited to this region.

Export Strategy

630. SHRI MADHAVRAO SCINDIA:
SHRI KRISHAN LAL SHARMA :

Will the Minister of COMMERCE be pleased to state:

- (a) whether Government had worked out a medium term export strategy for the next three years and announced it in January this year;
- (b) if so, the details thereof; and
- (c) the steps taken to implement and enforce the strategy?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) Yes, Sir.

(b) The Ministry has prepared a Medium term strategy covering sectoral and directional aspects for achieving a targeted export level of US \$ 90 to 100 billion by the year 2002 and to achieve 1% share in world exports. The sectoral strategy discusses sector specific issues and

suggests various measures to improve trade in these sectors. The directional strategy suggests a special focus on the emerging markets in Africa, Latin America, and CIS countries.

(c) Exim policy announced recently has focussed on procedural simplification and strengthening of export promotion schemes. An integrated programme for promoting exports to Latin American countries has been launched. A reduction in interest rate on export credit has been launched. A reduction in interest rate on export credit has been effected to reduce the cost of export-finance. Special measures have been taken to enhance the production base for exports. Export promotion is an ongoing activity and measures are taken in consultation with trade, industry and export promotion organisations.

Health Care facilities for Coal Mines Workers

631. SHRI TATHAGATA SATPATHY : Will the Minister of COAL be pleased to state:

(a) the steps taken by the Government to provide health care facilities to the workers engaged in coal mining activities;

(b) the number of hospitals/dispensaries and mobile health vans etc., provided by the Government to different coal mines under different coal companies for the purpose;

(c) whether adequate health care facilities are not available to the workers of Mahanadi Coalfields Ltd. (MCL);

(d) if so, the reasons therefor; and

(e) the steps taken to provide adequate health care facilities to the workers of MCL?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Coal India Ltd., through its subsidiary companies is responsible for providing health care facilities to all the workers through a chain of hospitals and dispensaries spread over the coalfields. Workers are also referred to outside hospitals for specialised treatment when such facilities is not available in the company's hospitals. Regular monitoring of workers' health is carried out through periodic medical examination. In the last few years various special/super special facilities like neonatology, Dialysis unit, ICU, TMT and Holder Monitor, Neurosurgery with whole body CT scanner unit, Endoscopy unit, Laparoscopic Cholecystectomy, Physio Therapy unit etc. have been installed at various hospitals of CIL.

(b) Number of hospitals, dispensaries and mobile vans provided by CIL and its subsidiaries is as under:

1. No. of hospitals	-	86
2. No. of dispensaries	-	434
3. No. of Mobile Health Vans	-	11

(c) Adequate Health care facilities are available to the workers of MCL.

(d) and (e) Does not arise, in view of reply at 'C' above.

Gross Domestic Product

632. SHRI AJOY MUKHOPADHYAY : Will the Minister of INDUSTRY be pleased to state the details of Gross Domestic Product (GDP) by Public sector and private sector industry, separately, during the last three years excluding small scale sector?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : The details of Gross Domestic Product by public sector and private sector industries, during the last three years are estimated as under:

Gross Domestic Product

(Rs. in Crore)

Year	Public Sector	Private Sector
1994-95	231764	636255
1995-96	263957	742329
1996-97	294050	855165

Upgradation of Bangalore City

633. SHRI K.C. KONDAIAH : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken any decision to declare Bangalore City as "A-1 City" for the purpose of granting House Rent Allowance of 30 percent of the basic salary to Central Government employees based in Bangalore;

(b) if so, the details thereof alongwith criteria adopted in this regard;

(c) if not, the reasons therefor;

(d) whether the Central Government Employees Unions have also requested in this regard; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (e) A City/town can be classified as A-1 if it has a population of 50 lakhs or more. Bangalore City does not fulfil this condition laid down by the Fifth Central Pay Commission. It cannot, therefore, be classified as 'A-1' for the purposes of grant of House Rent Allowance.

Integrated Handloom Village Development Scheme

634. SHRIMATI SURYAKANTA PATIL : Will the Minister of TEXTILES be pleased to state:

(a) whether the Government propose to cover more villages under the Integrated Handloom Village Development Scheme in Maharashtra during the current year;

(b) if so, the details thereof, district-wise; and

(c) the number of persons likely to get employment under the scheme?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) No, Sir. The Integrated Handloom Village Development scheme has been discontinued with effect from 1.4.1997.

(b) and (c) Does not arise.

New Bank Branches

635. SHRI RAJVEER SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to open new branches of Banks during 1997-98 in various States particularly in rural area of Uttar Pradesh; and

(b) if so, the State-wise details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Decisions to open new branches of banks are not taken by the Government but by the banks concerned and with authorisations from Reserve Bank of India (RBI). Since the banks concerned take decisions to open branches based on current commercial considerations it may not be possible to indicate how many such branches will be opened during the year.

Foreign Direct Investment

636. SHRI A.C. JOS : Will the Minister of INDUSTRY be pleased to state :

(a) whether the recent decision to impose sanctions against India for conducting Nuclear Test is likely to affect the Foreign Investment inflow to the country;

(b) if so, the details thereof; and

(c) the steps being taken by the Government to remedy the situation?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) The perception of foreign investors to

economic sanctions are not yet fully clear, but as of now the impact of sanctions on the flow of foreign direct investment is not seen to be significant. The ongoing efforts for promotion of foreign direct investment (FDI) in the country, whenever necessary, would be focussed to build up and support investors, confidence and initiatives.

Voluntary disclosure of Income Scheme

637. SHRI P. SANKARAN: Will the Minister of FINANCE be pleased to state:

(a) the total amount converted to 'White Money' due to Voluntary Disclosure of Income Scheme; and

(b) the State-wise break up of the same?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING , REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The total amount of unaccounted income declared under Voluntary Disclosure of Income Scheme, 1997 is Rs. 33,339.03 crores.

(b) The details of total income declared under VDIS, 1997 has been maintained Chief Commissioner of Income-tax-charge wise and the figures are mentioned as in the Statement enclosed.

Statement

S.No	C.C.I.T. Charges (in crores)	Total Amount Declared (in Rupees) .
1.	Ahmedabad	3,253.00
2.	Bangalore	2,425.07
3.	Bhopal	1,019.56
4.	Calcutta	2,399.52
5.	Chandigarh	2,013.69
6.	Chennai	2,778.00
7.	Cochin	448.45
8.	Delhi	4,152.83
9.	Hyderabad	1,749.00
10.	Jaipur	925.26
11.	Kanpur	1,208.00
12.	Lucknow	738.00
13.	Mumbai	6,500.70
14.	Patna	871.95
15.	Pune	2,858.00
Total		33,339.03

Mobilisation of Capital

638. SHRI RATILAL KALIDAS VARMA: Will the Minister of FINANCE be pleased to state:

(a) whether keeping in view the threats by various countries for imposing various types of sanctions, the Government intends to take concrete steps for decreasing the foreign loans and mobilisation of capital through national sources as well as inviting NRIs by providing them various incentives;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) In the back drop of sanctions, it is important to keep in mind that net external assistance (including official grants) constitutes less than 3 percent of India's net capital formation. Domestic savings have always played a very important role in India's growth and will continue to do so. As per latest available data Gross Domestic savings as percentage of Gross Domestic Product (at market prices) have risen from 22 percent in 1992-93 to 25.3 per cent in 1995-96, and further to 26.1 percent in 1996-97. With sound macro economic policies, this is expected to maintain its uptrend.

In conformity with the liberal investment policy being followed, equity investment up to 100 percent by NRIs/OCBs has been permitted in high priority industries. Foreign equity investment in mining (3 categories of industries) has also been allowed up to 100 percent for NRIs/OCBs. The existing ceiling of 24 percent for aggregate portfolio investment limit for NRIs/OCBs/FIIs can be raised to 30 percent of the issued and paid up capital of the company with approval of the Board of Directors.

Comprehensive plan for Software Sector

639. SHRI K. S. RAO: Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have prepared any comprehensive package for the software sector, particularly for export;

(b) if so, the details thereof indicating *inter-alia* the volume of software export during the last three years;

(c) whether his Ministry has taken up the matter with the Ministry of Finance for providing easy credit to the software exporters; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) Government have identified the computer software sector as a thrust sector

for export. To tap the full export potential in this area, various measures are taken from time to time. These constitute setting up of Software Technology Park Scheme, zero import duty on Computer software, income tax benefit under Section 80 HHE and simplification of the existing procedures etc. To remove any road blocks from this policy and coordination point of view, the matters are discussed in the Export Promotion Board.

To give further momentum in this direction, Prime Minister also has announced publicly that India should be made a Global information software in the world within 10 years. In pursuance of this statement, suggestions have been invited from the industry. Further, the recent Exim policy has reduced the ceiling of EPCG scheme to Rs. 10 lakhs and above.

The details about the export of computer software during the last 3 years are as under:

(Rs. crores)		
Year	Exports	Growth (%)
1995-96	2650	80
1996-97	4113	55
1997-98	6800	65

Source: Electronics and Computer Software Export Promotion Council.

(c) and (d) The financing problems faced by software units were discussed with the concerned authorities from time to time. To finalise guidelines for sanction of working capital to software units, based on our suggestions, Reserve Bank of India has set up a Working Group under the leadership of the State Bank of India.

Irrelevant Excise Rules

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

(a) whether attention of the Government has been drawn to the news-item captioned "MOF panel to look into irrelevant excise rules" appearing in the Economic Times dated April 23, 1998;

(b) if so, the reaction of the Government to the observations made therein and facts of the matter;

(c) the present status of the progress made by the committee so far; and

(d) the time by which the task is expected to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS

AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) Despite rationalisation of Tariff and simplification of procedures, the present scheme of collection of Central Excise duty involves considerable interface between the excise officials and the assesses which often leads to misuse of authority and in some cases, becomes the cause of harassment, corruption and collusion. The Government has appointed a two member Committee - Shri S.V. Iyer, former Special Secretary to the Government of India, as Chairman and Dr. Amita Mitra, Secretary General, FICCI, as Member of this Committee so that they may suggest a new system where there is less interface, which is transparent, acceptable to assesses but at the same time, interest of revenue is safeguarded and where collection is robust and stable. The observations made in the news item refers to different provisions of Central Excise rules which will be reviewed by the committee.

(c) and (d) The Committee has been taking evidences from trade interests and the Central Excise Department and is expected to complete the task by the end of October, 1998.

Package to Revive Economy

641. SHRI R. SAMBASIVA RAO : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are studying a package to revive economy;

(b) if so, whether the Government have been examining the way to boost Government investment in infrastructure as well as to create a conducive environment for promoting private investment in this sector;

(c) if so, the extent to which the Government have been able to study the package to revive economy; and

(d) if so, to what extent economy has been revived?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (d) The National Agenda for Governance clearly states governments resolve to continue, reappraise and revitalise the reform process. The GDP growth would be raised to 7-8 percent bracket, fiscal and revenue deficits would be controlled. The decision making process would be oriented to give primacy to removal of unemployment and to accelerate development in infrastructure particularly, energy & power.

Money laundering awareness

642. SHRI MUKUL WASNIK : Will the Minister of FINANCE be pleased to state :

(a) the details of the recommendations made by the UN Conference on Money Laundering Awareness for South and South-West Asia; and

(b) the reaction of the Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The recommendations made by the UN Conference on Money Laundering Awareness for South and South-West Asia are given in the Statement enclosed.

(b) These recommendations are under active consideration of the Government and will be kept in view while considering our approach to the proposed Money Laundering legislation.

Statement

*United Nations Conference on Money Laundering Awareness raising for South and South-West Asia
New Delhi 3-5 March 1998*

With representation from : Bangladesh, India, Iran, Maldives, Myanmar, Nepal, Pakistan, Sri Lanka and Thailand

Recommendations

1. State should ratify the United Nations Convention against Illicit Traffic in Narcotic Drugs & Psychotropic Substances, 1988 and take steps to implement its provisions regarding money laundering and the proceeds of crime. In drafting their legislation States should have regard to the standards set out in the 40 recommendations of the Financial Action Task Force; the Council of Europe Convention on Laundering, Search, Seizure & Confiscation of the proceeds of Crime, 1990; the Council of the European Communities Directive of 10 June 1991 on prevention of the use of the Financial system for the purpose of money laundering, and other relevant international instruments.
2. In order to give maximum effect to anti-money laundering measures, States should endeavour to extend the range of predicate offenses (being those which are to be regarded in law as giving rise to the proceeds of crime for the purpose of money laundering legislation) beyond those connected with drug trafficking, to include in their legislation, as wide a range as possible. In this connection, regard may be had to the language of the interpretive Note to FATF recommendation # 4, which speaks of "all offences that generate a significant amount of proceeds."
3. In order to secure the cooperation of the financial sector, and the confidence of the public, in anti money laundering measures, state should be in a

position to ensure that information provided by financial institutions to law enforcement or other bodies designated by legislation should remain confidential except insofar as it is needed for the pursuit of bona-fide investigations and prosecutions, or other lawful purposes.

4. In addition to the traditional banking institutions, anti-money-laundering measures should apply as far as is practicable to non-bank financial institutions and other professionals or enterprises which may be used for money-laundering.
5. Professional associations should be urged to exclude from their membership those who are involved in money laundering.
6. There is a need for more information, relevant and of high quality, to be made available on anti-money laundering training and technical assistance which is available to states, as well as better coordination of such training among providers, at both the bilateral and multilateral level. In this regard, States support the initiative of the United Nations Global Programme against Money Laundering in using its ImoLIN Bulletin Board as a means of advising on and coordination training and technical assistance initiatives.
7. As many States in the region are now in the process of drafting relevant legislation, they should consider authorising their draftsmen to work together to promote to the greatest extent possible the harmonisation of their legislative provisions in order to maximise the level of cooperation between them in investigations and prosecutions of relevant offences. One way to accomplish this, which State should consider, would be for States to meet together in an appropriate form to compare their draft legislation with a view to ensuring uniformity where possible, having due regard to the circumstances and sovereignty of each State. Such a forum might involve expert advisers from relevant international organisations or from other states with experience in such legislation.
8. States should consider measures which would make alternative remittance systems, where they are not prohibited, (Hawala, etc.) subject to the same anti-money laundering rules as other financial institutions, for the purpose of preventing their abuse by money launderers. In formulating such measures, states should seek to harmonise them with those of others in the region, and having regard to the language of FATF recommendation #9. States outside the region should be urged to examine the feasibility of discouraging or restricting the promotion of Hawala type remittance systems, including such promotion in their advertising media.
9. States should consider setting aside a portion of the value of the criminal assets they confiscate to support anti-money laundering training and technical assistance programmes.
10. Wherever possible subsequent to initial training and experience, such further training should be based upon a "train the trainers" approach to ensure a greater and more cost-effective, spread of knowledge and experience throughout the region; and such training should extend beyond law enforcement and encompass other relevant sectors such as the financial and legal/judicial.
11. Money laundering should be included as a topic in training programme in all relevant public and private sector institutions.
12. Government and international organisations should take measures to sensitise the public legislators, policy makers and the media with regard to the dangers posed by money laundering.
13. States should work toward establishing a mechanism in the region to promote coordination of and contact between their existing and future money-laundering control agencies, with a view to maximising cooperation and the timely exchange of information. Existing groups aimed at enhancing cooperation in the effort to fight money laundering, such as the Asia Pacific Group and the Egmont Group, should be encouraged to meet on a regular basis in the region.
14. Where staff of financial institutions are found to be negligent in failing to report suspicious transactions to the appropriate authorities, States should have the ability to levy regulatory and/or administrative sanctions against such staff or their institutions as an alternative to criminal prosecution.
15. States should consider the use of special investigative techniques such as the controlled delivery of proceeds of crime.
16. States should consider the sharing of confiscated assets with other cooperating States.
17. The United Nations through its appropriate agencies or bodies, is invited to consider the formulation of a specific convention relating to money laundering and the proceeds of crime, covering all offences that generate a significant amount of proceeds.

[English].....(*Interruptions*)

SHRI BIKRAM DEO KESHARI (Kalahandi) : Sir, I want to talk on the agricultural crops of Orissa.

MR. SPEAKER: You will get permission on Monday.

12.01 hrs.

PAPERS LAID ON THE TABLE

Annual Report and Review by the Government of the working of the National Small Industries Corporation Ltd., New Delhi for the year 1996-97 etc.

[English]

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : I beg to lay on the Table -

(1) A copy each of the following papers (Hindi and English versions) under sub-section(1) of Section 619A of the Companies Act, 1956:

(a) (i) Statement regarding review by the Government of the working of the National Small Industries Corporation Limited, New Delhi, for the year 1996-97.

(ii) Annual Report of the National Small Industries Corporation Limited, New Delhi, for the year 1996-97, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT 208/98]

(b) (i) Statement regarding review by the Government of the working of the Omnibus Industrial Development Corporation of Daman and Diu and Dadra and Nagar Haveli Limited, Moti Daman, for the year 1996-97.

(ii) Annual Report of the Omnibus Industrial Development Corporation of Daman and Diu and Dadra and Nagar Haveli Limited, Moti Daman, for the year 1996-97, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

(2) Two statements (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 209/98]

(3) (i) A copy of the Annual Report (Hindi and English Versions) of the National Council for Cement and Building Materials, New Delhi for the year 1996-97, along with Audited Accounts.

(ii) Statement (Hindi and English versions) regarding Review by the Government, of the working of the National Council for Cement and Building Materials, New Delhi, for the year 1996-97

[Placed in Library. See No. LT-210/98]

(4) (i) A copy of the Annual Report (Hindi and English versions) of the Indo German Tool Room, Ahmedabad, for the year 1996-97 alongwith Audited Accounts.

(ii) Statement (Hindi and English versions) regarding Review by the Government, of the working of the Indo German Tool Room, Ahmedabad, for the year 1996-97.

[Placed in Library. See No. LT/211/98]

(5) (i) A copy of the Annual Report (Hindi and English versions) of the Indo German Tool Room, Indoor, for the year 1996-97, alongwith Audited Accounts.

(ii) Statement (Hindi and English versions) regarding Review by the Government, of the working of the Indo German Tool Room, Indoor, for the year 1996-97.

[Placed in Library. See No. LT-212/98]

(6) (i) A copy of the Annual Report (Hindi and English versions) of the Central Tool Room, Ludhiana, for the year 1996-97, alongwith Audited Accounts.

(ii) Statements (Hindi and English versions) of the regarding Review by the Government, of the working Central Tool Room, Ludhiana, for the year 1996-97.

[Placed in Library. See No. LT 213/98]

(7) (i) A copy of the Annual Report (Hindi and English versions) of the Central Tool Room and Training Centre, Bhubaneswar, for the year 1996-97, alongwith Audited Accounts.

(ii) Statement (Hindi and English versions) regarding Review by the Government, of the working of the Central Tool Room and Training Centre, Bhubaneswar, for the year 1996-97.

[Placed in Library. See No. LT -214/98]

(8) (i) A copy of the Annual Report (Hindi and English versions) of the Central Institute of Tool Design, Hyderabad, for the year 1996-97, alongwith Audited Accounts

- (ii) Statement (Hindi and English versions) regarding Review of the working of the Central Institute of Tool Design, Hyderabad, for the year 1996-97.

[Placed in Library. See No.LT-215/98]

- (9) (i) Acopy of the Annual Report (Hindi and English versions) of the Central Tool Room and Training Centre, for the year 1996-97, along with Audited Accounts.

- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the Central Tool Room and Training Centre, Calcutta, for the year 1996-97.

[Placed in Library. See No. LT-216/98]

- (10) (i) Acopy of the Annual Report (Hindi and English versions) of the Indo-Danish Tool Room, Jamshedpur, for the year 1996-97 along with Audited Accounts.

- (ii) Statesment (Hindi and English versions regarding Review by the Government, of the working of the Indo-Danish Tool Room, Jamshedpur for the year 1996-97.

[Placed in Library. See No.LT-217/98]

- (11) (i) Acopy of the Annual Report (Hindi and English versions) of the Indo-German Tool Room, Aurangabad, for the year 1996-97 along with Audited Accounts.

- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the Indo-German Tool Room, Aurangabad for the year 1996-97.

[Placed in Library. See No. LT.218/98]

- (12) (i) Acopy of the Annual Report (Hindi and English versions) of the Central Institute of Hand Tools, Jalandhar, for the year 1996-97 alongwith Audited Accounts.

- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the Central Institute of Hand Tools, Jalandhar, for the year 1996-97.

[Placed in Library. See No. LT-219/98]

- (13) (i) Acopy of the Annual Report (Hindi and English versions) of the Indian Institute of Entrepreneurship, Guwahati, for the year 1996-97 alongwith Audited Accounts.

- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the Indian Institute of entrepreneurship, Guwahati, for the year 1996-97.

- (14) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (13) above.

[Placed in Library. See No. LT. 220/98]

- (15) A copy of the Annual Report (Hindi and English versions) of the Controller-General of Patents, Designs and Trade Marks for the year 1996-97, under section 155 of the Patents Act, 1970.

- (16) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (15) above.

[Placed in Library. See No.LT-221/98]

- (17) A copy of the Annual Report (Hindi and English versions) of the Controller-General of Patents, Designs and Trade Marks for the year 1996-97, under section 126 of the Trade and Merchandise Mark Act, 1958.

- (17A) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (17) above.

[Placed in Library. See No. LT-222/98]

- (18) (i) Acopy of the Annual Report (Hindi and English versions) of the Electronics Service and Training Centre, Ramnagar, for the year 1996-97 alongwith Audited Accounts.

- (ii) Statement (Hindi and English versions) regarding Review by the Government of the working of the Electronics Service Training Centre, Ramnagar, for the year 1996-97.

[Placed in Library. See No. LT-223/98]

- (19) A copy of the Annual Report (Hindi and English versions) of the National Institute of Design, Ahmedabad, for the year 1996-97 alongwith Audited Accounts.

- (20) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (19) above.

[Placed in Library. See No. LT-224/98]

- (21) (i) Acopy of the Annual Report (Hindi and English Versions) of the process and product Development Centre, Agra, for the year 1996-97 alongwith Audited Accounts.

- (ii) **Statement (Hindi and English Version) regarding Review by the Government of the working of the process and product Development Centre, Agra for the year 1996-97**

[Placed in Library. See No. LT-225/98]

- (22) (i) **A Copy of the Annual Report (Hindi and English versions) of the institute for Design of Electrical Measuring Instruments, Mumbai, for the year 1996-97 alongwith Audited Accounts.**

- (ii) **Statement (Hindi and English versions) regarding Review by the Government of the working of the Institute for Design of Electrical Measuring Instruments, Mumbai, for the year 1996-97.**

[Placed in Library. See No. LT-226/98]

- (23) (i) **A copy of the Annual Report (Hindi and English versions) of the Central Pulp and Paper Research Institute, Saharanpur, for the year 1996-97, alongwith Audited Accounts.**

- (ii) **A copy of the Review (Hindi and English versions) by the Government of the working of the Central Pulp and Paper Research Institute, Saharanpur, for the year 1996-97**

[Placed in Library. See No. LT-227/98]

- (24) (i) **A copy of the Annual Accounts (Hindi and English versions) of the Coir Board, Cochin, for the year 1996-97 together with Audit Report thereon, under sub-section (4) of section 17 of the Coir Industry Act, 1953.**

- (ii) **Statement (Hindi and English versions) regarding Review by the Government of the Audited Accounts of the Coir Board, Cochin for the year 1996-97.**

- (25) **Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (24) above.**

[Placed in Library. See No. LT-228/98]

- (26) **A copy of the Notification No. S.O. 788 (Hindi and English versions) published in Gazette of India dated the 20th November, 1997 notifying the Messers Madhya Desh Papers Limited, Nava Bharat Bhavan, Cotton Market, as a mill producing newsprint under sub-section (6) of section 3 of the Essential Commodities Act, 1955.**

[Placed in Library. See No. LT-229/98]

- (27) (i) **A copy of the Annual Report (Hindi and English versions) of the Automotive Research**

Association of India, Pune, for the year 1996-97 alongwith Audited Accounts.

- (ii) **Statement (Hindi and English versions) regarding Review by the Government of the working of the Automotive Research Association of India, Pune for the year 1996-97.**

- (28) **Statement (Hindi and English Versions) showing reasons for delay in laying the papers mentioned at (27) above.**

[Placed in Library. See No. LT-230/98]

- (29) (i) **A copy of the Annual Report (Hindi and English versions) of the Khadi and Village Industries Commission, Bombay, for the year 1996-97 under sub-section (3) of section 24 of the Khadi and Village Industries Commission Act, 1956.**

- (ii) **Statement (Hindi and English versions) regarding Review by the Government of the working of the Khadi and Village Industries Commission, Bombay for the year 1996-97.**

- (30) (i) **Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (29) above.**

[Placed in Library. See No. LT-231/98]

- (31) (i) **A copy of the Annual Accounts (Hindi and English Versions) of the Khadi and Village Industries Commission, Bombay, for the year 1996-97 together with Audit Report thereon, under sub-section (4) of Section 23 of the Khadi and Village Industries Commission Act, 1956.**

- (ii) **Statement (Hindi and English versions) regarding Review by the Government of the Audited Accounts of the Khadi and Village Industries Commission, Bombay, for the year 1996-97.**

- (32) **Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (31) above.**

[Placed in Library. See No. LT-232/98]

Annual Report, Annual Account and Review by the Government on the working of the Tea Board, Calcutta for the year 1996-97 etc.

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : On behalf of Shri Ramakrishna Hegde, I beg to lay on the Table :

- (1) (i) **A copy of the Annual Report (Hindi and English Versions) of the Tea Board, Calcutta, for the year 1996-97.**

(ii) A copy of the Annual Accounts (Hindi and English versions) of the Tea Board, Calcutta, for the year 1996-97, together with Audit Report thereon.

(iii) A copy of the Review (Hindi and English versions) by the Government of the working of the Tea Board, Calcutta for the year 1996-97.

(2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT-233/98]

(3) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:

(a) (i) Statement regarding Review by the Government of the working of the State Trading Corporation of India Limited, New Delhi, for the year 1996-97.

(ii) Annual Report of the State Trading Corporation of India Limited, New Delhi for the year 1996-97 alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT-234/98]

(b) (i) Statement regarding Review by the Government of the working of the projects and Equipment Corporation of India Limited, New Delhi, for the year 1996-97.

(ii) Annual Report of the Projects and Equipment Corporation of India Limited, New Delhi, for the year 1996-97 alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT-235/98]

Annual Report of the Ahmedabad Textile Industry's Research Association, Ahmedabad for the year 1996-97, Annual Report of the Bombay Textile Research Association, Mumbai for the year 1996-97 etc.

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): I beg to lay on the Table:

(1) (i) A copy of the Annual Report (Hindi and English versions) of the Ahmedabad Textile Industry's Research Association, Ahmedabad, for the year 1996-97, alongwith Audited Accounts.

(ii) A copy of the Annual Report (Hindi and English versions) of the Bombay Textile Research Association, Mumbai for the year 1996-97 alongwith Audited Accounts.

[Placed in Library. See No. LT 236/98]

(iii) A copy of the Annual Report (Hindi and English versions) of the South India Textile Research Association, Coimbatore, for the year 1996-97, alongwith Audited Accounts.

(iv) A copy of the Annual Report (Hindi and English Versions) of the Northern India Textile Research Association, Ghaziabad, for the year 1996-97, alongwith Audited Accounts.

[Placed in Library. See No. LT 237/98]

(2) A copy of the Review (Hindi and English versions) by the Government on the working of the Ahmedabad Textile Industry's Research Association, Ahmedabad; Bombay Textile Research Association, Mumbai; South India Textile Research Association Coimbatore and Northern India Textile Research Association, Ghaziabad for the year 1996-97.

[Placed in Library. See No. LT-238/98]

(3) A copy of the following papers (Hindi and English Versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

(a) (i) Review by the Government of the working of the Cotton Corporation of India Limited, Mumbai for the year 1996-97.

(ii) Annual Report of the Cotton Corporation of India Limited, Mumbai for the year 1996-97, alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT-239/98]

(b) (i) Review by the Government of the working of the National Handloom Development Corporation Limited, Lucknow, for the year 1996-97.

(ii) Annual Report of the National Handloom Development Corporation Limited Lucknow, for the year 1996-97 alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

[Placed in Library. See No. LT-240/98]

(4) (i) A copy of the Annual Report (Hindi and English versions) of the National Institute of Fashion Technology, New Delhi for the year 1996-97 alongwith Audited Accounts and Comments of the comptroller and Audited Accounts.

(ii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Institute of Fashion Technology, New Delhi, for the year 1996-97.

(5) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (4) above.

[Placed in Library. See No. LT-241/98]

- (6) (i) A copy of the Annual Report (Hindi and English versions) of the Wool Research Association, Thane, for the year 1996-97 alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English Versions) by the Government of the working of the Wool Research Association, Thane, for the year 1996-97.
- (7) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (6) above.

[Placed in Library. See No. LT-242/98]

Notification Under Coinage Act

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : I beg to lay on the Table:

(1) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 21 of the Coinage Act, 1906:

- (i) The Coinage (Standard Weight and Remedy) of commemorative coins of Fifty Rupees containing Silver Fifty percent -Copper Forty percent, Nickel Five percent and Zinc five percent) and Fifty paise (Ferritic Stainless Steel) coined to commemorate the occasion of "Fiftieth Year of Independence (1947-1997, Rules, 1997, published in Notification No.G.S.R. 453(E) in Gazette of India dated 4th August, 1997.
- (ii) The Coinage (Standard Weight and Remedy of Ferritic Stainless Steel Coin of one Rupee. Fifty paise, Twenty Five paise and Ten paise containing Iron eighty three percent and Chromium seventeen per cent) Rules 1997, published in Notification No. G.S.R. 642 (E) in Gazette of India dated 7th November, 1997.

[Placed in Library. See No. LT- 243/98]

Annual Report and Review by the Government on the working of Cement Corporation of India Ltd., New Delhi for the year 1996-97

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : On behalf of Shri Sukhbir Singh Badal, I beg to lay on the Table:

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of Companies Act, 1956:
- (i) Statement regarding Review by the Government of the working of the Cement Corporation of India Limited, New Delhi, for the year 1996-97.
- (ii) Annual Report of the Cement Corporation of India Limited, New Delhi, for the year 1996-97 alongwith Audited Accounts and comments of the Comptroller and Auditor General thereon.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT-244/98]

12.03 hrs.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA): With your permission, Sir, I rise to announce that Government Business during the week commencing 1st June, 1998 will consist of :

1. Consideration of any item of Government Business carried over from today's Order Paper.

2. Discussion on the Statutory Resolutions seeking disapproval of the following Ordinances and consideration and passing of the Bills replacing these Ordinances.

- (a) The Essential Commodities (Amendment) Ordinance, 1998
- (b) The Finance (Amendment) Ordinance, 1998

3. Discussion on the Statutory Resolutions seeking disapproval of the following Ordinances and consideration and passing of the Bills replacing these Ordinances, as passed by Raja Sabha:

- (a) The Employees' Provident Funds and Miscellaneous Provisions (Amendment) Ordinance, 1998
- (b) The Payment of Gratuity (Amendment) Ordinance, 1998
- (c) The Merchant Shipping (Amendment) Ordinance, 1998
- (d) The Representation of the People (Amendment) Ordinance, 1998

4. General Discussion on Railway Budget for 1998-99.

5. Discussion and Voting on Demands for Excess Grants (Railways) for 1995-96.

6. Discussion on the Status Paper on Railways.

7. Consideration and passing of the Prasar Bharati (Broadcasting Corporation of India) Amendment, Bill, 1998.

[Translation]

PROF. PREM SINGH CHANDUMAJRA (Patiala) : Mr. Speaker, Sir, the following items may be included in next week's list of business:

After the devaluation of rupee to the level of Rs. 31 to Rs.39 against the dollar. Last year, it had been stated by

the Government that the rupee had been occupying a higher value position for quite a long time, hence this devaluation was essential. Now that the exchange rate has been rationalised, it will help in boosting the trade and improving the financial position. However a discussion is required on the situation arising out of further devaluation of rupee as a result of economic sanctions imposed.

SHRI BACHI SINGH RAWAT 'BACHDA' (Almora): Mr. Speaker Sir, the following items may be included in next week's list of business:

1. Need to enhance the capacity of very low power T.V. transmitter relay centres located at Didhaat, Dharchula, Jaurasi, Ranikhet in Uttar Pradesh and to set up ten new low power TV transmitter relay centres in the current financial year.

