

blished the organisations so that they can guide them and help them. Beyond that they can do nothing.

SHRI L. K. DOLEY: Sir, the Finance Minister, while replying, in the first part of the question has rightly mentioned about the need of national priority in awarding such assistance to many such projects. May I know what are the criteria for giving such assistance?

MR. SPEAKER: He has already mentioned it.

SHRI L. K. DOLEY: Compared to the size of work, what is the percentage of assistance that is given if they go to those projects in the whole of north-eastern region?

SHRI H. M. PATEL: I have not understood his question. But, if he means...

MR. SPEAKER: He wants to know what are the criteria for that.

SHRI H. M. PATEL: I have already mentioned that the criteria are there. They are available and they are common to all. But, because in this far-eastern region, north-eastern region, there is a certain amount of dearth of such talent, the institutions have gone out to do something which they normally do not do.

SHRI L. K. DOLEY: What is the ratio?

SHRI H. M. PATEL: I have already said 'Yes' in the very first question whether it is a fact that the investment of IDBI by way of financial assistance is comparatively low in eastern and north-eastern region. If you want actual figures, I can give you that also.

For instance, in the north-eastern region, the total amount given was Rs. 5.26 crores between July 1976 to June 1977. In the same period, in the eastern region, that is, Bihar, Orissa, Sikkim. West Bengal etc. the amount given was Rs. 89.17 crores.

Now, in the other region, it is higher. But, it should not be forgotten that in addition to this, the IDBI is giving, for those regions which are completely neglected, a certain amount of assistance. A certain amount of investment takes place in public sector enterprises and, when you take that into account, then, the gap is not as wide as is thought.

SHRI SAUGATA ROY: Sir, in 1976 the Industrial Development Bank had initiated a soft window loan scheme for the very sick jute industry in West Bengal. It seems to me from the present Report that that scheme is now being watered down. Will the Minister be in a position to tell us the present position with regard to the soft window loan scheme for the jute industry which is so vital?

SHRI H. M. PATEL: There has been no modification of the so-called soft window loan scheme for the jute industry. The jute industry is in a somewhat better state today than it was when this scheme was instituted but so far as the facilities are concerned they still continue as it continued earlier.

Failure of projects and Equipment Corporation to Export Railway Coaches and wagons

*535. **SHRI HARI VISHNU KAMATH:** Will the Minister of COMMERCE, CIVIL SUPPLIES AND CO-OPERATION be pleased to state:

(a) whether it is a fact that the Projects and Equipment Corporation (PEC) has failed to carry out substantial orders placed by certain foreign countries for railway coaches and wagons in spite of the fact that full advance payments had been made by those countries;

(b) if so, the names of such countries as well as the details of the transactions involved;

(c) the consequent loss to India's public exchequer; and

(d) the nature of disciplinary and remedial action taken in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) to (d). A statement is laid on the Table of the House.

Statement

There has been only one export order for supply of railway wagons and coaches where the buyer, namely, the Ministry of Transport and Communications, Government of Uganda had paid full value of the contract in advance. The contract entered into with the Project & Equipment Corporation, a subsidiary of State Trading Corporation, in September, 1976 was for supply of 250 wagons and 20 passenger coaches. Because of delay in opening of Letter of Credit as well as furnishing of guarantee by the buyers in accordance with the terms of the contract, the implementation of the contract was held up for some time. However, as result of discussions held in India in January 1978 between the parties the outstanding problems relating to this contract have mostly been solved and the implementation of the contract is expected to proceed uninterrupted. There has been no loss to India's public exchequer and no disciplinary or remedial action is called for in the matter.

SHRI HARI VISHNU KAMATH: Mr. Speaker, Sir, the statement shows that this Project and Equipment Corporation is a subsidiary of the State Trading Corporation and a contract was entered into in September, 1976—that is, during the bogus Emergency period—for supply of 250 wagons and 20 passenger coaches. Now, the Minister says that there has been only one export order for supply of railway wagons and coaches where the buyer had paid full value of the contract in advance. May I know whether there have been export orders for supply of other goods besides wagons and passenger coaches from other countries? Whether orders were placed by other

countries for supply of other goods and equipment besides railway wagons and coaches? If so, whether there was any default in regard to such contracts with other countries?

