

LOKSABHA DEBATES
TENTH SERIES (VOL.V No.46)
SEPTEMBER 14, 1991
FIRST SESSION



TENTH LOK SABHA

LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA DEBATES

LOK SABHA

Saturday, September 14, 1991/Bhadra 23,
1913 (Saka)

*The Lok Sabha met at Eleven of the
Clock*

[MR. SPEAKER *In the Chair*]

[*Translation*]

SHRI MADAN LAL KHURANA (South Delhi) : Mr. Speaker, Sir, I would like to say about Delhi. It was said that.....

MR. SPEAKER : I am not giving you time.

SHRI MADAN LAL KHURANA : You had said that you would give me time and the sitting of the House has been extended for two days.....

MR. SPEAKER : I am not giving you time. I am giving time to Shri Saifuddin Choudhury.

SHRI SAIFUDDIN CHOUDHURY (Katwa) : Sir, we agreed that today there would be no zero hours. I am not making any zero hour submission. But this is a very serious national issue..... (*Interruptions*)

MR. SPEAKER : Today I hope the senior Member will allow the Junior Members to raise points on which they feel concerned.

SHRI SAIFUDDIN CHOUDHURY: Due to the strike by the ONGC employees, the country is incurring a heavy loss everyday. I have come to know that the daily loss amounts to Rs. 30 crores. Due to this strike, production of crude oil and gas is totally stopped. We produce 5,60,000 barrels of oil per day all over the country wherever oil is produced. 27,000 million cubic meters of gas is produced in the country. The production of gas cylinders comes to about 50,000 per day. Now all this production activity has come to a half.

This strike is taking place because of the inaction of the concerned authorities to conduct proper negotiations to secure the release of their colleagues who are in the captivity of the ULFA in Assam. Some days ago, one of their colleagues Shri B.S.Raju was killed. This has created a feeling of insecurity in the minds of the ONGC workers in Assam. They also say that proper negotiations are not conducted and people with proper authority are not posted there to deal with the situation. There are also many questions about the way the ULFA problem in Assam is dealt with so far. They have raised serious objections to the general kind of amnesty given to the ULFA activists who were in the custody of the Government, without any bargain for the release of the ONGC employees. This is a very serious situation because it is not only a matter of ONGC workers and the loss we are incurring everyday. Now the Finance Minister is here. Shri Shankaranandji is standing at the gate. Why is he not coming in? He visited Assam. What has he done there? We have a right to know... (*Interruptions*) Sir, it is not merely a question of losing money. It is a question of unity and integrity of the country.

It is a question of how we tackle the ULFA secessionist movement in Assam. Not only the ONGC workers, but many others are also feeling insecure to live in Assam. Many are coming out. Exortion of money is going on. We have to have a discussion on this. I thought the hon. Minister himself would come with a *sou motu* statement. But in today's list of Business, I do not find any mention of it. That is why I am compelled and constrained to raise this issue, despite our commitment that we would not stand up today during the zero hour. I request you Sir to ask the hon. Minister to inform this House about the situation. How long are we going to suffer this heavy loss? How are they dealing with this situation? How are they tackling the secessionist movement led by the ULFA. The employees and their leaders are here. I think they have met the Minister yesterday. We would like to know what came out of that. I request the Minister to take the House into confidence.

SHRI V. DHANANJAYA KUMAR (Mangalore): Sir, we fully support the demand made by Shri Saifuddin Choudhury. Leaders of the employees union have come and met our senior leaders like Advani Ji and Jaswant Singh Ji. They have expressed their concern about the loss that has been sustained. Every day the Government of India is losing about Rs. 30 crores on account of the employees going on strike. We all know that this has happened because of the policy adopted by the Government of Assam in giving general amnesty to the ULFA people. This has very severe repercussions and we are very much concerned about the safety of the people who have been abducted by the ULFA activities.

The Government, of course, has expressed its concern about this but it has not come out with concrete proposal, as to how they are going to tackle this problem. Government should make a Statement on the floor of the House and it must initiate an early dialogue with them. Government must secure the release of the people who have

been detained and it must come to the rescue of the people who have been abducted by the ULFA activities, otherwise, we will have this recurring loss on the one side and on the other side the safety to the lives and property of the citizens of this country, who are working hard to earn and to add to the economy of this country, will be put in the danger. Therefore, the Government should come to the rescue of these people.

We all join to support the demand made by the hon. Member on the floor of the House. Sir, I hope that when I am making this reference, Government will definitely take up this matter seriously and the hon. Minister, who is present here, will make a statement in this regard and he will ensure the release of the abducted people today itself, at the earliest possible opportunity. (*Interruptions*)

MR. SPEAKER: Those of you who are treated as senior Members will not be called today.

[*Translation*]

SHRI MOHAN RAWLE (Bombay South Central): Mr. Speaker, Sir, through you, I would like to narrate the problems being faced by the Maharashtra in Maharashtra. There is a very peculiar situation in the country today. Wherever the public sector units are set up under the control of the Central Government, in all fairness the local people should be given 80 percent of the jobs in every category in those units. But this is not happening in Maharashtra. It appears that perhaps the Central Government has not issued any directions in this regard. As a result, there is a widespread resentment among the local people because there is a problem of unemployment also. Therefore, I would request the Government that it should issue such instructions immediately as in all the undertakings of the Central Government in Maharashtra, the local people may be given 80 per cent of the jobs in every category.

[English]

MR. SPEAKER: I will call you. Please, sit down.

(Interruptions)

[Translation]

SHRISHIVASHARAN SINGH (Vaishali): Mr. Speaker, Sir, through you, I would like to draw the attention of the House and the hon. Prime Minister towards an important issue. In Bihar the Congress Party has started an agitation against the State Government. They started this agitation on 11th of September in Patna in the prohibited area of the State Assembly and it is a matter of regret that a Central Minister also took part in it and deliberately violated the laws. Secondly, is it justified for a Central Minister to take part in an agitation, which is being launched by a political party against the State Government? I would like to draw the attention of the House and the hon. Prime Minister towards these two points. I remember an incident, when Shri Raj Narain was a cabinet Minister, he had also violated the rule in a prohibited area in Himachal Pradesh and as a result, the then Prime Minister Chaudhary Charan Singh had expressed his displeasure against his action. The hon. Prime Minister should give clarification whether there is any code of conduct for the Cabinet Ministers. Through you, I would like only to draw the attention of the House towards this. (Interruptions)

SHRI RAM VILAS PASWAN (Rosera): Mr. Speaker, Sir, this is a very important issue and I also support him. (Interruptions)

[English]

SHRI SOMNATH CHATTERJEE (Bopur): Sir, you have allowed other issues to come up.

But so far as ONGC is concerned, it is a very serious matter. What is the response of the Government to that? They must indicate. The Minister was saying and also the

Prime Minister that Shri Shankaranand is going there. He was there for two days. We must know what is the position.

Sir, as you thought it very important, that is why you allowed Shri Choudhury to raise it. But the Government is just sitting. There is no response from them on this matter.

Sir, some statement must be made to-day. Let us see what is the intention of the Government on this matter.

SHRI SAIFUDDIN CHOUDHURY: If he remains silent, it will be misunderstood.

SHRI SOMNATH CHATTERJEE: Sir, he is nodding his head. I do not know in whose favour he is nodding his head. For whom? For what? you say 'yes' or 'no' (Interruptions) He wants to stand up.

SHRI CHANDRA JEET YADAV (Azamgarh): Let the Minister react. Because, it is after all a very serious matter. You will agree that it is a serious matter. When is he going to make a statement? At least, you ask him that he must come and make a statement. Let the country know what has actually happened. We are reading this in newspapers. (Interruptions)

SHRI CHITTA BASU (Barasat): He met the representatives of the ASSTO-Association of Technical Officers.....

MR. SPEAKER : In this way, the other Members will not be able to get a chance. Because all the senior Members, on one point will make the speeches and the other Members will not have an opportunity to speak.

SHRI CHITTA BASU: Only one minute, Sir, Kindly listen to me.

MR. SPEAKER: No, Shri Basu. You get ample time. You should do justice to other Members also.

SHRI CHITTA BASU: The hon. Minister said that technical employees have met

him. They said that the talks have failed. May I know from the hon. Minister what was the demand of the employees and what was his response ? (*Interruptions*)

[*Translation*]

SHRI DAU DAYAL JOSHI (Kota): Mr. Speaker, Sir, indeed there is a shortage of petrol. (*Interruptions*)

SHRI GUMAN MAL LODHA (Pali): Mr. Speaker, Sir, in Jorhat, 50 businessmen had been kidnapped from their shops and are being killed one by one.

[*English*]

They are kept as hostages.

[*Translation*]

We had thought that after the fall of A.G.P. Government and forming of the Congress Government the people will get protection there, but the situation has become worse, as:-

"Marj Badhataa Gaya, Jyon-Jyon Dava
Ki,
Shole Urate Gays, Jyon-Jyon
Hawa Ki."

Therefore, I would like to know the steps being taken to condemn such acts of ULFA. (*Interruptions*)

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Speaker, Sir, along with them we are concerned about the businessmen of Rajasthan also. They are very much afraid. They are kidnapped in board, day light from their shops. (*Interruptions*)

[*English*]

MR. SPEAKER: He is on his legs to make a statement.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI B. SHANKARANAND) : Mr. Speaker, Sir, the

hon. Members in the House are rightly agitated over the matter. It is also true that their agitation with regard to the strike by OGNC employees is fully shared by me also. Unfortunately, the OGNC is functioning in Assam has taken a difficult turn after the death of Shri Raju, the Engineer of the ONGC.

SHRI GUMAN MAL LODHA: Death or murder?

SHRIB. SHANKARANAND: Let the hon. Member listen to me first. I know what is death and what is murder. But we are not talking in legalistic terms.

As the House is aware, I spent two days in Assam. I had a discussion with the Governor, the Chief Minister and the Members of his Cabinet. I also had a discussion with the various associations, the employees of the OGNC, the workers' Unions, the officers' associations and the members of the Coordination Committee. I also met the women, the wives of the engineers of the ONGC. Finally, I did have talks with the agitating engineers who were sitting in a Shamiana with a photo of Raju. I could gather an impression that all the people there were in the grip of fear and uncertainty. The women were shedding tears because they expressed a fear that they did not know whether their husbands will come back alive from their work. Such a situation is existing there; a very tense situation is existing there.

Of course, there has been large scale sympathy from the people of Assam for these engineers and the ONGC people. There was a silent march in Guwahati by intellectuals; it was a non-political gathering belonging to all the political parties. The purpose was to express their concern for peace in Assam. This large scale sympathy that has now been expressed by the people of Assam, their desire for peaceful conditions in Assam does of a long way in solving the problem of Assam.

As far as I am concerned, I did have detailed talks with these people; and they

have expressed their desire that their first demand is the release of four hostages held by the ULFA. I was satisfied with the effort made which were explained to me by the Chief Minister and the Government with regard to the release of these people, and also the arrangement made for the safety and security of the people of ONGC. When I was there, the very day-I do not know whether it was on the previous day- all the political parties in Assam have appealed to the Chief Minister in writing to take the necessary steps for the release of these people.

SHRI JASWANT SINGH (Chittorgarh): Would you show me the courtesy of just yielding for a minute? Thank you very much. We are very grateful to the hon. Minister for so graphically informing us about the situation in Assam. We are sufficiently aware of what the prevailing situation is. Our collective concern, however, is to know from you as to what action the Government is talking to resolve this issue, not a description of the situation in Assam. What are the precise steps that the Government is talking to resolve this issue, which is costing us Rs. 30 crores a day and it has already resulted in one death and so many people are still kidnapped. what steps are you taking?

SHRI B. SHANKARANAND: I thought it is advisable to explain to the House the agitation in detail rather than...

SHRISOMNATH CHATTERJEE: So that it is known that the Government also understands.

SHRI B. SHANKARANAND: Thereafter, I had a meeting with the association of the ONGC employees. As I told earlier, the main demand of the association is the release of the hostages and the ONGC engineers who were held as hostages by the ULFA. Of course, they have put some other conditions for the strike—the change of transfer policy of the employees; to provide security arrangement for the employees and many other things which are not directly concerned with the present strike.

SHRI CHITTA BASU: The question of compensation was there. (*Interruptions*)

SHRI B. SHANKARANAND: It is not on the matter of compensation that they have gone on strike. Let us be clear in our minds, that the condition to strike is not compensation. That is not the matter. Their first demand is the release of the people and their safety. (*Interruptions*)

I had talked to the Chief Minister and the Chief Minister has offered that everything that should be done for the release of these people would be done, at his end, and he said that even for exchange of the hostages, not only releasing one after the other, if the hostages are released, at one and the same time the ULFA'S that are held under the TADA can also be released, but simultaneously. Because once the ULFA had tricked, during the negotiations they killed the engineer. They have lost their credibility as far as this aspect is concerned. So, the condition that the Chief Minister has put is, " Yes, we are for taking any action for the release of the people, but if they think that their people should be released, it should be done simultaneously and not otherwise. This offer stands." According to me, the Chief Minister said that this offer stands. I hope that the House will appreciate the action taken by the Government in this regard.

I had talked to the officers yesterday. The Central Committee Members of the ONGC met me yesterday. I had very detailed talks with them. I found them to be very agitated. In the mood of agitation perhaps, they have not been able to come to grips with certain conditions which demand an objective discussion. Though they have said that they were not willing to call off the strike yesterday, I am happy to inform the House that they are again meeting me today and I hope that they will cooperate with us in further creating conditions for the safe release of the officers who are held hostages.

SHRI SOMNATH CHATTERJEE: How long will they have to wait? For how many days have they been kidnapped?

SHRI B. SHANKARANAND: The meeting is being held today.

SHRI SOMNATH CHATTERJEE: The seriousness of the Government's action must be seen.

SHRI B. SHANKARANAND: Do not create problems for the safety of the people.

SHRI SOMNATH CHATTERJEE: I am not creating problems for their safety. But the Government has a responsibility. (*Interruptions*)

MR. SPEAKER: Kumari Vimla Verma.

[*Translation*]

KUMARI VIMLA VERMA (Seoni): Mr. Speaker, Sir, a group of about 100 padyatris was going to Sri Perambudur from Amethi in Uttar Pradesh to pay homage to immortal martyr Shri Rajiv Gandhi. On the 11th, this group was passing through the Seoni district in Madhya Pradesh, where some unsocial elements attacked them in Sanai Dongri Village. Three of the Padyatris were injured in the attack. They gave a symbolic dharna there. Shri Jagdish Piyush, who was leading this group of Padyatris and all the villagers and people of the district condemned this attack on this peaceful padyatra. This incident took place as a result of not taking any strict action in cases of violence and armed booth capturing, which took place during the last elections and a particular party is involved in these incidents. The Madhya Pradesh Government should get this incident investigated and should take stringent action against the culprits. It should also investigate the violent incidents which took place during the elections and take appropriate action in this regard. I would also make this request to the Central Government also.

[*English*]

MR. SPEAKER: Shri Rajveer Singh, Shri Lal K. Advani has yielded place to Shri Rajveer Singh.

(*Interruptions*)

[*Translation*]

SHRICHHEDIPASWAN (Sasaram): Mr. Speaker, Sir, we are also members of the House but we are not getting opportunity to speak. (*Interruptions*)

MR. SPEAKER: I will give you time to speak. Time can be given only one by one. Please take your seat.

SHRI RAJVEER SINGH (Aonia): Mr. Speaker, Sir, on 13th of September, an Ayurveda Conference took place in Kathmandu, Nepal, in which several countries participated. The Indian delegation was led by the Health Minister of Uttar Pradesh, Dr. Dinesh Jauhari. On the 12th the formalities of checking etc. were completed at the Air-port at 4.00 pm for going to Kathmandu, but he was asked to sit in the V.I.P. lounge. The flight was scheduled for 6.30 p.m. He was told that the flight was cancelled. At about 8.00 or 8.30 p.m., he was provided accommodation in hotel Centaur and was told that the time of departure of the flight was yet to be decided. For the entire night, he was told that the flight would leave in a few minutes. But yesterday at 10 o'clock in the morning, he was told that the flight has been canceled so he also cannot go as he was not permitted to go, although he had already been granted permission. One of the reasons for not allowing Dr. Dinesh Jauhari to go to Kathmandu may be that he was representing not only Uttar Pradesh, but the entire country. It appears to me that some people in the Central Government did not like it as to why a health Minister belonging to B.J.P. was representing the country in this conference?

When the whole day has passed and the inauguration was performed at 5.00 P.M. yesterday, a letter was sent to him that he can go by taking the flight scheduled to leave at 8.00 p.m. As a protest, the entire delegation boycotted the conference and no one represented our country at the Ayurveda Conference. (*Interruptions*) our country could

not be represented at the World Ayurveda Conference as the delegation did not go there. The Government should tell us as to who is the guilty and who stopped him. It has tarnished the image of India. The Government stopped him because he was a Bhartiya Janata Party representative and a Minister of Health in that Party's Government. What was reason for stopping him? How could he be permitted for the same later on after the inauguration was over ?

Mr. Speaker, Sir, through you I would like to know from the Government the reasons of his detention for 24 hours at the airport. I would also like to know about the nature of change in the circumstances in which he was permitted to go. Perhaps the only thing that prompted this action was political malice because they might have felt it as to why a Health Minister of the Bhartiya Janata Party should represent India? That was the only reason for which he was detained.

Mr. Speaker, Sir, the Government should come out with a statement on this important issue. It is something very disgraceful. (Interruptions) In that conference, no one represented that very country wherefrom Ayurveda had originated. So this matter has assumed great significance. Sir, please direct the Government to make a statement today itself on this important issue. (Interruptions)

SHRI ANNA JOSHI (Pune): Is it proper to politicise such issues (Interruptions)

SHRI TARACHAND KHANDELWAL (Chandi Chowk): Mr. Speaker, Sir, it is an insult to India (Interruptions)

SHRI VIJAY NAVAL PATIL (Erandol): Some defect might have developed in the aeroplane. (Interruptions)

MR. SPEAKER: Please, take your seat. I have already said that now only, these members who do not raise any issue, will get an opportunity to raise their issues. He allowed Shri Rajbeer Singh to speak though

It was the turn of Shri Advani. He has not yet finished his submission, and all of you have started speaking. Whatever he is saying is not audible to us. This is not a good attitude. Like all other members he should also get a chance. The Government must have taken note of the issue you have raised here. However if the Government wants to take some action on that matter, it depends on them. But if you continue with a particular issue in this manner, other members would not be able to get a chance to speak. Shri Chhedi Paswan.

(Interruptions)

SHRI BHOGENDRA JHA (Madhu bani): I am not saying a new thing. Only thing that I want to say is that this is not a matter pertaining to particular political party. The Government should make a statement stating the reasons as to why we could not participate in the world conference on Ayurveda. This is really a serious matter.

MR. SPEAKER: You may ask me to direct the Government to make a reply but if I.....

(Interruptions)

AN HON. MEMBER : The Central Government is meting out a step motherly treatment to the Uttar Pradesh Government. (Interruptions)

SHRI GJMANMAL LODHA: It is so because there is other party's Government.

SHRI DAU DAYAL JOSHI: I was also to participate in it but at the eleventh hour, I dropped the idea.

SHRI CHHEDI PASWAN : Mr. Speaker, Sir, the congress workers are continuing their agitation against the Bihar Government since 11 September. They sought the permission of the speaker to hold a meeting in the restricted area of the Bihar Vidhan Sabha premises which was to be addressed

by a Union Cabinet Minister, Shri Rajesh Pilot. But the Vidhan Sabha Speaker did not give his permission to hold any meeting in that restricted area. Even then, Shri Rajesh Pilot being a central Minister, in violation of Section 144, held the meeting in the restricted area of the Vidhan Sabha complex and led the agitation there.

Mr. Speaker Sir, remember that in 1979, the then Prime Minister Choudhary Charan Singh, agitated by the conduct of one of his cabinet ministers Shri Raj Narayan of entering into the restricted area in violation of section 144 had dismissed him from his cabinet. In fact, this is not proper for a Cabinet Minister who swears by the constitution in this House before the hon. president, to violate himself the provisions of the constitution. So I urge upon the Central Government to dismiss such a Cabinet Minister with immediate effect in order to protect the fair and sacred democratic set up of the country. (*Interruptions*)

SHRI RAM VILAS PASWAN : Mr. Speaker, Sir, this is a very serious issue. It is direct interference in the Federal structure of the country. Such an anti Governmental attitude of a Cabinet Minister within the framework of his party.

SHRI BHOGENDRA JHA : The Bihar Government should be asked to arrest him for violation of Section 144.

SHRI TEJ NARAYAN SINGH (Buxar) : Mr. Speaker, Sir, this year it is for the second time that the state of Bihar has been affected by floods. Earlier the floods were there for a period of 15 days. And only after two days of it, the State was again reeling under flood for 15 days. About 18-19 districts of that state have been facing the fury of floods. The Bihar Government with its limited resources is trying to provide relief to the flood affected people. But I think that in fact, the Bihar Government does not have sufficient quantity of relief stock provide relief to the flood affected people. The people of the district Bhojpur, Buxar, Patna, Munghyr, Vaishali, Gopalganj, Madhubani, Bhagalpur etc. of the state have been the

worst hit. No conveyance and mode of transport is available to the people of those areas. People are not getting the supply of kerosene oil, food grains, medicines, fodder etc. The Bihar Government is trying to cater to the needs of the people as much as per its constitutional obligations. But the Government of India has not provided any assistance to that state. Since last one month almost all the districts in that state have remained inundated and the State Government alone is out to give relief to the flood affected people. Government of India as well should have come forward to supply medicines, ration, safety matches, kerosene oil etc. so as to come to their rescue. I, therefore, urge upon the Government of India to help the Bihar Government in the relief work, at the earliest.

The second thing that I would like to mention here is about the erosion of land caused by the Ganga river which has continued quite for long. The embankment on the Ganga river in Buxar district has developed breaches at a number of places. Thousands of villagers of Buxar and Bhojpur districts have been facing the problem of land erosion by the Ganga water. So I urge upon the Government of India to take appropriate measures at the earliest to check the menace of land erosion by the Ganga in the districts of Bhojpur and Buxar in particular and at several such places in general so that the people of Bihar may live peacefully, with these words I again request the Government of India to come forward to contribute to the relief-work for the people of Bihar.

SHRI B.L. SHARMA PREM (East Delhi) : Mr. Speaker, Sir, I would like to apprise of the horrible living conditions prevailing in my constituency, East Delhi where there is population of 36 lakh people. It means that every third person of Delhi is from this area. during the last one month there have been the cases of five robberies and three murders in East Delhi. Three women have been murdered there. Dacoits have looted an amount of Rs. 25 lakhs. 14 lakhs and 6 lakhs respectively in these incidents but not a single culprit has been traced to this date

Apart from this, there is an acute power shortage in that area. Sometimes, power supply remains cut off continuously for three days. About three days back, two young men lost their lives, as they come into contact with live wire. Therefore, it is my humble submission to the Union Government that it should provide compensation of one lakh rupees each to the families of the deceased. I have received 11,000 complaints from my constituency alone. Delhi's bureaucracy has become deaf and they don't respond to the thousands of complaints, they receive. I fear that if the problems of the people of Delhi, especially of those in East Delhi are not solved, they may rise in revolt against the Government. If the Government wants to establish peace in that area, it should immediately hold elections to the Municipal Corporation. As an M.P. I work 19 hours a day. You can imagine the magnitude of the problem. It is my humble submission that the Government should immediately hold elections to the civic bodies, keeping in mind the difficulties faced by the people, especially those living in East Delhi.

Rations are not available in Delhi. Arguments and quarrels are a regular sight before every ration shop. If at all sugar or rice is available, it is full of dust. The situation in East Delhi can only be described as 'Hellish'

Through you, I wanted to bring these matters before the House. I am thankful to you for providing me an opportunity to speak after two months. *(Interruptions)*

[English]

MR. SPEAKER : Only the statement of Shri Bhawani Lai Verma will go on record.

(Interruptions)

[Translation]

SHRI BHAWANI LAL VERMA (Janjgir): Mr. Speaker, Sir, in the last two months fatal and contagious diseases like Gastro-enteritis and Cholera have acquired an epidemic form in almost all the villages of Vilaspur District in Madhya Pradesh. About 5,000

people have been affected by these diseases and 1800 people have already died. Mostly Harijans, Adivasis and those belonging to the lower strata of the society, who live in remote and hill areas are the victims of these diseases. People have stopped going from one village to another and they are even afraid of taking the corpse to the cremation ground. People have stopped performing last rites and are fleeing the villages. Agricultural work has been affected as a fall of fear has engulfed the villages.

The District Administration and doctors are leaving no stone unturned to contain the diseases, but the situation is going out of their control, due to lack of Doctors, other Para-Medical staff, medical equipments, Medicines and transport facilities. The State Government is being constantly informed of the worsening situation, but the situation is getting out of control, as a result of the State Government's indifferent attitude. There is acute shortage of drinking water in many villages and people are dependent upon dirty waters of rivers and ponds. The situation is deteriorating, day after day. The Union Government should provide all assistance to check the situation and also put pressure on the State Government to act swiftly. The situation demands immediate action. Gastro-enteritis has created havoc in many villages of the sakti tehsil.... *(Interruptions)* In village Janganj also, many people have been affected by the disease and one person has already died. Similarly, two persons have died of diarrhoea in Dondki. Cholera has claimed five lives in the past four days in village Amandula *(Interruptions)* The number of people dying of this disease is increasing by leaps and bounds. *(Interruptions)*

[English]

MR. SPEAKER : I will allow some of you today and some of you day after tomorrow.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): You should allow us to raise that question.

MR. SPEAKER : You should have democracy in the House also. All the time you, senior Members, have been speaking, you are not allowing other Members to speak. You should have some consideration for others. Sit down now.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : Give us one minute. *(Interruptions)*.

MR. SPEAKER : Nirmal kantiji is not going to speak today.

(Interruptions)

MR. SPEAKER : It is not going on record. *(Interruptions)**

[Translation]

SHRI BHAWANI LAL VERMA: The people have become so frightened of these diseases, that they dread to lend their shoulder to carry even a dead body to the cremation ground. Even their friends and relatives have stopped visiting them and they don't participate even in the funeral procession, fearing that they may catch the disease. *(Interruptions)*

As per the information provided by the District Health officer, most of the health centers are finding it difficult to check the epidemic, in the absence of transport facilities. No vehicle is available in Primary Health Centre, Akaltara. Even in Janjgir they face the same problem. Even I don't have one, yet we are doing our level best to check these contagious diseases. If vehicles are available, these infectious disease can be controlled quickly and effectively. *(Interruptions)* Everyday, reports are appearing in news papers that one epidemic is spreading, day by day but no effective steps are being taken. The District Health Officer has also informed that the local administration had approached the State Government for funds to prevent these diseases, but the allocation has been inadequate. Apart from

Vilaspur District, these diseases have created havoc in Bastar, Raigarh and other districts. Therefore, I urge the Government to immediately take appropriate and necessary action, so as to provide relief to the affected people *(Interruptions)*

[English]

SHRI HARADHAN ROY (Asansol): Sir, Durga Puja is the biggest and colourful festival throughout India specially in West Bengal. All sections of the people irrespective of their caste, and religion join hands to celebrate the festival in a befitting manner. Thus they demonstrate their solidarity, fraternity, integrity, love and respect to each other. The Labour Minister of the Government of West Bengal has recommended to all private and public sector management's to pay annual bonus as per previous practice within 8th October 1991, so that the workmen could purchase their necessities before the present high price reaches sky high in the market. So far, I know, none of the public sector units has made this payment. So I would request the concerned Ministers to advise their respective units to make the payment immediately and to avoid unnecessary labour agitation and to save the workmen from the loot of the unscrupulous businessmen. *(Interruptions)*.

[Translation]

SHRI SANTOSH KUMAR GANGWAR (Bareilly) : Mr. Speaker, Sir, homeopathic medicines are widely used in our country, but in the last few days, their prices have gone up to such an extent that the chemists are charging four times the usual rates. It is mainly because most of the homeopathic medicines are imported and some medicines like

[English]

Mother tinctures, Dilution's in various

potencies, Bi-Chemic Medicines, combinations succfus cinaria Maritema eye drops, Alfalfa Tonic, sugar of Milk,

[Translation]

are mostly imported from 'Germany, Switzerland, UK. and U.S.A. Our Chemists have to pay a 65 per cent duty on these medicines. What's more, they have to pay local taxes also. They are selling it at four times the usual price.

The common man in the country is heavily dependent on homeopathic medicines, but the ever increasing prices are making them inaccessible to him. Therefore, in the larger interests of the people, I urge the government to pay serious attention to this matter and make homeopathic drugs duty free so that these medicines are available to the masses at the most reasonable prices. The Government should make the necessary arrangements in this regard.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Sir, I rise to congratulate the Prime Minister for his kind activity. In the northern part of West Bengal.....(Interruptions)

MR. SPEAKER: Now, I call Shri Jangbir Singh to speak.

SHRI JANGBIR SINGH (Bhiwani) : Mr. Speaker, Sir, I endorse the demand of the Government of Haryana raised with the Government of India to increase the strength of Haryana Police and to supply sophisticated and modern weapons and other latest equipment's like vehicles, wireless sets etc. This is required to match the increasing activities of militants in Haryana which is evident from the recent happenings in the state. While emphasizing these views, I lay stress that the mode of recruitment to the Police should be on the pattern of CRPF, BSF and other Para-military forces limited to Haryana state. Rather, it should be obliga-

tory to the Haryana Government to publicise the recruitment in the national and local papers of the state to give chance to every able-bodied man to compete, if he so desires to be recruited in the Police. This, I am sure, will avoid communalism, nepotism and casteism in the process of recruitment to the Police.

[Translation]

SHRIMATI SUMITRA MAHAJAN (Indore) : Mr. Speaker, Sir, I have been raising my hand since yesterday and today you have allowed me to speak. I thank you very much for this.

Sir, I would like to draw the attention of the House and your good-self towards the crisis being faced by small scale industries in Madhya Pradesh due to shortage of coal. Mr. Speaker, Sir, Coal India has set up a godown at Indore, but for last two years the supply at the Godown has been grossly inadequate. A large number of cloth mills are located throughout the Malwa region, especially in Indore. The quota for this godown was fixed at 4 rocks, that is, 120 wagons of coal, but in the last two years, it has been cut down by half and the godown has failed to meet the requirements of that area. I would like to tell you the situation during the past four months. In the month of May, only 30 per cent of the quota was made available and in the following months, the supply was 28%, 22% and 16% respectively.

Mr. Speaker, Sir, if coal is not brought by rail, the people of Indore will have to go to Vilaspur to get the requisite permit to bring coal, by road. Even after this, there is no guarantee that coal would be available and the prices in the open market, during such crisis periods are very high. The coal available through quota is priced at Rs. 900 per tonne, but if the same is purchased from the open market, it would cost around Rs. 1700 per tonne. The entire cloth industry is in deep crisis due to coal shortage.

Mr. Speaker, Sir, the coal Minister makes statement in the House to the effect that Coal India Limited has stepped up its production and the hon. Railway Minister says that they are providing the required number of wagons, but it seems that there is a lack of co-ordination between them somewhere. The situation is quite similar to that of a family, where the father says that he is spending his entire income in the house, and the mother says that he is also preparing food, but the children starve. This means that there is a lack of co-ordination, somewhere.

Mr. Speaker, Sir, I would like to request the Railway Minister and the Coal Minister to sit together to discuss the phase of crisis being faced by the textile industry in Indore due to serious shortage of coal in that city and to take immediate steps in this regard in view of the widespread resentment among the workers.

SHRI UDAY PRATAP SINGH (Mainpuri) :

Mr. speaker, Sir, I would like to raise a matter of public importance and policy in the House.

Uttar Pradesh is the most backward state of India from industrial point of view. In the past, industrial policy of the Government has been greatly imbalanced. I have no hesitation in saying that the policy of giving more attention to most backward States is not being followed. There are certain V.I.P. Lok Sabha constituencies which have been declared as 'No industry areas' despite the machines worth billions of rupees lying idle I do not want to name those areas. Mr. Speaker, Sir, as you know, these areas are Amethi, Raibareilly and Fatehpur. But the problem is that even though Mainpuri, Azamgarh and Ballia are backward districts, they have never been declared as industrially backward districts. Sir, I have mentioned names of three districts merely for an example. In fact, there are several such districts where no industry has been set up. But no attention has been paid to them. I know that the Planning Commission has said recently while announcing its policy on 'No industry districts' that one of the reasons

was imbalance in the development of districts in Uttar Pradesh.

I would like to draw your attention to Mainpuri, which is my Lok Sabha constituency. 26 thousand hectare of land in this district is a barren land which is without any provision of irrigation. As a result of the recent bifurcation of this district, two factories of this district have now been given to Faridabad. Besides this, there is not a single industrial unit in this district which employs even ten workers.

As regards irrigation, besides 26 thousand hectare of barren land, this district goes without proper means of irrigation. There is also no means of earning livelihood. You know the net result of it. In fact, the crime rate in Mainpuri was the highest in India till some years ago. Even now it is on account of inadequate provision of educational facilities, employment and large number of idle hands that we are leading these districts towards crime. Therefore, I would like to draw the attention of the Government to this situation and urge upon them to pay attention to the industrial development of backward districts. In this context I would like to recite a few lines:-

'Yah Apni-apni kismat hai kuchh kaliyan khilati hain upar,
Aur dusari murjha jati jhuke jhuke
Jeevan bhar bh-u-par
Maana badkismat hai lekin kya ye mahak nahi saktihain,
Agar mile awaar angaro si kya dahak nahin sakti hain.
Dhoop roshani agar chaman mein upar hi upar bant jaye,
Mali tumhi faisala kar do ham kisko doshi thahrayan.

SHRI PRAKASH NARAIN TRIPATHI (Banda) : Mr. speaker, Sir, I may be given two minutes time, when ever the people of my constituency ask us about our performance in the House, we will tell that we had shouted in the House but it was in vain. Whenever we asked the hon. Minister to do a particular work in writing and requested

him to take note of it, no action was taken by him. People ask us to get the work done. We request the hon. Minister to get the public grievances of our area redressed. But his Secretary tells us that action is being taken or they are looking into that case. How long will it take to initiate action? Sir, I would like to request you to direct the hon. Minister to get at least 10 per cent the public grievances brought to his notice redressed.

MR. SPEAKER : Not 10 per cent but 100 per cent.

SHRI PRAKASH NARAIN TRIPATHI : We shall be grateful to you. What will we say to the people of our constituency, if we are not able to get any work done by the Government. So I request the Government and the hon. Ministers not to neglect the B.J.P Members of Parliament. If we write something to any of the Ministers, they should at least read the same because the Member of Parliament had written it to them. But they don't even see it. It is my humble request and not a complaint.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Speaker, Sir, we appreciate the sentiments of the hon. Member. Definitely, we from the Ministry of parliamentary Affairs communicate to all the Ministers that they should respond as soon as possible and if possible, immediately. We have also told the Ministers that as soon as any communication comes from a Member, acknowledgment should be sent. Unfortunately, this session has been crammed. (Interruptions) We will definitely respond.

[Translation]

THE MINISTER OF AGRICULTURE (SHRI BALRAM JAKHAR) : Mr. Speaker,

Sir, I can only assure the hon. Member that we dare not commit such a mistake as to ignore any communication from them. We definitely go through it. Some of us may respond to it. But we will not let it go unread.

(Interruptions)

MR. SPEAKER : This is an important issue, you have demanded that at least 10 per cent of the grievances of your constituency should be redressed but I will say that if the demands are genuine, they should be met 100 per cent. Secondly, as far as I know, all the replies to the letters of hon. Members are signed by the hon. Minister, and not by his secretary. It has been the practice as per my knowledge. However if it is not so, I would request that it should be followed.

(Interruptions)

SHRI SURYA NARAYAN YADAV (Saharasa) : Mr. Speaker, Sir, most of the districts of Bihar had been declared Industrially backward 15 years ago. But unfortunately, no industrial unit has been set up so far in all such districts of North Bihar. Ten or fifteen years ago only one paper mill was set up at Baljanathpur, an area of my constituency. Mr. Speaker, Sir, whenever your attention is diverted, we hear a noise in the House ..(Interruptions)

MR. SPEAKER : You are speaking to them, not for me.

(Interruptions)

SHRI SURYA NARAYAN YADAV : The central Government and the State Government have also shares in the said factory. A machine costing Rs. 15-20 crores was imported from the Soviet Union and was set up there . In this case only a second-hand machine was imported because first-hand machine was not available in the market. That machine has been lying idle for the last 15 years. 15-20 crores of rupees spent on this account have been wasted because of non-availability of Central assistance de-

spite the repeated requests made by the State Government. If the Government wants to set up this factory at the earliest and save the said machine alongwith the industrial development of this district, they should take steps to tide over the present financial crisis and commission the factory. If the Government does not intend to run this factory, they should remove the machine and prevent further losses.

[English]

PROF. K.V. THOMAS :(Ernakulam): Mr. Speaker, Sir, I want to bring to the notice of the Government a very important matter. Patients from different parts of the country are coming to Delhi for getting the best treatment and they are admitted into the hospitals here. But I am sorry to say that a very careless treatment is being given to the patients by the doctors. A few days back one Mrs. De Cruz, who is a staff Nurse in the Deen Dayal Upadhyay Hospital in Delhi, has been undergoing treatment. A wrong medicine was injected and she is undergoing a lot of agony. We are bringing to the notice of the Government, every time, these things. But so far no proper action has been taken. So, my request to the Government is that whenever we bring to the notice of the Government particular cases where the patients are dying due to carelessness of the doctors by giving wrong medicines, Government should take stern action.

Secondly, proper compensation should be given to patients. This is my request to the Government.

12.00 hrs.

[Translation]

DR. P.R. GANGWAR (Pilibhit): Mr. Speaker, Sir, it is fortunate that you have extended the time for 2-3 days and given an opportunity to speak so that I could speak about the problems of my constituency.

Mr. Speaker, sir, in 1986, a scheme was sponsored by the Government of India for

Uttar Pradesh and a Ayurvedic doctor was appointed as their M.O. in all the allopathic hospitals in that state. The Government of India asked the Government of Uttar Pradesh to bear the expenses being incurred on this account. Since they did not have any provision for the same in their budget, it has threatened the career of those 706 Ayurvedic doctors.

Mr. Speaker, Sir, the union of those doctors has obtained a stay from the High Court. They have not been given their salary for last seven months i.e. since March, 1991. Now these 706 third M.Os are depending on others even for a penny. Presently the Government of Uttar Pradesh does not have any money to pay the salary of these doctors. Have the Government of India ever thought of it as to how these doctors are asking out their living to support themselves and their family members. In view of this situation, I would like to request the Union Ministry of Health to give central assistance to the Government of Uttar Pradesh so that the arrears of the salary of these doctors could be paid to them and their services could be continued.

Mr. Speaker, Sir, secondly, a Public Health Care Scheme was launched in 1977. Under this scheme, certain persons with a designation of Swasthya Rakshak were appointed on the salary of Rs. 50/- per Rakshak in every village or after every one thousand population, but, later on, in some of the states, they have been removed from the service. They have not been reinstated in Haryana state. So they should be reinstated in that state.

Mr. Speaker, Sir, the salary of these Swasthaya Rakshaks should be increased from Rs. 50/- to Rs. 300/- per month in view of the price rise. I would also request the government to increase the quantity of medicines being given to them and provide them a kit for keeping these medicines so that they could function properly.

[English]

SHRIG.M.C. BALAYOGI (Amalapuram) : Sir, Konaseema area in East Godawari District of Andhra Pradesh is just like an island with a population of about 20 lakhs surrounded by River Godawari and also with internal canals. Every year the fury of floods is taking a heavy toll of human lives as well as considerable loss to rich coconut and other cash crops. Fertile land too is lost due to erosion and large number of coconut trees in coastal area are washed away. Due to lack of proper transport facilities by road, people have to depend on boats to reach mainland and many a time people lost their lives in boat tragedies. The recent boat tragedies on 13th June and 19th August, 1991 took the lives of 24 poor people.

To facilitate easy approach to mainland few bridges across River Goutham at Yedurilanka - Yanam ferry point, Mukteswaram - Kotpalli and Bodasakuru - Pasariapudi are a necessity to avoid tragedies. The construction of these bridges will also be useful to ONGC Gas Authority of India Limited due to their increased drilling activities. At least if one bridge at Yedurilanka - Yanam ferry point is sanctioned immediately, the people of this area will be grateful. In this bridge construction, Government of Pondicherry too evinced keen interest and even expressed their willingness to earmark funds in their Eighth Plan.

I urge, through you, Sir, to impress upon the Government to sanction construction of bridge at Yedurilanka - Yanam ferry point with the active financial participation of ONGC Gas Authority of India Limited. (Interruptions)

[Translation]

SHRI VILASRAO NAGNATHRAO GUNDEWAR (Hingoli) : Mr. Speaker, Sir, through this House, I would like to draw the attention of the Union Home Minister and the U.P. Government towards an incident which had taken place in Rampur village of Uttar Pradesh on 19th August. On that day, some Harijan women after having a darshan of their deity were returning from the Shiv Temple of Bhamkhwa village of Rampur

district, some armed muslim goondas kidnaped them. They looted and gang-raped them. In this incident, a number of young woman were kidnapped and kept by the muslim goondas in their custody for three days. One of those Harijan women collapsed on that account and other two are still in a serious condition.

The main accused of this case was Babar, son of Babber, resident of village Bagl, police station Purana Ganj in district Rampur. There were also about 20-25 muslim goondas involved along with him.

The F.I.R. could be lodged only when the people belonging to Shiv Sena and few other Hindu organisations such as Bajrang Dal started agitation by blocking roads. In spite of it, the police registered the F.I.R. of this case as an ordinary case of looting. None has been arrested till today and criminals are roaming freely and threatening those who speak against them. The most unfortunate part of the matter is that a former Minister of U.P. Government and M.L.A. of the constituency is patronising the criminals openly. A Former M.P. who is trying to become a Governor of any state is also providing open patronage to them. I urge upon the Central Government through this House to direct the U.P. Government to take stern action against the culprits.

SHRI RAMSAGAR (Barabanki) : Mr. Speaker, Sir, I want to draw the attention of this august House and Government to an important matter. Nutritious food medicines are not being distributed regularly for the last many month under the Government aided Child Development projects. Even the employees are not being paid their salaries and allowances regularly resulting in discontentment among them and work in the Projects coming to a standstill. Government should pay attention to this important matter. I would also like to point out that when the Aanganwadi worker held country-wide demonstrations last time, the previous Government gave an assurance to them that they would be regularised, but the present Government have not paid any attention to it. So, I would request Government through you to

pay special attention for regularising these employees .

SHRI SUKDEO PASWAN (Araria): Sir, I hail from Araria which lies in the north of Bihar. We cultivate jute on large scale in Araria, Saharasa, Purnia and Madhepura districts. The rate of jute last year was Rs. 500 to 800 per quintal, but this year, it is only Rs. 300 to 400 per quintal. When I discussed the matter with the honorable Minister, he told me that a J.C.I. purchase centre was opened, but when I rang up there, it was found that it was not opened yet. I urge the Government to open this centre and raise the jute price to Rs. 800 to 1000 per quintal.

SHRI VIRENDRA SINGH (Mirzapur): Mr. Speaker, Sir, till today I used to speak in the House on the basis my physical valour. Today, I wish to thank your gracious self for giving me an opportunity to speak in the House.

MR. SPEAKER: Is it an intellectual arena?

SHRI VIRENDRA SINGH : Intellect resides only in a healthy body. Mr. Speaker, Sir, I want to draw Government's attention to Kanodia Chemical factory in Sonbhadra of Mirzapur, which releases effluence in the nearby Rihand Dam, the water of which is supplied to 5-6 lakh population living there which have a deleterious affect on their health. Though the matter was taken up with the Government, but no action has so far been taken to check this pollution. I urge upon the Government through you to check the release of affluence of Kanodia Chemicals into Rihand Dam.

[English]

SHRI K. MURALEE DHARAN (Calicut) : Sir, I would like to raise the matter regarding the working hours of Central Schools. All Central Government offices are working five days a week but Central Schools are working six days a week. It is requested that the five-day week be introduced in Central Schools also, and medium of instruction for

Social Studies, which is Hindi, should be changed to English for the sake of students convenience.

[Translation]

SHRI RAM NARAIN BERWA (Tonk) : Mr. Speaker, Sir, I want to draw your attention to the Jaipur-Sawai Madhopur broad gauge line which is being constructed in district headquarters of Tonk (*Interruptions*)

[English]

MR. SPEAKER : You have done many times, today, you allow others to speak.

[Translation]

SHRI RAM NARAIN BERWA : This line should be linked to Tonk. I want to draw your attention that the Britishers gave two provinces to settle Pindri dacoits. One of them was Tonk and Second was Bhopal. Sir, even after 44 years of India's independence, many tribals in Tonk have not even seen the train yet. My area has much potential for industrial development if the railway facilities are extended there. But in the absence of railway facilities there, problems of poverty, unemployment and backwardness are becoming more acute day by day. The survey work for linking Tonk district headquarters by railway line was completed long ago. In 1957, the then Railway Minister, Babu Jagjivan Ram had given an assurance in a public meeting that Tonk would be linked by a railway line, but till today, Government did not pay any attention to implement that assurance. The people of Tonk should not be deprived of railway facility on the pretext of economic crisis. I urge upon the Railway Minister through you to link Tonk city headquarters to the Jaipur-Sawai Madhopur. Provision should be made in the present budget for this purpose. Its survey has already been completed. Thank you.

[English]

SHRI PALA K.M. MATHEW (Idukki) : Sir, I would like to draw your attention to the miserable condition of the Indian students in

Soviet Union as a result of the recent tremendous changes that have taken place there. There are about 4000 Indian students scattered all over in the different republics. Now, the different republics are asking the Indian students to pay their fees in hard currency. The stipend of 100 roubles per month given to the Indian students has also been stopped and they are asking them to pay the fees in hard currency. Under the present circumstances, these students are not in a position to pay their fees in hard currency.

Another problem is that they are being denied admission in various colleges and other educational institutions there. If they are asked to pack up and come back to India, then they will find it difficult to get admission in this country as there is difference in the systems of education here and there. If they will be thrown out, they will be totally ruined because they will not get admission here which is equivalent to their education and classes in the Soviet Union.

So, the two problems which the Indian students are facing in Soviet Union are admission and payment of fees in hard currency. Some for us are being flooded with letters and telephone calls from these students and their parents. There are about 4000 Indian students in the Soviet Union. The Embassy here is getting SOS calls from the students as well as their parents. So, this is an urgent matter which the Government of India, especially the External Affairs Minister, should take care of. I request through you, the hon. External Affairs Minister to pay immediate attention to this matter. (*Interruptions*)

[*Translation*]

SHRI DATTATRAYA BANDARU (Secundrabad) : Mr. Speaker, Sir, Vishwa Karma is considered a symbol of artisans of the country. He is considered responsible for several tools and equipments for the use of small rural artisans. All the artisans of India such as cobblers, pot makers, goldsmith, blacksmith, carpenters etc. worship Vishwa-karma as god. Our village folk specially rural artisans mostly depend on tools

developed by Vishwakarma. Vishwakarma Jayanti is falling on 17 September. I would request the Central Government to celebrate this day as "National Labour Day". Till today, we have been celebrating this day as "May Day" as Worker's Day, but it has almost lost its significance in present context. Now it seems proper to celebrate Vishwa karma Jayanti as "National Labour Day" I hope Government would soon announce '17th September' as 'Vishwakarma Day'. (*Interruptions*)

[*English*]

SHRI NIRMAL KANTI CHATTERJEE: It is known to the House and to you, Sir, that there is a very serious flood situation in North Bengal.

MR. SPEAKER : We have decided not to allow senior Members to speak. Don't you like to be considered as one of the senior Members ?

SHRI NIRMAL KANTI CHATTERJEE: By remaining present here yesterday till midnight and early hours of the day, I prove myself to be a back bencher. (*Interruptions*)

MR. SPEAKER : Okay, today you have earned time to speak. Now come on.

SHRI NIRMAL KANTI CHATTERJEE : In north Bengal, the intensity of flood is very serious. This is evident from the fact that 17 persons have already lost their lives. (*Interruptions*) It seems now the figure has gone to 42. You have not permitted me to read today's newspaper. So, I do not know the latest figure.

Sir, it is necessary that urgent relief is given to Bengal. A central Team also should visit the area and in association with the State Government try to mitigate the situation. There has already been a very swift response from the hon. Prime Minister. He has already granted some amount from his Relief Fund. Unfortunately, there is one matter of propriety that has escaped his

notice. Sir, propriety of parliamentary institutions of the country requires that the relief given by the Central Government, even if it happens to be from the Prime Minister's Relief Fund, should be channelised through the State Governments. But here, instead of that, we have learnt that one hon. Minister has been deputed to distribute the fund through District Magistrates in the districts. As you are aware Sir, if anything has happened in West Bengal, it is that the Panchayat institutions are firmly in saddle and the elected people from the lowest village level upto State level are firmly guiding the administration. Under these circumstances, I want to draw the attention of Prime Minister through you and request him, that whatever he condescends to donate for the afflicted people in North Bengal, that should be channelised through the State Government and nobody else. I do not accuse him of any partisan political considerations. I consider him a gentleman and it might be a slip. He should be requested that he should resist such 'slippages'. That is all I submit. (*Interruptions*).

DR. DEBI PROSAD PAL (Calcutta North-West): There was nothing wrong or unconventional if the contribution from the Prime Minister's Relief Fund was sent for distribution through a Central Minister by the district magistrates. The hon. Member who raised this issue should not be so sensitive and he should not try to find anything wrong in the action of the hon. Prime Minister. Here I may mention that it has been our experience that if relief funds are distributed through the agencies of the State Government, sometimes political and other partisan considerations take an upper hand and the relief fund is distributed not always to those who require the assistance most, but to the persons who might belong to a particular group or a political party. Hence, the Prime Minister has done the right thing in distributing the fund through a Central Minister.

SHRI AMAR ROYPRADHAN (Cooch Bihar) : Sir, nearly one crore people of West Bengal are affected by floods. They require immediate relief to save their lives. Through you,

I request the hon. Minister to send a Central Team immediately to Bengal. At least Rs. 25 crores should be provided to the Government of West Bengal for relief work, as an ad hoc grant.

[*Translation*]

SHRI RABI RAY (Kendrapara) : Mr. Speaker, Sir, I am still in a dilemma whether I should raise this question or not. As such, I want your guidance. I along with my friend and a C.P.I. member, Shri Lokanath Choudhury reached the airport on our way to Bhubaneswar.

Mr. Speaker, Sir, you had also to go to Bhubaneswar but you could not reach there. B.P.S.T. had arranged an orientation programme there. Before reaching that place, I requested Shri Farooq to be in the House. The aircraft 477 left for Bhubaneswar on time. The said aircraft goes to Bhubaneswar via Raipur and it proceeded towards Bhubaneswar after touching Raipur. When I and Shri Lokanath Choudhury were getting down, we found ourselves once again in Raipur. Perhaps we were sleeping (*Interruptions*) Shri Chatterjee is smiling but he will realise the discomfort. Our aeroplane met with two mishaps. We called the captain and asked him as to how we were back in Raipur. He told us that because of the inclement weather in Bhubaneswar, the plane landed in Raipur. I asked him where we would go next. He replied that we would be sent to Bhubaneswar by a relief plane.

Now takes place the second mishap. Just before landing at the Delhi airport, there was an announcement for impending crash landing or emergency landing. All arrangements were made for emergency landing. Lokanathji and I were class mates. In a light vein, I told Lokanathji that both of us had crossed the age of 64. Now we would have to prepare ourselves mentally for belly landing. We had no experience of belly landing. Choudhuryji had experienced it once fourteen years ago. During the course of that

belly landing, four people lost their lives. I want to point out that in the Manipur air crash in which Shri Thompak Singh was killed, there were no survivors. He certainly belonged to Congress party but he was my friend and a friend of Shri George Fernandes. I told Choudhuri Ji that we might also meet the fate of Shri Thompak Singh. In that aircraft, fifty percent of the people on board were foreign tourists. Thank that the plane prepared itself for belly landing. Everyone was praying to the almighty. At last, we all landed safely.

I am raising this matter before you because when I reached Bhuvaneshwar, the Vice Chancellor pointed out that during the last one year, many such mishaps had taken place in Calcutta. This is a common occurrence. Today, I read in the newspaper that no one was killed in the belly landing at Bangalore but another accident took place. I am raising this point because Santosh Mohan Ji is here. The arrangements of Indian Airlines are erroneous resulting in more accidents in North Eastern States. We are aware of the accident when Shri Moraji Desai was travelling. Do all these accidents occur on account of mechanical fault? No, the reason behind it is faulty arrangements, maintenance lapses and non-compliance of old norms.

Some may think that it is a personal matter but it is not so. It is a matter of public importance. As such I have sought your guidance as to whether I should raise this or not. Farook Saheb is present here. We encountered two mishaps in the course of a single journey. I will like point out that it is a matter not confined to Members of Parliament but pertains to the entire country and foreign tourists. As such, I request the Government to pay more attention towards rectifying the lapses in the arrangements made by the Indian Airlines so that such mishaps do not re-occur in future.

[English]

MR. SPEAKER : I think the entire House

would join me in wishing a long life to the Members and those who were on board.

(Interruptions)

[Translation]

MR. SPEAKER: I am now giving chance to 2-3 Members and senior Members will also be included in it. If they do not express their views, the matter will remain incomplete. Members sitting at the back should keep sitting. I will give them chance later. Ram Vilas Paswanji, you are leaving for Andhra Pradesh and as such, I am giving you a chance. You please finish in two minutes.

SHRI RAM VILAS PASWAN (Rosera) : Mr. Speaker, Sir, I have caused inconvenience to you. You have pointed out that today is the day for junior members but I am requesting you to allow me to speak now because I am leaving for Andhra Pradesh to participate in the rally called by the Dalits organisations to protest against the killings in Andhra Pradesh. Mr. Speaker, Sir, as you are aware that the current Parliament Session is ending on the 17th and therefore, we will meet in November. 26th September is the day allotted in Supreme Court for Mandal Commission. Three months have passed but Government failed to clarify its stand in this period. I had pointed out earlier also that while I was a Minister of this Department, we had prepared a common list of Joint Secretaries in fourteen States as per the instructions of Cabinet Secretary but the policy is yet to be formulated. The Prime Minister has repeatedly said that he would convene a meeting of leaders of opposition parties and evolve a consensus on this issue. 26th September is the date in Supreme Court and adjournment has taken place thrice but has not been a single deliberation with the leaders of opposition parties on this issue. The Government is deliberately trying to avoid this serious matter. The intention of Government is not clear. Government wants the issue of Mandal Commission to end in the Supreme Court. The issue which involves the interest of the backward classes and 52 percent of the population of

the country..... (Interruptions) You please take your seat. Mr. Speaker, Sir, they do not listen. I am not criticising them.

[English]

SHRI A. CHARLES (Trivandrum) : Sir, this is factually incorrect. (Interruptions) Sir, he is making a wrong statement that he prepared the list when he was in power. (Interruptions) He is misleading the House. (Interruptions)

MR. SPEAKER : It is not going on record.

(Interruptions)*

[Translation]

MR. SPEAKER : You please take your seat. By giving vent to your anger, you wasting time.

(Interruptions)

MR. SPEAKER : Panigrahi, you please take your seat.

(Interruptions)

MR. SPEAKER : You have also left your seat.

(Interruptions)

MR. SPEAKER : The Session is about to conclude. Let us proceed in a peaceful manner.

(Interruptions)

MR. SPEAKER : Panigrahi, you never get angry, why are you so disappointed today.

Whatever has been said(Interruptions)*

[English]

MR. SPEAKER : Mr. Panigrahi, please pay attention. What is going on there ? What he has said is not going on record.

[Translation]

SHRIRAM VILASPAWAN : Mr. Speaker, Sir, I was the Minister of that department and I am saying it with full responsibility (Interruptions)..... These people do not understand. I am saying with full responsibility that the common list was prepared. I am saying that the Prime Minister had said in the House and outside it that we want to arrive at a national consensus after consulting all the leaders....(Interruptions)

[English]

SHRI A. CHARLES : He is making a wrong statement. He is misleading the House.

SHRI SRIKANT JENA : Mandal issue is a very serious issue. Why are these people opposing it? (Interruptions)

MR. SPEAKER : Please allow this matter to be handled by the speaker who is speaking from the bench and who is sitting in chair. If others try to help, there will be confusion.

[Translation]

SHRIRAM VILAS PASWAN : In the President's address the Government had said in clear terms that the recommendations of Mandal Commission would be implemented. Prime Minister said many times that the recommendations of the Mandal Commission would be implemented. How can they do so? Their is a different point of view . He said that he would be consulting the leaders of all parties and would arrive at a consensus, all this is recorded. I would only say that it has not been discussed with any leader so far, especially it has not been discussed with any leader of the Left Front or National Front, and I believe not even with the leaders

of the B.J.P. Under such circumstances, on the 26th of(Interruptions)..... I would insist upon you that the matter would be taken up in the Supreme Court on 26th and even then the Government is not making its policy clear, which clearly shows that the Government is not serious about it, it does not want to implement the recommendations of the Mandal commission. Therefore I would insist upon any Minister from the Government and ask him what policy the Government has adopted on Mandal Commission and whether it is going to clarify its policy before 26th or not. I would like to know this . (Interruptions)

[English]

MR. SPEAKER: I have taken note of all those Members who want to speak. I have made an announcement on the floor of the House that you would be occupying the same seats day after tomorrow so that I can call your names. Those who have not spoken, I will call their names day after tomorrow. I am allowing one or two Members to speak now. Please understand that up to 12 o' clock we were sitting here. That is because of the paucity of time. I am sure, if there are exchanges going on, you would be consuming the time for something else and not for the items which are on the Agenda. Please co-operate. Now, let me allow only two Members to speak. One lady Member wanted to speak, I want to give her a chance.

