

a strict eye on such incidents. I come from Bihar and a very difficult situation is arising there. In our State refugees are spreading all over. There is need to understand seriously as to what is happening in the five districts of Chhota Nagpur region, namely, Ranchi, Palamu, Hazari Bagh, Chaibasa and Dhanbad. The hon. Home Minister should pay special attention towards it. Resentment and dissatisfaction is brewing in Chhota Nagpur area. This needs consideration as to why our Adivasi brethren are annoyed. Moreover, even non-Adivasis are also showing the signs of annoyance. Some bad elements are endeavouring to provoke the local people for demanding a separate State. That is why the demands for a separate Jharkhand State and separation of Chhota Nagpur are being raised there. Such demands are made because Chhota Nagpur has the richest mineral deposits in Asia where coal, iron, copper, uranium and bauxite are available in abundance and there are Tata's Steel Plants, Bokaro Steel Plant and a Plant at Hatia. This State is playing an important role in our national economy and that is why some foreign powers are instigating the illiterate and ignorant local people with a motive to create disturbance there. The hon. Home Minister should be cautious about it. Besides public undertakings, land is being purchased in Chhota Nagpur for setting up new industries and factories under Private Sector. Under the Koelkaro Project in Ranchi district 650 MW of power will be generated and for this purpose 70,000 acres of land of some adivasis and non-adivasis is being acquired. Similarly, 52,000 acres of land is being acquired in Chandil Block of Chaibasa district for the construction of Swarn Rekha Dam under which 92 villages will be submerged in water.

SHRI V. S. KRISHNA IYER (Bangalore South) : I beg to move :

"That the Demand under the Head Ministry of Home Affairs be reduced by Rs. 100."

[Need for banning of communal political parties.] (2)

"That the Demand under the Head Ministry of Home Affairs be reduced by Rs. 100"

[Need for streamlining the working of Intelligence Department in the country.] (3)

"That the Demand under the Head Police be reduced by Rs. 100."

[Need for adequate welfare measures for the families of B. S. F. and C.R.P.F.] (4)

"That the Demand under the Head Police be reduced by Rs. 100."

[Need for proper representation of all States in B.S.F. and C.R.P.F.] (5)

"That the Demand under the Head Police be reduced by Rs. 100."

[Need for implementation of the recommendations of Dharamaveera Commission on Police Reforms.] (6)

MR. CHAIRMAN : You will continue your speech afterwards.

The Lok Sabha adjourned for Lunch till Fourteen of the Clock

130.0 hrs.

The Lok Sabha reassembled after lunch at Fourteen of the Clock.

[MR. SPEAKER *In the Chair*]

MR. SPEAKER ; Shri Brahma Dutt.

[*English*]

STATEMENT ON CHANGE IN INTEREST RATES AND RELATED MATTERS

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT) : Mr. Speaker Sir, In order to reduce the cost of money and to impart flexibility in the interest rate policy, the Reserve Bank of India is today announcing certain changes in the interest rate structure, with effect from 14.1987. I am taking this opportunity to inform the

[Shri Brahma Dutt]

House about these and certain other changes.

The important changes being announced by the Reserve Bank of India in regard to bank deposits and lending rates are as follows:

- (i) All bank lending rates above 15% are being reduced by 1 percentage point. This will benefit agriculture, certain public sector procurement agencies and industry, including small scale industry.
- (ii) The rate of interest on bank deposits (made or renewed on or after 1.4.1987) of two year maturity is being increased by 1 percentage point to 10%. This rate will also apply to deposits of maturity of more than 2 years. The rate of interest on deposits of maturity of one year and above (but less than two years) is being increased from 8-1/2 to 9 percent. The separate category of deposits of 5 years, which earlier carried interest of 11%, is being abolished. As a result of these measures, the structure of bank deposits will, over time, move in favour of shorter maturities, thus permitting greater flexibility in the use of the interest rate instrument.
- (iii) There will be no change in respect of interest rates payable on Non-Resident External (Rupee) Accounts and Foreign Currency Non Resident Accounts. In respect of these deposits, which are received in foreign exchange, the existing structure of interest rates and the maturity pattern will remain unchanged.

