

for building up of projects. Sometimes the projects take time to mature. There is a long procedure to be followed and, therefore, delays do take place. There is, however, no loss to the country because these moneys then go on for the next period.

**PROF. MADHU DANDAVATE :** Sir, while replying to the earlier supplementary from the hon. Member, the Minister has said that our position of exports has improved and there is a considerable increase in the export. I would like to know from him whether it is not a fact that because our currency has been linked up to a number of European currencies and because there has been a devaluation, therefore, apparently it appears as if our percentage increase in the export in terms of the rupee value is more. Also, is it not a fact that the U.S. dollar has declined but there is no commensurate change in the exchange rate, so, as a result of this also it appears as if our exports to U.S. have also increased? If you take these factors into account and in absolute terms try to calculate the export, is it not a fact that the progress is not as you are trying to interpret?

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) :** Sir, I have had the opportunity of responding to this particular point earlier also. In all humility, may I point out—of course, it is a fact, a factor, to reckon with—that whenever such devaluations or adjustments take place in the international currency market, it is reflected on the increased amount of our export in rupee terms. But I may assure the hon. Member that in net volume, also our exports have gone up. It is not just because of rupee adjustment that our export has gone up.

**Credit to Mauritius to Import Commercial Vehicles, etc.**

\*617. **SHRI H.N. NANJE GOWDA :** Will the Minister of FINANCE be pleased to state :

(a) whether Government have allowed Mauritius to import commercial vehicles, machinery and equipment from India on credit ;

(b) if so, the details thereof ; and

(c) whether any formal agreement has

been signed in this regard ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :** (a) to (c). A statement is given below.

**Statement**

Government of India have extended credits to Mauritius to finance export of Indian goods and services, mainly capital goods, to that country, Export-Import Bank of India (EXIM Bank) has also extended lines of credit to Mauritius to facilitate export of Indian machinery and equipment including commercial vehicles. Recently, EXIM Bank signed an Agreement with the Government of Mauritius on 8-3-1988, providing for a line of credit for Rs. 5 crores for purchase of eligible capital goods, equipments, etc., from India by Mauritius. A list of eligible items under the line of credit is indicated below. The list, inter alia, includes machinery items, motor-vehicles and chassis, including three-wheelers.

*Eligible Items under the Credit Line*

1. Ships/barges, petrol boats.
2. Chemical and pharmaceutical plant and machinery.
3. Earth moving equipment like crawler tractors, shovels, excavators, loaders, dumpers, etc.
4. Electric motors, pumps and diesel/petrol engines.
5. Machine tools.
6. Material handling equipment like fork lifts, electric lifts, cranes, hoists, etc. add conveyor systems.
7. Motor vehicles and chassis, including three wheelers.
8. Rubber machinery.
9. Road and construction equipment including road rollers, tower boilers, continuous batch plants, stone crushers, asphalt mixers, concrete mixers and vibrators.
10. Agricultural implements and tractors.
11. Sugar machinery.

12. Textile machinery.

13. Plant and machinery required for setting up small and medium industries.

14. Initial spares for the above mentioned items.

**SHRI H.N. NANJE GOWDA :** Sir, as you are aware, our relationship with the Government of Mauritius is more than Government to Government because relationship is not only political but also cultural and historical and more than 50% of the population in Mauritius are of Indian origin. Now, in the eligible list of items under the credit line, only capital goods are mentioned, that is, all the 14 items are capital goods. I would like to know whether the Government would understand the needs of daily use of items like saris, garments, etc. which the population of Indian origin in Mauritius would like to get from India. Why don't you include these items also? Why don't you examine this point and know the necessity and requirements there, in their society, and include these items also?

**SHRI EDUARDO FALEIRO :** I agree with the hon. Member that our relations with Mauritius are not just good relations as we have with any other country. There are very good relations coming from historical ties, cultural ties and common perception of many issues. Now, these items are the items which are included by agreement of both the parties. If they want these particular items, then surely our Government will sit together and find some solution to the questions raised by the hon. Member.

