

want to make is this. In view of the fact that Pakistan is likely to raise such questions at all fora, what level of pre-conference diplomacy do we engage in? Do we caution the organisations or the sponsors of the conference that Pakistan is likely to commit such a mischief and that they should, in advance of the conference, use their good offices to make Pakistan desist from committing such a mischief and befouling the atmosphere of the conference?

SHRI R. L. BHATIA : Sir, this is a common fact that whenever there is a conference and we know that Pakistan is likely to raise this question we always try to explain to the participants our point of view and also emphasize that in a particular conference no bilateral issues can be raised. That had always been explained and that was explained in the Commonwealth Conference also.

TELECOMMUNICATION NETWORK

*42. **SHRI HANNAN MOLLAH :**

SHRI AJOY MUKHOPADHYAY :

Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether the Government propose to involve multinational companies in the operation, maintenance and expansion of telecommunications network;

(b) if so, the details thereof;

(c) whether any final decision has been taken in this regard; and

(d) if so, the details thereof and the response of the multinational companies thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMUNICATIONS (SHRI SUKH RAM) : (a) No, Sir.

(b) to (d) Do not arise in view of (a) above.

SHRI HANNAN MOLLAH : Mr. Speaker, Sir, it is a totally evasive answer because operation, maintenance and expansion of telecommunications cannot be separated or isolated from the production. I went to refer to the statement of the Chairman of the Telecom Commission. He says:

“We want to encourage multiple competition in all sectors of telecommunication for attracting funds from multinational companies or from within the country. We will attempt to attract funds from both sides.”

So, this is the statement, but the Minister is evasive. My specific point is that it cannot be separated from production. May I know from the hon. Minister whether it is not a fact that multinational companies have already garnered 85 per cent of the domestic market and several indigenous manufacturers of components and assemblies—about 35 in number—are starving for orders to supply telecommunication equipments such as fielding equipment, electronic exchanges, rural automatic exchanges, installing equipment etc.? They are not getting orders for the last six months from the Department of Telecommunications. I want to know whether it is a fact. If it is a fact, what steps the Government proposes to take to keep the indigenous industry running and prosper?

SHRI SUKH RAM : Mr. Speaker, Sir, telecommunication services can be divided into two parts. One is basic service and another is value added service. As far as the value added service is concerned, we have already taken a decision to associate the private sector for providing value added services. But as far as the basic service is concerned, we have yet to take a decision whether we have to associate the private sector also for providing basic services. This is a very major decision and only the Cabinet is competent to take this decision. We have already prepared the National Telecom Policy and that has already been referred to the Cabinet Secretariat. Certain meetings have already taken place in this regard. The Revised Telecom Policy has also been sent and

that also has been examined by the Screeening Committee. So, whatever the Chairman of the Telecom Commission has said, it may be his personal view as long as the Government does not take any decision.

As far as the indigenous industries are concerned, I do not agree that they are suffering and we are not protecting them. Only for the large digital system which is the latest switching technology, we require those technologies in our country. Of course, it is only the Indian companies, which are doing it in collaboration with the multi-national companies which have registered themselves in this country. We see that it may be one-time import because these are the new technologies. But then, these equipments have to be manufactured here within the country.

As far as our indigenous industries are concerned, their interests are well protected. It may be taking some time to place indent on them. But whatever they are manufacturing for our telecom sector, we are purchasing from them and their interests are well protected. It is only for the latest technology which we have inducted in the country, they are trying to set up this industry and that also does not come into conflict with our own industry.

SHRI HANNAN MOLLAH : Regarding this proposed policy. I would like to know whether the Government have made up their mind specifically in regard to the area they want to open up, the number of technology they want to induct regarding value added service and the criteria of tariff structure.

Have you made adequate provision for level field playing for indigenous units to compete with the multi national companies?

SHRI SUKH RAM : As this House knows, telecom is a very important sector for our economic growth but the financial constraints stand in our way. For instance, for the Eighth Five Year Plan, we need Rs. 40,500 crores for installa-

tion of 75 lakh lines. I think, this number is also very inadequate keeping in view the demand of the country. But against that financial requirement, we have been allocated only Rs. 25,000 crore and the balance has to be raised through bond by MTNL. We are trying to take funds from some other sources also and we are trying our best.

Now there is a possibility. We have sent a proposal to the Cabinet for its approval as to what extent, the private sector is to be associated. There are proposals, as you have pointed out, by some multi national companies also and they are being examined as to which extent, they can be allowed. Of course, those companies have to get registered here within the country according to our law. It is being examined to which extent they have to be allowed to participate in rendering basic service. I cannot say that at the moment, because the decision has to be taken by the Cabinet.