(Interruptions)

[Translation]

SHRI MADAN LAL KHURANA : Mr. Speaker, Sir, one thing is often repeated here, but there is no reply. The present session has been going on for the last three months and the reply of not even one point is coming from the Government as to what will be the future of Delhi. What kind of set up would be outlined for Delhi and whether they are willing to do so or not. Whether the elections would be held or not. If the elections would not be held, the problems of

Delhi will continue to exist, for example, the law and order problem is there, which my friend mentioned just now. Moreover the ration Depots of Delhi don't have any ration. The system of bureaucracy of Delhi is such that there no say of elected Members. Therefore I would like to say where should the elected Members go. We stand up of and on and express ourselves during the zero hour. I believed that there will be a discussion on it here for 2 and a half hours. Somebody may tell us whether there is any single decision. But what is happening, we stand up here once a week as if participating in a ceremony and exspress our ideas within two minutes. Later on we don't get any reply and the problem remains there, as it is. Mr. Speaker, Sir, with a heavy heart I would say that I fell as if we have come here to beg alms. My submission is that

[English]

MR. SPEAKER: If you follow the rules, you will know what to do and what not to do.

[Translation]

SHRI MADAN LAL KHURANA: We have given a Calling Attention notice and a separate notice under Rule 193. Please tell us under which rule the notice is to be given?

MR. SPEAKER : I can't tell you.

SHRI MADAN LAL KHURANA: Mr. Speaker, Sir, I was expecting that there would be a discussion on Delhi here in the House because we neither have any assembly or nor any metropolitan council in Delhi. I do not know which forum the problems of Delhi would be discussed. That is all I Want to say.

[English]

SHRI A.CHARLES (Trivandrum) : I belong to the backward community. We are all equally concerned about the welfare of backward communities. Nobody has got the monopoly to champion the cause of the

backward communities in the House. (Interruptions) When the former Prime Minister, Mr. V.P. Singh, made a suo motu statement in the House regarding the implementation of the recommendations of the Mandal Commission, he did not give a list of backward communities eligible for reservation. That was why the Supreme Court stayed the proceedings. There are 3,743 communities included as backward communities in the Mandal Commission Report. What Mr. V.P. Singh in the suo motu statement said was that a new list should be prepared in consultation with the State Governments who are eligible for reservation. There are problems to prepare such a list. For example, Pulaya is a scheduled caste community in Kerala: but, according to the Mandal Commission Report, it is O.B.C. So, Pulayas are requesting that they should be allowed to continue as scheduled castes. There are such anomalies. (*Interruptions*)

SHRI CHANDRA JEET YADAV : Before you go on to the next item, please listen to me for two minutes because I have been writing to you for four days on this issue. It is not a question of who did what; whether it was a suo motu or other things. What we are trying to bring to the notice of this House and through this House to the Government and the Prime Minister is that the Supreme Court has specifically asked the Government to clear its stand in the Supreme Court on the case of the Mandal Commission Report which is going on there. otherwise, the Supreme Court will take it as if the Government is not in favour of these recommendations of Mandal Commission. The Government of India sought the adjournment saying that they would seek the consensus on this issue and they would come before that Court and the Court very specifically gave a direction that 26th September is the last date being given to the Government to submit the memorandum. If the Government fails to submit it on the Mandal Commission's recommendations, the Supreme Court will take its own view.

The Prime Minister in this House while replying to the President's Address referred

pointedly to every party's manifesto and said that but for BJP all political parties had agreed. on that point Shri Lal K. Advani and Shri Atal Bihari Vajpayee stood up and said, "No, we also support the report"

You will remember that I stood up here in my seat and said, "Mr. Prime Minister, this is one issue on which there is a national consensus. Therefore, it is a question which relates to giving share in the administration to the 52 per cent of our population, for which they have got a right from the Constitution and for the last 41 years nothing has been done on this."

Now inspite of two high-powered commissions appointed by the President of India nothing was done. Rightly the V.P. Singh Government took a decision. To say that the V.P. Singh Government did not consult is not correct. It is all right, if you want to consult, please consult. But there is no time. Within one week you have to submit your statement before the Supreme Court. Otherwise, it will be taken as if the Government has not clarified and this will go against your party also. We are not saying anything. We are not charging the Congress Party. But what we request is that there is hardly time and the Prime Minister who has made a statement time and again, must call the meetings of all leaders of political parties and if there is a possibility of a consensus we welcome that consensus. But we do want this that 27 per cent reservation which will go to socially and educationally backward classes, has to be given to them. Along with that, there are other related issues which have been raised. Here you saw that one hundred Members of Scheduled Castes and Scheduled Tribes, irrespective of the political parties, were agitated on many issues. And one of the issues was that reservation to Scheduled castes and the Scheduled Tribes is also not being fulfilled and therefore there should be statutory backing to that also.

MR. SPEAKER : We have discussed this issue for ten hours.

SHRI CHANDRA JEET YADAV : I am concluding. That ten hour's discussion was on atrocities.

I am saying that this is a national question. This is not a sectional question. It is not a caste question. It relates to 85 percent of the population of our country. Therefore, through you we want to request the Government and the Prime Minister that he should call the meeting to reach some consensus if that is possible. Otherwise, according to the Constitution, he should submit to the supreme Court the Government decision that 27 per cent of reservation, from the Central Government, at all levels should go on to socially and educationally backward classes. This is what I want to submit.

SHRIRANGARAJAN KUMARAM-ANGALAM : Mr. Speaker, Sir, I would like to set the record straight. The Government did not seek an adjournment on the ground that it has to still finalise its policy on the Mandal issue. On the contrary, the Government very categorically by a statement made its stand clear on the Mandal issue. But what happened was, that the Supreme Court wanted to know whether the present order which is under challenge is going to be replaced, if it is to be replaced by what order would it be replaced and they sought that they want a specific memorandum to which we responded saying that before any memorandum is given, we would like to consult all parties, have a national consensus on the matter, so that all parties' views are taken into consideration and the matter can be resolved by a consensus without causing any rancour at any level to see that genuinely backward classes are given what they have been fighting for a long time, without rancour. Now, definitely the consultations will take place. We are aware that the date is quite close. Also everybody is aware as to how the days have passed with many problems on day-to-day basis. Consultation will take place. They need not worry.

KUMARI DIPIKA CHIKHLIA (Baroda) : Mr. Speaker, Sir, in the light of guidelines given by the Government of India, the State Government of Gujarat has introduced a scheme of Agriculture and rural Co-operative Debt Relief Scheme, 1990. The scheme envisages sharing of the financial burden by the Government of India and the State Government in the ratio of 50:50. Out of a

total financial burden of Rs. 348 crores the Central Government share comes to Rs. 174 crores and the State Government share is of equal amount, that is, Rs. 174 crores. The amount is to be borne by the State Government under the Scheme to be received from the Government of India as loan through NABARD.

The Government of India has so far released a grant of Rs. 66.50 crores and a loan of Rs. 66.50 crores through NABARD as State share. Thus, the total amount received comes to Rs. 133 crores, which has been passed on to the State Cooperative Bank.

Now, an amount of Rs. 215 crores is required to be released by the Central Government, half of it as grant and the remaining half as loan through NABARD. The Government of Gujarat has requested many times but nothing has been done so far.

In view of the above, I request once again the Finance Minister, through you, Sir, to release the grant to the State Government immediately.

MR. SPEAKER: Now, Papers to be laid on the Table.

Shri M.O.H. Farook.

SHRI JASWANT SINGH: Mr. Speaker, Sir, before he lays it on The Table of the House, I would like to make an observation... (*Interruptions*)

MR. SPEAKER: He is objecting to the laying of papers. He has given a notice.

SHRI JASWANT SINGH: Mr. Speaker, Sir, I am making an observation on items 2 (1) and 2 (3). I am well aware that normally an objection to the laying of papers is beyond the purview of the ordinary Members and the objections that I have would ordinarily be covered by the Committee on Papers Laid on the Table. But I would like to share with the rest of the House, Sir, that the Government is laying on the Table of the House a Review of the Pawan Hans Limited

relating to the year 1986-87 and also Annual Report of the Pawan Hans Limited alongwith Audited Accounts for the year 1986-87, and in like fashion, for the National Airports Authority it is a Review of 1986-87 and also the Audited Accounts of 1986-87.

I have gone through the statement that has been provided by the Government explaining the grounds for this delay.

So far as the statement relating to Pawan Hans Limited is concerned, it is a document which is an admission of total incompetence on the part of the Government.

As far as the statement relating to the National Airports Authority is concerned, it is a document of denseness, that very little can be made as to why this delay has been caused.

Sir, Accounts relating to the Pawan Hans Limited and National Airports Authority are being submitted to the Parliament after five years. Accounts for the year 1986-87 are being laid on the Table of the House after the delay of five years. The Audit itself has been delayed for five years.

I am sure that every section of this House will share this concern. You cannot have Government bodies coming to Parliament with their Review and Annual Reports after five years. The statement explains nothing at all.

This is my observation, Sir.

MR. SPEAKER : I think, the Committee will look into the matter.

12.50 hrs.

PAPERS LAID ON THE TABLE

Review on and Annual Report of Pawan Hans Limited, New Delhi for 1986-87 etc.

[English]

THE MINISTER OF STATE IN THE MIN-

ISTRY OF CIVIL AVIATION AND TOURISM (SHRI M.O.H.FAROOK) : Sir, on behalf of Shri Madhavrao Scindia, I beg to lay on the Table :-

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619 A of the companies Act, 1956 :-
 - (i) Review by the Government on the working of the Pawan Hans Limited, New Delhi, for the year 1986-87.
 - (ii) Annual report of the Pawan Hans Limited, New Delhi, for the year 1986-87 alongwith Audited Accounts and comments of the comptroller and Auditor general thereon.
- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above. [Placed in Library. see No LT- 659/91]
- (3) (i) A copy of the Review (Hindi and English versions) of the National Airports Authority for the year 1986-87 along with Audited Accounts under section 25 of the National Airports Authority Act, 1985.
 - (ii) A copy of the Review (Hindi and English versions) by the government on the working of the National Airports Authority for the year 1986-87.
- (4) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above. [Placed in Library. see No LT- 660/91]
- (5) A statement (Hindi and English versions) (i) correcting the reply given on the 10th April, 1990 to Unstirred Question No. 4298 by Shri Safuddin Chaudhury, M.P. regarding Bi-Annual Medical Ex-

amination of Indian air Hostesses and (ii) the reasons for delay in correcting the reply. [Placed in library. See No LT. 661/91]

Review on and Annual Report of Vayudoot Limited, New Delhi etc.

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION AND TOURISM (SHRI M.O.H.FAROOK) : I beg to lay on the Table :-

- (1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619 of companies Act, 1956 :-
 - (i) Review by the Government on the working of the Vayudoot Limited, New Delhi, for the year 1987-86.
 - (ii) Annual Report of the Vayudoot Limited, New Delhi, for the year 1987-88 along with Audited Accounts and comments of the comptroller and Auditor General thereon.
- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above. [Placed in library - See No LT .862/91]

Report of the Comptroller and Auditor General of India for the year ending 31 March 1990 - Union Government

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Sir, on behalf of Shri dalbir Singh, I Beg to lay on the Table a copy of the Report (Hindi and English versions) of the Comptroller and Auditor General of India for the year ended the 31st March, 1990 (No. 11 of 1991) — Union Government (other Autonomous Bodies) under article 151 (1) of the Constitution. [Placed in the library See No. LT. 663/91]

12.51 hrs.

MESSAGES FROM RAJYA SABHA

[English]

SECRETARY-GENERAL: Sir, I have to report the following messages received from the Secretary-General of Rajya Sabha:-

- (i) "In accordance with the provisions of rule 127 of Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on the 12th September, 1991, agreed without any amendment to the places of Worship (Special Provisions) Bill, 1991, which was passed by the Lok Sabha at its sitting held on the 10th September, 1991."
- (ii) "In accordance with the provisions of sub-rule (6) or rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Central Excises and Customs Laws (Amendment) Bill, 1991, which was passed by the Lok Sabha at its sitting held on the 10th September, 1991, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.

12.52 hrs.

BUSINESS ADVISORY COMMITTEE

Sixth Report

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS

AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM) : Sir, I beg to move :

"That this House do agree with the Sixth Report of the Business Advisory Committee presented to the House on the 13th September, 1991."

MR. SPEAKER : The question is :

"That this House do agree with the Sixth Report of the Business Advisory Committee Presented to the House on the 13th September, 1991."

The motion was adopted

FINANCE (NO.2) BILL - *CONTD.*

[English]

MR. SPEAKER: I would like to take the Matters under rule 377 at the end of the debate. Let us start with the reply of the Finance Minister now.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Mr. Speaker, Sir, I am very grateful to all the hon. Members on all sides of this august House who have taken part in the debate on the Finance Bill. The Finance Bill forms part of the overall Budget, even though it deals only with the tax elements of the Budget. It was, therefore, quite natural that several hon. Members brought up general issues of policies, and the issues that they brought up are issues of profound importance to the future of our country. For example, reference was made to the primacy of agriculture. Shri Chandrakar brought out the massive problem of land and water degradation in our country which, if not tackled, will hurt the living standard of millions and millions of farmers living in our country on the edges of subsistence. Shri George Fernandes brought up the issue of regional imbalances and these regional imbalances should be a source

of concern to all segments of this House. Reference was made to the growing problem of unemployment. This again is an issue which ought to be the concern of all segments of this House. So, all these problems have been mentioned. The same way Shri George Fernandes specifically referred to the inadequacy of the infrastructure of power in Bihar how it is contributing to the continued backwardness of a potentially very rich State of the Union. All these are very live issues and these must be tackled if this country is to achieve its full developmental potential, if the aspirations of the people of this country for a better tomorrow are to become a living reality.

But how is it to come about? I submit to this august House that these aspirations cannot be given a living reality if the fiscal mess in which we have got into, is not set right.

India today has unsustainable fiscal deficit and this is a point on which all shades of public opinion, all shades of economists — Left or right or Centre — are agreed. You can go on quarrelling as to how this fiscal deficit came about, how it gave rise to unsustainable foreign exchange deficit. I think we can spend a lot of time on this. But real issue before us today is, having got where we are, what steps are we going to take that this crisis is contained and over a period of time this crisis is reversed and that this crisis is, in fact, used as an opportunity to set in motion those forces of reforms which alone can see that this country's great developmental potential, which is lying unutilised, is, I think, made a reality.

I submit to you that by presenting the Budget in this House six or eight weeks ago, I do not claim that I have performed wonders. But, if you look at the situation that this Government inherited - for whatever reasons to which our party might have contributed or other parties might have contributed - that was a situation of almost certain default on international obligations. If we had not acted the way we acted, you have my assurance, India would have, by now,

been declared a defaulter. What are the consequences of default? To know the consequences of default, we have to look around. What has happened in Latin America? What has happened in Africa? Once the country defaults on its international obligations, nobody would touch it. They have to import on a "Cash and carry" basis. Nobody gives credit. Even after that, I think, sooner or later, these countries end up with a hat in hand before their international creditors in the I.M.F., or Paris Club or London Club. We have, I think, prevented that situation. It has been my sincere effort and the effort of our Government that somehow we must keep the honour of this country intact and also our unblemished record of holding all our commitments intact. I think that unblemished record must be maintained.

I do submit to you that we have succeeded in doing that. But, I am not promising you that if this country goes on spending the way it has been spending and if everybody says that subsidies should be increased and if everybody says that the tax rates must be reduced and if the productivity of investment in this country remains as low as it is today, I do not promise you that there is a divine law which would ensure that India would not face default, if we continue to do all these things.

Therefore, all that I can say is that I have bought some time. This is the time we must use for retrospection, to set in motion those reform processes which would convert this crisis into opportunity. If we do not do that, I can assure you, you will face unemployment and inflation of the type you have never seen before, in this country.

I regret that I had to do, what I had to do, in cutting the fertilizer subsidies. I wish, it had been done over a period of time and gradually. Yesterday, hon. Member Shri Devegowda quoted a report of a very famous Agriculture Secretary and a gentleman from Karnataka and for whom I have great respect - Shri G.V.K. Rao - who had, in that report, clearly recommended that fertilizer prices have to be raised and they

ought to be raised gradually, over a period of time. But, if you had not raise the fertilizer prices for the last decade and here I am faced with a budgetary subsidy of Rs. 7,000 crores, then if I do not cut it, I would not be worthy of being the Finance Minister of this country. Despite all the blame and despite all the abuse that you may shower, I think, I did the right thing for this country in cutting these subsidies. I do feel that what we have done, by way of, compensating the farmers - my distinguished colleague, the Minister of Agriculture is here - farmers have been adequately compensated for the increase in fertilizer prices. We stand committed to promoting the welfare of the farmers' community and if there are any problems, in months to come, we are ready to attend to them.

13.00 hrs.

The second thing that I want to say is that we have to restructure our economy. We must restructure our trading system so that we don't have to go and beg abroad. And let me be very candid with you, the International Monetary Fund or the World Bank have no solution, nobody abroad has solutions to the problems of a country of our size and if you are under the impression that they are eager to come here to lend us, I think that is also a misconception I think the rest of the world today is in such an arrogant mood saying that 'if India does not reform itself, well, let India go the way it was to go, the rest of the world care less'. So, what we are doing, I assure you, is not something we are doing, to please IMF, I do need the support of the IMF today because we have a crisis of creditworthiness — this crisis of creditworthiness in which international bankers from whom billions of Dollars have been borrowed in short-term, I think they are wanting to be assured that India is going bankrupt. We have got about 11 billion dollars of non-resident deposits, these people are nervous, they have been taking money out of this country. In the first four months of this financial year, one billion Dollars of these deposits went out of the country and if that process has gone on for

[Sh. Manmohan Singh]

a month or two, this country would have been without reserve and if this country would have been without reserve, what would have been the consequences?

We consume about 12 million tonnes of fertilizers in our country. Of that, about three million tones of fertilizers come from abroad and if India had become a defaulter and if we had no foreign exchange, you take it from me, you would have in this country a fertiliser famine, a rise in fertiliser prices which you have never seen in the history of the country.

Today we consume about 60 million tonnes of petroleum products. We produce about 34 million tonnes domestically, and this year despite all what we are saying, there will be a further shortfall of 3 to 4 million tonnes and today we have no foreign exchange to import all these petroleum products on cash basis. We have been importing this on credit terms. We have no money to import even newsprint on cash basis, this has been imported on credit terms. Now, who will go on giving credit to a country which becomes a defaulter? And if we had become a defaulter, you would have seen a breakdown of India's transport system of the type which would have, I think, disastrous consequences for industrial production as well as for agricultural production. It is in this overall context that you must view the Budget that I have presented. I am not saying that it is an ideal Budget, I had not even a fortnight to apply myself to the Budget because there were pressing international issues to which I had to immediately devote attention. But I do claim, contrary to what some Members said here that in history I would be judged as having committed the greatest crime — I submit, I do not plead, history will of course pass its own judgment, but I do claim with some credit that I have got some time for this country to take the right sensible decisions to maintain India's unblemished record and this is something which I thought I would mention to this House in the beginning.

Now, several tax proposals have been discussed. Let me say that in a poor society almost everybody has a just grievance against the Government, our society, that is the politics and economics of scarcity. I recall, Panditji used to say in those days our population used to be about 35 crores, that in India each person has a problem and maybe they are justified. In a poor country people's aspirations have risen with education, with the knowledge of what is happening in the rest of the world, our people are impatient for change. Our system's capabilities to satisfy those aspirations have not increased. This is leading to discontent. Now, in the short run, this leads to frustration, this leads to anger, this leads to terrorism, and all those other things. If I had a free hand and if I did not have the compulsions to contain the expenditure, I would have gladly accepted the several demands which have been made in this House. I respect the sentiments of his House, whether they are on this side or that side. It is my duty, as the Finance Minister, to reflect upon all that has been said in this House. Let me say that even though today I am not able to improve upon the package I that have submitted to you, I am only five months away from next year's Budget; I would give a serious thought to all those concerns which have been expressed here and may be when I come next year before this House I could improve upon the package.

Now, there has been a persistent demand that the exemption limit of income tax ought to be raised. In isolation this looks reasonable. But, I beg of you to look at this problem in the context of the emergency situation that we are facing and in which we are putting burden on even the smallest farmers of our country. Also, when references were made to the exemption limit, people forget that income tax payers - I do not say by way of any small talk - and that those who have a secured job in some sense constitute a privileged class in this country, where a great majority of our people do not get two square meals a day. There is the basic exemption limit of Rs. 22,000/-; salary earners, in addition, get a standard

deduction of Rs. 12,000/- if a person's gross income is Rs. 33,000/- . So, upto Rs. 33,000/-, nobody has to pay any tax, if he is a salary earner. Furthermore, if he has any financial assets, upto Rs. 13,000/- he can also escape the tax net. Then, 20 percent of savings by way of contribution to Provident Fund, Life Insurance Corporation, these are also deductible from tax. I would submit to you that taking into account the overall poverty of our country, taking into account the other pressing claims on the resources of this country, I think, today is not the right moment to go about raising this limit to Rs. 50,000/- or Rs. 48,000/-. But I do recognize that inflation creates problems and inflation creates problems not only for middle class, but it also creates problems for those who earn their living on the basis of their daily wage, who do not have a secured job and who are not even covered by the public distribution system. Our public distribution system, unfortunately, does not cater to the needs of the most under - privileged. They do not have the means or the capacity to buy ration for a week or a fortnight. So, it is in this context that we must view the problems of this country. (Interruptions)

[Translation]

SHRI MOHAN RAWLE (Bombay South Central): Mr. Speaker, Sir, I oppose it. We, the Members of Shiva Sena walk out of the House in protest against not raising the limit of income rebate tax upto Rs. 36,000.

(Shri Mohan Rawle and some other hon. Members then left the House).

[English]

SHRI MANMOHAN SINGH: Several Members have brought up this question of price rise. They have alleged that the Budget has made a direct contribution to an upsurge in price rise. Let me say that I am deeply worried about the price situation. I share the worry and the concern of the hon. Members on both sides of the House. But how has this situation come about? I have narrated a situation where inflation was taking place at

an average annual rate of about 13 per cent to 14 per cent last year. Normally, the Budget of the Government is presented in February and usually as a result of the Budget, some rise in prices inevitably takes place in an economy like ours. That process was not performed in February. The Budget, therefore, came in July. From July to September, even in a normal year, even when crops are normal, you have a sharp seasonal rise in prices. Then, of course, there was the change in exchange rate which was unavoidable. All these three factors combined, I do admit, have strengthened the inflationary force in the short span.

But you have my assurance that our fiscal policy remains tight, our monetary policy remains tight. Yesterday, one hon. Member — I think, it was Shri Jha — said we should control credit for trade. That is precisely what the Reserve Bank did last week when it tightened credit to foodgrains, rice and wheat. It is my hope that as the crops come into the market by beginning of October, you would see a downtrend. Also as our balance of payment situation gradually improves, you would see the supply side of certain goods improving.

In the last one year, we have not been able to import any vegetable oil. But during the last 10 years, this country used to import up to million tonnes of vegetable oil. Today we do not have foreign exchange to import that vegetable oil. So, inevitably there will be some upward pressure on prices. Even though we are short of resources, we have now made some arrangement to import vegetable oil. My hope is and I feel confident that by about first half of October, you would see a positive impact on the prices situation as a result of the Budgetary strategy that I have outlined.

I come to several specific points that have been made. It was Shri Nirmal Chatterjee who has brought out that it is an emergency situation that you have been talking about, why are you then allowing for this import of baggage. He mentioned Rs. 873 crores customs revenue being collected

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by way of baggage. He mentioned Rs. 873 crores customs revenue figure that he quoted and the impression that he tried to create that I have given liberal concessions, unfortunately is unwarranted. The increase is simply a reflection of the exchange rate change that has come about. He has also mentioned, if we are in emergency, why are we allowing for large imports? What is it that I am allowing? I have said that this country will have to live with a total oil bill which is no higher than last year. In real terms, the volume of imports that I have planned for in the foreign exchange budget is lower than last year. Last year itself, we had drastically squeezed the import and let me say I am worried greatly about the effects of that import squeeze. But to suggest that I am trying to mislead the - I am taking of emergency but at the same time, I am having an import bonanza - I think, is something which is not warranted by the facts of the situation.

It was Shri Nirmal Chatterjee who has again mentioned that I have done nothing for the States. In fact, if you read my original Budget speech, you would notice that I have very of the total additional resource mobilisation of Rs. 2600 crores, Rs.612 crores accrue to the State Governments. This is the resource mobilisation I have done for the State Governments though this will very marginally change in view of the amendments to the Finance Bill. Overall, the states share of taxes and duties in 1991-92 will be substantially higher at Rs. 16255 crores compared to Rs. 14535 crores in the Revised Estimates for 1991. Overall, the total resources proposed to be transferred to the states and the Union Territory Governments in the Budget Estimates for 1990-91. It has an increase of over Rs. 5000 crores. Let me share with this House one aspect. There was an intense pressure on me saying; "In a situation in which you are placed, the least you should do is to impose a cut on Central assistance for State Plans." I said that is something which I would avoid as far as possible. Despite the emergency that our country faces, I have succeeded in insulating the State Governments from that sort of a cut.

Sir, let me also be very candid with you that fiscal discipline in this country cannot be sustained if the Central Government maintains fiscal deficit but the state Governments continue to behave as they were and maintain things as they were, if Public Enterprises in the States are not maintained properly. Therefore, we have a duty. The Central Government and the State Governments must all sit together and it is only then that you can set the fiscal system of this country right(Interruptions) You have my assurance that as Finance Minister I will fully cooperate in evolving a cooperative approach in dealing with the Center-States problems.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): I have mentioned about consignment Tax and shall savings. What is your response to that?

SHRI MANMOHAN SINGH : About shall savings, I would like to mention that in response to suggestions which came from - among others - the Government of West Bengal, I have got a specific amendment to give the benefit of Section 80L to the National savings Certificate VIII series. There have also been demands that the interest rate on Shall Savings should be increased. Yesterday, my colleague also was questioned in the other House and he informed the House that with effect from first October, rates of interest on various Shall Savings instruments are also being revised upwards.

SHRI NIRMAL KANTI CHATTERJEE: What about Consignment Tax ? What is your response to that ?

SHRI MANMOHAN SINGH : Well, on Consignment Tax I have had extensive discussions with the Chief Minister of West Bengal and I think we have set in motion a process. Within a period of two to three months, it is my hope that we can find a solution which will be acceptable to all the states. You must not forget that there are differences of opinion on this matter. But I am making every effort to see that these things can be handled satisfactorily in the next two

to three months. I have explained this in great detail to the hon. Chief Minister.

SHRI SOMNATH CHATTERJEE (Bolpur): He has said that he needs two to three months time.

SHRI NIRMAL KANTI CHATTERJEE : That is welcome.

SHRI MANMOHAN SINGH : I think about the Cooperative Banks I took note of what was said on the floor of this House. As far as Agricultural Cooperative Banks are concerned, as far as Primary Cooperative Societies are concerned, as far as Land Mortgage Banks are concerned, I have taken them totally out of the purview of the tax reduction as well as the interest tax.

Several Members particularly from Maharashtra and Gujarat — because these are the States where urban cooperative banks flourish - have brought to me certain difficulties. Even though I am not in a position today to promise them that I can do something yet I think I will reflect on the type of concerns that they have expressed. It is not my intention in any way to hurt the cooperative movement whether it is in the urban areas or in the rural areas because I do feel that a healthy cooperative movement in our country provides an important impetus for the protection of the weaker sections of our society.

Some other points have been raised. Shri Kashiram Rana mentioned that the additional excise duty in place of sales tax should be shifted to the fiber stage yarn stage to check evasion of excise duty at the fabric stage. This matter has been discussed with several states. But I have to inform that the Chief Minister of Maharashtra has suggested that this matter need be discussed further in the Inter-State Council before any decision is taken. So, when the Inter-State Council takes a decision, we would take further action in this matter.

It was Shrimati Vasundhara Raje who brought up this issue of the taxation on the

glass industry in our country. As far as I remember, I have not imposed any additional burden on this industry. But I do note that the present levy is considered excessive and therefore, I would like to give you the background of the present situation. For the labour intensive mouth blown process, the excise duty, at the moment is only 15 per cent. For the automatic sector, the excise duty on containers is no doubt forty per cent. But a substantial portion of these containers go to the liquor industry. Reduction in excise duty will result in the substantial revenue loss which is about Rs. 120 crores in a full year.

As far as plastic containers are concerned, they attract tax of only fifteen per cent if MODVAT is taken into account. But duty on plastic granules is 30 per cent.

Regarding the paper container, excise duty on waste paper is about 30 per cent. Users of glass containers in the aerated water sector, dutiable drugs, cosmetics, will in any case get the MODVAT benefit. Therefore, they do not have to worry about this 40 per cent as it stands. Any reduction will also reduce the duty advantage enjoyed by the labour intensive mouth blown glass industry. This is the present position. Therefore, I regret to say that I have not been able to do anything further for the glass industry. But I would further reflect in the coming months if something genuinely needs to be done.

Several Members brought up a problem of panel doors and said that this was a taxation on the small scale sector. The position with regard to the panel door is that the excise duty of 30 per cent has been levied on panel doors because such doors are functional and price-wise comparable to flush doors which are already subjected to 30 per cent duties. Even price-wise flush doors and panel doors are in the same range. While it is true that the panel doors are generally manufactured in the small-scale sector, the item is covered under the small-scale exemption scheme under which, first clearances up to a value of Rs. 20 lakhs

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per year are fully exempted from excise duty. Subsequent clearances up to a value of Rs. 75 lakhs are required to pay a duty at the concessional rate of 20 per cent for such panel doors.

Several other Members raised this question—I think, Dr. Debi Prasod Pal from this side of the House brought out this issue of depreciation—as to why I have reduced the depreciation. Quite honestly, I have reduced the depreciation rate as a measure of resource mobilisation. If resource position improves, I could reconsider to change the depreciation rate because this is not my intention in any way to hurt the health of Indian industry. It is only by creating and generating more wealth in this country that we can solve the basic problems of poverty and under-development. But if face an emergency situation where the corporate profits are booming but the revenue of the State is in the state of distress. And I have no other alternative but, I think, to soak a little bit the corporate sector.

As far as I understand, the share markets have taken it well. They have taken it well. They have taken it in their strides. Therefore, nobody need worry that what I have done on the depreciation front, will necessarily halt a climate for investment in our country.

Several Members also brought out the question of valuation of the shares and there, I have made some amendments. I introduced the averaging principles which would, I believe, substantially take care of the points that Dr. Devi Prasod Pal and some other Members made on this subject.

With regard to expenditure tax on air-conditioned restaurants, I think, there was justified criticism that the qualifying criteria probably needed modification. In deference to the wishes of several Members on both sides of the House, I have now made an unambiguous commitment that this tax will apply only to air-conditioned restaurants.

Now I do recognise that air-conditioning sometimes is necessary. I am not saying that we should not air-condition restaurants. But I do believe that in a country as poor as ours, those who have resources to go the air-conditioned restaurants, share a part of their expenditure with the exchequer. If there are any administrative problems, I think, we would remain alert. It is not my intention to harass any honest tax-payers. If any administrative problems in implementing this particular piece of taxation are brought to my notice, I would, I think, remain alert. (Interruptions)

Several Members have questioned the need for interest tax. Now in the present situation, in which inflation is at the rate of 15 per cent, some increase in the interest rates is necessary if we want to maintain the viability of our banking industry. Several Members have mentioned here that many banks are sick. Now if banks pay a competitive rate of interest on deposits, if they are not in a position to charge comparable interest rates from their borrowers, if loan losses go on multiplying, whether as a result of loan moras or loan waivers, this would have a grave effect on the health of our banking system. I can assure you that while there should be no alarm about the overall situation, I am not very pleased the way the Indian banking system is functioning. If we do not change our way, I think, we would end up making this vital industry as also a very sick industry. When the financial sector becomes sick, all our development objectives, which are sought to be achieved through the banking system would also, I think, be in jeopardy. Therefore, I need the support of this House to see that the banking system is depoliticised to the maximum extent possible, that top level bank appointments are made on merits, that bank loans are not given on political considerations because that is the only way we can maintain the health of the banking system.

As regards the interest tax, it is once again an emergency measure. It is a fiscal measure with a monetary impact. It was levied in 1974. When inflation situation im-

proved, it was removed. It was again levied in 1980. It was again removed when the inflation situation improved. My own feeling is that if you follow my advice, in three years' time, the inflation rate in this country will be comparable to inflation rate in any other country. If I succeed that, I would have brought down the interest rates to no more than 5 per cent to 7 per cent, that would usher in a new era in the history of India's development. But there are no instant remedies for the chronic problems that our country has. Our country's productivity has remained low year after year. These things will take time to correct. The fiscal system is also far from good. The tax administration, in many ways, is far from being what it ought to be. All this will take time. Now, in the meanwhile, the country must have patience. It must accept the logic of financial discipline because without financial discipline, no social justice is possible. We must learn what is happening in Yugoslavia. We must learn what is happening in the Soviet Union. Their political problems and the political disintegration of one vibrant society are rooted in the basic malfunctioning of the society. And if we do not correct these distortions at source, then as Shri Fernandes pointed out yesterday, that Bihar will go the way of Assam, the situation will become bad. And I do worry about that.

Several Members on this side and the other side referred to the problems of North-Eastern India. Now, these are the states which are totally depending on the Central Government for financing their administration and for financing their development. Today, Jammu and Kashmir is a big drain on the central exchequer. Even the richest States of the Union like Punjab are a big drain on national exchequer. How will a bankrupt central treasury go to the help of North-Eastern States? How will it provide resources for the development of Jammu and Kashmir? How will it provide resources to take care of the regional imbalances to which Shri George Fernandes pointedly drew our attention yesterday? I think all of us have a collective responsibility to correct this fiscal mess and see that India's fiscal system

regains its position. And it is my intention to reduce the fiscal deficit to 6.5 per cent of our GDP. I mean this because my credibility is at stake if I do not succeed and that would be a minus point. I do not want to stop there. It is my intention to persist on this path for the next two to three years. In the following year, I propose to reduce this deficit to about 5 per cent of GDP and thereafter, do a further consolidation so that at the end of the third year, India's fiscal system regains its normalcy, so that it becomes a source of strength to revitalise our planning process.

I also want to point out that the process of structural reforms that we have launched is not a one-sided affair. Fiscal consolidation is a pre-condition for this. But it must be followed by reforms in the trading system. We have begun this process.

Now, we cannot stop there. I had been abroad in Geneva where GATT is located. Whenever I went to the meetings, people ask me about our customs duties. And then I pointed out that our customs duties are sometimes 500 per cent or 300 per cent or 150 per cent or 100 per cent. People laugh at it. The world has changed beyond recognition and India cannot live in isolation. Therefore, we have to take note of winds of changes.

In Europe there is a common market. The whole of Europe is becoming one common market with no tariff barriers.

The United States, Mexico and even Latin America are talking of one common market. East Asia, Japan and the whole Pacific region is going to become one common market. If you people think that you could be an exception to what is happening in the rest of the world, that the rest of the world can dismantle tariff barriers and that this blessed country of ours can survive, flourish and achieve its national and international ambitions by the types of tariff regimes and quota regimes that we have followed, then I am afraid, you are certainly mistaken. When we will go abroad, people will say that these are men and women from

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mers. Therefore, we must modernise our tariff system. It is my intention, in the next five years, to drastically reduce the degree of protection that has been enjoyed by the Indian industry.

Shri Fernandes referred to the problems of poverty. How has India become poor? There is a conspiracy of silence when we talk about the root causes of poverty in this country. Now, all these years, in the name of planned development, we have provided indiscriminate protection to Indian industry. And when you give protection to somebody, this protection is at the cost of somebody else. The rural sector, the farmers of this country have been the worst sufferers of this excessive protection that has been given to the Indian industry. (Interruptions)

SHRI HARIN PATHAK (Ahmedabad) : All these years, Congress has been ruling this country. What is their contribution? (Interruptions)

SHRI MANMOHAN SINGH: People talk about fertilizer prices. Why is the fertilizer industry inefficient like other industries? All our industries are excessively protected. There is no intention to reduce the costs and they operate in isolation. If we have a more competitive economy, they would have justified themselves in the market place. If they are not efficient and if we have a society which is responsive to the needs of consumers, then you will find that in that process you would reduce this growing gap between the urban and rural areas. Therefore, the reform of the protection system is an integral part of the reform process.

In the same way is the reform of the financial system. I have already mentioned about the health of the banking industries. Someone in this House mentioned about the loan melas. I do not deny the contribution of loan melas. But I think, equally grave is the contribution of the massive scheme of loan waivers which has hurt the creditworthiness, which has hurt the axis of repay-

ment, which is the basis of a sound banking system. Our banks are committed to social banking. Let me be very clear. I think, there is no base for any fear that we are going to renege on our commitment to use the banking system as a major instrument of development. Social banking in this country has come to stay. The challenge is not to renege on that commitment but to make social banking also profitable banking. And that is the challenge that banks must face. Banks must serve the needs of our society, particularly the needs of the poorer sections, the artisans and small industrialists. But they must, simultaneously, remain as viable entities because if they are not healthy, they cannot perform the functions which we want them to perform. Therefore, financial reforms are very important.

In the same way, the role of the management and the working of our public sector is an integral part of the reform process. A public sector which is profitable, which is dynamic and which is the pace-setter in technological development, is a source of great strength to our country. But a public sector which absorbs and sucks resources year after year, and which does not generate resources, I can assure you, neither helps growth, nor does it help to promote the cause of social justice.

We admit that these are the critical issues. Not that I have provided solutions to all these problems, but what I have done is, I think I have bought time for this country to reflect on these critical areas. In months to come, this country must find a more meaningful national consensus so that we can together evolve a new Indian approach to dealing with these problems. This we owe to ourselves, this we owe to our children and this we owe to our grand children. It is only when we find solutions to these problems, we would regain for this country, the prestige that this country deserves. We have in our native language, Punjabi, a saying "Duniya maandi jora din, lakh lahnat kamzoran din". You cannot have an independent foreign policy on the basis of a collapsing economy. If you have any international ambitions and why should a country

of 850 million people with a great civilization, which has given so much to the world, not have international ambition? Why should we not have ambition of having a major share on the international arena? But that can become reality not by speaking in the United Nations but on the basis of what we do here to revitalise our economy; to make India an internationally competitive economy so that the foreigners take seriously what happens here and we become a part of the world economy. We give and we take. That is the only base on which you can regain the respect of the rest of the world. This Budget is a part of that strategy.

With these words I commend the Finance Bill to this august House.

MR. SPEAKER : The question is

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1991-92, be taken into consideration."

The motion was adopted

MR. SPEAKER : Now, we will take up Clause-by-Clause consideration of the Bill. Since there are no amendments to Clause 2, 3 and 4, I shall now put Clause 2 to 4 to the vote of the House.

The question is :

"That Clause 2 to 4 stand part of the Bill."

The Motion was adopted

Clauses 2 to 4 were added to the Bill

Clauses 5- Amendment of Section 10

MR. SPEAKER : There is an amendment to clause 5, suggested by Shri Girdhari Lal Bhargava. Mr. Bhargava, are you moving your amendment?

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jalpur) : I beg to move :

Page 5, line 45,-

add at the end-

"and the sum received from time to time in the money back scheme" (20)

[English]

MR. SPEAKER : I shall now put the amendment moved by Shri Bhargava to the vote of the House.

Amendment No. 20 was put and negatived

MR. SPEAKER : Now the question is:

"That Clause 5 stand part of the Bill"

The Motion was adopted

Clause 5 was added to the Bill

MR. SPEAKER: There are no amendments to clause 6, Now, the question is :

"That clause 6 stand part of the Bill"

The Motion was adopted.

Clause 6 was added to the Bill.

Clause 7

Amendment made :

Page 6, for clause 7, substitute,-

'7, In section 12A of the Income-tax Act, in clause (a) for the proviso, the following proviso shall be substituted, with effect from the 1st day of October, 1991, namely:-

"Provided that where an application for registration of the trust or institution is made after the expiry of the period aforesaid, the provisions of sections 11 and 12 shall apply in relation to the Income of such trust or institution,-

[Sh. Girdhari Lal Bhargava]

- (i) from the date of the creation of the trust or the establishment or the institution if the Chief Commissioner or Commissioner is, for reasons to be recorded in writing, satisfied that the person in receipt of the income was prevented from making the application before the expiry of the period aforesaid for sufficient reasons;-
- (ii) from the 1st day of the financial year in which the application is made, if the Chief Commissioner or commissioner is not so satisfied,"

(49)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That clause 7, as amended, stand part of the Bill"

The Motion was adopted

Clause 7, as amended, was added to the Bill

MR. SPEAKER : There is no amendment to clause 8, Now the question is:

"That Clause 8 stand part of the Bill"

The Motion was adopted

Clause 9- Amendment of section 17

MR. SPEAKER: There is an amendment suggested by Dr. Debi Prosad pal, are you moving?

DR. DEBI PROSAD PAL (Calcutta North-West): No.

MR. SPEAKER : Shri Girdhari Lal Bhargava, are you moving your amendment?

SHRI GIRDHARI LAL BHARGAVA (Jaipur) : I beg to move :

Page 7, Line 17;-

for "inserted, namely" substitute-

"inserted with effect from the 1st day of April, 1982, namely" (37)

Page 7, lines 45 and 46;-

For " seventy-five thousand rupees" Substitute "the limit as may be prescribed" (38)

MR. SPEAKER: There are also Government amendments. Shri Manmohan Singh.

Amendments made :

"Page 7, in lines 33 to 35, for "five thousand rupees, in the previous year, in the case of the employees and further five thousand rupees in the case of his family; ",Substitute "ten thousand rupees in the previous year;" (50)

" Page 7, in lines 33, for" Seventy-five thousand Substitute "one lakh" (51)

(Shri Manmohan Singh)

MR. SPEAKER: I shall now put the Amendments number 37 and 38 moved by Shri Girdharilal Bhargava to the vote of the House.

Amendments No. 37 and 38 were put and negatived

MR. SPEAKER: The question is :

"That Clause 9, as amended, stand part of the Bill"

The Motion was adopted

Clause 9, as amended, was added to the Bill

MR. SPEAKER: There is no amendment to clause 10 - Now the question is:

"That clause 10 stand part of the Bill"

The Motion was adopted

Clause 10 was added to the Bill

Clause-11 Amendment of Section 32

MR. SPEAKER: There are Amendments suggested by Shri Jaswant Singh, Dr. Laxminarayan Pandeya and Shri Rajendra Agnihotri. Shri Jaswant Singh, are you moving your Amendment?

SHRIJASWANT SINGH (Chittorgarh)
: I beg to move :

Page 8, -

Omit lines 8 to 13 (8)

MR. SPEAKER : There is also a Government Amendment.

Amendment made :

Page 8, for lines 3 to 7, *substitute*, -

- (a) for the second proviso, the following proviso shall be substituted, namely :-

"Provided further that no deduction shall be allowed under this clause in respect of -

- (a) any motor car manufactured outside India, where such motor car is acquired by the assessee after the 28th day of February, 1975, unless it is used-

- (i) in a business of running it on hire for tourists; or
(ii) Outside India in his business or profession in another country; and

- (b) any machinery or plant if the actual cost thereof is allowed as a deduction

in one or more years under an agreement entered into by the Central government under section 42." (52)

(Shri Manmohan Singh)

MR. SPEAKER: I shall now put the Amendment number 8 moved by Shri Jaswant Singh to the vote of the House.

Amendment No. 8 was put and negatived

MR. SPEAKER : The question is :

"That clause 11, as amended, stand part of the Bill."

The Motion was adopted

Clause 11, as amended, was added to the Bill

MR. SPEAKER : There no amendments to clauses 12 to 14.

The question is :

"That clause 12 to 14 stand part of the Bill"

The Motion was adopted.

Clauses 12 to 14 were added to the Bill

Clause 15- insertion of new section in 43 D

MR. SPEAKER: There is a Government Amendment.

Amendment made:

"Page 9, in lines 13 and 14, *omit*" with effect from the 1st day of April, 1992. (53)

(Shri Manmohan Singh)

MR. SPEAKER: The question is :

"That Clause 15, as amended, stand part of the Bill".

The motion was adopted

Clause 15 as amended, was added to the Bill

MR. SPEAKER: There are no amendments to clauses 16 to 18.

Now the question is:

"That clause 16 to 18 stand part of the Bill"

The Motion was adopted

Clause 16 to 18 were added to the Bill

Clause 19-Amendment of Section 48

SHRI GIRDHARI LAL BHARGAVA : I beg to move :

Page 9, line 53, -

for "fifteen thousand rupees" substitute
"thirty thousand rupees" (21)

MR. SPEAKER: I shall now put amendment no. 21 moved by Shri Girdharilal Bhargava to the vote of the House.

The amendment was put and negatived

MR. SPEAKER : The question is :

"That Clause 19 stand part of the Bill."

The Motion was adopted

Clause 19 was added to the Bill

MR. SPEAKER: There are no amendments to clause 20 to 25.

The question is :

"That clauses 20 to 25 stand part of the Bill."

The Motion was adopted

Clauses 20 to 25 were added to the Bill

Clause 26 Amendment of Section 80 G

SHRI GIRDHARI LAL BHARGAVA : I beg to move :

Page 10,-

omit lines 51 to 54 (22)

MR. SPEAKER: I shall now put amendment no. 22 moved by Shri Girdharilal Bhargava to the vote of the House.

The Amendment No. 22 was put and negatived

MR. SPEAKER: The question is

"That Clause 26 stand part of the Bill"

The Motion was adopted

Clause 26 was added to the Bill

MR. SPEAKER: There are no amendments to clause 27.

The question is :

"That Clause 27 stand part of the Bill"

The Motion was adopted

Clause 27 was added to the Bill

Clause 28- Amendment of Section 80 HHC

SHRI JASWANT SINGH : I beg to move :

Page 12,

omit lines 23 to 27 (9)

SHRIBHAGWANSHANKAR RAWAT (Agra) : I beg to move :

Page 12,-

for lines 23 to 27, substitute-

(i) after clause (a), the following clause shall be inserted, namely:-

"(aa) Provisions of section 80 HHD of the income-tax Act regarding Hotels or tour operators shall also be applicable to the sale proceeds in foreign exchange in a shop, emporium or any other establishment situated in India under 'export out of India.' (31)

SHRI GIRDHARI LAL BHARGAVA : I beg to move:

Page 12,-

for lines 23 to 27 substitute-

(i) after clause (a), the following clause shall be inserted, namely:-

(a) "Export out of India " shall include any transaction by way of sale or otherwise to foreign tourist giving undertaking to carry goods out of India against convertible foreign exchange in a shop emporium or any other establishment situated in India." (39)

Amendments made ;

Page 11, after line 57, insert, -

"provided that the profits computed under clause (a) or clause (b) or clause (c) of this sub-section shall be further increased by the amount which bears to ninety percent of any sum referred to in clause (iia) (not being profits on sale of a license acquired from any other persons), and clauses (iib) and (iic), of section 28, the same proportion as the export turnover bears to the total turnover of the business carried on by the assess." (54)

Page 12, in line 39, for

"ninety per cent of any receipts",

substitute "ninety percent of any sum referred to in clauses (iia), (iib) and (iic) of section 28 or of any receipts". (55)

(Shri Manmohan Singh)

MR. SPEAKER : I shall now put amendment no. 9 moved by Shri Jaswant Singh, amendment no. 31 moved by Shri Bhagwan Shankar Rawat and amendment No. 39. moved by Shri Girdharilal Bhargava to the vote of the House.

Amendments No. 31 and 39 were put and negatived

MR. SPEAKER : The question is :

" That Clause 28 as amended stand part of the Bill"

The motion was adopted

Clause 28 as amended, was added to the Bill

Clause 29 - Amendment of Section 80 HHD

Amendments made:

Page 13, omit lines 15 to 25 (56)

Page 13, in line 25 for "(e)", substitute "(d)". (57)

Page 13, in line 30, and 31 omit, "as reduced by the payments made by him to the other assess as referred to in the proviso to sub-section (3)". (58)

Page 13, in line 32 for, "(f)", substitute "(c)". (59)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

" That clause 29, as amended, stand part of the Bill."

The motion was adopted

Clause 29, as amended, was added to the Bill

Clause 30 - Insertion of New Section 80
H/E

MR. SPEAKER : Clause 30. Shri Manmohan Singh to move an amendment.

Clause 30

Amendment made :

Page 13, after line 54 insert,

Explanation,— The said consideration shall be deemed to have been received in India where it is credited to a separate account maintained for the purpose by the assessee with any bank outside India with approval of the Reserve bank of India. (60)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That Clause 30, as amended, stand part of the Bill.

The motion was adopted

Clause 30 as amended, was added to the Bill

MR. SPEAKER : There are no amendments to clause 31

The question is :

"That clause 31 stand part of the Bill".

The Motion was adopted

Clause 31 was added to the Bill

Clause 32 - Insertion of New Section 80-
IA

MR. SPEAKER : There is an amendment, No. 61 to clause 32.

Amendment made ;

Page 17, in line 10 for "thirty-five", substitute "sixty". (61)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That Clause 32 as amended, stand part of the Bill."

The motion was adopted

Clause 32, as amended, was added to the Bill

MR. SPEAKER : Shri Manmohan Singh.

SHRI MANMOHAN SINGH : I beg to move :

" That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 62 to the Finance (No.2) Bill, 1991 and that this amendment may be allowed to be moved."

MR. SPEAKER : The question is :

" That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 62 to the Finance (No.2) Bill, 1991 and that this amendment may be allowed to be moved."

The motion was adopted

New clause 32 A

Amendment made :

"Page 17, after line 15, insert, -

"32A. In section 80L of the Income-tax Act, in sub-section (l), for sub-clause (ia), the following sub-clause shall be substituted, with effect from the 1st day of April, 1992, namely:-

"(ii) interest on National Savings Certificates (VI Issue) or National Saving Certificates (VII Issue) or National savings Certificates (VIII Issue) issued under the Government Savings Certificates Act, 1959," (62)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That new Clause 32A be added to the Bill."

The motion was adopted

New Clause 32A was added to the Bill

Clause 33 - Amendment of Section 80

Amendment made ;

"Page 17, for clause 33, substitute,-

"33. In section 80-O of the Income-tax Act, with effect from the 1st day April, 1992,-

- (a) after the words "an Indian company". the words and brackets "or a person (other than a company) who is resident in India" shall be inserted;
- (b) for the words "technical services", the words "technical or professional services" shall be inserted;
- (c) the words "under an agreement approved in this behalf by the Chief Commissioner or the Director General;" shall be omitted;
- (d) the first and second provision shall be omitted;

(e) in the third proviso, for the words "Provided also",

the word "Provided" shall be substituted;

(f) in the Explanation, after clause (ii), the following clause shall be inserted, namely:-

"(iii) services rendered or agreed to be rendered outside India shall include services rendered from India but shall not include services rendered in India." (63)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That clause 33, as amended, stand part of the Bill."

The Motion was adopted

Clause 33, as amended, was added to the Bill

MR. SPEAKER : There are no amendments to clauses 34 to 36.

The question is :

"That Clauses 34 to 36 stand part of the Bill."

The motion was adopted

Clauses 34 to 36 were added to the Bill

Clause 37 - Amendment of Section 88

SHRI BHOGENDRA JHA
(Madhubani) : I beg to move :

"Page 18, -

after line 12, insert -

"(e) a small scale industries unit." (15)

MR. SPEAKER : I shall now put amend-

ment No. 15 move by Shri Bhogendra Jha to the vote of the House.

Amendment, No.15 was put and negatived

14.00 hrs.

MR. SPEAKER: The question is :

"That Clause 37 stand part of the Bill."

The motion was adopted

Clause 37 was added to the Bill

MR. SPEAKER: There are no amendments to clauses 38 to 50.

Now the question is:

"That clauses 38 to 50 stand part of the Bill.

The motion was adopted

Clauses 38 to 50 were added to the Bill

Clause 51 - Amendment of Section 194A

SHRI RAM KAPSE (Thane) : I beg to move :

Page 20,-

for clause 51 substitute -

"51. In section 194A of the Income Tax Act, in sub-section 3, in clause (vii), the words, figures and brackets 'with a banking company to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of the Act, or' shall be omitted with effect from the 1st day of October, 1991. (1)

Amendment made:

Page 20, for clause 51, substitute,—

"51. In section 194A of the Income-tax Act, in sub-section (3), for clause (vii),

the following clauses shall be substituted with effect from the 1st day of October, 1991, namely:-

"(vii) to such income credited or paid in respect of deposits (other than time deposits) with a banking company to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act);

(viiA) to such income credited or paid in respect of, —

- (a) deposits with a primary agricultural credit society or a primary credit society or a cooperative land mortgage bank or a cooperative land development bank;
- (b) deposits (other than time deposits) with a cooperative society other than a cooperative society or bank referred to in sub-clause (a), engaged in carrying on the business of banking;

Explanation. — For the purposes of clauses (vii) and (viiA), "time deposits" means deposits (excluding recurring deposits) repayable on the expiry of fixed periods." (64)

(Shri Manmohan Singh)

MR. SPEAKER: Now, I will put amendment no. 1, moved by Shri Ram Kapse, to clause 51 to the vote of the House.

The amendment was put and negatived.

MR. SPEAKER : The question is :

"That Clause 51 as amended, stand part of the Bill."

The Motion was adopted

Clause 51, as amended, was added to the Bill

Clause 52 - Amendment of Section 194
BB

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA
(Jaipur) : I beg to move

Page 20,—

for clause 52, substitute—

52. In section 194BB of the Income-tax for the words five thousand rupees" The words "ten thousand rupees" shall be substituted." (23)

[*English*]

Amendment made

Page 20, for clause 52 substitute,—

'52. In section 194BB of the Income-tax Act, for the words "five thousand rupees", the words "two thousand five hundred rupees" shall be substituted with effect from the 1st day of October, 1991.' (65)

(Shri Manmohan Singh)

MR. SPEAKER: The Amendment no. 23 to Clause 52, moved by Shri Girdharilal Bhargava to the vote of the House .

Amendment No. 23 was put and negatived

MR. SPEAKER: The question is :

"That Clause 52, as amended, stand part of the Bill."

The motion was adopted

Clause 52 as amended, was added to the Bill

Clause 53 - Amendment of Section 194EE

SHRI RAM NAIK (Bombay - North) : I beg to move :

Page 20, line 57,—

for "two thousand five hundred rupees"
substitute "twenty five thousand rupees" (2)

SHRI ANNA JOSHI (Pune) : I beg to move :

Page 20, —

after line 59

Insert — "Provided also that nothing contained in this section shall apply to the payment of the said amount when a person gives a declaration to the effect that he has paid the tax in advance after considering the total income by way of interest". (3)

SHRI JASWANT SINGH (Chittorgarh) : I beg to move :

Page 20, line 57, —

for "two thousand five hundred rupees"
Substitute "ten thousand five hundred rupees". (10)

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA
(Jaipur) : I beg to move :

Page 20 line 57,—

for "two thousand five hundred rupees"
substitute "twenty thousand rupees" (24)

[*English*]

MR. SPEAKER : Now, I will put amendment No. 2 and 3 to Clause 53 Moved by Shri Ram Naik and Shri Anna Joshi to the vote of the House.

Amendments No. 2 and 3 were put negatived

MR. SPEAKER: Now, I will put amendment No. 10 to Clause 53 moved by Shri Jaswant Sing to the vote of the House.

Amendment No. 10 was put and negatived.

MR. SPEAKER: I shall now put amendment No. 24 moved by Shri Girdhari Lal Bhargava to the vote of the House.

Amendment No. 24 was put and negatived.

MR. SPEAKER: The question is:

"That clause 53 stand part of the Bill."

The motion was adopted.

Clause 53 was added to the Bill.

Clause 54 - Insertion of New Section 194G and 194H

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): I beg to move:

Page, line 8,—

for "ten percent" substitute "five percent" (25)

Page 21, line 18,—

for ten per cent " substitute "five per cent" (26)

Page 21, line 22,—

for "two thousand five hundred rupees" substitute "ten thousand rupees" (27)

[English]

MR. SPEAKER: Amendments No. 42 and 44 are same as amendment No. 27. So, they are not being moved.

[Translation]

SHRI DAU DAYAL JOSHI: I beg to move:

Page 21, —

after line 18 insert—

"provided that the recipient of the commission or brokerage who retains the said commission or brokerage or in any other manner is in receipt of the same without being given by the person responsible for paying the said commission or brokerage shall be required to deposit the income-tax deductible at source, namely at the rate of ten per cent on the amount of commission or brokerage so retained or received by him and all the provisions applicable to the person responsible for paying the commission or brokerage shall apply to such recipient of the commission or brokerage accordingly." (43)

[English]

SHRI MANMOHAN SINGH: Sir, I beg to move;

Page 21, for line 5, substitute, —

"way of commission, remuneration or prize (by whatever name called) on such tickets in an amount exceeding one thousand rupees shall, at the". (66)

Page 21, for lines 19 to 22, substitute, —

"(2) The provisions of sub-section (1) shall not apply —

- (a) to such persons or class or of persons as the Central Government may, having regard to the extent of inconvenience caused or likely to be caused to them and being satisfied that it will not be prejudicial to the interests of the revenue, by notification in the Official Gazette, specify in this behalf:

(b) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person referred to in sub-section (1) to the account of, or to, the payee, does not exceed two thousand five hundred rupees." (67)

MR. SPEAKER : I shall now put amendments No. 25, 26 and 27, to clause 54, moved by Shri Girdhali Lal Bhargava to the vote of the House.