2. Need to regularise the services of daily wages and extra departmental postal employees working in Central Border Road Organisation.

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Speaker, Sir, the following items may be included in next week's list of business:

1. The ordinary salt has been compulsarily replaced with the iodised salt, this ban should be lifted.

2. More funds should be allocated for the maintenance of National highways in Rajasthan.

12.07 hrs.

ELECTIONS TO COMMITTEES

(i) Marine Products Export Development Authority

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): On behalf of Shri Ramakrishna Hegde, I beg to move:

"That in pursuance of Section 4(3) (c) of the Marine Products Export Development Authority Act, 1972 and Rule 4(2) of Marine Products Export Development Authority Rules 1972, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Marine Products Export Development Authority, for the remaining term of the Authority i.e. upto 23.11.1998, subject to other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER: The question is:

"That in pursuance of Section 4(3) (c) of the Marine Products Export Development Authority Act, 1972 and Rule 4(2) of Marine Products Export Development

Authority Rules 1972, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Marine Products Export Development Authority, for the remaining term of the Authority i.e. upto 23.11.1998, subject to other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

(ii) Rubber Board

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): On behalf of Shri Ramakrishna Hegde, I beg to move:

"That in pursuance of sub-section (3) (e) of Section 4 of the Rubber Act, 1947 read with rule 4 of the Rubber Rules 1955, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Rubber Board, subject to other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER: The question is:

"That in pursuance of sub-section (3) (e) of Section 4 of the Rubber Act, 1947 read with rule 4 of the Rubber Rules 1955, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Rubber Board, subject to the other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

(iii) Coffee Board

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): On behalf of Shri Ramakrishna Hegde, I beg to move:

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942 read with rule 4(2) of the Coffee Rules, 1955, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Coffee Board for the remaining term of the Coffee Board commencing from the date of notification by the Government, subject to other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER: The Question is:

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942 read with rule 4 (2) of the Coffee Rules, 1955, the members of this House do proceed to elect, in such manner as the Speaker may

direct, two members from among themselves to serve as members of the Coffee Board, for the remaining term of the Coffee Board commencing from the date of notification by the Government, subject to other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

(iv) Agricultural and Processed Food Products Export Development Authority

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : On behalf of Shri Ramakrishna Hegde I beg to move:

"That in pursuance of sub-section (4) (d) of Section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority, subject to other provisions of the said Act."

MR. SPEAKER : The question is :

"That in pursuance of sub-section (4) (d) of Section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority, subject to other provisions of the said Act."

The motion was adopted.

(v) Tobacco Board

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : On behalf of Shri Ramakrishna Hegde I beg to move :

"That in pursuance of Section 4 (4) (b) of the Tobacco Board Act, 1975 read with rule 4 (1) of the Tobacco Board Rules, 1976, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Tobacco Board, subject to the other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER: The question is :

"That in pursuance of Section 4 (4) (b) of the Tobacco Board Act, 1975, read with rule 4 (i) of the Tobacco Board Rules, 1976, the members of this House do proceed to elect, in such manner as the Speaker may direct two members from among themselves to serve

as members of the Tobacco Board, subject to other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

(vi) Tea Board

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : On behalf of Shri Ramakrishna Hegde I beg to move:

"That in pursuance of Section 4 (3) (f) of the Tea Act, 1953 read with rules 4(1) (b) and 5(2) of the Tea Rules, 1954 the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as member of the Tea Board, subject to other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER : The question is :

"That in pursuance of Section 4 (3) (f) of the Tea Act, 1953 read with rules 4(1) (b) and 5 (2) of the Tea Rules, 1954, the members of the House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Tea Board, subject to other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

(vii) Spices Board

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : On behalf of Shri Ramakrishna Hegde, I beg to move :

"That in pursuance of Section 3(3) (b) of the Spices Board Act, 1986, read with rules 4(1) (b) and 5 (2) of the Spices Board Rules 1987, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Spices Board, subject to other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER : The question is :

"That in pursuance of Section 3(3) (b) of the Spices Board Act, 1986, read with rules 4(1) (b) and 5(2) of the Spices Board Rules, 1987, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Spices Board, subject to other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

(viii) Central Silk Board

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : I beg to move :

" That in pursuance of sub-section (3) (c) of Section 4 of the Central Silk Board Act, 1948, the members of this House do proceed to elect, in such manner as the Speaker may direct, four members from among themselves to serve as members of the Central Silk Board, subject to other provisions of the said Act."

MR. SPEAKER: The question is :

" That in pursuance of sub-section (3) (c) of Section 4 of the Central Silk Board Act, 1948, the members of this House do proceed to elect, in such manner as the Speaker may direct, for members from among themselves to serve as members of the Central Silk Board, subject to other provisions of the said Act."

The motion was adopted.

[English]

MR. SPEAKER : Now, we shall take up item No. 17. The Railway Budget. Shri Nitish Kumar.

Before that, the Minister of Defence, Shri George Fernandes will make a statement.

SHRI DIGVIJAY SINGH (Banka) : Now that the Railway Minister is on his legs. The budget should be presented. The entire country is waiting for it.

12.15 hrs.

**STATEMENT BY MINISTER
Pakistan's Nuclear Test**

[English]

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES) : Mr. Speaker, Sir, Indian Seismic observation centres have recorded at 1546 hours on 29th May, 1998 the event of an underground nuclear explosion in Pakistan's Chagai Hills Zone. Observations recorded at multiple centres indicate a likely yield of about ten kiloton TNT equivalent. If there were more tests than one, then the tests were simultaneous and successive tests were of smaller yield than the first one. Our Government had anticipated such an event and this was already factored into our planning of our defence strategy. It is, however, unfortunate that Pakistan has chosen to declare the test "INDIA specific."

[English]

MR. SPEAKER : Now, the Railway Minister will present the Railway Budget for 1998-99.

12.16 hrs.

RAILWAY BUDGET-1998 -99*

[Translation]

THE MINISTER OF RAILWAYS (SHRI NITISH KUMAR): Mr. Speaker, Sir, I rise to present the Budget Estimates for 1998-99 for the Indian Railways. These Estimates reflect certain decisions taken by the Government after I presented an interim Budget to this august House on the 25th March, 1998.

Introduction

In the last few months, Sir, I have had the opportunity of looking at the Indian Railways from close quarters. I have formed certain perceptions about their role, the present state of their health, the problems they face and the possible solutions. I would like to share these perceptions briefly with the Hon'ble Members.

Besides being a symbol of national integration, the Indian Railways are both a barometer and a principal determinant of the economic and Social health of the nation. At this juncture, when the country is poised for significantly higher economic growth, Indian Railways cannot fail to match that growth. People must therefore know certain facts about the Railways-especially what the Railways can do, what they are unable to do and why. The Status paper laid by me in the House two days back is an attempt to bring out these facts.

On this occasion, I would like to highlight a few of the basic issues that confront the Indian Railways. Sir, it is well known that Railways have a number of intrinsic advantages, they are six times more energy-efficient, four times more efficient in land use and significantly superior from the standpoints of environmental impact and safety as compared to road transport. The rail mode is certainly cheaper for medium and long distance movement of passengers and freight traffic. Indian Railways therefore should occupy reality is otherwise. Railways' market share of both freight and passenger traffic, has declined from 89% and 80% respectively in 1950-51 to 40% and 20% as of now. I feel that this is an undesirable trend which has to be arrested and reversed, from the national point of view as well as the Railways' own.

Obviously, development of the Railway System has not kept pace with the general progress of the country. The massive investment needed for this have not materialised because of the declining share of the Capital from the General Exchequer which supported Railway development and because of inherent limitations of Railways to generate adequate resources internally. During the last 12 years or so, Railways have become increasingly dependent on borrowed funds, which tends to depress their resources capacity. The result is that Railways are adding to their

* Also Placed in Library. See No. LT- 245/98

shelf of projects—both of a commercially viable nature and otherwise—their outstanding value being in the region of Rs. 35,000 cr. Railway projects which would be meaningful from the socio-economic angle or from a commercial viewpoint are large and require long periods to yield returns. Limited resources being spread thinly over a large number of projects leads to time and cost overruns, affecting adversely their financial viability.

Railways are looked upon sometimes as a commercial organisation and sometimes as a vehicle for fulfilment of social obligations. The latter role requires them not only to make investments which are unremunerative or loss making but also to provide subsidised services, mostly in the passenger segment and to some extent by carrying essential commodities below cost. Input costs are constantly rising and a major addition has occurred with the implementation of the recommendations of the Fifth Central Pay Commission. Complete freedom to fix tariffs so as to meet the costs and generate adequate resources for the Plan has generally not been available to the Railways. Especially in recent years, there has been no major revision of passengers fares. Cross-subsidisation through freight traffic is growing and right now any further increase of freight tariff will mean a serious risk of losing traffic. Unlike many foreign railways which receive the Government subsidies for public service obligations, Indian Railways do not enjoy specific compensation for their unremunerative operations.

With persistent shortage of resources for investment, Indian Railways transport output is being squeezed out of an increasingly inadequate asset base. The system is feeling the strain, particularly in its high density corridors. Reliability of assets is affected and it is becoming increasingly difficult to sustain growth and quality of Railway services on these sectors.

Sir, I have outlined some of the problems. Railways will continue to strive to effect improvements wherever needed, but the fundamental solution, to my mind, seems to lie in substantially enhanced levels of investment. I shall greatly appreciate the views of the Hon'ble members and look forward to these in the course of the debate on the Budget.

Economy and Austerity Measures

Sir, in this context I would like to mention about the economy and austerity measures that I propose to pursue. There have been some comments regarding lavish expenditure in certain areas such as hospitality, publicity, advertisements, inauguration ceremonies, and the like. While I realise that austerity in these areas may not result in substantial saving, a climate of restraint is a desirable objective in itself and may lead to better financial efficiency in general.

A major part of the revenue of the Railways go to meet the maintenance and operating expenses. It will, therefore, be our endeavour to ensure that expenditure incurred is

strictly need-based whether it is on fuel, materials, staff or in other areas. There will be renewed emphasis on the efficient utilisation of assets, whether they are rolling stock, signal track, equipment, line capacity, or manpower. The monitoring procedures that are in place will be put to the fullest use and improved where required. Prudence in spending, in the areas of construction activity and purchase of materials will also receive greater attention. If cost-effective management of assets is vital to the financial health of the system, the prevention of wastage and leakage of resources through accident, pilferage, ticketless, travel and other malpractices is as important. I shall seek to make improvements in these areas.

Railway Recruitment Board (RRBs)

Sir, the working of the Railway Recruitment Boards, in the recent past, came under severe criticism. I have reviewed their functioning and decided that the administrative set up of the RRBs and procedure for recruitment should be thoroughly revamped so as to tone up their working and ensure that candidates of quality and merit are selected for railway services with due regard to the prescribed rules.

I have already initiated several measures in this direction. A Railway Recruitment Control Board (RRCB) has been set up in the Railway Board for issuing policy instructions to RRBs in matters connected with recruitment and to oversee their implementation. All RRBs will function under the direct control of RRCB. Several other procedural steps have also been taken to ensure that the recruitment process is streamlined and there is transparency. I hope that these measures will help the youth of the country get a fair chance to join railway services on merit. Recruiting the right people will, in turn, help the Railways in providing safe, secure, punctual and reliable services.

Performance in 1997-98

I am glad to report that in the financial year 1997-98 that has just ended, the Railway have moved about 429 million tonnes of originating revenue earning traffic, against the target of 430 million tonnes and 20 million tonnes higher than the previous year's loading. This is the third successive year when Indian Railways have registered around 20 million tonnes or more of incremental revenue loading. Cumulatively the Railways have achieved a record of over 64 million tonnes of incremental loading during the past three years. Passenger traffic registered a growth of about 5% during the year. In financial results an excess of Rs. 1,470 cr. of receipts over expenditure was anticipated in the Revised Estimates. The final accounts for the year are under compilation and indications through approximate figures are that there may be a marginal variation. Plan expenditure is expected to be, more or less close to the Revised Estimates, that is Rs. 8,403 cr.

Passenger Services

Sir, there is an ever-increasing pressure for new passenger trains, increased frequency and extended run

of trains better quality of service, new halts, etc. Due to increase of population and the objective to achieve higher rates of economic growth, movement of passengers as well as freight is bound to increase. The Railways' offer of passenger services has generally lagged behind the demand and the reason for this is the lack of capacity and constraint in resources to enhance it. Without sacrificing the claims of freight traffic which is vital to the lives of the people and the growth of the national economy, Railways have been able to respond to passenger needs in a substantial manner.

In line with the above approach, it is proposed to introduce the following additional train services.

- i. Bhopal-Hazrat Nizamuddin Express
- ii. Varanasi-Kurla Express
- iii. Bhagalpur-Patna Intercity Express
- iv. Madurai-Coimbatore Express (MG)
- v. Guntur-Secunderabad Express
- vi. Mangalore-Kurla Express (via Konkan Railway)
- vii. Tiruchchirappalli-Howrah Express (tri-Weekly)
- viii. New Delhi-Muzaffarpur Swatantrata Senani Express via Ballia and Ghazipur (bi weekly)
- ix. Sealdah-new Coochbehar Uttar Banga Express (bi weekly)
- x. Bangalore-Visakhapatnam Express via Guntakal (weekly)
- xi. Kurla-Howrah Super Deluxe AC Express (Weekly)
- xii. Kurla-Nagpur Super Deluxe AC Express (Weekly)

Frequency of the following trains will be increased:

- i. 7029/7030 Hyderabad - Cochin Express from 3 days a week to daily.
- ii. 4863/4864 Marudhar Express from 4 days a week to daily. On the additional three days train to be routed via Faizabad
- iii. 5209/5210 Amritsar-Barauni Janseva Express from 3 days to 5 days a week
- iv. 2715/2716 Nanded- Amritsar Express from 3 days to 5 days a week
- v. 8603-8604 - 8605-8606 Ranch-Delhi Swarna Jayanti Express from 2 days to 4 days a week
- vi. 6339/6340 Mumbai- Nagercoil Express from 3 days to 4 days a week

- vii. 8403/8404 Puri- Ahmedabad Express from 3 days to 4 days a week.
- viii. 5219/5220 Kurla- Darbhanga Express from 2 days to 4 days a week
- ix. 9047/9048 Surat - Patna Express from 1 day to 2 days a week
- x. 1031/1032 Pune- Howrah Express from 1 day to 2 days a week
- xi. 1029/1030 Pune-Howrah Express from 1 day to 2 days a week

The run of the following trains will be extended:

- i. 6683/6684 Mangalore-Palghat Express to Tiruchchirappalli
- ii. 9759/9760 Delhi- Jaipur Intercity Express to Jodhpur
- iii. 3447/3448 Dadar- Bhagalpur Express (four days a week) to Guwahati once a week

On completion of gauge conversion the following improved broad gauge services will be provided:

- i. Bandra- Bikaner Express
- ii. Jorhat-Guwahati Express
- iii. Jodhpur-Ahmedabad intercity Express
- iv. Tiruchchirappalli- Chennai Pallavan Express
- v. Chennai- Tiruchchirappalli Rockfort Express
- vi. Bijapur- Hotgi Passenger (3 pairs of Push- pull services)
- vii. Express train between Secunderabad - Hubli
- viii. Villupuram- Tiruchchirappalli passenger (3 pairs)
- ix. Tiruchchirappalli- Lalgudi Passenger
- x. Extension of 523/524 Kacheguda- Mahbubnagar Passenger to Dronachelam
- xi. Extension of 535/536 Secunderabad - Mahbubnagar Passenger to Kurnool Town
- xii. Extension of Purna- Mudkhed Passenger to Adilabad

On completion of New Lines following train services will be introduced :

- i. Bhubaneswar-Rourkela Express via Sambalpur
- ii. Talcher- Sambalpur Passenger

Main Line EMU services will be started on the following sections:

- i. Kanpur- Shikohabad
- ii. Durg- Bilaspur
- iii. Asansol - Jhajha
- iv. Purulia - Bardhaman

DMU Services will be introduced on the following sections

- i. Daund - Pune
- ii. Tiruchchirappalli -Karur
- iii. Buxar- Danapur- Patna
- iv. Mhow- Indore (MG)
- v. Patna - Rajgir

Rail Bus Services will be started on the following sections:

- i. Tumear Road - Tirodi
- ii. Silchar- Jiribam (MG)
- iii. Junagarh- Dhari (MG)

The following trains will be diverted via the Konkan Railway :

2617/2618 Hazrat Nizamuddin - Mangalore Mangala Express

6333/6334 Thiruvananthapuram- Rajkot Express (Weekly)

6337/6338 Cochin - Rajkot Express (Weekly)

6335/6336 Nagercoil - Gandhidham Express (Weekly)

In addition to introduction of new trains and increase in frequency of existing services as detailed above, I propose to give a major thrust to augment the loads of passenger trains, so that there is increase in passenger carrying capacity per train. Load of existing popular trains will be increased to 24 coaches on selected routes. By this measure, availability of passenger carrying capacity will increase up to 25 % per train. This augmentation will help the common man as extra second class coaches will be available per train. Based on the experience gained, we will be moving towards running of trains with 26 coaches this year.

With the increase in the AC-2 Tier class services to clear to passenger preference, Railway have been phasing out First Class services. But there is a clientele who, for

reasons of health or otherwise, miss the First Class. In order to meet this gap, I have decided that such accommodation should be revived to a limited extent. A new design of composite coach is proposed to be introduced gradually, forming part of the second class sleeper coaches.

Sir, the Hon'ble Members will be happy to hear that the Railway propose to introduce a new type of high-speed train with special features of comfort. In this year of the Golden Jubilee of India's Independence, it will serve the passengers to and from the city of the Golden Temple, Amritsar, connecting New Delhi. It will be called the Swarna Shatabdi Express and will be in lieu of the existing New Delhi- Amritsar Shatabdi Express.

Tatkal Booking

In order to provide a facility of instant reservation to that segment of our rail customers who have to plan their journeys at short notice, to meet emergent personal or business needs, an innovative "tatkal" scheme was launched last year on an experimental basis. It enables a passenger with a photo identity-card to get confirmed booking during 24 hours before the departure of the train on payment of a surcharge. The scheme has proved popular and successful in curtailing the tout menace. Already in force on 20 Shatabdi and superfast trains to and from the five metropolitan cities, it is proposed to be extended to all superfast trains during this financial year.

Enhanced Facilities for Senior Citizens

I am glad to announce that Senior citizens will now be entitled to a concession of 30 % as against 25% available to them in second class and this facility will further be extended to include all classes and all trains including Rajdhani and Shatabdi Expresses.

Unemployed youth attending interviews for selection to Central Government jobs will be given full concession in second class on production of a certified copy of call letter and application.

The facility of advancing or postponing the date of journey is presently available only on confirmed tickets. This is being extended to waitlisted/RAC passengers also. Further, for the convenience of waitlisted passengers, reservation charges will also be collected along with the fare, so that they do not have to pay separately on the train in case their accommodation is confirmed.

Refund procedures are soon to be simplified so as to make it possible for a passenger to get refund not only from the ticket issuing station but also from Zonal railway headquarters of any station where he deposits the ticket.

Medical facilities of Railway hospitals are being given to licenced porters as outpatients, in recognition of the important service they provide to the passengers. There is yet another small section of people who provide service to the passengers, the licenced shoe-shine boys who

mostly come from the weakest strata of society. In pursuance of our commitment towards social upliftment, it is proposed to extend to them the facility of outpatient treatment in Railway hospitals.

Tourism

Sir, the Indian Railways have taken major initiatives in the sphere of tourism promotion in order to help the country attract around five million foreign tourists per year by 2000 AD. I have decided to introduce a tourist train "Bodh Parikrama" on the Buddhist Circuit linking Saranath, Bodhgaya and Rajgir.

Arrangements have been finalised to introduce two tourist trains in collaboration with private sector on the following circuits :-

- i. Delhi - Jaipur - Agra - Gwalior - Jhansi - Varanasi - Lucknow - Delhi, and
- ii. Bangalore - Mysore - Chennai - Kodaikanal Road - Kanniyakumari - Thiruvananthapuram - Cochin - Mettupalayam - Bangalore.

A tourist train from Delhi to Alwar hauled by the world's oldest working steam locomotive named " Fairy Queen" has become popular and has found a place in the Guinness Book of Records. The frequency of the service is proposed to be increased from once a month to twice a month during the tourist season.

Foreign tourists visiting India with the Euro Train Explorer pass sold through worldwide outlets can now exchange it for Indrail pass for travel on Indian Railway trains.

In order to further widen access to Indian Railways network, a strategic alliance has been formalised with Air India and Indian Airlines for sale of Indrail passes through the worldwide distribution network of these air carriers.

Catering Services

Hon'ble members have expressed their concern, time and again, on the need to improve catering services on trains and at stations. I would like to inform the House that special emphasis is being given to handling of food, storage and service in hygienic conditions apart from its quality. Improvement of "on board" catering services is also a priority area and eight more trains will be provided pantry car services during the current year.

To strengthen and professionalise catering services, a corporate entity, styled as the Indian Railway Catering and Tourism Corporation has been proposed to be formed. It will provide necessary control and direction to catering services on trains as well as at stations. The proposals formulated for this purpose is under the consideration of the Government and a decision will be taken soon.

Computerisation of Passenger Reservations

Over the last decade, computerised reservation facilities have been provided at 339 locations covering almost 95% of the total reservation workload. Networking of computer system has been established between Delhi and Secunderabad and will soon be extended to cover Mumbai, Calcutta and Chennai.

To help a wider section of the travelling public, the provision of computerised reservation is being extended to stations where 200 reservation are required in a day, instead of 300 at present.

Punctuality

Punctuality of mail and express trains has improved over the year. Further improvement required major inputs for the provision of overlapping rakes to enable restoration of passenger rake links to their schedules whenever dislocations take place. Higher allocation is being provided for this purpose in the current year. Steps have also been taken to strengthen the machinery to monitor late running of trains on a real time basis. Divisional Railway Managers are being directed to keep a special watch.

Freight Traffic

While bulk long distance freight will continue to be the mainstay, thrust has been given to winning back non-bulk, less than trained traffic back to rail from road by the multi-modal route. Container Corporation of India (CONCOR) has been strengthened with a new Domestic Division in this effort to reverse strengthen with a new Domestic Division in this effort to reverse the trend of declining market share of freight traffic.

MOUs have been signed to introduce innovative transportation packages in collaboration with private sector enterprises in the form of "road railers" and roll-on-roll-off" services.

To improve the quality of service to the trading community and to boost the volume of international cargo movements, CONCOR has acquired state-of-the-art container flats capable of operating at a speed of 100 kmph. This will reduce transit times significantly and provide a much needed fillip to the country's export drive.

Safety

Sir, the greatest challenge the railways are facing today is the restoration of the intrinsic health of the system so that safe transit is provided to passengers and freight. A train accident is a matter of deep concern and anguish to us. I would like to assure the House that safety is an area of paramount concern where no compromise will be made. Investments specifically needed for ensuring safety will be given overriding priority. The technology inputs required and the rehabilitation of overaged assets are being given due importance.

Sir, human failure accounts for nearly 70% of train accidents. With a view to addressing this problem effectively, Railways systematically provide training and counselling of staff connected with train operations and monitor their performance. It is also proposed to provide technical safeguards to check human failure, as far as possible. For instance, Railway are exploring the possibility of installing a puffer-proof auxiliary warning system that can prevent collisions, which result in the loss of precious lives.

Security

Hon'ble members have been expressing concern over the increasing incidents of theft and other criminal activities on the railway premises as well as running trains. The popular perception is that the Railways are responsible for providing security to passengers and their belongings. However, this is not the legal position. According to the Constitution, policing on the Railways is the responsibility of the State Governments. It is the Government Railway Police (GRP), functioning under the State Governments, that has to ensure the security of the railway passengers and their belongings. We do realise that the present state of affairs is not very satisfactory. Railway Protection Force (RPF) which is primarily meant for protection of railway property is in constant touch with the GRP to ensure safe travel of railway passengers.

Railway have commenced a process of streamlining the functioning of RPF to make it more effective. The measures taken include modernisation of communications, security gadgets and weaponry, provision of adequate transportation, computerisation, upgrading of training facilities etc. Specific additional budget provision has been made for this purpose.

Konkan Railway Corporation (KRC)

Sir, I share my joy with the House that the Konkan Railway line has been made fully operational and was dedicated to the Nation on the first of May, 1998 by the Hon'ble Prime Minister. This 760 km line is a truly remarkable achievement of the country in the field of railway construction. It has greatly reduced the distance and travel time to Kerala and coastal Karnataka from the northern and western parts of the country and I am sure it will contribute immensely to the economic development of the west coast.

This unique engineering feat included the construction of 20 major viaducts, of which the tallest measure about 64 metres; boring of 92 tunnels for a total length of 83.60 kilometres, the longest tunnel being 6.5 kilometres. It is a tribute to the engineering skills of KRC that the Maharashtra Road Development Corporation Limited have selected them as the agency for tunnelling work on the proposed Mumbai-Pune-Expressway.

The final cost of the KRC project is likely to be in the region of Rs. 3,550 cr. of which Rs. 1,033 cr. is the

financing cost (interest during construction) of borrowing from the market. The repayment of loans and indirect during the current year is of the order of Rs. 455 cr. It will be some time before the freight traffic on the line builds up sufficiently to enable KRC meet its obligations. Under the circumstances, Indian Railways have decided to give them some loan assistance. Provision for this has been made in the Budget.

Annual Plan 1998-99

Sir, in the interim Railway Budget I had placed the plan outlay at Rs. 8,300 cr. intending to increase it so as to meet the investment needs better. I am happy to state that it stands raised to Rs. 9,500 cr. representing an appreciable increase over the Revised Estimate of last year. This has been made possible through an increase in the internal resource component to Rs. 4,400 cr. mainly because of the postponement of pensionary and other benefits as a result of Government's recent decision to raise the age of retirement from 58 to 60 years. Railways have also been helped by an increase in the Capital from the General Exchequer by Rs. 369 cr above the interim Budget level. It is now Rs. 2,200 cr. Additionally, the market borrowing component has been slightly enhanced, to Rs. 2,900 cr. I am hopeful that a further addition to the plan outlay may become possible in the course of the year and, in any case, that outlays in the coming years of the Ninth Plan will be such as to infuse a new vigour and direction to railway investments.

Sir, Railways have a large shelf of projects involving enormous outlay across the various Plan heads that stand for different types of projects. Resources are by no means unlimited and investments have to be guided by prudence in selection and prioritisation in funding. An attempt has been made to maintain a careful balance between the claims of extension of the system to serve new areas, on the one hand and, on the other, the compelling needs of the system for enhanced capacity, modern technology and better service to the users, including the all-important dimension of safety.

Keeping these considerations in view, additional emphasis is being given to certain plan heads. As compared to the general increase in the plan outlay this year, in percentage terms, there will be higher enhancements for certain plan heads. For new lines, the outlay is raised significantly from about Rs. 370 cr. in last year's Revised Estimate to Rs. 500 cr. an increase of 35%. In view of the importance of doubling of track for increasing line capacity, the allocation for this plan head has been raised by 88% from Rs. 272 cr to Rs. 510 cr. For traffic facilities the allocation has been raised from about Rs. 148 cr. in last year's Revised Estimate to Rs. 220 cr. an increase of 50%. Passenger Amenities receive an increased allocation of 25% taking it to Rs. 100 cr. For a higher rate of progress of track circuiting and other safety works, the allocation has been increased by 62% in the Signal & Telecommunication

Plan head to Rs. 350 cr from Rs. 222 cr. in last year's Revised Estimate. In view of the need to setup progress of Metropolitan Transport Projects in the cities of Mumbai, Chennai and Calcutta, the allocation has been placed at Rs. 250 cr. with an increase of 65% over the previous year. Adequate increase have been made in other important Plan heads like Track Renewals, Workshops including Production Units etc. Under the Gauge Conversion Plan head, which had received very significant allocations in the recent years, the outlay provided is sufficient to maintain the progress of ongoing works with due regard to their property. For optimal utilisation of plan funds, the various works in each of the Plan heads have been prioritised so that works that are approaching completion and works which are important from the operational viewpoint are adequately funded. New works have been added very selectively.

New Lines

Sir, I am happy to state that Railways have completed construction of the Jogighopa-Goalpara line. The Naranarayan Setu, a rail-cum-road bridge over river Brahmaputra, costing approximately Rs. 300 Cr. an outstanding achievement of Indian engineers. It was inaugurated by the Hon'ble Prime Minister on the 15th April 1998. This line will provide the vital rail link between the north and south banks of the Brahmaputra. Railways have also completed the construction of a new line from Nishchintapur to Kashinagar, a part of the Lakshmikantapur - Namkhana new line projects.

In 1998-99, Railway will be completing work on Angul-Maneswar portion of the Talcher-Sambalpur new line project, thus completing the entire project. Similarly, by constructing Goalpara-Guwahati new line, the entire project of Jogighopa- Guwahati new line will be completed this year. The Panihar - Khajuri sector of Guna - Etawah line will also be completed this year, thus connecting Guna and Gwalior.

Railway will also make efforts to speed up work on the Udampur-Srinagar-Baramula line; this will depend upon the State Government making available the required land.

Sir, with a view to developing infrastructure in the backward areas, the New Line projects of Ranchi to Koderma via Hazaribagh and Barkakana, Deoghar to Dumka and Raichur to Gadwal have been included in the Budget. These works will be taken up for execution after the necessary approvals are received. In order to promote international tourism and keeping in view the needs of the Buddhist tourists in particular, the work of linking Rajgir to Gaya by a line from Rajgir to Tilaya via Hisua as well as the restoration of Fatuah-Islampur railway line has been included in the Budget.

Gauge Conversion

In 1998-99, Railways expect to complete the gauge conversion of following sections:

Section	Km.
Mudkhed- Adilabad (BOLT)	162
Narkatiaganj -Gorakhpur	151
Tambaram-Tiruchchirappalli	303
Tiruchchirappalli-Dindigul	93
Bayyappanahalli-Yesvantpur	17
Babupeth-Balharshah	11
Solapur -Hotgi	15
Sheosagar - Moranhat	36
Mariani - Jorhat	22
Total	810

...(Interruptions)

Sir, It is proposed to take up gauge conversion of Gandhidham- Palanpur and Thanjavur - Villupuram mainline. Hon'ble members will be happy to know that the Bankura - Damodar river railway line, which was earlier owned by a private company, has already been purchased by the Railway and it has now been decided to convert this line to Broad Gauge. These projects are included in the Budget and can be taken up after the necessary approvals are received.

Doubling

In 1997-98, Railways have completed about 160 km of doubling projects. In 1998-99, another 284 km on various sections are proposed to be doubled.

Hon'ble members will be happy to know that doubling of Korba - Gevra Road and Lucknow - Sultanpur and 5th & 6th lines of New Delhi - Tilak Bridge have been included in the Budget. This will ease the traffic flows and create additional capacity on some of the saturated sections.

Electrification

During 1997-98, 445 route km. of railway track was electrified, bringing the total length of electrified routes to 13,962 km. Electrification of 2,300 km. has been targeted for the IX plan including unelectrified Kharagpur - Visakhapatnam section of Calcutta - Chennai route, Ambala - Kalka and the Sitarampur - Mughalsarai sections. In 1998-99, electrification of 500 route km. is envisaged. For this a provision of Rs. 340 cr. has been made in the Budget.

Track Renewal

An amount of Rs. 1,425 cr. has been provided in the Budget for Track Renewal this year as against Rs. 1,223 cr. in the Revised Estimates of last year. The emphasis will be on carrying out track renewal on the important routes carrying fast or heavy traffic. The effort will be to eliminate overdue renewals in A, B and C routes on priority during the IX Plan period.

Suburban Transport System

Sir, nearly two-thirds of Railway Passengers travel on the suburban systems of the cities of Calcutta, Chennai, Delhi and Mumbai, which have come under immense pressure. They need to be strengthened urgently. I shall mention here briefly the improvements being made.

