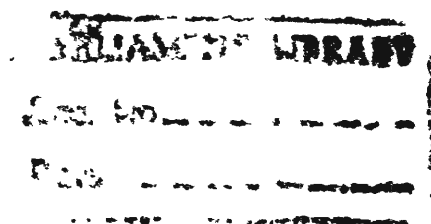


LOK SABHA DEBATES

(English Version)

Fifth Session
(Eighth Lok Sabha)



(Vol. XIII contains Nos. 1 to 10)

LOK SABHA SECRETARIAT
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LOK SABHA DEBATES

1

LOK SABHA

*Friday, February 28, 1986/Phalguna 9,
1907 (SAKA)*

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *In the Chair*]

[*Translation*]

SHRI BALKAVI BAIRAGI : Mr. Speaker, Sir today the very first question is in the name of Memataji. Where are they all ?.....(*Interruptions*)

AN HON. MEMBER : They have not come to the House out of fear.

[*English*]

PROF. MADHU DANDAVATE : He is objecting to the clubbing of the question,

[*Translation*]

MR. SPEAKER : Is it so ? Are you putting on her behalf ?

[*English*]

SHRI AMAL DATTA : Sir, I have no objection. My name has been clubbed with the Hon. lady member. But I don't know whether I will understand her question. That is the problem. Yesterday there was such a problem; somebody interpreted what she was saying.

(*Interruptions*)

[*Translation*]

MR. SPEAKER : You should have at least discussed it with her beforehand.

2

OBITUARY REFERENCES

[*English*]

MR. SPEAKER : Hon. Member, I have to inform the House of the sad demise of three of our former colleagues namely, Sarvashri T. C. N. Menon. Maheswar Naik and Jagjivanrao Ganpatrao Kadam.

Shri T. C. N. Menon was a member of Second Lok Sabha during 1957-62 representing Mukundapuram constituency of Kerala.

A veteran trade unionist, he was associated with several trade unions in Kerala State. An advocate by profession, he served as Advocate-General of the State.

Shri T. C. N. Menon passed away at Cochin on 10 February, 1986 at the age of 59 years.

Shri Maheswar Naik was a member of the Third Lok Sabha during 1962-67 representing Mayurbhanj constituency of Orissa. He had also been a member of the Provisional Parliament and Rajya Sabha during 1950-52 and 1956-62 respectively. Earlier, he had been a member of the Mayurbhanj State Legislative Assembly during 1944-46 and 1947-49. He held the office of the Minister of Development and Education in the Cabinet of the then State of Mayurbhanj.

A well-known social worker and educationist by profession, Shri Naik worked tirelessly for the welfare of weaker sections of society and for rural uplift. A veteran academician, he took keen interest in the advancement of education. He was associated with several educational institutions in various capacities and was the author of several publications in English and Oriya.

Shri Naik passed away on 14 February, 1986 at the age of 80 years.

Shri Jagjivanrao Ganpatrao Kadam was a member of the Fifth Lok Sabha during 1971-

77 representing Wardha constituency of Maharashtra. Earlier, he had been a member of the Bombay Legislative Assembly and Maharashtra Legislative Assembly during 1946-56 and 1967-70 respectively.

A well-known social worker and agriculturist by profession, Shri Kadam relentlessly worked for the welfare of weaker sections of society, keenly interested in the cooperative movement, Shri Kadam headed several co-operative organisations in the service of the farming community.

Shri Kadam passed away at Arvi in Maharashtra on 15 February, 1986 at the age of 81 years.

We deeply mourn the loss of these friends and I am sure the House will join me in conveying our condolences to the bereaved families.

The House may now stand in silence for a short while to express its sorrow.

The Members then stood in silence for a short while.

— — —

ORAL ANSWERS TO QUESTIONS

[English]

Loan Functions for distribution of Bank Loans to economically backward people

*82. KUMARI MAMATA BANERJEE
SHRI AMAL DATTA :

Will the Minister of FINANCE be pleased to state :

(a) whether a number of leading nationalised banks have organised Credit Camps during 1985-86 in various parts of the country to distribute bank loans amongst the economically backward people; and

(b) if so, the names of the lead bank and the participating banks, the number of persons to whom loans were sanctioned including amount involved and the schemes under which such loans, were sanctioned ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) A Statement is given below.