श्री अरिफ बेग : जो प्रश्न किया गया है वह बैंगल और कोच्चि से सम्बन्धित है। अगर माननीय सदस्य श्रय किन्हीं चीजों के बारे में नोटिस दे तो जबाब दिया जा सकता है।

श्री हरि विष्णु कामत : यह बड़े भ्रष्टाचार की बात है। इसके बावजूद कि मैंने इस प्रश्न के अन्तिम भाग में लिखा है कि उपचारगतक उपाय किए गए हैं, कोई कदम उठाए गए हैं, वह तैयार हो कर नहीं आया है। पूरक प्रश्न जो इस तरह का उठ सकता था उसके लिए इनकी तैयारी हानी चाहिए।

MR SPEAKER: It does not arise from this question. I have not been able to agree with you.

SHRI HARI VISHNU KAMATH: The statement also says:

"However, as a result of discussions held in India in January 1978 between the parties the outstanding problems relating to this contract have mostly been solved . . ."

In regard to opening of the letter of credit as well as furnishing of guarantee by the buyers—in accordance with the terms of the contract—how much delay was there and also, may I know, whether there was any time-lag between that part of the contract by the buyers and the final settlement referred to in this statement?

श्री अरिफ बेग : बायर्ज की तरफ से जो बिलम्ब हुआ है उसके बारे में मैं आपको बता देना हूँ।

Later after a total delay of approximately one year, in October 1977, the buyer paid the balance amount of 75 per cent and also in lieu of the bank guarantee.

SHRI HARI VISHNU KAMATH:
What about guarantee?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): Sir, it is true that the agreement was reached in the year 1976. It was agreed by the country concerned to immediately pay the deposit. Unfortunately, the delay was not on the part of our institution, P.E.C. It was in April 1977, 12.5 per cent was paid in cash in lieu of L.C. They paid 12.5 per cent (*Interruptions*) It was in April 1977 and the remaining amount came to us in October 1977. So, if at all any delay has taken place, it is not because of our institution but because of the country itself. Immediately after they deposited the amount, we sat together. In the meantime, there was some escalation of price. Now, we told the country that the prices have been escalated because of that delay and accordingly when the delegation came over here, it was discussed, thrashed out. The country has accepted to have the escalation charges also. So, so far as this contract is concerned, there has been no delay whatsoever, on the part of our institution.

SHRI HARI VISHNU KAMATH:
The Uganda Government .

MR. SPEAKER: No, He has answered that.

SHRI HARI VISHNU KAMATH:
Follow up question.....

MR. SPEAKER: No follow-up question.

SHRI HARI VISHNU KAMATH: I will raise a Half-Hour discussion on that.

श्री देव प्रताप सिंह : याज्ञ रेलों में माल के डिब्बों और सवाटों डिब्बों हलाने का यह है कि हमारी यात्राओं में बड़ी भीड़ जाड़ खूरी है। यद्य यह कहर क्रमिन् एकसंघ कमाने के लिए सीधे हुए हैं, और

जो सीधा हो चुका है वह तो पूरा करना ही होगा। लेकिन भविष्य में क्या संती जो ध्यान रखेंगे कि यह जो भीड़भाड़, बांवर काउडिंग होती है इसको देखते हुए क्रदर भविष्य में कोई सीधा न किया जाय, पहले हमारी जरूरत को पूरा किया जाय ?

श्री आरिफ बेग : जैसा कि माननीय सदस्य ने हमारी रेलों में भीड़ अधिक होने वाली बात कही है

MR. SPEAKER: What he says is that we are short of wagons. Why are you selling it outside?

SHRI MOHAN DHARIA: Here, so far as our capacity is concerned, it is much more than what is needed by Indian Railways. We give first priority to the needs of our Indian Railways and after fulfilling that priority there is adequate capacity for exports and naturally we are utilising that capacity for export.

DR. VASANT KUMAR PANDIT: Will the hon. Minister explain that apart from the delay in opening of letter of credit, was there any dispute over the size and specifications of these wagons? When the team had come here, did they discuss this about the wagons for which orders were placed for their supply? Now, arising out of that, is there any proposal before the Government that the PEC should be transferred to its parent body?

SHRI MOHAN DHARIA: There was no question of any dispute regarding the specification. It was according to the agreement reached and it is according to the desire of the country concerned that we have decided to give these items. There was no dispute. So far as the functioning of the PEC is concerned, they have been doing extremely well and the proposal for merging this body with the STC is under consideration.