AN HON. MEMBER : What is your personal view ? (*Interruptions*).

SHRI SUKH RAM : As far as the industries are concerned, I have told you, we are protecting their interests. Only the new technologies which we are importing, they may be manufacturing certain equipments. Those have to be purchased from them. The inflow of technology also we are encouraging in this country.

SHRI AJAY MUKHOPADYAY : I would like to know from the hon. Minister whether the Government is going to allow the multinational companies including the US companies the liberty of fixing the tariff and, if so, what are the reasons; and secondly whether Government is going to make any provision for a dual rate of return on investment and, if so, what are the reasons.

SHRI SUKH RAM : I do not think it is possible to allow any companies to impose any type of tariff. DOT has to perform its duty as the regulatory authority. So, that provision cannot be given to any company.

[translation]

Shri Prithviraj D. Chavan : Mr. Speaker, Sir, The companies of C-DOT Technology working in India are not getting any supply order from the Department of Telecommunication for the last 6 months and as a result of it the workers in these companies are being retrenched. So I would like to ask whether these companies would be given orders ?

SHRI SUKH RAM : Mr. Speaker, Sir, as I have said earlier that orders are given to them. It is correct that the process of flouting tenders and examining technology and financial aspects take time. Now there is no need to obtain licence. Any one can set up industry of his own choice. We are taking equipment as per our requirements. One thing I can say with full confidence, that we are importing not more than one per cent of our total requirements. Therefore, we are purchasing material from these industries for our requirements. So long as we do not adopt other technology, we shall continue to get supply from these industries.

[English]

SHRIMATI SUSEELA GOPALAN : Sir, the hon. minister, even after taking a final decision, is trying to mislead the House. Actually, the employees' associations have placed a report and in that report, they have said that the Eighth Five Year Plan envisages an investment of Rs. 40,000/- crores of which Rs. 29,000 crores are to be mobilised internally. This will increase the total availability of telephones in the country. The balance of Rs. 11,000 crores is to be mobilised from external sources. They are going to mobilise Rs. 29,000 crores internally and the other part can be mobilised from our own country. The workers themselves have placed proposals before the Department as to how this amount can be mobilised. But the Government is not doing anything..

The hon. Minister said that there is no effort to give service sector to the multinationals. But a parallel exchanges is built in Thiripur and it is going to be given to US Elcots. This is almost finalised. In

Markarpur in Gujarat, the exchange is going to be handed over to Erickson. In Karnataka, Purnea and Tumkur exchanges are almost going to be given. They are not going to limit their work locally but it will go into the network and that can be dangerous even to the security of the country.

So, before taking a decision, there should be a full-scale discussion in this House and we should decide what should be done in this regard. I want to know whether these things are correct. The security of the country is involved.

SHRI SUKH RAM : As I informed this House earlier in reply to another supplementary, there are certain proposals put forward by the multinationals. For instance, the U.S. West has submitted a proposal to the Government which is under consideration. We have not taken any decision. The FIPB and the CCFI are considering that also. As I have informed the House this is a very major decision, we have to go to the Cabinet and seek the decision of the Cabinet.

There is another proposal by a multinational company for providing basic services in Gujarat. All these proposals are being examined. No final decision has been taken so far by my Ministry or by the Cabinet so far.

As regards the financial aspects of the problem, I have already informed you that we have been demanding Rs. 40,500 crores. But in case we succeed in installing the requisite number of telephones in the country, we are likely to raise resources up to Rs. 29,000 crores. This is a fact. But at the same time I may inform this House that, as you are aware, there is a demand now that all the rural areas have also to be provided this facility. It has to be done. It is also our policy-decision that all the Panchayats have to be provided this facility. But then, if you have to provide these facilities for the entire country, for the entire rural areas, you need at least Rs. 6000 to Rs. 7000 crores. So, all these facts have to be borne in mind when we try to improve our services and provide this service to the entire country.

SHRI SOBHANADREESWARA RAO VADDE : The hon. Minister has not given full answer to the question. While answering the question about the expansion of telecommunication network, the answer in part (a) of his reply was 'No.' But the fact of the matter is the multinationals are being involved-through the supply of telephone lines, switching equipment-with our Department of Telecommunications. As things stand today, the installed infrastructure, as it is encouraged by the DOT in respect of several entrepreneurs, is around 2.5 million lines per year. Today, the persons who are in the waiting list for the entire country total around 3 millions. So, under the circumstances, to the fullest extent, we must make use of the indigenous installed capacity and over and above that, we can give it to the other multinational companies. But you have already given order to our indigenous companies only to the extent of one million lines and order to the extent of .85 million lines has been given to the multinational companies which, in no way, serves the interests of the domestic manufacturers. So, in this connection, I want a categorical assurance from the hon. Minister that to the fullest possible extent, our indigenous capacity would be utilized which will definitely meet our requirements during the Eighth Five Year Plan period. Will the hon. Minister assure this House in this regard?

