

with quota kept at a level of 3% which was enhanced to 5% in the year 1993 and 10% w.e.f. 1997.

(b) During the last three years the number of powerlooms have constantly increased and the annual production of cloth by the powerloom sector have been registering increase continuously as could be seen from the table given below :

#### I. Growth in the Powerloom Sector:

Year	Number of Units	No. of Powerlooms
1995	3,26,286	13,65,284
1996	3,33,017	14,11,903
1997	3,49,380	15,23,336
1998 (31.05.98)	3,53,461	15,58,327

#### II. Production of Cloth in the Powerloom Sector:

Year	Production (Million Sq. Mtrs.)	% of the Powerloom Production over total production
1995-96	17,201	53.94%
1996-97	19,352	55.58%
1997-98 (Provisional)	20,303	55.32%

(c) Does not arise.

[English]

#### Expansion of Hotels of ITDC

\*271. SHRI BHAGWAN SHANKAR RAWAT :  
SHRI MOHAN SINGH :

Will the Minister of TOURISM be pleased to state :

(a) whether the India Tourism Development Corporation (ITDC) propose to expand its hotels;

(b) if so, the details thereof and the steps taken by the Government in this regard;

(c) whether the Government propose to sell some loss incurring hotels of ITDC;

(d) if so, the details thereof;

(e) the names of ITDC Hotels which utilised more than 90% of their capacity during the last year; and

(f) the steps being taken by the Government for development of ITDC Hotels in the country and particularly in Goa?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA):  
(a) and (b) Presently there is no specific proposal under consideration to expand ITDC's existing hotels.

(c) No specific proposal to sell loss making hotels of ITDC is under consideration of Government.

(d) Does not arise.

(e) None of ITDC hotels achieved 90% average occupancy during 1997-98.

(f) ITDC plans to construct a new 100-room, 5-Star hotel at Chandigarh on a plot of land already allotted for this purpose. Apart from this, ITDC explores possibilities with different State Governments from time to time to set up hotel projects in the respective States. In this connection the last letter to the Goa Tourism Development Corporation (GTDC) was written by ITDC on 23.9.97. However, no reply from GTDC has been received.

#### Decline Production of Cotton Textiles

\*272. SHRI CHAMAN LAL GUPTA :  
SHRI DAROGA PRASAD SAROJ :

Will the Minister of TEXTILES be pleased to state :

(a) whether the production of cotton textiles in the country has been declining for the last ten years;

(b) if so, the reasons therefor; and

(c) the steps taken/contemplated to restore earlier production level?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) No, Sir. The production of cotton textiles, i.e. cotton yarn and cotton cloth, has progressively increased during the period 1988-89 to 1997-98. The annual growth rate in the production of cotton yarn and cotton cloth during this period has been 6.2% and 4.5%, respectively.

(b) and (c) Do not arise.

#### Reforms in Banking System

\*273. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) whether inspite of significant achievement in efficiency and expansion of branches, our banking system still requires excessive improvement to compete at international level;

(b) if so, whether the Government propose to set up a Banking Reforms Commission to bring about further improvements in Banking System;

(c) if so, the details thereof; and

(d) the time by which it is likely to be set up?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (d) The banks in India have made considerable progress in terms of scale of operations and spread of branches. However, to meet the growing needs to the economy and to strengthen the banking sector to face the challenges of a more competitive and diversified financial sector, further improvements are needed. While there is no proposal to appoint a Banking Reforms Commission, the Government had appointed a Committee on Banking Sector Reforms headed by Shri M. Narasimham to suggest measures to strengthen the banking system. The report of the Committee has been recently received. It contains recommendations on several issues like capital adequacy, prudential norms and disclosure requirements, asset quality, systems and methods in banks including *inter-alia*, technology upgradation and human resources development, structural issues and regulation and supervision of banks. The recommendations contained therein form a valuable input in the on-going efforts of Government and the Reserve Bank of India to make the banking system more efficient and competitive.

#### Plywood & Timber Industry

\*274. SHRI BIJOY HANDIQUE : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government are aware that plywood and timber industry in the North Eastern States is on the verge of closure in view of the Supreme Court orders prohibiting felling of trees; and

(b) if so, the measures proposed to be taken by the Government to rehabilitate the employees and those associated indirectly with the above industry?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Honourable Supreme Court *vide* its Order dated 12th December, 1996 in Writ Petition (Civil) No. 202 of 1995 directed *inter-alia* that "In view of meaning of the word 'forest' in the Act (Forest Conservation Act, 1980), it is obvious that prior approval of the Central Government is required for any non-forest activity within the area of any 'forest'. In accordance with Section 2 of the Act, all on-going activity within any forest in any State throughout the country, without the prior approval of the Central Government, must cease forthwith. It is, therefore, clear that the running of saw mills of any kind including veneer or ply-wood mills, and mining of any mineral are non-forest purposes and are, therefore, not permissible without prior approval of the Central Government. Accordingly, any such activity is *prima facie* violation of the provisions of the Forest Conservation Act, 1980. Every State Government must promptly ensure total cessation of all such activities forthwith."

"In addition to the above, in the tropical wet ever-green forests of Tirap and Changlang in the State of Arunachal Pradesh, there would be a complete ban on felling of any

kind of trees therein because of the particular significance to maintain ecological balance needed to preserve biodiversity. All saw mills, veneer mills and ply-wood mills in Tirap and Changlang in Arunachal Pradesh and within a distance of 100 Kms. From its border, in Assam, should also be closed immediately. The State Governments of Arunachal Pradesh and Assam must ensure compliance of this direction."

"The felling of trees in all forests is to remain suspended except in accordance with the Working Plans of the State Governments, as approved by the Central Government. In the absence of any Working Plan in any particular State, such as Arunachal Pradesh, where the permit system exists, the felling under the permits can be done only by the Forest Department of the State Government or the State Forest Corporation."

*Vide* its Order dated 4th March, 1997 Honourable Court has ordered for the constitution of a High Powered Committee. "This Committee shall oversee preparation of inventory of all timber in all forms (including timber products).

(i) lying in the forest or in transit depots, and

(ii) lying in mill premises)."

In its order dated 15.1.1998, the apex Court has *inter-alia* observed that "Even though the proliferation of wood-based industries has been the main cause of degradation of forests in the North-Eastern States considering the extent of forest (64% of the geographical area) and the dependence of the local people on the forest resources in the region it is neither feasible, nor desirable, to ban completely either the timber trade or running of the wood based industries. However, their numbers and capacities need to be regulated qua the sustainable availability of forest produce and they are also required to be relocated in specified industrial zones. Moreover, the industrial requirements have to be subordinated to the maintenance of environment and ecology as well as bonafide local needs."

The Honourable Court has accordingly *inter-alia* ordered that "The State Governments shall formally notify industrial estates for locating the wood based industrial units in consultation with the Ministry of Environment and Forests."

The Honourable Court has also directed that Timber as per inventory cleared by High-Powered Committee may be allowed to be converted/utilised subject to the stipulations contained in its Order dated 15.1.1998.

(b) The Honourable Supreme Court *vide* its Order dated 12th December, 1996 directed that "Notwithstanding the closure of any saw mills or other wood based industry pursuant to this Order, the workers employed in such units will continue to be paid their full emoluments due and shall not be retrenched or removed from service for this reason."