

friends get offended. I do not blame them. Then they must also see that calling each other names is not going to take this country forward...*(Interruptions)*

Therefore, all I would like to say to my hon. friends is that insofar as this particular matter is concerned, we have told the House, the Prime Minister has told the country that if any culpability is established which is punishable in a court of law in India, severest action will be taken. Enquiries are going on. That is something which should satisfy all reasonable people in this House.

13.55 hrs.

*The Lok Sabha adjourned for Lunch
till Fifteen of the Clock*

15.04 hrs.

*The Lok Sabha re-assembled after
Lunch at four minutes past Fifteen
of the Clock*

[MR. DEPUTY SPEAKER *in the chair*]

[*English*]

MR. DEPUTY SPEAKER : Now Shri P.V. Narasimha Rao to make a statement.

STATEMENT RE : PRIME MINISTER'S
VISIT ABROAD DURING JUNE AND
JULY, 1988

[*English*]

THE MINISTER OF EXTERNAL AFFAIRS (SHRI P.V. NARASIMHA RAO) : The Prime Minister visited Syria, Federal Republic of Germany, New York (UN) and Hungary from June 4 to 11, 1988. He also visited Jordan, Yugoslavia, Spain and Turkey from July 11 to 20, 1988. This was the first ever visit by an Indian Prime Minister to Jordan and Spain. To Syria, it was a visit by an Indian Prime Minister after a gap of 31 years while the visit to Turkey was after an interval of 28 years. The Prime Minister received a warm welcome in all the countries visited.

The talks were held in a friendly and cordial atmosphere and were characterised by goodwill on both sides. During these visits, Prime Minister reviewed matters of bilateral, regional and international concern

with leaders of these countries with a view to further strengthening of bilateral ties and extending cooperation with these countries on regional and international issues.

In the discussions with Syrian President Hafez al Assad and Premier Zoubi there was complete agreement on enlarging and diversifying bilateral exchanges. In the regional and international sphere, the Syrian side gave its assessment about the situation in the Middle East, Lebanon, and on the Iran-Iraq war. We on our part apprised the Syrian leadership about the situation in our region. The discussions revealed a broad consensus of views between the two sides. There was general appreciation of the Indian stand. Decisions were taken on exchange of visits and a meeting of Joint Trade Committee which took place on 27-28th June. An invitation was extended to President Assad to visit India.

The visit to FRG was overdue as the last visit by an Indian PM was in 1971. Visit was also opportune because in recent years Indo-FRG relations have developed considerably. FRG is now our largest trading partner in Western Europe. In terms of new collaborations approved by Government of India it ranks only after USA. It is the biggest bilateral aid donor from amongst West European countries. FRG Government has also been indicating their interest in a high level political dialogue with India. An exceptionally warm reception was accorded to P.M.

PM visited Stuttgart, Munich and Bonn and had discussions with Chancellor Kohl, Foreign Minister Genscher, Economics Minister Dr. Bangemann, Minister for Economic Cooperation Dr. Hans Klein, Chairman of SPD Dr. Vogel and Minister-Presidents of Baden-Wuerttemberg (Mr. Spaeth) and of Bavaria (Mr. Strauss).

There were two rounds of talks with Chancellor Kohl in which bilateral and international issues were discussed. It was agreed that annual political consultations between the two Foreign Offices will be held regularly. Regular seminars to promote cooperation at the academic, industrial and scientific level between the two countries will be held. Collaboration in science and technology will be promoted by setting up a joint consultative committee to review on-

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going cooperation and take up new proposals. There would be enhanced cultural exchanges. A Festival of India will be held in FRG in 1990 and a reverse Festival of FRG in India in 1991.

At Bonn PM addressed a special session jointly hosted by Federation of German Industries, German Association of Industry and Trade and German Foreign Policy Association. It was made clear to the German audience that while India had no intention of opening its market completely by removing all restrictions, foreign investment was welcome and would be facilitated by removing procedural delays and other difficulties which are not linked to basic policy decisions.

For the modernisation of Rourkela Steel Plant, the German Federal Government offered a DM 660 million financial package.

The visit contributed to reinforcing Indo-FRG relations in various areas.

