

and all these things. Because it is a situation that is arising out of all these things, I would request the Hon. Minister to take immediate action. I would like to know whether the Government will come forward to take immediate action in this regard.

SHRI RAM NIWAS MIRDHA : Sir, there is no question of Government dilly dallying or not trying to do things quickly. But as I said, Sir, a lot of proposals in this budget have come, some of them impinge on the hand processing sector. So, we are considering all the implications of these levies and other changes. The Finance Ministry is examining those so many suggestions that are made to them. There the discussion is going on and as I said, it is not only soon, but very soon a decision will be taken.

SHRI KADAMBUR JANARTHANAN : Mr. Speaker, Sir, in the new textile policy a lot of concessions are given to the man-made fibres. I want to know from the Hon. Minister whether equal concessions will be also given to natural fibres, that is, cotton fibres.

SHRI RAM NIWAS MIRDHA : Sir, whatever is mentioned in the new textile policy is being followed. The policy was enunciated in June 1985 and a number of suggestions and propositions made in that policy are gradually being taken up for implementation. The main purpose of the policy is that the various sectors of the textile industry have scope for expansion and improvement and modernisation, whether it is the organised sector of the mills or is the handloom sector or is the powerloom sector, whether it is a man-made sector or cotton sector—all these things are mentioned in the new textile policy and we are trying to see in what way we can proceed so that all sectors have a homogenous development.

SHRI KADAMBUR JANARTHANAN : Sir, I want your protection. I want to know categorically whether the concessions shown to man-made and natural fibres will be equal. There is a lot of difference in the new textile policy.

SHRI RAM NIWAS MIRDHA : Sir, if the Hon. Member gives a separate notice for

it, we can discuss the whole policy, why man-made at all? So, the question does not refer to which sector... (*Interruptions*). If you mention some concessions I can react to that. But this question is something different.

[*Translation*]

SHRI RAMASHRAY PRASAD SINGH : Mr. Speaker, Sir, through you, I would like to tell the Hon. Minister that hand-processed cloth is manufactured on a large scale at Manakpur in Gaya district of Bihar, but the imposition of excise duty by the Government has adversely affected these units and they are on the verge of closure. I want to know from the Hon. Minister whether Government are aware of it and, if so, what steps are proposed to be taken in this regard.

SHRI RAM NIWAS MIRDHA : I can only say that this year's budgetary provisions for textiles as also the representations that have been received, are under consideration of the Government. We are in touch with the Ministry of Finance and after considering all these things, some decision will certainly be taken.

[*English*]

Functioning of Indian Diamond Institute

*540. **SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :** Will the Minister of COMMERCE be pleased to state :

(a) the composition of the governing Board of the Indian Diamond Institute and since when it is in office;

(b) whether Government's attention has been drawn to certain shortcomings in the working of the Institute;

(c) if so, details thereof; and

(d) the corrective steps being taken or proposed?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) to (d). A Statement is given below.

Statement

(a) The Governing Body of the Indian Diamond Institute consists of 13 members as under :

1. Three representatives of the Government of India.
2. Two representatives of the Government of Gujarat.
3. One representative of the Government of Maharashtra.
4. Development Commissioner (Handicrafts), All India Handicraft Board, New Delhi.
5. Chairman and Managing Director of the Hindustan Diamond Company Ltd., Bombay.
6. Two representatives of the Gem and Jewellery Export Promotion Council, Bombay.
7. Representative of the Bombay Diamond Merchants' Association, Bombay.
8. Two nominees of Government of Gujarat (from Indian Institute of Management, Ahmedabad and S.V.R. Engineering College, Surat).

The Governing Body was reconstituted by the Government of India, Ministry of Commerce, in January, 1982.

(b) Since the reconstitution of the Governing Body in January, 1982, the Institute has made considerable progress in regard to the courses it conducts, the course content, number of admissions, and in general administration. The Institute is functioning satisfactorily.

(c) and (d). Does not arise.

[Translation]

SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI : Mr. Speaker, Sir, through you, I would like to know from the Hon. Minister what is the objective of the

Indian Diamond Institute, what has been its achievement and where is its headquarters located ?