A survey for the extension of the Calcutta Metro to Garia has been completed and a study for its extension from Dumdum to Barrackpore is in progress. A survey for extending the Circular railway from Princepghat to Majerhat is in progress. It has already been decided to electrify the section from Dumdum to Tala Junction. Electrification of Ranaghat- Gede and Ranaghat-Bongaon sections has been taken up. Electrification of Barasat-Hasnabad section has been included in the Budget. The project will be taken up after the necessary approvals are received (*Interruptions*)

Extension of the Mass Rapid Transit System in Chennai from Luz to Velacheri has been taken up in coordination with the Tamil Nadu Government who have agreed to bear two-thirds of the cost besides providing Government land available along the alignment free of cost. In addition, conversion of the MG suburban System to BG is also being included in the Budget with the participation by Tamil Nadu Government. The commitments, however, will be made after the necessary approvals are received.

A technical Cell in the Railway Board is being set up to assist the Delhi Metro Rail Corporation in technical matters.

For improving the conditions of travel for the vast number of rail commuters in Mumbai, twelve-car rakes are being progressively introduced. Track, Signals and power supply are being improved to permit augmentation of services. A number of studies of major projects for additional lines are already in progress and this year it has been decided to finance the quadrupling of Borivali-Virar section from budgetary resources since the BOLT scheme earlier envisaged for this was not successful. (*Interruptions*) A Memorandum of Understanding (MOU) between the Ministry of Railways and the Government of Maharashtra has been signed for the formation of a Public Sector Unit called Mumbai Railway Vikas Corporation Limited (MRVC) for executing projects in Mumbai area.

Surveys

Considering the requests received from the Hon'ble members and from the State Governments, I have decided to take up several surveys in the Budget for 1998-99.

I. Following surveys in the suburban sections are being taken up :

- a. Study of an Inter-modal transport system for Bangalore
- b. Techno- Economic study for identifying inputs required for commuter traffic in Delhi and National Capital Region

II. The following surveys for New Lines are being taken up :

- a. Deoghar-Sultanganj
- b. Ghuguli-Pharenda via Maharajganj
- c. Agartala-Sabroom
- d. Ujjain-Ramganj Mandi via Ghatia, Ghonsala, Agra and Sushar
- e. Madurai-Kottayam
- f. Hyderabad-Raichur
- g. Kaithal-Yamuna Nagar via Karnal
- h. Rajanandgaon-Jabalpur
- i. Extension of Etah-Baran line up to Shahjahanpur
- j. Updating survey for linking Hastinapur
- k. Urai- Mahoba/Harpalpur via Rath
- l. Tohana-Abohar via Bhuna and Fatehabad
- m. Hamirpur-Hamirpur Road
- n. Daniawan-Shekhpura via Chandi, Biharsharif and Barbigha
- o. Rail linking-Tonk
- p. Metro Road-Ajmer
- q. Rail linking of Pushkar

III. Surveys for conversion of the following lines to Broad gauge are being taken up :

- a. Kalol-Kadi-Kotasan
- b. Chickaballapur-Kolar
- c. Bodinayakanur-Madurai
- d. Madurai-Coimbatore

IV. Surveys for doubling the following lines are being taken up :

- a. Gaya-Kiul
- b. Delhi-Ahmedabad
- c. Bandel-Katwa
- d. Hasnabad-Barasat

..... (Interruptions)

Railway Production Units

The performance of our production units has a great bearing on our total transport capacity. All production units achieved their targeted output in 1997-98. In fact, most of them record their best-ever performance. It is a matter of satisfaction that five of our Production Units have secured ISO 9001 and 9002 certification. I am also happy to inform the House that Wheel & Axle Plant, Bangalore, was presented the "Golden Peacock Award" for quality.

Public Sector Undertakings

I would now like to review the working of the public sector undertakings under the administrative control of the Ministry of Railways. In 1996-97, IRCON International Limited registered a turnover of Rs. 467 cr. and a profit before tax of Rs. 43 cr. (Interruptions) It earned foreign exchange worth Rs. 42 cr. completing various projects in Angola, Nepal, Malaysia and Tanzania. Rail India Technical and Economic Service (RITES) also showed good progress with a turnover of Rs. 135 cr. in 1996-97, its overseas business being Rs. 55.6 cr. Container Corporation of India (CONCOR) registered a healthy traffic growth of 18.4 % during the year 1996-97. The Corporation's total turnover increased from Rs. 389 cr. in the previous year to Rs. 534 cr. in 1996-97. Indian Railway Finance Corporation (IRFC) earned a profit of Rs. 102 cr. in 1996-97 (Interruptions) It mobilised a total of about Rs.2558 cr. in the domestic and international market in 1997-98.

Research, Design and Standards Organisation (RDSO)

RDSO functions as consultant to the Indian Railways in technical matters. The important projects in hand include development of railway girder bridge sleepers in advance composites, retrofitment of air spring in the existing DC EMU bogies, fibre signalling and communication, solid state interlocking and BG high speed coaches.

In order to give a fillip to R & D, the budget provision for research projects of RDSO has been enhanced from 3 cr. in 1997-98 Rs. 10 cr. in 1998-99 Plan outlay.

Role of Railway Labour Federations

Industrial relations on Indian Railways continue to be cordial. The established fora viz. Permanent Negotiating

Machinery (PNM), Departmental Council (DC) / Joint Consultative Machinery (JCM) and participation of Railway Employees in Management (PREM) played an effective role in resolution of issues through meaningful dialogue.

Medicare

Indian Railways have been providing excellent medical services to its employees through a network of 122 hospitals and 670 dispensaries spread all over the country. Railway Health Services have contributed significantly to the overall performance of the Railways by keeping the health, morale, and productivity of the Railway employees at high levels. Railways also fully participated in the nation-wide campaigns for eradication of Polio and Family Planning.

Welfare of other Backward Classes

Indian Railways have always taken a lead in looking after the interests of weaker sections of the society. As Hon'ble Members are aware, associations representing the interests of Scheduled Castes and Scheduled Tribes have been in existence on the Railways at the Divisional, Zonal and Railway Board levels for the past several years. In the same spirit, last year some facilities have been extended to associations of the employees belonging to other Backward Classes to represent their grievances at the Zonal and Divisional levels. I have now decided to facilitate the formation of the Associations representing the interests of OBCs at the Railway Board level also. Further, it has been decided to extend to the OBC associations at the Railway Board, Zonal and Divisional levels all the facilities given to the All India SC/ST Railway Employees Associations.

Sports

The performance of Indian Railway on the national sports scene during 1997-98 was excellent, Railways won as many as 30 national titles out of a total of 37, an all-time high by any sports organisation in the country. While a large number of railway sports persons won Gold Medals, two of them also won the coveted Arjuna Award.

Indian Railways have traditionally been on the forefront of promotion of sports. They provide job security and a congenial environment for sports persons who have already attained national and international status, as well as facilities for budding sports persons to develop their talents. Accordingly, Indian Railways will actively scout for the top sporting talent in the country to join the Railways. As regards the other category, recruitment will be done through open advertisements to ensure equal opportunity and transparency.

In keeping with the spirit of promotion of sports by Indian Railways, it has been decided that the "Railway Sports Control Board" will be renamed as "Railway Sports Promotion Board."

Budget Estimates 1998-99

I shall now deal with the Budget Estimates for 1998-99.

On the basis of freight traffic projection of 450 million tonnes and passenger growth of 5 % over 1997-98, the Gross Traffic Receipts at the current fares and freight rates were estimated at Rs. 31,022 cr. in the interim Budget. This figure is retained.

Ordinary Working Expenses had been provided in the interim Budget at Rs. 23,370 cr. Since then, the rates of TA/DA and Running Allowance have been revised. The Impact of these revisions is quite substantial, assessed at Rs. 836 cr. This additional requirement is proposed to be met partially by an additional provision of Rs. 350 cr. and the balance is proposed to be met by effecting savings in certain other areas of working expenses. Thus, the Ordinary Working Expenses are revised upwards to Rs. 23,720 cr. from Rs. 23,370 cr.

The appropriation to Pension Fund which was placed at Rs. 4,000 cr. in the interim Budget, has been reduced to Rs. 2,218 cr. mainly in view of a substantial relief in pensionary payments due to enhancement of retirement age from 58 to 60 years. On the other hand, in order to plan for renewal and replacement works at a higher level, the appropriation to the Depreciation Reserve Fund is placed at Rs. 2,473 cr. as compared to Rs. 1,500 cr. of appropriation supplemented by Rs. 800 cr. from the balance in the Fund, as per the interim Budget (*Interruptions*)

With this, the Total Working Expenses will amount to Rs. 28,411 cr. leaving Net Traffic Receipts of Rs. 2,611 cr. A sum of Rs. 372 cr. is estimated by way of Net Miscellaneous Receipts, and thus Net Revenue would amount to Rs. 2,983 cr. A higher provision of Rs. 1,777 cr. as against Rs. 1,756 cr. in the interim Budget, has been made towards the Railways' dividend liability due to the upward revision of Capital from General Exchequer. In the result, the 'Excess' of receipts over expenditure works out to Rs. 1,206 cr. As I mentioned earlier, the Railways' Plan outlay of Rs. 9,500 cr. has an internal resources component of Rs. 4,400 cr. Out of this, Rs. 1,656 cr. is to be met out of the 'Excess', which is insufficient to the extent of Rs. 450 cr.

Sir, I am sure that the Hon'ble Members from all sections of the House fully recognise it to be in the long term interests of the Railway System that its operational and financial strength are not only maintained but also enhanced. Generation of adequate internal resources for the Railway Plan is a must, which implies that the tariff must inevitably rise with the rising input costs. This has certainly been the case with freight tariff, which has in fact reached a level over which any further increase would be a severe burden on the economy as well as the rail users. It entails a serious risk of a loss of railway's market share, a risk that is not desirable both for the Railways and the country. On the contrary, the pricing of passenger services has been so moderate as to require increasing amounts of cross-subsidisation from freight earnings. Such a pattern of

pricing is not sustainable. I am not, for a moment, underestimating the need for cheap transport for the poor among the railway passengers. Keeping that humane objective in view, I am reluctantly constrained to make certain revisions in the fares for passenger travel.

It is proposed to increase the fares of Second Class (Ordinary) by Re. 1 for distances up to 50 km, to 100 km, Rs. 3 from 101 km to 300 km and Rs. 5 from 301 km onwards. Sir, I would like to mention that 80% of the passengers of this class travel in the distance zone of 1 to 50 km will pay just one rupee more.

13.00 hrs.

The fares of both First Class (Ordinary) and Sleeper Class (Ordinary) will be increased by Rs. 5 for distances up to 750 km, Rs. 10 for distances from 751 km to 1,500 km and by Rs. 20 for distance beyond. Here again 90% of the passengers of these classes travel up to 750 km, and will pay only Rs. 5 more.

The commuters of metro cities depend heavily on the suburban rail services and most of them are low wage earners. Keeping this in view, I propose to increase the Monthly Season Ticket fares only by Rs. 5 for journeys up to 50 km, by Rs. 10 for distances between 51 km and 100 km and by Rs. 15 for distances beyond. Since Season Ticket holders make, on an average, 50 journeys in a month and approximately 80 % of them travel up to 50 km, the increase in their case works out to only 10 paise per journey.

For Mail/ Express trains, Sir, I propose to increase the fares marginally. The increases in Second Class will be Rs. 5 for distance up to 500 km, rising in steps to Rs. 25 for 2,501 km onwards. Similarly, in Sleeper Class the increases will be from Rs. 10 to 45. Keeping view the fact that mostly the lower income group use these two classes for long distance journeys, the increase has been kept to the minimum. The fares of higher classes are however being increased by higher amounts - Rs. 20 to Rs. 60 in First Class Mail/ Express and AC Chair Car Class, Rs. 40 to Rs. 120 in AC 3 Tier, by Rs. 60 to Rs. 180 in AC 2 tier and by Rs. 180 to Rs. 540 in AC First Class. Bedrolls will be supplied free in AC 3-tier Class.

The fares for Rajdhani and Shatabdi express trains are proposed to be increased by 20% in all the classes.

The fares for Metro Rail, Calcutta are also proposed to be increased by Re. 1 for 1 km to 5 km distances, Rs. 2 for 6 km to 10 km distances and Rs. 3 for distance beyond 10 km. As regards MRTS Chennai, I propose to revise the rate of existing surcharge of 50 paise to Re. 1 in Second class per passenger. The surcharge will be Rs. 2 per passenger in First class.

In order to meet the increasing cost of computerised reservations, I propose to increase charges by Rs. 6 for all classes.

The supplementary charges for superfast trains is also proposed to be revised from the existing Rs. 5-25 to Rs. 10-50.

The price of platform ticket is proposed to be fixed at Rs. 3.

Sir, the parcel freight rates for newspapers and magazines have not been revised for several years. The rates for magazines are now proposed to be increased by 20% but newspapers will not be affected. Parcel and Luggage rates of all other commodities are proposed to be revised upwards by 5%. Banana traffic moving in train loads will be given concession at the existing level on the revised rates.

As far as freight rates are concerned, as I mentioned earlier there is practically no scope to make a general increase at this point of time. I propose to make only a few marginal adjustments, involving a slight increase in some cases and slight reduction in others.

I propose to adjust the freight rates for Coal in shorter distances marginally- the increase being in the range of about 2% at different distance up to 500 km. There will be no increase beyond 500 km up to 1500 km and a reduction of 1% beyond 1,500 km. Iron ore, manganese and other common ores, timber, Soda, ash, rubber crude and caustic soda, which are at presently having relatively low classifications for charge, are proposed to be moved up by one step.

Relief was earlier granted to Steel Industry by reducing the classification for Iron or Steel temporarily from Class 230 for trainload and Class 250 for wagon load to Class 210 for train-load and class 230 for wagon load respectively. This relief will continue.

To make the rail rates attractive over middle and long distances. I propose to adjust the taper of rates for Coal, Cement, Iron or Steel such that the rates will reduce at longer distances, by about 1% to 2%. This, I hope, will not only give a boost to the core sector, but will also enable this sector to offer more traffic.

In order to offer further relief to the industry and agriculture, I propose to reduce the classification of Limestone, Dolomite and Gypsum by one step.

Certain commodities like foodgrains edible salt, urea, edible oils, Kerosene, liquid petroleum gas etc. have been exempted in the past from increase in freight rates. In these cases the exemptions are proposed to be continued with a view to avoiding a burden on the common man and the agriculture Sector.

Railway are also examining a scheme of discounts on substantial offer of assured additional traffic. I hope this scheme will be welcomed.

Sir, these proposals will be effective from 20.6.1998

and are expected to yield Rs. 450 cr during the remaining part of the current financial year, just so that the gap in the resources for the Railways' Annual Plan can be bridged. This will be a small step in the right direction, of limiting the extent of cross-subsidy to passenger services by freight.

Sir, I deem it a unique privilege to be presenting the Railway Budget in this golden jubilee year of independent India. The encouragement and motivation that I have received from the Hon'ble Prime Minister, Shri Atal Behari Vajpayee ji has been a source of inspiration for me. I am indeed grateful for his guidance. Indian Railways is a great organisation that draws its strength from valuable traditions. I am confident that with these strength and with the patriotic determination of railwaymen at all levels to contribute their best efforts, Indian Railways will continue to play a notable role in the economic prosperity of this great country and its people.

Sir, I look forward to the support of Hon'ble Members to meet the challenges before the Indian Railways.

With these words, Sir, I commend the Railway Budget 1998-99 to the House.

...*(Interruptions)*

13.10 hrs.

DEMANDS FOR EXCESS GRANTS (RAILWAYS) - 1995-96

[English]

SHRI NITISH KUMAR : I beg to present a statement (Hindi and English versions) showing the Demands for Excess Grants in respect of the Budget (Railways) for 1995-96 .

[Placed in Library. See No. LT-246/98]

...*(Interruptions)*

SHRI P.C. THOMAS (Muvattupuzha) : Sir, in protest, I walk out.

13.12 hrs.

(At this stage Shri P.C. Thomas left the House.)

SHRI TATHAGATA SATPATHY (Dhenkanal) : Sir, we walk out in protest.

13.13 hrs.

(At this stage Shri Tathagata Satpathy and some other Hon. Members left the House)

MR. SPEAKER: Hon. Members, please go back to your seats.

13.13¼ hrs.

FINANCE (AMENDMENT) BILL, 1998**[English]*

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : I beg to move for leave to introduce a Bill further to amend the Finance Act, 1979 and the Finance (No.2) Act, 1996.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Finance Act, 1979 and the Finance (No.2) Act, 1996.

The motion was adopted.

SHRI YASHWANT SINHA : I introduce** the Bill.

13.13½ hrs.

STATEMENT RE: FINANCE (AMENDMENT) ORDINANCE - Laid*[English]*

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : I beg to lay on the Table an explanatory statement (Hindi and English versions) showing reasons for immediate legislation by the Finance (Amendment) Ordinance, 1998.

[Placed in Library. See No. LT- 247/98]

[English]

SHRI SOMNATH CHATTERJEE (Bokpur) : The Private Members should not talk to the officers in the Official Gallery from the House. This is against the rules of the House.

13.14 hrs.

The Lok Sabha then adjourned for Lunch till thirty minutes past Fourteen of the Clock.

14.31 hrs.

The Lok Sabha re-assembled after Lunch at Thirty-one Minutes past Fourteen of the Clock.

[SHRI BENI PRASAD VERMA in the Chair]

* Introduced with the recommendation of the President.

** Published in the Gazette of India Extraordinary, Part-II, Section-2 dated 29.5.98

14.31¼ hrs.

ESSENTIAL COMMODITIES (AMENDMENT) BILL ***[English]*

MR. CHAIRMAN : Shri Surjit Singh Barnala to move for leave.

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF FOOD AND CONSUMER AFFAIRS (SARDAR SURJIT SINGH BARNALA) : Sir, I beg to move for leave to introduce a Bill further to amend the Essential Commodities Act, 1955.

MR. CHAIRMAN : The question is :

" That leave be granted to introduce a Bill further to amend the Essential Commodities Act, 1955."

The motion was adopted

SARDAR SURJIT SINGH BARNALA : I introduce* the Bill.

14.31½ hrs.

STATEMENT RE: ESSENTIALCOMMODITIES (AMENDMENT) ORDINANCE - Laid*[English]*

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF FOOD AND CONSUMER AFFAIRS (SARDAR SURJIT SINGH BARNALA) : Sir, I beg to lay on the Table an explanatory statement (Hindi and English versions) showing reasons for immediate legislation by the Essential Commodities (Amendment) Ordinance, 1998.

[Placed in Library. See No. LT- 247-A /98]

14.32 hrs.

**DISCUSSION UNDER RULE 193
Recent Nuclear Test in Pokhran- Contd.***[English]*

MR. CHAIRMAN : Shri Vaiko.

DR. SUBRAMANIAM SWAMY (Madurai) : Mr. Chairman, Sir, are you permitting me or not?

[Translation]

MR. CHAIRMAN: Discussion is being held under Rule 193.

....(Interruptions)

[English]

DR. SUBRAMANIAN SWAMY : Sir, I am on a point of order.

MR. CHAIRMAN : Under what rule are you raising your point of order?

DR. SUBRAMANIAN SWAMY : Sir, the rule is 376. The point is very simple. Today's papers say that Trinamool Congress has suspended its support to the Government. Now, I hear that the Biju Janata Dal has withdrawn support. Does this Government enjoy majority or not? They should clarify at least that. Such reports of withdrawal of support have come. We would like to know from the Minister of Parliamentary Affairs does the Government have majority support or not ?

MR. CHAIRMAN : There is no point of order. Shri Vaiko to speak.

[Translation]

SHRI MOTILAL VORA (Rajnandgaon) : The Parliamentary Affairs Minister is present and the Minister is also there ..(Interruptions)

[English]

DR. SUBRAMANIAN SWAMY : May be they are having a Cabinet meeting for that.

[Translation]

MR. CHAIRMAN : The Parliamentary Affairs Minister is present and a Minister is also present in the House.

....(Interruptions)

DR. SHAFIQR RAHMAN BARQ (Moradabad) : You may ask the Minister to give a reply ... (Interruptions)

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADANLAL KHURANA) : No way, Swamy ji, your wishes are not going to be granted... (Interruptions) You are not going to be Finance Minister... (Interruptions) This is one Swamy that we have here and then there is another Swamy outside also ... (Interruptions)

DR. SUBRAMANIAN SWAMY : You should greet the two with folded hands, otherwise you 'll fall on bad times ... (Interruptions)

[English]

SHRI R.S. GAVAI (Amravati) : Sir, I want to raise a point of order under Rule 376 (2), which says that :

"A point of order may be raised in relation to the business before the House at the moment."

Yesterday, at the suggestion of the Leader of the Opposition, it was decided that both the Motions should be taken up together.

SHRI VAIKO (Sivakasi) : How can you speak when I have been asked to speak? Mr. Chairman asked me to speak.

SHRI R.S. GAVAI : I am not speaking. I am only seeking a ruling over my point of order.

[Translation]

MR. CHAIRMAN : Now the discussion has started and no point of order is taken up during the discussion.

....(Interruptions)

MR. CHAIRMAN : You can speak only when the discussion comes to an end or the Member yields. Now the discussion has commenced

....(Interruptions)

[English]

SHRI R.S. GAVAI : Sir, he is on his legs and he is yet to start his speech.

MR. CHAIRMAN : Under what rule are you raising this point of order?

SHRI VAIKO : Mr. Chairman, Sir (Interruptions)

SHRI R.S. GAVAI : Sir, if he is making his speech, then what about my point of order?

MR. CHAIRMAN : What is your point of order?

SHRI R.S. GAVAI : Please bear with me and you may give your ruling either in favour of it or against it. According to Rule 376 (2) :

"A point of order may be raised in relation to the business before the House at the moment."

Item No. 123 says:

" Further discussion on the statement made by the Prime Minister in the House on the 27th May, 1998 regarding recent nuclear tests in Pokhran raised by Shri Indrajit Gupta on the 27th May, 1998"

Yesterday, the hon. Leader of Opposition has raised the issue of tests conducted by Pakistan. Now, the discussion on both these things should be tagged together, that is, the tests conducted by India and Pakistan. The motion should be on these lines, otherwise it will be an unilateral Motion. As per the conscious decision taken by the House yesterday, at the end of this Motion, we can add the words "and the nuclear tests conducted by Pakistan." It was decided in the House that these two Motions will be

taken up together, but as it is, it is an isolated Motion.

SHRI VAIKO : Sir, there is no point of order because there is no other Motion before the House.

[Translation]

SHRI MADAN LAL KHURANA : There is no motion before the House ... (Interruptions) A discussion is being held regarding the statement made by the Prime Minister ... (Interruptions)

MR. CHAIRMAN : Yesterday, when discussion was being held under Rule 193, the reports came that Pakistan has also conducted nuclear tests. This discussion was to be concluded yesterday itself, however, it has been extended for one more day. Now the Members who are yet to speak can express their views in the light of new developments.

[English]

SHRI R.S. GAVAI : Sir, the subject matter of this Motion is about the recent nuclear tests in Pokhran. What about the discussion on the after-effects of the tests conducted by Pakistan? It is very relevant here.

[Translation]

SHRI MADAN LAL KHURANA : The present discussion is being held in that very context ... (Interruptions)

MR. CHAIRMAN : Whenever you get the chance to speak, you may mention it at that time. The discussion has been extended for one more day in view of the new developments.

[English]

SHRI VAIKO : You have made your point.

SHRI R.S. GAVAI : You start your speech and I will make my speech after that.

SHRI VAIKO : Mr. Chairman, Sir, thank you very much for the opportunity given to me. The nuclear tests conducted by Pakistan at Chagai region in the province of Baluchistan at 1546 hours yesterday and the subsequent action and attitude of the Pakistani Government, particularly the aggressive speech or the statement of the Prime Minister of Pakistan, Shri Nawaz Sharif, vindicated and justified the nuclear tests that India conducted at Pokhran on 11th and 13th May.

Yesterday, at odd hours at 2.10 a.m. our High Commissioner in Islamabad, Shri Satish Chandra was woken up and called to foreign office and he was told that India had a plan to attack the nuclear installations. Our High Commissioner correctly dismissed it as absurd and malicious.

Our Hon. President of India also expressed the same opinion calling it absurd and malicious.

The tests were conducted and the President of Pakistan, Shri Rafiq Tarar declared a state of emergency under the pretext of a threat of external aggression to the security of Pakistan.

Things take very fast turn and the Pakistan officials, Army Officials and Foreign Ministry spokesmen informed that the long range Ghauri missile is already being capped with nuclear warheads to give a befitting reply to the adventures by the enemy. So, the Ghauri missile is being capped with nuclear warheads.

When you take into account all these things together, one thing is very clear that they could not have manufactured a bomb overnight. They have been at it for years. Shri Nawaz Sharif himself has stated that from the year, 1974 they are at it.

I would like to draw the attention of the hon. Members of this House to the statement of Dr. Abdul Qadir Khan, who is called the father of Islamic bomb. He gave an interview on 1st March, 1987 to a foreign journalist who happened to be an Indian. In that interview which was published in The Indian Express at that time, I do remember a debate took place in both the Houses of Parliament over that. In that statement, he said " America knows it and that what the CIA is saying about our possession of bomb is correct." So for years they have been manufacturing and they have been at it. They were planning to have nuclear bombs. They were making all the preparations and yesterday after the tests were conducted, the Prime Minister of Pakistan had all praise for China. He has said that China is the time-tested friend of Pakistan and has also stated that they are proud of China. It seems they have communicated to China prior to the conducting of the test.

Sir, even after all these things, all these inflammatory and aggressive speeches of the Prime Minister rousing passions, he offers for talk, India has all along been trying to negotiate with them, to prepare for talks. But we should not forget one thing that the Pakistan Government is prepared for talks on one condition that the Kashmir question should be settled first and then only other things should be discussed. They are not prepared for talks even about the sponsored terrorism through the ISI in our country; their diabolical attempts to destabilise our country. Are we prepared to hand over Kashmir on a Platter?

Yesterday, our hon. Home Minister was referring to the report of the Task Force on Terrorism and Unconventional Warfare of the U.S. Congress, the report prepared by Mr. Youssef Bodansky, who is the Editor of the Jane's Defence Weekly. He has produced many books also. I do not want to repeat what Shri Advani Stated. But I would like to quote from this document which is very relevant at this point of time. I quote:

" This clearly indicates that the Pakistani Government has bravely displayed its nuclear capability.... Pakistan is really in a position to strike a heavy blow against

India through its nuclear capability ... The strategic logic of using the nuclear factor to offset any deficiencies in conventional military power has been the corner stone of Pakistan's nuclear strategy."

Again, the question of Kashmir comes here. Qazi Hussain Ahmad, the Chief Senator, urged the Pakistan Government to declare a Jihad on India to get back Kashmir. He said:

"Let us wage *Jihad* for Kashmir. A nuclear-armed Pakistan would deter India from a wider conflict."

Now, we know what Pakistan's Agenda is. When they declared that they should wage a *Jihad*, that was supported by all sections in the Parliament in the debate in Pakistan. Today, all the political parties in Pakistan are supporting the line taken by the Nawaz Sharif Government on this. They are united in that in their parliament. But we are not united. I do not want to find fault with our hon. Members. Even Shri Chidambaram pointed this out that we are divided. Of course, parliament may be divided. Political parties may be divided. But here in India the people are not divided over the issue. They are with the Government. That is the fact. We cannot bury the fact. The people of this country throughout the length and breadth of this great country are overwhelmed with a sense of pride. They are overwhelmed with a sense of joy, with a sense of confidence, and with a sense of joy. That is the fact. But that has not been reflected in this parliament. At this hour, we have to stand as one, we have to express our view.

Sir, I will be falling in my duty if I do not pay tributes and express my vast congratulations from the core of my heart, convey my greetings and applause to our scientists and engineers.

MR. CHAIRMAN : Please conclude.

SHRI VAIKO : I have started just now and you are ringing the bell.

[Translation]

MR. CHAIRMAN: Twenty minutes have passed.

[English]

SHRI VAIKO : Our scientific deserve all honour for their spectacular achievement. This is the finest hour in this country, this is not an hour of concern because history is going to pay the glowing tributes to Shri Atal Bihari Vajpayee for his correct, courageous, foresighted and commendable decision to give the green signal to our scientists. Our scientists have used our own indigenous technology for this nuclear test.

I will quote Dr. Chidambaram from his interview to the Frontline dated 5th June where he said, "what we have done now is a test, a whole series of explosive devices. One can say, almost of all possible types which includes

a fission device of advance design, a thermo-nuclear device ..." I do not think, Pakistan has used this device.

MR. CHAIRMAN : Please conclude.

SHRI VAIKO : I have to speak from the Government side. I have to hit many of the questions.

MR. CHAIRMAN: Many Members have to participate in this discussion.

[Translation]

SHRI MADAN LAL KHURANA: You have given 30 to 50 minutes to the members who have spoken so far.

MR. CHAIRMAN: This discussion has to be concluded today itself.

SHRI MADAN LAL KHURANA: All right, it will be completed today. Please allow him for some more time.

[English]

SHRI VAIKO : Our technology is an indigenous technology. The political analyst and the former Director of the GIA stated yesterday that Pakistan's devices are of Chinese technology. Hon. Members from the other side mentioned in their speeches that there was no threat to India from China. Particularly, hon. Shri Chidambaram said, "there is no threat from China and the Government has made Shri George Fernandes, the Defence Minister, a pawn to invent a threat."

Mr. George Fernandes, referred to the Fifth, the Seventh and the Eighth Reports of the standing committee on Defence for the year 1995-96. I want to quote from the Fifth Report. It says:

"China is likely to remain a primary security challenge to India in the medium and long term. The enhancement of missile capabilities are an immense help to Pakistan's missile programme and are serious security concerns to India."

Hon. Shri Indrajit Gupta was the Chairman of the committee which presented the Fifth Report. All these reports indicate that there is threat, a primary security challenge from China.

Hon. Shri Natwar Singh referred to 1962 conflict. He said: "All these 2000 years, there was only one conflict and no in-depth study has been done as to why it happened." Hon. Shri Chidambaram also stated about the circumstances under which the war broke out and the circumstances are still surrounded in controversy. We should not forget the fact that Pandit Nehru, the apostle of peace, was for peace with China.

He advocated the slogan of Panchsheel at Bandung. We were not for militarisation. We were not for weaponisation. All our resources were meant for developing

[Shri Vaiko]

industry, agriculture and to bring prosperity in India. But what happened? In 1962, when they crossed our border and their cannons roared, Nehru's world crumbled. He was the most disappointed man. All his dreams shattered. On the floor of this very House, on the 8th November, 1962 in his speech, he said: "China had betrayed us and we were not at all prepared for that" Sir, had we prepared ourselves at that time, they would not have crossed our border.

Sir, likewise, manufacturing a bomb or possession of nuclear weapons is not meant for any aggression, is not meant for any striking. But it will be used as a deterrent. Take for example, wars. All the wars were fought in the world after the dropping of bombs at Hiroshima and Nagasaki in 1945. No two nuclear powers fought with each other. The wars were between either a nuclear power and a non-nuclear power or between two non-nuclear powers.

We have got a bitter experience in 1962 with one of our neighbouring countries. We are for better relationship with China even today. But at the same time, you should not forget this unless we prove our might, unless prove our strength, peace is not possible.

Sir, you take the case of Ashoka. He was the Apostle of peace only after the Kalinga war. After the Kalinga war, there was no rebellion in the country. Nobody dared to touch the country. He proved the might in the Kalinga war. Likewise, we have to prepare ourselves. That will be a deterrent. One country is an overt Nuclear Power State and the other country is a covert Nuclear Power State. That was the communication given to Mr. Bill Clinton by the Government of India. There is nothing wrong in it. That is the fact, we have to accept the fact. We cannot follow an ostrich policy. So, when they are very strong and when their intentions are malicious, we have to be strong and we have to prove our might.

We are global peace. It is we, who took the initiative in 1954 for total disarmament; again in 1955 and in 1958 to ban the nuclear weapons. It is we who had taken the steps for total disarmament. So, let us take the initiative here. We had already ratified the Biological weapons Convention and Chemical Weapons convention. We are for that. At the same time, we have to keep our Army powerful. Sir, I would quote a *kural* of Tiruvalluvar about the kingdom of the country. It says:

"Padai Kudi Koozh Amaitohu Natpu
Arana Aerum Udayam Arasaroul Er"

He describes about the kingdom of the country, the Army, wealth, people, council of Ministers, friends and foes. If a king possesses all these things, he is the lion amongst the kings. So, the first requirement is the Army. So, you have to prove your strength. Unless you are strong you cannot bring peace.

Sir, people are talking about Vietnam. Yes, of course,

for twelve years, Vietnam fought. But they had got the umbrella of China & USSR. Had they got a bomb, even the United States would not have fought with them even for 20 seconds.