Prime Minister's visit to New York was primarily to address the third Special Session of the UN General Assembly on Disarmament (SSOD-III). Prime Minister presented before the General Assembly his vision of a nuclear Weapon-free and non-violent world. Following the PM's statement, India tabled far-reaching proposals on a whole range of disarmament issues. The centrepiece of these proposals was a time-bound and phased programme of action for the complete elimination of nuclear weapons by the year 2010. The most essential features of the Action Plan presented by India is the binding commitment by all nations to eliminate nuclear weapons during a specified period of time. In addition, India presented papers on new technologies and qualitative arms race and a question of disposal of warheads in the nuclear missiles covered by the INF Treaty. P.M. availed of the opportunity of his halt in New York to have meetings with Presidents Najbullah of Afghanistan, President De La Madrid of Mexico and President Vassili of Cyprus, as also with Deputy Premier Co-Thach of Vietnam, United Nations Secretary General Peres de Cuellar. Prime Minister visited Hungary on 10th and 11th June at the joint invitation of President of the Hungarian

Socialist Workers' Party Mr. Janos Kadar and the newly elected General Secretary of the HSWP and Chairman of the Council of Ministers, Mr. Karoly Grosz. Previous Prime Minister level visit from India to Hungary was by Smt. Indira Gandhi in 1972. Prime Minister was given an unprecedented welcome in keeping with the very close political relations and the high level of goodwill on both sides.

The exchange of views on international and regional issues was useful. Hungary supported India's stand on Afghanistan, Sri Lanka and Kampuchea. Hungary also expressed its full agreement with the Action Plan outlined by the Prime Minister in his New York speech delivered at the Special Session on Nuclear Disarmament.

On the bilateral side, ways and means were discussed to expand commercial and economic cooperation between the two countries. The two sides decided to increase the trade turnover to US \$ 200 million by 1990. It has also been decided to hold the 8th Session of the Indo-Hungarian Joint Commission at New Delhi in October 1988. Both sides expressed great happiness at the cultural cooperation between the two countries. Hungary would actively participate in the Nehru Centenary Celebrations. During the visit an agreement between Doordarshan and Hungarian TV was signed. Prime Minister extended an invitation to Mr. Karoly Grosz to visit India which has been accepted.

Prime Minister visited Jordan from July 11-13, 1988, the first ever visit by an Indian Prime to that friendly country. Prime Minister was accorded a very warm welcome and the visit received extensive media coverage. He had talks with King Hussain, Crown Prince Hassan and Prime Minister Rifai.

PM's discussions with the Jordanian leadership were held in a friendly and cordial atmosphere and were characterised by frankness and goodwill on both sides. The Jordanian side gave its assessment of the evolving situation in the Middle East and the Iran-Iraq war. Prime Minister in turn briefed the Jordanian leadership about the situation in our region and India's relations with its neighbours. The visit also provided an opportunity for an indepth review of the entire gamut of Indo-Jordanian bilateral

relations. The talk focussed on providing a further boost to bilateral exchanges, particularly in the economic, commercial and scientific fields on an institutionalised basis. The visit of an Indian Private sector team in September 1988 and of a TFAI exhibition in September 1989 were agreed upon. The possibility of Joint ventures was also explored.

Prime Minister paid a visit to Yugoslavia from July 13 to 15, 1988. The previous Prime Ministerial visit was that of Smt. Indira Gandhi in 1983. Yugoslav Government accorded great importance to this visit and invited Prime Minister to address the Yugoslav Assembly and specially called a session for this purpose. Prime Minister held talks with President Dizdarevic, Prime Minister Branko Mikulic and Party President Suvar.

The relations between the two countries have been strengthened. The visit has resulted in providing directions for more cooperation between India and Yugoslavia on bilateral and multilateral issues.

Yugoslavia extended total support to PM's Action Plan on Disarmament, it called for more vigorous pursuit of Smt. Indira Gandhi's initiative for an international conference on money and finance. On our side we lauded Yugoslavia's initiative on the Balkan Foreign Ministers' Conference and efforts to promote Mediterranean security. As two of the founder-members of the Non-aligned movement it is important for India and Yugoslavia to think of new political directions in view of the far reaching changes in the international environment and the need to maintain and enhance the effectiveness of the Non-aligned Movement in this context. Consultation and contact would be confirmed between the two countries for this purpose, as also with a view to intensifying South-South cooperation and reviewing the world economic situation in order to formulate proposals for the resolution of the existing problems, including the debt crisis.