Amendments No. 25, 26 and 27 were put and negatived

MR. SPEAKER : I shall now put amendment No. 43, to clause 54, moved by Shri Dau Dayal Joshi to the vote of the House.

Amendment No. 43 was put and negatived

MR. SPEAKER : I shall now put Government amendments No. 66 and 67 to the vote of the House.

The question is :

Page 21, for line 5, substitute, —

"way of commission, remuneration or prize (by whatever name called) on such tickets in an amount exceeding one thousand rupees shall, at the ". (66)

The motion was adopted

MR. SPEAKER : The question is :

Page 21, for lines 19 to 22, substitute, —

"(2) The provisions of sub-section (1) shall not apply—

(a) to such persons or class or

classes of persons as the Central Government may, having regard to the extent of inconvenience caused or likely to be caused to them and being satisfied that it will not be prejudicial to the interests of the revenue, by notification in the official Gazette, specify in this behalf;

(b) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person referred to in sub-section (1) to the account of, or to the payee, does not exceed two thousand five hundred rupees." (67)

The motion was adopted

MR. SPEAKER : The question is :

"That clause 54, as amended, stand part of the Bill."

The Motion was adopted

Clause 54, as amended, was added to the Bill

MR. SPEAKER : There is no amendment to clause 55,

The question is :

"That clause 55 stand part of the Bill."

The motion was adopted

Clause 55 was added to the Bill

New clause 55A

SHRI MANMOHAN SINGH : Sir, I beg to move :

"That this House do suspend clause (i) of Rule 80 of the rules of Procedure

[Sh. Manmohan Singh]

and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 68 to the Finance (No. 2) Bill, 1991 and that this amendment may be allowed to be moved.

MR. SPEAKER : The question :

"That this House do suspend clause (1) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 68 to the Finance (No. 2) Bill, 1991 and that this amendment may be allowed to be moved.

The motion was adopted

Amendment made :

Page 21, after line 40, insert, —

'55A. In section 196A of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, with effect from the 1st day of October, 1991, namely:—

"(3) Notwithstanding anything contained in this Act, no deduction of tax shall be made from any income payable in respect of units issued under any scheme of the Unit Trust of India established under section 3 of the Unit Trust of India Act, 1963, to any institution or fund where such income is not liable to inclusion in its total income under the provisions of section 11 and 12 clause (22) or clause (22A) or clause (23) or clause (23AA) or clause (23C) of section 10." (68)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That new clause 55A stand part of the Bill."

The motion was adopted.

New clause 55A was added to the Bill

MR. SPEAKER: There are no amendments to clauses 56 to 58.

The question is:

"That clause 56 to 58 stand part of the Bill."

The motion was adopted

Clause 56 to 58 were added to the Bill

Clause 59 - Amendment of Section 204

Amendment made :

Pages 21 and 22, for clause 59, substitute —

'59. In section 204 of the Income-tax Act, in the opening portion, after the word, figures and letter "section 194E" the words, figures and letters "section 194EE", "section 194F, section 194G section 194H", shall be inserted with effect from the 1st day of October, 1991".

(Shri Manmohan Singh)

MR. SPEAKER : The question :

"That Clause 59, amended, stand part of the Bill".

The motion was adopted

Clause 59, as amended, was added to the Bill

MR. SPEAKER : There are no amendments to clause 60 to 62.

The question is:

"That clause 60 to 62 stand part of the Bill."

The motion was adopted

Clause 60 to 62 were added to the Bill

Clause 63

Amendment made :

Page 22, in lines 19 and 20 omit "out of the places specified in relation to other Benches" (70)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That Clause 63, as amended, stand part of the Bill".

The motion was adopted

Clause 63, as amended, was added to the Bill

Clause 64 - Amendment of Section 245D

Amendment made:

Page 22, in line 23 for "six months", substitute "one hundred and twenty days" (71)

(Shri Manmohan Singh)

MR. SPEAKER :The question is :

" That Clause 64 as amended stand part of the Bill".

The motion was adopted

Clause 64, as amended , was added to the Bill

MR. SPEAKER: There are no amendments to clauses 65 and 66.

The question is :

"That clause 65 and 66 stand part of the Bill".

The motion was adopted

Clause 65 and 66, were added to the Bill

Clause 67 Amedment of Section 273A

Amendments made:

Page 22, for line 44, substitute, -

"other assessment year or years if he makes an application to the income-tax authority referred to in sub-section (4) at any time before the 1st day of April, 1992." (72)

(Shri Mamohan Singh)

MR. SPEAKER: The question is:

"That clause 67, as amended, stand part of the Bill."

The motion was adopted

Clause 67, as amended, was added to the Bill

Clause 68- Amendment of section 279-

Amendments made:

Page 23, for line 3, substitute,-

"compounded by the Chief Commissioner or Director General". (73)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 68, as amended, stand part of the Bill".

The motion was adopted

Clause 68, as amended, was added to the Bill

Clause 69- Insertion of twelfth schedule

Amendments made:

Page 23, in line 27, for "crushing and screening" substitute "screening or crushing and screening". (74)

Page 23, in line 31, for "rocks", substitute "rocks including cut and polished granite". (75)

(Shri Manmonhan Singh)

MR. SPEAKER: The question is:

"That clause 69, as amended, stand part of the Bill."

The motion was adopted

Clause 69, as amended, was added to the Bill

Clause 70 - Consequential amendment

MR. SPEAKER: The question is:

"That clause 70 stand part of the Bill".

The motion was adopted.

Clause 70 was added to the bill.

Clause 71- Amendment of Section 5

SHRI DAU DAYAL JOSHI (Kota): Sir, I beg to move:

Page 24,—

After line 5 insert—

(a) after sub clause (a) of Explanation I to Clause (viii) the following proviso shall be inserted, namely:-

"Provided that the stridhan jewellery for every married lady equivalent to 1,000 grams of gold or its equivalent value for precious, semi-precious jewellery or jewellery made of metal and other precious metal like silver, platinum, shall not form part of jewellery" (45)

MR. SPEAKER: I shall now put the amendment moved by Shri Dau Dayal Joshi to the vote of the House.

The amendment No. 45 was put and negatived

MR. SPEAKER: The question is:

"That clause 71 stand part of the Bill".

The motion was adopted

Clause 71 was added to the Bill

MR. SPEAKER: There are no amendments to clauses 72 and 73.

The question is:

"That clauses 72 and 73 stand part of the Bill"

The motion was adopted

Clause 72 and 73 were added to the Bill

Clause - 74 Amendment of section 18B

Amendment made:

Page 24, for line 37, substitute,—

"other assessment year or years if he makes an application to the wealth-tax authority referred to in sub-section (4) at any time before the 1st day of April, 1992." (76)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 74, as amended, stand part of the Bill."

The motion was adopted

Clause 74, as amended, was added to the Bill

Clause 75- Amendment of section 22BA

Amendment made:

Page 24, in lines 44 and 45, omit "out of the places specified in relation to othe Benches". (77)

(Shri Manmohan Singh)

MR. SPEAKER: the question is:

"That clause 75, as amended, stand part of the Bill."

The motion was adopted.

Clause 75, as amended, was added to the Bill.

Clause 76 - Amendment of section 22D

Amendment made:

Page 24, in line 48, for "six month". substitute "one hundred and twenty days". (78)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 76, as amended, stand part of the Bill."

The motion was adopted

Clause 76 as amended, was added to the Bill

MR. SPEAKER: There are no amendments to clause 77 and 78.

The question is:

"That clause 77 and 78 stand part of the Bill".

The motion was adopted

clauses 77 and 78 were added to the Bill

Clause-79

Amendment made:

Page 25, for line 14, substitute, — "by the Chief Commissioner or Director General." (79)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 79, as amended, stand part of the Bill."

The motion was adopted

Clause 79, as amended, was added to the Bill

MR. SPEAKER: The question is:

"That clause 80 stand part of the Bill."

The motion was adopted

Clause 80 added to the Bill

Clause 81

Amendment made:

Page 25, for lines 26 and 27, substitute,—

(a) in rule 9A,—

(i) after the words "at the option of the assessee", the words "or a company" shall be inserted:

(ii) for the words "four assessment years", wherever they occur, the words "nine assessment years" shall be substituted; (80)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 81, as amended, stand part of the Bill."

The motion was adopted

Clause 81, as amended, was added to the Bill

MR. SPEAKER: There are no amendments to clauses 82 to 87.

The question is:

"That clause 82 to 87 stand part of the Bill."

The motion was adopted.

Clause 82 to 87 were added to the Bill.

Clause 88

Amendment made:

Page 26, for line 28, substitute,—

"by the Chief Commissioner or Director General". (81)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That clause 88, as amended, stand part of the Bill."

The motion was adopted.

Clause 88, as amended, was added to the Bill.

Clause 89- Amendment of section 2

SHRIBHAGWANSHANKAR RAWAT (Agra): Sir, I beg to move :

Page 26, — Omit lines 42 to 45 (4)

SHRIRAMNAIK (Bombay-North): Sir, I beg to move:

Page 26, lines 43 to 45 omit

"or a cooperative society engaged in carrying on the business of banking (including a cooperative land mortgage bank or a cooperative land development bank". (5)

Amendment made:

Page 26, in lines 14 and 45, for

"(including a cooperative land mortgage bank or a cooperative land development bank)" substitute "not being a cooperative society providing credit facilities to farmers or village artisans". (82)

(Shri Manmohan Singh)

MR. SPEAKER: I shall now put amendment No. 4 moved by Shri Bhagwan Shankar Rawat to the House.

Amendment No. 4 was put and negatived

MR. SPEAKER: I shall now put amendment No. 5 to the vote of the House.

Amendment No.5 was put and negatived

MR. SPEAKER: The question is:

"That clause 89, as amended, stand part of the Bill."

The motion was adopted

clause 89, as amended, was added to the Bill

MR. SPEAKER: There is amendment to clause 90, The question is:

"That clause 90 stand part of the Bill."

The motion was adopted

clause 90 was added to the Bill

Clause 91- Amendment of section 4

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Sir, I beg to move:

Page 27, line 44, —

for "there percent" substitute—
"two percent" (29)

MR. SPEAKER: I shall now put the amendment moved by Shri Girdharilal Bhargava to the vote of the House .

The amendment No. 29 was put and negatived

MR. SPEAKER: The question is:

"That clause 91 stand part of the Bill.

The motion was adopted

Clause 91 was added to the Bill

Clause 92 Substitution of new section for sections

Amendment made:

Page 27, for line 49, substitute,—

'credit institutions) accruing or arising to the credit institution in that previous year:

Provided that any interest in relation to categories of bad or doubtful debts referred to in section 43D of the Income-tax Act shall be deemed to accrue or arise to the credit institution in the previous year in which it is credited by the credit institution to its profit and loss account for that year or, as the case may be, in which it is actually received by the credit institution, whichever is earlier."'. (83)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 92, as amended, stand part of the Bill."

The Motion was adopted

Clause 92, as amended, was added to Bill

MR. SPEAKER: There are no amendments to clause 93 to 107.

Now, the question is:

"That clauses 93 to 107 stand part of the Bill."

The motion was adopted.

Clauses 93 to 107 were added to the Bill.

Clause 108 - Substitution of new sections for sections 23 to 26

Amendment made:

Page 33, in line 10, for

"the Board or a Chief Commissioner or a Director", substitute "the Chief commissioner or Director". (84)

(Shri Manmohan Singh)

SHRI MANMONAN SINGH: Sir, I beg to move:

"That the House do suspend clause 1 of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates in its application to Government amendment No. 85 to the Finance (No.2) Bill, 1991 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That the House do suspend clause 1 of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates in its application to Government amendment No. 85 to the Finance (No.2) Bill, 1991 and that this amendment may be allowed to be moved."

The motion was adopted

Amendment made:

Page 33, after line 15, insert, —

"26C. Notwithstanding anything contained in any agreement under which any term loan has been sanctioned by the credit institution before the 1st day of October, 1991, it shall be lawful for the credit institution to vary the agreement, so as to increase the rate of interest stipulated therein to the extent to which such institution is liable to pay the interest-tax under this Act in relation to the amount of interest on the term loan which is due to the credit institution.

Explanation:- For the purposes of this section, "term loan" means a loan which is not repayable on demand. (85)

(Shri Manmohan Singh)

MR. SPEAKER: The question is:

"That Clause 108, as amended, stand part of the Bill."

The motion was adopted

Clause 108, as amended, was added to the Bill

MR. SPEAKER: There no amendments to clauses 109 to 111.

The question is:

"That clauses 109 to 111 stand part of the Bill."

The motion was adopted.

Clauses 109 to 111 were added to the Bill.

Clause 112 - Amendment of Section 2

SHRI RAM NAIK (Bombay North):
Sir, I beg to move:

"Page 33, lines 36 to 41, -

omit "or have any of the following three facilities, namely:-

- (i) they are equipped with, or have access to, facilities for air-conditioning;
- (ii) they have at least two separate cloak rooms fitted with modern sanitary fittings;
- (iii) they have a telephone installed therein;
- (iv) they are equipped with, or have access to, cold storage or deep-freezing facility; (12)

SHRI BHOGENDRA JHA (Madhubani) : Sir, I beg to move:

Page 33, -

omit lines 40 and 41 (18)

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Sir, I beg to move that

Page 33, after line 41. insert—

"(v) they are equipped with centralised video viewing facility". (30)

[English]

Amendment made:

Page 33, for lines 36 to 41, substitute,

"premises, at the beginning of any month, are equipped with, or have access to, facilities for air-conditioning; ." (86)

(Shri Manmohan Singh)

MR. SPEAKER: I shall now put the Amendment Nos. 12, 18 and 30 moved by Shri Ram Naik, Shri Bhogendra Jha and Shri Girdhari Lal Bhargava to the vote of the House.

Amendments Nos. 12, 18 and 30 were put and negatived

MR. SPEAKER: The question is :

"That clause 112, as amended, stand part of the Bill."

The motion was adopted

Clause 112, as amended, was added to the Bill

[Translation]

Clause 113 - substitution of new sections for sections 3 to 5

SHRIBHAGWAN SHANKAR RAWAT (Agra): I beg to move that

Page 34, —

after line 17 insert—

"*explanation*- The expenditure incurred on rent for accommodation hired or taken on lease in such hotel for sale of goods in foreign exchange shall be

exempted therefrom." (32)

[English]

MR. SPEAKER: I shall now put Amendment No. 32 moved by Shri Bhagwan Shankar Rawat to the vote of the House.

Amendment No. 32 was put and negatived.

[Translation]

SHRI LAL K. ADVANI (Gandhinagar): Will the finance Minister still be ready to reconsider Income tax exemption limit? I would request you that it would be better if he considers it today

MR. SPEAKER: There are amendments to the First Schedule.

SHRI RAM NAIK : I beg to move :

Page 37,-

for lines 11 to 20 substitute—

"Rates of Income-tax

Rates of Income Tax

(1) where the total income does not exceed	Nil;
(2) where the total income exceeds Rs. 48,000 but does not exceed Rs. 60,000	10 per cent. of the amount which the total income Rs. 48,000;
(3) where the total income exceeds Rs. 60,000 but does not exceeds Rs.75,000	Rs. 1,600 plus 30 per cent of the amount by which the total income exceeds Rs. 60,000;
(4) where the total incime exceeds Rs. 75,000 but does not exceeds Rs. 1,00,000	Rs. 3,450 plus 20 per cent the amount by which the total income exceeds Rs. 75,000;
(5) where the total income exceeds Rs. 1,00,000 total income	Rs. 8,450 plus 50 per cent. of the amount by which the total income exceeds Rs. 1,00,000

[Translation]

The limit would be increased upto Rs. 48000/-, hence I move it.

[English]

I expect positive response from the Gov-

ernment.

(6)

SHRI JASWANT SINGH (Chittorgarh) :
I beg to move :

Page 37 --

for lines 11 to 20 *substitute* --

**Rates of Income-tax*

- | | |
|--|--|
| (1) where the total income does not exceed Rs. 48,000. | Nil |
| (2) where the total income exceeds Rs. 48,000 but does not exceed Rs. 80,000 | 20 per cent. of the amount by which the total income exceeds Rs. 48,000; |
| (3) where the total income exceeds 60,000 but does not exceed Rs. 80,000. | Rs. 2,400 plus 30 per cent. of the amount by which the total income exceeds Rs. 60,000; |
| (4) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000 | Rs. 8,400 plus 35 per cent of the amount by which the total income exceeds Rs. 80,000; |
| (5) where the total income exceeds. Rs. 1,00,000 | Rs. 15,400 plus 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000 (13) |

SHRI BHAGWAN SHANKAR RAWAT
(Agra) : I beg to move :

Page 37, -

for lines 11 to 20, *substitute* -

**Rates for Income-tax*

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 48,000 | Nil |
| (2) where the total income exceeds Rs. 48,000 but does not exceed 56,000 | 20 percent of the amount by which the total income exceeds Rs. 48,000; |
| (3) where the total income exceeds Rs. 56,000 but does not exceeds Rs. 76,000. | Rs. 1,600 plus 30 per cent. of the amount by which the income exceeds Rs.56,000 |
| (4) where the total incime exceeds Rs. 76,000 but does not exceeds Rs. 1,00,000 | Rs. 76,000 plus 40 per cent the amount by which the total income exceeds Rs. 76,000; |
| (5) where the total income exceeds. Rs. 1,00,000 | Rs. 17,200 plus 50 per cent. amount by which the total income exceeds Rs. 1,00,000 (33) |

Page 37, line 31, -
for "one member" substitute - (34)
"half of the members"

Page 37, line 33, -
for "Rs. 22,000" Substitute
"Rs. 48,000"

Page 37, for line 34 to 45,
substitute (35)
"Rates of Income-tax"

-
- | | |
|--|--|
| (1) where the total income does not exceed Rs. 48,000 | Nil; |
| (2) where the total income exceeds Rs. 48,000 but does not exceed Rs. 56,000 | 20 per cent; of the amount by which the total income exceeds Rs. 48,000; |
| (3) where the total income exceeds Rs. 56,000 but does not exceed Rs. 76,000 | Rs. 1,600 plus 30 per cent of the amount by which the total income exceeds Rs. 56,000; |
| (4) where the total income exceeds Rs. 76,000 but does not exceed Rs. 1,00,000 | Rs. 7,600 plus 40 per cent of the amount by which the total income exceeds Rs. 76,000; |
| (5) where the total income exceeds Rs. 1,00,000 | Rs. 17,200 plus 50 per cent of the amount by which the total income exceeds Rs. 1,00,000 |

(34)

I move these amendments and would like to appeal to the Government to stop being obdurate. The way prices have skyrocketed and devaluation of rupee has taken place it seems the injustice is being done to the hardworking masses and employees in the fixed income group. The

Government should shed obduracy.

SHRI GIRDHARI LAL BHARGAVA
(Jaipur): I beg to move:-
Page 37,-

for lines 11 to 20 substitute-

Rates of income-tax

-
- | | |
|--|--|
| (1) where the total income does not exceed Rs. 48,000. | Nil; |
| (2) where the total income exceeds Rs. 48,000 but does not exceed Rs. 1,00,000 | 25% of the amount by which the total income exceeds Rs. 48,000; |
| (3) where the total income exceeds Rs.1,00,000 | Rs. 13,000 plus 40 per cent of the amount by which the total income exceeds Rs.1,00,000 (40) |

Page 38, --
for lines 8 to 15 substitute --

Rates of income-tax

(1) where the total income does not exceed Rs. 25,000	Nil.
(2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	6 per cent of the amount by which the total income exceeds Rs. 25,000
(3) Where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 1,500 plus 12 per cent of the amount by which the total income exceeds Rs. 50,000
(4) where the total income exceeds Rs. 1,00,000	Rs. 7,500 plus 18 per cent of the amount by which the total income exceeds Rs. 1,00,000 (41)

In very strong words, I demand these amendments be circulated. Besides, I am sure the hon. Finance Minister would certainly accept our proposal of increasing the limit of income tax from the casting Rs. 22000 to Rs. 48,000. Prices are increasing very fast and the masses are in a miserable plight. Therefore, I would appeal to rouse the ceiling limit upto Rs. 48,000 and at any cost it should be raised to at least Rs. 30,000.

SHRI DAU DAYAL JOSHI (Kota): I beg to move:-

Page 41, -
after line 47 insert-

"Provided further that where the total income exceeds Rs. 75,000 the surcharge on the income-tax payable shall not exceed 30% of the difference between the total income on which income-tax is payable and the sum of Rs. 75,000." (46)

(In interruptions)

[English]

MR. SPEAKER: With your concurrence, I am putting all these amendments to the First Schedule, namely amendment Nos. 6, 13, 33, 34, 35, 36, 40, 41 and 46 to the vote of the House. No. 6, 13, 33, 34, 35, 36, 40, 41 and 46.

Amendment were put and negatired.

MR. SPEAKER; The question is:

"That the First Schedule stand part of the Bill."

*The motion was adopted
The First Schedule was added to the Bill.*

MR. SPEAKER; There are no amendments to the second Schedule and the Third Schedule. The question is 'That the second schedule and the third schedule stand part of the Bill.'

The motion was adopted.

The second schedule and the third schedule were added to the Bill.

The fourth schedule

SHRI BHOGENDRA JHA (Madhubani):
Sir, I beg to move:

Page 53,
Omit lines 16 and 17 (19)

Amendments made:

Page 53, Line 46
for "74.12" substitute "74.11" (47)

Page 54 line 8, --
for "the activity of body building"

substitute "building a body" (48)

(Shri Manmohan Singh)

MR. SPEAKER: I shall now put amendment No. 19 moved by Shri Bhogendra Jha to the vote of the House.

Amendment No. 19 was put and negatived.

MR. SPEAKER: The question is:

"That The fourth Scheduled, as amended, stand part of the Bill."

The motion was adopted

The Fourth Schedule, as amended, was added to the Bill

MR. SPEAKER: The question is;

That the fifth Schedule start part of the Bill."

The motion was adopted

The Fifth Schedule was added to the Bill.

MR. SPEAKER: The question is:

"That the Enacting formula on the Long file stand part of the Bill

The motion was adopted Clause 1, the Enacting Formula and the long Title were added to the Bill.

The Motion was adopted

SHRI MANMOHAN SINGH: Sir, I beg to move:

The Fifth Schedule was added to the Bill

MR. SPEAKER: The question is:

"That the enacting formula and the long title stand that of the Bill."

The Motion was adopted

Clause 1, the Enacting Formula and the long Title were added to the Bill.

SHRI MONMOHAN SINGH: Sir, I beg to move:

"That the Bill, as amended, be passed."

SHRI CHANDRAJEET YADAV (Azamgarh): I Have given notice to speak.

MR. SPEAKER: Motion moved:

"That the Bill, as amended, be passed."

[Translation]

SHRI LAL K. ADVANI (Gandhi Nagar): Mr. Speaker, Sir, with the passing of the Finance Bill the Budget procedure is coming to an end today. I remember when the new Finance Minister presented the Budget in July, this year, we were really disappointed with the Budget speech. Let me at the outset today, say, that the reply to the debate on Finance Bill by the hon. Finance Minister is to be appreciated for the plain speaking he has done about the economic situation of the country. I am glad that he is straight forward in his approach, though at the time of Budget speech I felt that the Finance Minister was squarely laying the blame on the previous Government, as part of the collective attack. I felt as if the economic crisis suddenly cropped up within a year when Congress was not in power. But today things are different. While replying to the Debates he said irrespective of the party which is to be blamed-whether it is this party that party or my party-we should come face to face with factual position. We should think how can we overcome the crisis. Another thing that is worth appreciating is that he said he does not claim that the Budget would resolve the crisis altogether and he has give the necessary time gap for it. I respect the

sentiments of the hon. Minister. Though the Budget is not satisfactory but the approach that has come to light in the reply to the general discussion on the Budget seems worth appreciating. All of us should seriously think about it. When he said that the industrialists are not to be squarely blamed for the crisis and the leaders are to be equally blamed for it because the industrialists have merely taken advantage of the protection they have to enjoying for the last 40 years because of the system. Today, when we talk of liberalisation many industrialists say that liberalisation is good but it should not be allowed in my field because they know that it would encourage competition and it would in turn benefit the poor. Not all industrialists want this.

I think we have not still overcome the crisis. This is a giant crisis and the poor, and middle class are suffering on this account. I was hopeful that the Government would certainly consider about those things which are clear, yesterday he gave some concessions. He could have expressed his inability to do so and stuck to his earlier decision but he still gave concessions though he believed that they were illogical and irrational and we suffered to some extent on that account.

Today when we were discussing many friends emphasized that all sections of society were hit hard by the rising prices but the hardest hit was the fixed income group. Last year we had requested the hon. Finance Minister to raise the exemption limit of income-tax from Rs. 18,000 to Rs. 30,000 but he did not accept it and instead raised it to Rs. 22,000 only. If we go by the value of rupee when the exemption limit was fixed at Rs. 18,000 we may have to fix the ceiling at Rs. 50,000 today. We have moved an amendment to raise the ceiling to Rs. 48,000 on that ground. I would urge the hon. Finance Minister that if we cannot raise it upto Rs. 48,000 at least it should be raised upto Rs. 30,000 which is a fair equivalent to Rs. 22,000 of last year keeping in view the devaluation of rupee. I hope you would seriously think about it. While replying to the

Debate he asked us to wait for another five months because by that time things would be different. It would have been better had the hon. Minister calculated the amount and made necessary amendments in the Schedule, in difference to the sentiments of the Members and raised the ceiling limit to at least Rs. 30,000 if not Rs. 48,000. Had you done this it would have sent a definite hint that the Government is in favour of economic reforms. If you accept my suggestion, the human element in the economic policy will not be missing.

With these words I request the hon. Finance Minister to take my suggestion into account even at this late stage. Otherwise, I would have no other option but to abstain from voting to register my anger and resentment.

[English]

SHRI CHANDRA JEET YADAV (Azamgarh): Sir, in spite of a very persuasive speech of the Finance Minister, Shri Manmohan Singh, I am sorry that I have to oppose this Bill. He has shown optimism but, I cannot fully share his optimism. It is good that the Finance Minister of this country, at this stage, is self confident to manage the economy, within a reasonable period.

The main reason of my opposition was about the way the Budget was presented. Since the presentation of the Budget, the prices have been galloping like a race-horse today. If one goes to market, the common consumer finds that almost there is 20-25 per cent of price rise and every week the prices are rising at the rate of 1.5 per cent, which is unprecedented. I do not share his optimism that we are going to control inflation within a reasonable period. Inflation has also become uncontrollable. It has never been so serious as it is today.

The major mistake which the Government has committed is the presentation of new industrial policy along with the Budget. Both together, have created a great uncertainty and the total atmosphere is vitiated.

The atmosphere has been created in such a manner that the people do not know as to what is going to happen and there is total uncertainty in our economic. I may tell you that in spite of all assurances given by the Government, to the foreign investors, the foreign investors are still apprehensive. They are very apprehensive about this policy and whether it will continue and will have any kind of continuity and stability. The Prime Minister, during his recent visit to Germany had to face this situation from the German investors. The German investors were asking the Prime Minister invariably; "How do you give the guarantee that your policy will continue?" I would like to draw the attention of the Government to this kind of uncertainty that is prevailing.

One reason is, another mistake which was committed was not from the top of the house but from top of the country. The Finance Minister and several Ministers were telling the whole world that we have gone bankrupt and they were giving the impression as if they are going with a begging-bowl to save our country. I think that has also created a wrong impression.

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON CONVENTIONAL ENERGY SOURCES (SHRI KALP NATH RAI): Shri V. P. Singh had said this. (Interruptions) Remember Shri V.P. Singh. (Interruptions)

SHRI CHANDRA JEET YADAV: Even the Finance Minister, perhaps, with his honest assessment, has said on the floor of the House, that we are facing an unprecedented crisis. This crisis is the biggest crisis in our independent India. It was his assessment. Why do you object it? (Interruptions) We are all concerned because we deem it as a national problem. We are not saying that it is a party problem. We are saying that it is a national problem and a country like India has to face this problem. But, what I am saying, Mr. Finance Minister, is that "Please do not go on emphasising that we have become a part of the global economy; an integrated part of the world economy. Nobody objects

to that. We cannot live in isolation. India had played a major part. You yourself had done a great service as Secretary-General of the South Cooperation. I think, you yourself suggested many measures that the newly liberated countries, the countries belonging to Third World, should also take collective decisions. They must act collectively. We cannot be thrown just to the international capitalist economy.

In the present situation, we are not objecting that you do not take loan from the IMF. From time to time, one has to take the loan. That is not that we are criticising your decision to take the loan. But we have to remember the way it was created. The impression we have given is that perhaps we are collapsing and, therefore, it became inevitable for us.

After making two or three points, I will conclude because I do not want to make a long speech. The Finance Minister has pointed out that our productivity is going down. I think, that in the coming months, certain concrete measures must be taken to improve our productivity. That is a national problem.

India is weak in the management of its economy. We are rich in our resources. But our certain organisations, for example, STC, MMTC, need to be streamlined. They do not know how to work in the international market. Sometimes we do export at a throwaway prices. Sometimes we miss a right kind of an opportunity. Sometimes we do not know how to advertise our own items. When I go to Europe or any other country....

MR. SPEAKER: Please do not elaborate it now.

SHRI CHANDRA JEET YADAV: some time I feel it hurts the national pride when I see that the Indian tea is being sold as Ceylonese tea. I think that the time has come when effective measures should be taken for austerity. We have not yet suc-

succeeded in creating an atmosphere of austerity.

Now I come to the last point, I think, to save the common consumer, the necessary effective steps should be taken for effective functioning of public distribution system so that further burden may not increase on the common consumers. With these works, I conclude.

MR. SPEAKER: Shri Nirmal Kanti Chatterjee.

(Interruptions)

MR. SPEAKER: You made a good speech.

(Interruptions)

MR. SPEAKER: You want to improve upon it!

(interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Sir, what do you want me to say? You threatened me that as soon as I rise to speak, you will call for quorum. You were absent when I spoke. So, I would continue my speech.

Sir, I am really sad after listening to our Finance Minister. He has noted that prices have risen. He has even conceded that prices have risen this year at a higher rate than last year. He should have added that it is not only a higher rate but this is in addition to what has happened last year. This is taking a heavy toil in the level of living of our people. Unfortunately, the only answer he has provided to that is that we are left to the seasons and to God.

MR. SPEAKER: Mr. Nirmal Kanti Chat-

terjee, as a good parliamentarian, you should know that you don't have to criticise his speech. But you have to tell us why the Bill should be passed or why it should not be passed.

SHRI NIRMAL KANTI CHATTERJE:

That is what I am saying (*Interruptions*) Had he been able to assure the House that against this threat of galloping inflation, he would be engaged in proving a thorough public distribution system all over the country, I would have been pleased. He has failed to promise that.

Secondly, when Mr. Fernandes talked, he was joked. He is present here. He had a powerful oration and was depicting the condition of Bihar and was heard by the Finance Minister. As he wanted to concentrate on other points he did not mention about the policy of freight equalisation. Regions of West Bengal, Orissa, parts of Madhya Pradesh and Bihar, the most poverty-stricken area, have been deprived of the facilities which nature has given to them. There is not a word as to what we can do in that regard. The bounties which nature has given to them has been denied by the leaders of the Government. They should undo this and allow the bounties to those States., Not a word has been mentioned by him about dismantling of freight equalisation. Sir, that creates difficulty for use to support the Finance Bill.

Sir, I would have been happy if the people could be told that price rise would be contained in some manner.

He has not only hurt this kind of people but also, even among the top groups, the smaller borrowers. He has levied interest tax. Yesterday also, I pleaded on this point. Banks have been asked to collect interests tax via raising their interest rates. I men-

tioned that the interest rate market rule is for those who are credit worthy and they can get the credit at a lower rate of interest.

MR. SPEAKER: Is it necessary to repeat it?

SH RI NIRMAL KANTI CHATTERJEE: No Sir. I am Just asking. I told him in the night. And I am still hoping to get a positive reply. He might have forgotten in the darkness of the night

(Interruptions)

MR. SPEAKER: But I was here to hear you.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: I remembered that I had to give company to you.

I want an assurance that the interest rate structure will not be allowed to function against the small borrowers. He should assure at least this much to the House that the higher rate of interest that has been charged will be only against the large borrowers and not against the IRDP borrowers of the country.

MR. SPEAKER: Nirmal Kantiji, appealing yesterday, today and in the Zero Hour is not socialistic chauvinism.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, I would like to mention only one point. I am thankful that he has conceded about consignment tax. The most dangerous part of his statement is about our economy. That is a worry which will haunt him a year

hence or a few months hence. Sir, at least some people say that the world is divided into South and North. There are two worlds at least. So long we are told, there were two Super Powers in the North World and that is not the picture any longer. If there has to be an integration against the North World, then it is the cooperation among the South integration, among the economics of the South which has to be fostered. Forgetting that, if you try to integrate into the world economy, then that is the road to the IMF, road of bondage to the World Bank, road of bondage to world's number one Super Power, that is, the United States' imperialism. Since there is no reference to this kind of a situation in the Finance Minister's speech, which must go wearily to every citizen of our country, once again they have to tighten their belts and move to fight as they had fought before 1947 to gain their independence. Sir, the threat is looming large bearer us. I do not know what is going to happen to our country, with these economic policies of last so many years forcing us into a situation...*(Interruptions)* You have not fought for the freedom of our country. You are not freedom fighters. You do not know what colonialism is. You do not know what the boots of the Whites are. Some of you have no experience of things before 1974. If you have a conscience. I appeal to that conscience. I was there in 1943 in Calcutta and I saw our women being assaulted by foreign soldiers. Therefore, I warn that on this question we must be on guard and the entire policy of liberalisation, of opening the womb to the imperialists and to the World Bank prescriptions must be resisted. If that promise is not forthcoming, then we have to dissociate and we have to walk out against the Finance Bill.

AN HON. MEMBER: No, no. NO walk out please.

SHRINIRMAL KANTICATTERJEE:
Okay. Then if they want to be voted out, we can do that too.

[Translation]

SHRI NATHU RAM MIRDHA (Nagaur): Sir, I rise to support the nation moved by the hon. Finance Minister. We hear in the House and outside also that the hon. Finance Minister is not a politician and so does not know much about politics. I have been a member of this House for a long time. I have spoken many times but today is the first time, I am speaking about it... I know that your number has increased from 86 to 117...

SHRI RAM NAIK (Bombay North):
You have worked very hard ...*(Interruptions)*....

SHRI NATHU RAM MIRDHA: Please listen to me. I have heard many people say that the hon. Finance Minister is not a politician and the Budget presented by him is not a good one. We all know that he is an economist of international repute. Given the time at his disposal I think he has presented a very good budget. *(Interruptions)*.... It will take us a very long time to acquire the knowledge that he has. I think he has made a sincere effort to make a Budget that will resolve the economic crisis. Even Shri Advani feels that the hon. Finance Minister has done the right thing. He was not satisfied with the previous Budget. He is satisfied with this one and this assumes more importance since he is the Opposition leader. Nobody else could have presented a Budget as good as this one. This is a voice from my heart...*(Interruptions)*.... I have advocated the cause of farmers throughout my life. *(Interruptions)*.... In my constituency, the people vote as I tell them. I am one of the aged Members of this House. Please listen to me. Shri Manmohan Singh is still young. Our country is passing through a crisis. In our country the agricultural productivity is about 2 tonnes per hectare while in other countries it is 7 tonnes per hectare.

[English]

Now, I am talking about the productivity.

[Translation]

The productivity of the farmer has to be increased. We talk about productivity of industry in our country. They always play safe. There is no competition. Other countries have made a lot of money. I am talking of introducing competition in Indian industry. The protective system should be done away with. The industrial and agricultural policies must be given some direction. You have highlighted a number of shortcomings but these have existed for a long time. Due to the sesame crop we had to import 18 lakh tonnes of edible oil. Yes, I am talking about oil-seeds. We have been importing large quantities of pulses and we are still doing the same. We should not have any objection to high prices of pulses because the cost of living in India is among the lowest in the world. *(Interruptions)*.... Prices are not controlled by us, they are affected by the growth of population. Nobody can check price-rise. If you can do so, we will hand over power to you. The increase in production is not proportionate to the increase in population and this is bound to increase the prices. It is not easy to check rising prices. Do not indulge in unnecessary talk. Prices cannot be brought down overnight. Productivity has to be increased, growth in population has to be checked and unemployment has to be removed. Only then will prices come down to some extent. All these things are linked together. You have knowledge of economics. I have written the report of the Agriculture Committee and the hon. Agriculture Minister, who is himself an agriculturist and he may see the Report. Presently, a L. P. G. cylinder costs Rs. 140/- where as it is sold for Rs. 70/-. How long will the Government provide subsidy? There is a lot of expense on petrol...*(Interruptions)*.... I know you and Ambani very well. One Ambani will not solve the problem. The economy of each individual in the country has to be strengthened and only then can the country's economy be strengthened.

AN. HON. MEMBER: We were not aware of this.

SHRI NATHU RAM MIRDHA: Of course you know everything but you deliberately pose to be ignorant. Sir, I would like to say that all parties should support the initiatives taken by the hon. Finance Minister. I believe that the hon. Finance Minister, being a non political person, will certainly improve the economy and so we all should support him and encourage him.

SHRI SOMNATH CHATTERJEE: Why did you join the Congress?

SHRI NATHU RAM MIRDHA: I am free to join any party. I can even join your party if it is in the national interest. But the hon. Finance Minister is a true patriot. He has nothing to do with any party. He is only concerned with the country's welfare. We all should thank him from the core of the heart. He has presented the Budget of the country in which he has proposed taxes amounting to Rs. 2000 crore. In spite of that, a lot remains to be done. Economy of the country is in doldrums and we have to make further cuts in subsidies. We all have to work together for this purpose. Agricultural productivity has to be increased. Industrial products will have to compete at the international level. Just now hon. Shri Advani said that the income tax limit should be raised to Rs. 30,000. But there are many people who are earning just Rs. 3,000 per year. I can understand your concern about that section of people because we politicians have to take care of this section also. But today instead of pleasing them we must talk of justice. I would like to tell Shri Advani we also want to please them but the economic condition of country is very bad. As the hon. Finance Minister has said there is no possibility to increase the income tax limit above Rs. 22,000 but it can be considered at a later stage and so we should not create hurdles in his way. We all should support the Finance Bill.

SHRI GEORGE FERNANDES (Muzzafarpur): Sir, I am as dejected today

as I was on the day the Finance Minister presented the Budget. The description of the problems is correct but the proposed solutions are not acceptable to us. I do not agree with the concept that linking the Indian economy with the world economy will improve the situation. By World economy we mean the combined economy of the G-7 nations. These nations taken together account for 12% of the world's population and 70% of the world production. How can we compare the economy of poor countries. Like India with the economies of those nations when the per-capita income in India is Rs. 4000 and the per capita income in U.S.A. is Rs. 5% lakhs and in case of G-7 it is between Rs.4 lakhs and Rs.5 lakhs. The needs of the Indian people are different from those of the people of America, Britain and Japan. When we return from visits to foreign countries, we talk about the developments in those countries and want to know why such developments do not take place in India. As a result 'Pizza' Oyster burg and 'McDonald' are introduced here. We always try to adopt the latest trends in foreign countries but this thinking is detrimental to national interest.

Therefore, it is not possible for me to think the way the hon. Minister of Finance thinks, nor do I agree to his views.

Mr. Speaker, Sir, I heard the speech delivered by the hon. Minister of Finance. He reiterated the same point that had we failed to payback the debt we have taken we would have also been in the same condition in which countries of Lat. in America have fallen. I share the concern of the hon. Minister about Lat in America whose condition deteriorated because of their close link with international institutions like IMF, world Bank and other financial institution and multinationals. Therefore, Mr. Speaker, Sir, I would like to tell the people of the country this stark reality that be getting this finance bill passed, the Government is going to take the path which would lead to dangerous situation and which will not be a different situation from the situation of political slavery of the country passed through for a long time, unless

[Sh. George Fernandes]

corrective measures are taken against the implementation of this bill.

Mr. Speaker, Sir, the ultimate goal of Swaraj movement was to instill nationalistic feelings in people and attain self-sufficiency. Gandhi Ji started that movement and many of the present hon. Members of the House did not participate in that movement. At that time they may be too old to participate in the movement. It might be possible that the students in schools were not taught the lofty ideals of our Swaraj movement in the country and political leaders also do not bother to understand it. However, it is a fact that if we do not have nationalistic feelings and fail to achieve self-sufficiency we would be in great difficult. I know that the Government will be able to get the bill passed in the House, but we cannot associate ourselves with this bill and the policies adopted by the Government. After presentation of this Budget, there has been steep rise in the prices particularly in regard to the fertilisers, and though it has been stated by the hon. Minister as a regional issue, it has further deteriorated the financial condition of farmers.

Mr. Speaker, Sir, in view of the present situation, I fear, the policy adopted by the Government and the Budget would lead the country towards destruction. The hon. Minister has not suggested the solution to these three issues the way he should have. Therefore, I oppose the Finance Bill, there is no question to support it.

SHRI BHOGENDRA JHA (Madhubani) : Mr. Speaker, Sir, I have been deeply disappointed to hear the reply of the hon. Finance Minister. Mr. Speaker, Sir, when Mir Jaffer allowed East India Company to carry business in India, he did not visualise the political ramifications of it. He thought that it was just a trading company. A senior Minister in the Indian Cabinet, I would not mention his name, had stated in America that the Government of India would

invite American investment, though ultimately he did not succeed in getting it done. But the policy the hon. Minister of Finance propose to implement seems to be very dangerous. I am more disappointed because such a great politician like Shri Advani also praised it. World it be possible even for such capitalists as Tata and Birla whom we accuse of imbalancing the Indian economy to compete with Rock Failure and Ford?

Therefore, it is a sign of danger for our economy and also for capitalist system. The industrialists who fail to understand the motive of this Bill will have to repent and face the consequences afterwards.

Mr. Speaker, Sir, I do agree that production should be increased. Shri Advani stated that the industrialists availed concession. Did they avail them to increase the production, the purpose for which the concessions were provided public money has been misused in hotels, smuggling and other unproductive works. Had it been invested to increase the production it would have been a work of patriotism and there would have been a definite increase in the production. At present, the country is in a very bad shape, Shri George Fernandes has rightly stressed upon the need to increase the production in the country. Yesterday, I wanted to know what relief was proposed to be provided to about 170 crore people; what relief was proposed to be provided to small scale and cottage industries so as to make proper utilisation of man power. But I am disappointed to see that very little attention has been paid on these aspects in the Bill.

There are number of banks in our country. The hon. Minister of Finance has been the head of these banks. When nationalisation policy was implemented there were 14 banks. At present various branches of banks are working in every area. In every block and the Government have to bear heavy expenditure for these banks which is of no use. Would it not be in the intent of the country that all the banks should be unified. The Employees Associations through out the country have demanded to unify them.

There is no need to spent so much on banks though it was repaired in 1969.

Similarly, I would like to discuss the matter of income tax. I do agree that the Government should charge income tax according to the policy. But the Government should fix the rate only once so that there is no need to increase it again and again. On one hand prices are rising high and on the other hand Government has been imposing heavy income tax. The hon. Minister of Finance should take measures in this regard also.

You had also given a statement on 3rd of the month in the House. We met the hon. Minister of Finance when Communist MLs and MPs from Bihar stayed dhama; and discussed all the matters with him. I would not go into the details of the reply he gave. But now the hon. Minister should give reply in regard to freight equalisation as referred to by Shri Chandrajeet just now and which has been causing heavy loss to some states. Besides, I would suggest to fix the royalty of coal on the basis of the price and not on weight. It is in the interest of all the mineral producing states.

In the end, I would like to talk about the fertilisers. We are glad and we consider it to be matter of our victory that exemption has been given to small and marginal farmers. But if the scheme of giving grants to all the farmers is continued, it would be beneficial to increase the production. Instead of keeping it postponed, the Government should provide immediate concessions to agriculture.

[English]

MR. SPEAKER: Is the Minister interested in replying?

SHRI MANMOHAN SINGH: I am very grateful to all the hon. Members who have spoken at this late stage and I must express my gratitude to the hon. Leader of the Opposition and other friends who have said kind words for me. After this long debate I think that it is a reward I greatly value and I am very grateful to them.

There is one thing that I do want to say. Our country is indeed in grave difficulties and at a time like this what we should stress to the world and the message should go out, is that we may have political differences, but when it comes to the question of saving India's honour, when it comes to the question of getting this country moving again, I think all sections of this august House start united. And I think if we stand thus united, all this uncertainty about our policies that the hon. Shri Chandra Jeet Yadav was talking about, that will melt. There are, no doubt, people outside India and India has many detractors abroad. And after all, if 850 million people thus wake up, I think there would be many people who would be worried about it abroad. They want India to remain in this loan equilibrium trap. And I think we must have a vision, that we must find ways and means to get out of this trap. Where there is provision, I think people will agree. And if this country has this vision, then there is nothing that the people of this country cannot do, there is nothing wrong with the people of India, there is nothing wrong with the workers of India.

Yesterday, Shri Fernandes mentioned about the workers the peasants of Bihar. I had been to several parts of Bihar. I agree with him. There is nothing wrong with the peasantry of Bihar. They are hardworking peasants as of Punjab. What is wrong is the system - the institutional system as well as the administrative system. If, Shri Fernandes for example, would set the Bihar State Elec-

[Sh. Manmohan Singh]

tricity Board right I assure them that we will get lot of money for investment in the power sector in Bihar.

I respect Shri Advance's sentiments about the effect of inflation, how inflation hurts everybody. I recognise that it hurts particularly the fixed income group squarely. But, I think, as Mirdhaji has pointed out, all these have to be dewed in the totality of circumstances. What sort of a message we want to give to this country? Has this country overnight become so rich in its fiscal system as to give out and hand out? I do not want to create that psychology. Our country is in very serious difficulties. It is the responsibility of each and every citizen of this country to share the burn. It is only then that you will create an atmosphere of austerity.

Sir, I fully share the sentiments that have been expressed by all sides of the House. then I talk about integration into the world economy, I am not talking of aping the lifestyles of the consumption pattern of the affluent West. We cannot afford to do so. even if we could afford to do so, then that would be a negation of what our culture and our civilisation has today.

I do talk of integration into the world economy. We should be able to look every one at the face. We want to be out of this begging game. We want to compete with the rest of the world on an equal footing. Our scientists, our technologists, I think, are capable of that; our enterpreris are capable of that. We must shed the inferiority complex that we are a poor country and that we cannot compete with the rest of the world. This is what has destroyed the self-confidence of this nation. I think, we must get out of that mentality. But this does not mean that I want to give McDowell or all

those luxury things. The basic needs of the people of India must have a prime place on the resources.

I would like to remind Shri Fernandes. He has quoted yesterday the Report of South Commission. What I have done in this Budget or what I am saying today is not in negation of anything, which was written in that Report. If you read it, I think, it is clearly stated that third world cannot be isolated and the third world has to be integrated into the world economy. The issue is not whether you want to be integrated or not, but the terms on which it will have to be integrated. That is what the North South dialogue says.

After all the third world is three fourth of the humanity and that we never three relent on our commitment to work together with the other countries of the third world, to put forth before the world community the case of the South. But before we can plead the other case, we must have an economy which is viable. And therefore the prime importance of getting this country moving again, the prime importance of setting our fiscal system in order, the prime impotrant of seeing that our public enterprises run efficiently, the banking system is as efficient as elsewhere and that our economy and our society is imbued with a sense of idealism, with a spirit of enterprise and creativity which our people demand, which our people need. And this only can see us through this crisis.

I have touched upon some of these points earlier points earlier also. I want to assure the House with regard to matters relating to tax reforms, whether it is the exemption limit or whether there are other issues like customs reforms, excise reforms. I do agree with the hon. Members that the tax system in India is far too complex. There is lot of harassment of honest citizens. We

must move towards a simpler system which must be more transparent also. Any matters relating to tax moderation in some sense is better than expropriator taxation's which can never be made effective. Therefore, in the months to come, we will or on those things. Among other things, we will consider also this issue of exemptions, concessions or other things that we can do. This I commit. I have already appointed a Tax Reforms Committee to look into all these aspects of the matter. In the same way, I am committed to do everything in my power to see that India's banking system is reformed. I am not satisfied with the way the banks work in our country. I have been to various countries. In our country, I even in the case of State Bank of India, if you want to get a statement of account, there is a problem. In most other countries, all banking is done over the telephone. If this country has any ambitions to flourish in the world, then we must change our ways. It is the responsibility of banking management, it is the responsibility of the trade unions in the banking system, it is the responsibility of the trade union in the banking system, it is the responsibility of the Government to create an environment where all this can change. These are challenges before our country and I am sure that our country has the capacity to achieve these objectives. So, let us have confidence. Let us not weaken the spirit of self-confidence. Let us not create an environment in which the people of India loose heart because that would simply not help anybody in this country.

With these words, I once again command this Budget to the House.

SHRILAL K. ADVANI (Gandhi Nagar):

Mr. Speaker, Sir, as I had stated in my speech earlier, I would only briefly mention that there have been four issues during the course of this debate. Firstly, it started with the Rajiv found nation; then it came to the fertiliser subsidy issue; then it came to the one-rank-one-person issue; and today, among other things mentioned in the course

of this debate, we have tried to highlight the need to give relief to the fixed income groups, even though slightly, only to community a message. I would only say that while in the earlier cases I found the Government somewhat responsive, I feel disappointed that on this last issue it has not been responsive, though the Finance Minister has held out a promise of rationalising the whole taxation structure, including this particular aspect. Therefore, as I said at the outset, only in order to show our disappointment and disillusionment with the Government on this score, we would like to stay away from the voting on this Bill.

15.34 hrs.

At this stage Shri Lal K. Advani and some other Hon. Members left the house

SHRI SOMNATH CHATTERJEE:

Mr. Speaker, Sir, so far as we are concerned, we he expressed our views and listened very attentively to the very lucid exposition of his point of view by the hon. Minister. We have heard the Government's policy to deal with the inflationary situation. We are told that we have to wait for three years for the effect to be felt. What will happen during these three years, he has not indicated....(Interruptions). Sir, we have good wishes for these young Ministers. They should also restrain themselves.(Interruptions)

I need not take your advice. The financial and economic problems faced by the country today are very acute. They are faced by a larger section of the people. The hon. Finance Minister. has not spoken a single word about them. We don't know. We have not understood. Not one word has been said excepting that to avoid default in payment of our foreign exchange obligations, the measures were taken. Not one word has been said as to what is the objective of the economic policy of this country? For whose benefit is this policy? What will happen to the crores and crores of unnamed-youth in this country? Not

[Sh. Somnath Chatterjee]

one word has been spoken. What will happen to the sick industries in this country? Not word about it has been spoken. What will happen to the efforts to remove the regional imbalance in this country which has admitted? Not one word has been spoken.

I found that my hon. friends on the treasury benches, on the Congress side, were very strongly and enthusiastically thumping their desks when the hon. Finance Minister was criticising the functioning of their previous governments. [Interruptions] They had supported the policies and the Budgets which are repudiated by the Finance Minister today. [Interruptions] You had supported the Budgets during Mrs. Indira Gandhi's time and during Shri Rajiv Gandhi's time and now you are also thumping the desk when those Budgets are being repudiated today. This is the consistency of your policy. I am, therefore, not enamored of four policy.

Today we are hearing some new things which are coming up. I do not know whether Shri Nathuram Mirdha had supported the policies then also. [Interruptions] Today he has found a new hope and something new. When I said that what was the objective, he thought that I was freeerring to gem personally. I did not refer to him personally.

I, therefore, say that it is not a pro-people Budget. This is an anti-people Budget. This is a sell-out Budget. India's sovereignty is being bartered away and is being sold today. We have high personal respect for the good Finance Minister. He knows it very well. [Interruptions] I am not going to learn from the new recruits to Youth Congress.

SHRI INDERJIT (Darjeeling): Stop using old and our-dated clich_. Come out with something new.

SHRI SOMNATH CHATTERJEE: Let us see.

SHRI MURLI DEORA (Bombay

South); the age has been increased.

SHRI SOMNATH CHATTERJEE: there is not one word about the freight equalisation which is a very vital issue. You are talking of liberalisation and you are talking of market economy. Then how do you support the freight equalisation? Please tell me. On which principle you will support? What is your policy? What is the principle behind it? Are you not giving the subsidy to some areas of the country? When you are taking away the benefit of geographical location, where is the open competition? You are not able to do that.

Mr. Finance Minister, you are a recent recruit. You have been recently rerouted to the Congress party. You cannot get out of their internal problems which are there. Unfortunately you have got yourself into it.

There is no word about reduction of prices or about solving the unemployment or about freight equalisation. There is no word about removing the economic divide amongst the people of this country. This Budget is meant for a handful of people; the benefactors of the ruling party in this country and of the likes of Shri Murlidhara Deora. He may represent Nariman Point; but he does not represent 850 million people of this country.

SHRI MURLI DEORA: There are poor people also in Nariman Point. [Interruptions]

SHRI SOMNATH CHATTERJEE: therefore, Sir, we are sorry that we cannot be a party to the bartering away of our economic independence. We do not agree with the Finance Minister. We, therefore, do not associate with this Bill.

15.39 hrs.

At this stage, Shri Somnath Chatterjee and some other hon. Member left the House.

[Translation]

SHRI GEORGE FERNADES (Muzaffarpur): Mr. Speaker, Sir, the Government of the day has turned a blind eye to

the values of freedom movement. It has bid farewell to the values enunciated by Gandhi Ji and has given up the principles of self-reliance and self-sufficiency. As a protest I and my colleagues boycott the proceedings of the House for the day.

15.40 hrs.

At this stage shri George Fernandes and some other hon. Members left the House.

[English]

MR. SPEAKER: the question is:

"that the Bill, as amended, be passed."

Motion was adopted.

MR. SPEAKER: the Finance (No. 2) Bill, 1991, as amended, is passed.

15.40 1/2 hrs

MOTION RE. COLLAPSE OF THE BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED—*CONTD.*

[English]

MR. SPEAKER: Now, we take up item No.9. Shri Jaswant Singh was on his legs. He may continue his speech now.

15.41 hrs.

[MR. DEPUTY SPEAKER in the Chair]

SHRI JASWANT SINGH (Chittorgarh): Mr. Deputy Speaker, Sir, the hon. Finance Minister has really gone through a very trying ordeal since morning and he looks very tired. So, it would be better that we may break for about 10 or 15 minutes now, so that he can refresh himself and we also can have a cup of coffee.

SHRI SOMNATH CHATTERJEE (Bolpur): Sir, it would be ideal if we adjourn

for about 15 minutes now and we can meet again at 4 o'clock.

MR. DEPUTY SPEAKER: The House stands adjourned to meet again at 4 o'clock.

15.42 hrs.

The Lok Sabha then adjourned till Sixteen of the Clock.

The Lok Sabha re-assembled at four minutes past Sixteen of the Clock.

[SHRI SHARAD DIGHE in the Chair]

MOTION RE: COLLAPSE OF THE BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LTD. (BCCI)—*CONTD.*

[English]

MR. CHAIRMAN: Shri Jaswant Singh.

SHRI JASWANT SINGH (Chittorgarh): Mr. Chairman, sir, we resume the Discussion on the Interrupted Motion on BCCI. On Friday last, we adjourned the discussion on a somewhat contentious note, Hon. the Finance Minister has shared some facts about the establishment of BCCI with us and the facts indeed are sacrosanct. I entirely agree with the hon. Finance Minister.

But facts are not, however, open to conveniently selective interpretation of them. I will be verting back to this very shortly. We have also then witnessed a somewhat perplexing spectacle. The Treasury Benches and the Congress Party had gone into paroxysm of simulated horror at the establishing of a representative's office of BCCI in India in 1979. Of course, personally I welcome this demonstration even if it was fake because we are confronted by a very curious reality. In the face of world wide exposure of the misdeeds of BCCI and indeed an universal condemnation of these misdeeds. The present Government of India and the Congress Party appear to be the only two agencies in India, or elsewhere who are

[Sh. Jaswant Singh]

actually standing up for all kinds of established illegalities and criminal acts of the BCCI. I was then on the aspect of our domestic concern so far as the BCCI goes.

Sir, let me very briefly attempt to recapitulate our concerns in the context of India. I had in my intervention on Friday last spoken of these established nexus between the BCCI and Pakistan's ISI, the I Center-Services Intelligence and the report of the 'black network' of BCCI as being inseparable from ISI. We had spoken about the use of BCCI for laundering of drug-money. That is also our concern. Thirdly, we had spoken of the employment of BCCI for weapons trade. Indeed the Bank was acting as an agent for acquisition of weapons for certain countries. I cited the example of acquisition of Mirage aircraft. We are also concerned here about the fact that various terrorist organisations have been employing the BCCI as their banker. It now stands established that certainly Abu Nidal used the BCCI, London for this purpose. It is open to question whether Abu Nidal or the JKLF or some other Sikh terrorist groups or the LTTE did not enjoy similar facilities. Our concern is also on the aspect of BCCI acting as a kind of intelligence gathering organisation for Pakistan with its headquarters in Karachi. It is a very important aspect.