Therefore, we have also to equip ourselves with this potential weapon. This is not meant for any aggression. The fact is that the nuclear threat is there. Our neighbour is already equipped with nuclear weapons. Have you forgotten that they have supplied all the technologies to Pakistan? Their Ghauri missile was launched on April 6. That was the warning signal. And again they are going in for "Ghaznavi" missile. You see, they have mischievously named these missiles as "Ghauri" and "Ghaznavi". They already have the bomb. They were in possession of bombs. Just now they have tested them.

Now, we have proved to the world that we are also a Nuclear Power, Nuclear Weapon State. But that does not mean that we are going in for arms race and people are tempted to say that we have started arms race.

15.00 hrs.

We should not echo what is stated in Islamabad. We should not reflect what is stated in Pakistan. We have not started it. Already they are possessing the weapons. We are safeguarding ourselves against any eventuality. Now our position is very clear. Therefore, we have clearly stated it in the paper given by the Government. The NAM Ministerial meeting held at Cartagena has reiterated their call on the conference of Disarmament...

SHRI P. C THOMAS (Muvattupuzha): I am on a point of order, Sir. The smaller parties do not get time at the end of the discussion.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND MINISTER OF SURFACE TRANSPORT (SHRI M. THAMBI DURAI): Shri Vaiko is from one of the smaller parties.

SHRI P. C THOMAS: Shri Vaiko's party is much bigger than mine.

MR. CHAIRMAN: What is your point of order?

SHRI P. C THOMAS: The smaller parties do not get time at the end of the discussion to ventilate their feelings. Shri Vaiko's party has been given about half an hour. I am very grateful for that. My point is that when he is given half-an-hour, my party, which is one third of his party's size, may be given one-third of that time. Because, otherwise I do not get time at the fag end. I spoke last time for two minutes in a very hectic manner.

MR. CHAIRMAN: Please sit down. This is no point of order. It is left to the decision of the Chair.

SHRI P. M. SAYEED (Lakshadweep): He has made a suggestion. His suggestion may be taken note of.

MR. CHAIRMAN: His suggestion has been noted down. It is in the records.

SHRI VAIKO : India was one of the countries that appealed to the International Court of Justice on the issue that there existed an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control.

MR. CHAIRMAN: Please conclude now.

SHRI VAIKO : I will take only two more minutes. The so called five nuclear powers are not prepared to destroy their stockpile of nuclear arms. That is the point . All the stockpiles are to be destroyed under the international supervision. For that, let us take the initiative in the United Nations. We have got all the moral right. From a position of strength let us say that all the nuclear arms be destroyed, all the arsenal be destroyed. For that let us take the initiative.

At the same time, taking the threat scenario or the challenge scenario for our security from our neighbours, we have to equip ourselves with the strength and might . At this hour let us stand together. I would like to appeal to our Hon. Members, to the leaders of the political parties to come out of the political barriers, to come out of the parochial considerations to support the Government. I did go through all the debates held in the year 1984 in both the House of Parliament. There was no dissenting voice. There was not even a sarcastic word against Madam Gandhi. All the parties gave support to Madam Gandhi. In the year 1971, when there was a controversy about Bangladesh war, when the foreign countries were accusing us of meddling in the internal affairs of Pakistan, it was Shri Atal Bihari Vajpayee who greeted Madam Gandhi as the Durga of India. Of course, he was fighting a political battle at that time. This is the approach we have been having.

MR. CHAIRMAN : Please conclude. You have taken more than thirty minutes.

SHRI VAIKO : I would like to ask you whether you tried it in 1983. Shri Venkataraman, former Defence Minister who later become the President of India, has written in a letter it is public knowledge- that they were for a test and they were pressurised not to undertake it. Is it a fact that when Shri Narasimha Rao was the Prime Minister of the country, Government of India tried to conduct a test ? Again due to the interference of America, because their spy satellite detected that something was going on in Pokhran and expressed their dissent, they developed a cold feet and backed out.

Is it a fact ? So far, there is no denial from their side. Why did you try it in 1983 and again in 1995? For what reasons have you kept the nuclear options open ? The scientists, they say, have collected the data. The knowledge of the first generation scientists should go to their next

generation. For that purpose, Shri Vajpayee has given the clearance. That was the point. They have collected the data . With the indigenous technology, we have conducted our test.(Interruptions)

MR. CHAIRMAN : Please conclude.

... (Interruptions)

SHRI VAIKO : At this juncture, I would appeal to all the hon. Members here and all the political parties to support the Government. We stand as one with one voice to express solidarity and support. I commend the decision taken by Shri Atal Bihari Vajpayee. Thank You.

SHRI PURNO A. SANGMA (Tura) : Mr. Chairman, Sir, the 11th , the 13th and the 28th May, 1998 will go down in the history of the sub-continent as sad days. By thoughtless and competitive nuclear testing India and Pakistan, in their Golden Jubilee Year of Independence, have landed themselves in a tragic arms race.

The reasons and the timings of Pokhran tests have been questioned by previous speakers from this side. So far no convincing answer has come . For the last fifty years, India has followed a well established nuclear policy which was based on national consensus and the policy was to keep the nuclear option open. Therefore the choice before us was restraint or exercising that option. Till the 11th of this month since 1974, all the successive Governments and successive Prime Ministers have exercised restraint. If it is a choice between restraint and exercising the option, to exercise restraint is much more difficult. According to me, credit goes to those Governments, credit goes to those Prime Ministers who have opted for the much more difficult choice of restraint. To indulge in adventurism is a very easy job. I do not know what is great about this. I do not know where is the credit for that and why that restraint was exercised by the previous Prime Ministers. After all, we had the capability!

As far back as 1964, Dr. Homi Bhaba declared that India could make a nuclear bomb in just eighteen months. In any case, I am happy that inspite of all the euphoria among a section of the ruling party, the Prime Minister Shri Atal Bihari Vajpayee was gracious enough to admit that whatever they have achieved was not the result of fifty days of BJP-led Government; it was, in fact, the achievement as a result of the Policy followed by the successive Governments.

The Prime Minister in his statement, has said :

"In 1974 we demonstrated our nuclear capability. Successive Governments thereafter have taken all the necessary steps in keeping with that resolve and national will to safeguard India's nuclear option".

I must compliment the Prime Minister. Inspite of the fact that some people have claimed this as "Hindu Bomb", inspite of the fact that some people have celebrated this as

[Shri Purno A. Sangma]

"gaurav diwas" in spite of the fact that some people have described the previous Prime Ministers as "..... though I do not want to use this word, I am constrained to use this word. Shri Vajpayee was good enough to admit that this was not the result of the efforts of the fifty-day Government but because of the fifty years of hard work.

In this respect, I would like to join the whole House in offering my salutations to Pandit Jawaharlal Nehru, Lal Bahadur Shastri, Indira Gandhi, Rajiv Gandhi, our scientists, computer specialists, engineers and their cohorts in the defence services for their dedication and splendid achievements.

Sir, I was talking about the restraint. Why successive Governments and successive Prime Ministers had to resort to restraint? Is it because those Governments were not at all concerned about the national security? Is it because those Governments were never concerned about the integrity of India? Is it because those Governments never cared to build up our defence forces? No.

As far as my party is concerned, we are second to none in defending the territorial integrity and sovereignty of this country. It was the congress party which was responsible for freeing this nation from foreign rule. We were very much concerned about the national security, but then Governments believed that the security and integrity of the nation does not lie in possessing a bomb alone. The integrity and sovereignty of the country can be well protected by making the economy self-sufficient; by eradicating poverty and unemployment; and by giving the people drinking water. These were the priorities of the Government.

Why have we been talking about secularism? As far as we are concerned, we know that the principle of secularism is much more stronger than any atom bomb in safeguarding the territorial integrity of this country. I do not want to go into the details. I think Shri I. K. Gujral, the former Prime Minister, has very nicely described the reasons why the previous Governments, including himself, did not opt for exercising that option.

He said in an interview and I quote :

"Ammunition alone do not make a country strong. Otherwise, North Korea would have been a power today and the Soviet Union would not have collapsed. In my balance sheet, economic development was more important."

That sums up the reasons why the previous Government did not choose to exercise the nuclear option and exercised restraint.

When we see in newspapers and when we hear different Ministers talk in different ways, we are unable to understand what was the justification for going in for the nuclear tests. What was the basis? Was there any policy framework? Was there any doctrine in it? There was nothing.

Many nuclear tests have been conducted earlier. Whenever Governments had gone for nuclear tests earlier, they had gone with certain principles and with certain doctrines. For example in 1974 when Mrs. Indira Gandhi decided to go in for the first test, her doctrine was very simple. The doctrine was that a test was meant for peaceful purposes. That was the doctrine of the congress party and of Mrs. Indira Gandhi in 1974.

When France went in for the first nuclear test, it had a doctrine. That doctrine was 'proportionate deterrence.' When China went in for the first test, its doctrine was 'overall security environment in the world', and the principle was 'no-first-use. That was the doctrine.

But when we went for the Pokhran test on the 11th and 13th of this month, the Government is not able to tell us what was the doctrine and what was the basis. From the utterances of different Ministers particularly from the letter the Prime Minister addressed to President Clinton, to other Heads of Governments and to other Heads of States we came to know that the doctrine was 'security environment from neighbouring countries, particularly the two countries, the threat from China and the threat from Pakistan' That was the doctrine. Is it a doctrine? I am happy that the Government has realised today that that doctrine - the doctrine of naming the country - was not good because the Defence Minister spoke about the Pakistan test before lunch and objected that the Pakistan test was India-specific. He condemned that doctrine also. He disowned Pakistan's doctrine, when his own test was Pakistan-specific and China-specific.

Today the Defence Minister of this country comes and tells what Pakistan has done was wrong because their doctrine was wrong. What was the doctrine? The doctrine was India-specific.

Do you think that the world is not listening to us, the world is not watching us, the world is not observing us? Is it the way that a great country like India should behave? Is it the way that the Government should run? On the day of Confidence Motion, from this very seat, I had specifically expressed my doubt and concern. I had said that I was not worried about the stability of the Vajpayee Government. I was more worried about how this Government will govern this country. Governance was the main issue. And today, we see how this Government is ruling this nation. However, I do not want to go into all points. So many points have been made earlier.

SHRI JAG MOHAN (New Delhi): The point is, you are now saying that 1974 explosion was a peaceful explosion and for peaceful purposes. How would you reconcile it with the statement made by Shri Shiv Shanker that was in response to the situation like the one that was created when President Nixon sent the US warship. You read this statement and you read your statement and then you kindly reconcile as to what is the stand of the Congress Party. This is the basic confusion in my view which I would like you to clarify.

The other point which I would like you to clarify is this. After the CTBT, after the indefinite extension of the NPT, has not the world situation changed in which a nuclear club was sought to be created, a power cartel was sought to be created from which India would have been permanently excluded and we would not even have the right to that so-called option? The option would have also lapsed after some time when the Treaty was confirmed. Would you kindly clarify that point?

SHRI PURNO A. SANGMA : If you remember, in 1974, the Government of India under Shrimati Indira Gandhi, not only had a doctrine but she had also done enough of diplomatic work. Before it was decided, Shrimati Gandhi took not only the country and the concerned people into confidence, but also took so many other friendly countries into confidence. That is the difference. And 1974 doctrine was for peaceful purposes and today, you are going in for weaponisation. I am coming to the question of weaponisation vis-a-vis CTBT and NPT. You have completely gone against the principles for which India stood for so many years. You have broken those principles and reasons on why we refused to sign the CTBT.

SHRI JAG MOHAN : India also stood for non-monopolisation of powers.

SHRI PURNO A. SANGMA : Every reason has been broken by you. I am coming to you. Just listen to me. For your own information, I am coming to your weaponisation programme. Now that this has been done and it cannot be undone

MR. CHAIRMAN : Shri Sangma, please wait.

15.25 hrs.

Announcement Re: Postponement of Private Members' Business

[English]

MR. CHAIRMAN : At the Leaders' meeting held today, it had been decided that the Private Members' Business fixed for today may be postponed and taken up on 2nd June, 1998. Accordingly, the Private Members' Business will now be transacted on 2nd June, 1998.

Shri Sangma, you may please continue now.

...(Interruptions)

SHRI P.C. THOMAS (Muvattupuzha) : Sir, the House has to agree to this decision.

MR. CHAIRMAN : I think this announcement is sufficient.

...(Interruptions)

SHRI P.C. THOMAS : Even if the BAC agrees, the House has to agree with it.

MR. CHAIRMAN : It has been decided so in the Leaders' meeting.

SHRI P.C. THOMAS : The House has to agree to it. Sir, please take the sense of the House so that the House may agree to it.

SHRI MADHUKAR SIRPOTDAR (Mumbai North-West) : The House should not be taken for granted. Even if it has been decided in the Leaders' meeting, it should be placed before the House and the opinion of the House should be taken. It is necessary, Sir.

MR. CHAIRMAN : Is it the opinion of the House that Private Members Bill be taken on 2nd of June?

SEVERAL HON'BLE MEMBERS : Yes Sir.

DISCUSSION UNDER RULE – 193

Recent Nuclear Test in Pokhran- Contd.

15.27 hrs.

[English]

MR. CHAIRMAN : Now, Shri Sangma may continue.

SHRI PURNO A. SANGMA (Tura) : Now, the country having resorted to that policy of exercising its option, I would only like to know how this Government is going to handle the consequences. How are you now going to deal with its effects? Have you applied your mind? I am asking whether you are applying your mind. It is a very uncharitable question to ask because of yesterday's experience. What happened yesterday? On the one hand, you said you knew everything that was happening in Pakistan. You knew everything that was going on in Pakistan except that they had already tested their nuclear bombs. You did not know that. Even the Prime Minister of this country came to know first. That is the reason why I am asking this particular question. Has the Government started exercising how you are going to deal with those situations? What will be the consequences? We know that number one consequence is the retaliation that came from Pakistan. How they have reacted is the first consequence.

Yesterday, I was talking to some children. It struck me very much. They said: "Sir, the people are talking about national pride that India has become a nuclear power, where is the pride in it?" I said: "Why?" If India has become as powerful as the United States of America, yes, we would feel very proud. But we have become as powerful as Pakistan is. Till yesterday, we were a superior country. The whole world knew that India has superiority. We had a leading role in the international community. But today, we have become same. We have a nuclear device. They also have a nuclear device. Where is the difference between

[Shri Purno A. Sangma]

Pakistan and India? A small country like Pakistan and the biggest democracy in the world -India - have now been equated. Where is the national pride in it? (Interruptions)

MR. CHAIRMAN : Please do not interrupt.

....(Interruptions)

SHRI CHETAN CHAUHAN (Amroha) : It is a message of weakness.

SHRI PURNO A. SANGMA : For your information , it is the weak people who show their strength. The strong people never show their strength. Our power need not be our muscles which need not be demonstrated.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Sir, the difference between the two countries is that, today, there is a state of national emergency in Pakistan and we in the best traditions of democracy are discussing it. This is the difference.

SHRI PURNO A. SANGMA : Shri Sinha, I never said that it was my view(Interruptions) I am only talking about what children told me. I am only telling you the children's perception. I am not saying that ... (Interruptions) Your's is a great Government ! (Interruptions)

This is a serious debate. Please allow me. I am expressing my opinion.

MR. CHAIRMAN : Please sit down.

SHRI MADHUKAR SIRPOTDAR (Mumbai North-West) : Sir, here is my only simple question. Shri Sangma, you are expressing on behalf of some children. We would like to know your opinion. That is very important(Interruptions)

MR. CHAIRMAN : Please sit down.

[Translation]

SHRIMATI JAYABEN BHARATKUMAR THAKKAR (Vadodra) : The matter, which has been recognised at national and international level (Interruptions) Children have felt a sense of pride in this regard. (Interruptions) Such an issue should not be taken in this way(Interruptions)

[English]

MR. CHAIRMAN : Please sit down.

SHRI PURNO A. SANGMA : Mr. Chairman, Sir, the consequences are, as I have said, firstly, as is evident from the reaction of Pakistan, how it would lead to a nuclear arms race and how it would disturb the peace and stability of the region; secondly, how it would affect the regional cooperation, that is the SAARC and what would be the role of India in SAARC? Thirdly, how would India, today as it stands completely isolated from the International

Community, play its diplomatic role? How are we going to deal with that situation? Important countries like the United States of America have charged India with playing a role of duplicity. I am coming to that. It is very important point that I would like to make and that is, how America is charging India of playing a role of duplicity!

SHRI VAIKO (Sivakasi) : Do you endorse the opinion?

SHRI PURNO A. SANGMA : It is based on your behaviour(Interruptions)

MR. CHAIRMAN : Please do not interrupt.

[Translation]

SHRI RAJVEER SINGH (Aonla) : I want to know whether some conflicts have developed in congress party? Yesterday, Pawarji has stated that(Interruptions) Mr. Chairman, Sir, whether conflicts have cropped up in Congress party ... (Interruptions) Yesterday Sharad Pawarji had stated that he wanted to give an advise.. (Interruptions) What does it mean? (Interruptions) I feel that they are opposing their leader... (Interruptions)

SHRI SHARAD PAWAR (Baramati) : I will give the same opinion ... (Interruptions)

MR. CHAIRMAN : Sinhaji, the members of ruling party should remain peaceful.

....(Interruptions)

MR. CHAIRMAN : There should be no interruptions in the speech.

....(Interruptions)

MR. CHAIRMAN : Please have some patience.

....(Interruptions)

MR. CHAIRMAN : Now you are in ruling party and you should have some patience.

....(Interruptions)

MR. CHAIRMAN : A serious discussion is being held in this House. You should not try to make it non-serious. You are in the ruling party, you must listen to it carefully so that proper reply to it could be given.

[English]

SHRI PURNO A. SANGMA : I am just listing out the consequences one by one(Interruptions)

[Translation]

MR. CHAIRMAN : From your party Sinhaji is sitting here. Sangmaji is replying to his question. How this House will function if you lose patience.

....(Interruptions)

MR. CHAIRMAN : If members from the ruling party lose patience, how this House will function. You should be more tolerant.

.....(Interruptions)

[English]

MR. CHAIRMAN: Please sit down.

[Translation]

SHRI RAJVEER SINGH : It is all right that we should maintain peace. But the question is that the message is being conveyed outside this House. ... (Interruptions)

MR. CHAIRMAN: Please take your seat. Now whatever you say will not go on record.

..... (Interruptions)*

[English]

SHRI PURNO A. SANGMA: How is it going to affect the bilateral relations with our neighbours, particularly with China? I would like to know as to how the Government is going to handle that. What is the final stand of the Government on CTBT. The hon. Member of the ruling party has already raised that question and I would come to that. More importantly, Shri Yashwant Sinha, the hon. Finance Minister, is here and I would like to know from him as to how he is going to handle the effect of this on the economy of this country. We are waiting for his Budget. I would discuss much more at the time when the General Budget would be discussed. But certainly I would expect Shri Sinha to tell the country as to how he is going to meet this challenge of sanctions.

Mr. Chairman, Sir, coming to the arms race, the Prime Minister in his statement, in para 14 of the statement, which has been laid on the Table of the House, stated and I quote:

"India shall not engage in arms race. India shall not subscribe or re-invent the doctrine to the Cold War."

I do not know how the statement was made by the Prime Minister of this country. I would like to know whether the statement stands valid even after Pakistan has gone in for five nuclear tests.

I would like to know from the Government as to whether this statement remains valid or not. If it remains valid, I do not know whether the Government has control over what is going on. What is the scenario? I would like to briefly share this with the House. We already know what Pakistan has done after our nuclear test. I am not going into it. What did Mr. Clinton say? President Clinton told Mr. Nawaz Sharif, to help them work together to guarantee Pakistan's security. This is what Mr. Clinton has said, that is America will guarantee Pakistan's security. This is the

* Not Recorded.

reaction of President Clinton. The United States ... (Interruptions) I do not understand why they are interrupting like this when such a serious issue is being discussed.

SHRI AJIT JOGI (Raigarh) : Such a serious debate is going on. Why is he giving a running commentary?

[Translation]

MR. CHAIRMAN : If he yields, you can ask.

[English]

SHRI PURNO A. SANGMA : I think Shri Sinha would clarify it. What was the reaction of Mr. Clinton? What did the US Secretary of State say?..... (Interruptions)

SHRI BHUBANESWAR KALITA (Guwahati) : How can you allow him ?

MR. CHAIRMAN: No, I am not allowing him. Please sit down.

.....(Interruptions)

MR. CHAIRMAN: He is not yielding. Please sit down.

[Translation]

SHRI H. P. SINGH : Please give me two minutes time.

MR. CHAIRMAN : Why two minutes time may be given? He is a senior Member and had been speaker earlier. You must listen to him.

[English]

SHRI PURNO A. SANGMA : The US Secretary of State, Mr. Madeline Albright has said and I quote: "US would respond to Pakistan's security concern." We have reports that already talks and negotiations are on between the authorities of the United States of America and Pakistan for transfer of technology. There is a strong move and it is almost certain that the Pressler (Amendment) Act, which was blocked in 1990, is going to be scrapped in order to supply F-16 Jets to Pakistan. I know that the Government has this information but I am sharing it with the House. There have been visits from Pakistan to China. We do not know what did they talk but we all know what indications did the Prime Minister of Pakistan in his broadcast to the nation give. He praised the longstanding, time-tested friendship between Pakistan and China. I think these are the things which the country should take note of.

There are widely published reports that Pakistan is seeking solidarity of the Islamic world in the matter of containing nuclear India. The self-styled Prime Minister of PoK, Mr. Sultan Mehmood Choudhary, has already been received in the Foreign Office and Commonwealth Office of the British Government. These are the signals the Government should take notice of. This is what is happening in Pakistan. We all know what is happening in our State. I

[Shri Purno A. Sangma]

do not think I should repeat the pro-active action of the Home Minister, Shri Advani. We have heard him so many times. We have heard him yesterday also. I do not want to repeat the way he warned Pakistan.

My very trusted friend, Mr. Khurana, is not here now. He said, "India is ready to fight a fourth war with Pakistan. Let them tell us the time and place and we will show what India is and what my Government is."

The signals which should come to us, I have told you. The signal which was going to Pakistan, I am saying now. It is very important as far as arms race is concerned. Dr. Farooq Abdullah, the Chief Minister of Jammu and Kashmir, said, "Time for talks and negotiations is over. We should take a tough decision now." This was the signal which was going from India to Pakistan. Shri Ashok Singhal, on 23-5-98, said, "What is the alternative, if Pakistan continues to abet terrorism in India? It will not be wrong to attack and silence Pakistan." ... (Interruptions) Shri Pramod Mahajan said, "Nuclear tests are not for academic purposes "

[Translation]

SHRI RAJVEER SINGH : What is wrong in it ?
(Interruptions)

[English]

SHRI PURNO A. SANGMA : Okay, I will not take VHP supremo's name.

[Translation]

SHRI CHETAN CHAUHAN: The name of a person who is not present here, can not be mentioned here.

[English]

SHRI PURNO A. SANGMA : It can be. You can quote. Do not worry about the rules. I was Speaker here; I know the rules. I was Speaker earlier.

SHRI RAJVEER SINGH: Please listen to others as you had been Speaker earlier (Interruptions)

[English]

MR. CHAIRMAN : Please, let him continue.

SHRI PURNO A. SANGMA : Then, I come to China. We all know that China has claimed that India is in occupation of 90,000 sq. km. of their territory. They has also said that MacMahon Line is illegal. On the 14th of this month, China has accused that Indian tests were a brazen contempt for world efforts at test ban, that the tests were aimed at hegemony in South Asia and that India has slandered China by branding, it as a nuclear threat. This was the signal from China.

15.42 hrs.

[SHRI K. YERRANNADU *In the Chair*]

What was the signal from Russia? Russia described India as her strategic partner and declared that she is willing to recognise India as a nuclear weapon State provided she joins the international non-proliferation regime that includes CTBT NPT. etc.

These were the signals going on from one place to another. And Prime Minister says, "India shall not engage in an arms race. India shall not subscribe to or reinvent the doctrine of cold war." I do not know how he is going to stop it. I personally do not know. They have to change their attitude. It is very much required. With the kind of aggressive postures that the Government is making towards Pakistan and the kind of approach that they are taking towards China-I do not want to refer to what the Defence Minister had said, etc. — they had better be careful of what they talk. I do not know why the Ministers of this Government are so fond of talking. Please, for God's sake, let them stop talking. And when they talk, they should do so after they think about things sensibly. It is not easy to run a great country like India. What we cannot afford to indulge in is lavish cross talks. It is being done lavishly and it is not good for the country.

Yesterday, the Prime Minister of Pakistan had offered that Pakistan was willing to hold talks and that Pakistan was willing to offer a 'no war pact'. Of course, Indian Government had *suo motu* said to Pakistan that India was willing to offer 'no first use' agreement to Pakistan.

It is a good sign. Please persuade them.

I was in Pakistan in November last to attend the Conference of Speakers and the Parliamentarians of the SAARC Region. The theme of the Conference was on 'people to people contact'. When I met some of the intellectuals of Pakistan in Islamabad they were very happy. Shri Jaswant Singh was with me. I am happy to tell you here that one of the gentlemen in Pakistan asked : ' Mr. Sangma, do you know who is the most popular politician of India in Pakistan? ' I asked him: ' How do I know? ' He said: " The most popular politician of India in Pakistan was Shri Atal Bihari Vajpayee." Please clap. (Interruptions)

[Translation]

SHRI K. NATVAR SINGH : Please Clap.

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL) : It is not our culture to clap on a lie being told. (Interruptions)

[English]

AN HON. MEMBER : This is childish (Interruptions)

SHRI PURNO A. SANGMA : I asked him: " why? " I asked him: "How?".... (Interruptions) How is it that Shri Vajpayee is so popular in Pakistan? They said that today you are having a Conference on people to people contact, but this process of people contact between India and Pakistan was started by Shri Vajpayee when he was the Foreign Minister of India. He went to Pakistan. He liberalised and streamlined the visa procedure. He made the procedure for getting visa easy so that people from Pakistan could come to India and people from India could go to Pakistan. That was the initiative taken by Shri Atal Bihari Vajpayee. That is why he was called the most popular politician in Pakistan. After 11th of May, I do not know as to what is the popularity of Shri Vajpayee in Pakistan. That, of course, I cannot say.

SHRI SOMPAL : He is strongly popular now.

SHRI PURNO A. SANGMA : I think you came back from Islamabad last night...(Interruptions)

I can tell you that I met a large number of people of Pakistan. I met the Prime Minister, Mr. Nawaz Sharif; I met the then President of Pakistan; I met the Speaker and the Members of Parliament in large numbers. Each one of them had told me that India and Pakistan have wasted 50 years in conflict. Let us forget the past; let us go ahead the next 50 years; let us concentrate on development and progress. Why do we quarrel?

I visited the Karachi Club in Pakistan. I was surprised to listen to the intellectuals. Almost 150 intellectuals were there. Each one of them had something to speak about India - Oh! my brother was a Brigadier; my uncle was in Navy; my father was in India. Why did they tell me? They did so just to show how keen they are to improve their relationship with our country and how they are willing to come closer to India. I do not know why we have spoiled all this.

MR. CHAIRMAN : Shri Sangma, you have already taken 45 minutes.

....(Interruptions)

SHRI JAG MOHAN (New Delhi) : You have said that what all those people asked you and what you told them. Did you ask them why for the last nine years they have been sending terrorists to Kashmir? The stand of the Congress Party itself is that they have been aiding and abetting terrorists in Kashmir. Did you ask any of those intellectuals why they have been indulging in it? Is it an indication of friendship and people to people contact.

SHRI PURNO A. SANGMA : I am talking about the people of Pakistan. I am not talking about the Government of Pakistan, please. I am only narrating my interaction with the people of Pakistan. I am not talking on behalf of the Government of Pakistan.

Well, with China, in 1962, we had war. We cut off our diplomatic relationship with China. When was the diplomatic

dialogue started? It was started in 1979. By whom? Again by Shri Atal Behari Vajpayee. The first Indian dignitary to visit China after 1962 war officially was Shri Vajpayee, the then Foreign Minister of India and from there things started with Rajiv Gandhi's visit, with the President's visit and so many other things. For the last many years we have been trying to improve our relationship. We have been trying to build up, what you call, our confidence building measures.

I have visited China twice. I met President Jjiang Zemin there. When he came to India, I had a very long discussion with him. I met so many of the Chinese leaders in Beijing. When we have been talking, how to build up these confidence building measures, how to establish this mutual trust, let us forget other disputes, keep them aside and concentrate on economic cooperation in the interest of both the countries. With so much of pain, with so much effort, we have been trying to build up that relationship.

And what happened? What happened to those efforts? Today, with the simple action that you have done, I do not know — I have a lot of points to make and the time is short, but I would come to CTBT because at least this point, I do not want to miss — how are you going to handle CTBT. We would like to know about this. Different people are speaking in different ways.

Shri Pramod Mahajan says on the 13th of May, "Government has no intention of signing CTBT for now." Shri George Fernandes, on 18th of May, says, "The country would be willing to discuss CTBT as nuclear weapon State." I do not know what he is going to discuss, whether it is discussable or not. I know very little about CTBT. Jaswant Singh on 18th of May, the same day, said, "We shall offer a meaningful discussion with key interlocutors of CTBT."

SHRI SOMNATH CHATTERJEE (Bolpur) : What does Shri Brijesh Mishra says?

SHRI PURNO A. SANGMA : I am reserving him for something else because I do not want to take the name of one person many times.

In para 19 of the Prime Minister's Statement, let us see what is said. It is important, I think we should read it :

"Subsequent to the tests, Government have already stated that India will now observe a voluntary moratorium."

Of course, he has withdrawn it last night, I heard him on Television. Why do they have to say that? They claim to know everything that is going on in Pakistan. They knew that Pakistan was going to have the test. After having known all these, the Prime Minister stated that they were observing voluntary moratorium. But after that, yesterday he suddenly said before Television, "No I have to review the moratorium." Why do they do that?

"It has also indicated willingness to move towards a *de-jure* formalisation of the Declaration. The basic obligation of the CTBT are thus met."

[Shri Purno A. Sangma]

What does that mean? They are going to sign. How are they going to sign? Have we really applied our mind?

When CTBT was discussed here, the House was unanimous that we shall not sign CTBT. That was the consensus — not consensus, unanimity in the House. Our policy towards CTBT is also based on national consensus. And today the Prime Minister makes a statement, without even taking us into confidence, without even discussing it in Parliament, that we have met all the obligations and we are ready to sign CTBT.

Why did we oppose CTBT? We opposed CTBT because we wanted it to be really comprehensive. Has it become comprehensive after these tests? We took a position that it is not comprehensive. Now, has it become comprehensive after these tests? Secondly, we said that it should be non-discriminatory. We said: "You have your weapon and you are not allowing others to make weapon. We do not agree to that. This is discrimination. Now, India, having got it, wants to discriminate all the rest. What is the difference between those countries and India? So far you have said that it should be non-discriminatory. Now you are also going in for discriminatory. The third one, which is the most important point, is that CTBT should be within disarmament framework and that we should have a time bound programme on disarmament. You are talking about non proliferation. You are not talking about disarmament. India insists on disarmament. You have refused to sign CTBT because it did not contain a programme for disarmament. Now, because you have tested it, I do not know how you have suddenly said that we are going to sign it. You are against armament, stock pile of weapons. Even the programme is very clear.

Shri Jaswant Singh has said: "The question of weaponisation is implicit in the tests themselves. The demonstration by India is the capability to weaponise and deploy weaponised programme in different system of delivery." This is what Shri Jaswant Singh has said.

Now I wanted to quote Shri Mishra, somebody wanted to hear his statement. He has said that the tests establish proven capability for a weaponised programme. This is what the Principal Secretary to the Prime Minister has said. I have already quoted Shri Pramod Mahajan, who said, "Tests are not meant for academic purposes." ...*(Interruptions)*

SHRI SOMNATH CHATTERJEE (Bolpur) : Which date are you quoting? They are changing it every day ...*(Interruptions)*

SHRI PURNO A. SANGMA : Yes, they change it but on the spirit they are quite consistent.

Dr. Kalam has said: "India's weaponisation programme is now complete." Dr. Chidambaram, Chairman of the Atomic Energy Commission, said: "India will explode

more nuclear devices to horn the weaponry it has developed."