SHRI SUKH RAM : The target for this year is about 17 lakh lines out of which one million lines have to be purchased from our domestic manufacturers. Only in the case of big cities with more than five lakh population, we are trying to install large digital systems and the latest technology we have inducted into this country. For that, we have to purchase only from them. We have to purchase only from those who have got this technology. They are setting up industries in the country. We have made it clear to them.

SHRI SOBHANADREESWARA RAO VADDE : It has become obsolete. The analogous cellular technology has become outdated technology.

SHRIMATI SUSEELA GOPALAN : By the time we want the spare parts, there will not be any spare parts available *(Interruptions)*.

SHRI SUKH RAM : If you try to understand the things, as I said earlier in this House, it may be one-time or two-times import. But all these large digital systems, large equipment and the switching systems have to be manufactured within the country.

And we are not making any distinction among our own indigenous manufacturers. Their interests are well protected *(Interruptions)*

Shri Sobhanadreeswara Rao Vadde : Not at all. *(Interruptions)*.

SHRI SUKH RAM : Anyway, you may be knowing more than what I know. *(Interruptions)*

SHRI SOBHANADREESWARA RAO VADDE : You are favouring multinationals at the cost of our own domestic manufacturers. *(Interruptions)*.

SHRI BASUDEB ACHARIA : You are only protecting the interests of multinational companies and not of indigenous industry. *(Interruptions)*.

SHRI SUKH RAM : No, no. As I made it clear, we are asking multinational companies for the latest technology only and not otherwise. And all those 23 or 27 manufacturers are being given orders and they are supplying. My target is to instal two million lines in the current financial year subject to availability of funds, of course. Out of that, minimum of one million lines have been reserved for the indigenous manufacturers. And their total capacity is, if I am not wrong, 15 to 17 lakh lines. Out of that total capacity, if we are purchasing one million lines, where is the question of saying that their industry is being kept idle ?

(Interruptions).

SHRI SOMNATH CHATTERJEE : The question relates to telecommunication network and operation of the network. Any civilised system will require telephone directories for the operation of telephone. I do not know what will happen about Shimla. After the recent results, I do not know what is the position of telephone directory of Shimla. But for Calcutta, the last telephone directory was published in 1988, only in 1988. Is it being held up because the latest printing technology is not being given by any multinational ? It is a shameful situation. We have been writing every time to the Minister, to the Department. There has not been any telephone directory for Calcutta for five years. I would like to know what the Minister is doing. Is it held up because of multinationals not coming forward ?

SHRI SUKH RAM : I need a separate notice for this because it does not relate to the question which is under consideration
(Interruptions)

SHRI SOMNATH CHATTERJEE : We are writing in every session and putting questions. Will you make a statement after going to your office ?

SHRI SUKH RAM : You please give me a separate notice, I will reply to it.

SHRI SOMNATH CHATTERJEE : I am now giving the notice in the whole House.
(Interruptions).

SHRI SUKH RAM : No, no.
(Interruptions)

SHRI SOMNATH CHATTERJEE : That shows how the Department is functioning.

POWER TARIFF.

†*43. DR S. P. YADAV :

DR. RAMESH CHAND TOMAR :

Will the Minister of POWER be pleased to state :

(a) whether the Delhi Electricity Supply Undertaking has revised its power rates recently ;

(b) if so, the details thereof and the reasons therefor ;

(c) the percentage by which D.E.S.U.'s revenue is likely to rise as a result thereof;

(d) whether the Government have received any representations in this regard ;

(e) if so, the details thereof ;

(f) the reaction of the Government thereto ; and

(g) the break-up of the out-standing dues of DESU from the Government agencies at the end of April, 1993 and the reasons for their non-recovery ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) to (g) : A Statement is laid on the Table of the House.

Statement†

(a) Yes, Sir.

(b) : There has been an increase in the cost of power generated/purchased from outside agencies due to hike in the cost of various inputs like coal, oil, freight, etc. In order to reduce the gap between the cost of power generated/purchased and the revenue realised the electricity tariff of DESU has been rationalised from 1-10-1993. The earlier and the revised electricity rates are summarised in Annexure-I

(c) : The estimated increase in revenue of DESU as a result of this revision is about 37% per annum. The estimated increase during the current year is 18.46% as the revised tariff became effective from 1-10-1993 only.

(d) to (f) : A Public Notice was issued by DESU inviting public comments/rep-