Then, the question of nuclear angle of BCCI comes. It is now established that the BCCI has provided not just finances but it was acting as virtual attorney-holders and agents for Pakistan and also for Libya and Iran in the procurement of nuclear technology, nuclear wherewithal's, nuclear equipment. Our concern in India so far as BCCI is concerned is about subversion of systems and institutions and, most importantly about the nexus between the politicians, industrialists, the bank and corruption. It is interesting to note that this whole question of entry into India of BCCI became contentious last Friday. It is a fact that a representative's office did get opened in 1979. The hon. Finance Minister has corrected me and said that the sanction then was granted by the

then Government and it was not just for a representative's office but it was, in fact, for a full-fledged Bank. But that really begs a question because the sanction for the opening of a full-fledged bank was granted in 1979 and from 1979 till March 1983, that sanction did not get implemented. Then what happened between 1979-80 to change the Government's mind on this matter? In 1979, sanction was granted for the opening of a bank. And it did not get acted upon because either the Government lost power or was removed from office or lost office. But between 1979-83, I do not know what positive developments took place for the Government, in 1983, if my recollection serves me right, it was the Congress Government and if my recollection serves me right, the hon. the finance Minister then, in his earlier incarnations, held different responsibility. That really begs the question. What is it that took place in these four years to warrant this change, for what is now clear enough to was an act of ill-thought and ill-advised sanctioning?

I put it to you that in industrialists' group, aided and encouraged the entry of this bank in India in March 1983. This was despite the dissent from the then Governor of the Reserve Bank of India. It was connected with certain proposed changes in law, I remember very clearly that the then Finance Minister indeed went to the extent of introducing in Parliament the laws which required the consent of the Reserve Bank to be lifted away from the Reserve Bank and to become the authority of the Finance Ministry. If I recollect right, without wanting to cause any embarrassment the then Governor of Reserve Bank took a very strong stand on this issue. Why did he take a strong stand? What was the difficulty of the then Governor of the Reserve Bank in not wanting to deny entry of this bank into India.

It is now an established fact, not just presumption that one of the industrial houses came under bear hammering on the stock exchange and some Rs. 22 crores came on to the Bombay Stock Exchange by way of foreign monie. These Rs. 22 crores required certain approvals of the then laws in force.

These Rs.22 crores came without those approvals. It is an established fact and it very seldom happens that a law, in respect of foreign money coming into India to facilitate the flow of this Rs.22 crores was in fact, changed by a telex message on the 20th of August, 1982. An evening telex message went to various agencies in the country and the law got changed on the 20th August, 1982. I will be happy if the Finance Minister refutes me on this point. And on 21st of August, the very next day, three non-resident Indian companies filed their application for legitimising the Rs. 22 Crores that had flown into the stock exchange. I put it to you that was the beginning of a certain kind of a not that set into our system.

Ant about my source, I come to my source unjust a little while. I put it that all that came by way of this Rs. 22 crores was an unaccounted secret black money as subsequently established by investigations of the Government of India itself. This very Rs.22 crores in about seven years time, and the shares connected with this Re. 22 crores, were then unloaded on yet another company in India for a sum of Rs. 76 crores. Rs. 22 crores at the then prevailing rates of exchange amounted to something like 20 million US dollars. Those 20 million US dollars of black money, in June 1989, became Rs. 76 crores or at the then prevailing rate of exchange roughly 44 million US dollars. The Government of India, through various changes in laws and conniving with the corrupt, arranged for the conversion of 20 million US dollars to come into the country, for them to then be converted to 44 million US dollars, for black to become white, and for those 44 million US dollars to go back. There was a profit of 24 million US dollars. What came in as 20 million, went out as 44 million US dollars and it went back to the BCCI. I will come with my evidence on that in a minute. Was all this under RBI's approval-tactic or implicit? I would request the Finance Minister to clarify this. Because, the subsequent action taken by the Government is even more astounding.

The Taxation Laws Amendment Act

of 1989 contains the provision that this gain of 24 million US dollars, black being converted into white, be exempted from tax. This fraudulent gain, a fraud played on our banking system, on the establishments, on our institutions, was then, by a subsequent enactment, by this very Congress Government in 1989, permitted to become tax exempt. I have given these examples, so as to establish, firstly, the aspect of the dubious entry of BCCI into India and secondly, the aspect of its nexus with our public financial institutions. That is why, it is a matter of such great concern to us.

Let us take up the aspect of public financial institutions. The hon. Finance Minister, concluding the discussions on the Finance Bill, spoke most eloquently and movingly. He spoke of idealism; he spoke of idealism in public life; he spoke of the reforms of banking systems, so that our banks and our public financial institutions are on par, so far as integrity and conduct goes, with anything that the world can show. I share his idealism in its entirety. But, I put it to the Finance Minister that if it is that kind of idealism; if it is that kind of integrity - transparent; if it is that kind of public institutions, whose reputation, whose standing and whose prestige is unquestioned anywhere in the world, if this is the kind of institutions that we are thinking in terms of, then all that I have cited, without going into unnecessary details, the bare skeletal outline of it is not in harmony with the hon. Finance Minister's own pronouncements on what he says or aspires or desires to do. What the one public financial institutions that we talk of? They are the nationalised banks and the others are public financial institutions like the Unit Trust, or the Life Insurance Corporation or the GIC. And indeed, Sir, it is relevant to point out that firstly, Insurance companies got nationalised because, there was the infamous example of Mundra, playing with Insurance company's money. It is because of that, that Life Insurance got nationalised in the country. And it was because, the public money through public financial institutions got misemployed. That was the original motive for the nationalisa-

[Sh. Jaswant Singh]

tion of institutions like LIC. What motivated the nationalisation of banks in the late 60s the rationale of it, was simple public control over public bodies for public good. I would like the hon. Finance Minister to share this with us. This is just one example that I have cited and I have got many more such examples. Is this good public conduct? It is this public control over public financial institutions for public good, upheld by this kind of misuse of public financial institutions? We have to reflect very deeply over the aspect of the money power that the public financial institutions today have and can employ for the subversion of system. It is enormous wealth that the public financial institutions sit on. If the kind of arbitrariness or one-sidedness or perversion from on-top that we have witnessed in the decade of the 80's were to persist, then these very public financial institutions sitting on enormous wealth, enormous moneys as public contribution and enormous investments in industrial houses of all hues, could play a very damaging role in the total economy of the country. A truant public financial institution could break the stock exchange. A truant public financial institution could today play ducks and drakes with investments that have taken place in various industrial houses. That is what lies at the heart of our suggestion, that unless there be proper guidelines for the conduct of these public financial institutions, guidelines which are punishable, if they are not abided by - I have said at the beginning on Friday last, with great pain pointed out that where's for those kind of misconduct any where in the world, there is somebody or the other who is held to account and pays the price, it is only in India that no matter what happens, no matter what kind of scandal we try and bring to your notice, whether it be Bofors or anything else, nobody pays a price. Unless the price begins to be paid, Mr. Finance Minister, Sir, the idealism that you so eloquently speak of, will not be achieved because what happens in the case of public financial institutions is that they are acting with this kind of arbitrariness which result in the corrosion of the very element of our national course. It is the most objectionable

and dangerous combination of political and financial power. The consequences for our polity and for our State are in front of all of us, for me not to have to recount or to identify that which is now self-evident. We would not see what is happening all over the country. If we had stemmed the rot, if we had stood up and said 'thus far and no further', if we had stood up for public accountability, and if that we first discerned the very early signs of corruptions of our system.

I am sorry to have to say that public financial institutions today because they answer to the passing whims and fancies of political patronage are totally absent of accountability and the political system. now specialises in a deliberate, willful defiant absence of accountability. If that is what the political system does, then the public financial institutions will act in exactly the same way. If that is how the public financial institutions react, then it does not portend well for the nation using these institutions and that is what we have come to. These institutions are now used for individuals rather than public good. Repeated misuse of them, particularly in the decade of the 80's, has perverted them and at every single instance, justice is thwarted, accountability is prevented. That is why, in the second, part of my motion, I have sought for the establishment of proper guidelines for public financial institutions.

There are possible future consequences if we persist with this. One consequence, which I have referred to earlier, was the thwarting of justice and the appropriation of the State for individual good. I have here with me a copy of the report of the Enforcement Directorate. If you permit me, I will place it on the Table of the House. Am I to interpret your silence as consent?

[Translation]

"Moanam Sweekaiti Lokshnam."

[English]

MR. CHAIRMAN: You do it as per the rules.

SHRI JASWANT SINGH: Well, I am doing it as per the rules. I will not labour the patience of the House by quoting extensively from it. Yet, I will just refer to the misuse that it has lent itself today. Here is the small quotation.

"These transactions valued at approximately Rs. 22 crores, all the investments initially came to India through the BCCI Bank in London. Bankers in India were at a loss to explain who had filed the OAC and RPC forms on behalf of the NRIs:"

Sir, it is further said that one Shri Padiyar, Advisor to the BCCI, London was looking after the entire affairs of these investments. During the investigation abroad, we had again to meet Mr. Peter Henwood who administers the Isle of Man companies.

SHRI DIGVIJAYA SINGH(Rajgarh): What is the year of this Report?

SHRI JASWANT SINGH: I have not got the date of the Report here. I will just give you as soon as I have completed.

SHRI DIGVIJAYA SINGH: I just want to know the year of that Report.

SHRI JASWANT SINGH: I am on a different point all together. I think you are sharing my point.

SHRI DIGVIJAYA SINGH: I want the year in which the Report of the Directorate of Enforcement was prepared or presented.

SHRI JASWANT SINGH: I am anticipating your observations. This really underlines point, irrespective of the year in which it was prepared or by whom it was prepared. It is said that it is prepared by the Directorate of Enforcement. But our systems and Institutions should be such that this question should even not arise. But I am very sorry that my good friend, shri Dig Vijaya Singh is asking this question with political overtone.(Interruptions)

SHRI DIGVIJAYA SINGH: It is totally

factual. There is no political overtone. It is a facial information which I want for my own consumption.

SHRI JASWANT SINGH: I will give the year of the Report. Sir, he is really bragging the question that when was the Report prepared. If it was prepared. In a certain year, then it is not acceptable. This applies both ways. I put it to my god friend that it applies both ways. Whether this Report was prepared in 1986 or 1987 or 1990 or 1991 is immaterial as long as it is a Report prepared by the Directorate of Enforcement of India. And both, you and I, should accept the validity of such a Report.(Interruptions)

SHRI ANBARASU ERA(Madras Central): There can be a political motive if it was prepared by other Governments than our Government....(Interruptions)... It was prepared by the Janata Dal Government. (Interruptions)

SHRI JASWANT SINGH: that is precisely the point. Whether it was prepared during late Rajiv Gandhi's Government or by the Janata Party Government or by the Janata Dal Government, when an institution of India like that of the Enforcement Directorate submits a Report, then the Report itself should carry so much weight that the Government should sit up and take note of it.

Secondly, whether then or subsequently, our institution should not be torn apart by us sitting here and sing them for partisan purposes. That is why, I am most careful and that is why, I am saying that I will lay it on the Table of the House. I am most careful to illustrate the point out of this Report. We had destroyed these institutions to a measure which is unimaginable and we had destroyed them only on account of the nexus between the corrupt politicians, corrupt industrialists and corrupt bankers. And that is at the heart of this Motion that I have moved, Sir. At the heart of this Motion is not one individual or another, and at the heart of this Motion is not one Government or another. I am concerned with the very same

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idealism with which the hon. Finance Minister spoke so movingly and so eloquently, when he spoke about the banking institutions of this country aspiring a certain position in the rest of the world.

Here is what the report says:

"During our investigations, we have an occasion to meet peter Henwood, administering some Isle of Man companies, and Shri Padiyar, Adviser, BCCI, London who looks after the financial aspects of all the transactions abroad and some shareholders also."

Then the details of the meeting held were also given.

"To start with the meeting was arranged on 12.9. 1986 .."

Since the year mentioned here is 1986, this report too must be a 1986 report.

SHRI SOMNATH CHATTERJEE (Bolpur) : Since it happens to be Shri Bhure Lal's report, it is bad. That is their view.

SHRI DIGVIJAYA SINGH: No, no. That was an excellent report.

SHRI JASWANT SINGH: Now, this is what is relevant to my submission. Mr. Padiyar did admit that the investments in Bombay were made under his instructions and that he was an Adviser to the BCCI. But he refused to divulge the identity of the real investors as it was against the professional ethics of the bankers. This is a perfectly understandable sentiment for any banker to express. But the subsequent aspects are a little more worrisome. The Europe Asian Bank, Bombay and the Syndicate Bank, Bombay had replied they had not done any verification. They submitted that the money that came from BCCI was without verification and the Indian Banks also did not carry out any verification, as required under the rules of the Reserve Bank of India, of the

antecedents of the investors. They totally rely upon the verification done by the BCCI, London. When Shri Padiyar was asked whether he had done any verification, he stated categorically that he had not done so and he had relied on the Indian Banks. Here again Shri Padiyar was entirely correct when he had stated that his clients had directly sent the forms to the Banks and the question of verification of antecedents of investors did not arise as far as BCCI London was concerned. Mr. Padiyar stated that whatever instructions he had received from his clients were passed on to the bankers in India with a clear-cut understanding that the same should be implemented if they conform to the existing laws, rules and regulations framed by the Indian Government. So, Mr. Padiyar is entirely right. Somewhere somebody is responsible for a lapse. Somewhere somebody has committed a mistake. That is what I am saying. If an investment of this kind has come into India and the Indian Banks have not verified the antecedents and those who are dealing with the nonresident accounts abroad say that they did not verify the antecedents because they were not required to do so, then I think Sir it is necessary that we look into this whole aspect of the health of our institutions very carefully. This is what the Enforcement Directorate also recommends finally, and this also underlies our concern. The above investigations have revealed that the investments by the so called NRIs were out of black money of some unidentifiable investor for investors. Those unidentifiable investors can either be persons resident in India who have laundered a lot of money outside India through illegal channels or by way of under-invoicing, over-invoicing, exports, imports and so on. Or, they could be persons resident out of India who have illegally amassed wealth which has not been declared or subject to taxation of the country in which they are resident. This is a very crucial question. This is a touchy question too. I expect there is a great deal of East African, Kenyan and Ugandan money which comes into India and it wants to come into India in the hope that in India their identity would not be revealed. But it is again begging the

question because in Kenya if you have this kind of unaccounted money and if it comes to light then punishment is mandatory. There is no question of punishment not being moted out of political patronage etc. or otherwise. But in India we have no such thing. That I think has led the Enforcement Directorate to quite rightly observe that if you are not in a position to identify the real investor today the process will continue and one day the Indian companies would be taken over by unidentified persons residing abroad through their attorneys from various tax havens.

I am not at all opposed, in fact we should do everything to encourage non-resident Indians money or oversee money coming into India. But I do not think we will encourage that if we continue to play ducks and drakes with the system, unless our system is credible enough to carry confidence with the investors. I would say that the manner in which the BCCI, and institution of this land had been operated in the decades or eighties, they do not instill confidence. That is why I said that I will cite this incident to point out some possible future consequences for our economy and for the State as such.

I have already said and I repeat, the State will be appropriated by a few either by selective acceptance of the report of the Enforcement Directorate or by selective rejection of this report of the Enforcement Directorate. I do not have to labour that point. Institutions will then be bent for individuals. Examples again abound and those examples stretch, from the great scandal of Bofors to the day-to-day corruption of petty patwaris. All institutions, I put it to you Mr. Finance Minister, will finally go. No amount of our shared idealist; no amount of reforms, whether in fiscal policy or trade policy or industrial policy will be adequate or will succeed if you do not go into the very sinews and put into effect what you are trying to do by these three major reforms that you have initiated in this very Session of Parliament. It saddens me to say that if we do not address ourselves to all these things because that is what lies at the centre of my concern that many IMF loans later, many devaluation's later - the state of India, I hope

it does not happen but I have apprehensions that it will if we persist on this path, will become not just a captive of a few it will, become a non-entity. I hate this world of banana republic but it does portend and there are portents of precisely that because what typifies the banana republic is the use of nation whether by drug, mafia or by dealers, and illegal money, for private use. India is very close to that. India in the eighties had come dangerously close to be appropriate by a few.

That is why I appeal to the Finance Minister to think of BCCI and financial institutions in the manner in which we are trying to put it. Please do not think that we are motivated by the concern any other than those that motivate you.

I have a few clarification's to seek, a few questions to ask to the hon. Finance Minister and then I will conclude. I would have to repeat that the original, official statement of the Finance Minister was very unsatisfactory. I would request of the Government to come with complete details, full facts on this matter. Did the Government of India have any intelligence, any information, any appreciation of what was happening in BCCI? I am not merely referring to BCCI, Bombay because the hon. Finance Minister will take shelter behind that BCCI, Bombay was a branch of much larger organism called the BCCI.

BCCI, Bombay in particular, is a solvent bank and the figures that have appeared in the papers show that the deposits far exceed the loans granted. Some suggestions have been made to me. That some of these loans granted are in fact against hawala securities given in London. I do not have to go into a detailed explanation of hawala securities. The hon. Finance Minister would perfectly understand that a loan of Rs. 10 crore, without security, granted in India would have a corresponding security in London of a similar sum of money made available to BCCI, London. I am sure an audit has been carried out. All the papers are now with the State Bank of India. Would the hon. Finance Minister share the real state of affairs of that kind of loan position of BCCI, Bombay?

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A mention has been made earlier and it appeared in print also about the misuse of moneys by BCCI, Bombay of pilgrims wanting to go on Haj and the collection of EDS.

The BCCI, Bombay was lending itself to misuse on the scheme called FCNR. There are some details with us. I do not want to give those details merely as speculation or on account of rumours. I did like the hon. Finance Minister to share with us his worries and whether this FCNR deposit was a source of misuse of this bank.

I would like to know from the hon. Finance Minister about the off-repeated questions of misemployment of these banks for laundering of drugs and narcotics money. Did the Government receive any report at any stage from the Narcotics Bureau, from the Intelligence Bureau or from any other Intelligence Agencies however imperfect or unsatisfactory the Intelligence Agencies might be? I had some occasion to do some looking into all these Intelligence Agencies when I was the chairman of a Committee. I am not greatly enamoured of their efficiency but nevertheless if they are as efficient or inefficient as the rest of the country is, then that being the collective norm, what is the information that the Government of India had in this regard, particularly, with a view to the reported meetings that the founders and former chairman of BCCI had with various known drug.....What am I to call?

SHRI SOMNATH CHATTERJEE:
Drug barons.

SHRI JASWANT SINGH: Barons would raise them to the level of political leaders and therefore I hesitated from using that word.

SHRI SOMNATH CHATTERJEE:
Drug barons are more powerful than some of the political leaders.

SHRI JASWANT SINGH: In that case, barons would be appropriate. I am very much concerned about the reports that the BCCI was lending itself and indeed lent itself as a kind of an agent, an attorney holder, collector and a tool for all seasons, for all

purposes of acquisition of weaponry by Pakistan, nuclear know-how or anything that Pakistan wanted to do including finance, BCCI was being employed for it. What information does the Government of India have in that regard? I would like the Government of India to share with us what information they have about this very alarming report, that the black network of BCCI was indeed inseparable from or indistinguishable from the ISI of Pakistan. If it was indistinguishable and if the black network operated throughout the world, then I am not ready to believe that it did not operate in India. If ISI is indistinguishable from that black network, then I would like to know, does the Government of India have any information in this regard?

I want to spend a little time on Indian interests so far as totality of BCCI is concerned and BCCI, London in particular. Here I would seek your indulgence to take a minute or two. Because this is a very worry some aspect. Here perhaps the Government could very easily, without embarrassing any of the industrialists or bankers could have done it.

I am informed that the people of Indian origin have lost somewhere between three-four billion US dollars because of the failure of BCCI; and if this is the amount of money that the overseas Indians - whether residing in London or elsewhere - have lost surely the Government of India ought to have initiated some action. I have apprehensions that the role and conduct of the Bank of England in this whole matter is not satisfactory. What action did the Government of India take? I know that the Bank of England is not at the back and call of the Government of India or the Reserve Bank of India. But for the sake of those overseas Indians who have lost three-four billion US dollars, did the Government initiate any action at all with the Bank of England? I think the whole conduct of the Auditors of this Bank is really most perplexing. Here is a firm of auditors, who, year after year, have said that this Bank is all right and suddenly this Bank becomes not all right. Was the government not aware of what was happening? After all, those three-four billion

US dollars that have been lost by overseas Indians, each one of those overseas Indians have got their relatives in India; and it was the responsibility, indeed the duty of the Government of India to have addressed itself to this task.

I am also given to understand that the Sheikh of Abu Dhabi has not only sent 650 million US dollars just a fortnight before the closure of this Bank and written off the losses of 1990, indeed he agreed also to meet all the other losses as well. What initiative did the Government of India take to encourage this initiative of the Sheikh of Abu Dhabi? It ought to have taken some initiative because so many Indians are involved, even if they are overseas Indians.

The courts in the UK have stayed the Receivership of this Bank until the Second of December 1991. I think the Government has got and some politicians, businessmen and former civil servants or present day civil servants have got a reprieve until Second of December because on Second of December when it goes to the Receiver and when the official liquidator publishes a list of all the accounts-holders, then I do not want my good friend, for whom I have the highest regards to be embarrassed, because that list which would be published only in December, might contain very embarrassing names and might contain a very embarrassing amount. Therefore, I would appeal to the hon. Finance Minister that whatever he says, he must take into account that the Receivership of the Bank is yet to take place.

I have earlier submitted that I find it very perplexing when universally the conduct and the illegality of the BCCI is being condemned, it is only the Government of India and the Congress Party which seems to be supporting the BCCI and all that the BCCI has done.

SHRI DIGVIJAYA SINGH (Rajgarh):
We never supported it.

SHRI JASWANT SINGH: You never supported it. I am so relieved to hear it. Then

don't support it further. My submission is that we have asked for a joint parliamentary enquiry into it and issue some guidelines. That is why I say that the least that the government can do is to take a stand on this issue. We would like to know: are you for BCCI? Are you for corruption and illegality or are you against it? You cannot be both because if you shackle the fence for too long then the fence enters you; and I would not wish that to happen.

There is an organisation called "British Organisation of People of Indian Origin." They have demanded an international enquiry into this whole scandal of BCCI; and I am told that the Chairman or somebody of this Organisation has perhaps requested the Prime Minister of India to support the request that he has already made to the British Prime Minister for a need of a proper enquiry into the collapse of the BCCI. Has the Government of India received any such request; and if it has, what is its action?

I would like to share with the hon. the Finance Minister and this too is worrisome to me, because I believe that the Western security services and the agencies like the CIA and others have misused this Bank. They employed it as a conduit, a laundering agency, whether it was Iran Contra affair or any other affairs, they have misused it. If they have misused, surely, the Government of India would have been in the knowledge of what was happening.

I would like to make one other request: That he must make a study of what impact the BCCI closure, even it is a temporary closure, what impact it would have in London and on NRI investments into India in the coming months. And I would request the Finance Minister to share his thinking on this subject with us.

I would also request the hon. Finance Minister to announce in Parliament what measures he is contemplating so far as the ordinary depositor or investor in the Bombay branch of the BCCI is concerned. For how long is his money going to be locked up? And

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what is going to happen to all the employees of the BCCI, Bombay, who are currently neither here nor there?

I am saddened to have to refer to a letter which I have received. It is from an organisation that calls itself, "The Indian Muslims Forum, U.K." and I find it objectionable not for any other reason, but for what it contains against my esteemed and good friend, Shri George Fernandes. And I would like to read out what it says about Shri George Fernandes I find it most objectionable I condemn it in the strongest terms and I would like the Government to tell me how they react to this particular letter, because I am sure that they have also received it.

"What is most regrettable and apprehensible", says this organisation, "is that such Indian political leaders as Mr. George Fernandes, Member of Indian Parliament has even used the opportunity to insult and injure the religious sentiments of the Muslims by leveling false allegations that the BCCI was being used as a conduit for transferring funds overseas from India under the cover of Haz pilgrimage expenses."

This is a matter of investigation. Arises of the Government of India have already conducted. It is not a Hindu Muslim question. It is a question of banking propriety and it does not lie in the mouth of any organisation in the UK. to pass such comments on him; not merely because he is my good friend and esteemed colleague. But if on any Member of Parliament, any such remarks are passed, then I will, as always earlier, stand up and protest against it. (Interruptions)

MR. CHAIRMAN: I do not allow you.

SHRI JASWANT SINGH: Just one or two additional questions.

The reports about the BCCI's questionable functioning had become public and

were public as early as in 1980. In fact, to the best of my recollection and knowledge, some of the South American branches of this Bank were closed on account of their nexus with drug laundering, and if I remember right, these disclosures took place in 1983. I find it very strange that the hon. the Finance Minister should have laboured so hard and protested so much that the Bank sanctioned in 1979 was not merely a representative office, but it was for a full-fledged banking operation. In 1983 when you finally permitted them to open a bank, in India was that not simultaneously with some of the South American banks actually being closed down for charges related to drug laundering? And if in South America BCCI was being closed down or elsewhere because it was laundering drug money, then what persuaded the Government of India in March 1983 to permit this Bank to open in India?

I would like, to know, therefore, was the Government of India never aware of the developments in the other countries when its branch was permitted to be opened? What arrangements do we have with Luxemburg, for example, about sharing banking information, not about individual personal accounts, but about banking information, bank to bank as institutions do we have any arrangements or do we not have any arrangements?

Thirdly, did at any time any of our envoys - we have Commercial Attaches, in the U.S., UK., Luxemburg, Peru, Panama, Cayman Islands or the Isle of Man which are covered from the UK. and indeed the United Arab Emirates sent any reports of the activities of the BCCI, particularly as these reports were being published quite widely in the press there? Were these reports ever transmitted to the Ministry of Finance? Did this Ministry of Finance take away action on its own if the report did not reach them? Did the Reserve Bank of India, out of prudence or adequate care, initiate any inquiry into the aspects of BCCI? Does the government have any further information about the activities of the founder of the BCCI when he visited India on numerous occasions? and he is reported to

have numerous contacts including the grant of Asia award to a foreign dignitary when our late Prime Minister was the then Prime Minister; and he is reported to have been funding various activities within India. What are those activities? Which are those institutions?

I am given to understand that one of the premier educational institutions in the country was also the recipient of the munificence of Mr. Agha Hassan Abedi. Did the government find that Mr. Agha Hassan Abedi was present with the President of Pakistan at the height of the scare following exercise brass tacks in Jaipur on the infamous cricket match? I do not want to link the cricket match with any one or another. These are the issues that worry us greatly.

What about the reports of Mr. Agha Hassan Abedi's meeting - as I said earlier - with some known smuggler barons of the country? Did the Government of India ever receive any information or try to obtain any information regarding the BCCI's role in Pakistan's nuclear programme, including that of funding, arms transfer. What are the guidelines that exist for public financial institutions?

There are just two demands that I have. I will, of course, answer the points that the hon. Minister of Finance - and others make when it comes to my reply. But I would urge the hon. Finance Minister and the Government to accept these two demands. Please lay the established guidelines for public financial institutions of the country. And secondly, please institute a Joint Parliamentary Committee to look into totality of this great scandal, that is, BCCI.

SHRI GEORGE FERNANDES
(Muzaffarpur): I beg to move:

That in the motion,—

after "Indian Companies" insert

"acting as a conduit for shell companies to bring into the country unac-

counted money for investment in selected Indian Companies, and indulging in various sub rose activities including financing the smuggling of arms and other contraband material" (1)

That in the motion,—

after "financial institutions" insert—

"in the matter of lending any manner of support in corporate disputes and takeovers" (2)

That in the motion,—

add at the end—

"; and further recommends that till the norms of conduct mentioned herein are finalised and approved, the public financial institutions do not take any steps that will benefit companies figuring in the BCCI scandal." (3)

SHRI CHHITUBHAI GAMIT (Mandvi):
I beg to move:

That in the motion,—

for

"and recommends the immediate announcement of norms of conduct by the public financial institutions and the establishment of a Joint Parliamentary Committee of enquiry in the matter."

substitute —

"and desires the Government to ensure that in view of closure of the Bank's operations, the interests of Indians and NRIs who invested and dealt with BCCI are adequately protected." (4)

SHRI DIGVIJAYASINGH (Raigarh): Sir, this House has gone through one of the longest speeches we have heard in the recent times, it has gone at least for more

[Sh. Digvijaya Singh]

than two hours in the Session when the Budget had to be gullotined only after discussing three Ministries.

Sir, using the phraseology of Shri Jaswant Singh, his verbal ejaculations relatively sensational in appearance, have been totally sterile in content.

17.00 hrs

SHRISOMNATHCHATTERJEE: Better at this ago.

SHRI DIGVIJAYA SINGH: Sir, we had to sit through two hours of his long speech and he came out with only one instance which referred to Rs. 22 crores of foreign exchange coming into this country and being invested.

SHRI JASWANT SINGH: There are others also.

SHRI DIGVIJAYA SINGH: Oh, we have some more also! Sir, as far as I am concerned, I had to go through two hours of his speech and heard him with rapt attention. The Rs. 22 crores of foreign exchange that came in and that too which was brought out by the then Director of Enforcement in 1986, the Lily-white Mr. Clean, Mr. Bhurelal, who had an occasion of eleven months... (*Interruptions*).

SHRI MANI SHANKAR AIYAR (Malladuturai): Sir, Bhurelal cannot be Lilywhite because 'Bhure' means brown and 'Lal' means red.

17.01 hrs.

[SHRIMATI MALINI BHATTA CHARAYA
in the Chair]

SHRI DIGVIJAYA SINGH: I appreciate the point, Sir. The point he made was that some irregularity was committed and the Directorate of Enforcement came across

that irregularity.

SHRISOMNATHCHATTERJEE: When?

SHRI DIGVIJAYA SINGH: In 1986. He may have been checked by the then Government. But who stopped him in 1989 November when his mentor Mr. V.P. Singh became the Prime Minister, when our dear friends in the Left Frond and the BJP-again to use Mr. Jaswant Singh's phraseology-were cohabiting with that Government? What steps Mr. Bhurelal, or for that matter Mr. V.P. Singh, took to take stringent action against those very people who might have committed some crime?

In the present context, Sir, we have just passed a Bill through which we want foreign investment to come to this country. So, the only point that Mr. Jaswant Singh made in his long speech becomes irrelevant today.

A Swiss banker's comment I would like to quote. He said, I quote:

"Find me one banker who will say no to a multimillion dollar deposit, even if he has serious doubts about the origin of that money. And how is he to know that the drug or the gun runner, who may be behind the money, is going to fall out of favour two years from now?"

Sir, all public lending institutions' scandals or working has to be seen with this in the back of our mind.

The Motion, as it stands says:

"That this House, taking serious note of the collapse of the Bank of Credit and Commerce International (Overseas) Ltd. (BCCI) expresses its concern about various reports of misuse of funds by this bank, inclusive of cornering of stocks of Indian Companies" - that is part-I - "and recommends the immediate announcement of norms of conduct by the public financial institutions" - part-II - "and the establishment of Joint Parliamen-

tery Committee of enquiry in the matter" - part-III. These three points are the content of this motion.

As far as the first part goes, we certainly have no objection in expressing our concern about various reports of misuse of funds by this bank, inclusive of cornering of stocks of Indian companies.

Any Indian company, or for that matter any person of Indian origin, if he violates any law prevailing in the land, then the matter has to be enquired into and if anyone violates the law, then action has to be taken against him. There is no doubt about it. We have no objection to it.

Then the second part is:

"recommends the immediate announcement of norms of conduct by the public financial institutions".

I may say that there are already well laid out guidelines and norms of conduct by the public financial institutions which, I feel, are good enough. What may be necessary is the will to implement those norms.

SHRI NIRMAL KANTI CHATTERJEE (Damdum): There is a recent modification.

SHRIDIGVIJAYASINGH: Unfortunately, the hon. Member who has moved this motion, has not cared to define what are the norms which he wants to propose and what are the norms and conduct which he finds oppressive, lenient and missing. That is why I say that his two hours' ordeal was sterile in content.

Then, the third part is:

"establishment of Joint Parliamentary Committee" We had instituted a Joint Parliamentary Committee in the Bofors issue also.

SHRI SAIFUDDIN CHOUDHRY (Katwa): That was also, sterile.

SHRI DIGVIJAYA SINGH: Obviously, proved to be sterile later on. So much was said about Bofors: "So much corruption was there, such and such person has done it, we are going to bring out all the names in 15 days or 30 days". Shri V. P. Singh said so. Now he says that he did not say it some of his workers must have said it. We do not know who said it. But, at least, the people of this country gave him an opportunity to name at least those persons who were really involved in the Bofors issue. But that has also proved sterile.

The Joint Parliamentary Committee did go into it. The Opposition first said: "Set up the J.P.C.". We did set up the J.P.C. Then they said: "No, make an Opposition Member as Chairman".

SHRI SAIFUDDIN CHOUDHURY: No, we did not say so.

SHRIDIGVIJAYA SINGH: That was said. I was a Member then also. I am not yielding.

Then they said: "Give us more representation in the Committee; not as per the strength of the House". When we agreed to set up a Joint Parliamentary Committee, the Congress Party had the mandate of the people at that time and as per the representation in the House which was prevalent in the Eighth Lok Sabha, the Parliamentary Committee was constituted. Our dear friends were really not interested in finding out the details. They were only interested in spreading disinformation, character assassination, making insinuations and which - I must give them credit for that - they had very successfully done.

There is another very important and pertinent point. Mr. Michael Hershman - I will come to him a little later - in his interview published in the INDIA TODAY (September 15, 1991) also referred to the Joint Parliamentary Committee to be bipartisan. I do not see the nexus. Is there a nexus? I do not think so. We will have to go into it. But, at the same time, he does go into a suggestion that

[Sh. Digvijaya Singh]

the scandals of the BCCI can be brought out, provided a bipartisan committee of Parliament is formed and that too...

I would like to quote him:

The question asked was: "How could the truth be forced to come out?"

The answer given by Mr. Hershman was:

We could have a strong, independent investigation by a bipartisan Parliament, with the resources and professional staff necessary to conduct the inquiry. If there were people of substance in India who wanted to see an investigation proceed they could conceivably do it with private resources".

Sir, hon. Member Shri Jaswant Singh, when he started on Friday, could have conceivably asked for discussion on Monday also. But, obviously, he did not do so.

Because, on 11th September, the House of Representatives in United States...(interruptions)

I quote from Economic Times dated 26th July 1991:

"On the 11th of September the first American Chairman, Clark Clifford and Robert Altman, the Bank & President, had agreed to testify at the first hearing, the Committee (Congressional Committee) said."

Sir, probably he wanted to wait for that hearing to take place on the 11th September.

Sir, Michael Hershman, the great hero of the Fairfax and Bofors scandals, volunteered to testify before the august Committee. But unfortunately, Sir, the people in the Capital have found him not too credible and did not allow him to testify before the Committee. It is very unfortunate. Being one of the sources of our friends here, he was not

allowed to testify. Then, Sir, Shri Jaswant Singh ji was again let down by the Court order on the Bank of England that till December 1991 the names could not be announced. Sir, it is very unfortunate. It would have been proper if this motion could have been brought in January. By then the sources of Shri Jaswant Singh and Shri George Fernandes would have brought out a list probably as they claimed, they would have brought out in the Bofors scandal. The same list could have been made available to us and to the country. Unfortunately, Sir, it came a little too late.

Sir, what are the amendments? The first amendment of Shri George Fernandes says:

'after "Indian companies" insert "acting as a conduit for shell companies..." I believe the shell companies are those companies which are operating from tax haven. Am I correct, Sir?

SHRI GEORGE FERNANDES: Yes, Sir.

SHRI DIGVIJAYA SINGH: Thank you.

"... to bring into the country unaccounted money for investment in selected Indian Companies, and indulging in various sub rosa activities including financing the smuggling of arms and other contraband material".

His second amendment says: after "financial institutions" insert —

"in the matter of lending any manner of support in corporate disputes and takeovers"

Reliance and L. & T. — they should not be allowed to take over, they should be asked to stop.

His third amendment says:

add at the end—

"; and further recommends that till the norms mentioned herein are finalised and approved, the public financial in-

stitutions do not take any steps that will benefit companies figuring in the BCCI scandal."

Sir, this amendment totally relates to an issue — the corporate war which has been going on in this country for a fairly long time — Reliance and Bombay Dyeing. Sir, it is very unfortunate that this House has become a battlefield for the two corporate giants of this country. (Interruptions).

Sir, it is more unfortunate that a Member of Parliament of such standing as Jaswant Singh ji and also Shri George Fernandes are using this opportunity and this floor of the House to plead one way or the other the positions that have been taken by one or the other. Sir, these corporate giants have enough resources to fight their own battle outside this august House. Let us not waste our time in fighting their battles here. Why should we become pawns in their hands?

SHRI JASWANT SINGH: In fact, I have not referred to any of these companies.

SHRI SOMNATH CHATTERJEE: He thinks you should have done it.

SHRI JASWANT SINGH: He is free to make any charge which he likes. But I have not referred to any of these companies.

SHRI DIGVIJAYA SINGH: I am not making any charge.

SHRI JASWANT SINGH: You have made it.

SHRI DIGVIJAYA SINGH: It is not a charge. (Interruptions) I am not in favour of anyone. I am in favour of the depositors of Indian origin who have their money invested in the BCCI. This particular point was brought out in the amendments given by Shri Prakash Patil and Shri Gamit. That shows their concern. So, I would like to congratulate them for having given the right kind of amendment in this whole motion. That amendment says:

That in the motion,-

for "and recommends the immediate announcement of norms of conduct by the public financial institutions and the establishment of a Joint Parliamentary Committee of enquiry in the matter"

substitute-

"and desires the Government to ensure that in view of closure of the Bank's operations, the interests of Indians and NRIs who invested and dealt with BCCI are adequately protected"

This is the concern of the House, which, unfortunately, was not brought out by my friends in the Opposition and we had to bring in this kind of amendment which was necessary.

That is why I say that our friends here are not really concerned with the concern which this House must have, for the Indian depositors. But, they are using this BCCI issue as another weapon, another stick to beat this Government with and settle political scores.

SHRI SOMNATH CHATTERJEE: What is wrong in it?

SHRI DIGVIJAYA SINGH: I have the full right to say whatever I want to say. We have the same story again, as we had during the Fairfax and Bofors - disinformation, character - assassination, innuendoes, insinuation, half-truths, leaks and throw mud in all directions, at least some will stick. First we had Bofors and now we have BCCI. Who are the lead players? They are, Mr. Micheal Hershman, Mr. V. P. Singh, Mr. George Fernandes, Mr. Gurmurthy and the INDIAN EXPRESS. (Interruptions)

SHRI JASWANT SINGH: I am the mover of the motion.

SHRI DIGVIJAYA SINGH: That is why I was reluctant to tell your name and you were

[Sh. Digvijaya Singh]

not the Member of the Eighth Lok Sabha of which I happened to be a Member.

SHRI JASWANT SINGH: But I have enough to do with Bofors.

SHRI DIGVIJAYA SINGH: Then, I would call it unholy nexus.

SHRI SOMNATH CHATTERJEE: I think the list is exhausted.

SHRI DIGVIJAYA SINGH: The list is endless. The credentials of Mr. Somnath Chatterjee and the Left parties are not at all in doubt in this matter. We have nothing against them. The stand that they took regarding Fairfax issue was categorical and clear and we appreciate that.

Madam, unfortunately, the unholy nexus remains the same and unfortunately the target also remains the same - the Congress Party, Mr. Rajiv Gandhi and his family. It is very unfortunate that these very people are still not hesitating to condemn a dead man who valiantly lost his life for the country. Their effort to malign the personality of Shri Rajiv Gandhi and his family is totally deplorable and it should be treated with utter contempt. This is the disinformation not propagated by Shri Jaswant Singh only but by the unholy nexus.

You read the India Today interview by Michael Hershman. Who is Michael Hershman? We must know about Michael Hershman. In his own words in Washington Business Journal interview which he gave on 11 May, 1987 he says: Nearly all staff come from Government, C.I.A., FBI, IRS, military intelligence, police and every employee in fair fax group even the secretary is a licensed investigator. Who is Hershman? I refer to a brief of his career. He began his investigation career during the late '60s as military special agent specialising in counter-terrorism. He then moved on to investigate Government corruption and financial fraud for New York City and later served as

investigator for the Watergate Committee. These are the credentials of the great man, Mr. Harshman.

In the Fairfax issue, who retained him to work for the Government of India? Was it Mr. V.P. Singh, Mr. Bhure Lal, Mr. Gurumurthy or Mr. Nusli Wadia? This the unholy nexus because of which we are discussing the motion here in this House. Who paid him the expenses? Certainly not the Government of India. It was said so. Who employed him? Again I quote Mr. Michael Hershman from the India Today. The question was put: "How soon after did you come to know that there was something wrong". He answers: "It was almost immediately after because I was given information and files". By whom? It was given by the Finance Minister. That showed him the extent of BCCI's involvement. That is why, I have said earlier, this is a part of the international conspiracy. They are out to malign true BCCI operations in Bombay, India, the Government of Mr. Narasimha Rao and the ruling Party.

Mr. V. P. Singh in his appearance before the Thakkar Commission has denied that he had ever come into contact with Mr. Michael Hershman. I do not know whom to believe. But obviously I would like to believe Mr. V. P. Singh when he is compared with Mr. Michael Hershman. Both are experts in disinformation. I am only saying whom to believe more and whom to believe less.

SHRI ABDUL GHAFOR (Gopalganj): Why are you after Mr. Hershman? He must be a nastiest man in the world. But he was enquiring whether a particular person was a thief or dacoit. (*Interruptions.*)

SHRI DIGVIJAYA SINGH: That is why I am saying that I would rather believe Shri Vishwanath Pratap Singh than Mr. Michael Hershman although both of them were experts in disinformation. Who introduced Michael Hershman to Shri Bhure Lal? Shri Bhure Lal himself said that - in a statement it was acknowledged - it was Shri Gurumurthy who introduced him to Michael Hershman. Who is Shri Gurumurthy? Shri Gurumurthy

is a Chartered Accountant with known RSS leanings.

SHRI SOMANTH CHATTERJEE (Bolpur): That is why he is Shri Jaswant Singh's friend. (Interruptions)

SHRI DIGVIJAYA SINGH: That is to be corrected. This unholy nexus is to be corrected. Coming to my point, Shri Gurumurthy is the Economic Advisor to whom? He was the Economic Advisor to Shri R. N. Goenka of the Indian Express Group, the author of all articles written against the Reliance Group in Indian Express. And, for whose benefit it was written? Was it meant for the benefit of the rival corporate giant Shri Nusli Wadia? Well, I do not know about it. It could be for anyone's benefit. Who paid for Mr. Michael Hershman's stay in India? As it appears, he stayed in the hotel Obgeroi Continental. Was it a coincidence that the Chairman of the Bombay Dyeing Group also stayed in the same hotel during that time? He was an honoured guest of the hon. Chairman.

SHRI ABDUL GHAFOOR: Was Shri Jaswant Singh there or not?

SHRI DIGVIJAYA SINGH: I cannot say about Shri Jaswant Singh. But Shri Gurumurthy was certainly there.

SHRI SOMNATH CHATTERJEE: Did he speak on Fairfax now?

SHRI DIGVIJAYA SINGH: I did not have the opportunity to hear him. But he did refer to that. (Interruptions)

MR. CHAIRMAN: Hon. Members should kindly address the chair.

(Interruptions)

SHRI DIGVIJAYA SINGH: That is why I said earlier that the intention behind the motion is really not to look after the interests of the depositors and the employees of BCCI. As a post-script, hon. Member Shri Jaswant Singh added in his speech one thing and so the intent was very clear. It is aimed at how to malign the ruling party and

the Leader of the ruling party which he tried his best to do. But unfortunately till now he has been unable to do so... (Interruptions) The BCCI may be involved in all kinds of rackets outside the country. It really does not concern as far as I am concerned. It does not concern us at all. What are the operations of the BCCI in Bombay? They are our primary concern. They should be punished if they have really violated any of our laws. I hold no brief for the BCCI or for the Reliance Group or for that matter the Bombay Dyeing or whatever it is. I certainly do object to the way things are being brought out through this august House to the nation which are casting motives on our action, which are casting aspersions on people whom we are politically opposed to. It has been amply made clear by the hon. Finance Minister that the liaison office was opened during the Janata Party regime. There is no doubt about it; there is no dispute as far as it is concerned.

SHRI JASWANT SINGH: He has asked me one question and I have to clarify.

SHRI DIGVIJAYA SINGH: You may answer in your reply. (Interruptions)

SHRI DIGVIJAYA SINGH: There is the recommendation of the then Minister of State. Who was the then Minister of State? He was Shri Satish Chandra Agarwal.

SHRI JASWANT SINGH: Was he there? Please verify the fact before you say that.

SHRI DIGVIJAYA SINGH: It may be anyone. I stand corrected. But the then Minister of State for Finance made some recommendation. It can be corrected. But now I stand by the name I mentioned. The then Minister of State for Finance in 1979 proposed to the Finance Minister and to the Prime Minister that the branch should be opened.

SHRI SOMNATH CHATTERJEE: How do you know?

SHRI DIGVIJAYA SINGH: It was a statement made by the Finance Minister. The

Finance Minister did make a statement. He did intervene on the last Friday.

It was the dirty eighties decade which the hon. Shri Jaswant Singh mentioned in his speech in his usual style and in his usual vocabulary. Only after 1983, the permission was granted and that too, for six long years. They had to undergo strict investigations and enquires by the Reserve Bank and only when they were convinced that the RBI's guidelines were being followed, then only the permission was granted. No favours were granted. There were so many foreign banks operating in this country and that too, on the specific recommendations of so many NRIs of the country who wanted BCCI to have a branch in this country. Regular transactions were done. I must give a credit to Shri Jaswant Singh for this. He himself has claimed and observed that the Bombay branch of the BCCI was totally solvent and is totally solvent. Then where is the concern? What is the problem then?

The same unholy nexus - I did not go to that - raided on the 18th July, 1986 the BCCI branch in Bombay.

Why did they raid it? I again quote Mr. Michael Hershman. He says:

"We also realised we were not going to get cooperation from BCCI: it wasn't in their best interest. So we began talking about a method for getting the information we needed. There were two plans. One was to try to enlist the support of the US and the British governments in the investigation. The other was to gather enough information on BCCI's wrong doings in India - to go after them criminally and try and force them to cooperate."

Mark the words 'to force them to cooperate'.

"That is why Bhure Lai took action against BCCI in Bombay."

I am not saying that. It is Mr. Michael Hershman's interview in India Today which is saying this. And I am extremely grateful to India Today and to Mr. Michael Hershman for having come out with this. It further says:

"The charges weren't important. What was important was to have evidence to support some charges so we could seek the cooperation of the BCCI employees being charged."

Shri Bhure Lai must have said, "excellent idea, Mr. Michael Hershman. Let us go ahead." And they went ahead. What did they come out with? They came out, as per India Today with this and I quote:

"The catch: 471 fake passports and a total of 84,000 dollars in cash and traveller's cheques. The scam-taking 500 dollars as foreign travel allowance for each passport holder - was worth 2,35,000 dollars."

First is the question of 471 fake passports. On a later enquiry, not one passport was found fake. The usual practice with the Haj pilgrims is that when there is rush to go to Haj, they usually give their FTAs to the travel agents to cash that to avail the FTAs.

So, in that rush hour, that was the opportunity for the great detective of Shri V.P. Singh's Government, Shri Bhurelal, who came up with a brilliant idea, to catch the BCCI and force them to cooperate on something which was totally unrelated to. This was the intention behind all this operation. That is why, I oppose and because the intent is totally mafiaide. The intent is totally political vilification. It was not the concern for the depositors of Indian origin. It was only a political vendetta; a political vendetta that we saw in the 8th Lok Sabha and again being repeated now in this House. That is why, I say that this is a motion which is entirely sterile in content but, totally political in intents. You see the list of creditors of BCCI; it makes a very interesting reading. Who

were the creditors? It was Tatas with a total exposure amounting to Rs. 10.77 crores; Birlas - Rs. 21.34 crores; Reliance - Rs. 10.8 crores; R. P. Goenka Rs. 22.69 crores; Godrej - Rs. 7.69 crores and United Group - Rs. 15.20 crores. They are the creditors of the BCCI - the leading industrial houses of this country, who have been taking the advantage of the BCCI financing and who have been paying their regular dues on time. I hold no brief for the BCCI. Let them be hanged from my side if they had committed any irregularities. But, do not malign those people who are doing their job professionally, competently in this country and who have been paying the tax on time. Why should they be condemned and why should they be maligned? That is my objection.

The India Today in its report, has made some remarks about its narcotic links. I do not know anything about it. It may be enquired into. Our Narcotics Bureau may go into it; the Finance Minister may look into it; or RAW or IB may go into it. Names of two persons have been mentioned as having narcotics links with Mr. Abedi. I would like to quote their names. One is Nasir Ali of Shahjahanpur and another is Ramesh Chandra Kochar of Delhi. I do not really know about Ramesh Chandra Kochar of Delhi, but certainly we do know about Nasir Ali of Shahjahanpur, because, he was one of the known narcotic smuggler of the country and Shri V. P. Singh had the occasion to have Iftar dinner at his house in Shahjahanpur. As Finance Minister, he had the total economic intelligence of this country and after resigning as Finance Minister, he went to attend the After dinner, when he was having a stormy countryside tours. He obliged Shri Nasir Ali.

SHRI SOMNATH CHATTERJEE: It had blown you off!

SHRI DIGVIJAYA SINGH: Temporarily for eleven months and should I say with your kind cooperation along with the BJP. (Interruptions) It may again be double checked. We have no objection. I would like it to be checked. I would like the Finance Minister to be very clear about it. The narcotic smug-

gling in this country has to be checked. The narcotic links of politicians must be closely scrutinised. My colleague, Shrimati Vasundhara Raje, was also complaining to me how the narcotic and the political nexus has been troubling her in her constituency. I also personally know although Dr. Laxmi Narayan Pandey would not own up because he is so rigidly attuned to his party. (Interruptions)

[Translation]

SHRI RAM VILAS PASWAN: Since the name of Shri V. P. Singh has been mentioned and as he is not present, so I would like to say something. I was with him. Shri Shrivastava Ji, M.L.C. was also there with us on that day. They came quite late in the evening. The fact that Shri V. P. Singh attended 'iftar' dinner at a smugglers premises may be verified. Allegations should not be levelled in an irresponsible manner.

[English]

SHRI DIGVIJAYA SINGH: The links between the narcotic smugglers and the politicians must be closely inquired into. I would urge upon the Hon. Minister that whoever is concerned...

SHRI RAM VILAS PASWAN: He will never do that. I challenge you.

SHRI DIGVIJAYA SINGH: Why don't you cooperate?

[Translation]

SHRI RAMVILAS PASWAN: Let JPC investigate.

[English]

SHRIMATI VASUNDHARA RAJE: It is a very important point. (Interruptions) We will be very very grateful if this kind of thing could take place. Hon. Finance Minister is sitting there. He has suggested JPC. Why don't you do it? (Interruptions)

SHRI DIGVIJAYA SINGH: With your cooperation.

SHRIMATI VASUNDHARA RAJE: We will give full cooperation.

SHRI DIGVJAYA SINGH: I am prepared to cooperate with you.

SHRI RAM VILAS PASWAN: At least we must agree on this point. The Finance Minister is sitting there.

SHRI DIGVJAYA SINGH: I admire Hon. Shri Pawan's ardent support and ardent admiration for Mr. V. P. Singh in whose Cabinet he had the honour to remain for eleven long months. Did he ever try or make an effort to bring the narcotics dealer to book? Never. I do not know of any instance as such. (Interruptions)

[*Translation*]

SHRI RAM VILAS PASWAN: Since we failed to do it, so we welcome the Congress (I) to do what all has not been done. (Interruptions)

SHRI DIGVJAYA SINGH: I am with you, Mr. Ram Vilas Paswan, on this point. (Interruptions) Our only concern as citizens of this country and as Members of this august House is to confine ourselves to the interests of people of Indian origin who have deposited their life earnings and savings in BCCI, Bombay, or for that matter in BCCI's any branch in the world. The Finance Minister must make every effort possible to safeguard their interests. At the same time, Hon. Finance Minister must look into and safeguard those employees' interests who are being unnecessarily punished. A profitable branch, solvent branch, of BCCI should be allowed to function as per the RBI guidelines. It can either be taken up by any of the nationalised banks - the SBI - or any other way the Finance Minister feels is correct. That is our only concern.

I would like to conclude on this note that we have seen mudsinging of the most, I would say, undesirable content and most unfortunate in sometime to come and in the

last few years time. I would urge upon Hon. Members not to resort once again on an issue which is totally unrelated, to go through the same exercise and resort to all those disinformation and character assassinations that we have seen in the case of Bofors. That is why I would urge upon all the Members not to vote for this Motion.

[*Translation*]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Chairman, Sir, the hon'ble Member Shri Jaswant Singh in his speech has referred to the letter that has been sent by the Indian Muslim Forum. Perhaps copies of this letter have been received by other members also because the letters which have been addressed to the hon. Prime Minister and the hon. Minister of Finance bear a foot note mentioning that copies of the letter have been forwarded to all the hon. Members of Parliament, to the Members of Lok Sabha and Rajya Sabha both. Though the letter does not mainly contain any such thing on which objection can be raised.

17.47 hrs.

[*RAO RAM SINGH in the Chair*]

Yet I have got reservation about two paragraphs where in it has been stated:-

[*English*]

"What is most regrettable and reprehensible is that such Indian political leaders as Mr. George Fernandes, a Member of Indian Parliament, has even used the opportunity to insult and injure the religious sentiments of the Muslims by levelling such false and frivolous allegations that BCCI was being used as a conduit for transferring funds overseas from India under the cover of Haj Pilgrimage expenses. We have checked this out with our Indian sources who have told us that this allegation is baseless."

[Translation]

In the end they have appealed to the hon. Members of Parliament. It is said on the last paragraph that

"Also responsible and considerate Members...

MR. CHAIRMAN: Mr. Fernandes, what is this document which you are quoting from?

SHRI GEORGE FERNANDES: This document is sent by an organisation called the Indian Muslim Forum, UK (In London Borough of Newham), 7, Dunbar Road, Forest Gate, London E7, UK addressed to the Prime Minister and the Finance Minister and copies to all Members of Parliament, that is, Members of Rajya Sabha and Lok Sabha. This letter is dated 31st August, 1991. But it is addressed only to two. (Interruptions)

[Translation]

I have got the copy by post. Shri Rabi Ray have also received the copy the letter by post.

[English]

"Also, responsible and considerate Members of Parliament must ensure that such Members as Mr. George Fernandes are not allowed to insult Islam and the Indian Muslims by such baseless allegations against the Haj Pilgrimage."

[Translation]

Sir, if I may say in one sentence, I have never levelled such an allegation neither I could level such an allegation nor I could think in those terms today even but since on behalf of the organisation it has been said that they have their sources in India and the alleged allegations such are baseless. I feel that there may be some such sources which might be disseminating baseless information to the people... (Interruptions)... who ever they may be, but I would like to refute all these allegations and I also hope that ... (Interruptions)...

SHRI SOMNATH CHATTERJEE (Bolpur): This will also be handed over to JPC.

SHRIGEORGE FERNANDES: No body will indulge in a propoganda where religion is involved. Sir, the discussion on the issue could have been conducted in a better manner, had the hon. Minister of Finance provided some additional information as committed by him in the last paragraph of his statement made last time. The hon. Minister stated:

[English]

"I have made the above statement on the basis of information available at present. In case further information becomes available, the Government will take appropriate action."

[Translation]

It would have been better if the hon. Minister of Finance had issued another statement about the additional information received and the action taken thereon by the Government. In that case the scope of the current discussion could have been limited any probably there would not have been any requirement for it. But since additional information has not been provided now we will have to widen the scope of the discussion. I hope a detailed discussion will be held.

Sir, it is necessary to understand the ramifications of the issue, which is being debated upon in the House. Firstly, why and how did this Bank made entry in the country and who gave permission for opening its branches. We would like clarification of these aspects by the hon. Minister of Finance. I wrote a detailed letter to the hon. Minister. The reply to the letter was given by an official of the company. In response to that letter, M/s. Reliance Industries also wrote a letter and sent me a copy of the same which I forwarded to the hon. Speaker of Lok Sabha.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): I think I may be wrong. But the letter which you wrote to me was given to the press before it reached me.

SHRI GEORGE FERNANDES: It was not given before. It was delivered at their office later on. But those are technicalities. In this debate, that is not an important question.

[Translation]

Sir, later on the company in writing expressed its regret to the Hon. Speaker of Lok Sabha and said that the letter was written inadvertently by the company. The newspaper published both the original as well as the letter of regret written by the company. Therefore, at their end the matter is over. In response to my letter, the hon. Minister of Finance verbally unofficially communicated to me five minutes before the start of sitting of Lok Sabha, that if he gives reply to all the points raised in the letter then the previous Government, in which I was a Minister will come under clouds. Whatever I told him, I would like to reiterate in the House. I told him - that I have always admitted that all Governments make mistakes. Some Governments make more and some make less.

[English]

All Governments are bad. But some are worse than others.