I do not want to quote the statement of Shri George Fernandes. In the last debate, he vehemently spoke against weaponisation. I have the entire proceedings with me here. Mr. Chairman, Sir, as you have already rung the bell, I am not quoting it.

How is it that on the one hand you are going to sign CTBT and on the other you are going ahead with weaponisation programme? I really do not know. You owe an explanation to this country as to what is your final stand on CTBT. We would like to know this...*(Interruptions)*

SHRI CHAMAN LAL GUPTA (Udhampur) : No signing. That is the programme...*(Interruptions)*

SHRI PURNO A. SANGMA : Okay. That means, what the Prime Minister has stated was wrong?...*(Interruptions)* It is not a verbal statement. It is a written statement laid on the Table of the House...*(Interruptions)*

SHRI CHAMAN LAL GUPTA : He has never said that we are going to sign it ...*(Interruptions)*

SHRI PURNO A. SANGMA : It is a written statement laid on the Table of the House. I am sorry, the Prime Minister should consult you before he speaks. Why has he not consulted you?...*(Interruptions)*

MR CHAIRMAN : The Government will reply to him. Why are you unnecessarily interrupting him?

16.00 hrs.

SHRI PURNO A. SANGMA : Sir, I have no time to speak on the policy of duplicity. But I can speak on the sanctions only. Shri Venkaiah Naidu said that they are not bothered if sanctions are imposed. The Prime Minister said: "Sanctions cannot and will not hurt us. India will not be cowed down by any such punitive steps."

Shri Pramod Mahajan asks, 'how'? He said: "He does not care because in any case India is 85 percent self-sufficient." could they achieve this 85 percent self-sufficiency in 50 days? He has forgotten that portion. Of course, I have quotations from everybody.

Sir, I demand, through you, that the Government should present before this House a full document on socio-economic cost and the implications of the tests. I have a lot of figures to tell the Finance Minister. Maybe, the Finance Minister would not agree. I have a long list of aids and monies flowing into India from different countries. They have been stopped due to imposition of sanctions. I am reserving it for the debate on the General Budget.. I would only like, if not by the Prime Minister, at least, the Finance Minister to present before this House a full document on socio-economic cost and the implications of Pokhran tests on account of sanctions.

[Translation]

SHRI VIJAY GOEL : Mr. Sangma, you should have spoken about the test conducted by Pakistan. Mr. Nawaz Sharif has used strong words against us but you have not spoken anything about that (Interruptions) Mr. Sangma, it appeared as if a spokesman from some other country was speaking as you did not speak a single word about the test conducted by Pakistan.

[English]

MR. CHAIRMAN : Please sit down.

SHRI K. NATWAR SINGH (Bharatpur): Please tell your Prime Minister to answer. Tell Shri Vajpayee to answer. Please tell him. (Interruptions)

MR. CHAIRMAN : Please keep silence.

[Translation]

SHRI SHANTA KUMAR (Kangra) : Mr. Chairman, Sir, the tests conducted at Pokhran on 11th and 13th May have evoked different reactions among the countrymen and in this House. In my view the entire nation has moved towards self respect and self-sufficiency after conducting the nuclear test. Some countries were disturbed by our nuclear tests. The countries which have monopoly in this regard wanted that India should stand before them begging for its security. They started worrying as these tests has suddenly elevated the position of India. India now stands, at par with those countries, however, going by the tone of the speeches of some of the Hon'ble Members from that side, I feel that they are upset with this development. It makes me unhappy.

Mr. Chairman, Sir, the test conducted by Pakistan yesterday have justified our tests of 11th and 13th May. My friends from the other side were repeatedly asking as to what was the need for nuclear tests? Perhaps Pakistan has answered their queries.

I was listening to respected Sangmaji. He has talked about principles. Mr. Chairman, Sir, principles have their own importance but in the event of a war we require weapons. I would like to remind the House of 1962 war, the wounds of which have not yet helped up. I remember that after this war I wrote a voluminous Hindi book "Himalaya Par Lal Chhaya." At that time also people were talking in the same tone that what is the need for the preparation of war. We have our own principles and we are not going to attack anybody. We all are friends. But at the same time, on one hand China was preparing for the war and on the other hand, slogans of 'Hindi - Chini Bhai - Bhai' were being raised in India. China built its roads into the Indian territory using its own machinery but Indian Government never got an inkling about it. Our countrymen were busy in raising the slogans "Hindi - Chini Bhai - Bhai".

Mr. Chairman, Sir, what could be more shameful that a road was constructed on our land and the Government of India came to know about its existence only when it was inaugurated. In 1962, we were not preparing for war but China was preparing for war. When China invaded our territory, no doctrine came to our help and India had to face an ignominious defeat. We had to vacate Tezpur, the entire nation was mourning over the deaths of soldiers and even today thousands of acres of our land is under China's possession. We cannot forget that defeat of 1962 war.

I would like to mention one more thing that India cannot afford to have another 1962. Mr. Chairman, Sir, in 1962 also the same language was being used and these people were in power and they were not prepared for war. The people who supported preparation for war were called "Junglu." We cannot forget the defeat which the country had to face at that time. The country went backward by 10 years due to aggression in our Himalayan Region at that time, the wounds of which have not yet healed up. We should not forget this thing. Today what is the situation of India? The Scenario at our twin borders is that China has become a super power. It has got atom bomb. Tibet has been eclipsed. Please excuse me for saying that the Britishers were more intelligent than the then Congress government. They had the power to annex Tibet. But they kept Tibet as buffer state between India and China. But we have handed over Tibet to China and as a result boundaries of both countries are touching each other. Today China is a super power and its boundary touches with that of India. China occupied thousands acres of our land during 1962 war and the Lok Sabha had also passed a resolution in this regard at that time and even after 35 years this matter has not been taken up with China.

China is helping Pakistan in the development of missiles and nuclear bomb. This super power is situated across the Himalayas on our border. We have had three wars with Pakistan. Yesterday, many things were said here. Proxy war in Punjab and Jammu Kashmir has already claimed about 40,000 lives and we had spent crores of rupees in curbing terrorism. Now Pakistan has conducted nuclear test. With the help of China they have build one factory in Fatehganj to develop missiles. They have developed 'Ghauri' and they are developing 'Ghanzi' which makes their intension clear. Even in such a situation our friends are repeatedly asking us as to what was the need for these tests.

Mr. Speaker, Sir, I think that the nuclear tests conducted on 11th and 13th May is a right step taken at a right time. This decision is not only based on the national security's point of view but it was essential for achieving self-sufficiency also. Some countries do not want to see India as a super power, and, therefore they are worried. But the security of the country cannot be mortgaged. We cannot protect our country by taking help from outside. In view of the scenario that exists around us, we should achieve self sufficiency to defend our borders. In this connection, I

[Shri Shanta Kumar]

would like to read a few lines from the editorial in the 'Tribune':

[English]

"The whole nuclear question has to be seen in the light of the fact that today many nuclear-tipped missiles target the heart of India or can do so in a matter of minutes. India has to have adequate deterrence against any adventurism. The threat perception is not theoretical. India has had to suffer the ignominy of getting its nose bloodied by a country which claimed to be its brother. With the bitter experience still ranking three and a half decades later, it just cannot afford to lower its guard. Nuclear weapons can be an effective bulwark against any misplaced venture."

[Translation]

I would like to say that this nuclear test is a right step taken at a right time because neither we can mortgage our security nor we can beg for help from other country. This important decision has been taken at a right time. One historic attempt has been made to arouse the self respect of India. On the threshold of the 21st century, India is no more an insignificant country. India has achieved a status and like some other countries, it has also become a super power. Today this message has gone across the world.

Mr. Speaker, Sir, I feel that this incident is one of the historic incidents of this century. The glory which India could not achieve during the last 50 years, Shri Atalji has made it possible in just 50 days. No one can forget this achievement. The statement of United Nation's Secretary General Shri Kofi Annan is very important in which he has said :

[English]

"You cannot have an exclusive club whose members have nuclear weapons and are refusing to disband it, and tell others now not to have it. The nuclear powers need to rethink and set an example for other nationals."

[Translation]

Now this feeling is growing throughout the world that this monopoly should be ended. U.S.A. had started with this programme in 1942. It is the only country and also the first country to have used the atom bomb and today they are advising other countries not to use the atom bomb. I feel that the sole purpose behind the approach of U.S.A. towards all the treaties be it the N.P.T. or C.T.B.T. is that it should be able to keep the atom bomb and no other country should equal it. India has the potential of becoming a super power. It is a part of the conspiracy to prevent India from becoming a super power. This government has dealt an effective blow to this conspiracy. Now it is proved that this conspiracy has been blown to bits as a result of nuclear explosions conducted on 11th and 13th May at the

behest of Shri Atal Bihari Vajpayee. Except for a few developed countries, the smaller countries are pleased over this development. I would like to read out a few lines from the article of Shri J.N. Dixit :

[English]

"I have noticed in my interaction with Asian, African, South American diplomats, whatever their governments' formal stance, an undercurrent of satisfaction that a developing country overturned discriminatory pressure and asserted its self-reliance and technological achievement."

[Translation]

Many countries are pleased that a developing country has dared to break this monopoly. Further Shri J.N. Dixit has stated:

[English]

"We should not deal with the tests as an end in themselves, but proceed to make the capacity we have attained deployable both in terms of weaponisation and delivery system. There is no need to be defensive."

[Translation]

Mr. Chairman, Sir, U.S.A. has conducted 1020 tests till date; they have even used the atom bomb, yet they wanted to prevent India from becoming a super power. Our country has taken a very crucial step against such an attempt. There is nothing new in delivering sermons, talking of sacrifice or raising the issue of humanity and morality, for, all this has been said before 1962 also and this is what is being said today also. However the world moves forward on the basis of ground realities. Mere sentiments do not make the world go round. I am reminded of the lines from 'Kuruksotra' by Ramdhari Singh Dinkar ji wherein, in the course of enlightening Dharamaraj Yudhishtira, it has been stated that when one's self-respect is under attack, the definitions of virtue and vice get changed. The poet says :

Chhinta ho swatva koi, aur tu
tyaag tap se kaam le, yeh paap hai.
Punya hai vichhinna kar dena use,
Badh raha teri taraf jo haath hai."

This is the truth of life and no country can ever deny this truth. Mr. Chairman, Sir, Hon'ble Sangmaji and many other members have spoken. I do not want to go into the detail. Some members tried to create an atmosphere of fear; some members used disappointing tone; some others spoke of the troubles it will bring in its wake, but the nations gain victory only if they dare and have a strong will-power. Fear and panic do not enable either a person or a nation to emerge victorious in life.

The issue of economic sanctions has been raised. It will be discussed in detail but as per my information, the Gross Domestic Product of India for the year 1995-96 is Rs. 11,19,000 crore and the assistance received in the form of all types of government and non-government loan grants till the end of 1995-96 amounts to Rs. 12,163 crore. It is only 1.01% in all and the share of the countries imposing sanctions is a mere 0.5%. No amount of sacrifice or penance is too great when it comes to the security and self respect of the country. These economic sanctions are negligible. There is no need for us to panic or worry about it. Under the changed economic conditions and the new economic policies, money will flow in the form of external assistance and foreign investment. Hence I feel that there is no need to be concerned about it. We should keep in mind that the world cannot ignore India which has such a vast market and great potential for capital investment. In case anything undesirable were to happen, I do not think that the country needs to be unduly concerned about it. As for the issue of economic sanctions, I feel that they were bound to be imposed. There was a time when we could never imagine that we should try to be on equal footing with these countries. We should try to be self-sufficient. It was not expected of the U.S.A. to shower flowers or currency notes or otherwise praise India for having conducted the tests. In fact, it should have been their problem and it should have been a matter of concern for those countries. It is quite natural and there should be no need to feel concerned about it.

Mr. Chairman, Sir, I am highly concerned about one point, though, that it appeared as if the tone of debate and the thinking of the House might change after the statement made by the leader of the Opposition. When such a test was conducted in the country in 1974, the entire country realised behind the then Prime Minister, however, the situation is not the same today.

I am unable to understand the reasons therefor. Yesterday when he made such a statement, I felt that this might bring a change in thinking but again we are witnessing a tone of opposition. Criticism is being made just for the sake of criticising us. In case Bharatiya Janata Party would have been in the opposition and you were sitting on the treasury benches, we would have supported this step and would also have joined the celebrations in view of the advancement being made by our country towards self-sufficiency from the point of view of security of the country. No other moment of national pride can possibly surpass the present moment.

It was asked time and again as to why the tests were conducted and what was the need therefor? I have kept all the facts before you. Shri George Fernandes has correctly stated that we had to conduct the tests as you did not do it. There is one more special feature in this context that such a step was taken because a courageous leader has taken over the charge. The leaders having the courage to take decisions are at the helm of affairs. You have already taken such a step in 1974 for which you deserve to be

congratulated. However, thereafter such occasions have also arisen and only recently a statement of Shri Venkataraman has been published that when he was the Minister of Defence, it was decided to conduct the test at Pokharan. A tour was undertaken, site was selected and even the date was decided but then it was thought that the other countries, the world over, might be displeased and that is why the tests were not conducted ultimately. What can be more regrettable than this? If the tests were not essential for the security of the country, why was such a plan formulated and if at all such tests were essential, why were they cancelled out of fear of displeasure of some country? We were developing missiles, but the plan was shelved fearing the wrath of some other country. By doing so, the security of the country was sought to be pledged. Hence I believe that many a times you could not take right decisions at right time. This time, such leaders are in charge who took this decision in view of the security concerns and this decision was taken at this time because a strong leader having the courage to do anything and everything for the security of the country has arrived on the scene and he has taken such a decision. Our friends were in such a position that they were unable to take any decision at times. The plans are drawn up and then they are given up for one fear or the other. This was your position. However Shri Atal Bihari Vajpayee took a firm decision in view of the security of the nation and gave the go ahead for testing the bomb at Pokharan and consequently the cat was out of Pakistan's bag yesterday. It is good in a way that it will be easier to face the challenge posed by known rather than the hidden arsenal.

A point was raised repeatedly by the Members speaking from the opposition benches that relations with other countries will become strained. Is there only one way of improving relationship with the other countries that one should get weaker? I fail to comprehend the logic of this argument. If we are taking measures to strengthen our country, how does it affect our neighbours? If a neighbouring country is affected even by this, it means that its intentions are not good. India wants to be strong from the point of view of security. India wants to gain self-respect and self-confidence by strengthening itself in view of the threats posed to it from those around it. In this context, this point was made again and again that our relations will be affected. So is it essential to weaken the position of our country in order to improve the relations? This argument does not hold water that India should not have anything to defend itself and such a tendency is a cause for concern.

In the end, I would like to add that it is good that our friends have congratulated the scientists. The entire nation is congratulating the scientists, technicians and the engineer as they deserve it also. Our friends rose to speak and congratulated the scientists, then the technicians and thereafter the engineers and then they stopped at that and did not say anything further. The next in line deserved to be congratulated were the government and Shri Atal Bihari Vajpayee. Could you not have congratulated them also? What was the reason for holding back? You were showing

[Shri Shanta Kumar]

your appreciation also but there was something tormenting your mind as some of our friends have admitted that they too wanted to go ahead with it. The point of taking credit has arisen in your mind and not in our mind. Whenever a crucial decision is taken with regard to the defence of such a big country, taking credit is not the foremost concern. It is true that one may or may not get credit at times for the work done by him.

It was stated here by someone from that side that we conducted the nuclear test in 1974, and in 1975 we were defeated. It is not the question of winning or losing. It is good that the test was conducted. However, you have a regret that in spite of conducting the test in 1974, you were unable to win. The question is not of taking credit. In my view, the credit goes to scientists, technicians and Engineers. The work on this test initiated long before 11th and 13th of May. The credit for the initiation goes to you and all. But you have in your mind that the credit must not go to Shri Atal Bihari Vajpayee and his Government. That is why you were looking happier, but in fact there was a feeling of frustration in your heart. I remember a line from the song.

"Tum itna jo muskura rahe ho,

kya gam hai jisko chhupaa rahe ho."

In the end, I would only like to say that it is the need of the hour that the national security should be considered above the party lines. I would like to congratulate Hon'ble Shri Sharad Pawar for his yesterday's statement. I would like to congratulate him again, if his statement comes out to be true and this trend proceeds further. Today when Pakistan has conducted the nuclear experiment, our country is facing a big threat. Considering that the wounds of 1962 war have not yet healed up and in the present situation, our prime concern is the issue of national security, the message that should be conveyed from this House is that the whole country is united over this issue.

[English]

SHRI I.K. GUJRAL (Jalandhar): Sir, I am grateful to you for giving me the opportunity to address this august House today. If I may say so, it is for the first time since the elections that I am addressing the House. I am addressing the House at a moment when I feel the situation so demands that with all seriousness and with all application of mind, we addressed ourselves to the issues that are emerging before us. It is no use emotionalising the issue; it is no use raising slogans about it. Matured nations, serious nations, analyse the situation and try to evolve policies to meet them.

I was initially thinking of speaking yesterday. If I had spoken yesterday, I would have addressed myself to the issues arising out of Pokhran-II. But today I am speaking in a different background because Pakistan also has

tested its devices. Therefore, when I talk today about these issues that have arisen, I cannot but talk in terms of the immediate situations that have come before us. These are compounded issues, and the two tests have to be read together so that we are able to evolve a policy and come to some conclusions.

There are several issues which involve both India and Pakistan and, for several years, we have been talking about them. For several years, we have discussed them; for several years we have been able to meet many of the difficulties that have been confronted and that some we have still to meet.

At the moment, when I am standing here before you, Sir, I am reminded of a long history. But I am not going to take your time to go into that history. But it is also not possible to undo that history. It is no more possible to discuss at the moment the Indo-Pakistan relations in the context that existed before the two tests were made.

But before I address myself to the subject as such, may I, first of all, join rest of the House in also offering my homage to the scientists and the technologists viewed purely in scientific terms, I think, the Pokhran-II has proved, if any proof was really required for, that our scientists and our technologists are second to none in the world and they are a world-class scientists themselves.

When I talk about Pokhran and I pay my homage and compliment the nuclear scientists, I pay my homage to the scientific community in totality. Science cannot be divided into parts. Even Pokhran-II would not have been possible, if other dimensions of the scientific growth had not taken place. It was only a few months back that in your State of Andhra we had seen the spectacle of Sriharikota, how Indian science made us proud and how Indian scientists made us proud when we were able to launch a satellite on our own, particularly when some months back or may be a year back or two years back, America denied its cryogenic engine to India. Here our people did it themselves and we made this possible. I am aware that more satellites are about to be launched by us and now we have reached a stage when many countries are approaching us to engage our services.

I also wish to talk about the super-computer. You will kindly recall and the House will recall that the super-computer was denied to us and here again our scientists and technologists made the super-computer themselves. Not that they made it themselves, but also today there is a market for it and many countries which were otherwise proud of their scientific achievements are in the queue to buy this super-computer. Without this super-computer, nuclear dimension was not possible and, therefore, when I pay my homage-- I repeat -- that I feel that I pay homage to the entire scientific community. They had met the challenges before them and it were they who have turned every denial into an opportunity. Everything that was denied, they turned into an opportunity.

It was my modest effort and a dimension of homage that some months back, India for the first time we offered *Bharat Ratna* to a living scientist.

When I talk of homage to India service I have to talk of Nehru. But for his vision, but for his commitment to scientific growth, but for the way he led us and set up the first laboratories in this country and the way in which he spelt out his vision for us, we would not have been where we are. When I pay homage to him, I am also reminded not only in terms of science -- Modern India would not have been modern India-- but for Nehru's, his visionary leadership.

In these 50 years that we have travelled, in this House itself you will recall and my friend Shri P.A. Sangma was presiding there, when we got together and for nearly a week, discussed the pluses and minuses of our society, what we had achieved and what we had not achieved. At the same time, I think we should ask ourselves the question that if we fell short in some areas, what would be the expectations of our nation regarding our performance in the coming years?

I feel an important policy of ours must encourage science, we must continue to assign our focussed attention to it. Science and technology must receive our attention all the time. Without scientific and technological growth, we will never be able to fulfil the trust that Nehru spelt out for us.

Science does not prosper in hot houses. Science does not prosper in the minds which are obscurantist. Science does not prosper in those areas where minds are not modern. Science prospers only if your schools, colleges and universities provide a wide base like that of a pyramid and from there, generation after generation we produce scientists who come to the summit and when they reach there, they perform as they have done now. I feel, therefore, that it is extremely important that we see to it that the base of science education is extended. That will be the candid homage.

We must see that in our schools and colleges there is a great deal of work is done for the education of sciences. We also earmark more funds for education. Since my friend, the hon. Finance Minister, is sitting here, I would request him to see that he earmarks a sizable amount of money for Scientific Research and Development.

I said a little while ago that Science and Scientific attitudes do not flourish unless your base for scientific temper is there. Pandit Jawaharlal Nehru often talked about it. May I say, in my own humble way, Sir, when I was assuming office of the Prime Ministership, I had drawn the attention of this nation to this. Scientific temper is the base on which science and technology prospers and also scientific temper defeats obscurantism and *andhviswas*. Unless you defeat *andhviswas*, you cannot think in terms of scientific temper.

May I say with some pain and some anguish one thing? when we are trying to glorify science, is it not a cruel irony that we are thinking of building temples, we are thinking of carrying the dust, and we are thinking in terms of encouraging obscurantism and not scientific temper? It is no use passing resolutions here. It is no use paying compliments here from that side and this side if it does not lead to encouragement of scientific temper. If you are going to turn scientific achievements into the temples, dusts and all these things, then, I am very worried about the future of science in this country. Therefore, I hope that if we pay any compliment and if the House decides to pass a resolution-which I would like to share-complimenting and paying homage to our scientific community, we should say in the resolution that we want the country to encourage scientific temper. Therefore, unless scientific temper is encouraged, it is no use passing any resolution. As you know encouragement of scientific temper is also a part of the Directive Principles of the Constitution. That is what the constitution has said. That is what we must do. We must pay a great deal of attention to this aspect.

Having said this, I think it is important for me to come and talk to you here how do I view the present situation. As I said a little while ago, I was thinking in a different framework yesterday. But today I am talking in a different scenario, in a different framework. I had, some time back, written two letters to the hon. Prime Minister. These two letters were of 13th and 22nd May, after the tests were performed. When I saw the environment building up in the country, I thought it was my duty to write to him. I said several things in those letters. One of the things that I suggest was that for God's sake please see to it that the Government speaks in one voice. The Government was speaking in five voices, all divergent, all confusing, all giving different messages and those who listened to them were confused. I do not know whether those whom they addressed were confused or not. I urged the hon. Prime Minister twice to see to it that the Government speaks in one voice, and ensures that everything that is said in the name of the Government had the Prime Minister's prior clearance so that we know that these are the authentic words of the Government. Well, I don't know if any attention was paid to that or not. But I also suggested to him that he may kindly ensure that..... (*Interruptions*) The letters are here. But I will not try to read them. At the same time, I had also suggested in the letters that he must see to it that his colleagues manifest and exhibit some maturity, maturity of thought, exhibit the majesty of the office that they occupied, and exhibit the dignity of the office that they adored. They were talking out of turn all the time creating a old type of atmosphere in the country.

Sometimes jingoism was talked of, sometimes war-mongering was talked of, sometimes challenges were given and sometimes raw emotions were roused as if overnight the country was on the brink of a war. I had also suggested to him that if we generate an atmosphere of war without the intention of going to a war, that can be extremely dangerous thing. For God's sake, take care of this.

[Shri I. K. Gujral]

I also wrote to him and suggested that India has one basic strength of consensus. Since I had the privilege of being the Prime Minister and the Foreign Minister for some time, I had practised the art of consensus building I do not have to ask for your credit. But I think, we exhibited that consensus whether it was the CTBT or neighbours' relationship or the United Nations. We explained to everybody how consensus can be built. And I see in the Prime Minister's statement as also in the Prime Minister's speech saying that he supported this. I say, for God's sake, please do it. Do not try to make it look as your Party's achievement. It is not your Party's achievement. If you want to say that it is your Party's achievement and if you are thinking of elections, it is fine.

I was very disappointed when my learned friend Shri Jag Mohan whom I respect a great deal otherwise, tried to talk in partisan spirit.

SHRI JAG MOHAN (New Delhi) : No

SHRI I. K. GUJRAL : You did it. If you read your speech again, you will come to the same conclusion and you need not intervene now. The main point, I am trying to say is that consensus is the strength of India, consensus is the strength of a party. I had requested the Prime Minister to ensure that whatever policies he was following, he should try to build a consensus. I also told him when I met him that there is a difference between consensus building and 'giving of information'. There is a very vital difference. You call the leaders of the parties and give them information. That is not consensus. Consensus-building involves flexibility. It involves accommodation. It involves effort to understand the other man's point of view. It involves trying to understand what the other man is saying is of some value or not, and he then either tries to persuade or tries to get persuaded. Then only you can evolve a consensus. But I say this with a great deal of regret that even now, I do not see the process of consensus emerging particularly after yesterday when new challenges were witnessed. Everybody is talking in a different tone and in a different context. I think, this was the time when we should have sat together and evolved a consensus. My friend the Leader of the Opposition, offered it yesterday. What did he say? He said: "If the challenge is grave, let us know it, let us understand the challenge. If we understand the challenge perhaps, we will be able to come together." But there is no response, no consensus building effort. If you do not build consensus, how do you deal with the situation? If attitudes are rigid, if attitudes are unaccommodative, if attitudes are un-appreciative, if attitudes are that we know everything, that we have achieved our glory, that we have arrived somewhere where we do not need anybody, then I am sorry, this is not the way to carry the country forward.

Having said all this, I do not want to go into that controversy now whether we should or should not have performed the test. It is behind us. The only thing I would say and I think I am speaking with a full sense of

responsibility having held the high offices, that there was no security compulsion for doing the test. I am saying this because I was the Prime Minister. I am saying this because I knew everything. I am saying this because in this country, only the Prime Minister is privy to certain secrets which nobody else is. And I say that with a sense of responsibility that there was no security compulsion for performing the test.

There may be another consideration. There may be political considerations. There may be partisan considerations. But security consideration was definitely not there. When I handed over the country on the 19th of March, there was no security challenge before us. Why was it not there? It was not there because ever since 1987, a new situation had arisen before us. In 1987, what was the situation that had arisen? By 1987, we came to know -- very credibly, very definitely, Shri Rajiv Gandhi was the Prime Minister -- that nuclear weaponry technology had been transferred to Pakistan. We knew it for certainty that America was looking aside. It is now in the documents of the American Congress that America, in Gen. Zia's time, had tried to look the other way primarily because Afghanistan situation was there. Gen. Zia was willing to accommodate the American intervention in Afghanistan through Pakistan on two conditions. One, that America would not demand democratization of the country and secondly, that America would not interfere in the nuclear programme of Pakistan. That is why, from that day onwards till 1993, Pressler Amendment was not enforced. But I must say it to the credit of Shri Rajiv Gandhi. He was a committed to the denuclearisation of the world. He believed in it. And, I think, in that, he represented the spirit of India.

From Pandit Jawaharlal Nehru, Indra Gandhi onwards, every Prime Minister -- if I may say, in my humble opinion upto me -- we were committed to denuclearisation of the world. We continue to feel that every country in the world would be more secure if there is denuclearisation. But at that time, Rajiv Gandhi had performed another duty also. And, that duty was the duty of the Prime Minister. He performed it very well. And, without letting out any secret I would say that Shri Rajiv Gandhi initiated the process and that process had been well taken care of by his successors. Indian security is very safe, that the Indian nuclear deterrent is absolutely credible and in the form that you needed to do the nuclear tests. We wanted to preserve a deterrent all the time.

In this House also, it had been discussed and I want to say it again, that nuclear weapon is not a weapon of war. Nuclear weapon has never been used. Nuclear weapon can never be used and particularly by India. With one nuclear bomb on Hiroshima, what happened? With one nuclear bomb on Nagasaki, what happened? Millions and millions of people died. We, the country with a great tradition, we the country with proud civilisation, we the country with the great names to refer to, cannot possibly have a bomb which kills, in one drops thousands of people.

10,000 people or a million people. We cannot do it. Nobody has done it.

I have lived in the Soviet Union for five years as Ambassador of India. I have seen them acquiring the nuclear weapons. A state had come by 1979 when Shri Atal Behari Vajpayee as the Foreign Minister was visiting Moscow. We were discussing the Nuclear Policy and we both had come to the conclusion that the Soviet Union had enough arsenal to kill the whole world nine times. The only difference was that America by that time could kill the whole world 13 times.

Do you want to kill the whole world nine times? Do you want to kill the world 13 times? And, how can you kill a person second time? This was the irony which ultimately destroyed the Soviet Union. Once you enter the nuclear weapons race, do not be under any wrong impression, Sir, and all slogans of patriotic zeal that you might raise, no country has been able to keep pace. The Soviet Union would not have been destroyed; that civilisation and that 'ism' would not have gone, had they not joined this race. I was the Ambassador there and I saw to it when 25 to 30 percent of their GDP was being spent on the nuclear weapons race.

America was able to destroy them because they pushed them on and on this race. "Your friend", both internal and external, have pushed you in this race. For God's sake, do not deceive yourself. This is not valour, this is not bravery, this is only self-destruction. Once you enter that race, I do not know how you can possibly get out of it. I can see the tragic consequences of the race.

The Prime Minister has said that we are a nuclear weapon State. I do not know. I take it at its face value because weapon has a certain meaning. If by that he meant that we have a reliable deterrent, I accept it. If by that he meant that word is used in the sense that we have whatever we have, it is enough to take care of our security, I accept it. But, for God's sake, draw a distinction between weaponisation and militarisation. There is a great deal of difference between the two.

I have a newspaper here of two days back where my friend and a learned man, the Defence Minister had said that the weapons have already been handed over to the Army. I do not know what he is talking. If that has been done, God help us. I ask the Prime Minister to assure us here that weaponisation does not mean militarisation. I want the Prime Minister to give me an assurance and give an assurance to this House and to the country that we are not joining the nuclear weapons race. Countries in despair can do it. Pakistan can be desperate. It is no democracy like we are. It has no civilizational commitment that we have. It does not have a commitment to peace that we have.

Peace, may I say, is not only a slogan, it is a policy. A policy framework has to be built on the peace. Only then

can you possibly think in terms of that. I would only like to say that I am not talking in a voice of panic. Nobody can tell me, nor need you tell me that all those who differ are panicky and all brave men sit on one side. Nobody need tell us that we who had participated in the freedom struggle are panicky and those who never participated in the freedom struggle are brave. Nobody need tell us that those of us who have run this country with great deal of zeal, commitment, enthusiasm and responsibility do not understand the country and they do. Nobody need teach us that lesson. Nobody need tell us that basically they understand. Please understand this. I beseech you to understand that nuclear weapons race, as I said and I repeat, has destroyed countries. Nuclear weapons race has destroyed civilizations. I call them civilizations because in my perception Soviet Union was a civilization of a new type. You may differ with it, you may agree with it. But it was a civilizational approach. We have also seen that super powers have been destroyed by this race. We are no super power as yet.

Therefore, let us be not deceiving ourselves because we must understand one thing. God forbid, and I say thrice God forbid if ever a nuclear war comes, there can be no winner, there can be no loser. Never give nuclear weapons. That is why heaps have been destroyed. That is why all the SALT Treaties and START Treaties have been signed. Why are they being signed? They spent billions of dollars on building them. Even this is not to our satisfaction. We wanted them to be destroyed more speedily. All the same, some people are doing it. Therefore, I would only say this thing. I urge the Prime Minister, when he addressed us to kindly respond to me. I hope he would respond and tell me, tell you, tell all of us and tell the entire country that under no circumstances will India enter the nuclear weapons race.

It is not a question of prestige; it is not a question of glory; but it is a question of a sense of responsibility; it is a question of commitment to the future of the nation; it is a question of commitment to our children and the future generations that are to come.

I would like to add another point. You will kindly recall--you were a part of my Government--that for two years we made a gigantic effort to give a new twist to our foreign policy. That new twist was that India's foreign policy must not continue to be Pakistan-centric. That is why, it was not by chance that we stopped any polemic war with Pakistan. Unilaterally, we stopped responding to any of their provocative statements. I did not even respond to Nawaz Sharif's speech in the United Nations. It was not because we could not draft a speech; it was not because we could not use harder words; it was not because we did not have the rhetoric at our disposal. It was primarily because, I thought and I believed--and this House believed, because it supported me at that time--that India has a role to play in the world and since India has a role to play in the world, its policies must never be Pakistan-centric. These tests and counter-tests are making you Pakistan-centric

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once again because the House discusses it. Some hon. Members say, 'We are more Powerful than Pakistan; We are more courageous than Pakistan.' What is Pakistan? Pakistan may or may not be anything. I am not entering into that controversy. But India definitely must not, in the 50th year of its freedom, remain Pakistan-centric. Kindly understand this.