SHRI P. R. DAS MUNSI : Sir, its headquarters is located in Surat. It was set up in 1978 and it made some progress in the year of its inception. But the years 1979-81 saw some reverses as a result of which its progress was halted and the number of students went down. Thereafter, we appointed a committee and improvements were made according to its recommendation. Now its position has improved a lot. The number of students has risen from 60-70 to 481 and the training being imparted to them is also useful. Its real objective is that good technique should be used in regard to the diamonds that are exported through the Gem and Jewellery Export Promotion Council, their designs and engravings should be good and finishing should also be good so that sufficient foreign exchange could be earned from foreign countries.

SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI : My second supplementary is that what is the arrangement for education in the Indian Diamond Institute and how many students are there from Gujarat as compared to students from other States? Has some arrangement been made by the respective State Governments for the scholarships of these students or not? Also please state the number of women students.

SHRI P. R. DAS MUNSI : So far as the number of students is concerned, there are no two opinions that business of diamond jewellery is more in Gujarat and Bombay and the people from these places take more interest in it and, therefore, the number of students from there is also more. I shall not be able to give information in respect of each state right now, but I shall send it separately. However, the number of students from Gujarat is more as compared to others. I would like to state that in 1985-86, the number of students was 387 which rose to 481 in 1986-87. We give scholarships also, but we are not able to provide as much facilities as are required. Therefore, they have some complaints and we are getting them reviewed through the Export Promotion Council to see what facilities could be given to them. The State Government also gives

some assistance though it is not much. 80 per cent of the assistance to the Diamond Institute is given by the Central Government and the rest 20 per cent by the Promotion Council.

English)

Defence expenditure's potential to contribute to development

*541. DR. KRUPASINDHU BHOI : Will the Minister of DEFENCE be pleased to state :

(a) whether the defence expenditure's potential to contribute to development has been identified;

(b) if so, with what results;

(c) the steps taken or proposed to be taken to utilise the same to the maximum possible extent; and

(d) whether Government propose to change the separate classification for defence and planning in the budget so that both could go simultaneously and promote industrial growth and economy of the country ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE RESEARCH AND DEVELOPMENT IN THE MINISTRY OF DEFENCE (SHRI ARUN SINGH) : (a) to (d). A Statement is given below.

Statement

It is recognised that Defence Outlay has contributed considerably to industrial development. The rapid expansion in the value and volume of defence production and the activities of the Defence Research and Development Organisation have generated growth impulses and also acted as a catalyst to bring about :

- (i) introduction of new technologies and upgradation of existing technologies;
- (ii) promotion of in-house R&D;
- (iii) building up of skilled manpower;

(iv) promotion of growth in the Private Sector;

(v) increase in quality consciousness; and

(vi) location of units in backward areas and consequent social/economic benefits;

2. Prime examples of such spread effects are development of new and sophisticated materials like Titanium and Titanium product: Maraging Steel; Intergrated Circuits; Communication Technologies etc.; which have found application in civilian Sectors.

3. As a spin off from Defence Production through transfer of technology, the country produces a large number of ship building materials, electronic components, forgings, castings etc., including casting through sophisticated technologies like investment castings.

4. The activities of the Ordnance Factories have resulted in a number of new products finding application in civilian industry. The quality and range of manufacture of packaging, cement, paints and the optical glass industry have also been widened.

5. Since Defence items need to satisfy exacting quality requirements, private units participating in this area of activity have had to substantially up-grade quality control methods and procedures.

6. The expansion of Defence Production has resulted in new units being set up in backward areas like Kolar Gold Field, Medak, Panchkula, Korwa, Bolangir, etc., with resultant socio economic benefits.

7. Defence R&D has been making major efforts to promote greater interaction with academic institutions through awards of grants-in-aid projects for funding of projects in such areas as electronics, communications, informatics, materials technology, medical research etc.

8. There is no proposal to change the separate classification for Defence and Planning in the Budget. Objectives of expenditure—both for Defence and Development—are