[Translation]

I therefore, request the hon. Minister of Finance to bring all the facts to light. I urged him not to care for the malignity of the previous Government, Shri V. P. Singh or the former Finance Minister or anyone else. If the Government feels that nothing wrong has been done, then I have no hesitation in saying that the granting of permission to the Bank was itself wrong. I have been told that

the name Patil contained in my letter refers to Governor Patil. It has been said that the names mentioned by Shri George Fernandes and the letters referred to by me are totally incorrect. Probably they may be right, because I write letters on the basis of information supplied to me by various individuals. Therefore, instead of going into technicalities do not try to divert attention from the main issue. I would like to know who granted permission to the Bank for opening its branches into the country in violation of the orders of Governor of Reserve Bank of India. Many names have been mentioned by the hon. Minister and Shri Digvijaya Singh in the House. One of my colleague in the House suggested that an objection should be raised, in this regard but since we intend to mention a few names today, I thought it better not to raise objection. I would like to know the role of Shri Amar Rizvi in facilitating entry of this Bank into the country. Possibly the information available with me may not be correct about the roles of various persons. A very pertinent point mentioned in the statement of the hon. Minister of Finance is that :-

[English]

"There were also reports in 1988, from intelligence agency that BCCI has made overtures for acquisition of property and is trying to enter the hotel and real estate business in Lucknow and Bombay in partnership with Amar Rizvi."

SHRI MANMOHAN SINGH: But I also said that nothing was found.

SHRI GEORGE FERNANDES: I am reading the Minister's statement. I would like to know...

SHRI SONTOSH MOHAN DEV (Tripura West): Please read it in full, not in part.

SHRI GEORGE FERNANDES: I have read it in full. There is nothing beyond.

"The Reserve Bank of India looked

into the matter and the Reserve Bank of India scrutiny of BCCI, Bombay branch did not reveal financing/acquisition of real estate business/property."

Of course, it did not because the intelligence agency viewed this as a fraught on the security risk. Before the Reserve Bank of India came in, Mr. Finance Minister, the intelligence agency had come into the picture. This is your statement. I do not have access to this intelligence report. It is your statement that I was quoting.

SHRI MANMOHAN SINGH: You are miss-quoting the statement. I did say that our intelligence agency has got some report to this effect. They said that this should be looked into. The Reserve Bank of India looked into this and they said that there was no truth in it.

SHRI GEORGE FERNANDES: I have the information that an effort was made to acquire the real estate. I am making this statement with full responsibility that the efforts were made to acquire the real estate and intelligence agency did submit a report and the Reserve Bank did make a statement that the Finance Minister has just now referred.

MR. CHAIRMAN: There is a little difference, Mr. George Fernandes. You are saying that it was checkmated because the intelligence agency stepped in. But the Finance Minister is saying that he checkmated as soon as he came to know about it.

SHRI GEORGE FERNANDES: Sir, I started by saying that I may be making some mistakes in terms of personalities, dates and so on and so forth. So, Mr. Chairman, Sir, we would like to know as to under whose pressure and under what circumstances permission was granted to this bank when the Reserve Bank of India was not in its favour. Is it not a fact that a meeting of the Secretaries was convened for this specific purpose and an effort was made to change all the rules and procedures governing the

entry of a foreign bank into India? Is it also not a fact that the then Governor of the Reserve bank had refused to attend that meeting? Is it not true that despite all this, the Bank was allowed to open its branch in the country and is it not a fact that the then Reserve Bank Governor described it to be a very wrong decision and took a decision to keep a special watch on the activities of this Bank?

Mr. Chairman, Sir, perhaps Shri Digvijaya Singh has left the House, but he should have been here, because he had expressed his reservation about bringing his party or party leaders into the picture. We too are not interested in bringing any party into picture, but there should be no objection whatsoever, if I say that license was granted to this Bank in 1983 during Shrimati Indira Gandhi's tenure as Prime Minister, despite the reservations expressed by the Governor of the R.B.I., because it is a fact. I know that questions would be raised regarding the steps taken by Shri V. P. Singh in this regard. In 1986, when it came to notice that some Indian companies operating from Isle of Man purchased shares of Reliance company of the B.C.C.I. worth Rupees two crores on the basis of share capital of 200 Pounds any when investigation into the matter was done why no action was taken in 1987 on the basis of that report? Why it was not implemented in 1988? When they put questions as to why Shri V. P. Singh didn't take any action on the basis of that report, they tend to forget all these things. When they can raise such questions, there won't be anything wrong on my part, if I say that it was Shrimati Indira Gandhi's Government, which issued the license to this bank in the year 1983.

Mr. Chairman, Sir, we would like to get the replies to these questions on the floor of the House. The most important point is how this bank was allowed to open its branch in the country.

Mr. Chairman, Sir, another important question is regarding the activities of the bank in this country. I have got some letters

[Sh. George Fernandes]

with me. One is from the Employees Union of the bank. Those people came to meet me. They must have met some other hon. Members as well. They told us their problems, but along with that they have pointed out to a very dangerous thing in their letter. They have addressed this letter to the Deputy Governor of the Reserve Bank, the first sentence of which reads as follows.

[English]

"We the entire staff of B.C.C.I. at the outset wish to apologise to the Reserve Bank of India for having put them in a rather awkward situation."

[Translation]

This, they have written, despite the fact that they personally haven't put anyone in an awkward situation. They are the poor Indians who had been employed by the bank. They are no way at fault, they were merely working in the Bank for their livelihood. Today, they are jobless yet, they are not worried for their future. Rather, they have expressed their concern over the fate of the depositors, those who have taken loans from the Bank, those who wanted to take loans and those people, whose business has come to a grinding halt, as a result of the collapse of the bank, but along with all this, they have mentioned something serious as well. They have filed a case in the Bombay High Court.

[English]

"In the High Court of Judicature of Bombay, Ordinary Original Civil Jurisdiction, Company petition No. 389 of 1991.

[Translation]

It is against the R. B. I. In this petition, filed on behalf of the employees, it is mentioned that

[English]

"We will rely upon the statement made by the finance Minister of India on 7.8.91 that nothing illegal or irregular is found in the working of the Bombay Branch of the BCCI".

[Translation]

They have deposed this before the court. On the one hand, we have this letter of the employees and our sympathies are also with them. On the other, I have with me this letter from the B. C. C. I. Bombay Branch Depositors Forum, C/o Bombay Cricket Association, signed by four prominent persons viz Shri Madhav Mantri, President Bombay Cricket Association, Shri M. R. Pal, President, All India Depositors' Association, Shri A.N. Parikh and Shri A. Lobo. This letter was written, after holding a meeting of the forum. In their letter, they have made certain remarks about the R. B. I. to which the hon. Minister of Finance should pay attention. I am not asking the Finance Minister to look into it, because their remarks are unwarranted or anything like that. Rather, they have said that R. B. I. has been keeping a watch on the activities of the B. C. C. I., as they do in the case of nationalised banks and they have been issuing certificates. In fact, it was the Reserve bank of India, which granted B. C. C. I., the license to operate in India and which audited its accounts and to quote them -

[English]

"Since the RBI has a reputation for adequately safeguarding through maintenance of substantial statutory reserves and through tight controls, the interest of the depositors of all banks operating in India none of us had an idea that we would be devastated by double blackage of our monneys".

[Translation]

They have also mentioned in the letter, the various other difficulties they have faced and they expect the R.B.I. to take some

initiative in this regard. I am sure, the entire House will understand the pain and agony of the depositors. The Bank had inserted an advertisement blitzkrieg to attract depositors and was offering huge interests. Many innocent people and institutions, got lured by these advertisements and deposited their money in the bank, in the belief that their money was in safe custody as the R.B.I. was issuing them certificates. Mr. Speaker, Sir, we should think about these people. I would like the hon. Minister to pay special attention to this matter.

I am also in possession of a letter from the British Organisation of People of Indian Origin, to which my friend Shri Jaswant Singh has also referred. This letter is signed by Shri Prafulla Patel, who is a Member of the Government of India's Consultative Committee for N. R. I.'s investments. As a member of this committee, he has sent three or four documents, in which there are two important points. He says that

[English]

The Sheikh of Abdu Dhabi had given written undertaking to the regulatory authorities in London, Luxemburg and Caymen Islands that they will make good all the losses. They were willing to underwrite all the shortfalls.

[Translation]

In this letter, it is also mentioned that Indian Citizens, had deposited about Rs. 10,000 crores in India and the U. K. If this is a fact, we would like to know whether the hon. Minister of Finance is aware that the Sheikh of Abdu Dhabi had agreed to make good all the losses and if so, what steps did our Government take, when the Sheikh made the announcement in this regard? However, another thing that they have mentioned is for more important. They have said that British Government has constituted a committee, Bingham Inquiry Committee by name to investigate the whole issue. According to them, it is merely an exercise, an eye-wash. It won't serve any purpose. Such

a committee should be constituted that will go deep into the whole issue and find out the facts. This is what they say. Further they have also mentioned, what they expect from the Indian Government.

[English]

The least that the Indian Government can do is to take a stand on this issue in Parliament and to do all that is necessary through diplomatic channels so that the depositors can recover their deposits. After all, why should the innocent depositors be penalised for the activities of a few Pakistani crooks and law breakers who have run this bank within a bank and siphoned off millions of dollars.

[Translation]

They want the Parliament to discuss this matter. It is my request to the Government that it should pay attention towards issues like the problems faced by the employees and depositors of the bank who are Indian and to help them out by devising some way.

Mr. Speaker, Sir, the aforesaid letter also mentions the name of prominent individuals and industrial houses like Tatas, Birlas, United Group, Reliance etc., whose names Shri Digvijaya Singh has just read out. We are not concerned about the amount of money they have deposited in these banks. The amount of money they have deposited and the amount of money taken out etc. will come to light, once the investigation is done. You must have certainly put the whole matter before the Reserve Bank, for the purpose of audit and the bank too must have appointed a Receiver to look into them and certainly we will get some information, in due course. However, our objection is particularly to the other activities of the Bank. Due to the paucity of time, I won't read out the entire Resolution, but in the amendment that I have proposed, in the larger interests of the public.

[Sh. George Fernandes]

I had suggested:

"acting as a conduit for shell companies to bring into the country unaccounted money for investment in selected Indian companies, and indulging in various sub rosa activities including financing the smuggling of arms and other contraband material"

[Translation]

SHRI DIGVIJAYA SINGH: Our objection is only to the last two activities mentioned.

SHRI GEORGE FERNANDES: Didn't you say or not that there is nothing objectionable in these activities? You have no objection to the activities mentioned in the first paragraph. It is a fact that the bank has been acting as a conduit for 'shell Companies' to bring into the country unaccounted money and indulging in Sub rosa activities. I was glad to learn that you have no objection to these charges. Regarding the raid conducted in 1986, the hon. Minister of Finance has mentioned here that:

[English]

BCCI was involved in a controversy in 1986 when investigations by the Enforcement Directorate revealed that the bank was releasing foreign exchange against foreign travel scheme to travel agents without verifying the signatures of those who have travelled.", etc. With the result that a substantial amount of foreign exchange was released on the strength of the forms bearing forged and fake signature."

[Translation]

Shri Digvijaya Singh has said in the House that it is not true that all this money was collected for Haj. (Interruptions)

[English]

SHRI DIGVIJAYA SINGH (Rajgarh): I

only said that, "On enquiry the passports were found to be fake". This is what I said.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): And that is correct.

[Translation]

SHRI GEORGE FERNANDES: So, this controversy took place, about which the hon. Minister of Finance made a mention here. Thus, many such allegations were levelled against the company in the aftermath of the controversy...(Interruptions)

[English]

Some of the employees were detained under the COFEPOSA Act.

[Translation]

The hon. Minister of Finance has presented some figures here. In that raid itself, U.S. Dollars worth Rs. 1,32,000 and Rs. 17,00,057 were seized. We have informed the Finance Minister about it and we believe that the amount seized during the raid was their earning of a single day and the company has been indulging in these activities throughout the year. They made fake passports, got dummy tickets issued and siphoned off \$ 500. This company made \$ 2.5 crores... (Interruptions)

[English]

SHRI MANMOHAN SINGH: All this is absolutely unsubstantiated. (Interruptions)

SHRI DIGVIJAYA SINGH: It is a mere fiction thriller. The hon. Member should take up writing fiction thrillers. He will do well.

[Translation]

You may please give the facts...(Interruptions)

SHRI GEORGE FERNANDES: If you have the facts, please give them to us.

Whatever information we have with us we will give to you. I think the BCCI scandal is being discussed in as many as 70 countries of the world. The BCCI scandal is being investigated by all the countries of the world except those countries where there is dictatorship and where cult of violence prevails. BCCI case is also under investigation in our country too. However, the ruling party says that it is totally concerted and a fiction. It is a disinformation, what they say. An attempt to protect the BCCI is being made. The entire world is making the affairs of this bank public...*(Interruptions)* I could not follow it ...*(Interruptions)*

[English]

SHRI DIGVIJAYA SINGH: The inquiry can be held only after certain facts are given. If the hon. Member has any facts, he should bring them forward.

SHRI NIRMAL KANTI CHATTERJEE: After all the facts are known the inquiry should start. That is his submission.

SHRI DIGVIJAYA SINGH: Sir, it is absolutely correct that the inquiry should be held by the RBI. The Finance Ministry can hold it. *(Interruptions)*

MR. CHAIRMAN: I am sure the Finance Minister is taking a serious note of all that you are saying.

SHRI GEORGE FERNANDES: Sir, he is absolutely competent to reply*(Interruptions)*

MR. CHAIRMAN: Kindly do not interrupt him.

[Translation]

SHRI GEORGE FERNANDES: All right. I can understand why you are worried... Why are you interrupting me? Please let me make my point. When the Minister of Finance will give the reply, he should place the

information if he has any ...*(Interruptions)*

SHRI DAU DAYAL JOSHI: Bad association bad name.

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, the problem is that six officers of the bank were apprehended. It was done under the COFEPOSA. One among them is absconding and the rest have been placed under detention. *(Interruptions)***

[English]

MR. CHAIRMAN: Mr. Fernandes, how can you say that the former Prime Minister has ordered their release?

(Interruptions)

SHRI DIGVIJAYA SINGH: Sir, on the floor of the House I wanted to raise an issue. I had given in writing to the hon. Speaker about certain people who have been let off under COFEPOSA when Shri V.P. Singh was the Finance Minister. I had submitted the relevant document and the files. I have not yet been allowed to raise it.

Sir, if the hon. Member, Shri Fernandes, has got a record, he should submit it. Only then, he should make accusation... *(Interruptions)*

MR. CHAIRMAN: Shri Fernandes, you have made a statement that the former Prime Minister released them. Was it on record somewhere? Was it purely your conjecture?

SHRI MANMOHAN SINGH: Mr. Chairman, this is totally unsubstantiated thing that Mr. Fernandes has said...*(Interruptions)*

MR. CHAIRMAN: Please sit down when I am on my legs.

(Interruptions)

MR. CHAIRMAN: Mr. Fernandes, I am sure you will agree with me that it is quite not correct to make an unsubstantiated allegation unless you have got something, by which you can authenticate it.

** Expunged as ordered by the Chair.

SHRI GEORGE FERNANDES: Sir, I stand by my allegation...*(Interruptions)* Sir, Mr. Digvijaya Singh's point is that he has given in writing to the Speaker that Mr. V. P. Singh was the Finance Minister and he ordered the release of these COFEPOSA - detenues*(Interruptions)*

SHRI DIGVIJAYA SINGH: Yes, I have said that and I stand by that.

SHRI GEORGE FERNANDES: Very good. I thank my friend, Shri Digvijaya Singh, for confirming it. Shri Rajiv Gandhi was his own Finance Minister when he ordered the release of these detenues...*(Interruptions)*

SHRI DIGVIJAYA SINGH: Sir, I would like to correct the honourable Shri George Fernandes. The documents that I have submitted were of the time when the honourable Shri V. P. Singh was the Finance Minister of this country and he had signed the release order...*(Interruptions)*

SHRI RAM VILAS PASWAN: Who was the Prime Minister at that time?...*(Interruptions)*

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): Mr. Chairman, Sir, till the hon. Member, Shri George Fernandes, produces any document, no allegation against Shri Rajiv Gandhi should go on record. *(Interruptions)*

MR. CHAIRMAN: I have already given a ruling that unless Shri George Fernandes could substantiate what he has said and bring it to the notice of the hon. Speaker in his chamber, any reference to the former Prime Minister passing any order about release of anybody will be expunged from the record.

(Interruptions)

SHRI SOMNATH CHATTERJEE: Sir, Hon. Speaker was not in the chair some time ago when Shri Digvijaya Singh took to many names. Did he try to substantiate any of them? *(Interruptions)*

AN HON. MEMBER: This is a serious matter. *(Interruptions)*

MR. CHAIRMAN: Shri Somnath Chatterjee and Shri George Fernandes, you are very senior parliamentarians. I think it is the well known practice that...

(Interruptions)

MR. CHAIRMAN: Please do not talk when I am on my feet. If any allegations have to be levelled against any sitting Member or any ex-Member of former Prime Minister, then a notice to that effect should be given to the hon. Speaker and only after taking such permission that any allegation of such a serious nature are levelled against any sitting Member, or a Minister, Prime Minister of former Prime Minister or anybody like that, can be made. I think you will agree with me that this practice should not be violated.

(Interruptions)

MR. CHAIRMAN: I would, therefore, request Shri George Fernandes that if there is anything pertaining to the remarks about a former Prime Minister they will be erased from the records if not substantiated by him.

(Interruptions)

[Translation]

SHRI MADAN LAL KHURANA (South Delhi): What about the allegations he has levelled? *(Interruptions)*

SHRI JAGDISH TYTLER: Why are you looking up? Please talk to the Chairman. Are you passing on any news? *(Interruptions)*

[English]

MR. CHAIRMAN: It is not within my knowledge as to what Shri Digvijaya Singh has said. I can only say that if you, hon. Members, are seriously objecting to that, first of all my remarks would be that you should have objected at that particular point

of time. Secondly, if you have failed to object at that particular point of time and you are objecting now, then I would say that record can be examined by the hon. Speaker and if there is anything objectionable, I think the Speaker would certainly expunge them. That is the only ruling that I can give at this stage. (Interruptions)

[Translation]

SHRI RAM VILAS PASWAN: Mr. Chairman, Sir, I am on a point of order. (Interruptions)

[English]

SHRI PAWAN KUMAR BANSAL (Chandigarh): If he has any document in his possession, why is it that he is not reproducing it in the House now? (Interruptions)

MR. CHAIRMAN: Kindly do not interrupt. I have asked Shri Ram Vilas Paswan to speak.

[Translation]

SHRI RAM VILAS PASWAN: I want only this much from you that your ruling should be equally applicable to all the discussions held here and all the allegations made by hon. Members against the former Prime Minister and other Ministers.

MR. CHAIRMAN: Mr. Paswan, I am not empowered to give blanket orders that all the allegations that were levelled against any Prime Minister who were in power during last five years should be expunged.

SHRI RAM VILAS PASWAN: It is not the question of last five years but it is a case of very recent past. (Interruptions)

[English]

MR. CHAIRMAN: I do not know. There may have been substantiated allegations against some former Prime Ministers.

(Interruptions)

MR. CHAIRMAN: But, what I can say is, we should take notice of what is happening at the present moment.

(Interruptions)

[Translation]

SHRI RAM VILAS PASWAN: Mr. Chairman, Sir that is why I am saying that when Malinji was in the chair...(Interruptions)

[English]

SHRIMATI MALINI BHATTACHARYA (Jadavpur): Whatever remarks had been made against whichever former Prime Minister - whether it is Shri V. P. Singh - let them be expunged.

SHRI A. CHARLES (Trivandrum): Sir, I am on a point of order.

SHRI JAGDISHTYTLER: Where are the documents?

(Interruptions)

MR. CHAIRMAN: I am sorry. This ruling would have no meaning to have blanket erasure of any reference to any person previously.

(Interruptions)

SHRI A. CHARLES: Sir, on a point of order please.

MR. CHAIRMAN: One at a time. I have asked Shri Pawan Kumar Bansal to speak. Let him speak.

(Interruptions)

MR. CHAIRMAN: Yes, Shri Bansal.

SHRI A. CHARLES: * (Interruptions)

MR. CHAIRMAN: I would request him not to say anything against the Chairperson who was in the Chair at that particular time.

Kindly have this much respect for the Chair that if Shrimati Malini Bhattacharyaji or ABC or anybody is in the Chair, kindly don't cast any aspersions. Nothing regarding Shrimati Malini Bhattacharya will go on record.

(Interruptions)

SHRI PAWAN KUMAR BANSAL (Chandigarh): Sir, my submission is that there is a basic difference between the tenor of what Shri Digvijaya Singh has said and what Shri George Fernandes has said. All that Shri Digvijaya Singh said was in reference to the time when certain incidents took place when Shri V. P. Singh was the Finance Minister, while Shri Fernandes made unsubstantiated and wild allegations.

MR. CHAIRMAN: Shri Digvijaya Singh is very much here. Whatever he wants to say, he can say it.

(Interruptions)

MR. CHAIRMAN: Mr. Fernandes, would you like to continue your speech?

SHRI PAWAN KUMAR BANSAL: Shri Fernandes levelled a baseless allegation. *(Interruptions)*

[Translation]

SHRI RAM VILAS PASWAN: Mr. Chairman, Sir, what is your decision since I have also raised this point in the House.

MR. CHAIRMAN: I have already given my Ruling in response to your point of order. I have already said that I do not have the authority to give blanket Ruling to expunge the names of all the former Prime Ministers which have come. I cannot give any such Ruling. But the Ruling that I have just given that whatever Mr. George Fernandes has said

[English]

About the former Prime Minister will be

erased from the record.

(Interruptions)

MR. CHAIRMAN: I can only give a Ruling on what is within my knowledge. What has happened in front of me, I can give a Ruling on that. Mr. Ram Vilas Paswan, on anything that happened last year or a year before, I cannot give a Ruling.

SHRI RAM VILAS PASWAN: That mean's that the points made by Shri Digvijay Singh will go on record. *(Interruptions)*

[English]

MR. CHAIRMAN: Anyway, I have given my Ruling. I cannot give any blanket Ruling.

(Interruptions)

[Translation]

SHRI RAM VILAS PASWAN: Before George Fernandes Shri Digvijay Singh had also referred to Shri V. P. Singh by name that he was with the National Front and it will go on record. But when he said that Shri V. P. Singh was the Finance Minister when he was the Prime Minister, it will not go on record. *(Interruptions)*

MR. CHAIRMAN: I have given my Ruling on this also. If Shri Digvijay Singh has levelled an unsubstantial allegation on anyone and if the hon. Speaker while examining the record considers it objectionable he will erase it. It was not said in my presence. It is the hon. Speaker, who will examine it. I have already given this Ruling.

(Interruptions)

[English]

MR. CHAIRMAN: The other thing I want to say is that there was no time allotted for this discussion. I would like to take the sense

of the House about this.

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): We are ready to sit late. Let it be finished today.

MR. CHAIRMAN: It is up to the House, whatever time you want to give for this.

SHRI SONTOSH MOHAN DEV: We want to finish it today.

(Interruptions)

MR. CHAIRMAN: We have already taken, I think, about three-and-a-half hours on this subject. Would you like to suggest some time, Mr. Jaswant Singh?

SHRI JASWANT SINGH (Chittorgarh): Mr. Chairman, Sir, when the time was fixed for this discussion...

MR. CHAIRMAN: There is no time fixed.

SHRI JASWANT SINGH: Sir, a discussion took place both in the Business Advisory Committee as also with the Hon'ble Speaker. It was decided that the discussion on my motion would start today at One o'Clock. The anticipation was that the hon. Finance Minister's reply to the Finance Bill would commence at 11 a.m. and end by One o'clock and this discussion would start at One o'Clock and go on till about 4.30 p.m. In that sense by implication, three-and-a-half hours have been allocated. But this discussion has started only at Four o'Clock.

MR. CHAIRMAN: Yes, it started at Four o'Clock. That means, another one hour is left.

(Interruptions)

SHRI SONTOSH MOHAN DEV: Mr. Chairman, Sir, the hon. Parliamentary Affairs Minister has gone somewhere and before going he said, as Shri Jaswant Singh has very rightly pointed out, that this discussion is for three hours and if necessary, it can be extended with the consent of Shri

Jaswant Singh and other Members for another one hour more. But preferably it should be finished today.

Shri Somnath chatterjeeshri somnath chatterjee: Sir, he is a crusader against corruption and we hope he will not try to stifle this discussion.

(Interruptions)

SHRI SOMNATH CHATTERJEE: Sir, the Congress Party wants to stifle this discussion.

SHRI SONTOSH MOHAN DEV: You speak for whatever time you want and we will listen to your speech. But do not say that the Congress Party wants to stifle the discussion.

MR. CHAIRMAN: I must say that Shri Sontosh Mohan Dev is very magnanimous. So, let us fix the time. According to Shri Jaswant Singh, it comes to 7.30 p.m. and therefore, I think, we can sit upto 8.00 p.m.

(Interruptions)

SHRI PAWAN KUMAR BANSAL (Chandigarh): Sir, kindly fix the time for each speaker also, because there are many Members who want to speak.

(Interruptions)

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Chairman, Sir, it should be made clear that no business other than BCCI will be taken up today.

MR. CHAIRMAN: In that case, when will the remaining business be taken up.

DR. LAXMINARAYAN PANDEYA: Mr. Chairman, Sir, they will be taken up on Monday.

MR. CHAIRMAN: The leaders of all parties have unanimously agreed in the Business Advisory Committee that 4 hours would

be allotted for discussion to this subject.

[English]

I think for Monday and Tuesday the business is full.

[Translation]

Since it has started at 4 P.M. let us have it completed by 8.00 or 8.30 P.M.

(Interruptions)

[English]

MR. CHAIRMAN: We are unnecessarily wasting the time of the House. Now, Shri George Fernandes can continue his speech. Mr. Fernandes, you have brought out so many points. Let them chew over those points.

[Translation]

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, firstly, I would like to know from the Minister of Finance the names of the banks and the connections they had with this Bank. I would, particularly like to know about the audit report which was prepared recently under Section 41 of Bank of England Act and some parts of which has been published. The above audit report was however not published in Indian newspapers. Though the report was published in the newspapers of England, they have tried to censure the remaining parts of the report. Under these circumstances, did the Indian Government make any efforts to call for this report from the British Government? Had the Government obtained the report? Does that report say anything about State Bank of India giving loan to B.C.C.I. The State Bank gave loan of 50 million dollars to B.C.C.I. The work on which the loan amount was utilized and what were the terms and conditions of the loan. Is it a fact that this amount was utilized by the B.C.C.I. for servicing their own accounts? We want to have a categorical statement from the hon. Minister of Finance as to what were the connec-

tions between the State Bank and B.C.C.I in the records of Secret Department which was censured by the British Government. More than that, we want a clarification on the connections between the Syndicate Bank and the B.C.C.I. Among the nationalised banks of India the position of Syndicate Bank is most dismal; if any other bank is more sick than this Bank, the Minister of Finance should let the House know...

[English]

MR. CHAIRMAN: That is besides the point. That is not the matter under discussion.

SHRI DIGVIJAYA SINGH: That is what they are discussing. The BCCI does not owe to Syndicate Bank a penny. It has been given in writing.

MR. CHAIRMAN: I think, that is quite irrelevant to the subject in hand.

[Translation]

SHRI GEORGE FERNANDES: When the B.C.C.I came under attack in England and U.S.A., even then the B.C.C.I did the same thing as these people are doing today. These people said the same thing in their defence everywhere. The B.C.C.I is a satan for countries all over the world but a saint in India.

[English]

MR. CHAIRMAN: You have taken one hour.

SHRI GEORGE FERNANDES: Mr. Digvijaya Singh has finished his speech at quarter to 6 O'clock. He took one hour and 5 minutes without any interruption.

Half of my time was taken by the Congress Party.

[Translation]

Whatever Shri Digvijaya Singh said just now was on the basis of a newspaper clipping in respect of Syndicate Bank. I have

read both the items...*(Interruptions)* The syndicate Bank suffered a loss of about 200 million dollars due to the B.C.C.I... *(Interruptions)* It could be more or less but my estimate is 200 million dollars.

SHRI JAGDISH TYTLER: Good heading tomorrow.

SHRI GEORGE FERNANDES: The B.C.C.I functioned as a Corporation bank in the Syndicate Bank. I have got the balance sheets of Syndicate Bank. This is the balance sheet of 1990-91.

[English]

SHRI DIGVIJAYA SINGH: What is it we are discussing?

SHRI GEORGE FERNANDES: I am raising the question of BCCI and Indian banks linkages. I do not remember the number of branches it has in India. It could be 900 or 1000. There was a time when Syndicate Bank was considered to be the best bank in the country. Shri T. A. Pai who happened to be the Minister of Railways, Industry and Petroleum in their Government nourished this bank from its early stage. It was a wonderful bank and was the fastest developing Bank in India but today it is on the threshold of bankruptcy.

[English]

SHRI MANMOHAN SINGH: Mr. Chairman, I think, I would urge you to restrain hon. Members, when they level such wild charges against the Indian banking system. Previous time, in his earlier intervention, Mr. Jaswant Singh made similar allegations against the financial institutions as well as against the Reserve Bank. I must submit to you, Sir, with all sincerity that these things can and will do irreparable damage to this country's financial reputation. That must be borne in mind by the hon. Members while levelling such wild charges. *(Interruptions)*

[Translation]

SHRI JAGDISH TYTLER: He has not pleaded for any thing for the Congress Party. *(Interruptions)* he has made this deservation keeping in view the interest of the country.

SHRI GEORGE FERNANDES: I can understand the anxiety of the hon. Finance Minister. He, while concluding his speech on the Finance Bill, commented on the condition of the Financial institutions of the country. I think he is very much worried about their condition, though there are a few who bother for such thing. I do not deny that all our Finance Ministers had been worried about the financial organisations. But I am not ready to accept that due consideration was given to the real condition of our Banks. Even if now discussion regarding their conditions is stopped, we would only allow the conditions to go from bad to worse. Even the Public Accounts Committee is not allowed to inspect the accounts of the Banks. The C.A.G. of the Defence can inspect the accounts of the Defence Ministry but Bankers are so super human...*(Interruptions)*

[English]

SHRI MANMOHAN SINGH: I do not know which particular transaction the hon. Member is referring to But according to the information that is available with me, there is no basis for this allegation. *(Interruptions)* I will also assure him and this country also that all these things will be investigated again.

(Interruptions)

MR. CHAIRMAN: I do not know whether he has got the right balance sheet or not. If he is quoting from the balance sheet of the bank, I cannot stop that.

[Translation]

SHRI RABIRAY (Kendrapara): Mr. Chairman, Sir, I was listening to the entire discussion. The hon. finance Minister has intervened twice during this discussion. Sir, I would like to know your opinion about that.

He, during his intervention, has remarked that the entire Indian Banking system has been adversely affected due to loan melas. Does he know that his such remarks may bring down the creditability of our Banking system in the world? He may not agree with the facts and dates given by Shri George Fernandes. For that, he may say only that he does not agree with him. (*Interruptions*)

[*English*]

MR. CHAIRMAN: I am sure he is taking serious note of what you say and he will give adequate reply.

(*Interruptions*)

MR. CHAIRMAN: Shri George Fernandes, I must now ask you to close your speech.

SHRI GEORGE FERNANDES: Nobody is letting me speak. Please allow me to speak for some time

MR. CHAIRMAN: In the Business Advisory Committee meeting you agreed to a three hours' discussion. I have no authority to extend the time. You have brought out such wonderful points. That is enough.

SHRI GEORGE FERNANDES: I have to bring out still more wonderful points. (*Interruptions*)

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Chairman, Sir, actually this discussion was to begin at 1 o' Clock and end at 4 O'Clock as agreed and also according to the Business Advisory Committee's report which has been adopted by this House. We could not start the discussion on the Finance Bill at 11 O'Clock as originally planned because of certain important matters which the hon. Members raised then. Three hours have been fixed for this. We have started the debate at 4 O'Clock. We should finish it at 7 O'Clock. We have not other business also to be transacted...(*Interruptions*) I will explain

the position. If you do not go by that, then there is no meaning of having any meeting of the Business Advisory Committee; there is no meaning in arriving at any understanding whatsoever.

SHRI SOMNATH CHATTERJEE: What are you talking? I think the hon. Minister's intention is to close the debate now in 15 minutes' time.

SHRI RANGARAJAN KUMARA MANGALAM : I am not saying to close the debate. I did not say that.

SHRI SOMNATH CHATTERJEE: If that is his intention, let us go out. If you want to close the debate at 7 O'clock, why did not the Chair regulate the time? (*Interruptions*)

If you allow one Member to speak for one hour, the Chair should have regulated it. (*Interruptions*) And you say that BCC I should not be allowed to be discussed. (*Interruptions*)

SHRI MUKUL BALKRISHNA WASNIK (Buldana): You ask Shri Fernandes to conclude. (*Interruptions*)

MR. CHAIRMAN: I am inclined to agree with Shri Chatterjee. If three hours time was allotted, then it should have been regulated accordingly.

(*Interruptions*)

SHRI SOMNATH CHATTERJEE: Where was the Parliamentary Affairs Minister at that time? Where were you? (*Interruptions*)

MR. CHAIRMAN: Now I can only say that in order to retrieve the situation and save the time, Members should take not more than fifteen minutes time. Fernandesji, I request you to kindly finish your speech in five minutes time.

(*Interruptions*)

SHRI RANGARAJAN KUMARA MANGALAM: I do not say that you speak for five minutes, ten minutes or fifteen minutes.

But I think, it is necessary to know how much time a Member should speak. There was a long discussion, a meeting between the leaders of all the parties and the Business Advisory Committee together where business of the House was sorted out. It was decided that two other important matters - one on the Jammu and Kashmir and the other one on the Voluntary Deposit Scheme - should be completed today. It is after doing this exercise that we extended the sitting by one more day. With great difficulty, the Lok Sabha Secretariat accommodated us by one more day. Today whether you finish the business at 7 o'clock, or 8 o'clock or 9 o'clock is not the issue. The issue really is we must complete the work that we have on our agenda today. That is my view. (*Interruptions*)

MR. CHAIRMAN: There is no further discussion on this topic. Kindly sit down. I am not allowing any more discussion on this topic.

(*Interruptions*)

DR. LAXMINARAYAN PANDEYA: He has wrongly quoted.

MR. CHAIRMAN: Were you there in the BUSINESS ADVISORY COMMITTEE.

[*Translation*]

DR. LAXMINARAYAN PANDEYA: Yes Sir, that day, we had decided to hold this discussion from 1 to 4 o' Clock. Thereafter, the issue of Jammu-Kashmir was to be taken up which was to be concluded by 5.30 p.m....(*Interruptions*) Half an hour after that, the Voluntary Deposit scheme was to be taken up. There on we agreed to sit little more if it was necessary. That meant that we could sit half-an-hour more i.e. upto 6.30 p.m. We never meant that we might sit upto 9,10,11 or 12 pm. (*Interruptions*) Please listen to it fully. Since, the B.C.C.I. issue was taken up late, we may sit a little longer. Hence, it should be finished upto 7.30 p.m. Other business should not be taken today.

It is of no use. It was not agreed to by us to take all the business...(*Interruptions*)

[*Translation*]

SHRI RANGARAJAN KUMARAMANGALAM: It is very bad.

[*English*]

In the morning two hours were spent raising matters during Zero Hour. It was the specific understanding among all the parties that it should not happen. That understanding was violated. By whom? I would not like to rope in anyone...(*Interruptions*)

MR. CHAIRMAN: I think, we are wasting the time like this. Now let us get on to work. I will request all sections of the House to cooperate with the Chair so that all this business is completed today. If you want to burn the mid-night oil, we are prepared to burn it. But kindly let us get on to the business.

(*Interruptions*)

[*Translations*]

SHRI RAM VILAS PASWAN (Rosera): Is there any arrangement for dinner today? What is its arrangement if we have to sit upto 12 'o' Clock. (*Intrusions*)

[*English*]

MR. CHAIRMAN: George Sahib, I know your trend of thought is broken a number of times. But I hope you will be able to complete your speech in five minutes because of your capabilities as an orator.

(*Interruptions*)

SHRIGEORGE FERNANDES: Only the time that has been allotted to me is being broken. (*Interruptions*)

[*Translation*]

Mr. Chairman, Sir, I would like to know

about the Syndicate Bank from the hon. Minister of Finance. In this context, I would like to put forth two things as it has been mentioned here. I have much praise for this Bank's past. The balance-sheet of that Bank for 31.3.91, perhaps was not seen the hon. Finance Minister. In it, there has been advance of Rs. 3,600 crores. There is overseas advance of Rs. 579,12,96,891 out of this total 3600 crore. In London, there is only one branch of this overseas bank, which is the operational centre between the B.C.C.I. and the branches of India.

[English]

One sixth of the advances of a nationalised bank, which is the corresponding bank of the BCCI, are in London.

According to Balance Sheet, notes forming part of the Account No. 20 - reconciliation of accounts in other banks, including foreign banks, agencies, and financial institutions are in arrears.

[Translation]

I would like to know about the details of the funds and its use. What relation is there between our Banks and ... (Interruptions)

SHRI JAGDISH TYTLER: with the B.C.C.I. (Interruptions)

SHRI GEORGE FERNANDES: I would like to know the relationship between the Syndicate Bank and B.C.C.I. from the hon. Minister of Finance... (Interruptions)

Mr. Chairman, Sir, the non. Member who delivered his speech prior to me charged that a corporate war was being discussed here. We would not like to go into details of all about that.

[English]

MR. CHAIRMAN: Shri Fernandes, you will never get to the end of this.

[Translation]

SHRIGEOGE FERNANDES: We shall not go into detail regarding that. I would like to say only this that the chairman of that company, you have just mentioned, met me yesterday and gave me these two documents.

[English]

One is a background note on NRI investments in Reliance Industries and the allegations pertaining to the year 1982-83.

[Translation]

You have seen how lengthy it is?

SHRIDIGVIJAY SINGH (Rajgarh): I have not got any.

[English]

I have no contacts with the BCCI.

MR. CHAIRMAN: Kindly do not interrupt.

[Translation]

SHRI GEORGE FERNANDES: This document contains the details of the three reports of their Enforcement Branch. It has been mentioned in it that Rs. 22 crores provided by the eleven companies of the Isle of Man was brought to India through the B.C.C.I. and the Syndicate Bank and I think the Middle East Bank played the roles of middlemen as in those days, no branch of the B.C.C.I. was operating in Bombay. The inquiry regarding all this was made. I would like to put here three things of that inquiry because other thing... (Interruptions)

[English]

SHRI DIGVIJAYA SINGH: Is it again from Shri Bhurelal's report.

[Translation]

SHRI GEORGE FERNANDES: It is the

report of your government. The last paragraph of the inquiry-report contains,

[English]

"Another point that needs to be carefully examined in details is the source of funds provided by BCCI, London and EAB Hamburg, through the Colombo branch for purchase of shares of Reliance, on behalf of Overseas firms. Enquires may disclose the real persons, who had given the letter of Comfort of personal guarantee to EAB of BCCI for the loan. If detailed enquiries are made with the BCCI, London, it may throw light as to how funds were received by BCCI, London for remittance to India for the above purpose and whom the interest/dividend and sale proceeds of debentures received from India on account of the overseas companies were actually disbursed. Such an enquiry may indicate the real persons, behind the transactions".

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS (SHRI GHULAM NABI
AZAD): Sir, is the Hon. Member speaking on
behalf of the whole Opposition or on behalf
of the whole House? (*Interruptions*) There
are so many other Members who have to
speak. (*Interruptions*).

Are you yielding the whole Opposi-
tion?

SHRI K.P. REDDAIAH YADAV: Yes.

SHRI GHULAM NABI AZAD: If the
whole Opposition is yielding, then it is all
right.. (*Interruptions*) I do not think that you
have been authorised by the House to say
so. (*Interruptions*)

SHRI K. P. REDDAIAH YADAV: You
are also not authorised by the House.. (*In-*

terruptions)

SHRI GHULAM NABI AZAD: Yes, I
am officially authorised. You are not offi-
cially authorised.. (*Interruptions*)

SHRI GEORGE FERNANDES: I want
to protest. . (*Interruptions*) I protest very
strongly.. (*Interruptions*)

SHRI GHULAM NABI AZAD: This
House should not become a monopoly of
one person.

SHRI GEORGE FERNANDES: Sir,
you should give me protection.

SHRI GHULAM NABI AZAD: We have
other Members of Parliament who are to
speak. The House should not become a
monopoly of an individual.. (*Interruptions*)
Yesterday, you spoke for 1 1/2 hours. To-
day, you also spoke.

(*Interruptions*)

MR. CHAIRMAN: No interruption
please. I would request Mr. George
Fernandes to wind up in another two; min-
utes' time.

(*Interruptions*)

MR. CHAIRMAN: Please don't
interrupt. (*Interruptions*)

MR. CHAIRMAN: The more you . (*Inter-*
rptions) interrupt, the longer he will take.
Mr. George Fernandes, kindly wind up in
another two minutes.

[*Translation*]

SHRI GEORGE FERNANDES: Mr.

Chairman, Sir our two minutes is counted as 20 minutes.

[English]

MR. CHAIRMAN: I know that there were interruptions.. (*Interruptions*)

[Translation]

SHRI MUKUL BALKRISHAN VASNIK: Please do not take his five minutes as fifty minutes.

MR. CHAIRMAN: Mr. George Fernandes, with such a senior Member like you, I feel embarrassed in checking you time and again. I would request you not to make my position embarrassing. You please conclude in two minutes.

SHRI GEORGE FERNANDES: Sir, I will not speak at all. (*Interruptions*) If that is your direction, then I will not speak.

(*Interruptions*)

MR. CHAIRMAN: You please conclude.

SHRI GEORGE FERNANDES: I am submitting that I am not speaking. (*Interruptions*)

SHRI GHULAM NABI AZAD: Sir, I would like to know how many minutes he has taken. The impression should not go that he was stopped.

MR. CHAIRMAN: Mr. George Fernandes started speaking at 1745 and it is now 1900. (*Interruption*)

MR. CHAIRMAN: I know that there were lot of interruptions.

SHRI GHULAM NABI AZAD: Out of three hours allotted, if one Member speaks for 1 hour and 15 minutes, I think, I am right in saying what I have said. (*Interruption*)

SHRI GEORGE FERNANDES: There is a limit to this kind of ** (*Interruption*) What do you mean that I have taken 1 1/2 hours.

(*Interruptions*)

MR. CHAIRMAN : The word ** will be expunged.

(*Interruptions*)

[Translation]

SHRI MADAN LAL KHURANA : As you have mentioned about the time of Shri George Fernandes. Please mention the same about Shri Digvijay Singh also.

[English]

MR. CHAIRMAN : I will tell you all timings. kindly listen.

(*Interruptions*)

MR. CHAIRMAN: Please don't interrupt. Mr. Jaswant Singh started at 1600 and finished at 1700. Mr. Digvijaya Singh started at 1700 and finished at 1745 and Mr. George Fernandes started at 1745.

(*Interruptions*)

MR.. CHAIRMAN: I would request him to conclude in two minutes.

[English]

MR. CHAIRMAN: Mr. George Fernandes, come on.

SHRI GEORGE FERNANDES; No, Sir, I am not speaking.

SHRI SRIKANTA JENA: Sir, how many times the interruptions have come from the reasury benches? (*Interruptions*) If this is the attitude of the Chair and if he is dictated by the Parliamentary Affairs Minister, the nwewill withdraw, the entire party will withdraw from thedebate. [*Interruptions*]

[*Translation*]

MR. CHAIRMAN; There is nothing ilike this.

[*English*]

I have been trying to regulate the debate with all the fairness at my command

(*Interruptions*)

MR. CHAIRMAN; Mr. Jena, kindly do not interrupt. Please sit down when I am on my feet.

(*Interruptions*)

SHRI SRIKANTA JENA; You control them also. Is this the way to conduct the House?

(*Interruptions*)

MR. CHAIRMAN; Honorable gentlemen, I have been trying to regulate the debate with all the fairness at my command. I agree that Mr. Fernandes was frequently interrupted.

[*Translation*]

MR. CHAIRMAN: Mr. Jena you speak I will sit-down.

(*Interruptions*)

[*English*]

MR. CHAIRMAN: If you insist, then you kindly speak. I will sit down. you carry on.

(*Interruptions*)

SHRI SRIKANTA JENA; Why are you not telling them not to interrupt? [*Interruptions*]

(*Interruptions*)

[*Translation*]

SHRI ASHOKANANDRAODESHMUKH (Parbhanl): Mr. Chairman, Sir, there were much interruptions so we may be given a little more time.

MR. CHAIRMAN: I am admitting this. I am saying.

[*English*]

That Mr. Fernandes was frequently interrupted. But it is my judgment also that in spite of interruptions, Mr. Fernandes has taken almost 45 minutes. And I think that is more than any Member's share in the house.

(*Interruptions*)

MR. CHAIRMAN : I will request Mr. George Fernandes once again.....

(*Interruptions*)

[*Translation*]

You are waiship time un interrupting the speech.

[*English*]

Therefore, I will request Mr. George Fernandes once again not to take umbrage at any ruling given by the Chair and kindly conclude his debate in two minutes time. That is all my request

(*Interruptions*)

[*Translation*]

SHRI GEORGE FERNANDES : Mr. Chairman, Sir, I regret that you had to say so many things. We know that you conduct the House very well. You adopt a non-partain attitude towards everyone while you are in

[Sh. George Fernandes]

this Chair, so please do not think that I have any against you on your decision. There is no such thing.

MR. CHAIRMAN : Thank you

(Interruptions)

SHRI GEORGE FERNANDES : I could not speak because of the interruptions. Thereafter, when I was asked to conclude within two minutes only, which was not possible, so I took my seat.

Mr. Chairman, Sir, I would like to conclude after making two main points.

Mr. Chairman, Sir, I would like to know from the Hon. Minister that there are three reports of the inquiry conducted by the Department of Enforcement in 1986 and in the last report, it was suggested that an inquiry against the persons mentioned in that report should be held under the Foreign Exchange Regulation Act. I can give you the names of these persons in writing or if you permit me, I can read their names here. It had been suggested that they must be interrogated immediately.

[English]

List of suspected persons in India and abroad involved in purchase of 'Reliance Shares' by the non-Resident Indian Companies of Isle of man.

[Translation]

It was suggested that those persons must be interrogated. I do not want to waste time in reading their names. *(Interruptions)*

AN HON. MEMBER: Please read their names.

SHRI GEORGE FERNANDES: Here is their names:-

[English]

1. Mr. Dhirubhai Ambani,

Chairman and Managing Director of Reliance Industries Ltd.

2. Mr. Vinod Ambani, Company Secretary of Reliance Industries Ltd.
3. Mr. C.H. Chowksi, One of the Directors of Prabhat Fabrics Private Ltd. Stallion Private Ltd. -a close friend of Mr. Dhirubhai Ambani of Reliance Industries Ltd.
4. Mr. Pankaj Ishwarlal kapadia Share Broker
5. Mr. D. Chaturvedi, Chartered Accountant
7. Share holders of Companies of Isle of Man, i.e.,
 - i) Mr. Krishnakant Shah and his family members of UK
 - ii) Mr. U.C. Khamani of Djbouti
 - iii) Mr. Praful Shah of USA
8. Mr. P.S.W. Henwood, Constituted attorney of Overseas Companies of Isle of Man.

[Translation]

Was it decided to conduct an inquiry against them and serve a notice to them under foreign Exchange Regulation Act, because the money was taken out of the country by Reliance and brought through 'Padiyar' through B.C.C.I. in the country. After alleging all these it was decided to conduct an inquiry. Has the inquiry been conducted? If so, the facts thereof? What action has taken or proposed to be taken by the Government in this regard? This is one of my questions.

My second question is not to spare Corporate take-over as I have asked in My amendment. I don't want to conceal that Larsen and Tourbo are working for our

Nuclear plants. Ambani Company had taken over Larsen and Tourbo three and a half years back. The financial Institutions run by the Government of India, Life Insurance Corporation rusticated the elected member of Ambani family by convening the very first and special meeting of the company. Why they were rusticated? was there any reason? Has that reason been removed now? Secondly, I shall not explain the works done by L & T for the defense department of India and in other fields particularly in the field of atomic power, as it is considered to be top secret. But the hon. Finance Minister knows it. If he desires, we can disclose that. Would you like to hand over this company in the hands of such high officials of the Reliance, and to its owner, Shri Padiyar, Who was directly linked with smuggling out the money from foreign countries and who was transacting the business of B.C.C.I. from London.. You are yourself coming to the point and I shall not quote Indian Express of today. But is it not true.....(Interruptions)

[English]

SHRI ANBARASU ERA: Sir, he is using the forum for wrong purposes. This is not the way to discuss things. Why should they use this forum for fighting the wars of Nusli Wadia and Ambani? I object to this.

[Translation]

SHRI GEORGE FERNANDES : What were the grounds on which L.I.C. had given a notice to postpone the meeting of the Company scheduled for 26th August. I will conclude after asking my last question. Is it not a fact that L.I.C. had given a notice to postpone the meeting to some other date so that the inquiry on proxies could be completed which would not be done earlier for lack of time. Had L.I.C. not written this letter on 26th August and the meeting was postponed. Thereafter, when the meeting was scheduled to be held on 16th August, had L.I.C. not written to the Company that they could not have the time to conduct the inquiry? Mr. Speaker, Sir, Whether the Secretary of the Company had not informed

L.I.C. in writing that they had no time to check all these proxies as the meeting has since been fixed for 16th and for lack of full arrangements they will not allow them of conduct an inquiry. Mr. Speaker, Sir, I want to present before the House the copies of the documents submitted to the Bombay High Court. Why the money of L.I.C. and Indian Banks is being smuggled out with the connivance of foreign banks and smugglers? I have been the Union Minister of Industry. Mr. Digvijay singh, perhaps you do not know that the company was black listed by me in the capacity of being a Minister of Industry. One sentence of the owner of the company made me to black list it and that sentence was, [English] Any politician is purchasable as long as you are prepared to pay the right price." only on this one sentence I black listed it just to tell him that there were politicians who did not have a price."

[Translation]

An affidavit has been filed in Bombay High Court today[Interruptions] The former Chairman of Larsen and Toubro has complained in writing that it is being tried to take over the company by forging his signature and as well as the signature of his family members. I want to lay on the table of the House duly authenticated by me. The forgery which is going on and according to which the business of the company is being transacted I do not want the Government of India to link itself with any of its acts. The hon. Finance Minister Should reply to all the questions. I conclude my speech with these words.

[English]

SHRI SOMNATH CHATTERJEE: Sir, if you object to my taking long time, please ask them not to interrupt me.

SHRI ANBARASU ERA; Do not be the spokesman of Nusli Wadia.

SHRI SOMNATH CHATTERJEE: If I am a spokesman of Ambani, you will be very happy. Sir, I do not wish to be a spokesman of anyone. I can understand....[Interruptions]

Sir, I can understand their nervousness. And, if the Finance Minister does not misunderstand me, I am not making any personal reference to anybody, I am not reminded of a saying, 'Chor Ka Darl Mein Tinka'. No, reference to you, Sir.

MR. CHAIRMAN: There are two or three dariwalas. Whom you are referring to?

SHRI SOMNATH CHATTERJEE: All dariwalas are excluded but not half dariwalas.

SHRI GULAM NABI AZAD: Somnath Ji, it is 'Ki' and not 'Ka'.

SHRI SOMNATH CHATTERJEE: then, it is his mistake because he prompted it wrongly.

SHRI DIGVIJAYA SINGH: That is our complaint, Sir. You always listen to wrong friends.

SHRI SOMNATH CHATTERJEE: Any-way, Sir, Because I have to use it often for them, I will say it correctly.

Mr. Speaker, Sir, this is a very serious matter. I had thought that it would be discussed in a manner which would help in removing distortion from our banking system. That was the real approach, I should have thought to be taken in this matter. I am sure, nobody on that side, in spite of what they feel they cannot openly say that BCCI is not a good bank.

SHRI JAGDISH TYTLER: It is a not a good bank. We all agree.

SHRI SOMNATH CHATTERJEE: I have got the ministerial affirmation. It is a bad bank. Now, Sir, the question is that such revelations about its activity; not only in India but outside India also, have come out in Journals. Magazines which are of international repute - especially the ones acceptable to my friends sitting on that side like The Times, News Week of U.S.A., Economies of London, they are all bibles to them and they are being circulated all over the world that

this is a bank which has been indulging in bribery, corruption, drug trafficking, money laundering. A branch of this very bank is now being operated in India. So far as the United States is concerned, there is an investigation going on. Kindly see the seriousness of it. Even it is said by Senator John Kerry - I am quoting from Sunday that in India money laundering rackets involving the BCCI and aids to assassinate Indian Leader Rajiv Gandhi are now under investigation. This was said by a Senator of the United States who is investigating into the BCCI's activities. Their allegation is that even they are connected with Rajiv Gandhi's assassination. Are you not concerned with it? Is the country not concerned with it? I am also concerned with it. It is a tragedy which has befallen. I this country. If this is the activity of this Bank, what should be the approach? why should the country get an impression that the Government is trying to stop and stonewall any investigation into the matter? therefore, I am requesting this You are not helping either the banking system in this country or your credibility before the public by giving an impression that this is a holy cow which cannot be touched.

Today, distinction is made by Shri Digvijaya Singh. He is a very amiable person but he has been wrongly briefed. He says: "No, the Bombay Branch is very good, although its parentage is bad, its association is bad, the persons who are managing the main BCCI are bad, Therefore no inquiry can be held against it." We have got a very important information from a very very important source. Kindly allow me to read this. I would be as brief as possible. I have got umpteen number of materials. The Economist of London described this Bank as haunt not only just for fraudsters, but for drug runners money launderers, terrorists, spies and politicians." This is not even an Indian description. The Economist of London says this and nobody can dispute its status. Mr. Jaswant Singh has quoted from another issue and I am quoting this from the Time magazine of 1st April, 1991 which says:

"Nothing in the history of modern financial scandals rivals the unfolding saga of the

Bank of Credit and Commerce International. The twenty billion dollar rogue empire, the regulators in 62 countries shut down early this month in a stunning global sweep. never has a single scandal involved so much money, so many nations or so many prominent people."

There are many other passages worth quoting but I am not doing it. It has been published in the Economist that even the foreign intelligence agencies in England have been utilising BCCI. I has come out that CIA is absolutely involved in its operations. [Interruptions] Mr. Digvijaya Singh, very rightly agrees with me. I am thank full to him. It helps me in not elaborating further.

The main charges against BCCI includes defrauding depositors, giving out dubious loans to select customers, acting as conduit for terrorist activities and CIA operations and have convenient bank for corrupt rulers of Third world to salt away their illegal wealth. There is a long list of accusations of bribery of the central banks of different countries political authorities in various countries and acting as brokers in various shady deals.

News week says:" CIA's Director of Operations had its own informants working inside the Bank. The CIA had intimate knowledge of BCCI's alleged dealings with terrorists, drug dealers and corrupt Government officials all over the world.."

".....BCCI was aggressively targeted as a golden of intelligence on a wide varieties of illicit activities."

An inquiry is going on in America, an inquiry is now going on in England, but on inquiry in India will ever be allowed, this we cannot understand.

Our most respected Finance Minister has been trying to secure a political debating point by saying, well the Janata Party Government allowed it first to come in. Very well. Let us assume that they should not have done it. It was very wrong of them

to do it; and I am sure, probably, that was one of the reasons why the people had given their verdict against them, if that is so, what will be the attitude of your Government, Mr. Finance Minister now?

Now, whatever permission has been given, I accept it because I have no information to the contrary that only the then Government under Mr. V. P. Singh permitted a regular branch to be opened, if I have understood correctly. But, actually, what was opened was a representative office with no permission or they were not carrying out banking business; it is an admitted position. That was in 1979. What appeared in 1980 people came to know. I am requesting the hon. Finance Minister to kindly remove our doubts and very strong suspicions in the matter. I am again, with your kind permission, quoting from Time magazine. On page 20, it reads as follows:

"The soviet invasion of Afghanistan in 1979 and the resulting strategic importance of neighboring Pakistan accelerated the growth of B.C.C.I.'s geopolitical power, and its unbridled use of the black network. Because the U.S. wanted to supply the mujahedin rebels in Afghanistan with Stinger missiles and other military hardware; it needed the full cooperation of Pakistan. By the mid-1980s, the CIA's Islamabad operation was one of the largest U.S. intelligence stations in the world. "If B.C.C.I. is such an embarrassment to the U.S. that forthright investigations are not being pursued, it has a lot to do with the blind eye the U.S. turned to the heroin trafficking in Pakistan," says a U.S. intelligence officer.

In USA, an objection is being taken by a Senator, by an intelligence officer that the USA investigating agencies are going slow. Why? They are going slow because CIA has been involved in this. BCCI. Therefore, not only they are going slow, but the Senators are at their throat, other investigating agencies are at their throat. Now the Government is feeling a pressure; now the public opinions are also there. Therefore, they have to investigate, continue the investigation of

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this BCCI in the USA although CIA's connection is coming out.

Similarly, in England also, because of the involvement of secret Service The investigations are being delayed by the Bank of England, that is a grievance. the Bank of England which is entrusted with the management and supervision of all the banking institutions in that country, why they have been going slow? Why have they not discovered all these illegal activities, criminal activities? It has been described as a 'Cocaine Bank' because of its large scale dealing in drugs; it has been described as one of the biggest criminal enterprises in the world. These are not my words; these words are used by it, I take it; it is a magazine of people generally, who have the credibility in the whole world about their objective assessment of the situation. In 1980, if these things had come out, then we would not have face this situation. now, it has been almost established; I am using the word 'almost', because I have no proof except what has come out that BCCI has a definite role vis a vis funding the terrorist who have been smuggling arms into Pakistan which are being used in Punjab, Kashmir and other places. We are fighting with so much concern rightly in this country about terrorism; the whole country is now concerned about terrorism. Secessionism and terrorism, they are eating into the vitals of our country. We cannot hold elections in parts of our country although we want very much to do so. That is happening. Innocent people are being murdered innocent people are being kidnapped. What is happening in the country? I need not remind the hon. Members here. Everyone is highly concerned. I have no doubt about it. In such activities BCCI's hands are seen. Therefore, should we not be extremely cautious, extremely careful and should we not revamp our intelligence activities, particularly our economic intelligence activities, to find out what has really been happening?