There is some sort of a latent controversy--call it, rivialy--going on between America and China. Please do not let anybody play the China card on you. I do not know who in the Prime Minister's office drafted that letter. I know, the Ministry of External Affairs did not draft it and I am very sorry that it did not because we have very competent members of the Indian Foreign Service in the Ministry of External Affairs. I do not know how on earth they wrote to President Clinton and talked about China, playing into their hands, walking into a trap. For, persistently, when I was in charge of the foreign policy, I have seen to it that we did not play the China card and that nobody played the China card on us. We gave no one else the chance to play the China card for us. We have done it now. We have annoyed China on one side. On the other, we have given a glee to people in Washington and we do not know which way to go. My dear friend, Dr. Subramaniam Swamy is sitting here. He understands China more than I do. I hope he has not forgotten China by now as he is too much interested in AIADMK. I think, when he talks, that is if he does, he will tell us how dangerous it can be and how dangerous this trap can be. Therefore, when you make your foreign policy formulations, please understand this. Do not let others play this card on us. This will do immense damage to us.

With China, we have been carrying on a sort of a slow process, but a process which was showing some way out. There is no use talking bravado. In 1962, something happened. Today, have we more of warriors because we have tested? They have tested 45 times. Does it make them more powerful? Can they use the nuclear weapon on you? Can you use your nuclear weapon on them? That issue does not arise. Why are you inviting a war again. No wise country invites a war. But here, I find that some sort of a jingoistic environment has been created. We are competing with each other whose language is more irrational, whose rhetoric is more forceful and thus land ourselves in a mess.

Kindly understand that weaponisation is a very serious game. It needs several things. My dear friend, Shri P. Chidambaram had initiated and spelt out several things. He understands finance much better than I do. Therefore, I will not try to tell you how much money it will cost you to do this.

17.00 hrs.

But I would like to tell you a thing. It is the surest way of derailing yourself from the economic progress. The

Economic Survey that was placed here on the table yesterday made all of us think as to how to get away from the problems that are staring at us. The problems such as the impact of non negotiations; the impact of Europe talking in another language; the impact of World Bank talking in different language; and the impact of Japan talking in another language. Bravery is a very good word. But *josh* without *hosh* is dangerous. That is what I would like to say. We must be very clear in what we want to do. I hope the hon. Prime Minister understands the difference between weaponisation and militarisation. I hope, as he understands, he would put his foot down. I do not know if a contingency plan has been worked out. If that has been worked out I would like him to discuss it with us. I am not saying that he should make it public. But I definitely want him to discuss it with us. What is his contingency plan? What is his plan regarding diplomacy? It is because may be we can help him. What is his contingency plan regarding the economy? What is his contingency plan regarding strategy? What is his contingency plan for dealing with neighbours? What is his contingency plan for dealing with the major powers?

The Minister of Finance is sitting here. Please understand one thing. I am not so much afraid of sanctions. But I am afraid of one thing. We are all seeing the financial crisis in South - East Asia. It is not yet over. We are seeing how the currencies can be manipulated. We are seeing how fiscal arrangements can be disturbed. I want to Indonesia two years ago and I had gone there after ten years. It was doing wonderfully well. I went to Malaysia. It was doing extremely well. But what happened suddenly? They have got the switched. These people who control the Brettonwoods organisations and institutions can make you derail. God forbid, the rupee slides down further, God forbid, if our rupee also slides down like the Indonesian rupaiah, those are bigger dangers than the sanctions. Some measures have to be taken to see that it does not happen. Many things have been said here which, I think, are very important for us to keep in mind. Think of a total strategy. The strategy papers or contingency papers should be shared with all of us. For God's sake do one thing. I appeal to you in the name of the country, for God's sake do not hype jingoism; and for God's sake do not rouse passions. For God's sake do not create a problem for ourselves. We do not want a war. We want peaceful development. We want this country to catch up with those countries whose rate of growth is eleven to twelve per cent. I think the Minister of Finance would be much happier to present a Budget which can promise ten to twelve per cent rate of growth rather than presenting a Budget which is trying to tighten our belts. I hope the day will come and it can come subject to our wisdom. Another danger is also there. In our relations with Pakistan we had succeeded in bringing Kashmir down to bilateral levels of negotiations. Our progress is very slow. We might not have succeeded as yet. But there is every danger of its internationalisation again. I do not know what the diplomatic contingency plan says about it. I do not know what my worthy Prime Minister who is also the External Affairs Minister has thought about it; and I do not know what kind of initiative he is thinking of taking.

I was very surprised and confused when the Prime Minister said yesterday that his stand had been vindicated. I am very confused. Pakistan has tested and he says like this.

This afternoon, before coming here I saw the television where in the CNN quoting the Foreign Minister of Pakistan said that Pakistan may test once more. It said that Pakistan 'may' test once more. If that is the vindication, then Prime Minister would be doubly vindicated tomorrow. If they do the testing again, then obviously he will be more vindicated! And if they do it for the third time, he would be vindicated thrice! What is the vindication about and what is this vindication of? He has taken this entire subcontinent into this race. What is this vindication for? He has undertaken the test purely for political reasons and not for security reasons and I say this with a great deal of conviction.

The Prime Minister also said that we are a nuclear weapons State. He must explain the details. What does he mean by a nuclear weapons State? This word means things to several people. That is why it is very important for us to understand the meaning of this word; then only we can possibly work out a detailed policy responses.

Now, I come to what we can do and what should be done because I do not think it is the duty only of the Prime Minister. We are also a part of the system; we also want this country to survive, we also want this country to prosper; and we also want to contribute in getting out of this rut that you have got us in. I would also suggest at the same time - I think, it might be helpful, unless the Prime Minister has reasons to believe otherwise - you to unilaterally declare no-first-use of nuclear weapons. We may unilaterally declare that we will never use a nuclear weapon against any power which does not have nuclear weapons.

He has also talked about moratorium. You may repeat it again and say it unilaterally. He also has to declare, as a part of our declared policy, that we do not believe in proliferation. This brings me to CTBT. I talk about CTBT at a later part of this address this afternoon because as this House knows, I have something to do with the CTBT policy. I presented to this House that policy, when I was making it. My approach added one dimension to our CTBT approach. We were talking all the time about denuclearisation as an ideology. I added the national security dimension to it.

When I was discussing this with Mr. Clinton in September last year in New York, I asked Mr. Clinton to put himself in my shoes. I was Prime Minister at that time, not sitting here. I asked him to look at the map of India and around us. I would not spell out the details here. I only wish that such should have been the scenario presented in the letter that the Prime Minister wrote. After listening to me for a while, Mr. Clinton said, "I understand."

That was the approach that I have had when President Chirac came here. My friend, the then Finance Minister was also with me. I had the same approach with the Prime Minister of Britain. They were all coming around and

seeing our point of view. For God's sake, use your diplomatic skills to present your case well. We have a case; it is not that we do not have a case; it only needs doing well.

Here I say this to all of us, including myself: "Let the voice of sanity prevail; let us talk of peace." This has been our commitment from the first day when we became free. We have Nehru's 'Tryst with destiny'. We have a reputation for peace-loving nations. For God's sake, preserve the reputation. At the same time, we must also revive our initiative and our commitment to denuclearisation. The world must be told that we want denuclearisation because then only every country will be secure and that India will also join them. 'you denuclearise, so shall we.' We have done it in the case of the chemical weapons. Nobody knew that we had chemical weapons when we signed the Treaty.

As a matter of fact, my friends who are sitting there on that side criticised me. And Shrimati Sushma Swaraj particularly did that. I hope that she holds a different view now. I told them that we will sign any treaty which meets our needs and we will observe it. We have observed it. We have also observed the biological weapons treaty. We are also willing to observe this.

I would like to say one thing more. With great deal of difficulty, with great deal of effort, with great deal of sacrifice, we have built a neighbourhood policy. Shrimati Sushma Swaraj had just gone to two such countries. She has seen the benefits of those policies. She has seen how Dhaka responds; she has seen how Sri Lanka responds. For God's sake, do not dismiss it because some people, have given it my name. You can take the name also but please sustain the policy, sustain the policy of building good neighbourliness and good neighbourliness rules out war.

Pakistan has offered that they are willing to talk to us. Pakistan has said that they are willing to talk about a non-aggression pact. They want something more but we do not want to cut our size to their size. We do not have any ambition on Pakistani territory nor on Pakistan Polity. Within the framework of Simla Agreement, we are willing to talk about Kashmir also. I had said it and I had committed that with the consent of Shri Atal Behari Vajpayee. Please continue that so that the entire issue remains confined to the bilateral framework. If you do not do it and if Shri Jag Mohan is your advisor, then God help you because then Kashmir will go to the United Nations and then you will have to go to New York. It will not stay in this sub-continent.

At that time, when we made an agreement with Shri Nawaz Sharif in Male, we had identified eight items. He said that we will talk on these eight items. And when I met him last, in Dhaka, in January this year, both of us agreed - I repeat - Shri Nawaz Sharif and I agreed that future discussions between our Foreign Secretaries will be on the basis that all the eight issues will be taken up together in one venue, in one place and in one building. We both

[Shri I. K. Gujral]

together gave these instructions to our respective Foreign Secretaries. This should be sustained. Before I sit down, I hope that my friends sitting on that side for whom I have great respect and for some of whom I have great love do not mind it and do not blush.

[Translation]

THE MINISTER OF INFORMATION AND BROADCASTING AND MINISTER OF COMMUNICATIONS (SHRIMATI SUSHMA SWARAJ) : Be a good neighbour here also .

[English]

SHRI I. K. GUJRAL (Jalandhar): I would only say that contingency plan should be worked out. I would repeat that the contingency plan should have a defined objective. The objective is peace; the objective is good neighbourliness; the objective is not entering into a nuclear weapons race and the objective is preservation of a situation. That task should be made easier by my friend, the hon. Finance Minister. He can definitely come heavy on us tomorrow. He can definitely do anything and the country will cooperate. But why, have that situation, if it can possibly be eliminated I would only say this that I wish all that happened yesterday - though was expected - had not happened. I also hope, that is something which is unfortunate but let us not turn into a calamity.

With this appeal, I conclude.

SHRI MURASOLI MARAN (Madras Central) : Sir, after listening to the speech of the former Prime Minister, Shri I.K. Gujral, I am compelled to think that the tests and the counter tests are dangerous and foolish in equal proportions because Mahatma Gandhi, the father of nation, after Hiroshima and Nagasaki disaster, had described nuclear weapons as the most diabolic inventions of science. They are abhorrent weapons. But at the same time, I want to make use of this opportunity to congratulate the nuclear scientists and engineers who made the Pokhran - II possible.

A lot of verbosity--sometimes jingoistic and sometimes partisan--was used to describe the bomb. Mr. Singhal of Vishwa Hindu Parishad has described it as Hindu bomb. But Mr. Sharad Pawar has immediately commented that such a description is a complete nonsense.

Who are the scientists who contributed to the Pokhran-II? Bharat Ratna Dr. Abdul Kalam, Scientific Adviser to the Minister of Defence, Dr. R. Chidambaram, Chairman, Atomic Energy Commission and Dr. K. Santhanam, Senior Scientist of DRDO are all Tamilians. So, in a lighter vein, if they say that it is a Hindu bomb, I would say that it is a Tamilian bomb or a Tamil bomb because it would be appropriate.

AN HON. MEMBER : A Tamilian is also a Hindu.

MR. CHAIRMAN : Do not interfere.

SHRI MURASOLI MARAN : I am saying it in a lighter vein. It is not a Hindu bomb..... (Interruptions) We are Tamilians also.

SHRI VAIKO (Sivakasi) : As Tamilians, we are proud of it. I agree with you.

SHRI MURASOLI MARAN : Thank you. For once, we are agreeing.

I have to congratulate the hon. Prime Minister for his magnanimity with which he traced the historic background of our nuclear programme. It was Jawaharlal Nehru who laid the foundation for our nuclear option. He passed away before China's first nuclear explosion in 1964. That set off India's nuclear weapon debate. Then Mr. Lal Bahadur Shastri ordered India's nuclear explosion in 1965 but he did not survive long enough. Finally, it was Mrs. Indira Gandhi and the successors of Dr. Homi Bhabha who conducted the first Indian explosion in 1974. Even though Mrs. Gandhi called it a peaceful nuclear explosion, India became from that day a potential nuclear weapon capability State. Then Mr. Rajiv Gandhi - even though he campaigned for global disarmament - was pursuing this option. Then came Mr. V.P. Singh and Mr. Chandra Shekhar who all gave strong support to this programme. Mr. P.V. Narasimha Rao took it close to a nuclear test in 1995. He strengthened the capacity to test at a short notice. So, the credit goes to him. Then, thanks to that effort, now we have camouflaged it. The CIA could not detect it.

Then, came Mr. H.D. Devegowda and Mr. Inder Kumar Gujral. They did not test it. It was possible for them. It was within their reach to issue a command to test but retained the option to do so by not signing the CTBT.

It is like a long relay race. Mr. Atal Bihari Vajpayee ran the last lap getting the baton from one Prime Minister to another Prime Minister, thus making India an overt nuclear weapon power. So, what Mr. Vajpayee has done is like this. What nine previous Governments have not done since Mrs. Gandhi detonated its first nuclear device 24 years ago, has been done by Mr. Vajpayee.

But the question is why has it been at this time. I share the perception of Mr. Gujral. There is no security compulsion. There is no security challenge. That is why 'The Economist' of England says that it is a brilliant diversion. Another commit is that it is a violent political coup. It looks like that. It looks more political. So, what is the new security rationale behind Pokhran-II? It has to be explained to us. But there seems to be none because the RSS Secretary, Mr. Sudarshan, has let the secret out. He has said, "Even during the 13-day tenure of BJP regime in 1996, we wanted to do it". Because the time was short, they did not do it. There is no security concern. They wanted to do it. They did it. How does the world look at us? That is a pity. You have done it at a time when a lot of denuclearisation is

taking place all over the world. This happened at a time when they have denuclearised six nuclear weapon potential States, namely, Brazil, South Africa, Argentina, Ukraine, Belarus and Kazakhstan.

Twenty thousand nuclear weapons were decommissioned at that time. The other countries, for example from Taiwan to Iraq were all waiting to do this kind of nuclear explosions. Saddam Hussain and the *mullahs* of Teheran might go in for nuclear explosions. At this point of time we have done this. So, there is a feeling that we have revived the menace of a nuclear war.

Sir, here is a comment made by the 'Financial Times' of London which says and I quote:

"The end to the Cold war has removed the menace of a nuclear war and therefore, the momentum to nuclear disarmament. India has now revived the menace."

Sir, we are guilty of reviving the menace of a nuclear war. What have we done? what has happened because of Pokhran II? The Government has reversed the time tested policy of our nuclear restraint which was supported by a national consensus. India's nuclear policy prior to 11 May was anything but a policy of nuclear abstinence and it has been blown off into pieces.

The South Asian region has changed after Pokhran-II. India has changed. What has happened to the Gujral's doctrine? Mr. Gujral had shown some letters from the British Prime Minister, Mr. Tony Blair and other dignitaries of the foreign countries wherein they have appreciated the benefits that we derived from out of the Gujral's doctrine. They have mentioned the name of the 'Gujral doctrine'. I saw the letter written by Mr. Tony Blair to Mr. Gujral. Bangladesh was happy; other smaller countries were happy; Sri Lanka was happy. Even our Secretary level talks with Pakistan were going on as per schedule. A hot line was established between the Prime Ministers of these two countries. So, there was a thaw; everything was cooling down. But why did the Government choose to do it at this point of time? That is the question.

Our foreign policy has completely changed. It has been over-turned. What has happened to the Simla Agreement? The Gujral doctrine seems to have been thrown into the dustbin of history. I do not know whether we are still sticking to the Simla Agreement or not. I think, it is for the Prime Minister to give a reply.

Sir, our relations with Pakistan is at its worse since the 'Operation Brasstack' Mr. Vajpayee went to China in 1979 for normalisation of relations with China. Now, our relations with China are arguably at its worst since the 1960. What I would like hon. Prime Minister to do is to re-define the foreign policy of India after the nuclear explosions of Pakistan and Pokhran-II.

Sir, Pakistan's action was not unexpected. We were flexing our nuclear muscles and they were also doing it.

The Newton's law has worked-every action will have a reaction, opposite and equal. They have done it. But we knew since 1987 that they have got a bomb and they have openly agreed about it. But now, what have they done? They have given the last turn to the screw-driver. They have got all the materials. We know from where they have got the materials. The Janes weekly has made it very clear-part is acquired; part is clandestine and part is developed. So, by begging, borrowing and stealing they have made a bomb. It is the culmination of a clandestine programme. What is the result?

I would like to quote from, what is called, a very conservative newspaper, *The Hindu*. It says and I quote:

"With Pakistan's detonation of five nuclear devices yesterday, indicating an inevitable succumbing to the pressure of the arms race initiated by India under the stewardship of the Vajpayee administration, it is painfully clear that the region is heading for a period of grave crisis. There is little doubt that the provocative and the chauvinistic attitudes struck by the Vajpayee Government have brought the country to the edge of a precipice". This is what a conservative paper like *The Hindu* has written.

DR. SUBRAMANIAN SWAMY (Madurai) : It is a Tamil paper.

SHRI MURASOLI MARAN : No, it is not a Tamil paper. It is a paper closer to Dr. Subramanian Swamy.

Sir, I am not going into the sanctions. We may say that the sanctions may affect Pakistan strongly and it may not affect us much. But that is not the point. Of course, Pakistan is a small country, it is small basket case. They have got a reserve of one billion dollar of foreign exchange which is equivalent to one month's imports. They may suffer a lot. It is a different matter.

They are raking up some kind of a mania, national hysteria. They have declared some kind of an emergency. They are in a different direction. We cannot compare it.

There are many war doctrines. The Prime Minister's statement says that we donot intend to engage in arms race. Consciously or unconsciously, we are responsible for an arms race; not an ordinary arms race but a nuclear arms race. It is taking place. We have triggered it. It has started and we do not know when will it end. As Mr. Chidambaram has said, it is not stockpiling alone. It is not just preparing a bomb and putting it under the basement. How many bombs do we have under the basement, it is not calculation. For every bomb there is a thing called Tritium which may go off after some time. We have to renew it every time.

Not only that, the high priests of cold war have created a doctrine called MAD. that is the Mutual Assured Destruction. Unless one reaches that level, one cannot

[Shri Murali Maran]

stop producing it. So, we should have enough bombs to destroy the enemies and the enemies also should have enough to destroy us. Till both will get that kind of perception, we will not stop producing further bomb. There are several war doctrines. This is one of the doctrines. Are we going to follow that MAD doctrine?

Nobody would wish to see a South Asian equivalent of the Cuban missile crisis. We saw the cold war. There is all round insecurity borne out of uncertainty that we saw in the early days of East-West cold war. It took some time to keep nuclear weapons under lock and key and to learn for the Western countries like America and the then Soviet Union as to how to communicate in a crisis. But here, our Defence Minister says it has been weaponised. Our former Prime Minister has asked a clarification; if so, who is having the command, who is having the control. Is it the military General, Prime Minister or the Cabinet, we do not know. What is the decision making time? There is no buffer between India and our neighbours. We do not have early warning system. According to our Home Minister, we are having proxy war. There is terrorism. People are coming here and shooting our people. We should look at it in this context. Minor skirmishes can be contained but if miscalculations take place, the ultimate consequence can be devastating. I would like to quote what a Pakistan Professor feels about the nuclear bomb. He is an Associate Professor of Physics in Islamabad University. I quote :

"The nuclear weapons are to be used in a war with India when conventional defence system fails to withstand the Indian superiority".

He agrees that if the conventional weapon system fails they will press the nuclear button. I again quote:

"The message too is very clear. If in any future conflagration we find that our forces are losing ground, we shall not hesitate to use whatever nuclear arsenals we have. It may be small, but it surely will cause a damage that cannot be acceptable to you. We also know that you have a much larger stock of nuclear weapons, and that you can indeed inflict much worse damage onto us, but our level of desperation is such that it is acceptable to us in comparison to a capitulation to your hegemony.

A little mistake here and there can easily lead to havoc in the two countries. Should this be allowed?"

The Pakistani professor has asked this question. I would like to ask the same question. A small miscalculation will lead to nuclear destruction of this ancient civilization. It would not stop with that. There is instability, a dangerous instability. They call it as not an ordinary instability but a hair trigger instability in any future crisis.

In 1985, when the cold war was at its peak, President Reagan and General Secretary Gorbachev met and made

a declaration that a nuclear war could not be won and, therefore, it should not be initiated. That was the lesson the two superpowers have learnt. The challenge now is to make the subcontinent and the whole region free of war and conflict. The most urgent need is to avoid a nuclear war or even the threat of nuclear weapons. We should avoid nuclear race. New Delhi needs to propose comprehensive negotiations and a whole range of confidence building measures with Pakistan on nuclear and conventional arms fronts.

What we should do now is very important. We cannot unscramble an omelette. We cannot go back to the *status quo*. The tests have already taken place; Pakistan is going to continue the same. We have to think very deeply on what we have to do now. I do not know why we have unnecessarily invited China also into this trouble. In this connection, I would like to quote Mr. J.N. Dixit, a former Foreign Secretary. He said:

"I wish we had not been so specific in mentioning China as the reason for our nuclear weaponisation. We have landed in an unnecessary confrontationalist stand with China. It is absolutely necessary to bring our relations with China back on the track. Escalating the current confrontations, which frankly has been begun by us, will be detrimental to our mutual interest as well as the regional stability."

We should give top priority to this. As Mr. Gujral has said, in 1993, China -- which was an acknowledged nuclear weapon state even then -- and India signed an agreement to bring about peace and tranquility on the border based on the principle of mutual and equal security. It was done in 1993 when Mr. P.V. Narasimha Rao was the Prime Minister. The principle of mutual security now assumes more credible dimension. This should lead to greater understanding and mutual respect in accordance with the 'Pancha Sheef' doctrine propounded 44 years ago.

I would request the Prime Minister to start the process of concluding bilateral agreements and 'no first use' commitments between China and India. China has such an agreement with Russia. So, we can also have such an agreement with China. Pakistan has offered us an agreement, more than four years ago, not to attack population centres and economic centres. A similar proposal may be revived, even if Pakistan continues to make hostile statements. As Mr. Gujral has suggested, we should start talking with Pakistan. The need of the hour is to seriously engage in negotiating confidence building measures with our neighbours.

The world has changed. American President, Mr. Clinton says that we are on the wrong side of the history and we cannot be considered a nuclear weapon state. It is not possible; they would not accept us as a nuclear weapon state. As to who are they to say so, is a different question. In the NPT, the cut-off date for admittance of a nuclear weapon power is 1-1-1967. That is why President Clinton

says that we are on the wrong side of the history. But the United States should understand that history has changed, whether they like it or not. The myth that the world will be governed by the five nuclear powers has been blown to smithereens.

The NPT has left out countries like India, Pakistan, Israel and Cuba. We know that Cuba is not a party because of various reasons. Israel has already signed the CTBT. So, India and Pakistan are left. I think, instead of imposing sanctions, the so called global order has to acknowledge the reality and include India and Pakistan and, if necessary, Israel also in the list of nuclear powers. The US. State Department officials have said that it is a difficult enterprise. It may be difficult but the Prime Minister should call for a conference of world leaders, or a world summit to consider nuclear security for the entire world. The scenario has changed. Tomorrow Iran may explode a bomb; North Korea may explode a bomb; and it may be bombs everywhere. Therefore, for the nuclear security of the entire world, not just of this region, the Prime Minister should call for a conference or a world summit in view of the totally new situation that has arisen.

They should evolve a phased programme of elimination of all the nuclear weapons and evolve the security norms. Special Envoys may be sent to all the countries. I would request the hon. Prime Minister to consider this.

What is the question about CTBT? Several voices are heard about CTBT. The hon. Minister has given a commitment to the British Prime Minister, Mr. Tony Blair, I want to read this news item.

"The British Prime Minister, Mr. Tony Blair conveyed what he termed the G-8's strong exception to India's nuclear tests and claimed that he-Mr. Tony Blair-had obtained an assurance from Shri Vajpayee during the telephonic conversation that New Delhi will start negotiations on the CTBT and that the G-8 countries were now awaiting delivery of commitments made by Shri Vajpayee."

We want to know as to what is the commitment.

Regarding the CTBT, the entire House rose like one man and opposed it. We opposed the signing of the CTBT. Why? Because it was not comprehensive; it was discriminatory; it did not address our security concerns. There was no time-bound programme of disarmament. We objected to the signing of the CTBT for these reasons. Now, under the changed circumstances, we may consider it. This is my personal opinion. I think, the hon. Prime Minister should initiate a talk with the leaders of the opposition and with the experts in the field. I think, nothing is out of consideration in the sense because the situation is very serious. Things have changed. If normalcy can be restored by our signing the CTBT, then we should reconsider it. There is nothing wrong in reconsidering it. Once again, I repeat. If all our concerns are duly addressed under the

changed circumstances, we can even consider signing the CTBT on the basis of consensus, if Pakistan also signs the CTBT.

Our main and only concern is peace. I am a Pacifist. Already we are spending two times more money for the military than for our education, primary health and social services. What will happen to this kind of a arms race?

According to Mr. N.N. Jha, Our Ambassador, a bomb may cost 78 million dollars per annum. It is a small amount. We can bear it but there are delivery systems, stockpiling and other things also. I think, our priorities will be derailed. There is no doubt about it.

Already the hon. Prime Minister says that the bombing, the experiment, the testing is the right of the one-sixth of the population of the world. Yes, it is very sweet to hear about it. But, what is the fact? where are the world's poor living? World's poor are living not in the Sub-Sahara, but they are living in South Asia; they are living in India has a third of the world's poor. Half of them are illiterates with no access to written word; and half of them are child labourers.

India was already a great nation before May 11. It should have become even greater nation if 40 per cent of its population did not live in absolute poverty. Therefore, I would request the hon. Prime Minister to de-escalate the tension, to have some kind of a peaceful atmosphere not only in India but also in the region and in the world. The responsibility is on his shoulders because they started it. They have triggered the race. Now, we should find a way out. We should discuss about the post-Pokhran situation; post-Pakistan test situation. Therefore, in this context, we do not know where we will lead to. They are talking about sanctions. I am also worried about sanctions. We can have bravado, but sanctions will also affect us. It may be in a small manner or it may not be as Pakistan may be suffering.

One of the elder Statesmen of America, Dr. Kissinger has told in the CNN interview:

'The long-term interests of both India and United States in the decades ahead coincide much more than they diverge. The United States should keep this convergence of interests in mind.'

There are also some friends of India in America. We do not have such support in the Congress, but we should make use of it. We should try to de-escalate the tension. That is my wish. I hope the hon. Prime Minister will initiate it. It does not mean that I am against security measures. We are second to none in giving our lives, if necessary, for the security of the nation. But at the same time, was this necessary? We are guilty of initiating a nuclear arms race, which is not only dangerous to India, not only dangerous to this region but it is dangerous to the whole world. So, in the name of humanity, I plead with the hon. Minister to bring back normalcy--to de-escalate the tension.

[Shri Murasoli Maran]

I want to finish my speech with what hon. Minister of Tamil Nadu has stated in the Assembly. He said:

"There can be a debate now about the correctness and the timing of the tests but when it comes to the question of India facing danger from the rest of the world, the country will stand together transcending the political barriers."

SHRI C. GOPAL (Arakkonam) : Respected Chairman Sir, hon. Prime Minister has submitted to this House India's Nuclear policy on the 13th of this month. India has conducted totally five nuclear tests successfully.

When that happened in India, what were the suggestions put forward by the politicians of our nation, particularly when this paper was placed before this House. The hon. Prime Minister clearly stated, "We do not intend to use these weapons for aggression or for mounting threats against any country. These are weapons of self-defence to ensure that India is not subjected to nuclear tests coercion. We do not intend to engage in an arms race." That was the suggestion put forward by the hon. Prime Minister.

With regard to the point raised in the papers that every person must talk about this in this House, I am also very happy on this occasion and on behalf of our leader Dr. Puratchi Thalaivi, I deem it a great pleasure and pride to put on record my deep sense of appreciation to our hon. Prime Minister in having taken the courageous decision, I say courageous decision, to conduct the nuclear tests.

Some efficient and eminent leaders from that side have said that before conducting the tests he did not consult any politician here. Sir, I would like to draw the attention of the Members of the other side that when in 1974, under the Prime Ministership of Shrimati Indira Gandhi, nuclear test was conducted, she did not consult any politician at that time also. But now, they are raising this Question and they are accusing the hon. Prime Minister of not doing so, when he gets credit for all this.

I would also like to draw the attention of this House about the intention in testing nuclear tests here in this nation.

What was the opinion of the leaders of the Congress Party on the 11th and on the 13th? What is their opinion now, for the past ten days? I want to draw this knowledge before this hon. House. When the nuclear tests were conducted, what was the opinion of our scientists? Our hon. Prime Minister appreciated the Scientists alone. He did not take any credit for this test. Our hon. Prime Minister magnanimously has said: "All credit goes to the scientists, to the engineers and to the persons involved in these activities. This is not for me." He has clearly said this. But some of the efficient and eminent leaders here, by way of political motivation, accused the Prime Minister and said: 'No The BJP has issued sweets. The BJP has got this intention. "This is not true. The Prime Minister has clearly

said to this nation that all credit goes only to the scientists, engineers and the persons involved in these activities.

What about the opinion of our scientists? Sir, the Atomic Energy Commission Chairman, Dr. R. Chidambaram has said: The three tests conducted simultaneously did confuse international observers but that was not the intention. The multiple tests were done to save cost." This is the opinion of the Chairman of the Atomic Energy Commission.

Two questions were put before this House now. The first question is about the timing of these tests. Secondly, why did India go in for these tests? What about the opinion of our politicians? I will come to this point later.

The former Chairman of the Atomic Energy Commission, Dr. P.S. Iyengar has said: "India should be looked upon as an equal to five nuclear States of the world following Monday's three nuclear tests at Pokhran. The conducting of these tests was necessary for technological and operational reasons, the objective being to lay the foundation of India having a deployable deterrent capacity against potential threats. India had already delayed this process which had affected its security." This is the opinion of our intellectuals in India.

The eminent and efficient leaders of the Congress Party have put forward their suggestions. What were their suggestions on the 11th? The Congress had issued one page statement, after deliberations for more than a hour, largely speaking of its key role in formulating the country's nuclear policy and how Shrimati Indira Gandhi and Shri Rajiv Gandhi were instrumental in shaping them.

Shrimati Sonia Gandhi had also deputed two persons--Shri Natwar Singh and Dr. Manmohan Singh -- to contact the BJP immediately. That was the statement made by the Congress Party on the 11th, on the same day, in Madras our Leader of Opposition, Shri Sharad Pawar, had praised the activities of our scientists as well as the nation's pride. In the same way, our former Prime Minister, Shri I.K. Gujral had said: "India has proved -- he has not praised our scientists alone -- that it is second to none in the areas of hi- technology."

Sir, what is the point before this hon. House now?(Interruptions)

SHRI H.D. DEVEGOWDA (Hassan) : He has said this in the House itself. (Interruptions)

SHRI C. GOPAL : I will come to that later.

Now, what is the point before this hon. House? It is, whether this nuclear test is wanted for this nation or not.

But how is it used? He has clearly said that it will not be used against other nations. It is only a safeguard for our nation. It is a clear point from the hon. Prime Minister. But what is your opinion? What is the opinion of the Congress leaders about these tests before this House? Why was it conducted in the year 1974? In the year 1974, it was conducted under the Prime Ministership of Shrimati Indira

Gandhi. At that time, it was said that even though India had been under constant pressure from Western powers, particularly, the United States, it would always use its nuclear programme for peaceful purposes.

Sir, our Father of the Nation is Mahatma Gandhi. Nobody can deny it. He was a man of *Ahimsa*. When he believed in the policy of *Ahimsa*, was he having a gun with him? why was the nuclear test conducted? Even though we are saying that it is only for peaceful purposes, why was this nuclear test conducted in the year 1974?