**SHRI H.N. NANJE GOWDA :** Why don't you send a team at least to know what are the needs of daily use of those people?

**SHRI EDUARDO FALEIRO :** Teams are going and coming all the time, Sir.

**SHRI H.N. NANJE GOWDA :** Is there any proposal for joint venture scheme with Mauritius?

**THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) :** May I supplement to what my colleague has just now said? Sir, we do have an Indo-Mauritius Joint Commission and I had the privilege of chairing on behalf of India the

Fourth Session of this Joint Commission at Port Louis in Mauritius last year and I have with me a copy of the proceedings of the Joint Commission in which we have catalogued whatever Mauritius wanted. It is for them, for our friends in Mauritius to say what they want and what is to be done by India for them and in the context we are doing whatever is possible and as mentioned by the hon. Member, we have already authorised release of credit of Rs. 5 crores and recently when Mr. Jadhv, Minister of Works, met me, I also assured him that once this five crores amount is utilised, we will be giving another line of credit through the Export-Import Bank. The Export-Import Bank will be giving them another Rs. 5 crores. So, it is up to them to identify the projects and frame the proposal for their development.

**SHRI CHANDRA PRATAP NARAIN SINGH :** Knowing our relationship with Mauritius, the hon. Minister of State in Finance talked of the cultural association. But I would like to state that Mauritius is dependent on goods from South Africa and the hon. Minister, when he was talking about apartheid, when he was Minister of State in the Ministry of External Affairs, knows that when we should have economic sanctions on South Africa. Thus it would be advisable for Government of India to provide assistance to Mauritius so that they would not be depending on trade and imports from South Africa.

**MR. DEPUTY-SPEAKER :** Already the hon. Minister has said that he is not putting any restrictions. Mr. Tiwari has explained this point. What do you want? You please tell me.

*(Interruptions)*

**SHRI CHANDRA PRATAP NARAIN SINGH :** If you are replying, I am satisfied. *(Interruptions)*.

**MR. DEPUTY-SPEAKER :** No, I am not replying to the question. But don't make any such statement. You put the question.

*(Interruptions)*

**SHRI CHANDRA PRATAP NARAIN SINGH :** I don't question your intelligence.

MR. DEPUTY-SPEAKER : Don't make such kind of statement. You put the question. What do you want? What is the question you are putting?

SHRI CHANDRA PRATAP NARAIN SINGH : I am asking the State Minister regarding the external policy of the Government of India on imposing sanctions on South Africa. They are dependent on imports from South Africa. So, if the Indian Government supplies them things like rations—they import rice, wheat, spices, "daals", sarrees, etc.—it would help in what we are talking as far as our External Affairs policy goes.

SHRI EDUARDO FALEIRO : Sir, as the Minister has already mentioned, it depends very much on them to decide what they want to buy from us. They are always open to us. Now, in view of the question specifically raised by the hon. Members, I would like to say that on the question of consumer goods, the consumer goods up to Rs. 1.25 crores are permitted under the Government of India credit of 1986 and they can be used for consumer goods. Apart from that, Sir, the Export-Import Bank of India, that is, the EXIM Bank has so far extended four lines of credit totalling Rs. 20 crores and further, in addition to EXIM Bank line of credit, the Government of India has also extended from time to time the Government credit to Mauritius. So far, four Government credits totalling Rs. 25 crores has been extended to them. This is the position.

#### Counter Trade by Private Sector

\*619. CH. RAM PRAKASH : Will the Minister of COMMERCE be pleased to state :

(a) whether certain conditions have been laid down by Government for promoting the private sector trading houses to enter into counter trade deals ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). A statement is given below.

#### Statement

(a) and (b). Private sector trading houses

are free to enter into counter trade deals in respect of items which they are allowed for import and export under the prevalent Import and Export Policy.

Under para 46 (2) of the new Import and Export Policy for 1988-91, Government may also permit import of canalised items by Trading Houses in order to promote exports, subject to such conditions as may be stipulated by the Ministry of Commerce.

#### Peerless General Finance and Investment Company Ltd.

\*620. KUMARI MAMATA BANERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether a few instances of defalcation of public money by some Directors of the Peerless General Finance and Investment Company Limited have come to the notice of Government ; and

(b) if so, the details in this regard and whether Government propose to conduct a C.B.I. enquiry into these cases of defalcation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). A statement is given below.

#### Statement

Reserve Bank of India has reported that no case of any defalcation of public funds of Peerless General Finance and Investment Company Ltd. (Peerless) by a Director of the company had come to its notice. Income-tax authorities in Calcutta had, however, conducted a search on 15th October, 1987 at the premises of a person, who besides other companies, was a Director of Peerless also. This matter is being investigated by the Income-tax Department and there is no proposal to entrust it to CBI.

KUMARI MAMATA BANERJEE : Sir, it is really very surprising and I do not know why the source of information of Government is so poor. (Interruptions). It is a most important question. You don't interrupt me.

MR. DEPUTY-SPEAKER : Please