Bilateral cooperation has been strengthened by this visit. Three Agreements/Protocols were signed during this visit. These include an agreement on Information and Broadcasting; a programme for Science and Technology Co-operation over the next

three years; and a protocol on Bilateral Co-operation in Sports. Several decisions were taken to expand trade on a balanced basis as well as to intensify economic, industrial, scientific and technical co-operation.

In Spain, Prime Minister had three rounds of talks with Prime Minister Felipe González during which apart from the internal situation in the two countries the whole gamut of Indo-Spain bilateral relations as well as regional and international questions of interest to the two sides were discussed. In addition to exploring possibilities of strengthening political, economic and cultural relations between the two countries, an exchange of views took place on East-West relations, EEC matters, disarmament, Pakistan, Afghanistan, Sri Lanka etc.

French Prime Minister Michel Rocard who was vacationing in Spain during PM's visit expressed interest in meeting PM and a tripartite meeting of PM, Gonzales and Rocard took place on July 18 morning at which, *inter alia*, EEC and disarmament matters were discussed.

Prime Minister also addressed a group of top level Spanish industrialists and entrepreneurs with a view to encouraging greater commercial activity between the two countries.

The principal agreements/understandings that emerged from the visit are as follows :

It was decided to intensify the political dialogue between India and Spain. Spanish PM has accepted the invitation to visit India, Spanish Foreign Minister has also been invited and the visit should materialise before the end of the year. Spain is interested in maintaining a regular dialogue with India on NAM matters which we have welcomed. They reiterated their strong endorsement of the Six-Nation Initiative and promised support for our plan on disarmament.

As part of the efforts to intensify economic and commercial relations it was agreed : (i) to consider reviving the Agreement on Peaceful Uses of Atomic Energy which lapsed in 1977; (ii) to explore joint ventures/cooperation in fisheries which is an area of much promise. Spain also showed

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interest in joint ventures in pharmaceuticals; (iii) Spain which will assume the Presidency of the EEC from January 1, 1989 indicated that it would help India to expand/safeguard its interests in the EEC and within the EEC it will help to promote the North-South dialogues; (iv) pending agreements on tourism and science and technology will be expedited (v) Spanish Government will use its influence with Iberia so that its flights to India which were suspended in February this year will be resumed; (vi) the two sides will participate in the important Trade fairs in the respective countries.

Regarding Indo-Spanish cooperation in defence related R & D, a team from Spain will come to India for further discussions. Spanish side showed interest in developing cultural relations including the promotion of Spanish language teaching in India.

PM's visit laid the foundations for deepening political, economic and commercial relations between the two countries.

Until 2/3 years ago relations between India and Turkey had been insubstantial notwithstanding the historical interaction between the two countries, the admiration of our leaders such as Gandhi and Nehru for Kamal Ataturk and the principles of secularism and democracy on which Ataturk based the Turkish Republic which we share.

However, the coming to power of Prime Minister Ozal in 1983 and Turkey's decision to explore new foreign policy options, including towards India as a leader of the non-aligned countries, created a climate favourable to improving of India-Turkey relations. Following Ozal's visit to India in April 1986 relations between India and Turkey have developed rapidly in political, economic, commercial, cultural and other fields.

The Turkish side extended unprecedented diplomatic courtesies to PM. In addition to two rounds of private talks, extensive discussions took place between the two Prime Ministers during the several engagements in which they were together. PM also called on President Evren.

The following three agreements were signed during PM's visit :

1. Maritime Agreement
2. Mutual judicial assistance in civil and commercial matters
3. Mutual judicial assistance in criminal matters.

In addition to the above, an agreement was signed between IRCON and the Turkish National Railways for a US \$ 25 million railway electrification project.

Inter-alia, it was agreed that : (i) a banking delegation led by the Governor of the Central Bank of Turkey will visit India in October/November; (ii) further negotiations for finalising the Avoidance of Double Taxation Agreement will be held in Delhi in December 1988; and (iii) Turkish side will send an agricultural delegation to India in early spring 1989.