Statement

The public sector banks have been taking many measures including holding of credit camps with a view to increase the flow of the credit to weaker sections. These camps are generally organised by the field functionaries of banks and no central monitoring of these camps is done or considered necessary. The present data reporting system does not give the information relating to number of camps organised by various banks in different parts of the country and the amount of loans sanctioned or disbursed in such camps. The total outstanding credit in favour of weaker sections went up from Rs. 4072 crores as at the end of March, 1985 to Rs. 4844 crores by the end of December, 1985.

[Translation]

MR. SPEAKER : Mamataji, it is really a wonder today. Two persons having opposite views have been clubbed together. What can be better than this ?

(Interruptions)

[English]

MR. SPEAKER : It is democracy. It is democracy personified, I should say.

SHRI AMAL DATTA : That is the credit of your office.

KUMARI MAMATA BANERJEE : What is the credit—deposit ratio in Tamil Nadu and West Bengal during the year 1985 ? Secondly, what is the proposal of the Government to organise more and more credit camps in the country especially in West Bengal in the year 1986-87 and to distribute the loans for the weaker sections and the unemployed youth. I think that the Government should distribute the loans without any party-politics. What is the Government's proposal in this regard ? How and when is the Government going to organise such credit camps in West Bengal ? In this connection, may I know whether the Government is aware that the Chief Minister of West Bengal has given a Press Statement saying that 'I will not allow the credit camps' and saying that 'I will ask the Central Government to give me power to control the nationalised banks and then only I will allow all this' ? So, what is the Government's proposal regarding this ? It is because you

know, in West Bengal all the schemes in respect of IRDP, RLEGP, and NREP are being organised by the West Bengal Government. They are only for your corrupt bank people. Your bank people are very much corrupted and they are closely associated with CPI (M). So, I would like to get a categorical answer from you regarding this.

SHRI JANARDHANA POOJARY : The credit deposit ratio of Tamil Nadu is 95 per cent.

(Interruptions)

SHRI H. A. DORA : We are at a loss to understand the question, Sir.

MR. SPEAKER : I think only he should understand.

SHRI AMAL DATTA : Let us hear the reply.

SHRI JANARDHANA POOJARY : The credit deposit ratio of West Bengal is 57 per cent.

Sir, in the Regional Consultative Committee Meeting held in Calcutta, the former Finance Minister of West Bengal Government had made a point that more flow of credit should be there for West Bengal. So, I had promised in the Regional Consultative Committee Meeting that I will personally monitor it and there will be more accelerated flow of credit to West Bengal.

So far as the allegation or any statement that is referred to by the Hon. Member, that is, so far as the statement of the West Bengal Chief Minister, is concerned, I would say that even the West Bengal Chief Minister was involved in the credit camp on 18.12.1985 and Chief Minister and another colleague of his Cabinet came and distributed the loans. Here also I can say that if there is any objection coming, whether it is from the Chief Minister of West Bengal or any person, to the credit flow to the weaker sections, it will not be stopped and weaker sections will be helped.

KUMARI MAMATA BANERJEE : My second Supplementary is this : Through whom the IRDP scheme will be implemented ? Panchayat or DRDA ? If it is DRDA, then why some of the States are organising

this scheme through panchayats, specially the panchayats of West Bengal ? It is because so many common people are not getting facilities. I would like to know whether the Government has any proposal to check up all these things and to set up a new non-official committee to identify economically backward people, because the common people in West Bengal are not getting any benefit ? In respect of IRDP actually poor people have been hated like anything. They are not getting any loan from the bank people and I am telling you categorically that poor people are not getting the loans. So, may I know from the Hon. Minister whether the Government have any proposal to set up a non-official committee to inquire into all these things ? Certainly you should give loans to the people of weaker sections and this should be continued.

(Interruptions)

SHRI JANARDHANA POOJARY : Sir, the IRDP beneficiaries are to be identified by the District Rural Development Agencies, i.e., DRDA. It has been brought to our notice that in some States even some panchayats are also involved.

