

due to which one Orderly was hurt. During these fresh incidents, 7 persons were killed and 11 injured. Thereafter the process of arrests and searches was intensified.

According to the State Government, the curfew was tightened and the police also undertook house to house searches to unearth illicit arms, ammunition and explosives. The police have so far arrested 617 persons of which 302 belong to one community and 315 to the other community.

In all, 17 persons lost their lives and 26 persons received injuries during this period. Of the persons killed, one person who was in police custody died in a hospital; the DM Varanasi had ordered a magisterial inquiry into this death.

Police pickets have been set up in Varanasi city and intensive patrolling continues. At present, there are 13 companies of P.A.C. and 6 companies of CRPF deployed in the city. No untoward incident has been reported since 18 November 1991. The State authorities have informed that ex-gratia grant @ Rs. 20,000/- each to the next of the kin of the persons killed in communal violence, Rs.4,000/- each to those seriously injured, and Rs.1,000/- each to those who received minor injuries is being paid.

All necessary help and assistance has been provided by the Central Government to the State. Five additional companies of CRPF were provided to the State on 15 November, 1991. The State Government have reported that situation is under control and the curfew has been gradually relaxed. Curfew passes have been given in deserving cases, including to all MPs and MLAs.

The Central Government is resolved to maintain communal peace and harmony in the country. Law & Order is a State subject; however, the Centre has from time to time issued guidelines to the States for the promotion of communal harmony. It also shares its intelligence with the States and provides central forces when necessary. In recent weeks, it has been alerting the States about

the possibility of communal violence in different places. To improve the communal climate a meeting of the National Integration Council was convened on the 2nd November, 1991 to discuss the issue of Communal Harmony in the context of the Ram Janma Bhumi-Babri Masjid issue. The NIC called upon all concerned to act with restraint and in a manner that will promote harmony and goodwill among all communities.

I have conveyed to the Chief Minister of Uttar Pradesh the anxiety expressed by the members over the situation in Varanasi and the manner in which it was permitted to develop. I drew his attention to the points which particularly agitated the members and requested him to furnish full information on these points. I also suggested to the Chief Minister to seriously consider the suggestion of holding a Judicial Inquiry into the incidents. I am pleased to report to the House that the Chief Minister informed me today that the State Government has ordered a Judicial Inquiry in respect to the communal incidents at Varanasi.

(iii) Gold Transactions

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): On 18th July, 1991, I had made a suo-moto statement on gold transactions before this august House. I had explained how our Government, on taking office was faced with a Balance of Payments crisis of an unprecedented nature. I had spelt out in detail that the previous Government, had taken a decision to send abroad 20 tonnes of gold out of Government stocks with an option to repurchase it at the end of six months. The actual export of this gold took place between 21st and 31st May, 1991. I had also mentioned that the previous Government had agreed with the decision of the Reserve Bank of India to send abroad upto 15 per cent of its gold to be kept in safe custody with a Central Bank, with the intention to seek a short term loan against the pledge of gold. Because of the crisis situation on the Balance of Payments, our government endorsed this decision and RBI sent abroad the gold out of its reserves

[Sh. Manmohan Singh]

between the 4th July, 1991 and 18th July, 1991. These two transactions put together enabled us to raise about \$600 million and help tide over the serious liquidity problem we were facing.

Hon'ble Members are aware that our Government has taken a number of steps to tackle the crisis, restore confidence and put the economy back on a path of sustainable growth. These measures included macro economic stabilisation in the short run through exchange rate adjustment, restoration of fiscal discipline and tight monetary policy, together with structural reforms in trade policy and industrial policy. I had concluded my statement of 18th July 1991 with the following words:

'The export of gold was a painful necessity. However, I am confident that the various measures we have now taken will, over a period of time, lead to a significant improvement of our balance of payments. It will be my sincere effort to work to bring back to India as early as possible the gold we have sent abroad.'

Our Government under the leadership of Shri P.V. Narasimha Rao is happy to announce that we have redeemed our pledge made to the country through the Parliament. All the loans taken through pledging the RBI gold of 47 tonnes stand repaid and the gold now has become unencumbered. Similarly, it has been decided to exercise the repurchase option in respect of 20 tonnes of confiscated Government gold which was sold by the State Bank of India with the repurchase option. This gold would be restored on the due dates of repurchase commencing November 25th and the ending December 4th, 1991. It is our intention to transfer this gold to the RBI and thus add to our official gold reserves.

The Government is firmly committed to restoring viability in our external payments position and is taking action on several fronts in pursuit of this objective.

15.09 hrs.

DEMANDS FOR GRANTS (PUNJAB)
1991-92—Contd.

[English]

MR. DEPUTY SPEAKER: We will continue with the Punjab Budget. Shri Kodikkunil Suresh.

SHRI KODIKKUNIL SURESH (Adoor): Sir, I rise to support the Budget for Punjab. In the situation prevailing in that State, there is no other alternative but to discuss their Budget here and pass it.

I also support the decision of the Government to hold elections in Punjab as I firmly believe that the situation in Punjab can be normalised when the representatives of the people get a chance to deal with the problem. I hope the elections will be held in Punjab as per schedule.

15.10 hrs.

[SHRI P.M. SAYEED *in the Chair*]

It is not for the first time that Parliament is discussing the Punjab Budget. The Punjab problem has gone on for far too long. A large number of innocent people have lost their lives and lakhs of rupees worth of property has been damaged. I cannot say whether terrorism has increased or not. Some people think that Punjab has gone out of our hands. I do not agree with that assessment. There are a few features in the Punjab situation which reassure us. The most important feature is the perfect amity between the Sikhs and the Hindus in Punjab.

A lot of efforts have been made to create communal violence and divide the Hindus and the Sikhs. But the patriotic Hindus and Sikhs live there like brothers. Even after about a decade of terrorism, it is confined to one or two districts. It has not spread to any other districts in the State. Having failed to divide the Hindus and Sikhs the terrorists and their masters have now turned their