In addition to bilateral matters there were extensive discussions at various levels on regional and international issues such as Afghanistan, Sri Lanka, Pakistan, Iraq-Iran war, West Asia, Turkey's relations with Greece and Bulgaria and the Cyprus dispute.

PM invited President Evren and Prime Minister Ozal to visit India. The invitations were accepted.

We welcome Turkey's bid for closer understanding with us. To begin with it is necessary to establish the required infrastructure for building up relations. While airlines and direct PTI links already exist, the signature of a maritime agreement and progress on cooperation in the banking sector will create the additional infrastructure needed. Prospects of raising the level of trade are good, but in order to avoid imbalance in our trade, it would be necessary for India to work for project exports, the beginning of which has been made with the railway project.

Just prior to PM's visit Turkey imposed restrictions on export of inverter components to Pakistan and also formally lifted the ban on the Gandhi film.

The visits have provided a fresh impetus to our growing relations with the respective countries and we look forward to a strengthening of our cooperation with them both bilaterally and in the international forums.

PROF. MADHU DANDAVATE (Rajapur) : This Statement ought to have come from the Prime Minister. In the past it was like that.

15.20 hrs.

FOOD CORPORATIONS (AMENDMENT) BILL—*Contd.*

[*English*]

MR. DEPUTY SPEAKER : The House will now take up further consideration of the Food Corporations (Amendment) Bill. Shri Ramswaroop Ram to continue his speech.

[*Translation*]

SHRI RAMSWAROOP RAM (Gaya) : Mr. Deputy Speaker, Sir, yesterday, I had said that FCI has managed to distribute foodgrains among the people with considerable caution during the drought situation. It was a natural calamity of immense magnitude for the country and the role of FCI in this situation was praiseworthy. I want to convey to the hon. Minister through you that he has brought a very good bill and it will add to his resources. You should strengthen the F.C.I. with our increased resources. However, I want that the structure of F.C.I. is reviewed. I want to submit that due to lack of coordination between the FCI and the Railways, foodgrains worth crores of rupees get rotten or are pilfered. Proper monitoring is also not done in this regard. The wheat allotted for the advisis of Bihar is not even fit for human consumption. It is alright that your resources will increase, but if the quantity of stocks which are pilfered or get destroyed, are protected, I think you will be able to develop the resources internally but this is not happening.

I want to draw your attention to the FCI godowns in my area in Gaya. You are sending wheat from here. Earlier, it was stated that a godown would be constructed after constructing a platform there within a year, but due to the negligence of the Railways, lakhs of tonnes of wheat and other kinds of foodgrains are being unloaded in the open on the new platform. It is the rainy season nowadays You should

look into it. I want that the grains are kept in the protected places. A monitoring cell should be set up by the railways to monitor whether the foodgrains carried to the distant places in remote areas by the Railways are being properly protected there ? I have nothing more to say and this bill is welcome.

In the end, I would like to say that you should build up maximum buffer stock. Last year, it was 250 lakh tonnes, but inspite of that, we had to import 10 lakh tonnes of foodgrains to meet the drought situation. This year, the situation is such that you have not been able to raise the collection of foodgrains. Government godowns have not been able to procure foodgrains because agricultural production has been low. This will have its after effects and you should get prepared for that.

With these words, I extend my wholehearted support for the Bill.

[*English*]

SHRI B.B. RAMAIAH (Eluru) : Mr. Deputy Speaker, Sir, under Section 27 of Food Corporation of India Act, 1964 this Corporation was incorporated in 1965 primarily to protect and control speculative markets for the producers and the consumers. The purpose for which this Corporation has been set-up is to procure food stocks, storage, transport and distribution. The commodities that have been incorporated are : foodgrains, sugar and fertilisers. Through the present amendment Government wants to issue bonds. They want to raise some funds through the issue of bonds The main purpose is to mobilise resources from the public and use it as a working capital for the FCI. The purpose for which it is mainly intended is not specified. The interest rate as well as the dividend have not been specified clearly. I hope they will be able to furnish more details later on.

At the moment the FCI is operating with a paid-up capital of Rs. 837 crores and an authorised capital of Rs. 1000 crores. They want to issue bonds worth Rs. 200 crores. Government is also giving soft loan to the tune of Rs. 1200 crores. They are also giving consumer subsidy and transport concession to the tune of Rs. 2300 crores.