So far as the submission of applications is concerned, anybody can submit the applications. It may be from the representative of the people or any individual also apart from these panchayats. But identification is done by DRDA and after identification by DRDA the identified people are referred to the banks and the banks will process and sanction the loans. If at all there is an allegation—we have been receiving from some quarters allegations that identification is not done, as stated by the Hon. Member, and often here also it has been stated like that. Now, we are looking into that.

SHRI AMAL DATTA : Sir, so far as this answer is concerned, it shows how this particular Department is functioning. They have no system of monitoring whatsoever so that they cannot say how many credit camps have been held except perhaps Mr. Poojary may be able to say how many he personally attended because most of them are being held at his instance and he is attending them personally.

Sir, there is nothing against credit camps being organised as such, but if one examines

the guidelines given by the Planning Commission and the Ministry of Rural Development, one will find that identification of beneficiaries and approval of schemes is a very long drawn procedure, it takes at least six weeks to two months to approve credit for a particular person. Now credit camps have been held recently during the last year involving 40,000 people in one credit camp with a notice of two to three weeks. Let Mr. Poojary deny this. In the last fiasco in West Bengal involving two proposed camps at Jadavpur and Mathurapur, only about two weeks notice was given. I have got the papers to show that the bankers' meeting was held only two weeks prior to the proposed date of holding credit camps in which they proposed to give credit to 40,000 people and the approval of the DRDA was to be given within that time. It was not just humanly possible to do so. Therefore, what they did was, they gave a go by to the prescribed procedure of selection and they said, only MPs, MLAs would be able to recommend and on their recommendations, loans would be given. This particular decision was only communicated to a few MPs. (*Interruptions.*) This is the background.

Now, my question is, will you ensure in future that in all credit camps held—I do not mind if credit camps are held—all those procedures which have been prescribed by the Planning Commission, the Ministry of Rural Development and the Reserve Bank of India are followed for identification of beneficiaries, for approval of schemes and for disbursement of funds? This is the crux of the matter. Will you ensure that loans are not given only on the recommendations of MPs or MLAs or for that matter any political person, but given only after following the proper prescribed procedure?

SHRI JANARDHANA POOJARY : I fully agree with the Hon. Members that the beneficiaries should be identified properly and also the processing should be done properly. Here, the Hon. Member has made a point that sufficient time was not provided for holding the credit camps. In all the cases, I can tell the Hon. Members that at least 3 or 4 months are being given. I just give you one example. In Bangalore, one credit camp was held. 40,000 people were to be given loans. About 563 branches were there and 100 applications per branch were given.

Four months' time has been given. That means, not even one application comes per day. Sufficient time has been given.

SHRI AMAL DATTA : I do not know about Bangalore. What about Jadavpur?

SHRI JANARDHANA POOJARY : Here also and everywhere sufficient time is given. Sometimes, it may be short. I do not deny the statement. In some cases, even the time has been prescribed for those people to hold functions. If bank people cannot do it, it is their fault. If that is brought to us, we will look into it. But whenever credit camps are being held, sufficient time is given. So far as the weaker sections are concerned, any application for an amount up to Rs. 25,000 is submitted, granting of loans is to be disbursed, is to be sanctioned within 14 days. This is the time-limit prescribed by the Reserve Bank of India. Beyond that amount, 8 to 9 weeks' time is given.

Now, we have been following the guidelines of the Reserve Bank of India and also the guidelines given by each and every Department. Clear instructions have been given that whenever an application goes to the bank people, the guidelines should be followed and they are being followed, (*Interruptions.*)

SHRI AMAL DATTA : Sir, I seek your protection. My questions have not been replied. I asked whether proper procedure has been followed in the credit camp held at Jadavpur. He has not replied to that. He only said, sufficient time has been given.

MR. SPEAKER : He said, "I do not deny that. It might have happened". That is what he has said.

SHRI AMAL DATTA : What about the procedure? (*Interruptions.*) He said that sufficient time has been given...

(*Interruptions*)

SHRI ASUTOSH LAW (Dum Dum) : Considering the fact that there is an acute unemployment problem in West Bengal due to the utter failure of the State Government...

(*Interruptions*)

MR. SPEAKER : Order, order.

SHRI ASUTOSH LAW : ...will the Union Minister of Finance further intensify this programme of credit camps in West Bengal to provide further financial help to the poorer sections in spite of the fact that there is a total failure of law and order in the State as also the political threat from a political party in the State ?..