I want to draw the attention of the Opposition Leader as well as eminent and efficient Congress leaders to a letter written by the former President of India. In the year 1983, that is, during the Congress regime, our respected Indira Gandhi was the Prime Minister. In 1983, Shri Venkatraman was the Defence Minister of our country. Now, he has written a letter to the hon. Prime Minister. What has he written in the Letter? Even in the year 1983, all the arrangements were made for conducting underground nuclear tests in India. The eminent leaders from the Congress side have cited so many things. Just now you were saying, without knowing anything, that the decision to conduct this nuclear test was taken only 10 days before it was conducted.

Even in 1983, all the arrangements were made for conducting underground nuclear tests but due to compulsion of major foreign nations, the test was postponed. This is the statement by the former Defence Minister. It was not for peaceful purpose and it was not in accordance with your point. According to what he has stated now is that due to compulsion of foreign nations, it was postponed.

What is the point behind it? What is your intention? The intention was that there was threat to the nation from Pakistan as well as China. But this fact was well-known to the nation. Anyhow, there must be safety to our nation. Even Shrimati Indira Gandhi thought of it. Shri Rajiv Gandhi thought of it. But now you have become fortunate. That is why, you are talking like this. That is why, you are not taking any interest in the policy now. It is because when the credit goes to the hon. Prime Minister, you are not in a position to bear all these things. That is why, you are talking like this.

I want to say one thing to the hon. Member, Shri Sangma. What is the personality of our Prime Minister? Even after the year 1962, he was the person who had created good relationship with China and Pakistan. He is such a person. Now, what is the position? He wants to safeguard India. That is why, such a good person is taking a good stand now. That is why, on behalf of All-India Anna DMK, I am appreciating it.

I want to say one thing. Is this not a threat? Somebody said, "no". Pakistan has done it. Why should we bother about Pakistan? Let it do anything. Let it say anything. Let it fight for itself. We need not bother about Pakistan but we must safeguard our nation. Our intentions are correct. We

are doing our activities within our nation. We are not aggressive against any other nation. Why Pakistan should do it? But Pakistan's intention is different. The American Intelligence Agencies have been quoted in the media here as saying that Pakistan is very close to a nuclear test. They are making final preparation to test.

They said that it could happen at any time. It was very precariously given by the CIA some 20 days back even before our conducting the test. So, what was their intention? What were the intentions of Shrimati Indira Gandhi, Shri Rajiv Gandhi and of Shri Narashimha Rao? All their intentions are equal with our intentions now. The decision is made by our hon. Prime Minister. But you have become opportunist. That is why you are talking wrong things. Particularly, you are showing disinterest.

This House is a very peculiar House. What are you talking? You are talking something outside and something else inside. You are taking a double-stand. It is not good for our nation. My humble submission to you would be to be cooperative and fight for other nations which are interested in the aggressive policy of our nation. Therefore, my humble request to you would be always to cooperate with the nation and support our Prime Minister's best activity.

SHRI H. D. DEVEGOWDA (Hassan): Thank you very much, Mr. Chairman.

The hon. Prime Minister is present in the House when I am addressing the House which is just a coincidence. I would like to express my sincere thanks to him.

The hon. Prime Minister while replying to the Vote of Confidence Motion in the very same House had given a categorical assurance to this House that any important decision concerning the country will be taken as a conscientious decision. The same thing he had reiterated when he was replying to the Motion of Thanks to the President's Address.

The question of the nuclear test which was conducted by this Government under the leadership of Shri Atal Bihari Vajpayee is being considered. This issue has not come up before the Prime Minister for the first time. Just now the hon. Member from Anna DMK has mentioned that in 1983 this matter came up before the then Defence Minister Shri R. Venkataraman. In 1995 and in 1996 and in 1997 when Shri Narasimha Rao was the Prime Minister, when I was the Prime Minister then when Shri Gujral was the Prime Minister, it was considered.

Senior Member Shri Jag Mohan has mentioned that there was no courage for the previous Prime Ministers to take a decision. I would like to just mention courage and conviction are not the issues alone when you are going to take a decision on an issue of this type. Another argument was advanced by some members that there was no need to take the Opposition into confidence or the House into confidence or to have any discussion with any leaders. This was one of the arguments by senior members quoting Pokhran-I test by the late Shrimati Indira Gandhi.

[Shri H.D. Devegowda]

The political situation in this country is totally different today. Yes, technically and numerically you have got the mandate of this House.

18.00 hrs.

On the day of the Vote of Confidence, he had got the mandate of this House. I do not dispute it. But I would like to remind the hon. Prime Minister that when we were heading a coalition with 13 political parties, on an important issue like CTBT—the question was of signing the CTBT—the then Minister of External Affairs, Shri I. K. Gujral approached Shri Atal Bihari Vajpayee, approached the former Prime Minister Shri P. V. Narasimha Rao, who was then the leader of the Parliamentary Party of the Congress, Shri Chandra Shekhar and our friend and a senior Member, Shri Somnath Chatterjee who is sitting here. All these four or five important leaders were consulted before we took a decision. I am only mentioning how we tried to take the House or every political party into confidence when we decided not to sign the CTBT in 1996. I would just like to recollect how we tried to function in a coalition Government, and your goodself is also heading a coalition Government with 18 or 19 political parties. He has taken a decision. He is courageous and bold enough. For that, I would congratulate him.

But today, we need the cooperation of the House. He needs the cooperation of the people of this country to face the challenge posed by our neighbours. Sir, to get our cooperation, he should also show his magnanimity. We were not courageous to take the decision.

I wrote a letter to him on 15th. The tests were conducted on 11th and 13th. I do not want to go into the letter which was written to the President Clinton as I do not want to take the time of the House.

When the Defence Minister tried to make a provocative statement against China and against Pakistan, particularly against China, the Prime Minister's office issued a statement on May 6th which was reported:

"In what appears to be a damage control exercise, the Government today reiterated its commitment to the process of dialogue for normalisation of relations and development of friendly, cooperative and good neighbourly and mutually beneficial ties with China."

In the statement issued here today, the official spokesman of the Ministry of External Affairs—the portfolio is held by the Prime Minister—emphasised the continuing relevance of the five principles of peaceful coexistence jointly enunciated by the two countries for the development of the bilateral ties. I do not want to read the entire news which has appeared.

Sir, he was the Minister of External Affairs in 1979. Not only as the Minister of External Affairs, even as the Leader of the Opposition, his contribution to the foreign policy was appreciated by the whole House, and even as the Prime

Minister, we did not have any grouse. But we are also equally concerned about the way in which things have been handled from 19th March onwards. We were not so much competent or courageous to take decisions. I was in office for 11 months.

Sir, what was the threat perception? The dispute between India and Pakistan over Kashmir and the border dispute between India and China, as you have quoted in your letter, have been there since the last 50 years. There is nothing new about it. The hon. Home Minister cited the reasons of militancy and insurgency. They are also not new.

Sir, after the present Prime Minister visited China in 1979 as the then Minister of External Affairs, Shri Rajiv Gandhi visited China in 1988, and subsequently, Shri Narasimha Rao also visited that country in 1993. When the President of China visited our country, I broke the protocol and I had myself gone to the airport to receive him. I think that was for the first time that a Prime Minister of the country had gone to the airport to receive the dignitary of our neighbouring country. I broke the protocol purposely and we entered into a Treaty, the Confidence Building Treaty. What had happened after that? The Prime Minister should enlighten the House, because he has got every material with him. I do not want to say what the RAW report was, what the IB report was, and what the Defence Intelligence said. The Defence Minister, Shri George Fernandes tried to cite the reports of the Standing Committee on Defence as a reason for this. Those reports are not the only basis for taking such a major decision.

Sir, during 1997-98, our trade with China had gone up by \$1.75 billion, if I am correct. Our trade with China had improved last year and our bilateral talks were going on. In such a situation, can you cite the security threat as one of the major reasons for taking this courageous decision. Yesterday, the hon. Minister tried to enlighten the House by saying that the Government wanted to put an end to insurgency activities which are encouraged by our neighbouring country, Pakistan. If they are going to achieve that by showing the bomb today, we welcome that.

Sir, the nuclear capability of this country was proved in 1974 itself. In 1974, when Madam Gandhi was the Prime Minister the first Pokhran Test was conducted. At that time, the Congress Party did not try to take credit by taking the same from the test site and go round the country. Madam Gandhi did not stoop to that level or Madam Gandhi had not asked her party to go and construct a temple there or a 'Shakti Peeth.'

SHRI VAIKO: But all the Opposition political parties gave credit to her.

SHRI H.D. DEVEGOWDA: The Prime Minister is here to reply if I have said anything wrong.

18.00 hrs.

[MR. SPEAKER in the Chair]

I was heading a coalition Government consisting of 13 parties and I had not secured a clear mandate. So, to take a decision on the CTBT, we had consulted all the major political parties and took them into confidence. In a changed political situation like this, if you want the cooperation of the entire country, the entire Opposition, you must also have the magnanimity to take the opposition into confidence. That is what is needed. Why is the House divided today? Where is the need for us to speak in two voices? Are we not patriots?

SQN. LDR. KAMAL CHAUDHRY (Hoshiarpur): There are certain issues in which official secrecy is very important.

SHRI H.D. DEVEGOWDA: Please do not disturb me. I have been sitting in the back bench and I have never interrupted anybody. I will be the last person to do that. I feel that I have got a right to tell this House where things have gone wrong.

Sir, in eleven months, we tried to follow the policies of the previous Government. We tried to solve the Bangladesh issue and Ganga water issue with the cooperation of all the parties. We also tried to solve even the Nepal issue and Mahatma Treaty. We tried to improve the relations with all our neighbours. Even with Pakistan, the official level talks began before I resigned on 7th April, 1997... (Interruptions)

SHRI SATYA PAL JAIN (Chandigarh): Sir, the time of the House has to be extended..... (Interruptions)

SHRI H.D. DEVEGOWDA: There is no need for me to violate the ruling of the hon. Speaker... (Interruptions)

SHRI SHARAD PAWAR (Baramati): Sir, please extend the time up to the Prime Minister's reply.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA): Sir, the time of the House has to be extended.

MR. SPEAKER: The time of the House is extended up to 7 p.m.

SHRI H. D. DEVEGOWDA: Sir, some people try to argue the point regarding secrecy. Yes, secrecy is an important issue and is the most pivotal point. As per the press reports, on April 23rd a leader in Madhya Pradesh - I do not want to take the name of the leader - said that he was ready for the sanctions. They are patriotic because they can know these important and secret issues. We are not patriotic. The problem is this.

SHRI SOMNATH CHATTERJEE (Bhopal): What is the level of that leader?

SHRI H.D. DEVEGOWDA: He is a Joint Secretary of a particular organisation. The chief of the organisation says that the nuclear weapon is cheaper so why do you want to have conventional weapons like Bofors Guns, Sukoi-38, etc. He asks, why do you want to spend money

unnecessarily on these weapons when the nuclear weapons are so cheaper? I am talking on the basis of the Press reports. Otherwise, there is no other agency for me to have the information. The senior most Members of this House from this side mentioned... (Interruptions)

SHRI RAJESH PILOT (Dausa): The senior most Member is Shri Indrajit Gupta.

SHRI INDRAJIT GUPTA (Midnapore): But I was also a Minister. So, that period is cut off.

SHRI H.D. DEVEGOWDA: The mouth piece and the organizer of one of the newspapers highlights so many things.

Sir, according to them, this secrecy has to be maintained, but how could all these organisations or the media highlight this? Please tell us how you expect cooperation from us if you have no confidence in us even to discuss this important issue and take us into confidence, which you have promised on the very first day. You have not kept up your words and that is all I would like to say.

How was this Pokhran-II test conducted? It was a hidden capability. I can only say that nobody has doubted about India's capability. Otherwise, where was the need for the superpower to force us to sign the CTBT? If they have considered that this country is not capable, they would not have put so much of pressure on us. They know it. It was a hidden capability which we tried to maintain in the interest of maintaining our relations with our neighbours, especially in the sub-continent. Now, we have demonstrated that capability. We must compliment our scientists and there is no question of two opinions on that. There are some people who give different versions, but I do not want to enter into that controversy now.

Our former Prime Minister, Shri I.K. Gujral, has mentioned about some of the steps that he had taken after I laid down his office to improve the relations with the United States U.K., and other countries. Not only that, just half-an-hour ago, he has also spelt out in this House the details of the bilateral discussions which took place between the Prime Minister of Pakistan and himself. Attempts were being made to minimise the tensions.

Now, with this test, we have demonstrated our strength and capability. On the question of whether we are going to weaponise, which is what the Defence Minister has said, I am not going to comment, and it is for the Government to decide on that.

Sir, in the National Agenda for Governance -- I will try to cut short my speech because I do not want to make a lengthy speech on this -- you have made so many promises. I am not going to doubt your intentions. But today, how are you going to keep up those promises? When the hon. Prime Minister visited the blast site, he gave a new slogan. "Jai Jawan, Jai Kisan" was the slogan given by Shri Lal Bahadur Shastri. The hon. Prime Minister

[Shri H. D. Devegowda]

gave the slogan of "Jai Jawan, Jai Kisan and Jai Vigyan". You have said that 60 percent of the development grants would be provided for agriculture and rural development.

Can you keep up the promise tomorrow? I would like to ask this question.

I addressed a letter to the hon. Prime Minister when this matter came up before me. I do not want to reveal the discussion which took place between me and the two scientists. Lot of secrecy is there. I do not want to reveal that. When I took the ultimate decision not to give permission for the test, it was my primary concern because I am coming from rural areas and I am a farmer. I do not hesitate to tell this. My primary concern was to solve the problem of the suffering rural masses of this country. That is the reason which I have quoted in my letter which I have written to you on 15th May.

My friend Shri Mulayam Singh Yadav was telling certain details of our capability. Some of our friends try to question it and say that it is going to help our enemy. Nothing is secret. Everything has printed. What is China's capability and our capability and Pakistan's capability, our army size and our warheads and everything. I do not want to repeat all these things. There is nothing new. Today our country's position is known to others and the neighbouring countries' position is also known to us.

You say that now damage is controlled. How and on what lines is it controlled? What are the measures which you would like to take to control the damage? Please take us into confidence. We may differ in decisions because of certain factors which I have mentioned. It is not a party issue. Is it with your consent that your Party people have done it? I am not going to elaborate. Many of the Ministers, senior Ministers, and Cabinet Ministers have given Statements and brought many points to your knowledge. You have addressed in your official quarters about the bold decision which you have taken. Is it not a fact that you have done all this to take political mileage out of this so called euphoria that you have created? If you except the country should be together in fighting such a vital issue, then this type of shortsightedness is not going to help. I came to know that preparations are going on in Rajasthan for the erection of the temple. Is it there in the national agenda for governance? What is the promise which you have made? I am not going to raise my voice on the BJP manifesto. It is a Party manifesto. But you have not got a clear majority for the smooth functioning of the Government. You have drawn up your national agenda for governance. Is the point about temple construction included in that national agenda? How can you expect us to extend our cooperation to you on these issues?

I would like to tell the hon. Prime Minister that today the House is divided. There is no question of any hesitation to say this because of some of the events which have taken place during the last two months. Today if you want to take

us into confidence, you spell out how the damage would be controlled and what are your strategies. By merely showing your bomb, you cannot expect the neighbouring countries to come to negotiating table.

Mr. Prime Minister, by showing your bomb, whether it is a big bomb or a small bomb, you cannot solve the boundary problem, the bomb of Kashmir, the problem of the North-Eastern States.

When we conducted the election in Jammu and Kashmir, there was no death. Of course, there was only one bomb blast in the valley, that too in a thickly-populated area. The blast took place before eight of the clock. It was only just to see that sufficient voters did not come to the booths. As I said a little while ago, there was a bomb blast in only one thickly-populated area in the valley. Nothing happened. 53 to 55 per cent polling took place.

Our hon. Home Minister said yesterday that in order to deal with the insurgency and militancy problem, we must be either reactive or pro-active. I do not know whether the policy of "proactive" is going to improve the situation in Kashmir or solve the problem with the bomb in your hand.

Mr. Prime Minister, you have got that capacity. You have shown your capability to the whole world. With this, if you can solve it, we will welcome it.

Lastly, I would only request the hon. Prime Minister one thing. It is for you to take the House into confidence, it is for you to take the people into confidence. If you want to take this issue on party lines, things are going to be further worsened. That is all what I would like to say.

I thank you very much for having given me a chance to speak.

SHRI K. YERRANNAIDU (Srikakulam) Mr. Speaker, Sir, at the outset I would like to say that I do not want to take much time of this House. Today, we are debating a matter of great significance—the underground nuclear testing.

First of all, on behalf of myself and on behalf of my party, I want to convey our warm congratulations to our great scientists, engineers and technocrats for their achievement. In doing this, they have done us proud. I am thankful to the hon. Prime Minister also for putting the issue in a proper perspective. He said it categorically that the under-ground nuclear testing is an on-going policy. The credit goes to our scientists, engineers and technocrats.

There are two issues which are before us. Yesterday, Pakistan also tested its devices. In Pokhran, we tested the underground nuclear tests on 11th and 13th May. Yesterday, the Prime Minister of Pakistan had taken into confidence all the political parties in that country. At this juncture, my party strongly feels that we cannot afford a division in the country on this issue. Some lapses are there. Whatever it may be, we feel proud of the achievement. The entire credit goes to the scientists and others. It is not a one-day job.

The former Prime Minister also had planned to do it. But, to some extent, they had not taken any decision basing our foreign policy, basing on the national consensus and everything.

Previously also, in this House, we elaborately discussed the policy regarding the CTBT. The House was taken into full confidence. Like that, this time also, we want to know one thing. After this, what is the contingency plan that the Government has planned? People want to know about it. Some people are feeling that after the nuclear weaponisation, what would happen tomorrow. Everybody in the world knows about the effect of the atomic bomb hurled on Hiroshima and Nagasaki. That is why people want to know about the contingency plan on the economic side and in respect of our relationship with our neighbouring countries. My Party feels that we must maintain good neighbourly relations. Yesterday, our State Party unit also passed a resolution to maintain good relations with the neighbouring countries.

There is a common resolution. My humble appeal to the hon. Prime Minister is that he should take the opposition parties into confidence. We are unanimous on this issue. At this juncture, Pakistan has also gone in for an underground nuclear test. There is no difference of opinion at this stage in the House. We have got stalwarts and veteran politicians. My party's policy is that you take a common view on the India's security perception. We must congratulate our scientists and other for this. The Government that takes a decision about such matter, normally gets the credit for it. The hon. Prime Minister has put the issue in a proper perspective. He warned his Ministers, some individuals and organisations for taking the credit for this. He said that credit for this goes to all the scientists and engineers. We must give full support to him for this underground nuclear test. If there is any difference, we must sort it out unanimously. Thank you for giving me this opportunity.

MR. SPEAKER: The time allotted for this subject was six hours and so far the time taken by the hon. Members is 11 hours and 18 minutes. I think, all the Members have spoken.

...(Interruptions)

SHRI PRAKASH YASHWANT AMBEDKAR (Akola): It was mentioned that smaller parties would be given the chance at the end ... (Interruptions)

SHRI MADHUKAR SIRPOTDAR (Mumbai North-West): What happened to my Party?

MR. SPEAKER: It is already 6.30 p.m. If you want you can speak for two minutes each (Interruptions)

SHRI MADHUKAR SIRPOTDAR: I can give a complete list of the time taken by each Member who spoke in the House. Is it the way? Full time should be given to all the Members.

MR. SPEAKER: I have got a list of another five names.

Shri Sirpotdar to speak.

SHRI MADHUKAR SIRPOTDAR (Mumbai North-West): Thank you very much for giving me this opportunity to express my viewpoint on this subject in this august House. These nuclear tests were undertaken on the 11th and 13th of May, 1998. This decision was welcomed by practically all the people of this country. I must congratulate the hon. Prime Minister of this country as well as the scientists Dr. Abdul Kalam, Dr. Chidambaram, Dr. Kakodkar, Dr. Santhanam and other technicians and engineers who have participated in this experiment.

It is a matter of pride for our country that we have undertaken this test after 24 years. The reaction of some of the countries of the world was that they welcomed this test. Of course, the countries with vested interest countries have always condemned it as they want to help our enemies.

I have been listening to the speeches of the hon. Members for the last two or three days. The main question posed by most of the opposition leaders was: What was the reason for undertaking this test at this particular juncture?

That was the basic question. Most of the Members welcomed this decision. But at the same time, while criticising this decision, Members have not taken the reference of the previous history of this country. I have got some records with me. When the similar test was undertaken by China in the year 1964, at that time the then Prime Minister, late Shri Shastri said:

"India was the first country to foresee military use of nuclear energy simultaneously with its entry into the select club."

At that time, China had said:

"It detonated its first atomic bomb in 1964 that it would not be the first use of nuclear weapon but hold them in reserves foreign counter attack."

Thereafter, it is very important to note, during the Lok Sabha Debates on Foreign Affairs in November 1964, Members from different parties including some Congressmen had demanded a change in the Government's Atom Bomb Policy. So, that was the demand from some of the Members of Congress party also that this country should have the atom bomb.

While reacting to this, sharing the concerns of the Members of the Chinese blasts, Shri Shastri said:

"The Government's present stand should not be regarded as a permanent one. No Government could afford to have a static approach to this problem."

[Shri Madhukar Sirpotdar]

This straightaway indicates that, this question was posed or was open to the Government. Why I am explaining it is that while criticising this Government, most of the hon. Members of this august House persistently raised this question as to what was the necessity of these tests....(Interruptions)

MR. SPEAKER : Shri Madhukar Sirpotdar, please conclude

SHRI MADHUKAR SIRPOTDAR : What is this, Sir? Then I will sit down like this?

MR. SPEAKER : We have to accommodate others also.

SHRI MADHUKAR SIRPOTDAR : Sir, every speaker has taken not less than 30 minutes. I have just started ... (Interruptions)

MR. SPEAKER : There are three more speakers also. So, please conclude.

SHRI MADHUKAR SIRPOTDAR : If this is the kind of treatment, I will sit down

MR. SPEAKER : You please conclude and sit down

SHRI MADHUKAR SIRPOTDAR : I have to complete my full speech. Then I will sit down

MR. SPEAKER : Please conclude and then sit down.

SHRI MADHUKAR SIRPOTDAR : Sir, this way we become helpless.

Sir, the then Pakistan Prime Minister, Shri Z. A. Bhutto, on 19th May, 1974 described India's nuclear explosion as a dreadful and a threat. If you see the overall situation with Pakistan particularly and China after 1962, you will find that we have always been under the threat.

My simple question to all the Members of this House is that how many persons have died, how many persons have been killed in Jammu and Kashmir? There is not a single MP who has come out and said that he has got sympathy for those innocent people who have been killed by the extremists. When Shri Devegowda wanted to have elections in Jammu and Kashmir, at that time, I just asked him that question that 'Devegowdaji, it is a good thing that you are having elections in Jammu and Kashmir but please let me know as to when you are going to solve this extremist problem. That is very important. Everyday they have been killing our people. All innocent persons are being killed and on the other hand, we are always having negotiations to have peace. They are killing and we are having negotiations'

Is it the way that this problem is going to be solved? My simple question to all the statement and senior Members of Parliament over here, who have been listening to the

debate and hearing about all these problems, is how we are going to solve this problem. Now Pakistan is threatening us. People talk about Ghauri missile. Some people call it Gauri. The word is not Gauri, it is named after Mohammad Ghori who attacked this country sixteen times and was defeated. On the seventeenth occasion when he attack this country, at that time somehow Prithviraj Chauhan got into his custody and he was killed. That is the history. This particular missile has been named after that person. This gives the indication. Who was Ghazni? Their next missile will be named after Ghazni. Why? What is the reason?

Yesterday also when the bombs were blasted, when a trial was undertaken, that was known as India-specific. From our side not a single person said that it was Pakistan-specific. Wherefrom it has come? Yet we are saying all this. Yesterday the moment the information came after 4 o'clock that actually they had undertaken the trial of a nuclear bomb, people had become panicky over here. Our entire discussion was stopped in the House and the Leader of the Opposition wanted the House to adjourn for half an hour. It is really the most surprising thing. Let them have not only one, but ten tests. If they want to explode them, let them do so. Why should we go panicky? What was the reason for that? This is now I am looking at the problem. (Interruptions)

If you want to say something, you can stand up and speak. I have not interrupted anybody's speech since the start of this debate three days back. ... (Interruptions)

Ajit Jogiji, I am saying the same thing. You can do this, there is nothing wrong in it. But we can also change our policy and go on doing like this when you speak. But, to the extent possible we should keep patience. We had decided, if you remember, last year when a Special Session was held that we should not do this, we should not enter the well of the House and everyone signed that understanding. But what have we been doing over here? Why should we do this futile exercise in this House? We commit something and do something else. Is it the way we are going to succeed in the parliamentary system? This is my question. Shri Sangma is seated here. He was the Speaker at that time.

Today when he was speaking in this House I thought he was not pleading for our country, on the other hand he was pleading for China and Pakistan. That was my impression about his speech. He was criticising our country. I do not know what happened to him. I can understand your spirit. After all we are Indians. If we are going to face any calamity, simultaneously we should face the calamity. If we have done something wrong, we can sit together and find out some solution. But it does not mean that when there is a live telecast all over the country and people are watching. The proper message should go to them. It is not a proper thing. I would like to mention this

MR. SPEAKER : Please conclude. Should I thank you for your good speech?

SHRI MADHUKAR SIRPOTDAR : Shri Murti Deora has given an interview somewhere. In that interview he had welcomed this particular test. He said, instead of talking politically, the country should stand united on such issues. That is the statement made by Shri Murti Deora. I am very much thankful to him. Generally people expect this. It is the right of the Members of Parliament to criticise others. There is nothing wrong in it. But a message should not go to the country as well as abroad that we are divided. Just now Shri Devegowda said that this House is divided. Why should we give such a message? If you want to do something, you do it, nobody stops you. After all it is your right. But it is not necessary that when particularly there is a live telecast, when all the people of this country are watching the proceedings, we should be careful.

I will try to finish. I have not taken up all the points only because the necessary time was not granted (*Interruptions*) There is no need for you to worry about our party. Every party's situation is very bright. We are capable of talking care of our own party. Do not worry.

Some hon. Members have spoken about the Simla Agreement. I would like to remind that only after the signing of the Simla Agreement was the nuclear test conducted in 1974. Where was the Simla Agreement then? No one criticised Shrimati Indira Gandhi. Today, you are criticising only because this Government has taken the decision. Otherwise, they would have welcomed it. This is something surprising!

Ever since our Independence, this country has landed in problems. One should not forget that activities are going on all over the country. As Shri Advani rightly said yesterday, the life of the people in this country is very much insecure. A bomb blast may take place anytime, anywhere.

MR. SPEAKER: Please conclude. You have taken fifteen minutes' time. There are three or four more hon. Members to speak.

....(*Interruptions*)

MR. SPEAKER : In future, you will get more time.

SHRI MADHUKAR SIRPOTDAR : Justice should be done to all, otherwise, I will read out the names of hon. Members who have spoken and spell out the time that they have taken.

MR. SPEAKER : Please conclude now.

SHRI MADHUKAR SIRPOTDAR : This is not the proper way. Each and every hon. Member should get an opportunity to speak and express his views in this House.

MR. SPEAKER : We have to accommodate other hon. Members also.

SHRI MADHUKAR SIRPOTDAR : Sometimes, some hon. Members and parties have been completely ignored. They have not been allowed to speak. This is most improper.

(*Interruptions*) I have heard the speeches of all hon. Members. I have been sitting here very quietly and I have paid attention very carefully.

I know what Shri Indrajit Gupta spoke and what Shri Somnath Chatterjee spoke. I have noticed a negative signal in those speeches. I have observed in their speeches a negative signal. It is because they are worried about the credit. That is the only point which I have observed. If this credit goes to this Government, they do not like it. Do not forget, when you were running the Government, we never said, this credit is ours and so you should not get it.' On the other hand, whenever your Government—whether it was headed by Shri H.D. Deve Gowda or Shri I.K. Gujral—was toppled, we were prepared to support you. When Shri Gujral's Government was brought down, at that time also we supported you. I do not know what happened to the Jain Commission Report. It has totally disappeared. This was how, we spent our valuable time in this House on a very flimsy ground.

We should not forget about the entire country. We should not play politics when it comes to protecting the interests of the country. When we go out of this House, we may do that but we should not play dirty politics in this House. The nation is very important. Paramount importance should be attached to the nation and in the interest of the nation all of us should come together. We should serve this country together. That is my humble request to all hon. Members. Thank you very much.

[*Translation*]

SHRI ARIF MOHAMMED KHAN (Bahrain) : Hon. Mr. Speaker, Sir, first of all, I would like to congratulate our scientists, engineers and other people associated with the work of atomic research in the country. In spite of many constraints and lack of facilities, which the scientists of other developed countries enjoy, our scientists and technicians conducted this nuclear test as successfully as conducted by the developed countries. It has definitely evoked a feeling of pride among the countrymen. A record has been created in the field of science and atomic research in our country. I would like to congratulate the Hon'ble Prime Minister Shri Atal Bihari Vajpayee for leading the Government at a time when successful nuclear test has been conducted. He is worthy of getting felicitations. My party has of course expressed some doubts and apprehensions in this regard which are not related to this scientific achievement which is the result of our scientists' hard work. These apprehensions are about some of the irresponsible statements issued by the organisations linked with the largest ruling party and some of their leaders.

Today, hon'ble Shri Deve Gowda was speaking here. He mentioned about the divided opinion. Only those organisations, who themselves have issued such irresponsible statements are responsible for it. I do not know whether it would be appropriate or not to name such persons in the House who say that those party workers of BJP who used to approach us for consultation earlier, shall

[Shri Arif Mohammed Khan]

be approached by us now as they are in the Government at present. Some Ministers who are holding responsible posts in this Government have given some irresponsible statements which has definitely created a division in the opinion among the masses. It is true and everybody knows it. Nobody is required to be briefed on this issue.

This test is not an end in itself. Everyone within and outside the country knows very well that in the event of any threat to our country all citizens will stand united to face it. Therefore, do not try to teach anybody. If you try to communalise an achievement on which country feels proud by saying that a temple will be constructed there, then you will be responsible to divide this country. You are not doing this for the first time, it is your history to divide the country. Mr. Speaker, Sir, I assure you that if it is the matter of security of the country, I would have concluded after giving congratulations, but here national honour is in question. Yesterday, Hon'ble Home Minister was saying that phone calls were being received from our people living abroad that they were also feeling a sense of pride. If it is not a question of security but a matter of honour of the country, I would like to ask that just due to the fear of economic sanctions will it be appropriate to beg before any powerful country? You should tell them that we do not need their help. What kind of honour is it when others are imposing economic sanctions and the Government and the Adviser to Hon'ble Prime Minister is saying that .

[English]

"Economic sanction will not come in the way of Indo-US relationship."

[Translation]

They are not only imposing sanctions but also abusing us. Sir, the spokesman of State Department described the statement of the Hon'ble Home Minister as foolish and dangerous.

[English]

This statement is foolish and dangerous. I am not going into the merits of the accusation.

[Translation]

I am not going into the question whether the statement is foolish one or not. But definitely I am not ready to let any spokesman or representative of USA to give such statements. If he is saying so, I would like to ask a question. If you do not believe, I can show you that statement which has been published in the newspapers dated 21st. I have already stated that I am not going into its merits. I am only saying that.

[English]

I can not give this right to the spokesman of the State Department of USA to describe the statement of the Home

Minister of my country as foolish and dangerous. That may be foolish, but he has no right to describe it as foolish.

[Translation]

I want to make a request through you that if you are concerned about national pride, then you please stand up against those who dare to call us fool. Ask them that we do not care about the economic sanctions but we cannot give them the right to call us fool. They should be ready to leave our country with bag and baggage. You may call back your ambassador from these countries. Snap your ties with USA till an official apology is made by them. Shri Advani should not be insulted like this. In fact, it is the insult of Government of India, not of Shri Advani. It is an attack on the self respect of our nation. As a citizen of India and as a member of Parliament, I cannot tolerate it. It is not his personal disrespect rather it is the national disrespect. I want that if you really care for the respect of the country, you must stand and take action. You should state that however powerful the countries may be, we know how to deal with them.