In that context when we find that a new Branch was permitted to come up in 1983, certainly certain questions arise which I

request the hon. Finance Minister to answer, because, the files are not with us. What prompted the Government to do it, I do not know the reasons. I do not know if the hon. Finance Minister would be gracious enough to disclose to us what prompted the then Government to do it, I do not know the reasons. I do not know the reasons. I do not know if the hon. Finance Minister would be gracious enough to disclose to us what prompted the then government in 1983 to give the permission.

MR. CHAIRMAN: This is in 1984. I thought that the hon. Finance Minister in his statement said that the file was taken to Chowdhary Charan Singh. That must be earlier.

SHRI SOMNATH CHATTERJEE: that was in 1979, when they only opened— you are right—only a representative office. This is also in the statement of the Finance Minister, when he said, I read for your kind information:

"However, the BCCI was permitted by the Reserve Bank of India to open only a representative office in June 1977, permitted by the Reserve Bank. Representative offices are not promoted to do banking business, but function only as liaison offices."

This is his statement. I am reading his statement. Therefore, they were not permitted to open a branch. The Bank was not permitted to open a branch. BCCI, however, pursued its desire for establishing branches in India. The reserve Bank of India issued license in February 1983 for opening of one branch in Bombay and it commenced operations with effect from the 31st March 1983.

I have some questions to be put, because I do not want to test the patience of the hon. Members in spite of their response now, though temporarily.

SHRI JAGDISH TYTLER: We are appreciating you.

SHRI SOMNATH CHATTERJEE: Thank you. Sir, I have no access to files. But as I

said, I have no access to the records. The hon. Finance Minister is one of the distinguished sons of India, we are very happy, he has occupied very high positions in this country. He was the Reserve Bank Governor, a very high post. He is now our Finance Minister. We are Very happy.

SHRI SAIFUDDIN CHOUDHURY (Katwa): Why?

SHRI SOMNATH CHATTERJEE: He is an honest man at least. I am happy because he has not so far been polluted to the extent that he should not be there.

SHRI NIRMAL KANTI CHATTERJEE: Because, with good intentions, he would lead us to hell.

SHRI JAGDISH TYTLER: But those who have been polluted by our party, you have accepted as leaders. [Interruptions]

SHRI SOMNATH CHATTERJEE: I am asking the Finance Minister to correct me if I am wrong, because my information may be wrong.

I am told that there is a file in the Finance Ministry or the Banking division, wherever it is, it is there since 1983. The then Assistant Secretary, Banking, the name is not here, I do not know, had recommended granting of a license for opening two branches. But before he gave that recommendation the Reserve Bank was not consulted. That is my information. And then the governor of the Reserve Bank of India, the most distinguished Dr. Manmohan Singh, he had strongly, according to my information, he had objected to that and sent a protest note when this proposal came to issue permission for opening of the branch.

Then, the file went to the then Finance Secretary, now Chairman, Banking Reforms Committee, Who favored in favor of BCCI.

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON CONVENTIONAL ENERGY SOURCES (SHRI

KALP NATH RAI): Who is this man?

SHRI SOMNATH CHATTERJEE: Sir, in response to the query of distinguished Cabinet Minister, I give his name- Shri M.M. Narasimham. Sir, I am not making any allegations.

Sir, I thought the Reserve Bank Governor should have the last word in the matter of opening of branches because opening of a bank is the prerogative of the Reserve Bank. Under the Banking Regulation Act, Sir, you are aware that the Reserve Bank of India has been given specially this role and nobody can arrogate this power. But the then Finance Minister very happily accepted the recommendation of the then Finance Secretary. And now whether it is promotion or demotion, I do not know, before his sojourn to the Planning Commission, in 1983 he had very happily permitted the branch to be opened. Sir, this is very serious. Kindly correct me if I am wrong. And I am sure, after you have come, the files have not been changed. If the files have been changed earlier, I do not know.

Sir, the point is this. There was proposal to take away from the Reserve Bank of India, its power to decide upon the issue of licenses to banks for opening its branches because they were standing in the way of the BCCI opening its branch. But fortunately, they did not go to that extent. The Finance Minister intervened, gave a clearance to the BCCI and the BCCI opened its branch. Sir, no good work goes unrewarded in this country.

Sir I have not to that much information as Mr. Fernandes has and he must be having contacts still with the Ministry. I have not been there.

Is it correct that the son of an Income-tax Officer who was dealing with the BCCI, is an Officer in that bank? Is it correct that the son of an Officer of Law is an Officer in that bank? Is it correct that the son of a former Secretary in the then PM's Office is an Officer in that bank? Too much connections,

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It seems. Is it correct that the brother of a senior officer in the Banking Department, Finance Ministry, is now an Officer in that bank and the other brother, who is an Officer, was handling the BCCI file himself...*Interruptions.*

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): No daughter-in-law?

SHRI SOMNATH CHATTERJEE: May be there. If you allow me to quote, we shall find it out.

MR. CHAIRMAN: Are these questions leading questions?

SHRI SOMNATH CHATTERJEE: Sir, the leading questions are permitted in Parliament because there is an attempt to stifle.

Is it correct - the Finance Minister can correct me if I am wrong - that a loan of Rs. 1 lakh pounds through BCCI's Commercial Street branch in London was given to a firm, whose proprietor is the son of a high official in the Banking Department, Ministry of Finance?

Are you not feeling disturbed if any of them is true? If any one of my information is correct, does it not disturb you?

Now I would like to refer to the magazine, Sunday dated 25-31 st August*[Interruptions]* Sir, this magazine is not my supporter. Shri Sontosh Mohan Dev will be kind enough to admit that. He knows it very well because he plants all sorts of things against us.....*[Interruptions]* Sir, he accepts whatever it is written in Sunday. That is what it says;.....*[Interruptions]*

SHRI RANGARAJAN KUMAR MANGALAM: Who planted this?

SHRI SOMNATH CHATTERJEE:

Maybe, I do not know who is his detractors. Up-till now, I have some information. I will tell you secretly as to who is working against you in your new Party. I will tell you later on. Be careful.

Sir, I am quoting from the SUNDAY magazine (25-31 August, 1991 issue) :

"SUNDAY learns that the Research and Analyses Wing (RAW) had - at least from 1975 onwards - consistently opposed the idea of allowing the BCCI to operate in India. Time and again, the Agency had advised the Cabinet Secretary and high-ranking politicians not to let the bank in. The intelligence agency's advised was based on evidence that the then Pakistani owned BCCI was engaged in secretly funding the country's nuclear programme".

We are financing the Pakistan's nuclear programme! If RAW had been informing the Government officials, the Cabinet Secretary, how come that this Bank was allowed to open its branch here?

What is the position of this Bank for the period from 1983 to 1991? It has got the total deposits of Rs. 380.93 crores and N.R.I. deposits of Rs. 225 crores. In just eight years' performance, I wonder, why so many people are making a beeline for the BCCI? There are so many nationalised banks in Bombay. There are so many - obviously well-known, internationally acclaimed - foreign banks. Why is it that the people are making a beeline for this Bank?

SHRI RANGARAJAN KUMAR MANGALAM: An uncle telling a nephew to keep his immoral activities secret!

SHRI SOMNATH CHATTERJEE: If you make such comments, I will become suspicious of you.

Sir, it has been said that all the big business houses - they are not individuals; I cannot mention their names - Apollo Tyres, Modern Sulting, Ballarpur Cements, Godrej,

Crompton Graves etc. have all got advances of about Rs. 6-8 crores each. I am not making any accusatory reference to the Syndicate Bank, although we deeply miss our late lamented Shri Pal who was one of our colleagues here and who was a very brilliant person; after his death this Syndicate Bank has been facing problems. It is said that the Syndicate Bank has a deposit of Rs.80 crores with the BCCI. I would like to know whether it is correct or not. Why should a nationalised bank like Syndicate Bank deposit Rs. 80 crores with BCCI? Is it correct or not? Please tell us. If it not correct, then say so, so that the people will know that wrong information is being circulated in this country.

I have not found, subject to correction by my hon. friends, any denial of the serious charges made in Indian journals like India Today, Sunday, Front-line and foreign magazines like Time, News week, Economist etc.

AN HON. MEMBER: And Indian Express.

SHRI SOMNATH CHATTERJEE: Well, about Indian Express - where is Shri Digvijaya Singh? I am leaving out Indian Express although it has made a very disquieting disclosure today. Because of the shortage of time, I am not referring to that. But there are very very disquieting reports. Please do not close your eyes on that. If there is no denial from you of these reports, then what will the people of this country see and feel? They may feel that they are correct, and that you have got nothing to say in it. Not a single press note was issued. In the Sunday magazine of 25-31 August, 91 issue, it has been stated that RAW has been warning the Government from 1975. You have not issued any rejoinder. Where is the denial when they have said that intelligence agencies found certain things about the attempted investment in Lucknow and other places? Until the hon. Minister made a statement there is no information. It creates a little difficulty so far as I am concerned.

I do not wish to take further time of this House. I only wish to submit that about this

BCCI, with which concern the C.I.A. network almost appears to be established and the British Secret service is connected with it, it needs to be looked into. Investigation is going on in those countries and there are reports, and I think there is good basis that, the BCCI, was involved in Iran Contra scandal, was a conduit for the performance of the contract in Nicaragua, BCCI with its origin in Pakistan and strong base there was closely linked with late President Zia who himself was found to be the beneficiary of the CIA. So far as the Indian operations are concerned, naturally we are more concerned with its Indian operations, I have referred to whatever information I have got, I mean, in a sense dubious method in which permission to open a branch was given, how its operations are being carried on, how the Indian big business is making a beeline for this, why they are investing so much in that, why nationalised banks are investing money in that, for what special benefit that is being given? Well, Mr. Kumaramangalam said, "my nephew said, 'yes, better service' " What is this service? This is the catch. In the name of 'better service' I am sure that he was not as guest of BCCI in Bombay or even during one of his sojourns abroad until I am sure you were not.

SHRI RANGARAJAN KUMARA MANGALAM: Services have many meanings.

SHRI SOMNATH CHATTERJEE: Very good, services have many many meanings. Therefore, services which appear in the record, I can understand, but whereas more important are those services which are rendered without record. [Interruptions]. Jagdish agrees. Thank you. He is in Surface Transport. So, he knows what is on surface and what is underground:

SHRI JAGDISH TYTLER: I am not Minister Mines. I am still on the surface and in the air;

SHRI SOMNATH CHATTERJEE: Are you hankering for the Mines Department?

Therefore, Sir, we are also very much concerned because our security questions

are involved. In spite of your great admiration for the market economy, Mr. finance Minister, you will not permit CIA to have a field day in our country, I have no doubt about it, nor even the British Secret Service to have a field day here, to operate from the Indian soil.

AN HON. MEMBER: Not even KGB. [Interruptions]

SHRI SOMNATH CHATTERJEE: KGB you are gloating now. You will understand what is the effect of absence of KGB when CIA will rule you completely. Therefore, Sir, this penetration of CIA and the collusion of corrupt Third World regimes in furthering imperialist aims and getting personal benefits by dealing in illegal arms transactions, illegal drug transactions and, Sir, in such a situation are we not also concerned that our security may not be affected, that we have no problems about our security? Even Members of Parliament have no easy access to the Parliament House. We have been stopped, Members of Parliament are being harassed because of security perceptions in this country. Are we not concerned? Sir, it is not that I am saying on behalf of my Party, not single new thing I have said because I have no source of information, I can only get information which some have given me in my letter box, some information which is given in the usual method you know, Balamji also knows this, he must be knowing this. What else is there? The only thing is, it is my deficiency that I have no contact in his Ministry. I accept that charge of deficiency, that I have not been able to get information from his Ministry. Therefore, I am saying that this matter has very serious implications from the point of view of our economic independence and our economic credibility, our economic fairness and economic acceptability and also it has got security implications for our country. Therefore, we must, at all costs, stop the penetration of intelligence agencies of foreign countries into the upper echelons of our Indian establishments and so, sir, now it has encouraged imperialist powers as Mr. Nirmal Chatterjee says, now is only super power. Now, everybody

is gloating over their success. You are gloating over the dismemberment of Soviet Russia. But please do not forget that only the Communist Soviet Russia has been our consistent friend.

SHRI RANGARAJAN KUMARA MANGALAM: We are not gloating.

SHRI SOMNATH CHATTERJEE: Alright. Then, it is very good. But I hope you would accept this position that it is only the Communist Soviet Russia has been your friend and has never let you down.

SHRI RANGARAJAN KUMARA MANGALAM: Even the present Russia is friendly towards us.

SHRI SOMNATH CHATTERJEE: You hope so. Let us see what happens. They have been your steadfast friend in this country. Your friend Mr. Bush's country has repeatedly gone against you and it is the Soviet Russia which stood by you both politically and economically.

Sir, in the early days of our country after independence, when Pandit Jawaharalal Nehru was dreaming of new temples, of new mosques in the form of big factories, that was the time when your American friends did not come, your German friends did not come and only the Soviet Russia which had come to your help and for that matter, the communists Soviet Russia. Therefore, with the increase of power of the United States, the imperial designs are not kept secret. Now, they are dictating to every country in this world. Can it be believed that the American Government does not know about the activities of CIA in relation to BCCI? Is it possible to believe? therefore, have we not got to be extremely careful and cautious? You have to find out its nexus with the BCCI and do not treat the BCCI, Bombay, as a separate entity. It has been used for the purpose of money laundering and also for the purpose of drug trafficking. For the time being, according to the reports that are available, they have larger assets than liabilities in India. I am told their General

Manager's house was searched recently and some incriminating documents were found out. I am also told, subject to correction, that all the documents and the confidential letters, which were found on Income Tax raid have now been returned back to him.

Sir, the Finance Minister has made a very long statement. But I am very sorry to say, it was almost a cover-up operation of BCCI's Bombay Branch. I think, you know the phrase, 'suppressio veri, suggestio fallis'. At least my nephew knows it. That is precisely that has happened. I am told the gentleman who was asked to prepare it overnight, felt very unhappy and in the early morning when he finished writing, he wrote something totally false.

SHRI MANMOHAN SINGH: There is nothing false in it.

SHRI SOMNATH CHATTERJEE: So, everything is correct; very well. Many facts were not brought out. The statement of Finance Minister says:

" BCCI was involved in controversy in 1986 when investigation by Enforcement Directorate revealed that the bank was releasing foreign exchange against the Foreign Travel Scheme to travel Agents without verifying the signatures of the actual travelers, with the result that a substantial amount of foreign exchange was released on the strength of the forms bearing forged and fake signatures."

I do not know where Mr. Digvijaya Singh has gone; I think he is feeling hungry. He said, large number of passports came suddenly and it could not be dealt with. Therefore they were given and there is nothing wrong in it. Now, the Finance Minister's statement says that those forms were bearing forged and fake signatures. Therefore, you are permitting in the hurry payment of foreign exchange on the basis of forged and fake signatures! what happened? Some persons were arrested. I am not going into what Mr. George Fernandes has said that at

somebody's instance, he was released. That point has already been made very forcefully by him.

SHRI MANI SHANKAR AIYAR: It has been expunged also.

SHRI SOMNATH CHATTERJEE: I hope only the name has been expunged. The question of release, you have not omitted from the record.

I do not wish to repeat what he has said. I endorse these things. Subsequently four of them were released on the recommendations of the Advisory Board that heard the cases as provided in the COFEPOSA Act. When the four persons were released, the big fish was also released, subsequently by the Government, Mr. Murari. His photograph had come out in the India Today.

Kindly see what has happened. However, the case was adjudicated by Order dated 20.6.1988 imposing a penalty on the bank, its employees as well as travel agents and ordering confiscation of the seized exchange of US \$ 1,32,000 as well as the Indian currency of Rs. 17,00,057 taken are from the bank. The Enforcement Directorate investigated the matter relating to irregular release of foreign exchange against Foreign Travel Scheme and the Directorate was not in possession of any evidence regarding use of such money for buying arms. This is what the statement says. Therefore, there was some complaint. I would like to know who made that complaint in 1986. Why was the Directorate trying to find out whether this money was utilised for buying arms? This is from the statement of the Finance Minister. I would like to know from the Finance Minister who made that charge, or complaint that they were buying arms. They say, the directorate did not get any evidence. But who made the allegation? Why did you investigate into this charge? The Reserve Bank of India also deputed a special investigation team in January, 1987 to look into the matter and find out whether the seriousness of the license of the bank. Why suddenly in 1987 there was a necessity

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to look into the matter and to find out whether the seriousness of the irregularities justified demands for cancellation of the license of the Bank. The inspection revealed that there were mainly procedural irregularities in foreign exchange operations and conduct of the bank in certain areas. Those fake and forged signatures are treated as money procedural irregularities. It is further stated "Such irregularities had also been observed in the case of other authorised dealers in India." Everybody is indulging in payment of foreign exchange on the basis of fake and forged signatures. Therefore, BCCI is doing. what is wrong in that? It is said; "This is merely procedural irregularity." This is the trouble with the lawyer. We read the sentence very carefully. It is further said: "This did not warrant revoking of license."

MR. CHAIRMAN: Can you kindly wind up now please?

SHRI SOMNATH CHATTERJEE: I am trying to stop winding up of the country.

Therefore, I am saying, this is the Government's own statement. He has referred about the information available from the Intelligence agency, Reserve Bank of India.

Only one more paragraph from his statement I will read. "As regards the points raised in this House in respect of reports alleging payments to Indian politicians and bureaucrats and financing of terrorist organisations by the BCCI (Overseas) Ltd., Bombay Branch, from the information available from the Intelligence agencies and the Reserve Bank of India, there is no indication of specific instances or any definite information of that nature." This is precisely the reason why we want an investigation. Who has done this investigation, MR. Finance Minister? Has this investigation been done by your officers in the Reserve Bank? Will it be to their interest to disclose the facts? At what level the inquiry has been made by the Intelligence agencies? I would like to know who has made this inquiry. Where are the

reports? Will you share them with the House if they are in favour of the BCCI? If nothing against the country's interest has been found out, then share it with us and let us see those things. Do you not trust the Members of Parliament? You trust the Intelligence agencies; you trust the Reserve Bank of India officers who will be involved in it if the allegations are true. You accept their report. But you do not trust the Members of Parliament. The point is that Shri Manmohan Singh did not leave it at that because he must have really worked in those establishments. Something may be there. Therefore what he says is:

"Government is fully alert about this aspect of the matter...?"

Therefore, through this one can get out if something is found out later on. He says:

"I have made the above statement on the basis of information available at present. In case further information becomes available, Government will take appropriate action."

What is treated to be relevant information, who gives it to the Finance Minister from the Government? Who gives that information to you? We are giving this information to you on the basis of reports from respected, known, responsible publications and institutions. Almost some of them have become institutions themselves. Whether we like it or not, the Time magazine, the News week, the Economist have become institutions in their respective countries. We must accept that. Therefore, I think Shri Jaswant Singh has done a great duty to the nation by bringing in this Motion and asking for an appropriate, proper in-depth inquiry. I would like to say that could be no better and more acceptable inquiry than by the authority of Parliament through the means of a Joint Parliamentary Committee. I believe nobody will deny that fact.

[Translation]

SHRI V.N. SHARMA (Hamirpur): Mr.

Chairman, Sir, I have a very brief point of order. This is the first session of Tenth Lok Sabha and the speech of Shri George was interrupted a lot earlier. Whatever we speak in the House, it is published in brief and details are reported verbatim. Therefore, it would be better if you see for yourself how much Shri George and others spoke and how much time was allotted to each of them.

[English]

MR. CHAIRMAN: There is no point of order. Please sit down.

SHRI VJAY NAVAL PATIL (Erandol): Mr. Chairman, Sir, at the outset I would like to say that a man of imagination, intelligence and craft Shri Agha Hasan Abedi, originally from India, born in India specially in the State of Bihar from where Shri Ram Vilas Paswan comes and even where Shri George Fernandes contested and won elections, he started a bank apparently for a good purpose. It was started as far back as 1972. But the Branch was opened in India in 1983. We have to go a little deep into the history and see that way back in 1976 branches were opened 10,000 miles away in the United States of America also. This bank is operating 350 Branches in 70 countries. India is the neighboring country to Pakistan. This bank is dominated by Pakistan and it is called the Third World Bank. When it was having branches in 70 countries comprising 350 branches it was not found to be bad or we cannot attribute any ulterior motives when the branch was opened in India in 1983.

20.00 hrs.

Shri Jaswant Singh and Shri George Fernandes are trying to make political allegation on account of opening of a branch of BCCI in 1983 in India. It appears that they do not have more interest in the amount of the depositors which is held up in the bank because of the dispute that has started.

In 1980, this Bank had acquired geo-

graphical importance specially in the third world countries and country like Jamaica could tell the IMF that they were not taking loan from the IMF because of the advancing of loans of 48 million dollars from the BCCI to Jamaica. The same thing happened with Peru. While dealing with the Arab countries, Pakistan is our neighbor. BCCI is having 350 branches. It was but natural that they should have been allowed to open at least one branch in India in spite of the many reservations expressed by our experts. We also should study the subsequent happenings about this Bank. This Bank wanted to open branches in Lucknow to start the real estate business. But it was not allowed by the Congress Government. This shows that the Congress Government was not having any bad motives in allowing the branch to be opened in the first instance.

Shri George Fernandes has quoted some letter which has been sent to him from England. But I would like to say that the people, especially the people from Pakistan and other Muslims from other parts of the country are very touchy about this issue. They say that this is a game on people belonging to other religion. I would like to say that even the spreading of the scandal issue has not taken the fate of the BCCI employees. I would like to quote a statement of the Chief Minister of the Sinned province. He says:

"Abides success was perhaps too much for the Zionist to Stomach" says Jam Sadiq Ali, Chief Minister of Southern Pakistan Province Sindh.

They are still thinking that the bulk will come out on this scandal. Already the High Court in London has allowed the operation of this Bank because of the assurance from the major shareholder Sheikh Zaid bin Sultan of Abu Dhabi. Under these circumstances, what we have to see is, how we can protect the interest of our depositors. What happened because of advancing obdubious loans? It was not the Reliance alone. But the industrialist close to our friend on the oppo-

[Sh. Vijaynaval Patil]

site side Shri R.K. Gupta of the United Groups who is alleged to have taken a dubious loan of Rs. 12 crores from this Bank and the payments are not being made.

In Bombay, when these fake passports were allegedly found, when the fake signatures were noticed, some people were arrested under COFEPOSA. But they were released by the court as sufficient evidence was not forthcoming. But unfortunately, Shri George Fernandes wanted to use this occasion and level charges against the ex-Prime Minister. It is not becoming of a Member of Parliament when the court has released the culprit.

As far as appointment of a parliamentary committee into the investigation of affairs is concerned, I would like to say that it is a multinational concern and the SBI officers are enquiring into the dealings of this Bombay branch. And a Grand Jury of the American Government is enquiring about its affairs in more branches. And so is the case with the High Court of London and in other countries enquires are going on.

It will not be in the fitness of things, to appoint a Joint Parliamentary Committee, at this stage, to go into the affairs of the BCCI. Hence, instead of giving more ramifications to this scandal, we should try to protect the interests of the depositors. Shri Somnath Chatterjee, tried to allege that some relatives of the government officers are working in this bank. It has been said that "as it is a third world bank, it is suffering from this weak point and that relatives and friends of the people who are working in Pakistan, who are controlling this bank, are appointed as officials without looking at their competency in the banking administration". I see nothing wrong in the appointment of those people, who, by chance, are related to some officers in the Government of India. This bank seems to be operating well and its operations are good. The former Prime Minister of a country was the Financial Consultant of this Bank till recently. Only in some areas, in coun-

tries, disputes arose and some eyebrows were raised because, this bank has financed the projects in some countries, which were ruled by dictators or in those countries which could not get IMF loan.

There may be some irregularities; there may be scandals of corruption but, that does not mean that every member from the other side should try to level allegations and raise eyebrows against the ruling party and try to make it a big issue.

With these words, I ask shri Jaswant Singh to withdraw his motion, when the Finance Minister comes out with his assurance on certain enquiries made by the hon. Members from the other side.

With these words, I conclude. I thank you for giving me an opportunity.

[Translation]

SHRI CHHITUBHAI GAMIT (Mandvi): Mr. Chairman, Sir, a lot of discussion had been going on the bill, presented by Shri Jaswant Singh. Earlier speakers have said many things. I don't want to repeat all those things. But Mr. Chairman, sir, I am going to speak on the amendment put forward by me with great despair. I have been a Member of Lok Sabha since 1977. During this period, economic conditions of the country have always been discussed and I have observed that economic condition of the country is deteriorating day by day. We can't deny it.

Mr. Chairman, Sir, I have observed that our deteriorated economic condition has affected foreign trade. We cannot deny it. The position of our foreign trade has become pitiable due to constant deterioration of foreign exchange reserves. Mr. Chairman, sir, through you, I want to remind the house that the economic condition of the country was very bad when the Government of opposition parties was formed at the Centre during 1977. After the election of 1980, former Prime Minister, late Smt. Indira Gandhi, reassumed the office of Prime Minister, The Indians who live abroad earn

money by running business there, All their earnings remained in foreign countries. N.R.I. scheme was formulated to attract foreign capital of those Indians for investing it in our country. All the Members of the House know that Indians residing abroad have invested crores of rupees of foreign exchange in this country. Great benefit is being derived for making payment of loans of foreign trade. Thousands of people from Surat, particularly South Gujrat from where I hail, are earning a lot by running an industry, etc. In foreign countries. They have sent foreign exchange to our country through B.C.C.I. Today, a controversy over B.C.C.I. is going on and in that connection in my constituency, the family members of those people who are residing in foreign countries, have met me. They have said that they had deposited the money as foreign exchange in B.C.C.I. in the interest of India. It is not safe now. A discussion may be held in Lok Sabha in this regard. You should bring our representative urge upon the government of India to provide security for our foreign exchange deposited in the Bank. Keeping in view the interests of those people. I am going to amend the Bill. I through you, Sir, want to draw the attention of the House on B.C.C.I. as to when and why it was started. In 1977, the sanction to open the branch of this Bank was granted when it was the government of Janata Party and hon. Shri Morarji Bahi Desai was its prime Minister and Shri H.M. Patel hon. Finance Minister. The branch of B.C.C.I. was opened in 1983. Shri George Fernandes has said that the permission was granted in 1983. But, as a matter of fact, the decision to open the Bank was taken when Janata Party was in power. At that time, Shri George Fernandes was Industry Minister and he was in the Government. The permission was granted to open the Bank during that period. It was needed to establish good relations with Pakistan. It is also our foreign policy that permission may be granted to open the branches of foreign Banks in India. It also comes under the guidelines of foreign policy. We should recall that a lot of foreign exchange was required at that time since great difficulty was being experienced in making the pay-

ment of foreign exchange loans and during 1982-83 we had to face such difficulties along with many other problems. This is also one of the reasons of encouraging NRIs to invest their capital in India during 1982-83 permission was granted to B.C.C.I. or its parallel Banks to open their branches in India. It is surprising the then Finance Minister, Shri V.P. Singh and his Assistant, Shri Bhure Lal had not taken any action against it despite having thorough knowledge of these activities. I, through you, want to ask one question that in 1989 when Shri V.P. Singh was Prime Minister, Shri Dandavateji was Finance Minister and Shri George Fernandes was also hon. Minister and the very mover of the Bill hon. Shri Jaswant Singh was their good friend, nothing against BCCI was said by them nor any action was taken at that time. Shri V.P. Singh knew it in 1986. Many such things have appeared in the newspapers. In addition to, I want to say that the Bill brought forward by Shri Jawasantsingh, and an Amendment Bill brought forward by Shri George Fernandes were related to the interview given by Shri Harshman.

Mr. Chairman, Sir, he is the same Harshaman, who in 1985-86 had said that the then Finance Minister, Shri V.P. Singh had given him letters. But Shri V.P. Singh denies even to have met him. Should we depend on Harshman so always tells a lie. I know that the State Bank of India is making an enquiry about the Bombay Branch of B.C.C.I. When its enquiry is going on, NRIs can face a lot of problems. They have given foreign exchange worth crores of rupees to India during the last few years.

Mr. Chairman, Sir, I, through you, want to request the hon. Finance Minister to consider it sympathetically. We should wait the result of the action being taken against it by the State Bank of India. We should also await the reaction of Reserve Bank of India in this regard. Mr. Chairman, Sir, I, through you, would request the hon. Finance Minister to give protection to the non-resident Indians, Indian industrialists and traders who have deposited their money in B.C.C.I. We should ensure them security so that the

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moral of NRIs remain high. The motion amendment brought forward by me to the Bill originally moved by Shri Jaswant Singh and which has been given in the list of Business should be considered sympathetically.

[English]

MR. CHAIRMAN: Would the Minister like to make the reply now?

(*Interruptions*)

MR. CHAIRMAN: I think every facet of the facts of this case have been brought out by the three or four stalwarts who have a spoken from this side and I do not think that anything remains to be spoken and if so, it may be only repetition of those points.

(*Interruptions*)

SHRI B. VIJAYAKUMAR RAJU (Narsapur): Being the Leader of the telugu desam Party, I want to speak on behalf of my party.

MR. CHAIRMAN: There is no time. The time allotted was three hours and we have already extended it to four and a half hours.

PROF. UMMAREDDY VENKATESWARLU (Tenali): Let our party have our say.

MR. CHAIRMAN: All facts have already been brought out.

SHRI B. VIJAYAKUMAR RAJU: Then why should we discuss in this House? All facts are there in the newspapers.

MR. CHAIRMAN: All right. I will allow one Member from the Telugu Desam Party. One name is given against your party. Mr. Vijaykumar Raju can speak. Please make it brief and there should be no repetition of the facts which have been already said.

SHRI B. VIJAYAKUMAR RAJU: I will not take much time.

SHRI FRANK ANTHONY (Nominated Anglo-Indian): There is so much of work still before the House and unless you ask the

Minister to reply now, we may have to sit till 1 AM in the morning. [*Interruptions*]

MR. CHAIRMAN: OK. I think the general opinion of the House is that the Minister should reply now.

SHRI B. VIJAYAKUMAR RAJU: The decision has already been taken by the Business Advisor Committee. [*Interruptions*]

SHRI JASWANT SINGH (Chittoor-garh): Sir, without wanting to be going contrary to what you are saying, I would like to submit.....

MR. CHAIRMAN: I am quite open to your suggestion.

SHRI JASWANT SINGH: It is not a suggestion. Rules repair that the right of reply lies with the mover of the Motion and not with the Minister. I just want to correct the wrong impression. The hon. Minister may intervene. But the right of reply is with the mover.

MR. CHAIRMAN: thank you for correcting me. The hon. Minister will intervene now. And later, along with you, shri George Fernandes and Shri Gamit who moved some amendments will also get a chance to speak.

SHRI B. VIJAYAKUMAR RAJU: I also want to speak Sir. I have some questions and I expect a reply from the Minister.

MR. CHAIRMAN: I will give you a chance later. First listen to the hon. Minister.

SHRI MANMOHAN SINGH: Sir, I have listened very carefully to this debate. I would like to draw your attention to my earlier statement. In that I had said that I had made the statement on the basis of information available to me. I had also stated that if any further information would become available, I would have it properly investigated.

I had only a letter from shri George Fernandes and Shri Jaswant Singh, leveling certain allegations. I have also seen press reports and I think several Members have quoted from various international journals.

Now, I want to assure this House that I

am not in the business of covering up anything about the BCCI. I would ask all relevant agencies of Government to look into whatever has been said on the floor of this House. I will ask the Reserve Bank to look into it. I will also ask our intelligence agencies to look into all that has been said on the floor of this House.

Grave issues of national security have been brought this House and allegations have been made. It would be my duty as Finance Minister to ensure that this type of concerns are properly looked into. You have my assurance Sir that whatever has been said here, will properly be looked into.

But I do not want to go on the basis of what appears in newspapers. I respect freedom of the press and we are very proud of our traditions that we have a free press in this country. I think sometimes it causes inconvenience to Government., I do very much hope and pray that it would remain that way and we would always have a free press. But before I go on to deal with the BCCI, I would like to mention about what the gentlemen of the press sometimes do.

A reference has been made to a statement given in the Indian Express. In this statement, certain references have been made to certain individuals by insinuation. In fact in some of the editions of the Indian Express - I am told in Bombay and Madras editions - an explicit reference has been made to me that I have been attempting to cover up the BCCI because my daughter got a scholarship from a particular agency which was in turn given some monetary help by the BCCI. I want to come clean on this count, because I do not want to hid anything from this House and, I think I would not be worthy of being the Finance Minister of this country if there is a slightest suspicion about my conduct in this matter which allegedly involves the security of our country. Therefore, I would like to make a personal explanation on this point. I have daughter who has a very brilliant career. she has throughout been a first-class student. She graduated with First-class Hons. from Delhi University.

I had left the Government of India in 1987 to take up my position as a Secretary General of a South Commission. In the meanwhile she graduated from the Delhi University. In this country we have an Oxford and Cambridge society which is a society of the alumni of those two universities. Those people made contribution to a firm and for several years the Oxford and Cambridge society has been giving scholarship of about Rs. 50,000 to intending students who want to peruse their studies in Oxford or Cambridge.

It is also true that in 1988, the BCCI made donations to the Oxford and Cambridge society in accordance with the approved Reserve Bank rules for donating money by the bank to various institutions. And, it is certainly true that when my daughter applied, she was selected for the award of scholarship of Rs. 50,000. I was not in this country at that time. I did not know also whether she had applied. I am absolutely faithfully stating to this House that I can never impress anybody for the scholarship and I am quite willing to be judged by the hon. leaders of the Opposition with regard to my conduct, insinuation and the charge that has been made in the Indian Express today that because my daughter got a scholarship of Rs. 50,000 from the Oxford and Cambridge society and because it partly came from a donation which was made by the BCCI, therefore, I am trying to cover up the BCCI. I leave it to the good sense of the House and I am quite willing to subject myself to any inquiry and I would abide by the judgment of the leaders of the Opposition with regard to my conduct in this matter.

Now, Sir, I come to the substance of it. I think Shri George Fernandes, and other hon. Members have asked how did the BCCI come to India. I had mentioned that the bank opened a representative office in 1977. In 1978 there was, I think if I remember in the other House, a discussion on this. Several Members were of the view that a third world bank, a newly coming bank should be brought into this country. I will be very honest with you and say that there was

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some pressure from some Arab countries, the Abu-dhabi saying that this bank should be brought into India. In 1979, the then Government, at the level of the Minister of State decided that the reserve Bank should be asked to give this bank's branch. That decision was approved by the then Finance Minister.

Let me say that I am not attributing any motive. The Finance Minister at that time happened to be Chowdhary Charan Singh. I have the greatest regard and respect for his integrity. Therefore, when I am stating this fact, I am not imputing any motive that either the Minister of State or Chowdhary Sahib was acting out of any ulterior motives. But there was a feeling that there is an up-coming bank. Also, there was a very considerable element of Muslim opinion which said that why are we discriminating against it. There were also representative from some Arab countries. A decision to give a branch of this bank was in fact taken at the level of the Finance Minister.

MR. CHAIRMAN: I am sorry to interrupt you. On this subject, I think, the other day, when you were speaking, you had mentioned that the file had been specifically taken by hand there. Did it create an impression?

SHRI MANMOHAN SINGH: I do not know. If I had conveyed that impression, then I apologise for it. I reiterate that I do not want to give any feelings that there were any ulterior motives.

The Government fell at that time. At that stage Shri Bahuguna was the Finance Minister and Chowdhary sahib was the Prime Minister. It was decided that this matter should be reviewed again and at that time a decision was taken that particular decision should not be implemented. The BCCI persisted with their approach. In 1983, the decision was taken and I would say in accordance with approved procedures to give the Bank a Branch in Bombay.

Now, some of the Members have brought up this question. What were the views of the Reserve Bank Governor and what were the internal discussions between the Reserve Bank and the Ministry of Finance? I want to say that it would be a sad day, if confidential correspondence dealing with Reserve Bank and the Government become subject matter of public debate but I do say that a branch was agreed to be given to the BCCI in accordance with established procedures. The power to give that Branch rests with the Reserve Bank. There are always consultations between the Government and the Reserve bank. There are occasions when one takes one view but ultimately another view prevails. But that does not mean that there were any ulterior motives in bringing this bank to India, just as one cannot conclude that there were ulterior motives in 1979 to give this bank a branch. If you were to look at the situation today, I think, it would be agreed that it was probably a mistake to bring this bank.

SHRI GEORGE FERNANDES: Thank you.

SHRI MANMOHAN SINGH: But I think one is wiser by the experience. But the very fact that this bank was given a branch in 1983 does not warrant the type of insinuations that have been made on the floor of the House.

SHRI SOMNATH CHATTERJEE: That factually correct. You were overruled. That is correct now.

SHRI MANMOHAN SINGH : The second thing that I want to say is this. This bank has been kept under watch.

Now, I am not revealing any secret because there were suspicions right from the beginning that this bank had some connections with Pakistan. But you cannot hang a person or an institution merely on the basis of suspicion. We are a society which takes pride in being governed by the rule of law although there were suspicion. that there

were no indications that this bank was then indulging in any of these things.

Then, as a matter of abundant caution, the Reserve Bank and also our intelligence agencies throughout kept a watch on the activities of this bank. Now, the question arises, why are we trying to make an artificial distinction between the affairs of the Bombay Branch and the affairs of the BCCI outside? Quite honestly, the resources at our disposal - Reserve Bank and our intelligence agencies - are not so extensive that we can police the activities of the BCCI all over the world. Let me also say that at one time there was not a sympathy for the BCCI in the Third world. Only two or three years ago, they opened a Branch in China.

I can also mention the Third World Foundation which was financed by the BCCI. It was very active in many of the Third World causes.

Now, a reference was made to the distinguished former President of Tanzania on the floor of this House who got the Third World Prize.

Now, are you going to suggest that President Julius Nyerere was a tool of the CIA that he was padding drug money. I think if you do it, you would be insulting one of the greatest personalities of the Third World Countries.

As far as I am concerned, when I became the Secretary-General of the South Commission, the Third World Foundation had promised to give to the South Commission 4,00,000 dollars. [Interruptions] The Third World Foundation had agreed to give to the South Commission 400,000 dollars. When I became the Secretary-General, for some reason or the other, they never fulfilled the promise also.

SHRI SOMNATH CHATTERJEE: They were scared of you.

SHRI MANMOHAN SINGH : For whatever it is, the very fact that the Third World Foundation was supported by the BOFI and

because South Commission was supported by the Third World Foundation and therefore the Chairman of the South Commission thereby became a tool of the CIA or of drug laundering and all these things, I think we are trying to read many things into these things. Investigative journalism has a place, but a lot of things which are being said quite honestly, these are not things which are being substantiated by the fact of the case.

Now references were made to the investment by non-resident companies or a particular group of firms was referred to; references were also made other Non-Resident Indian. I feel saddened the way these references were made. We have today a large amount of non-resident deposits in our country; these are 11 billion dollars. Now if this becomes a norm in this country that anybody who keeps deposits as a Non-Resident Indian, he is dubbed as a person who is laundering black money...

SHRI SOMNATH CHATTERJEE: Nobody has said.

SHRI MANMOHAN SINGH : You may not say, but this is bound to be read into it. Now this sort of a thing, I think, is going to do an irreparable damage to the reputation of the Indian banking system.

Now, we have looked into the activities of the Bombay branch. I may also say that there was a suspicion and therefore on a number of occasions investigations were made by the Reserve Bank of India, by other agencies and references were made to what action was taken by the Enforcement Directorate in 1986. It is true that they violated the Foreign Exchange Regulations Act; that there were forged signatures; but the guilty party was a Travis agency; and I may mention that the case of a forged passport was not turned out to be true when this matter was investigated by the Advisory Committee; that the same Enforcement Directorate could not substantiate that these people were having forged passports; in fact, at least 40 people appeared before the Advisory Board. They, in fact, were pilgrims;

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they, in fact, had gone for a haj. I think, what was therefore said about them was not correct. It is true that they, I think, did not sign and therefore thumb signatures or forged signatures were there on their behalf; but it is true that these people did Travels; that they were genuine travellers. So, I think the allegation made by the Enforcement Directorate, was not substantiated before the Advisory Committee. I also tell you that I have great regards for our Enforcement Agencies, but, sometimes, they are also carried away by over enthusiasm. Therefore, it is the bounded duty, I think, of this House that, when dealing with the citizens of our country, we should not level wild charges against those who have no chance of defending. Reputations are made; reputations are marred. References are same in this House. The privileges of the House protect us for saying whatever we say. And I think it will not be a good day if these charges are made without valid basis.

Similarly, references have been made about the State Bank of India's dealing, about the Syndicate Bank of India's dealing. Let me say, I do not see anything wrong with the State Bank of India or any other Indian bank having corresponding banking relations with BCCI so long as BCCI remains here as a scheduled bank.

There were normal activities. These were entered in good faith. Now, if it turned out that the BCCI was indulging in certain undesirable activities, that, ipso facto does not cast a doubt on the integrity of our bankers be it the Syndicate Bank or any other. They may have made mistakes, they may have losses. But I think to impute motive that they were part of a gang to defraud this country to launder black money, I think that charge, I cannot accept. I strongly repeat it.

SHRI SOMNATH CHATTERJEE: There is complete misunderstanding. I said, why should the nationalised banks invest the money there? The money was invested by several other banks there.

SHRI MANMOHAN SINGH: All I can say is, for Example, I have looked into certain transactions of the State Bank. It would not be prudent on my part to name individual persons who were the beneficiaries or the subject matter of those no transactions. All I can say is, that the State Bank made money out of those transactions. I did not see prima facie anything wrong with those transactions.

Now, therefore, my overall request to this House is that whatever has been said on the floor of this House I would transmit to the Reserve Bank, to our Intelligence agencies. I may also inform the House that I have appointed, rather the Reserve Bank have appointed M/s. Billimoria and Company to do a comprehensive audit of the activities of the Bombay branch right from the date of its inception. Therefore, if any hon. Member of this House has any information having a bearing on the conduct of this BCCI Bombay operations, kindly he may make it available to me. I would have it investigated.

About the other aspects, the security aspect, I have myself been in touch with the chiefs of the security organizations. I would not like to divulge, for example, what they have told me, but they have assured me that they have been ware of all these things that are going on, that they have been alert and that although a lot of suspicion does exist, quite honestly as of today I think, no definite proof of the BCCI having done something in our country has been found. We do not have that proof. But I think as I have said, there cannot be any finality about these things. We would be very alert. If any information on these aspects becomes available here, whosoever has the information, through the Senate Inquiry or the Bank of England Inquiry, I think we would pursue it. We are not in the business of cover up operations.

As I said, ex post facto it appears today that it was a mistake to have brought the BCCI into this country. But I think from this one should not conclude that those who brought it were necessarily guided by

consideration. I think that, that would not be true of those who wanted to bring the Bank in 1979 or those who brought it in 1983.

With these words, I thank the hon. Member for giving me this opportunity to explain the position.

I now request the hon. Shri Jaswant Singh not to press his motion.

SHRI BHOGENDRA JHA (Madhubani) : But you did not respond to the amendments. The news item has been there., that several top ranking persons in the several stages have been employed. He did not reply to it.

Second, I think in view of the suspicion already created, would it not be better to clear the administration and to refer the question for adjudication? Appoint a JPC as has been demanded by my friend, Shri Jaswant Singh.

SHRI MANMOHAN SINGH : I shall explain about it. My own view is, since it became a subject matter of leading newspaper which is the favorite of some sections of this House, I think, I do not frankly believe that children's sins should be carried back to their own parents. I do not propose to make those investigations.

SHRI JASWANT SINGH (Chittorgarh) : Mr. Chairman, Sir, I recognise that the House is now weary of this discussion as it has sat for a long time. But it is customary on such occasions, firstly for the mover of the motion to thank all those who have participated in the discussion.

Thereafter, I am obliged firstly to reply to some of the points that have been made and thereafter to re-state the core of my concern.

The hon. Member from Rajgarh, Shri Digvijaya Singh, was the first Speaker, fielded by the Congress Party. Unfortunately he is not here now. He is unwell. He did have the

courtesy to meet me to say that he will not be here. Therefore, I have to be very brief in replying to what he has said. I wonder as to why he was so pre-occupied with sexually suggestive phraseology. His intervention was largely of sexually suggestive phraseology. Though he did have a somewhat labored and thrigid attempt at humor, his fixation of sterility left me wondering whether it was a Freudian fixation. But other than that, I do not know what he was speaking about because he wandered on Bofors and he went on to Fairfax. He was concerned more with history than with the motion itself. I do not want to go into all aspects of what he said except one thing. He said that only one instance has been cited by me. I had given an illustrative instance. For the information of the hon. Finance Minister, I have with me a copy, which incidentally was not sent to me, it was sent to Shri Advani, of an internal audit dated 20th July 1989 from BCCI, Bombay to BCCI, London, from Mr. Muralidharan to Mr. Kapadia. It is about Swiss trade account. I do not want to go into the details of all this.

I am not really interested in sending it to anyone. If you feel that it is worthy to take note of it, please take note of it. Otherwise, you can reject what I am saying. It is talking about Swiss trade account starting with 5 million U.S. dollars and going upto 20 million U.S. dollars. All the particular are here the Finance Minister is interested in this or not....[*Interruptions*]

MR. CHAIRMAN: He has already requested you to forward a copy to him.

SHRI JASWANT SINGH: Sir, it is in their possession. I don't have to forward them a copy on documents which are already in their possession. It is a Memorandum and it is a part of the bank's records..[*Interruptions*]

MR. CHAIRMAN: He had already said that he will refer all the issues to the RBI or to the Intelligence Agency.

SHRI MANMOHAN SINGH : All issues that have been raised in the proper agencies.

SHRI JASWANT SINGH: I am referring to what Shri Digvijaya Singh has said. He said that only one instance has been cited by me. There were numerous instances.

MR. CHAIRMAN: Mr. Jaswant Singhji, you said that whether the Finance Minister is interested in this or not. It is now of my duty to point out to you that the Finance Minister has already said that every point, every single point raised here, will be referred to the Reserve Bank of India or to the Intelligence Agency. So, do not say that he is not interested. *(Interruptions)*.

SHRI SOMNATH CHATTERJEE: Will he let us know the result also? *(Interruptions)*

MR. CHAIRMAN: I am sorry to interrupt. I think it is also one of my duties to bring out the correct perspective in front of you.

SHRI JASWANT SINGH: Mr. Chairman, Sir, as you are now engaged in clarifying the issues... *(Interruptions)*

MR. CHAIRMAN: O. K. I will accept it.

SHRI JASWANT SINGH: You said it sir. *(Interruptions)*

SHRI JASWANT SINGH: As you are now engaged in clarifying the issues, would you also please tell the hon. Finance Minister to let us know of all that he said he will look into.

SHRI SOMNATH CHATTERJEE: He said to send them to the R.B.I.

SHRI JASWANT SINGH: All the security issues will also be looked into. I would wish to know that having been looked into, after that would the Parliament be enlightened with what has been looked into? And the consequences of that looking into?

I would not labour much on the intervention of Shri Digvijaya Singh because he is not here. I have to spend a little time on what the hon. Finance Minister has said.

Let me, at the very outset, share some views about the personal explanation that the hon. Finance Minister started his intervention with. I am immediately saddened that the hon. Finance Minister had to start with such a personal explanation. I find it a matter of great objection when insinuations of this kind are being made against a young girl. I do not have the good fortune of knowing the hon. Finance Minister's daughter. But he did once tell me about her. She is studying in her own right. She is following the footsteps of a distinguished economist. I hope that she will prove to be an equally distinguished economist in the coming years.

Therefore, it saddens me also personally that the hon. Finance Minister should have found it necessary to provide - what I think is a very gracious gesture on his part, but wholly unnecessary - personal explanation because as Members of Parliament and Ministers of the Government, whichever Government attempted to provide answers to some insinuation or suggestion made every time that something appears in whatever newspaper, then the journey will never end. There is a refined Arabic saying on this. If everytime you hear about the caravan were to stop, it will never reach its destination.

It does sadden me and I feel.....

MR. CHAIRMAN: Shri Jaswant Singh, does it have anything to do with the BCCI?

SHRI JASWANT SINGH: It does. He started with it. He gave a personal explanation because he was really feeling about it.

MR. CHAIRMAN: But, I think, that has no direct relevance with the BCCI case actually.

(Interruptions)

SHRI SOMNATH CHATTERJEE: He appreciated the gesture on his part because he felt the anguish. *(Interruptions)*

MR. CHAIRMAN: I think we should gracefully accept what he has said and we should not bring the hon. Finance Minister's daughter into the proceedings.

SHRI JASWANT SINGH: He mentioned it. I am only sharing his anguish. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: Nobody has brought it. (*Interruptions*)

MR. CHAIRMAN: It would be more graceful if you share it privately with him later on instead of recording in the proceedings.

(*Interruptions*)

SHRI JASWANT SINGH: In the substance of the interventions of the hon. Finance Minister, I would share that he went into the events into the chronology of the opening of this bank. And I welcome two statements by the hon. Finance Minister, that, now, in retrospect, he finds that the opening of this bank was possibly a mistake and it is reassuring to learn that the bank was kept under watch, particularly the Pakistan aspect of its linkages.

I am saddened when the hon. Finance Minister in an intervention said and he used some strange adjectives about what I and my good friend Shri George Fernandes had said and he called them unrestrained interventions and he suggested that these caused irreparable damage. The implication is, Sir, that there is some kind of prerogative about responsibility that the observations that we make are always damaging but the observations made by the Treasury Benches or their activities are not damaging. (*Interruptions*). I am constrained to make an observation on this because it is both a very strong adjective for the Finance Minister to use and an uncharacteristically closed conclusion to draw. If what we say, which is in accordance with what you wish to hear or that which pleases you and only that with which you agree and only that is good, then I don't think this assembly which is an assembly of dissent and discussion will have any meaning

at all. (*Interruptions*). And I am sure that is not the thesis that he wishes to propound, yet that is impression that he has left with us.

Similarly, when he said about NRI investment and his suggestion that our reference to NRI investment causes — and he again used this word — irreparable damage, it is not the correct expression. We have here two concerns, it is the twin concerns that are in conflict; as a Finance Minister I can well understand that he is interested in getting as many non-resident Indians to invest in India as he can prudently find.

SHRI SOMNATH CHATTERJEE: Black or white.

SHRI JASWANT SINGH: Black or white, I mean, the colour of the money being indifferent. But that is another concern. I wish to share it with the Finance Minister that there is a simultaneous concern about the basic health of our institutions and I am not, for a moment, suggesting that the Finance Minister does not have that concern, he does indeed have it end when he referred to questionable non-resident Indian investments, it is not because we don't want them to invest, it is the totality of confidence about India which will achieve both the health of the institutions as also enhanced and continuing investment by the overseas and non-resident Indians. Otherwise, this kind of an investment by a non-resident Indian is a very fragile, inherently fragile investment.

SHRI MANMOHAN SINGH: I would like to point out that this particular transaction relating to 1982-83 was in fact investigated by Shri Bhure Lal himself. He went round the globe to find proof of this, he did not find anything to substantiate it.

SHRI JASWANT SINGH: I don't think that was my point at all.

SHRI MANMOHAN SINGH: The point I am making is that you should not be making allegation about these accounts if you do not have the facts. I think it damages our image.

SHRI JASWANT SINGH: I do not know to which allegation he is referring to. (*Inter-*

ruptions). I do not know, Mr. Chairman, to what allegation the hon. the Finance Minister is referring.

SHRI JAGDISH TYTLER: Fictitious allegation.

SHRI JASWANT SINGH : I do not know. (*Interruptions*).

MR. CHAIRMAN : Kindly don't interrupt.

SHRI JASWANT SINGH: The hon. Minister of state who wishes to intervene was in fact not present when I had my intervention made. So, he is really in no position to tell me what I have said and suggested because the hon. Finance Minister....

SHRI JAGDISH TYTLER: From what I heard after hearing the Finance Minister, I think it is all fictitious (*Interruptions*).

MR. CHAIRMAN : Kindly don't interrupt.

SHRI JASWANT SINGH: The honorable Finance Minister has suggested that I made a kind of allegation. There is no allegation. In fact in my entire intervention, I hardly used a single name or a single personality. Therefore, to say that there are some questions that have arisen about investment, I don't even refer to an official of the Government of India.

21.00 hrs.

I did certainly refer to the institution of the Enforcement Directorate and for the hon. Finance Minister to run down an officer of the Government of India who is still in service, is not correct.

SHRI MANMOHAN Singh: I am not running down anybody. I am quoting the same

officer who went abroad and did not find evidence to substantiate that these investors have, in fact, laundered money.

SHRI JASWANT SINGH: This is the point which has been made by the interventionists fielded by the Congress Party, I said, it really begs the question. It does not matter which officer is connected with it, but the Enforcement Directorate and today we have arrived at a situation wherein the Enforcement Directorate's findings are colored or alleged to be colored. This is a matter of concern to us. That is what I have said and that is what I continue to say. If you have a Directorate like the Enforcement Directorate and if it is used or found to be not acceptable for whatever reason, then we have debilitated and enfeebled our institution and that was the concern connected with the public financial institutions. However, the concern about the health of our institutions is shared as much by the Finance Minister as it has been shared by me

But because of the tenor of the intervention and because of the interventions of most of the ruling party Members, I have to reiterate what I started by saying that there is an impression that so far as public financial institutions are concerned, establishment of guidelines are necessary and the hon. Finance Minister did not touch that aspect at all. After all what is wrong in wanting an enforceable, autonomous and clear-cut guidelines for the functioning of financial institutions? The hon. finance Minister has not found reason to respond to that aspect. What possible objections does he have to that He himself said, the will ask for everything that has been said here, to be looked into. All that we are saying is that, all that has been said here be looked, into by a Joint Parliamentary Committee. How is that looking into impeded by Joint Parliamentary Committee? It has not been made clear.

Sir, I am not attempting to score only debating points here. These two things being inadequately answered, I would have been compelled, under normal circum-

stances, to persist with pressing my motion. But I have given my word. In the Speaker's chamber, when it was decided that my motion be discussed under rule 184, the Minister of State for Parliamentary Affairs and others and indeed the hon. Speaker said : why do you not concede to the fact that you would withdraw your motion at the end of the debate? So, I am bound by my word, and I seek the leave of the House to withdraw my motion.

[*Interruptions*]

SHRI BHOGENDRA JHA : Sir, I was present there in that meeting and since he has given word, he is duty-bound to fulfill his word. but I request this august House not to give him permission to withdraw the motion. (*Interruptions*),

SHRI GEORGE FERNANDES : Sir, the House has to decide about the withdrawal of the motion. I was not aware that the hon. Member had made any commitment to the Speaker or that there was some kind of an agreement. If I had known, I would not have given these amendments. My amendments were not meant for presentation. They have been given with seriousness. (*Interruptions*) They have done that job on behalf of BCCI. (*Interruptions*) Why should you barrack me when I am called to stand up here?

SHRI RANGARAJAN KUMARA MANGALAM : We do not barrack you. (*Interruptions*)

SHRI GEORGE FERNANDES : He cannot withdraw the motion unless he has the permission of the House. (*Interruptions*).....

SHRI RANGARAJAN KUMARA MANGALAM : May I just point out ? normally the understanding arrived at the Speaker's Chamber such matters discussed in his Chamber are not referred to in the House. One does not take the name of the Speaker either. I hope he would not misunderstand if

I have said that. It is understood that the various leaders and representatives of the various Parties would communicate to their Members whatever understandings that have taken place.

SHRI SRIKANTA JENA : I think, Janata Dal was not there in the consultation.

SHRI RANGARAJAN KUMARA MANGALAM : I do not want to take the names and the Parties which represented there.

(*Interruptions*)

MR. CHAIRMAN : Will you sit down please. Whatever that has happened in the Chamber has no concern with what happens in the House. I think, whatever happens in the Chamber or whatever private conversation, monologue or dialogue held outside has no concern in the House.

Now the point remains that before the main Motion is disposed of, the amendments have to be disposed of.

Shri George Fernandes

SHRI GEORGE FERNANDES : Mr. Chairman, Sir, we had no information to this effect and we did not want to get involved in this controversy. I had written a long letter to the Finance Minister and I did not mention it here. But the reply of the hon. Finance Minister to the debate here does not suggest any solution. In his previous statement he declined to reveal the information or facts. he has not provided any additional information.

We, therefore, reject his reply. If someone thinks that this issue has come to an end, he is mistaken. This issue will continue to be raised inside and outside the House. We will collect evidence relating to the issue, raised here and place it before the House.

We do not want to participate in the proceedings of the House.

21.04 hrs.

*(Shri George Fernandes and some other
Members then left the House)*

[English]

SHRI SOMNATH CHATTERJEE: We are against this BJP-Congress-I alliance. It is against the interest of the country. Therefore, in protest we walk out.

21.05 hrs.

Shri Somnath Chatterjee and some other hon. Members then left the House.

MR. CHAIRMAN: Now I put the amendment Nos. 12 and 3 moved by Shri George Fernandes to the vote of the House.

*Amendments No. 1 to 3 were put and
negatived.*

MR. CHAIRMAN: Shri Chitubhai Gamit, are you withdrawing your amendment?