The Statutory Liquidity Ratio is being increased from 37 percent to 37.5 percent. This will facilitate subscription by banks to the market borrowing programme

Consequent on these changes, and in consultation with the Reserve Bank of

India, the Government is making the following changes in interest rates applicable to other financial instruments with effect from 1.4.1987:

- (i) The maximum interest rate payable on issues of convertible and non-convertible debentures opening on or after 1.4.1987, as well as company deposits, is being reduced by 1 percentage point. Similarly, the maximum interest rate payable on tax-free and other public sector bonds is also being reduced by 1 percentage point.
- (ii) The interest rate on National Savings Certificates (VI and VII Issues), purchased on or after 1.4.1987, is being reduced by 1 percentage point.
- (iii) So far as the purchases of National Saving Certificates by Non-resident Indians in foreign exchange is concerned, the present interest rate of 13% will continue.
- (iv) The maturity period of Indira Vikas Patra, whose value doubles in 5 years at present, is being extended to 5½ years for all sales on or after 1.4.1987. Henceforth its value will double in 5½ years.
- (v) In respect of Post Office Time Deposits, the existing rates of interest of 9.5%, 10% and 10.5% for deposits of 1, 2 and 3 years respectively, will continue. The rate of interest on 5 Year Deposits, including recurring deposits, made or renewed on or after 1.4.1987 is however, being reduced from 11.5% to 11%.
- (vi) There will be no change in the rate of interest being paid by Government on deposits of Provident Funds.

In order to allow time for the various Post Offices to make necessary arrange-

ments for effecting the above changes, the sale of National Savings Certificates, Indira Vikas Patra and acceptance of 5-Year deposit accounts are being suspended for a few days from 1.4.1987. These will be resumed as early as possible in different parts of the country, and in any case not later than 15th April, 1987.

14.05 hrs.

[English]

DISCUSSION RE : ENGAGING OF US
ECONOMIC INTELLIGENCE
AGENCY FAIRFAX GROUP BY
MINISTRY OF FINANCE FOR INVESTIGATION OF CASES OF INDIANS
HAVING HUGE ILLEGAL FUNDS
ABROAD

MR. SPEAKER : We now take up discussion on the engaging of the U. S. economic intelligence agency Fairfax group by the Ministry of Finance for investigation of cases of Indians having huge illegal funds abroad.

Prof. Madhu Dandavate.

SHRI B.R. BHAGAT (Arrah) : Before my esteemed colleague begins...

(Interruptions)

SHRI BRAJAMOHAN MOHANTY (Puri) : I am on a point of order.

(Interruptions)

MR. SPEAKER : What is your point of order ?

SHRI BRAJAMOHAN MOHANTY : Under Rule 193 you have to fix up one hour before. Rule has not yet been amended. The Rules Committee is examining and going into details. Let the rule be suspended and than discussion may be taken up.

MR. SPEAKER : With the permission of the House we have always done. We have never done without the permission of the House.

SHRI BRAJAMOHAN MOHANTY : You get permission of the House.

MR. SPEAKER : Do I have the permission of the House to relax that rule ?

(Interruptions)

MR. SPEAKER : Mr. Bhagat, are you on a point of order ?

SHRI B. R. BHAGAT : No. It is to appeal to the hon. Members. Very appropriate.

This is a very important debate concerning the accumulation of funds to alleged violation.....

MR. SPEAKER : That is what he is going to say.

SHRI B. R. BHAGAT : I will appeal to the hon. Members who raise it, do not bring in partisan views.....

(Interruptions)

MR. SPEAKER : There is nothing that they will do.....

SHRI S. JAIPAL REDDY (Mehboob nagar) : What is this ? I do not think we are in need of your advice, Mr. Bhagat.

(Interruptions)

SHRI S. JAIPAL REDDY : What is the partisan view about it ?

(Interruptions)

MR. SPEAKER : There is no point of order.

I have over-ruled you. It is over-ruled.

SHRI S. JAIPAL REDDY : Why do you not hear me ? You do not even hear me ;

MR. SPEAKER : There is no point of order.