Hon'ble Prime Minister, I am confident that you will understand it better. Just go into the history. Which areas posed danger to the security of this country. Many years ago, I had read a book but I do not remember the name of the author. The book was "The last sword of Tipu Sultan." The last chapter of the book is very touching. The dying Tipu Sultan told his Prime Minister Purnaiya that this country would become slave only when danger come from within the country. I only request the Prime Minister and would like to know from him. What steps have been taken by the Government after getting into power to check the internal divisions and to strengthen the national integration. This can be attained through the spirit of brotherhood among the countrymen which can be spread through the feeling of oneness among them. In a society where casteism is taught since thousands of years by saying that so and so person is downtrodden so and so is untouchable or he belongs to the lower caste, this social order . . . (Interruptions)

[English]

MR. SPEAKER : Please conclude.

SHRI ARIF MOHAMMED KHAN : Kindly permit me to speak, Sir.

I will conclude shortly. A particular system has made this country weak. It is this system which poses danger to our security. The agitations with destructive tendencies which are started in the name of temple or on some other pretext pose danger to the security of this country.

19.00 hrs.

I would like to know from the government, through you, the steps it has taken to check internal dissensions and to remove that weakness? Through you, I would like to give

one suggestions. Hon'ble Home Minister is very expert in taking out Rathyatras. Taking out a rathyatra in Ayodhya is not an act of bravery but if you can take a rathyatra upto Mansarovar, I will also sit along with him in a rath. May be, he does not have courage, but Shri Joshi who is sitting beside him should muster courage to hoist a flag there. After all Mansarovar is one of the holiest places of this country. But it is under the subjugation of foreigners. It will be appropriate if Shri Advani goes there (*Interruptions*)

SHRI VIJAY GOEL (Chandni Chowk) : Is he speaking on the nuclear issue (*Interruptions*)

[*English*]

MR. SPEAKER : Please conclude.

SHRI ARIF MOHAMMED KHAN : Sir, if they do not disturb me, I will conclude in five minutes (*Interruptions*)

[*Translation*]

SHRI RAJVEER SINGH (Aonla) : You please speak on the subject (*Interruptions*)

SHRI ARIF MOHAMMED KHAN : Mr. Speaker, Sir, you please just tell him that Shri Rajveer Singh is not conducting the business of the House, it is your responsibility (*Interruptions*)

SHRI DINSHAW PATEL (Kheda) : He is reminding you that first you fulfill the commitment which you have made to the people. (*Interruptions*)

[*English*]

MR. SPEAKER : Please take your seat.

[*Translation*]

SHRI ARIF MOHAMMED KHAN : Mr. Speaker, Sir, our friends think that running the country is as easy a job as to arrange a parade in the morning with Khaki half pants on. When we discuss about country's security then we have to consider the weaknesses prevailing in our society so that we may come to know about the things which make us weak (*Interruptions*)

[*English*]

MR. SPEAKER : Please wind up.

SHRI ARIF MOHAMMED KHAN : I will just take two minutes and I will conclude.

[*Translation*]

Hon'ble Barnala Saheb spoke in a very emotional tone about the incidents of Punjab. Through you I am asking one question from Barnala Saheb that if some incidents of 1984 can create rift among the people, which is correct also,

then you please tell me whether country's security can be ensured by manufacturing nuclear weapon? (*Interruptions*)

PROF. PREM SINGH CHANDUMAJRA (Patiala) : You have said that whatever happened in 1984 is correct, you please explain whether massacre in which thousands of people were killed (*Interruptions*)

SHRI ARIF MOHAMMED KHAN : I was in fact, justifying your point of view and your feelings .. (*Interruptions*)

Sir, let me finish my point, I had promised to conclude within two minutes.

Since Shri Barnala Saheb is also an important part of this government, I would like to request him to consider the feelings of those people who witnessed the demolition of a place of worship at Ayodhya in no time even when the prominent leaders of Bharatiya Janata Party were present there (*Interruptions*) In that connection, I just want to say that even today if some measures are taken to heal the wounds then perhaps the division in the country can be removed. Even if it cannot be removed and if the security of country is threatened then I believe that people of entire country will get united and face the danger successfully.

[*English*]

SHRI PRAKASH YASHWANT AMBEDKAR (Akola) : Mr. Speaker, Sir, I would not like to go into the *post mortem* of the explosion. But, I think, we have to look at a situation which is going to develop after the explosions have taken place both in India and Pakistan. What worries me is the situation that we faced in some parts of the country, basically in the North-Eastern States. We have made China a target. We have also made Pakistan a target. We have said that there is an internal and external security problem with us. I think, this explanation given by the Prime Minister is unsuitable and unconvinceable. Even last time, when they were in power for 13 days, they had made efforts to go in for nuclear explosions. Had they been in power for two days, I think, we would have had an explosion during that period itself. Whatever has been projected today as a security angle, I think, does not have any relevance. But the basic relevance, which I come to, is a theory that is being followed by the RSS.

If you look at a map published in 1950, there was an agreement between Sardar Vallabhbhai Patel and the then, RSS President that they will be released on the 26 January, 1950. Everybody was released. A book was released at that time. Even the map of the world was published in that book. In that book, the name of Pakistan was missing. The border of India was shown to be touching Afghanistan.

May I know from the Prime Minister about it? Everybody has said that when he was in China in 1979, he made efforts to normalise the relations. Yes, he made the efforts. But at the same time, Shri Atal Bihari Vajpayee had to leave

[Shri Parkash Yashwant Ambedkar]

China because China had declared a war on some other country. May I know from the hon. Prime Minister that when you are looking at China or when you are looking at Pakistan, why are you making China a target? Is it a sort of personal revenge? If that is so, then, I have my own doubts as to what we are going to achieve. The whole international scenario is going to change now. As soon as India has exploded and Pakistan has also exploded, there are nations in the world which are going to the same path. A new situation which is going to arise again, the NPT and even the CTBT will have no relevance as such in that situation. How do we look at the things?

Then, I would like to know from the Prime Minister that Pakistan has already declared that it is an Islamic bomb and we know from the reports that have emanated not only today but also for the last many years that the Gulf countries have been making an effort to develop a nuclear weapon in that part of the country. After the trend of the cold war, new theories have been circulated. The theories that have been circulated are that if there is a world war, it might be one on an issue of water or it might be on an issue of civilization.

Sir, the opening speaker from the ruling side, Shri Jagmohan referred to civilization. I do not know what he means by civilization in this country. It is because we have many civilizations in this country and many things of civilizations.

What is the thinking of the RSS? I do not know whether they are thinking in terms of a Muslim civilization war or a Hindu civilization war. This is a point on which I would like to seek a clarification from the hon. Prime Minister.

Sir, the information that I have been getting is very disturbing. I would like to know categorically from the hon. Prime Minister whether the Government is planning for a war some times in the month of June or July. If that is so, then let me point out that today the situation in the North-Eastern region is such that the petroleum products which are to be stocked for a period of four months—because one cannot go to the North-Eastern region during the rainy season—have not even reached the North-Eastern region. If the Government is thinking in terms of any adventurous theory then let me point out that—from the other side, the country which has been identified as the first enemy by your Government—the things would go to the waters that we have created; it would go to the ponds that we have created.

The Government have never got culturally united with the people of the North-Eastern States. The Government have neglected the region. The Government have left out a tiger. Only, time will tell whether it is going to have teeth or it is not going to have teeth. It is because, along the borders we are surrounded by unfriendly countries.

Sir, I would like to submit that the Government have

started one thing as a nation and we have to be with the Government. We cannot speak in a different voice. But let me also request the hon. Prime Minister that irrespective of whether internal differences that we have in this country, please show political statesmanship and try to settle them at a political level and then speak in one voice.

SHRI G.M. BANATWALLA (Ponnani) : Sir, the Prime Minister was kind enough to invite me to meet him earlier. At that time, I had given him our statement. Today, I have only one or two more points to add to it.

Sir, Pakistan has detonated its nuclear devices. The entire world failed to dissuade Pakistan from doing so. This is a dangerous situation. I only hope that it does not lead to any race for nuclear weapons. Happily, our Prime Minister has said in his own statement and I quote :

"We do not intend to engage in arms race."

Sir, I want to emphasise that this clear statement deserves due consideration and respect from the entire world including China and Pakistan. Perhaps, we have still to convince the world, including Pakistan and China, that we do not want any war. We are committed to global peace.

Yes, we had our own nuclear tests. We congratulate the scientists and all others for the successful completion of those tests and for bringing glory to the nation. We also congratulate the Government for having given the green signal, the 'go ahead' to the scientists to bring this goal to our nation. But it must be understood that the goal of our nuclear policy is to be able to prevail upon the nuclear powers to correct their flawed thinking with respect to having a non-nuclear world.

That remains and that has always been the nuclear policy that we have followed.

The Prime Minister has put forward several proposals for the world and even for Pakistan. Pakistan has also proposed negotiations and talks. It is for the Prime Minister to react to it.

I would be failing in my duty if I do not take strong exceptions to and express my deep indignation at the total and utter mishandling of the post-Pokhran-II scenario. Time does not permit me to go into the details with respect to them but there it was shocking to find in the post-Pokhran-II scenario, the Government speaking with different voices. Somebody pointed out unnecessarily at China and other pointed out unnecessarily at Pakistan when the goals of our nuclear policy, as I have stated earlier, are for a global peace through nuclear control. It was sought to politicize and even communalise the achievement through talks about a temple at Pokhran. I do not want to go into the details of that. There were attempts to pat on the back, have partly celebrations for political exploitation of the glorious achievement of our scientists and ignoring the contributions of the successive Governments since Independence. It is a fact. Pokhran-II would not have

been possible without Pokhran-I. Pokhran-II would not have been possible without the nuclear policies successively followed by all the Governments since the Independence. Shocking it was that intoxicated with the achievement, even responsible Ministers of the Government indulged into reckless and provocative statements. One Minister even challenged Pakistan to select the venue, day, time and everything for the fourth war. He used a language that may suit a professional wrestler but not a responsible politician or a Minister of a country that claims to be now a nuclear power.

Sir, I must submit that I am afraid that the Pakistan's nuclear tests are a reaction to the utter mishandling of the post-Pokhran-II scenario and the Government speaking in different languages, in different voices.

I would now conclude with only one point. The hon. Prime Minister has stressed upon a policy of consensus. Beautifully the Prime Minister has said and I quote: "It is vital to maintain the consensus as we approach the next millennium." It is a beautiful language, well put and well expressed sentiments. I appreciate and welcome these sentiments. But then, Sir, has the policy of consensus really been pursued? That is the question. I do not know. You can enlighten me whether the offer about moratorium on further explosions which closes our nuclear options, was based on any consensus or not? I do not know. Yesterday, the Prime Minister even said, "we will have to review this offer of moratorium on our further nuclear tests".

I do not know whether there was any consensus. I must, therefore, emphasise that when we state that we follow a policy of consensus, we must really be true both to our words and to our actions and not have a unilateral closure of options that may be available.

There is the question of sanctions. I do not want to say much, from some of the protesting nuclear powers. I only want to say that we need not panic. The situation is there. But if any situation of any type whatsoever is forced upon the country, *Insha Allah!*, the country and its people will stand firm with determination, with faith and with iron unity—let there be no mistake about that. That is with respect to any situation. Economic situation is also there. But let us know, if you have any blueprint of any strategy that needs to be followed and our cooperation will always be there.

But then, I conclude by saying that really a policy of consensus should be followed and it is only through this policy that the country will be able to stand united and will be able to face any challenge that may come before us.

SHRI PRAMOTHES MUKHERJEE (Berhampore WB): Thank you, Sir, for the opportunity given to me to express our view on the Prime Minister's *suo motu* statement on the nuclear tests in Pokhran range.

This is a very important debate which is initiated by our senior-most leader Shri Indrajit Gupta as mover of the

Motion on Prime Minister's statement in respect of nuclear tests in Pokhran range. Sir, I have heard many valuable speeches on the topic and I shall be very brief on my legs to express my views on this topic in such a grave situation.

Before I enter into the depths of the national security calculus, I should express my thanks and gratitude; I should express my warm greetings and ovation and congratulations to the Indian scientists and engineers who have successfully conducted the nuclear tests in Pokhran range. I express my congratulations specially to Dr. A.P.J. Abdul Kalam, Dr. Santhanam, Dr. Chidambaram and other scientists. It is really an endowment to the nation by Indian scientists and engineers.

Whether there was any threat from Pakistan or from China is a lost question today when Pakistan had successfully conducted nuclear tests in Baluch hilly region. The area of tension, the area of conflict, has been increased after the nuclear tests in Pokhran which is followed by the nuclear tests in Baluch hilly region. This is a preparation not for proxy war, but war directly. The whole Indo-Pak subcontinent has been turned into a war zone and the preparation for war material is going on. This is not good for the mankind living in this subcontinent.

I was listening yesterday, to the speech made by our hon. Home Minister Shri L.K. Advani. That was a very eloquent speech just to rouse the patriotism in defence of national sublimity or in the name of national security question.

We are united. We stand for the defence of India's national sovereignty and security. Definitely, we are united.

I wish to remind a very simple proposition. Emotion is good, but the reason is better. The patriotism is good, love for the country is good, but love for peace, love for world peace and love for the mankind is better.

With your kind permission, I wish to refer to an incident: What is the message of Pokhran issue today? The message of nuclear tests in Pokhran region is very simple. India is now a nuclear weapon State. The hon. Prime Minister I have the highest regards for him—has claimed that India can now enter into the Nuclear Club as the sixth member. Today, Pakistan can also claim that they can enter into the Nuclear Club as the seventh member. This is the arms race. This is the arms competition which is going on.

With your kind permission, I quote from our famous poet, Annada Shankar Roy, a famous name in Bengali literature, a great personality and a great poet of Calcutta. He has termed the Nuclear Club as a Suicide Club and that has published in many papers. There was a Suicide Club in France. In France, Lords and Aristocrats joined such a Suicide Club to commit suicide in a hilarious laughter and that was their bliss. Today, the nuclear weapon States joined the Nuclear Club to commit suicide in hilarious laughter in respect of their people.

[Shri Pramothas Mukherjee]

Sir, to prepare for the nuclear tests or to join the nuclear club does not add to the glory of the Indian tradition and culture. It is a complete departure from the principles of non-alignment, from the principle of nuclear disarmament. It is a complete departure. It is our opinion.

MR. SPEAKER : Please conclude.

SHRI PRAMOTHES MUKHERJEE : It is the opinion of many eminent persons that nuclear weapon alone cannot save the country from the crisis. What does the fall of the Soviet Russia indicate? That was a mighty State; that was a powerful nuclear weapon State. Why does it fall? why does it disintegrate in spite of having so many nuclear weapons in its arsenal? This disintegration of Soviet Russia indicates that the people of Russia have no sympathy for the nuclear policy of the Government of Russia. What is the chief component of the national security calculus? Can a man be secure with a revolver? A man goes to sleep with the revolver beneath the pillow. Does it indicate the best structure of that man? A man sleeping in the kingdom of fire arms with only a revolver beneath the pillow is not security given to him. It is my opinion and I express my opinion that the national security is impossible without the economic security of the people.

The money wasted for the nuclear tests or for the conduct of the nuclear tests can be invested, can be utilized for the restoration of the economic security of the country. Only the economic security can give the people and a nation absolute national security. So, the question of national security should be settled, should be resolved fast and only the question of national security will come.....(Interruptions)

MR. SPEAKER : Please wind up.

SHRI PRAMOTHES MUKHERJEE : Yes, Sir.

In 1974, in the month of May, under the leadership of the then Prime Minister, Shrimati Indira Gandhi an experiment was successfully completed. That was a brilliant experiment that was done in the name of the defence of national sovereignty. But after one year, in 1975 on 25th June, Emergency was declared by Shrimati Gandhi at that time to save the country from internal problems. The experiment was a prelude to the declaration of Emergency. May I ask the hon. Prime Minister and the Government whether the nuclear tests in Pokhran are a prelude to the change of the system?

Today, there are many discussions taking place in the country for the changeover or the switchover of the parliamentary system to Presidential form of Government. Does it indicate that? It should not be a prelude. It is expected that it should not be a prelude. Be cautious please.

So, I will be concluding by saying that the national

security can be preserved only after the economic security is achieved. Thank you for the opportunity given to me.

[Translation]

THE PRIME MINISTER (SHRI ATAL BIHARI VAJPAYEE) : Mr. Speaker, Sir, the long discussion on nuclear tests conducted by India at Pokhran is about to conclude. I am grateful to the Hon'ble Members who took part in this debate. The House is unanimous in extending congratulations to the scientists, engineers, technicians and the Jawans of our Army for their significant contribution in conducting Pokhran tests.

There is also a consensus that if attempts are made to impose unreasonable restrictions on our economic sovereignty and if the inflow into our country of the aid coming from world organisations is stopped, then we will face the situation unitedly.

Naturally, the need for conducting nuclear tests at Pokhran has been questioned during the discussions here. I am reminded of 1974 when discussion was held on Pokhran-I. At that time I was present, Comrade Indrajit Gupta was also present. These were the two members who were present then also and are present today also in this House. The words uttered by me during the debate in the Parliament at the time of Pokhran-I tests in 1974 are no different from what I am saying today. The whole country had welcomed Indira ji's decision of granting permission for conducting the tests. Her decision was not a collective decision. She did not consult the opposition for conducting the tests but her decision was right and was in the interest of the country's security. Her decision was aimed at giving an opportunity to our scientists and, therefore, it was welcomed by all. I remember that Smt. Indira Gandhi did not make any speech in the discussion which was held at that time. On her behalf, on behalf of the Government another Minister had delivered a speech. The whole country was satisfied. Just now a hint has been given from our neighbour that in 1974 they were not ready and, therefore, they were silent, but now they are ready.

Some hon'ble Members have said that Pakistan conducted the tests in response to India's tests. Is a nuclear test possible within a short period of 16 days? People who are aware of the complexities of conducting nuclear tests are present here and they will testify that no country can make preparations for a nuclear test within a fortnight. This preparation has been going on for years together. Yesterday, we conducted nuclear test and today this news has come that Pakistan has conducted the test-flight of a long range missile. Our leaders are well aware of the time since when this preparation has been going on, and they have prepared the country for it. It was not so that I have decided in one day and test was conducted. Today I want to repeat what I had said earlier that behind this nuclear test there is 50 years of research and hard work by our scientists and Jawans of our Army who kept on working in the scorching heat, hot sand and temperature as high as

500 C and all this while they are motivated by the sentiments of defending our country and enhancing the prestige of our nation. I do not think that there is any difference of opinion over this issue in the House. It is the characteristic of this country that whenever we have to face a problem we forget all our differences. Ours is a democratic country--it is natural that people may have a difference of opinion--

"Munde Munde matah bhinna"

I was just going through a statement made by Shri Rajiv Gandhi in 1985, perhaps someone has quoted his statement. Whatever Shri Rajiv Gandhi had stated on 11th October during the Press Conference in the Press Club, I would like to quote that :

[English]

"As I have said on a number of occasions, we have to consider our security and there is no question of allowing New Delhi or for that matter any other city in India to be lattered out. We will not allow that to happen. What is even more worrying about Pakistan's programme is that we are fairly sure that at least part of the finances of this programme have come from other countries. Now what we worry about is that the nuclear weapon when developed will also have to go to these countries. I did not say that we are going to wait on your decision, on your response. For Pakistan to explode their device I said, that we have to take certain measures to protect ourselves. There are a number of measures, apart from making a nuclear weapon ourselves."

[Translation]

This is his statement given during the Press Conference in 1985. The Government was concerned and aware of the activities across the border. The super powers, who have stockpiled nuclear weapons, were not ready to destroy all their weapons under a timebound programme. That is why a unanimous decision was taken that we should not sign the CTBT, once we felt that the super powers of the world wanted to impose a discriminatory treaty on the world. It was feared that we would be isolated.

At times, it becomes necessary to walk alone but our decision has to be correct and then it would not matter much if we walk in isolation. We kept our option open but it appeared from the reports that came in later that it would be necessary to take some action in this regard. The scientists were also consulted about the measures to be undertaken. We see the nuclear weapons as the weapons of destruction. They are useful only for the purpose of defence or self defence. Our opponents should realise that we possess the nuclear weapons so that they do not dare to attack us. Such a situation should be created and it will be created. We have been attacked thrice in these 50 years. Our country is the messenger of peace. It never attacked anybody's land; it never attacked any country,

rather it was subjected to attack. Infact we were dispossessed of our land. Now we are trying to get it back. We are holding negotiations and it is possible only through negotiations. However, the country having a population of hundred crore cannot be put into a situation wherein it has to depend on mercy of others for its defence.

We are peace loving people and we want friendship based on justice and a friendship encouraging the mutual interests. India is a vast country. It is strong and also prosperous as compared to the neighbouring countries, still we never tried to take any undue advantage of our position. After all, this was the essence of the Gujral doctrine but Shri Gujral should not shy away from admitting the fact that his doctrine did not succeed in case of Pakistan and Pakistan did not give it any chance. The infiltration of the terrorists inside our country continued and the border crisis also remained unresolved. The talks were on and at this occasion, I would like to reiterate the proposal that we are ready to hold further talks with Pakistan. Pakistan is our neighbouring country, hence we should sit down together to iron out our differences but Pakistan is not ready to go along with the consensus evolved at Dhaka or the subjects adopted for discussion in the Dhaka Resolution. The Prime Minister of Pakistan has repeated his proposal of being prepared for having talks with India. It is a good thing and the talks should be held.

I remember that once I had told a Pakistani leader that the history may change but the geography cannot be changed. Now can we alter this fact that we are neighbours. It is good if we maintain friendly relations but if the friendship is broken, we cannot simply change the neighbourhood as we are bound by this geographical fact of being neighbours. On this occasion also, I would like to tell the friends of Pakistan. Many people go to Pakistan and have friendly relations with the people of Pakistan. After coming back, they tell us that the insecurity of Pakistan stems from the apprehension that India has not accepted the separate existence of Pakistan, although there are no grounds for harbouring such a feeling. The country was divided and Pakistan was formed. Now they should be happy, satisfied and gain prosperity. They should let us live in peace and both of us should work together to root out poverty, unemployment, diseases illiteracy not only from this region but from the face of the world.

We also envisage a world free from nuclear weapons. Now why did India have to take such a decision? should we have ignored it yet again? Yesterday I told the journalists that I was not surprised at what had transpired. We knew that this was going to happen and we wanted to prevent it and that is why we took this step. However, it is being interpreted as if they conducted the tests only because we had conducted it. Does that mean that they were preparing for it all along?

We are facing danger from some other quarters also. That country sees us as its sole enemy and their nuclear tests are directed at us.

MAY 29, 1998

391 Discussion under

[English]

India specific.

[Translation]

When our country conducts the nuclear tests and also raises its voice along with other nations with regard to the nuclear tests and also asks the super-powers to destroy their weapons, in case, all this cannot be done simultaneously, it should be done in a phased manner, then it is stated that sincere attempts are not being made. Casting doubts on our sincerity will not help. We want Pakistan to join us in making this demand. It has been stated repeatedly yesterday that the nuclear weapons are the weapons of destruction, so why collective measures are not taken to destroy the nuclear weapons? It is quite apparent from the widespread support lent by the third world countries in vocal and not so vocal terms for our nuclear tests that a substantial part of the world and majority of people want permanent peace. They want a peace which is not violated by nuclear weapons. We would like to play a role in it but we are also desirous of keeping our country safe. The safety of the country and in fact the safety of the world as a whole are equally important for us.

But we should be heard. We should achieve such a position that others listen to us attentively. We do not want to create a situation in which we might hurt our own interests.

Shri Deve Gowdaji is not present here
.....(Interruptions)

AN HON'BLE MEMBER: He is present. He is sitting in the back seat.

SHRI ATAL BIHARI VAJPAYEE: I am having a look at the 1996 manifesto of Janata Dal. Perhaps the Janata Dal which I am referring to is the one to which Gowdaji is related.

[English]

" We will formally give a pledge of first non-use of nuclear capability against Pakistan."

[Translation]

We are ready to give this guarantee that we will not first use nuclear capability against Pakistan but later on if there is a need, then we will use that. But for that, first we have to develop our nuclear capability.

This also lends support to the argument that all political parties have a unanimous opinion on this issue. When this was to be done? After whatever happened yesterday, there is no need to give any reply. Who had taken this decision and who should take decision? It is for you to ponder over it. When some of my senior colleagues say that they were not aware of this, then this does not mean that I have no trust upon them. Therefore, to talk of

unanimous decision or consultation is not proper. At that time when nuclear test had to be conducted, it was not possible to have consultations. Very limited people know about it. As Advanji said yesterday, everything got leaked here, the entire report of the commission was published, but nobody could smell it. In foreign countries this issue has been a subject of debate. It is also an indication of nation's determination.

It shows that if we want or the situation so demands and there is a challenge before our country, then the people of this country are ready to make bigger sacrifices and can take all precautions. This is an achievement. This should be duly acknowledged.

I felt hurt when an allegation was levelled that this was done for achieving political self-interests. I had said this earlier and today I would like to repeat that. I was in the opposition for 40 years and as a member of opposition my role has always been appreciated and it has been said that I had not worked for party's interest but I worked for country's interest. Now that I am holding the office of the Prime Minister or have been chosen to hold this prestigious office, shall I allow pettiness, selfishness and the party interests to come in my way? I can never stoop to such a level.

May god save me from committing such a sin. Some decisions may be wrong. There can be two opinions regarding the time of a decision to be taken or not to be taken, but sincerity cannot be doubted. Why nuclear test was conducted in 1974, we did not ask that, people of the country did not ask that because it was a right step. Anyone can take right step, Indiraji could have taken right step. Our friends from the Congress had honoured Smt. Indiraji at the time of formation of Bangladesh, at the time of their liberation. At that time we also honoured her. Entire country honoured her. After that decision was taken to conduct elections. We did not criticize this. We have not blamed anyone. We said that Indiraji did a good work. My exact words were that an epoch making step has been taken. If we lose the elections, it is all right, the elections are lost at times and won at other times.

20.00 hrs.

Similarly the governments may come and governments may go. But the country should be united, should attain prosperity with pride and should be able to protect its precious freedom. However, this is not the responsibility of a single party or government alone. In the beginning of my speech at Pokhran I had said that neither I nor my party take credit for this. Whatever was done, was done, in the country's interest. I was surprised when this question was raised that we had not worked according to our national agenda. Concern is being expressed about our national agenda. We are pleased to know that there are several people who are keeping an eye on our national agenda. They have joined two parts of national agenda and have misinterpreted it. They will say that it is printed like this.

But I will say that it has not been printed correctly. In that there are three issues--Combat effectiveness of Armed Forces.

[English]

"The state of preparedness, morale and combat effectiveness of the Armed Forces shall receive early attention and appropriate remedial action."

[Translation]

In the next sentence, it has been stated that-

[English]

"we will establish a National Security Council."

[Translation]

and its detail has been given. In the end it has been stated, in fact, it should have been given in a separate para to make the reading easier. However, but there should not be any difficulty in understanding the meaning.

[English]

"Towards that end, we will re-evaluate the nuclear policy and exercise the option to induct nuclear weapons."

[Translation]

It does not mean that first of all armed forces will be strengthened, security council will be set up and after doing all this exercise if the situation demands to do it tomorrow, and even then we respond in the negative with an argument that our armed forces are not weaponed and security council has not been formed. Nobody can ascribed such a meaning but attempts are being made to do so. Injustice has been done to us. I do not know whether such a discussion, consultation and meetings of scientists were ever held with the opposition on such as occasion. We fought the Bangladesh war, we were also involved in war with China and conducted nuclear tests in Pokharan. But that was not any obligation on anyone. But I regret that our scientist Dr. Chidambaram failed to convince our politician, Shri Chidambaram.

Mr. Speaker, Sir, many other questions were raised during the discussion which lasted for a long duration. I am not going into the details of all these points. We have taken some decisions which have already been mentioned in brief.

[English]

We are disappointed that U.S. has displayed a lack of application of India's legitimate security concerns. I wish to reiterate Government's commitment to engage with all principal interlocutors in a responsible dialogue. We remain ready to discuss and explain our position.

Since 11th May, the Government have taken certain initiatives, which I am going to enlist here.

1. We are already observing a voluntary moratorium and are ready to consider and discuss converting it into a *de jure* commitment.
2. We have volunteered to engage in negotiations on AFMCT.
3. India will undertake stringent controls on nuclear and missile-related technologies as well as those relating to other weapons of mass destruction.

We had already announced and reiterate our offer to discuss a 'No - First -Use' agreement with Pakistan and also with other countries bilaterally or in a multilateral forum.

[Translation]

Mr. Speaker, Sir, the policy of the Government is to maintain friendly relations with China. China is our neighbouring country. Both the countries are in Asia and are big nations. It is required that both the countries maintain friendship according to the principles of Panchsheel. There is some tension on the border issue. However, there is peace on the border these days. We want to solve the border issue through negotiations. Discussions continue but these should progress speedily to find out a satisfactory solution. The way China helps Pakistan, is a matter of concern. This help could be used against us. It is required that China should take note of our concerns. Both India and China should work together with mutual co-operation which is in the interest of both the countries, Asia and the world as a whole. An attempt has been made to create some misunderstanding on the question of some statements. Once distorted version of statements appears in the media, it is difficult to get the correct version find a place in the print media and then the spicy material find place in the headlines. Our policy is of friendship, development and to maintain peace in this Asian region. Besides, preparing for own security, our aim is to remain friendly with all countries. I am confident that those who are our critics today, will have a change in their attitude tomorrow. We have conducted a test, we did not create a war hysteria in our country. When the test was conducted the atmosphere in the country was normal. I myself visited Pokharan and remained there for several hours. There was no radioactivity there. A news appeared that cases of nose bleeding have been reported. But from whose nose and how much blood came out of it, nobody is there to answer such questions.

However this news item was published very prominently especially in the foreign countries. The soldiers are living there in those conditions.

There is no danger of radio-activity. There is also no question of getting political mileage out of it. We wish to make a progress by formulating policies on the basis of consensus evolved with the cooperation of all the members.

[Shri Atal Bihari Vajpayee]

I see it as my primary duty to effectively discharge the responsibility placed on my shoulders and everything else is secondary to that. It is not the issue concerning a person, a family, a group, a community or religion. This country is multi-religious one.

I was surprised to hear yesterday a very provocative speech delivered by the Prime Minister of our neighbouring country while addressing the nation on T.V. He was provoking his people. He did not think of crores of people living in the neighbouring country. Crore of people who are followers of Islam are citizens of India and they are enjoying equal rights. An attempt was made to create a hysteria. Whenever a minor incident occurs and is taken up by the media for a debate and from the feedback, one comes to know that this is not correct and that line of thinking is dropped. However, such an occasion will never arise when I will feel like provoking the people of the country by addressing them through television and if at all, such a day comes, I would like to assure you that I will quit the very same day. I have got this opportunity to serve the nation and I wish to utilise this time properly for serving my nation and I am desirous of getting co-operation from all the quarters in this endeavour.

Some members had quoted from my speech delivered at the time when Pokharan-I tests were conducted. I had stated therein that the scientists and the soldiers had done their job and now it was upto the politicians to do their bit. By politicians, I do not mean only politicians but all the people. What is required is that all of us should discharge our responsibilities.

[English]

SHRI SHARAD PAWAR (Baramati). The Prime Minister of Pakistan has made a suggestion that Pakistan is ready to discuss No-War-Pact with India. What is your thinking? Are you ready to discuss with other political parties also to take some definitive view on this?

SHRI ATAL BIHARI VAJPAYEE : This is not a new offer. But whenever talks were held, we reached the conclusion that they want No-War-Pact but only after the solution of the Kashmir problem, according to their wishes. But if a new offer has been made, we are prepared to probe it.

SHRI SHARAD PAWAR : The suggestion has been made only yesterday.

SHRI K. NATWAR SINGH (Bharatpur) : May I respectfully ask the Prime Minister as to how does your letter to President Clinton find a place in 'The New York Times'? Who drafted the absurd letter!

[Translation]

SHRI ATAL BIHARI VAJPAYEE : Mr. Speaker, Sir, such questions are being asked which I cannot answer.

20.14 hrs.

BUSINESS ADVISORY COMMITTEE

First Report

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA). Sir, I beg to present the first Report of the Business Advisory Committee.

MR SPEAKER : The House now stands adjourned to meet on Monday at 11 00 a m

20.15 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, June 1, 1998/Jyestha 11, 1920 (Saka)