SHRI CHITUBHAI GAMIT: I seek leave of the House to withdraw my amendment.

MR. CHAIRMAN: Has the hon. Member leave of the House to withdraw this Amendment?

SEVERAL HON. MEMBER: Yes, yes.

*The amendment was, by leave,
withdrawn.*

MR. CHAIRMAN: Shri Jaswant Singh had already moved for withdrawal of his Motion. I presume the House gives him permission to withdraw it.

SEVERAL HON. MEMBERS: Yes.

MR. CHAIRMAN: The motion stands withdrawn.

MR. CHAIRMAN: Matters under Rule 377 will be taken up at the end of the day, at the end of the business of the House, if you still got enough energy to be here by then.

21.12 hrs.

JAMMU & KASHMIR BUDGET -
GENERAL DISCUSSION AND DEMANDS FOR GRANTS (JAMMU AND KASHMIR), 1991-92

[English]

MR. CHAIRMAN: The House will now take up General Discussion, and Voting on the Demands for Grants in respect of Budget for the State of Jammu and Kashmir for 1991-92.

Shri Bhogendra Jha tabled Cut Motions to Demands for Grants. He is not present.

Motion moved:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the Fourth column of the Order Paper, be granted to the President out of the Consolidated Fund of the State of Jammu & Kashmir to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1992, in respect of the heads of Demands entered in the second column thereof against Demands 1 to 27."

List of Demands for Grants (Jammu & Kashmir) for 1991-92 submitted to the Vote of the Lok Sabha

Sl. No.	Name of Demand	Amount of Demands for Grant on Account Voted by the House on 11.3.91		Amount of Demands for Grant submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
1.	General Administration	433,59,000	30,00,000	560,19,000	30,00,000
2.	Home	5585,11,000	...	6368,11,000	...
3.	Planning and Development	19,54,000	575,40,000	199,54,000	475,40,000
4.	Information	137,62,000	...	137,61,000	...
5.	Ladakh Affairs	1630,96,000	1058,35,000	1630,95,000	1058,35,000
6.	Power Development	11080,17,000	9541,25,000	11100,16,000	9541,25,000
7.	Education	9384,25,000	...	9384,24,000	...
8.	Finance	5597,18,000	371,71,000	5597,17,000	371,71,000
9.	Parliamentary Affairs	71,13,000	1,00,000	71,13,000	1,00,000
10.	Law	226,48,000	...	227,88,000	...
11.	Industries & Commerce	1276,97,000	1222,69,000	1623,86,000	3222,70,000
12.	Agriculture	2815,52,000	193,37,000	2904,16,000	2194,82,000
13.	Animal/Sheep Husbandary	1716,98,000	110,00,000	1751,99,000	110,00,000

Sl. No.	Name of Demand	Amount of Demands for Grant on Account Voted by the House on 11.3.91		Amount of Demands for Grant submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
14.	Revenue	4409,66,000	...	4519,25,000	...
15.	Food Supplies & Transport	642,78,000	12880,33,000	642,78,000	13380,33,000
16.	Public Works	5699,66,000	7142,24,000	5699,66,000	10121,25,000
17.	Health and Medical Education	42,42,6,000	71,75,000	4242,86,000	71,75,000
18.	Social Welfare	770,07,000	110,98,000	772,08,000	110,98,000
19.	Housing and Urban Development	557,48,000	847,50,000	557,49,000	947,50,000
20.	Tourism	386,54,000	712,50,000	386,54,000	712,50,000
21.	Forest	1463,51,000	736,75,00	1552,19,0000	736,75,000
22.	Irrigation & Flood Control	1866,10,000	1738,50,000	1866,11,000	1738,50,000
23.	Public Health Engineering	3070,65,000	1725,00,000	3070,65,000	1725,00,000

Sl. No.	Name of Demand	Amount of Demands for Grant on Account Voted by the House on 11.3.91		Amount of Demands for Grant submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
24.	Estate Hospitality and Protocol & Parks & Gardens	612,76,000	33,00,000	922,76,000	33,00,000
25.	Labour, Stationery and Printing	321,89,000	...	321,89,000	...
26.	Fisheries	126,33,000	68,60,000	126,33,000	68,60,000
27.	Higher Education	1828,94,000	...	1828,95,000	...

[Translation]

PROF. PREM DHUMAL (Hamirpur) : Mr. Chairman, Sir, on the Jammu - Kashmir budget.....(Interruptions).. I would like to speak in brief. The budget for Jammu - Kashmir was passed in the Lok Sabha last year also, and every time the President's rule is extended there, it is said that the situation will improve democratic process will be restored. I would like to draw the attention of the Government mainly to the present imbalance between the three regions of Jammu-Kashmir.

There is discontent among the people of Leh and Jammu. A major part of the budget used to be spent on the Valley which had resulted in the present imbalance. Only yesterday, a delegation from Leh met the hon. Prime Minister and they wanted Leh to be declared a union territory. The grievance of the people of Leh is genuine.

Mr. Chairman, Sir, there are 252 Government schools in Leh. Buddhists constitute 84 percent of its population, by only 32 schools have Buddhist language teachers. The State Government has 1,20,000 employees, out of whom 2900 employees are Buddhist. Besides, there are corporate sector undertakings where 18,000 employees are working and none of them is a Buddhists. 1500 employees are working in the State Government Secretariat, out of whom only one is a Buddhist. 2986 Class IV employees were appointed in Jammu-Kashmir in 1987-88. no Buddhist employee was appointed. Similarly, there is not a single technical institute or I.I.T. in the entire Leh region. The work of Hydel Project has been going on for many years, but it is still incomplete. Now the State is under the President's rule for the last 2 years. This is the reason that I have raised the issue of regional imbalance. Jammu-Kashmir is a sensitive area and the people of Jammu-Kashmir and Ladakh are suffering because they consider their merger with India irrevocable and final. But due to the developments in the Valley and on account of the wrong policies of the Central Government, the home Minister has not found time to visit Jammu-Kashmir. In spite of such deteriorating situation, the hon. Minister has not visited Punjab and Kash-

mir. Therefore, I would like that the Home Minister should visit these areas immediately.

21.18 hrs.

[SHRIMATI MALINI BATTACHARYA *In The Chair*]

The writ of the Government is not obeyed outside the Secretariat in the Valley, and the terrorists have become active in Jammu and especially in Doda district causing distress to the people of Jammu and Leh. I would like that the Budget for the Valley, Leh and Jammu should be distributed equally so as to ensure equitable development of all the areas. Statutory Regional Council should be constituted for the purpose so that due attention could be paid to every region. The other thing that I would like point out is that

[English]

A special cell to develop and monitor, to expedite the developmental works in the region should be created.

[Translation]

My third suggestion is that the funds earmarked in the Budget should be allotted to Jammu and Leh in proportion to their population.

Tourism is the biggest industry of Jammu and Kashmir. Tourist traffic has come to a standstill due to terrorist activities. We have failed to combat both the Pakistani propaganda as well as infiltration. Even today the propaganda by Pakistani radio and television is being broadcasted in the border areas. Therefore, the Pakistani elements must be purged from the administration also. The Jammu and Kashmir police should be screened and the terrorists should be weeded out. Only then the law and order situation can improve there. Moreover, the programs of our Doordarshan and Akashvani should be improved to make them more interesting. What happens is that the people watch the Pakistani programs in preference to Indian programmes. The result is that the people are misguided and the patriotic forces find themselves helpless.

[English]

They find themselves helpless.

[Translation]

Sir, the budget introduced on behalf of the Central Government reflects the helplessness of the Government. There is no provision in the budget for creating a special task force, to combat terrorism. Best personnel from the BSF the CRPF and the ITBP should be included in this force. There is no provision in the Budget for the rehabilitation of lakhs of refugees who have migrated from there. They have lost all their possessions i.e. land, money etc. and where some of them stage a dharna at Delhi, you lathicharge them. Some of them have settled in Jammu. Refugees from the Kashmir Valley are not accustomed to the heat of the plains and have died due to exposure to heat. But I found in the budget that there is no provision for these refugees. It is for the first time in independent India that people have become refugees in their own country. Your budget is completely silent on the rehabilitation of refugees and in creating favourable atmosphere so that they can return to their houses. Therefore, Sir, I would request you to make necessary changes in this Budget for the constitution of a task forces to combat terrorism and to take measures for the rehabilitation of Kashmiri migrants and to provide facilities for their education, rations, and employment till they return to their houses. one of the points raised by my party is generally opposed. It has been our persistent demand that Article 370 should be abrogated. The Kashmir problem cannot be solved as long as, Article 370 is there. I know that you will oppose it and Shri Ayub Khan would not agree with me. You are entitled to your opinion. But I and my party believe that Article 370 is responsible for the feeling of separatism among the people there. And many of your hon. member have admitted privately in the Central Hall that we are right but they have expressed their helplessness. You are caught in a vicious circle; you must think for a while in national interest. As regards the issue of special status for Kashmir, I would like to illustrate it with an example. When somebody meets with an accident, the fractured arm is plastered. But after some time, when the bone has healed the plaster is removed. It is not kept for the

rest of the life. Similarly, Article 370 has become redundant now. It is necessary to combat the spate of terrorism in Kashmir.

I recollect that I too participated in the debate on Kashmir during the Ninth Lok Sabha. The members of the ruling party used to sit on this side. Some of you have become Ministers today, but those days they used to ask as to what was our policy, what was the policy of the Janata Dal Government or National Front on Kashmir. You have not spelt out your policy on the subject till date. You have proved more ineffective than us. Life is not secure in the Valley. When the General Manager of H.M.T. Shri H.K.L. Khera was abducted by militants, he was not rescued, he was shot dead by the militants but when they kidnapped the daughter of a Cabinet Minister the persons Government release many terrorists to save her life. At that time also we said that, that was not proper course of action and it was a mistake on part of the Government and even the Congress Party raised a lot of hue and cry and said that Janata Government had taken a wrong step. Now, this Government is also behaving in the same manner. Many terrorists have been released to secure the safe return of an official from their custody. Whether the treasury benches have become salt mines? Whoever sits there changes into salt. What is your policy about Kashmir? When you were on this side you said something else and now when you are on the other side you have completely changed your attitude.

It is very surprising that friends belonging to other side till today are apportioning blame on a particular Governor for all the amiss. Maybe his policies were not intune with your policies (*Interruptions*) Agreed that terrorism did gain ground during tenure but was Kashmir free from all the troubles earlier? If you instigate, us, we will also come down upon you. Once when your party did not have cordial relations with National Conference and Shrimati Indira Gandhi went to Srinagar to address a public meeting, some people behaved in a very shameful manner. They took off their clothes. You had removed Farooq Abdullah's Government, the same Farooq Abdullah with whom you wanted to initiate the political process, and had made Gulam Mohammad Shah the

[Prof. Prem Dhuma]

Chief Minister because you wanted some Ministerial posts for your men in the Council of Ministers. At that time Farooq Abdullah became traitor for you but the same person became patriot after he compromised with you. This criterion that person towing your line is patriot and a person following different ideology is a traitor should be given up. During the past 40 years, under the Congress rule party's interest was always given edge over national interest. The leaders of the party always preached and deliberately took wrong decisions at times in the interest of the party .

I would like to request you that now at least give up your party's interest for the sake of the nation and formulate some such policy that Kashmir remains an integral part of the country. We are receiving horrifying reports about Kashmir. You may be receiving information from various sources but barring a few reports from where and there, media is the only source of information for us. Appropriate action is not being taken on the basis of these reports. Since the State is under President's Rule we have no alternative except to pass the J & K budget.

I would like to draw your attention once again to the fact that we had hoped that Government will apply its mind on problems concerning refugees and militants and will make separate provision for dealing with these problems but it has failed to do so.

With these words I conclude and hope Government will evolve a national policy for Kashmir so as to put an end to the untold miseries and sufferings that the people of Kashmir are undergoing.

SHRI AYUB KHAN (Jhunjhunu): Madam chairperson I am very grateful to you for giving me an opportunity to express my views on this Bill. I agree with Prof. Dhuma on several points, particularly with respect to the policy about Kashmir. Our policy should be made known to everybody. One who has been born and brought up in this country and has love for the nation can never feel happy over the state of affairs in

Kashmir. Everybody wants that peace and normalcy should be restored there. My hon. friends have referred to a particular Article of the Constitution. It is a slogan of BJP.

SHRI DAU DAYAL JOSHI (Kota) : It is not a slogan but a stark reality.

SHRI AYUB KHAN : One of our friend in the course of debate said something about cow but when he was refrained he did not mention it any further. These things have become a matter of the past. We should not think in terms of disintegrating but we should think in terms of uniting. We should create an atmosphere of amity and brotherhood. Our endeavour should be to unite Hindus and Muslims. All these issues are creation of Pandits and Mauvis. We have not come from outside, we belong to this country. We were born and brought up here. Our ancestors Prithviraj Chavan and Medara ji Chavan ruled at Derara a place in Hissar. We are prepared to shed our blood for the country and if you doubt our integrity how will situation improve.

PROF. PREM DHUMAL : Not, we are not doubting your integrity.

SHRI AYUB KHAN : Terrorist should be dealt with sternly and they should be shot dead in the middle of the road but those who are loyal to this country should not be victimised. They should not be punished and what right you have to serve them with punishment. Is it proper to search their houses and to pull out their women folk? Is it the right treatment with the loyal people? People die in police custody there. The Governor is answerable for deaths in police custody. The people there should not be subjected to atrocities in by imposing Article 370 and by raising the bogey of Hindus and Muslims. All the anti-national elements there should be shot down. Are all the people living in Kashmir traitors? There may be people who had made sacrifices for the country. I was in Kashmir during the 1965 and 1971 Indo-Pak conflict and I did not find any Kashmiri spying for Pakistan. Anybody hobnobbing with Pakistan is a traitor. The matters came to this pass due to rampant corruption there.

No Government tried to check it. I visited Kashmir several times during my tenure as Member of Parliament from 1984-1989. I went there several times as an observer of our organisation and regarding the selection of PCA. Prof. Dhupal has given an account of the people living in Jammu and Laddakh. I want to inform him that we are 20 crores Muslims, in India and not a single secretary is Muslim and their representation in the services is not even one percent. You have involved us in Masjid graveyard and Dargah disputes. In case the Muslim community does not get education whose fault it is? Is it not the responsibility of the Government to look after its citizens provide them education and to bring them with the national mainstream. If they do not feel part of the mainstream whose fault it is? The Government must protect the life and property of its citizens. The Government must rise above party interest and should not adopt the carrot and stick policy to catch votes. The situation in Kashmir is a separate issue. It is our collective responsibility as the budget is being passed in this House. Late Shri Rajiv Gandhi had announced that out Rs.100 earmarked by Government; Rs. 15 are actually utilised. This is a fact. In Kashmir not even 15 rupees are utilised children in the 5-6 years age group row small boats with their parents to out living. Is it not the responsibility of the Government to provide them education? Had that money been spent on them, the Government would have provided meals to them till tenth class.

I agree with Prof. Dhupal that the refugees from Kashmir should be looked after by the Government. Is it not the responsibility of the Government? They are not outsiders. It is not necessary that only BJP men should raise this issue. It is our responsibility also. They are our brothers. They belong to our country. We should welcome them. Through you I appeal to the honourable Minister to send members of Parliament to Kashmir. Why does not the Home Minister go to Kashmir? We must make on the spot study in Kashmir and should not depend on the information being supplied by other agencies. I would urge the Government not to

deploy army in Kashmir in any case. If the need arises, the Government should send police force, CRPF there. The army should be used for the protection of our borders only. The army should be used to check infiltration of the terrorists from across the border. The use of army in civilian areas would affect their morale. I would like to urge upon you to review the performance of our police department. It has come to my knowledge that thousands of people face difficulties there. People after abandoning their houses are living in forests. The police takes away their valuables but they cannot utter a word against them. What is their fault? It is the terrorists who are committing crimes, they are traitors. But the whole community cannot be blamed for that. I am also a Muslim. Our shariat and religion teach us that a Muslim can never be a traitor. A Muslim is not a Muslim if he works against the interests of his country. This is our history. Today I feel proud of being a Muslim but that does not mean that I should discriminate between Hindu and Muslims and it is the command of Allah that we should love our brethren, be they Muslims or Hindus. If I speak lovingly and respectfully others too would respond in the same spirit. Even after 40 years of independence, we are caught in the web of temple and mosque.

I would urge upon the Government to frame a policy on Kashmir and allow the public representatives there to share power. How long can the Governor's Rule continue? Unless and until the public representatives participate in the public administration, they would not be able to know the reality. Members of this House should go there to assess the real situation. Those who pose to be patriots should also go there. We would also accompany them. They should assess the real situation there, and discuss the issue in the House. It is a matter of great pleasure that a very old and capable friend, Shri George Fernandes, is present amongst us...*(Interruptions)*

PROF. PREM DHUMAL : He is young, not old.

[Sh. Ayub Khan]

SHRI AYUB KHAN : In the field of politics he is quite old. We are not as well informed regarding Kashmir as he is. I have also been there for quite a long period. I lived in Chhamb Jorian for ten years. I know every inch of that area and its culture. I do not want to comment on the causes and also, which Government is responsible for this deteriorating situation but I would like to submit that whatever is happening there is wrong. You must find a permanent solution to the problem. Question of Hindu or Muslim has never come up in Kashmir nor would it ever arise. If at all it has arisen, it was due to some misunderstanding. We must put an end to it. It is the responsibility of our Government to protect the interests of the refugees and make arrangements for their return to Kashmir.

Mr. Chairman, Sir, I belong to that section of society which nourishes feeling of love for the Hindus. It has been reported that the Hindus have been evacuated from there to wipe out Muslims here. Under such circumstances doubts will creep in even in true loyalists minds. We must frame such policies that may help in clearing all doubts. We have been born here and this is our country. I would like to quote few lines from a poem:-

"Cheen Arab Hamara, Hindustan Hamara,
Hindi hain ham, Vatan hai, Sara Jahan Hamara."

Today, we must work on this. Elections should not overshadow other things. We must not create bitterness. It is a very sensitive matter. We must bind each other with love and affection. I would like to appeal that we should now put an end to the corruption there. Government funds must not be misused. That money should not go to the pockets of staff members and officers there.

Some institution should be set up which should impart education to the children there up to tenth standard. The children should be provided free education and free food so that they may realise that aid has been

provided by Indian Government. Nothing is being done there. Something should be done. I have gone to that area. There are no roads and drains; the streets are dirty. They crave for roads and lanes. None of the Governments have done anything for them. Of the every hundred rupees provided, Only Rs. 5/- have reached there. The remaining money has been pocketed by the officials. Through you, I would like to appeal to those responsible in Government to provide protection to the people there. I would like to appeal to those responsible in Government to provide protection to the people there. I would like to know as to how four persons have died in police custody and also the action taken by Government in this regard. Further, how many cases of corruption and misappropriation have been brought to your notice and what action has been taken in this regard? After all they are citizens of this country and as such it is our duty to convince them that no injustice would be committed against them. Action should be taken only against the terrorists and traitor, not against the whole community. It is not justified to set the whole mohalla on fire for one man's wrong activities. I would appeal that education system should be improved. We have not been able to change our education policy. If only we go on studying the history of Mughals and English, we would not be able to improve our thinking. We must pursue an education policy which is employment-oriented and is helpful in eradicating poverty of the local people. We must create atmosphere conducive to tourist activities. Tourism is their main source of earning and tourists have stopped going there now-a-days. We have to think of providing them alternative means of livelihood. Unemployment and poverty tend to make youth restless. The result is that they gradually turn to violence.

If we want to save this country all these factors have to be taken into consideration. At the same time, we must not do any thing which creates provocative atmosphere. We must work for the unity on integrity of the country. We must send a signal of secularism, from here and should convey that we want to live in spirit of brotherhood. We respect the temple in the same spirit as we respect the mosque.

Why should we fight and disintegrate our country on such issues? Kashmir is a very sensitive area. There is a Medical college there. Large scale discrimination on the basis of caste is being committed there by the officers and the staff. This has resulted in widespread resentment among the people there.

Lastly, I would appeal that funds being sent there should be misused.

PROF. PREM DHUMAL : A policy should be announced.

SHRI AYUB KHAN : The policy must be clarified so that people have faith in their Government. I would also request the Home Minister to allow the Members or Parliament to go there or he himself should accompany us to assess the situation and inform the House. Members who have courage enough will go there and will meet the general public and assess the situation. I would particularly request Shri Khurana to accompany us so that we may talk to the people there.

In the end, I pray that with God's grace we are able to follow a saintly path and not of violence. We can thrust upon our ideas on others now-a-days. A person is called a saint, who controls his anger and needs, he adopts non-violent means. He only showers blessings on others. Faquirs also do the same thing. Similarly, our role is also to unite the hearts of the people. I am pointing towards you. I hope you have understood. *(Interruptions)*

PROF. PREM DHUMAL : It is an era of AK-47, not of swords.

SHRI AYUB KHAN : Listen to one couplet:

"Tauheed ki amanat seene hai hamare,
saan nahin mitana namo nishan hamara."

It is the essence of Indian culture. This is the country, where the Chief of the Artillery of Shivaji Maharaj and his bodyguard and majority of the security personnel were Muslim. Chief of the Army of Maharana Pratap was a Muslim and the Emperor Akbar's Chief of the Army was a Hindu. It is how this country has been nourished. Why should we then divide this country. Though India was divided into different kingdoms and the rulers of those kingdoms fought with each other as happened between Shivaji and Aurangzeb, yet the incharge of Shivaji's artillery and his bodyguard were Muslims. A Muslim could never be a traitor because it is in his blood to be loyal to his Master. All have to die one day. We belong to the land of Rama and Krishna. Ours is not an ordinary land. Nobody here has succeeded with force in the name of religion; who sever tried, failed miserably. We expect justice from God, but we ourselves do not respond in the same way. This is not good.

Madam, I support this bill. I wanted to bring forth these few points before the House and I am thankful that you allotted me time to speak.

[English]

MR. CHAIRMAN : May I ask the hon. Members to confine themselves to the discussion on the Budget for the State of Jammu & Kashmir and the Demands for Grants, because we have one more item to dispose of today?

SHRIMATI SUSEELA GOPALAN (Chirayinkil) : Mr. Chairman, we are time and again passing the Budget of the State of Jammu & Kashmir in Parliament. But, we could not actually solve the problems of Kashmir. The conditions in Jammu & Kashmir are going from bad to worse. I fail to understand what policy this Government is pursuing towards Jammu & Kashmir. In fact, there is no policy at all. The Government is depending only on the para military and military forces to tackle the law and order problem over there.

[Smt. Suseela Gopalan]

The real issue of the people of Kashmir is that they want to maintain the identity of the Kashmiris. The secular Forces want to protect their culture and their heritage. They have decided to continue to remain in India because they believed in secular India. Their hopes and aspirations will be protected in Secular India. (Interruptions) The Congress party cannot tolerate any non-Congress Government in the country.

SHRI GEORGE FERNANDES : We are tolerating them.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): That is not true .

SHRIMATI SUSEELA GOPALAN: Actually, that is a fact. In Kashmir, they could not actually understand and the Congress Party in order to achieve their narrow political ends - actually toppled the Government in Kashmir which was Dr. Farooq Abdullah's Government, by encouraging defections. And then the Shah Government was installed, with the support of the Congress Party. The real trouble started after that, though there were problems even earlier. But still, after the installation of the Shah Government a fertile soil was created in Kashmir for the Pakistanis to infiltrate and encourage divisive forces. This actually helped Pakistan backed by imperialism, to create confusion and chaos in Kashmir. Pakistan went back on the Simla Agreement. They went on training extremists and sent them to Kashmir.

We went on relying on the administrative measures. In fact, Muslims and Hindus were living in peace in Kashmir before. As a result of the wrong policies pursued the whole atmosphere changed. The minority community was forced to leave the valley. They are also suffering. Any community uprooted from their environment, naturally will have to suffer, and that is why the Hindus, the minority, who used to live in that area had to leave that area are also suffering.

Now what is the solution to the problem? Actually, two forces are working in Kashmir. One is the Muslim fundamentalists led by the Jamaat-e-Islam which is actually spreading poison and hatred among the people.

Second is the JKLF who had been fighting for an independent Kashmir. They want an independent Kashmir. The Government concentrated fire on the JKLF, not the Muslim fundamentalists, who are actually not communal. The Government did not try to win over the secular forces. As a result, the people suffered. Tourism is affected. Actually after independence the Government of India did not do much for the development of Kashmir. They were depending on tourism alone. What is the industrial development, no progress was there in that part of the State. The people were suffering. The Government was only giving subsidies for food and other things. But actually no development of the State took place.

Kashmir is occupying a crucial part of the country and unrest there is harmful to the security of India. Unless and until we pursue a correct policy on Kashmir the state would not develop. Its economy is in a shambles. The people are harassed. There is no mechanism to redress the grievances of the people. Everything is left to the administrative machinery and the para military forces. Also, The Government of India is relying on the capacity of certain individuals to tackle the issue.

The Government should take the initiative to call an all political parties meet. Certain concrete steps have to be taken. First, the Government has to make up its mind about producing the identity of the people and bring them into the mainstream. This can be done provided you give more powers to the State.

22.00 hrs

Our BJP friends will object to that. More autonomy to the State of Kashmir is crucial. Our BJP friends will not listen because they

want to take away Article 370 that is their demand. But we say that much of the powers under Article 370 were taken away. That has to be reinstated. More powers have to be given to the State. Centre-State relation is one of the crucial questions. We are witnessing many things, see one writings on the wall, Many developments are taking place in the world. The Congress party has to pursue a realistic policy. Most of the powers, which are actually taken away, must be reinstated.

An Advisory Committee at the State level and at the District level consisting of those who Stand and to the District level consisting of those who Stand for the unity of the country and have a facility for redressal of their grievances. This of course can improve the condition of the people in Jammu and Kashmir. This Advisory Committee should be formed without any delay to protect their rights.

The Committee should operate from the Valley itself, not from Jammu or any other area or not in Delhi and it should function from the Valley. Those who are preaching fundamentalism should be firmly dealt with. And the patriotic feelings of the Kashmiri people should be aroused.

Media and press should propagate as to what we are intending to do for Kashmir and they should be used in a big way.

With the international developments, these divisive forces will be encouraged to act more. You will be happy about the developments in the Soviet Union... (*Interruptions*) Your propaganda and other things are like that. Democracy has been reinstated in Soviet Union. Democracy can be reinstated but not at the cost of socialism, not by reviving capitalism and that will have its own repercussions. We are going to witness that. These changes are not only detrimental to Soviet Union but also to the third world countries. The third world countries are going to suffer. That will be the result of the developments in the Soviet Union. It will have a bad effect in our country

also. So, we will have to be careful.

We must understand about the implications of these developments. And we have to take effective steps to confront the divisive forces. If effective steps are not taken, then it will be a disaster for our country. We have to take concrete steps to fight separatism and fundamentalism.

We have neglected the development of Kashmir. If the Government is conscious or shrewd enough, they could have brought 50,000 youth from Kashmir to India and accommodate them at the various services.

I submit that we should actually give them jobs. This will be very much useful in integrating the feelings of the people of Kashmir with the people of other part of the country. We actually failed in doing that. The Government did not act in that way. In understanding the problems of Kashmir and as a result of that we are now suffering. You have to take effective steps for the unity of the country and these steps should be taken immediately. This will make them believe that we are doing something for the development of Kashmir and we are actually interested in keeping the identity of the Kashmiri people and we will do everything that is possible to help them and develop the Kashmir area.

We have to act very soon. The time is precious and running out. It is getting late. If proper steps are not taken in time, it will be very much harmful to the secular forces in Kashmir. We are passing this Budget here. If a proper policy is not pursued, we will not be able to pass more Budgets either here or in Kashmir. Please see the writing on the wall and evolve a correct policy in Kashmir.

With these words I conclude. But I must say that something will have to be done there. We should not bother if more money is to be spent. But we have to do something to bring to State into the national mainstream. We have to take action to solve the problems, of Kashmir Thank you.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Madam, I rise to support this Budget of Jammu and Kashmir, as presented in this House by the hon. Finance Minister. It is not a pleasure. At the outset must confess it. It is not a pleasure to discuss a State's Budget in the Central Legislature, i.e. Parliament. We have to do it under compulsion. There is no escape from it.

This problem of law and order and terrorism in Jammu and Kashmir had been discussed in different forms in this House in this very session. Therefore, I do not like to deal with that subject in detail. How painful it is for us to think of the problem of Jammu and Kashmir which is so grave. Kashmir was known rightly as the heaven on the earth - "Bhooswarga" of which we are proud of. Kashmir is the embodiment of nature and is the home of nature and it is a paradise of beauty. Large number of tourists from every nook and corner of the world were pouring into Kashmir. They were enjoying themselves and in return we were earning considerable amount of foreign exchange. All this has now seriously been affected.

We are discussing here the Budget of Jammu and Kashmir. The economy of Jammu and Kashmir is linked up with the tourism industry. Tourism having been affected, naturally the economic condition of the local people, the local residents, is miserable. All those people living in the valley were directly depending on tourists and, Madam, during the season time they were earning quite a bit, they were keeping some of it for their maintenance during the winter season. But now round the year there are no tourists. You know how the foreign tourists are treated there. Kidnapping of Indian tourists and foreign tourists has been the order of the day there. There is nothing to oppose this Budget. It is, as you know, a tax-free Budget and the revenue expenditure also has registered an increase and the hon. Finance Minister today in this House itself was rightly saying that Jammu and Kashmir is a drain on our State Exchequer,

on Central Exchequer. Whatever they spend, whatever is the deficit, everything is born by the Government of India not only here, but also in the North-East Frontier. But this is not the real situation prevailing there. We feel concerned with the situation now. I do not agree with Madam Gopalan when she criticized the Congress that Congress could not and cannot tolerate any non-Congress Government. She referred to farooq Abdullah's Government which was superseded. But she conveniently forgot about the dissolution of the Assembly in 1990. Who did that? Who was responsible for the dissolution of the J&K Assembly. (Interruptions)

22.12 hrs.

[SHRI P.M. SAYEED *In The Chair*]

Such an irreparable damage was caused that even if all of us jointly put our heads together, we cannot find out a solution as to how to revive that Assembly, how to revive the democratic system. Is it not so? Who did it? Is it the Congress people who did it? A severe blow was given by the then Government to democracy in Jammu and Kashmir and all that has really aggravated the situation. Any way, that is not the problem right now before us, we all feel concerned in our own way, but our BJP friends have a different approach. For everything whenever a reference to Jammu and Kashmir is there, they bring in Article 370. But now, our eyes are wide open. We have to learn a lessons from all that is happening in Europe and the Soviet Union but also everywhere, and so probably they will revive their stand. (Interruption)

MR. CHAIRMAN : Please conclude.

SRI SRIBALLAV PANIGRAHI: Now, the problem is how to bring about normalcy in Kashmir, how to revive the political democratic system. Sir, at the same time, regarding the Budget also, the problem is how developmental activities can be started there, can be carried on there, because there is no symptom of administration there, every-

thing is common knowledge now. Army is posted and para-military forces are posted there for the maintenance of law and order. Naturally, the problem is how normalcy can be restored. This aspect also has been discussed in detail in this House earlier. Now, only action is required. It is a national problem; it is not the problem of the Congress Party alone. Therefore, all the political parties should address themselves to this problem. They should sit together and find out a formula to solve this problem. All the leaders should move to the valley, stay there for some time and mix with the people to create confidence in them. They should meet the social workers, political workers, students, Bar Association people and Traders, Association representatives. An atmosphere of goodwill is required to be built up there. Let them not feel that they are neglected and let them not feel that they are second class citizens; terrorism is being abetted from across the border. The Foreign Secretary of Pakistan who came here recently, who shook hands with all the leaders here raised this bilateral issue in the NAM Conference.

Sir, the sovereignty and integrity of the country are not negotiable and it should be made very clear to Pakistan. All efforts should be made to find out a solution to this issue within the framework of the Constitution by having dialogue with these people. Another disquieting feature is that the political parties, unfortunately, are becoming irrelevant in Jammu and Kashmir. They should have the guts to start the Political process there and the terrorists should be firmly dealt with. The people of Kashmir should be motivated and should be told that we cannot afford to lose Kashmir. The entire para-military forces should be used to contain terrorism there and at the same time, all efforts should be made to bring them back to normal life.

Then, another suggestion is that some seats should be reserved for Kashmir students in engineering and medical colleges in different States of our country and some percentage of jobs in public sector under-

takings should also be reserved for Kashmir youth. Our hon. Home Minister had made a commitment on the floor of this House that he would visit Kashmir as early as possible. Then, paucity of funds should not be there for the developmental activities of the State. So, enough funds should be released for that purpose and efforts should be made to build up a different kind of atmosphere there.

Tourism is the only source of income for the Valley and in the present situation, it is very much affected. Therefore, something should be done to help the local people there.

As I said initially, it is not a pleasure to pass the Jammu & Kashmir Budget here. We do not know how long this unpleasant task is to be performed by Parliament for Jammu and Kashmir and Punjab also. Earlier normalcy is restored, the democratic institutions in the State are restored, it is better. The elected bodies should start functioning there and they should pass the Budget there as early as possible.

SHRI VIJAY NAVAL PATIL (Eransol): I request that the hon. Members who are going to speak on the Budget to have pity on us and the hon. Minister who is sitting here for almost 12 hours.

MR. CHAIRMAN: I request the hon. Members to shorten their speech and to be very brief.

Shri George Fernandes.
[Translation]

SHRI GEORGE FERNANDES : (Muzaffarpur) : Mr. Chairman, Sir, it was better that the hon. Minister of Home would have been here during this discussion on the Kashmir issue. Merely, the hon. Finance Minister's acceptance or rejection of any proposal made here in regard to Kashmir will not do much because this issue is a bit complicated. The Members thin attendance in the House at this time particularly those of my own party is a matter of regret. There are

Parliament in a number of other countries in the world, the session of which sometimes continues even during the whole night. I have seen myself that the proceedings of the House of commons continued upto 3-4 O'clock in the night with all the members present in the House because they are very much concerned about the problems of their nation....(Interruptions) They take interest in the affairs of their country. Since they have a deep sense of concern about the problems of their country, they never take their responsibilities in a light manner, and do not consider their parliament a place of making noise.

Mr. Chairman, Sir, first of all I would like to remember Shri and Smt. Vakloo in this House, who are in the custody of the militants these days. Remembering them here in the House, all of us should make an appeal for their release as well as the release of all others who are there in the custody of the militants whom I call insurrectionists. I would also like to congratulate one of the highest officers of the Indian Oil Corporation, Shri Dural Swamy on his release after his one and half month's detention by these terrorists. After his release he narrated his experiences of living with them. He also expressed his hope that if we hold dialogues with the youth of that area who have become militants today may make further progress on the Kashmir issue. I do not know whether the hon. Home Minister has made any effort to contact and talk to them through Shri Dural Swamy who might have developed a kind of intimacy with them during his 40-45 days detention because after his release he has said that he was ready to extent all his co-operation to improve the situation in that State. Sir, I would not like to repeat all those things here.

(Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANT- RAM POTDUKHE): He has denied it that he would talk to them. He says that he has never said these words.

SHRIGEORGE FERNANDES: That has gone on record. It has been published not once but many times in almost all the Newspapers of this country. I am not concerned here with that controversy. This is not a matter of controversy. At this moment I do not want to hold any discussion on that.

MR. CHAIRMAN: Please confine your speech to the budget of Kashmir and give your suggestions in that regard.

SHRI GEORGE FERNANDES: What is there to speak on the budget of Kashmir because at present the Valley is resounding with the booming guns which is taking a heavy toll of human lives. There, on the one hand our jawans are being killed and on the other our children are being taken away by death : So, what is to be discussed there on that budget. What development is going on there, on which we should discuss here? Just now, an hon. Member, Shri Ayub Khan who is perhaps not present at this time in the House had said that he as well as others must be given permission to visit those areas. I do not understand as to what is the need of getting permission to visit that State. We can go there whenever we like it. In fact there is no obstruction in it because that is the part of our own country. No one has ever stopped us from going there. But the people think that conditions are not favourable for the same. So what kind of discussion should be there on this budget. Mr. Chairman, Sir, However, in case you insist on it I would express only my disappointment on this budget because the maximum amount of allocation has been sought to be provided for the jail department. Last year an amount to the tune of Rs. 2 crores 21 lakhs had been allocated whereas the current year's allocation is Rs 3 crores 90 lakhs. It is Rs. 1 crore and 70 lakhs over and above the above the previous year's allocation. It means that 7075 percent more amount has been sought to be provided for the jails. But on the other hand, the amount of Rs. 29 crores and 9 lakhs has been sought for the housing and urban development whereas the allocation for the same was Rs. 36 crores and 36 lakhs

during the previous year. So it is evident from the budget that there is proposal of lesser investment in the areas where it requires more and higher investment is being made in less important areas. For example there was a provision of Rs. 2 crores and 21 lakhs for the jail department in last year's budget. But this year that amount has been increased to Rs. 3 crores 90 lakhs. So, what is there for discussion in the Kashmir budget? If we really want discuss anything about it then we should first discuss the problems of Kashmir, because so often whenever there is a discussion on a budget, only the problems of that particular State are discussed during that budget discussion. But I have already said that I would not waste the time of the House by repeating these things. I would not like to waste the time of those who have neither any interest nor try to understand these things. They should use their time for some other good work, they like, I do not have anything to do with that. But pointing out certain things here in the House is equally essential because if we do not say anything today at the time of discussion on this budget, what else will be the opportune moment to express ourselves?

The hon. members from both the sides have said that a policy must be formulated in respect of Kashmir. I think, there may be only one policy in this regard and that is the policy of having a dialogue with them because this problem cannot be solved through violent means. If the Government also thinks on these lines, it can start a dialogue with them. However to initiate it, the right person is required to be identified. During the last many years in spite of changes of Governments we had to pull on with the problem because gun was considered the only weapon by all of them to sort out that problem. I would like to say it again that it is not the proper way of solving the problem of Kashmir. In this regard, we do not expect anything from this Government as they do not have any policy in this regard. Even when we were in the Government, we could not do anything positive in this regard as we continued with the policy of the congress Government. However while formulating our policy in respect of such things all of us tend

to think on the same line....

SHRI TEJ NARAYAN SINGH (Buxur): Mr. Chairman, Sir, I am on a point of order. Some of the hon. members are making deliberate attempts to vitiate it. So I would request you to stop them from doing so.

SHRI GEORGE FERNANDES: We also know as to how to shout and make a noise. So they should remember that the Government is exclusively dependent on our support. They should restrain themselves from doing such things. I would like to say to their leaders that this is not an issue to be taken lightly. For all these hours in the morning I have been observing it. They think that the Session will come to an end after two days and that will give them an opportunity to continue for another two months but after those two months they shall have to face the House again. So they should not do all these things. We have faced such thing many times. It is only on the basis of our support that they continue with the reins of power. Without it they will be no-where. All these hours of the morning, it is being propped up in a lighter vein....(Interruptions)

[English]

MR. CHAIRMAN: Shri George Fernandes, please address the Chair.

SHRI GEORGE FERNANDES: I am addressing the Chair. I have not even looked at their faces. You should tell them to behave properly. I have put up with them since morning.

SHRI P.C. CHACKO (Trichur): You have no right to abuse any Member of this House.
[Translation]

SHRI GEORGE FERNANDES: Shall we learn it from you people how to behave ourselves here. There is nothing of that sort as regards the rules and the parliamentary etiquette. For that matter, I am a more senior and experienced member. (Interruptions)

Instead of making progress in solving that problem, they are busy pursuing the

[Sh. George Fernandes]

policy of divide and rule. Now, when we are asked about our opinion regarding the Kashmir policy, we would like say it frankly that it should be such a policy as may give relief to the people of that State. However to wipe out the menace to terrorism, stern action whenever it is necessary must be taken. A gunshot should be duly returned by our counteraction. However same raw deal with innocent people is not going to solve the Kashmir problem.

Mr. Chairman, Sir, human rights are being violated in Kashmir to all the possible extent. No other part of India has ever witnessed such violation of human rights as it has been there in Kashmir. It seems that human rights have no place in this country. No one is caring for that. The people of Kashmir have been living in a state of helplessness. In fact they are virtually starving. Such is the State of human rights violation in the valley that in order to contain it, the Government should make concerted and concrete efforts in this regard. Secondly, it should provide an opportunity to a number of institutions working in this country like the civil liberties organisation, Rashtra Seva Dal etc. which have been keeping a watch on the situation in respect of human rights, to visit there.

Mr. Chairman, Sir, I would conclude after saying two things more. Firstly, the immigrants of Kashmir.....(*Interruptions*)

MR. CHAIRMAN: Mr. Fernandes, please address the Chair.

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, there is no difference between the policy adopted by our Government and that of this Government regarding Kashmir. That is why when we talked to the Governor of that State and requested him in the presence of many of my friends as well as some journalists who had accompanied me there that one of the various ways of dealing with the problem of Kashmir is to provide employment opportunities to the

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people of that State who are mainly dependent on tourism and handicrafts for their livelihood and without it they cannot survive. In fact the tourist industry is in a very bad shape in that State due to poor tourist arrival. So some steps should be taken for the survival of those engaged in handicrafts industry. Apple is produced there in abundance, which is supplied all over the country but due to an alarming situation in that State, no truck can reach there. That State also not connected by Railways. So some special arrangement should be made for the transportation of their produce. Some financial assistance also should be provided to them. Mr. Chairman, Sir, in response to our request, the Governor told us that if they were given money, they might spend it on the promotion of terrorist activities which will further aggravate this problem. Going a step further, he also made certain such remarks which could create a tense situation, it would not be proper to quote the same here in the House. That is why governors were frequently changed there. Many Governments have come and gone but no policy has been formulated about Kashmir. So, in framing a policy for Kashmir, the people of the country should be taken into confidence. You may call them by any name but Kashmiri people are here in Jammu, Delhi and other parts of the country in large numbers. When we were in power and Jammu and Kashmir was our responsibility, we took many decisions, but those were not implemented to safeguard their interests. After the fall of our government, your government declined to implement those decisions. During this session, we asked the hon. Home Minister as to how far the decisions taken by our government had been implemented by Delhi Administration. The reply was in one single sentence that Delhi Administration had never given any assurances.

Government should take steps to resolve the problems faced by the Kashmiri migrants in Delhi. The educated Kashmir migrants such as professors, doctors etc. and the poor and the unemployed are facing many problems. Either government should create an atmosphere conducive for their

return to Kashmir or make arrangements for enabling them to earn their livelihood here, if it becomes necessary for them to reside here. Government is ready to bear the extra burden of seventy five percent expenditure to fill the jails more but they have nothing to spent on the people who have been rendered homeless and shelterless. They are considered worthy to be lathicharged and teargas is used on them. Besides passing the budget, I would like that government should take a decision for them. If it would have been in the power of the House, the problem could have been solved here itself. It is the duty of the B.J.P. members present in the House that they should help in taking a final decision here. Raising a issue daily would lead us nowhere. If the issue is discussed and a decision is taken because if it is not decided today, then when would we.....(*Interruptions*)

SHRI GEORGE FERNANDES: No attention is paid to our speeches. We would urge the Finance Minister if he has any faith in human values.....(*Interruptions*)

SHRI ASHOK ANANDRAO DESHMUKH (Parbhanl): Mr. Chairman, Sir, we are discussing such a sensitive issue and honorable Home Minister is not present in the House.

[English]

MR. CHAIRMAN: Please take you seats. If he is yielding, you can talk.

[Translation]

SHRI GEORGE FERNANDES: Your partymen may not believe in human values but you should pay attention to the decisions taken by the previous government. I would not ask for anything more than that. If government takes up the task of implementing the decisions taken by the previous government for providing relief to refugees, which may not have been done due to various reasons, it would be a great step forward in solving the problem.

In the end, I would like to submit that those who raise questions regarding Article 370 and matters relating to that, one of my experiences in Kashmir is that is Kashmiri youth have repeatedly stated that they always considered themselves equal to any other citizens of the country. They have expressed their views on Mandir-Masjid dispute and Article 370 of the Constitution. I know that our BJP colleagues are hardliners on those issues. I would like to submit to them with respect that if only we want to solve this Kashmir tangle, the only way is through amity and brotherhood. If we talk of religion and caste, we must allow Kashmiris to create an atmosphere in which they could safeguard their Kashmiri identity and still feel oneness with the country. With these words I conclude.

SHRI MADAN LAL KHURANA (South Delhi): Mr. Chairman, Sir, Governor's speech or President's address are the two authentic official documents which underlines the policies to be pursued by the government.

Budget underlines government's policy for the coming year. The copies of budget of Jammu and Kashmir provided to us has been in the pamphlets only. It contains a half page speech by our Finance Minister published in Hindi and English on both sides of the paper.

Just now, our colleagues were referring to formulating of policies. Our sacred books depict the Ultimate Power as in two forms having form and formless. It seems government too pursue dual policy having no clear defined objective. We are not able to follow the fundamentals of it. It seems as if this policy has been framed half-heartedly. Since the parliamentary procedure had to be followed, therefore we have been provided copies of this speech. The sensitive issue of Kashmir is being treated so lightly today. People are taking wrong signals from the actions of government. Such a policy of escapism and indifference is of no use today. As a pigeon faced with danger, closes his eye, government is trying to escape the

[Sh. Madan Lal Khurana]

Kashmir problem.

In their election manifesto, government had made many promises like bringing down prices in 100 days and solving Kashmir tangle. The honorable Minister must tell the people whether he succeeded in bringing down prices or solved Kashmir tangle? In my opinion, he has not done anything in this direction. Government has mishandled Kashmir problem and does not have interest or will power to solve the problem. The question of unity and integrity of the whole country is linked with this problem. Therefore, government should treat it as a national problem and take measures to solve it immediately.

Our Finance Minister is a learned man. He might be aware that with every budget there is an Administrative Report which highlights the achievements of the previous year. Where is that report? How can we know the previous years Budget estimates, expenses and the achievements of various departments? Virtually there is no State Administration in Kashmir today. Earlier I had mentioned what happens on 26th January every year in the Valley. I had also mentioned how Pakistani flags were hoisted on 14th August in the Valley. Here is a copy of 'Kashmir Times' dated 5th August with me. It carries a photograph of the procession taken out on 5th August. It shows JKLF ranks marching with AK-47 rifles in their hands. Another photograph shows JKLF Chief Javed Ahmed Mir in military uniform addressing a gathering. There is a report that he went round the city while para military forces and military marched behind him to provide protection cover. Slogans to the effect that Kashmir should be separated from India were raised. Anti-India slogans were being raised. This clearly shows that there is no administration. Can anybody indulge in such things in any other part of the country. Has any man dared raise anti-India slogans in any other part of the country. This has appeared in the 'Kashmir Times' dated 5th August along with photographs. It makes one's flesh creep. According to the press

report giving the details of the procession, the entire procession went round the city and the ranks of JKLF were moving freely doing military uniforms. They were garlanded at many places and welcomed everywhere. Many welcome gates were raised for them. Flower petals were being showered on them. Notwithstanding the fact that they are all wanted terrorists who carry a reward on their head, they are moving freely. The photographs which were published had a caption saying that the military was following the procession. This is the way. Administration is working there.

Do you want Budgetary allocation for this purpose? Is it the way the allocations made for the Home Ministry are to be spent? This cannot be called to be the sound policy of the Government. What do you want to do? Do you want to have a dialogue with the terrorists and conduct elections there? I want to know what is the policy of the Government in this regard? Do you want to present the supplementary Budget again and again. What are the proposals for the next six months or the next year? How much funds have been spent on development there during the last year?

Government are over emphasizing time and again that they want a solution under the Shimla agreement. But they should know that this is not a one way traffic. An interesting thing here is that on the very day there was secretary level talks here in which the foreign Secretary of Pakistan also participated, the Prime Minister of Pakistan went to the Pak-occupied Kashmir and issued threats to us from there, whereas we are harping about the Simla Agreement. I would request you to formulate a new policy to deal with this national problem. I think the policy of tilt for tilt regarding Pakistan would be the best. We should adopt a strategy under which we can challenge them on their own ground there but by this some sort of panic there. Government should think on these lines.....(Interruptions) I want to say that we should warn Pakistan in unequivocal terms that if they do not stop interfering in our economic and internal matters, we would

pay them back in the same coin.

I want to point out two more things. Just now Shri George made a mention about migrants. You said that a policy had been formulated, but you would excuse me I have been asking about the details of the policy time and again. On the one hand the then Home Minister told me here in the House that he had released a particular sum for the migrants in Delhi this I remember very distinctly. But when I rang up the then Chief Secretary of Delhi Administration to find out the real position, he said we have not received any funds. The Delhi Administration and the Minister concerned used to make announcements but so far nothing has been done for the migrants. We have had three Prime Ministers during last two years but none of them visited the migrants camps. Shri George Sahib you would excuse me, but I was happy that a friend from the Congress was very vocal today. Probably he must have understood the plight of the migrants. I found a distinct change in the tone and tempo of the speech. A large number of migrants have come from Kashmir. They have become refugees in their own country. Their condition is miserable. I would like that separate cell should be created in the Home Ministry for them. They should feel that they have come to a foreign country. They should feel that are in their own country. As time at my disposal is limited I was not undined to deal with Article 370. But since Shri George has made a mention of it, I would like to point out that Article 370 has not served any purpose during these 40 years. Had it been so we should have come across some results at least. Article 370 has brought the situation in the Valley to such a pass. They have been alienated. Government are not able to save Kashmir even after retaining Article 370 all along, why not it accept our proposal of abrogating Article 370 for a couple of years and see for itself the result. We will show you the results. You should have shown us the result.

THE MINISTER OF RAILWAYS (SHRI C.K. JAFFER SHARIEF): Our intention is good.

SHRI MADAN LAL KHURANA: You could not achieve much by imposing Article 370.

SHRI C. K. JAFFER SHARIEF: This happens to be your Gayatri Mantra(*Interruptions*)

SHRI DAU DAYAL JOSHI (Kota): Biksham Deihri' give us more and continue to feed us.

SHRI MADAN LAL KHURANA: Mr. Chairman, Sir, I would like appeal to the Government to take the country in confidence by reaching a consensus in the matter. The condition ther is really pitiable. The Budget for Kashmir has been presented in a casual way, but this should not be the approach for dealing with the situation there, otherwise history will never forgive us. That is all I want to say.

SHRI KRISHAN DUTT SULTANPURI (Shimla): Mr. Chairman, Sir, I am grateful to you for having given me an opportunity to speak. At the outset, I would like to support the Budget presented by the hon. Finance Minister. I strongly oppose the allegations levelled by the Members of the opposition against the Congress Party for they are all politically motivated.

So far as the question of Kashmir is concerned, they have never visited Kashmir. I would like to submit that the centre used to give 90 percent grants to hill states apart from Kashmir earlier. Himachal Pradesh too was benefited under this. But the Eighth Finance Commission decided otherwise and the funds were not released. I would strongly demand that more budget allocations must be made available for the development of Kashmir where school buildings and roads have been destroyed and handicrafts industry is on the verge of closure.

I would also like to point out that whereas there is comparative peace in Jammu, there is turmoil in Kashmir valley. All of us are aware of the circumstances under which the daughter of the former Home Minister was

[Sh. Krishan Dutt Sultanpur]

kidnapped, and the situation was allowed to be worsened by according VIP treatment to the victims. The then Railway Minister Who was also incharge of Kashmir affairs did nothing except allowing the situation deteriorate further. He continued to blame the Congress policies for the situation in the Valley. But I dare say, the congress policies have always been good. Congress fought for the freedom of the country whereas the party in the opposition kept changing names. Not only this, even the colour and the design of the flag of the party was changed many times. Even the election symbol has undergone many changes. Sometimes it is lotus, sometimes it is a plough in the reverse position and sometimes it is farmer only. The masses have seen there in many hues. Still They are confident of running the Government successfully. I would like to ask a straightforward question. What are their achievements during the last eleven months? Do you fail to look at it or you simply ignore to understand how this nation was built? Look at the development in Kashmir at the present. The situation was quite O.K., there was democracy, the state was headed by a chief Minister and there was an Assembly. Why the Assembly was dissolved? When your party came in power, the assembly was dissolved. You have worsened the condition there. You are responsible for releasing the extremists, whereas the leaders and people of our country decided that Kashmir is a part of India and it will continue to remain a part of it. May he be Farooq Abdullah, the leader of that State, or his sons, all of them were in favour of this country and he too has given sacrifices for the independence of this country. You have created a situation to defame the people of Kashmir. Why do you want to abrogate Article 370? I am not able to understand what you want to do with Article 370. Therefore, I personally feel that you have always adopted the policy of earning votes through all sources, be it Jana Sangh, B.J.P., Janata Party. etc. You have been trying only to earn votes since 1949, and you were not even in existence 40 years ago. You have always been playing a game of politics.

Therefore, I request you to remember the Kashmiri people at least, as the people of Kashmir have always offered their services for the defence of this country. Today, I would like to say that our Government should try to provide employment to the Kashmiri youths. Everywhere in Kashmir, our school buildings are in a dilapidated condition. Water and other sources of electricity are also in Kashmir as they are in our Himachal Pradesh. So Hydel projects can be installed there. In this way the electricity produced can feed the whole of the state and can be supplied to other states also. Himachal Pradesh also generates 20000 M.W. of electricity through water. Our Chamba area is located adjacent to the boundary of Kashmir. The people of Himachal Pradesh and Kashmir want to live together amicably. So you should not divide us.

I would like to request the hon. Minister that there is need to control extremists who return from Pakistan after receiving training in arms etc. and they are to be tackled amicably. The Central Government should provide maximum funds to the local Government of Kashmir. It was said that the accounts are erroneous and neither any list nor any information has been received in this regard alongwith the statement of the Finance Minister. I would like to say that it is not required at all because everything is mentioned in this budget as to how much money is demanded for each work, whether it is for jail or for any other item, because the people who are creating disturbances would definitely be sent to jail. The people who create disturbances won't be liked at all. They will get free meals in the jail, but I would suggest that the people who are sent to jail should be given some work. There are people who are bent upon ruining the country. Stern action should be taken against the people who want to divide the country. We should provide maximum funds to Kashmir we should try to improve the administration also, so that elections may be conducted there and this budget is presented in the Assembly. During their 11 months stay, they had dissolved the assembly which was functioning normally. They had given an

assurance that they would improve the situation in Kashmir, but they did not give any preference to improve the situation in Punjab and Kashmir. On the contrary, they released the terrorists. The situation in Kashmir remains the same as it was in past. We and our Government will try to bring peace in the valley and an atmosphere for conducting elections would be created. We are being blamed that we have no policy. But what are your policies? Your policy is as if a single vehicle is being driven by so many drivers and every one is pulling the vehicle in its own direction, e.g. somebody is pulling it towards Madras, somebody towards U.P. and somebody towards Bihar. There are so many people operating at a time. Therefore my submission to you is that all the people should join hands so that the control may be in the hands of one single party which is Congress party. This party can lead us to progress.

With these words, I support this Budget.

SHRI TEJ NARAYAN SINGH (Buxer):
Mr. Chairman, Sir, we shall have to support this Bill in any case. So with some demands I support this Bill.

I would like to request the hon. Finance Minister that the estimated amount to be spent on jails should be reduced, and this amount may be spent on the development programmes instead of spending it on the jails. That is why I have already said that we have no other alternative but to support the Bill, under the constitutional bindings when there is no law and order in the State, there is no alternative left but to pass the state budget in this way. So we also understand the situation prevailing there and there would be hardly any person in the country who does not understand the conditions prevailing in Kashmir. Therefore, I support this budget. (*Interruptions*)

Mr. Chairman, Sir, the condition of Kashmir at present is very bad and it is clearly evident from this budget and through the speeches made in the House. There is hardly any day when we do not see the news of killing of 30-40-50 people in Kashmir, parade by extremists at so many places and

hoisting of Pakistani flag. It proves that the condition is very bad.

Mr. Chairman, Sir, the question is who is to be blamed for this bad situation in Kashmir. Who has compelled Kashmiris to opt for Pakistan. Was this the condition of Kashmiri people right from the beginning? I would like to say, when we got independence, the people of Kashmir remained with India, they did not opt for Pakistan. Hindu rulers of Kashmir did not want to accede to India, but the Muslim population of Kashmir wanted to live with India. They were never in favour of living in isolation. What is the reason the people of Kashmir, now-a-days are attracted towards Pakistan. I believe that the Muslims who wanted to live in India at the time of independence lived here. But the Congress party in its regime did something which inflicted a heavy blow to their feelings. The State was ruled by the National Conference Government. These people dismissed the elected Government unconstitutionally with the result the feelings of the Muslims were hurt. They thought that the attitude of India towards them is not good, and at the same time they started believing that the administration of India is looking askance towards them. So their feelings were hurt and their attitude towards India also faltered. Then the people must have thought that it is of no use to continue with India, why not to opt for Pakistan. Secondly, a conflict was started in the name of temple and mosque. This religious issue has also created a sense of fear in the minds of Kashmiri Muslims. Kashmiri Muslims never tried to demolish any temple in Kashmir but when the dispute of Babri Masjid and Ramajanam bhoomi started the people observed that a State like Uttar Pradesh which has the maximum population in India....., When the people of that State do not respect our religion. Why we should live in this country. When the Babri Masjid-Ramajanam bhoomi dispute acquired bigger dimensions, its maximum effect was on the people of Kashmir. The people belonging to BJP say that the Muslims are demolishing our temples and we are not doing anything. I believe that if the temples are being demolished or whatever destruction is there, it is the result, of the Babri Masjid and Ramajanam bhoomi

[Sh. Te] Narayan Singh]

problem. It was never so previously. Therefore, I mean to say, that the Muslim brethren from Kashmir are interested to live in India, but improvement in the situation is possible only if the people here adopt a clean intention. As far as the intention is concerned, I think it is not clear. If the intention of the people towards the Kashmir Muslims is good, I would believe that the Muslim brethren of Kashmir will not opt for Pakistan. It is a fact that 20 thousand people participated in the parade in Kashmir on 14th August. There is no doubt about it. It is also a fact that Pakistani flag was also unfurled there on 15th August. But our problems will not get solved simply by enumerating them. If we are interested in a solution of the problem we shall have to take certain concrete steps to improve the situation. Now, the question is what should be the steps? For the last so many years, elections were not held there. If the elections for the Legislative Assembly are not held, on the apprehension that such an election may endanger the unity of the country at least, elections for the Lok Sabha seats can be held because these elections would not create any problem? There is no danger involved in it. If some M.Ps are elected from there, they can't make any new law. So, the Government should consider these things also.

Secondly, if the Government has any good intentions and if Kashmir is considered part of India, the State Assembly which has dissolved by Shri Jagmohan should be revived. It can be said that such a step would be unconstitutional. But I would like to say that there is provision in the constitution for the revival of the State Assembly. By doing so we can assure the people of Kashmir that the intention of the people of India and that of the Government is favourable towards them. Only then something can be done.

The hon. Home Minister should visit that State. An all-party committee should be formed and this Committee should visit the State, talk to the local people and listen to their grievances. After that, their grievances should be redressed. Until such a step is

taken it will be difficult to instill confidence in the local people. It has been reported that several lakh people have migrated to Delhi. It is true that many people have come to Delhi. Something must be done for them. Arrangements must be made for their stay, food, medicines and water should be provided for them. Such steps would make the migrants feel that Government is treating them as Indians and not as aliens. So I request the Government to make proper arrangements for the migrants.

Lastly, I would like to say that just now Shri Sultanpuri has said that there is some ambiguity about the election symbols of the Janata Dal and the B.J.P. Therefore, I would like to remind about the election symbol of the Congress. Do you know that the election symbol of Congress has changed over the years from a pair of bulls to cow and calf to spindle and now to a hand? You level criticism at others but fail to note the number of times the Congress has changed its symbol. They say that the Janata Dal created problems in Kashmir during its reign of 11 months. You claim that the policies of the Congress party were good in the past and are good now also. Problems in the country have been created by the faulty policies of the Janata Dal, the B.J.P. and the Communist Party. But now it is your policy that is being followed. What was the need to bring such a Budget? At least now the situation in Kashmir should improve. It is your party which created the Kashmir problem. If the red flag had been in power today, there would have been no question of Kashmir getting separated. We have been saying from the very beginning that there should be a democratic system in that State. But you have not considered this and this has resulted in a situation wherein even 44 years after independence the youth in Kashmir is prepared to go to Pakistan. I request my hon. Colleagues in the Congress party to rectify their mistakes so that Kashmir is not separated from India...*(interruptions)*.... I support this Bill and hope that the situation in Kashmir returns to normal... *(interruptions)*....

SHRI DAU DAYAL JOSHI (Kota): Sir,

I am sad to see that we are discussing an issue like Kashmir so indifferently. We are having this discussion after 110' clock. This discussion could have been held day after tomorrow also. As hon. Shri George Fernandes said, the Home Minister is not present in the House. This does not do justice to such an issue... (Interruptions)...

SHRI ASHOK ANAND RAO DESHMUKH: If the Home Minister is not present, Shri Ghulam Nabi Azad will reply...(Interruptions)...

[English]

MR. CHAIRMAN: I request the hon. Member to understand the procedure. If the Member, who speaks yields to you, you can speak. Otherwise, you cannot disturb him.

[Translation]

SHRI DAU DAYAL JOSHI: Sir, we are very serious about this matter..... (Interruptions).....

MR. CHAIRMAN: According to procedure, only the Finance Minister replies to queries on the budget..(Interruptions)..

SHRI DAU DAYAL JOSHI: Hon. Shri George Fernandes and some members of the Congress said that a Government should be formed there. But who will form the Government? Is the Congress prepared to form the Government? The head of local Congress unit was appointed as Governor and till now there is no head of the local Congress unit. Is * going to be asked to form a Government there. * has spent only a month and a quarter in Kashmir in the last one year. The rest of the time he was in London. His own life is in danger... (Interruptions)...

[English]

MR. CHAIRMAN: A person who is not

here to defend himself, his name should not go on record.

[Translation]

SHRI DAU DAYAL JOSHI: It is a fact that * does not live there. He wants to pass his time. Do you want to hand over power to him in London? He has been tried once so is it possible that he can restore peace in Kashmir. What happened in Poonch sector? A battle was fought there in which tanks etc. were used. Do you want to please them? The hon. Home Minister can state whether such a decision has been taken. Our policy in regard to Kashmir is correct. During the Ninth Lok Sabha Shri Saifuddin Soz used to talk about Kashmir but what happened his daughter was kidnapped. He had to meet the Prime Minister many times to get his daughter released. It was only after the Hon. Prime Minister intervened that his daughter could be released from the clutches of the terrorists. The terrorists pay no heed to what the Government says..(Interruptions) They are not open to any discussion. Who are the people participating in the training camps? They are all Kashmiris who go to Pakistan for training. With the help of the Pakistan army they cross the border into India and create turmoil. I would like to know whether any efforts have been made to include the people of the Poonch sector in the national mainstream. Nothing has been done regarding this. A policy of appeasement has been adopted for a certain group only. This will not solve the Kashmir problem. So we will have to take a decision. The activities of the terrorists will not be tolerated. There is no other option but to bombard the camps of Kashmiri militants.

Sir, you were amused when Shri Madan Lal Khurana said that Article 370 is not a panacea but it is actually our policy. Till when will you be giving rice to them at cheaper rates whereas it is selling at Rs. 25 per kg. all over India. Other rations are also being distributed like this...

[Sh. Dau Dayal Joshi]

SEVERAL HON. MEMBERS: No, it is not like that.

MR. CHAIRMAN: You are not aware that commodities are being distributed there at rates prevalent all over the country.

SHRI GEORGE FERNANDES: The current rates have been prevailing ever since the time of Sheikh Abdullah.

SHRIDAU DAYAL JOSHI: If Kashmir did not have a special status, Articles 370 would not have been needed. Other States too have demanded the scrapping of Articles 370.

Sir, therefore, I strongly criticise the budget presented by the Government for Jammu and Kashmir.

SHRI A. CHARLES (Trivandrum): Sir, I know the constraint of time. I will only take a few minutes. I rise to support the Budget presented here in respect of the State of Jammu and Kashmir. I should thank you for having given me the opportunity to participate in this discussion.

Sir, in the last week, we discussed about the problem of Kashmir for hours together and I was listening to the speeches that have been made by most of the hon. Members on the other side. Today also I have been closely hearing the speeches from the hon. Members of that side. Everybody is accusing only the Congress for all the ills of Kashmir. We accept the failure. But, at the same time, we are also proud of the success we achieved. It was the Congress party that got independence for the country. In the last forty years, whatever progress has been made is only because of the Congress party. There are not two opinions on this.

I would like to draw the attention of this august House to one or two points. They are accusing us that we are responsible for the problem of Kashmir. Sir the problem of Kashmir is not the creation of any particular party. We have inherited the problem from

the time of independence. Late Sheikh Abdullah, who was known as the King of Kashmir, had difference of opinion with Pt. Jawahar Lal Nehru. We know how he was arrested and for years together he was put in prison. It was the diplomatic relationship and efficiency of Indira Gandhi that brought him out of jail. That was one of the greatest successes that we were able to achieve.

And then the Farooq Abdullah Government was dismissed by the Congress Government. I accept it. It is a surprise for me that they conveniently forget the fact that though the Congress Government dismissed the Government in Kashmir and accepted the responsibility, it was actually done on the advice of the then P.C.C. President. When we released this, we sent him away from the office. The moment he was out of that office, he was received with folded hands by them.

And he was the Minister there. And during the eleven months of Janata Rule, he was the Home Minister and the honourable senior Member of Parliament, Shri George Fernandes, said that he became a Member of Parliament even before some of the junior Members on this side were born. I would humbly ask him a few questions. Was he able to go to Kashmir and talk to any member of the State while he was given the portfolio of Kashmir? Does he accept the policy of Kashmir followed by the then Home Minister, Shri Mufti Mohammed? When his daughter, Dr. Rubaiya, was kidnapped, she was kidnapped by whom? Sir, it is a disgrace—the news item is that it is not the terrorists, but it is some of the close relatives of the family of Mufti Mohammed. In this House there was a discussion and... (Interruptions).

[Translation]

SHRI ASHOK ANAND RAO DESHMUKH (Parbhani) : Mr. Chairman, Sir, thus I will also speak for full one hour. Please ask him to speak on the budget. He has been talking irrelevant except for five or six minutes. I say that he should speak on the budget, others also need time. (Interruptions)

[English]

SHRI A. CHARLES: Sir, it is on record in this House that Dr. Rubaiya was kept in a mosque, a few kilometers near the residence of the family of Mufti Mohammed. Every time food was being taken from the house of the Home Minister. That was not denied by anybody, it was carried by the relatives. Why did the terrorists release her? Are they not the relations of the family of Shri Mufti Mohammed? That is a big story.

Then there was a news item—hon. Member Shri George Fernandes is here now—that he gave a six page report of the then Prime Minister not accepting the policy on Kashmir followed by Mufti Mohammed. I asked a pointed question whether it was correct or not when both the hon. Member, Shri George Fernandes, and the then Home Minister, Shri Mufti Mohammed, were here in the Treasury Benches. And I repeatedly asked both of them whether this news item was correct or not. That was not denied. But after one week, hon. Member Shri George Fernandes came to the House and he denied the report. I think that was a false statement, and I feel that in between one week something had happened and I might be excused if I say that the report might have been removed from the file. And I am sure there was difference of opinion within the Cabinet in those eleven months. It is also a fact that a double standard was adopted in respect of meeting terrorism. When an officer Shri Khera was kidnapped and killed, his 16-year boy with tears in his eyes asked: 'My father, who has served the Government of India for 25 years was not saved by releasing one terrorists, whereas Dr. Rubaiya was saved by releasing five terrorists.' The Government had no answer for this. Excuse me, Sir, the hon. Member Shri George Fernandes spoke on the Finance Bill yesterday for one-and-a-half hours and there was a threat—I feel sorry to say this—that in two years there will be insurgency in the State of Bihar. That is on record. And he stated that ULFA will be repeated in Bihar. But who was responsible for the ULFA? Was it not the AGP? It is on record. (*Interruptions*). That is

a controversial subject, so I leave it at that. And I plead that let them learn the history of the freedom struggle of this great country and let them learn how Article 370 was enshrined in the Constitution. That is the only one binding tie of Kashmir with this great country. I would humbly plead that what is needed today is a healing touch.

The people of Kashmir are our brothers and they are in agony. They have no faith in the country and this House has to create confidence in those hapless people of Kashmir. They were in the forefront of our freedom struggle and when an attack was made on the Kashmir side, they have guarded our borders. Our BJP friends are repeatedly asking to scrap the Article 370 of the Constitution. It should not be done because it would further aggravate their agony. I request the Government to create an atmosphere of confidence there so that Kashmiri pandits can go back to Kashmir. Kashmir is on the verge of disintegration and so I plead with all the hon. Members of this House to be one on this issue.

Then, the public distribution system should be strengthened there and all the amenities should be given to the people of Kashmir. The hon. Home Minister is not here now, but he had given a categorical assurance that he would visit Kashmir soon. Once again, I plead with the Opposition, especially the BJP to join hands with us in creating the right atmosphere in Jammu and Kashmir.

SHRI INDERJIT (Darjeeling): Mr. Chairman, Sir, I am grateful to you for giving me this opportunity. I do realise, it is almost 11.30 now and we are fast moving towards midnight. So, I shall be very brief in making two points.

My first point is one of distress in so far as that Kashmir continues to be subjected to a proxy war by Pakistan and I do not think that we have been able to find an answer to it as yet. I think it is a matter of great shame that we have a situation in which the proxy war is getting hotter and hotter and yet we

[Sh. A. Charles]

have not been able to fight it as we ought to fight it. I do think that efforts ought to be made to seal the border and use every possible military weapon that we have on our side to fight this proxy war and Pakistan must be given a very clear message that the dangerous and diabolical game which they are playing is a game which both sides can play with equal ferocity.

The second brief point which I would like to make is one of even greater distress. I think it is a matter of very great distress that in free India, we have a situation where we have migrants in our own country. I think something ought to be done in this regard. Do we accept the proposition that Kashmir is a valley which is meant only for the majority community? The minorities also have an equal right because they have been living there all along. Therefore, we have to create conditions for taking them back. In fact, it is a failure on our part and it has been a great indictment on successive Governments over the last three years that we have not been able to take these migrants back to Kashmir.

I think, we should take a page out of the experience of General Templer in Malaysia in fighting terrorism. We have to create security zones and take these migrants back give them total security, give them all the food they require, give them all the medicines they require and give them the education they require, because we must establish one point that they have as much right to be in Kashmir as the majority community.

I think, this is one area where we have allowed the things to slip rather badly in this regard.

I will conclude, Mr. Chairman, by making one additional point. I was very happy that the other day, the Home Minister said that he would be visiting Kashmir at an early date. I suggest that he should not only go to Kashmir but also visit Jammu. If he goes to Jammu, I hope that he will visit and see

things for himself in the migrants camp and the way our Kashmir pandits are suffering in Jammu. I think, it might be a good idea that when the Home Minister goes, he might take some Members of Parliament from all groups with him to Kashmir and Jammu.

Of course, the burden of the taxation and the money will have to be found by our good friend, Dr. Manmohan Singh. I think, it is an excellent idea if Dr. Manmohan Singh could also possibly plan a visit to Srinagar as also to Jammu.

[Translation]

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Mr. Chairman, Sir we are speaking on Kashmir budget here and several of our colleagues have put forth their views. But it is sad that the Kashmir budget, which should have been introduced in Jammu and Kashmir Legislative Assembly and which is related with the developmental works there and should have been discussed there is being passed by us here only in one hour. But the point is that the Kashmir problem has become a big problem for our country and there should be a debate with a view to find out solution to that problem. This budget must be passed. But from the level of debate I have come to the conclusion that instead of showing any interest in solving Kashmir problem and suggesting any measures to help keep Kashmir as an integral part of India remarks have been passed against each other unnecessarily. We all know who is responsible for this situation in Kashmir? Who allowed to worsen the situation to such an extent? But it should not be discussed. Now the discussion should be confined as to how can we improve the situation in Kashmir. I have a suggestion to make in this connection. All political parties of the nation should think over it, collectively and government should call the people to discuss with them the ways and means to solve the Kashmir problem. All of us know that we should go there but nobody is prepared to take initiative. So I urge to discuss collectively as to how can we solve the Kashmir problem, how can we keep Kashmir as an integral part of India. It is a fact that article

370 is also an issue. But it is not so serious.

Mr. Chairman, Sir, people like Jai Chand, Mir Jafer, and Nathu Ram Godse have born in our country. Such people have also born on whom we take pride. If a Muslim had killed Mahatma Gandhi what would have been the reaction towards the Muslims? But nobody thinks about it. We all are citizens of this country, whether we are Hindus or Muslims. What harm is article 370 causing there? It is to be understood that they want to continue in power by mixing religion with politics. All parties think on these lines. Earlier government also thought on these lines and future government will also think on these lines. The present government also think as to how can it continue in power for longer time. I will appeal to the honourable member to forget the old things and to proceed forward. Please do not raise the old issue. You please do not talk about Babri Masjid and Ram Janam Bhumi. It creates tension in the country. If you act in such a manner after being such a great power of the country, people would not have faith in you and many more thing would emerge out of it. People will not have feeling of patriotism. So if you want to maintain your patriotism and unity of India, you will have to find out a solution to this problem. Now the debate is going on Kashmir so we are talking about Kashmir. But what is the position of a common man belonging to Hindu and Muslim religion in Punjab? We all should think together as to how can we keep Kashmir as our integral part? We should also see as to how the shortcomings can be removed? This is a fact that ruling party has made mistakes from the very beginning. Mistake has been committed, now we all have to rectify it collectively. Kashmir is a big problem of our country and we will have to create political atmosphere to solve it. If we do not create political atmosphere, even the best method would not solve this problem. Therefore, I request that we should find a way out of this problem after mutual discussion.

[English]

SHRI SHANTARAM POTDUKH: Mr. Chairman, Sir, I am thankful to all Members

who have participated in this debate. Shrimati Suseela Gopalan has said that we do not tolerate the Opposition-Governments. It is not true. The Indian democracy tolerates Opposition-Governments in the States.

SHRI GEORGE FERNANDES: There cannot be an Opposition-Governments. It is a contradiction. There can be a Government and Opposition. In Uttar Pradesh you are the opposition and they are the Governments. In Bihar we are the Governments and you are the Opposition.

SHRI SHANTARAM POTDUKHE: She has said that the Central Government does not tolerate Opposition-Governments in the States.

MR. CHAIRMAN: Probably what she meant was Governments ruled by the Opposition parties.

SHRI SHANTARAM POTDUKHE): The problem of Kashmir, as I see it, is because of prolonged law and order situation. It has put severe strain on the States and the resources of the State. We do want the popular Government to come to power in Kashmir. But there is a porches of delimitation of Assembly constituencies and that delimitation of Assembly constituencies is a time-consuming process.

Sir, there was criticism about allocation of Budget. It was said that we did not give proper allocation to the Kashmir Budget. That is not true. The plan outlay for Jammu and Kashmir for the year 1991-92 is Rs. 723 crores as against Rs. 650 crores approved last year. So, there is an increase of 11 per cent and this is fully funded by Central assistance..

There is another aspect, that is, the liberal pattern of assistance given. The National Development Council has approved extension of liberal pattern of Central Plan assistance and due to this 90 per cent grant and 10 per cent loan is being given to Jammu and Kashmir on the basis as Assam State gets. This will be effective from 1991-

[Sh. Shantaran Potdukhe]

92 and it is expected to ease the financial position of Jammu and Kashmir.

Jammu and Kashmir is chronically a deficit State. There is expenditure on account of servicing of loan which is very high. Then, there is deployment of the paramilitary forces. In recent times, substantial expenditure has to be incurred on account of deployment of paramilitary forces and raising additional police battalions. Further, due to escalation of militancy and misguided elements a large number of people have migrated from the Valley. They are being accommodated in camps in Jammu and neighborhood. An amount of Rs. 60 crores is incurred on their relief. On account of increase of pay and allowance, the State Government employees following the acceptance of the recommendations of the Fourth Pay Commission, the State had to incur an additional burden of Rs. 32 crores which is increasing every year on account of DA instalments.

The main economy of the Jammu and Kashmir is the transport and tourism. On account of the difficult situation, transport and tourism sectors have suffered a great deal. However, in the field of agriculture, horticulture and handicrafts, there has been some progress.

About giving relief to the Kashmiri migrants, permanent rehabilitation outside the valley is not contemplated and only substantial relief is to be provided to take care of the basic needs. The total number of registered migrants from Jammu and Kashmir are 72000 families of which 50 thousand families are residing in Jammu and about 14,000 in Delhi. The camps are managed by the State Governments. In Jammu the migrants are provided the maximum of Rs. 1,000 per month per family and free ration besides free camp accommodation. In Delhi, migrants are also provided with free ration, free camp accommodation and Rs. 500 as cash allowance. Those who are not residing in camps are given Rs. 800 per month. At present there are 40000 who are residing in

Jammu and 18000 in Delhi. They largely consist of Hindus and Sikhs. Relief assistance provided is the best anywhere in India. Endeavour is being made to provide them good basic free necessities in the camps.

During the debate, Shri Prem Kumar Dhurnal said that there was regional imbalance. I must tell that Ladakh Region comprises of two districts, that is, Leh and Kargil. And the population there is 80000 each district. Leh is predominantly a Buddhist population district and Kargil is a Muslim population district. They receive allocation of Rs. 30 crores out of the outlay of Rs. 723 crores for the State which is slightly over four percent. The allocation for each district of Leh and Kargil is decided by the Planning Commission and are earmarked. They are fully utilised in the two districts separately and no diversions are allowed to any other districts. The people of Ladakh region are reluctant to come out of their district. That is why the problem is there.

Khuranaji asked about the documents presented in the Lok Sabha in connection with the Jammu and Kashmir Budget. The documents presented to the Lok Sabha in connection with J&K Budget are the same as the documents presented in the case of the other States under President's Rule.

So, there is nothing to be criticized about the documents. Some points were made regarding the Home Department. Those points have been noted down and will be informed to the Home Ministry. I do not want to take much of the time. I request the House to pass the Budget.

MR. CHAIRMAN : Now, I shall put the Demands for Grants in respect of Budget for the State of Jammu and Kashmir for 1991-92 to vote.

(Interruptions)

SHRI BHOGENDRA JHA (Madhu-bani)
: What about my cut motions?

MR. CHAIRMAN: As you know, Shri Bhogendra Jha, cut motions are taken up

before the discussion on the Demands commences. The cut motions cannot be moved at a later stage.

SHRI BHOGEN DRA JHA : They were moved.

MR. CHAIRMAN : No, they were not moved.

SHRI BHOGEN DRA JHA : They were moved, before you came.

MR. CHAIRMAN : You have not moved at the appropriate stage.

SHRI BHOGEN DRA JHA : They were moved and the papers are with you.

MR. CHAIRMAN : Shri Bhogendra Jha, they were not moved. Otherwise, what is the necessity for me to say that. As per rules, you cannot move them now.

(Interruptions)

MR. CHAIRMAN : The questions is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the Fourth Column of the Order Paper, be granted to the president out of the Consolidated Fund of the State of Jammu and Kashmir to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1992, in respect of the heads of Demands entered in the second column thereof against Demands 1 to 27".

The Motion Was Adopted.

JAMMU AND KASHMIR
APPROPRIATION (NO.3) BILL* 1991

[English]

THE MINISTER OF STATE IN THE MIN-

ISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): beg to move for leave to introduce** a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Jammu and Kashmir for the services of the financial year 1991-92.

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Jammu and Kashmir for the services of the financial year 1991-92".

The motion was adopted.

SHRI SHANTARAM POTDUKHE: I introduce the Bill.

SHRI SHANTARAM POTDUKHE: I beg to move.

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Jammu and Kashmir for the services of the financial year 1991-92, be taken into consideration".

MR. CHAIRMAN : The question is.

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of the State of Jammu and Kashmir for the services of the financial year 1991-92, be taken into consideration".

The motion was adopted.

MR. CHAIRMAN : The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That Clause 2,3 and the Schedule

* Published in Gazette of India, Extraordinary, Part II, Section 2, dated 14.9.1991.

**Introduced with the recommendation of the President.

The motion was adopted

Clauses 2,3 and Schedule were added to the Bill

MR. CHAIRMAN : The question is.

"That Clause 1, the enacting formula and the Long Title stand part of the Bill."

The motion was adopted

Clauses 1, the Enacting Formula and the Long Title were added to the Bill

SHRI SHANTARAM POTDUKHE: Sir, I beg to move :

"That the Bill be passed".

MR. CHAIRMAN : Motion moved:

"That the Bill be passed".

SHRI SAIFUDDIN CHOUDHURY (Katwa) : Now at this fag-end, I have only one question to put before the Minister, that is about the HMT employees. After we raised the point, they have been readjusted to many other areas. But from the complaint they have made before us, it seems that they are being demoted. The equivalent post is not given to them. So, they are in disgrace. They are coming every time. Please consider their case. The Finance Minister and the Industry Minister are there. Kindly look into their problem sympathetically.

SHRI SHANTARAM POTDUKHE: I will look into it.

MR. CHAIRMAN: The question is:

"That the Bill be passed."

23.53 hrs

VOLUNTARY DEPOSITSS (IMMUNITIES
AND EXEMPTIONS) BILL*

[English]

THE MINISTER OF FINANCE (SHRI
MANMOHAN SINGH): Sir, I beg to move:

"That the Bill to provide for certain immunities to persons making voluntary deposits with the National Housing Bank and for certain exemptions from direct taxes in relation to such deposits and for matters connected there with or incidental thereto, be taken into consideration."

MR. CHAIRMAN: Motion moved:

"That the Bill to provide for certain immunities to persons making voluntary deposits with the National Housing Bank and for certain exemptions from direct taxes in relation to such deposits and for matters connected therewith or incidental thereto, be taken into consideration."

There are certain notices of amendments to the Motion for Consideration by some of the Hon. Members. Now, Shri Dau Dayal Joshi.

[Translation]

SHRI DAU DAYAL JOSHI (Kota): Mr. Chairman, I beg to move:

"That the bill be circulated for the purpose of eliciting opinion there on till 25th February, 1992".(2)

[English]

SHRI SRIKANTA JENA(Cuattack): Sir, we can pass it on Monday. There is no problem. Why is the Finance Minister very keen for this?(Interruptions) Let us not pass this black Bill at midnight.

(Interruptions)

[Translation]

SHRI BHAGWAN SHANKAR RAWAT (Agra): Mr. Chairman, Sir, I beg to move:

"that the bill be circulated for the purpose of eliciting opinion thereon by 30th December, 1991."(3)

SHRI GIRIDHARILAL BHARGAVA (Jaipur): Mr. Chairman, Sir, I beg to move:

"That the bill be circulated for the purpose of eliciting opinion thereon by 12th December, 1991."(4)

23.57 hrs

[MR. SPEAKER *In The Chair*]

SHRI BHAGWAN SHANKAR RAWAT: Sir, in order to make the voluntary deposits scheme a success, this Bill has been brought forward to unearth black money which is a stigma on our economy and is shattering it. The hon. Minister has come forward with his proposal to convert black money into white money so that it may be put to use for nation's development. I have no objection to it but what I object to is the generation of black money. Unless the tax structure is streamlined and simplified the generation of black money will go on unchecked.

On many an occasion such voluntary deposits schemes have been introduced for unearthing black money. But it hurts the feelings of those who do not believe in black money and are law-abiding. Such move is also painful to the persons who face harassment at the hands of income tax officials and other tax officials. The officials who encour-

age the generation of black money in connivance with tax evade are also responsible for its generation. I would like the Chelliah Committee to consider all the points relating to tax structure and the functioning of various tax departments. Sales tax is quite an intricate and complex issue, and the shopkeepers evading sales tax do not even pay income tax, for fear of being caught despite large earnings. Persons evading excise-duty also do not pay income tax, even though they want to pay it but they don't do so for fear of being caught. After evading excise-duty he cannot pay income tax also. Therefore I submit that we will have to formulate such financial police as may discourage generation of black money. This will be done only when our entire tax-structure would be scientific and there is no scope of tax evasion. If tax structure is simplified then there will be no scope for tax evasion. For rationalising tax structure high rates of taxation should not be considered as remedial step. The race, the competition for high rates of income tax and other related taxes, will have to be slowed down. Once tax structure is rationalised and tax rates reduced, then definitely people will pay taxes and tax evasion will stop. Though sales tax is a state subject but in order to check generation of black money and inter-state smuggling of goods I would like the Ministry of Finance to take initiative and call a meeting of the Chief Minister and State Finance Ministers for restructuring sales tax so that there is uniformity in rates of sales tax in all the states.

Since the sales tax rates in Uttar Pradesh in comparison to the sales tax rates in Delhi are higher, the evasion of sales tax takes place. So, in order to check generation of black money the Central Government should assume leadership on the issue of rationalising tax structures as sales tax is also important in tax structure. An alternative arrangement for abolishing sales tax may be thought out in consultation with the States. I will go to an extent to submit that if need be, the constitution may be amended may abolishing sales tax but the dabbling with country's economy should be stopped.

Sh. Bhagwan Shanker Rawat]

24.00 hrs.

In the end I would like to submit that the rate of 40 per cent is quite reasonable. Sir, through you, I would like to submit that the utilisation of unearthed black money in constructing houses for the poor in the country is welcome but the hon. Minister of Finance has made a bit haste in the matter. I do not want to repeat all that I stated earlier. Yesterday I went through news reports about hawala which might have come to the notice the hon. Minister of Finance. Through hawala agency money is being got converted into foreign exchange on payment of 20 per cent amount. The Foreign Remittances Bill is likely to be passed and the people of India and the Government of India think it fortunate that the foreign exchange is flowing in into the country. Then why would one pay 40 per cent there. I know that some poor and middle class persons, who might have indulged in petty evasions, would be able to get their money converted but by bringing forward this Foreign Remittances Bill we have lost that opportunity. All the big tax evaders are getting their black money converted in foreign countries. Therefore, through you, I would like to submit to the Finance Minister to reduce this 40 per cent to 20 per cent or 25 percent or at least 30 percent which has become a very competitive market. My apprehension is that if the rate is not reduced, then scheme will be a failure, otherwise it will yield good results and black money can be unearthed. My submission is that the present provision has resulted in multiplicity of provisions. As per broad estimates of economists black money constitutes 50 per cent of our economy. But I would like to lay stress once again that if the black money is to be utilised for national development, the sources of generation of black money will have to be plugged completely. These patch work measures will not do and discourage law abiding persons and encourage corrupt law violating individuals. They will think that the Government of India comes up with such schemes for converting

black money into white money after every 4 or 5 years to overcome financial crisis. Therefore to find a permanent solution to this problem, there is a need to strike at the root of generation of black money.

With these words I oppose the Bill. Voluntary Deposit and conversion of black money into with money are welcome, but the lacuna of the Bill is that it does not have any provision for plugging generating source of black money. With these words I conclude my speech.

SHRI VILAS MUTTEMWAR (Chimur):
Mr. Speaker, Sir, now it is 12.00 O' Clock and the night is getting darker. At present we are discussing black money and measures to curb it. The hon. Minister has taken a step to curb black money and for that purpose made a provision for the disclosure of black money. I think the present step is in fulfillment of the promise made by the Hon. Minister of Finance in his budget speech to check black money.

Sir, my colleague has to made a mention of the Chelliah Committee just now and told that as per the last report of the Committee the magnitude of black money is of the order of nearly Rs. 36,000 crore but as per the latest report the figure has reached to Rs. 80,000 crore. In this way a parallel economy is playing havoc in the country. All of us must express our concern and arrive at a consensus and take stringent steps to curb black money.

Recently new economic policy, new industrial policy and new trade policy were announced. Through these policies licensing and quota systems were sought to be discontinued. These policies were widely and vehemently welcomed and it was expressed that discontinuation of licensing and quota systems would curb black money. I would like to submit that it is the responsibility of all of us to take into account the black money that is already in existence. I would like to submit, with regard to the scheme of national development and housing in which 40 per cent money will be invested, that the

status of the society is going down day by day and we have some responsibility towards that. Tax policy and taxation rates are so high that people are evading taxes resulting in generation of black money in the country. To curb black money it is desired that a correct policy may be formulated in this regard enabling people to pay taxes straight away as well as to curb black money.

Secondly, through National Housing Development Bank, houses will be constructed for poor people living in slums. Sir, would like to submit that there should be complete utilisation of the available resources in the country and our future plans should be implemented strictly and the money utilised in productive activities in the days to come. Money should be utilised in slum areas to provide houses to the poor people. If we have to achieve the foodgrain target of 24 crore tonnes by the year 2000, we will have to pay attention to irrigation. Whenever we have discussed irrigation issue, we have found that every State is finding itself unable to complete its irrigation schemes and if black money is utilised for that purpose it would be a productive work.

After the second world war when the economy of France was completely ruined, the Government of that country adopted a policy under which black money was allowed to be invested in setting up new industries in backward slum and undeveloped areas. The Government declared that those who set up industries in such areas would not be questioned about the sources of their investment. The concessions provided in our country are similar to those provided there. People in that country were given liberty to set up any industry they wanted and were assured of tax exemption in future and of provision of all kinds of facilities. Similar experiment in our country too may prove beneficial. According to last Industrial Policy. The subsidy and other concessions being provided earlier to set up industries in backward areas were cut down. Had the Government taken measures similar to those taken by the Government of France at that time the Industrial policy

would have borne good results. Still there is time, and I would suggest the Government to encourage people to invest their 100% black money in setting up industries for industrial growth in remote areas without any fear of being questioned about the sources of investment. In this manner black money can be utilised. I hope that the hon. Finance Minister would certainly experiment and bring forward such proposals next time. If the scope of utilization of black money is extended to the scheme of National Housing Development Bank and for augmenting irrigation facilities; it would be good step with these words I support it.

SHRI BHOGENDRA JHA (Madhu bani).

Mr. Speaker, Sir, I do know that as per Gregorian journal it is morning and as per Indian journal it is night.....(*Interruptions*). The Government of India has taken the Parliament with them to beg for black money from the black marketers. We have failed to check the generation of black money and also to detect and apprehend the black marketers. Those who have black money are being accused of having committed theft and therefore 60% of their black money will be legalised and 40% have will have to forego. It is a sort of insult to Government power. The helplessness of the present Government has been proved and they have openly come out to seek parliament approval for it. It pinches us very much. We talk of law and order in the country and a number officials have been appointed for this purpose. It would be a matter of disgrace to us if we pass this bill and also if we do not do it. Black money is continuously swelling and it has taken the shape of parallel economy hence more generation of black money. Some of an hon. Members were pleading for tax exemption. Generation of black money will not stop even if a single penny is not charged as tax. Instead of investing money in productive works he invests in gold and becomes richer even if he produces nothing. Inflation has been increasing continuously. The prices of gold and silver are rising high. Without producing anything the investor becomes richer.

[Sh. Bhogendra Jha]

Public money may go waste but they would certainly get his profit. Under this financial policy the investment in profiteering, black money, smuggling fetch more profit than investing, money in any productive work. Because if they invest their money in productive work they would not get an opportunity to purchase lands or gold to become richer. Investment in productive work can neutralise the effects of black money. Mere tax exemption will not do. If labourers are associated in increasing production, I feel all the money would be utilised on labourers and the labourers would not be retrenched. Otherwise that black money would generate more black money. The hon. Finance Minister has said that if money is invested in productive work the investor will become prosperous but only after facing a bit difficulty. My submission is to invest this money in production and remove the disparity in production of different areas and increase the production of such commodities which are in scarcity and have to be imported from other countries. Investment of this money in productive works in such areas will be more profitable otherwise the money thus concealed will be misused. In this way money will not be concealed. In the same context discussion was held earlier. Can the Government think to compel people to deposit of one hundred rupee and five hundred rupees currency notes and these notes will cease to be legal tender after lapse of particular time. Keeping in view the present inflation the people can be compelled to deposit only five hundred rupee notes. Those who have white money will not find it difficult to do so; they will deposit and that will be taken into account. Has the Government any guts to do so? If not, that means Government favours generation of black-money. We already had an experience. This time in the elections crores of rupees were spent in my constituency to defeat a candidate. I do not have the details. Does the Government want the black money to continue in the form of five hundred rupees currency notes and some leaders may have that black money. If the

Government want the black money to go, a time limit should be fixed to deposit the five hundred rupee currency notes thereafter these notes should cease to be legal tender. The people will devise ways to escape this thing. They will distribute these notes among many people. If they do so some money will have to be distributed. That cannot be done free of cost, after all they will have to pay something for this. The Government should make the production more profitable. Some punishment should also be prescribed. Mr. Speaker, Sir it has been said in regard to Parasuram ji-

*Agrata Chaturu Veda Prishthta
Sasharo Dhanu,
Idam Shastram, Idam Shaastram,
Shaapdeep Sharadapi

It means that Parasuram ji had mastered Vedas and perfected himself in arms i.e. for him both had equal importance. According to him if the people are asked to do a particular thing and if they do not do that convince them and if they still day, use arms against them.

MR. SPEAKER: Right.

SHRI BHOGENDRA JHA: Is the government ready to do something against them or not? Has the Government any hold on the black money holders? Has the black money holders any care for the Government power in India? Though the Government have fixed the Time limit for this concession upto December 31 but the clue left enlivens the possibility of the time limit being extended. A number of former Finance Ministers, Morarji was one of them, advanced these concessions but the result was only despair. Because the black money holders are of the view that government of India, its main factor politics and main newspapers are their slaves and they cannot take any action against them. Therefore, they are indulging in their activities boldly. The Government should at least declare in the House today that they have arms as well as policy. They have the law and they are also ready to impose penalty. The Government should

go ahead with both and make them effective after 31st December. Next Budget is to be presented after six months. The Government should prove to the black money holders prior to presenting the Budget that the Government is an elected one and its intentions are clear. They are sincere and also have powers so that the black money holders should feel that the conditions are unfavourable to them. The bill you want to bring forward must be ready and the hon. Members can and will be prepared to sit even upto 1 O' clock in the night to pass the Bill I hope that the Minister will not evade these questions and will give clear reply in this regard.

SHRI GIRDHRI LAL BHARGAWA (Jaipur): Mr. Speaker, Sir, my only submission in this regard is that though the efforts made by the hon. Minister are sincere but the Government have no way out to extract the black money. Now the Government is encouraging the black money holders to come forward and deposit the black money. 40% of that will go to the exchequer and 60% will go to the holder. But who will disclose his black money? For that the Government will have to give some incentive. If no incentive is given and his efforts may be sincere but the Finance Minister will not be able to extract the black money. Now, the Government for making financial provisions for clearing the slum areas and for providing houses to the poor, this 40% of black money will be utilised and 60% will go back to the depositor. This is what all the people are saying and this is also the view of a separate committee that at present black money worth 80 thousand crores of rupees is available in the country. Efforts will have to be made to extract this money. My submission is that if the rate of income tax charged on the remaining 60% of the black money which is returned, to him is reduced, it would work as an incentive for the black money holder and he will disclose his black money.

My second submission is that the government should certainly formulate a national scheme in the area to which the black

money depositor belongs and he should be made to invest that 60% money returned to him in that scheme. He may set up a cottage industry or a factory there.

In this connection, one should write to the concerned State Government that he intends to invest 60% amount in Hotel business or in some other profession, so he should get free land and amenities like water and electricity. In this manner, while 40% of the amount will go for housing for the poor, the rest 60% will also be spent in developmental work. It is my humble submission to the Government that it should direct the State Governments to provide land free of cost and also water electricity facilities to those interested in investing their money in the hotel industry.

Thirdly, I would like to submit that a provision should be made under which the 40% black money deposited by a person in the National Housing Bank should be utilised for the development of slums and for low-cost housing projects in that area, to which the depositor belongs. If you make any such provision, it would enable us also to persuade the people living in our area and possessing black money to invest 60% of their money in some industry and the rest for the welfare of poor people living in his area. I believe that this would be a very positive step. I am certain that you will look into my suggestions. I also don't see any ulterior motive behind the introduction of this Bill. Your objective seems to be sincere and it is true that black money can't be unearthed by force. Here, the Government itself has set a deadline for people to bring out this black money and assured them that no penal action would be taken against them. I am confident that if you give adequate publicity to this scheme, you will command the support of the people as well as and we too will be able to assist you in this by persuading people interested in converting their black money into white money. These are the suggestions that I want to give to the Government through you.

SHRI DAU DAYAL JOSHI (Kota): Hon. Mr. Speaker, Sir, the Government is at least

[Sh. Dau Dayal Joshi] ta]

making an endeavour to unearth black money through the provisions of this Bill, introduced by the hon. Minister of Finance I also agree with the views expressed by so many hon. Members that there is much doubt about its success. I do not think that black money can be brought out through these means. Actually, this malady has become so deep-rooted that, as the hon. Members mentioned here, the black money generated in the country tax exceeds our national income of Rs. 80,000 crores. The problem can not be tackled, if it is not nipped in the bud itself. This black money is spoiling the whole of economy of the country and even then, the Government is unable to take any concrete step to curb this evil. It is a common feature that the people illegally occupy the land in the hope that it will be regularised during election period. Six months before the elections, announcements are made to the effect that the illegally occupied land in almost all the States, will be regularised. Now, this has been going on since 1960 and people too have been indulging in land-grabbing, without any check whatsoever. Today, the situation has deteriorated to such an extent that in the villages, even grazing grounds and land meant for ponds, are not spared because the land grabbers know very well that once elections are due, the lands unlawfully occupied will be regularised. The situation is so conducive that habitual offenders are ruling the roost. Earlier also, we had launched several schemes to encourage people to bring out black money, but they didn't succeed. Even the Indira Bond Scheme failed. It was also announced that no questions will be asked and no punitive action will be taken against those who come out with their money, within a stipulated period, but in vain. The generation of black money in the country is increasing by leaps and bounds like Surasa's mouth. My humble submission is that the Government should take some more effective steps, apart from the proposed housing bank scheme. Almost all the hon. Members urged the Government to raise the income tax limit, but these suggestions went unheeded.

I don't remember the name very well, but when I was the Chairman of the Municipal council, I had gone to Bombay with a group of artists. When I talked to * , he said that he will issue receipt for a specified amount, but will take a different amount. He told that they would charge Rs. two lakhs for a day's programme, but would issue a receipt for Rs. 50,000 only. When I asked him as to how the Municipal Council would be able to adjust the amount he clearly stated that his houses was raided (by tax officials) just five days back.....

MR. SPEAKER: The names mentioned by the hon. Member won't go on record.

SHRI DAU DAYAL JOSHI: Raids are conducted of the places of small artists, but during 1986* used to charge Rs. 10 lakhs for acting in one film. Today, who doesn't know that Mr.....* takes Rs. 50 lakhs, while signing a film contract, but a very low amount is mentioned in the receipt issued.

MR. SPEAKER: Nobody's name will go on record.

SHRI DAU DAYAL JOSHI: This is a fact known to one and all. It is not a sin to take anyone's name, I am telling you a fact. Everyone knows that the artists are paid his amounts, which are not mentioned in the receipts. The Government's rigid attitude forces the people to indulge in such activities. If we raise the tax limit, we will be able to check the generation of black money to a great extent. The Government should raise the tax limit, in proportion to the rising prices.

Secondly, I would like to submit that in this Bill, there is provision for grant of rewards to those people who impart information regarding the people having black money. In this connection, I would like to mention here that I have written to the concerned officials that the informers do not get the rewards in time. I can cite three or four such instances. Now you can think of yourself about the state of affairs. New bungalows and big shops are coming up in

* Not recorded.

the capital. The income-tax officers do go to these places but the hon. Minister should ensure what they do there. No one pays any attention towards the high rise buildings coming up in the metropolitan cities.

As a result of this the rich are growing richer. My submission is that the Government should take it seriously and unearth the black money. It does not appear to me that the Government is going to make any major achievement through the National Housing Bank. For this, they will have to take certain effective measures. The rich are making money day in and day out. But we people who live in the lowest rung of the society cannot do anything. As such, the Government will certainly have to take some effective measures in this regard.

Just now one of our hon. friends was saying that influence of black money goes on increasing in politics also. Elections are becoming more expensive. In the coming times, a petty worker like me cannot contest the elections. He cannot face the challenge thrown by money holders. On the one hand crores of rupees are being spent in elections and thousands of posters are being stuck, but for people like us, cut in election expenses is being applied. In the circumstances, petty workers like me cannot enter politics. Therefore, my submission is that the Government must take effective measures so as to contain black money. They will have to take some concrete decision. It calls for will-power only. I have no doubt in the honesty of the hon. Finance Minister, but he has to take certain effective measures, and bring forward a Bill in the House during the coming Budget session so that the black money which has caused several problems for us and has been helpful in running a paralleled economy, could be unearthed, I do not think that the provisions of this Bill will be helpful in unearthing the black money. I, therefore, oppose the Bill.

[English]

SHRI SUDHIR GIRI (Contal): Mr. Speaker, Sir, The Voluntary Deposits (Immunities and Exemptions) Bill seeks to

protect the interests of the black money holders who would like to part with a portion of their black money for deposits in the National Housing Bank in accordance with a scheme to be formulated by the Bank. In conformity with the Budget proposals as included in the Finance Bill, this Bill has been presented. The provisions of the Bill would whiten the black money without check cating the black money growth, The Government is encouraging the black money holders. This shows the nexus between the black money holders and the Government.

We are aware that the black money is a major economic problem. We are also aware of the fact that black money raises property and bullion values to absurd heights. It raises consumers' goods prices. It distorts the desired distribution of income and wealth. It distorts the production structure in favour of high income goods. It upsets all calculations and estimates of savings and disposable incomes.

All these factors deserve strict penal measures against such people. But Section 3 of the Bill provides that no person shall be required to disclose the nature and source of deposit. No enquiry shall be made against any person under such law.

The deposits made shall not be taken into consideration for the purpose of even evidence in any court.

You can just imagine the extent of relaxation's given to the people who are committing social crime day by day.

The Government has in mind the object of canalising black money for effective economic and social planning.

But did not the Government try in the past to canalise the black money for certain economic purposes? Has the Government been successful? No.

The Wanchoo Committee did recommend some effective measures to unearth black money. But the Government did not respond. Why?

[Sh. Sudhir Gir]

Shall I then presume that the Government does not want to unearth the black money? Black money has created a parallel economy. It has been thwarting Government measures to check price rise. It has been neutralising government plans and programmes for the upliftment of the poor.

Despite all these negative phenomena, the will of the Government is surprisingly found lacking in bringing the black money holders to book and restrain them. What are the reasons therefore? I, therefore, do charge the Government of aiding and abetting the black money people to further consolidate their position and enhance the volume of black money.

The Sub-section e (ii) of Section 2 of the Bill provides for crediting 40 percent of the deposit to a special fund created for financing slum clearance and low cost housing for the poor.

The Sub-section e (iii) of Section 2 of the Bill provides for crediting 60 per cent of the deposit to the depositor himself for serving his own purposes.

Forty per cent of the black money deposit will thus be invested for housing purposes. 60 per cent of the black money deposit will be payable to the depositor as white money after a year.

This scheme is not entirely new. In 1956 Government introduced 60:40 scheme. It was a Voluntary Disclosure Scheme. Sixty per cent tax and 40 per cent deposit in book.

In 1975, the Voluntary Disclosure of Income Wealth Ordinance was promulgated.

In 1980 came the National Defence Gold Bonds Scheme.

In 1981 Special Bearer Bonds came into being.

Immunities were granted to assesses to disclose their income.

Attempts were also made to flush out black wealth by issuing 12 per cent Venkat Raman Bearer Bonds and 13 per cent Indra Vikash Bonds.

All these schemes failed to unearth black money. Attempts were of no avail, to bring in substantial amount.

So, I do express serious concern about the efficacy of unearthing black money by giving amnesty to the black money holders as the Bill envisages various immunities and concessions. These provisions are seductive appeals, but counterproductive in the long run.

Why the Amnesty measures have failed to act? It is because the major part of black wealth is not held in the form of money, but in the form of real estate, bullion, jewellery etc. and deposits in foreign banks. The cash component of black money is relatively small.

Further, when black money is actually used in profit making activities, the returns are much higher than those of the bearer bonds which double themselves in five years and a half offer.

Thirdly, anonymity in the case of bearer bonds is an advantage. But there are many ways of disguising ownership when black money is used to earn more black money with a yield rate of much more than 13 per cent a year.

Our experiences prove that the amnesty schemes have not gone far in attracting undeclared income or in reimporting the funds exported or held clandestinely in foreign banks.

The deposits in foreign banks may not earn interest But such deposits are increasing in their rupee value with the continuous decline in the exchange value of the Indian currency.

Swap deals are more gainful.

Further, there is one important point to note. The bringing out of accumulated black money will have the same inflationary effects as plan financing through deficit induced money creation. This is dangerous. Ultimately it will be ineffective when everything is calculated in real terms.

If it becomes the only objective of getting vestible funds, then the end can be achieved by accelerating money supply. Why then to give in to the unaccounted money hoarders?

If the usefulness of black money is openly recognised and there is an open invitation to such money to come, that will be an incentive to the earning of further black money.

Really the amnesty scheme envisaged is an offer of special treatment. This is an encouragement for earning more and more money.

On the basis of what I have pointed out, it is the urgent need of the time to prevent the growth of black money rather than to unearth its stock.

Apart from the demerits of the black money in the field of economic management, it also creates ethical problems. Any support or offer to black money goes against accepted standards of social morality. A continuous decay in these standards produces in its turn grave economic distortion. Black money is a problem of law, economics and ethics.

The sub-section (b) to section 4 of the Bill provides for exclusion of the assets of the assessee for the purposes of computing his net wealth under the Wealth Tax Act. This advantage gives a signal to the society that the black money phenomenon is being considered sympathetically. What would be its implications?

Previously the black money operators were shown sympathy and given amnesty. But they did not favourably respond. So, there is no sympathy now and no giving in.

It is high time to stiffen the penal provisions against illegitimate incomes and tax evasion. The rules regarding invoicing must be more rigid. The application of the rules should be made without favoritism and laxity. The political interference must be stopped.

To flush out the black money, it is imperative on the Government to implement the recommendations of the R. G. Chelliah group report. Chelliah Report identified six causes for black money generation. They are: falling moral standards; present taxation structure; government spending; economic control; inflation and weak deterrence.

Of all these causes the weak deterrence assumes the greatest importance. The Government should consider these aspects deeply.

In conclusion, I would point out that unlike the previous amnesty offers, the present Voluntary Deposit Scheme is much more attractive. But the people of dark world don't take interest in social good. They run after money. Money illusion has made them averse to humanity. So, we sympathise with the Finance Minister in his endeavor for flushing out black money. But the signals given by him are not acceptable to those who lead an honest life and to the honest tax payers.

SHRI MANMOHAN SINGH : Mr. Speaker, Sir, I am very grateful to all the hon. Members who have taken part in this debate. Several important suggestions have been made and I think one point emerging from this debate is that the black money is a many-headed monster.

It is a stock problem and it is also a flow problem. The stock problem is due to the amount of black wealth that exists in our society. But it is an annual problem. The hon. Members have mentioned, for example, Shri Suchir giri also mentions the role of taxation structure, our inability to control inflation, weak deterrents and the role of

[Sh. Manmohan Singh]

control. These are all important factors why over a period of time, the stock of black money continues to grow.

I am conscious of the fact that I have promised that this Bill is not an ultimate cure. I admit that it is a palliative and that more basic solutions are needed to root out this evil at its source and that would require a multi-pronged approach.

As far as tax structure is concerned, we are going to simplify it. We are going to rationalise it. As far as economic controls are concerned, the process of discretionary management of the economy through control, dismantling of this control has also begun. In the area of trade policies, in the area of industrial policy, important initiatives have been taken. But I do agree that a lot more could be done and should be done. As far as penal action is concerned, I can assure this House that we will take all possible measures to deal sternly with tax menace, tax evasion. That applies not only to tax evasion but to other anti-social activities like smuggling as well.

Hon. Shri Bhogendra Jha has brought out the question of demonetisation. The Government has no intention to take this suggestion seriously. I have some experience of implementing a demonetisation scheme in the 1970s when Rs. 1,000 notes were demonetised. Nothing came out after this. These things weakened the people's confidence in our currency. They do not deal with the problem at its source. Therefore, I think, this suggestion is totally unacceptable to our Government, howsoever well intentioned it might be.

These are some of the points that were made. Shri Girdhari Lal Bhargava has made some important point and said that we should ensure that the black money mobilised in a particular area is used for programmes for slum clearance in that particular area. I shall certainly bear that suggestion when the time

comes to implement the scheme.

Several Members have expressed doubt that maybe this scheme will not succeed. Well, I am not a prophet nor do I believe in astrology. I think, let us give it a trial.

With these words, I commend this Bill to the House.

MR. SPEAKER: I will put all the amendments together to the vote of the House. I am putting amendments No2, 3 and 4 to the vote of the House.

Amendment Nos 2 to 4 were put and negatived.

(Interruptions)

MR. SPEAKER: The question is:

"That the Bill to provide for certain immunities to persons making voluntary deposits with the National Housing Bank and for certain exemptions from direct taxes in relation to such deposits and for matters connected therewith or incidental thereto, be taken into consideration."

The motion was adopted.

CLAUSES

MR. SPEAKER: The House will now take up Clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 to 5 stand part of the Bill."

The motion was adopted.

Clauses 2 to 5 were added to the Bill.

MR. SPEAKER: The question is:

"That Clause 1, the Enacting Formula, the Preamble and the Long Title stand part of the Bill."

The motion was adopted.

Clause 1,.....the Enacting Formula, the Preamble and the long title were added to the Bill.

SHRI MANMOHAN SINGH : Sir, I beg to move:

"That the Bill be passed."

[Translation]

SHRI BHOGENDRAJHA (Madhu-bani): Sir, I made a request for the demonitisation of 500 rupee notes and I was also assured that stern action would be taken after December, 31. Please reply these two points.

[English]

MR. SPEAKER: Shri Bhogendra Jha, you made a long speech. Please sit down.

MR. SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

MR. SPEAKER: Now, The House will take up Matters under Rule 377.

00.48 hrs.

MATTERS UNDER RULE 377

- (I) **Need to recognise medical degrees awarded to Indian students by Nigeria**

[English]

SHRI A. CHARLES (Trivandrum): Mr. Speaker, Sir, several hundreds of Indian students who have taken Medical degrees especially M.B.B.S. from Nigeria are facing problems in this country since those degrees have not so far been recognised by

the Government of India. These students were forced to return to this country in view of the political situation there. The question of according recognition to the Medical Degree of the above students is pending with Government for the last many years. Several representations were given to the Ministry of Health and Family Welfare and the Indian Medical Association. It was finally decided that a team may visit Nigeria to have an on-the-spot study. The students are very much disturbed and any further delay would cause undue hardship to them. I would, therefore, urge upon the government to look into the problem without any further delay and accord recognition to the above degrees urgently.

- (II) **Need to declare Vilaspur (Madhya Pradesh) University a Central University**

[Translation]

SHRI KHELAN RAM JANGDE (Vilaspur) : Mr. Speaker, Sir, Vilaspur in Madhya Pradesh is a backward district and is predominately inhabited by Harijans and Advaisis. Guru Chhajidas University is the only university in the entire division. There is no proper arrangement for technical education and facilities of medical education are also lacking.

The Central Government may please make all educational facilities available in the said university and declare this University a Central University.

- (III) **Need to bring Poona Miraj-Kolhapur Railway Section under central zone.**

[English]

SHRI PRITHIVRAJ D. CHAVAN: (Karad): Sir, the Poona-Miraj-Kolhapur broad gauge railway line is currently under the South-Central Zone. The Zonal Headquarters are at Secunderabad. The Divisional Headquar-

[Sh. Prithviraj D.Chavan]

ters are at Hubli, which is on the Metre-Gauge. There has been a long-standing demand from all the elected representatives from the area, passengers, industry and the Railway employees to bring this section under the Central Zone. As Secunderabad is very far and not well-connected by rail, it causes great inconvenience in case of claim settlements, passengers amenities and pensions. Both the terminal stations of Poona and Miraj are already under Central Zone, but the Railway track between them is not. This is the Western-most line, while stations as far East as Wadi are under the Central Zone. The change will equalise length under both Zones. It will increase administrative efficiency and reduce inconvenience to users. The Government must review the situation and call a meeting of the officials and elected representatives to solve the problem.

- (iv) **Need to provide adequate Financial assistance to the Government of Uttar Pradesh to enable it raise per capita income up to that of national level**

[*Translation*]

SHRI BHAGWAN SHANKAR RAWAT (Agra): Mr. Speaker, Sir, the per capita income of Uttar Pradesh is constantly going down as compared to per capita income at the national level. In 1950-51 the per capital income of the State was Rs. 270.50. While the per capita income at the national level was Rs. 295.80 Uttar Pradesh ranked 8th in the country. It was Rs. 25.30 less than the per capita income of the national level.

By the end of 1990 the per capita income of Uttar Pradesh had reached Rs. 668, whereas the capita income of the national level was Rs. 895. As such, the per capita income of Uttar Pradesh was less by Rs. 227 as compared to per capita income at the

national level. By the end of the Eighth Five Year Plan the growth rate has been contemplated to be 6%. The growth rate in the national income at the national level is likely to be Rs.1096. But the per capita income of Uttar Pradesh at the same rate will be less by Rs.288. Except for Bihar, the per capita income of Uttar Pradesh has come to the bottom of the list of 25 States.

The constant fall in per capita income of Uttar Pradesh has been attributed to allocation of inadequate funds to the State.

Therefore, I would like to make a demand from the Central Government that it should give adequate financial assistance to Uttar Pradesh for its development and for bringing its per capita income at par with per capita income of the national level.

- (v) **Need for a separate State of Bodoland**

[*English*]

SHRI SATYENDRA NATH BROHMO CHAUDHURY (Kokrajhar): Sir, I, on behalf of All Bodo Student's Union and Bodo People's Action Committee, reiterate the demand for a separate State of Bodoland. This demand is purely constitutional and we promise to abide by the Constitution of India and want to live as dignified Indian citizens.

I want to appeal to the House to give serious thought to this matter and provide democratic rights to the Bodos and other tribals of the N.E. region in Assam. The creation of a separate State of Bodoland should be emphasised with a view to restore permanent peace and normalcy in the region and to fight the meance of ever-increasing secessionist ideas.

(*Interruptions*)

SHRI . P.M.SAYEED (Lakshadweep): We have created a record by working on a holiday up to such a late hour.

(Interruptions)

PROF.K.V.THOMAS (Ernakkulam):
Today in Parliament should be held today
also.

journed to meet tomorrow on Monday the
16th September, 1991 at 11.00 A.M.

00.53 hrs.

(Interruptions)

MR. SPEAKER: The House stands ad-

*The Lok Sabha then adjourned till Eleven
of the Clock on Monday, September 16,
1991/Bhadra 25,1913(Saka)*

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