MR. SPEAKER : Only what is pertinent to this question may be answered.

(Interruptions)

SHRI SURESH KURUP : Will you direct him to ask a proper supplementary ?..

(Interruptions)

MR. SPEAKER : His name is 'Asutosh Law'. So he talks of law and order...

(Interruptions)

MR. SPEAKER : I do not know about West Bengal.

SHRI JANARDHANA POOJARY : As I stated earlier we have decided to accelerate the flow of credit to the eastern region which includes West Bengal also.

I went to Jalpaiguri. There we distributed loans to 16,550 people. There the Addl. District Collector told me that loan applications sanctioned under the IRDP have not been disbursed and 10,000 to 12,000 applications were given. After my going they have been accepted. They have been pending for the last 2 to 3 years—he has stated. It is for clearance of the arrears and for accelerating ..

(Interruptions)

SHRI AMAL DATTA : That means that the banks have not been functioning properly and they did not disburse the amount...

(Interruptions)

MR. SPEAKER : Order, order.

[Translation]

SHRI GIRDHARI LAL VYAS : It is they who have created this mess and now they want to pass on the blame to the Central Government...(Interruptions).

MR. SPEAKER : Vyasji, do you not see what hour is this ? You should know that it is the Question Hour...

[English]

You can have a discussion. But this is Question Hour and not a discussion hour.

Import of Sugar in 1986-87

*83. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government are considering a proposal to import sugar to meet anticipated shortage for domestic consumption during the year 1986-87;

(b) if so, the details of the shortage assessed by Government; and

(c) when a decision is likely to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) to (c). The Sugar Year 1986-87 starts from 1.10.1986. Therefore, at this stage, it is too early to make any assessment regarding the anticipated sugar production in the Sugar Year 1986-87 and consequently a view can be taken in this regard only by the end of 1986.

[Translation]

SHRI BALASAHEB VIKHE PATIL : Mr. Speaker, Sir, the main question asked by me is :

[English]

"Whether Government are considering a proposal to import sugar to meet anticipated shortage for domestic consumption during the year 1986-87 ?"

[Translation]

And here reference has been made to production besides the domestic consumption. Since we are formulating the Seventh Five Year Plan, we have also drawn estimates as to what would be our production and consumption each year. Accordingly, I want to

know what targets have we fixed in respect of production and consumption and what would be the likely shortfall. With a view to meeting the consumption, we had also held a meeting in December at the level of the Cabinet Secretary. In that meeting also, it was discussed that we would import raw sugar, reprocess it here and supply that sugar to the consumers. I want to know whether keeping this in view, have the Government held discussions with the sugar industry or not and if so, what were the results thereof? How are you going to meet the shortage? Are you going to evolve a new sugar policy? In case you propose to frame a new sugar policy, the time by which the same would be implemented?

[English]

SHRI A. K. PANJA : In fact this year the production of sugar is quite encouraging and if I can give the figures ..

SHRI BALASAHEB VIKHE PATIL : 1986-87 estimated production I am talking.

SHRI A. K. PANJA : For the estimate of the year which has not yet been completed, we have to take into consideration the previous year, and the manner in which production is increasing. In 1985-86, as on 7th February, 1986, we are quite high up in production—38.04 lakh tonnes. The corresponding figure for the same period last year was 33.15 lakh tonnes. Our expected production is estimated at 65 lakh tonnes. As regards the estimated demand, that is, consumption or requirement, it is expected to be 85 lakh tonnes. When the figures are 65 lakh tonnes and 85 lakh tonnes, where does the balance come from? The balance comes from the carry-over, that is, 14.24 lakh tonnes as on 1st October, 1985; then released but undespached levy sugar is 2.54 lakh tonnes; the balance unreleased sugar is 11.70 lakh tonnes. The estimated production is 65 lakh tonnes, as I have already said. Imported sugar as available in 1985 is 14.10 lakh tonnes. The total comes to 90.80 lakh tonnes, and the expected requirement would be 85 lakh tonnes. Therefore, we will have an estimated carry over of 5.80 lakh tonnes. There will be no shortage.

SHRI BALASAHEB VIKHE PATIL : My question has not been answered. I was asking about 1986-87 and he has replied for 1985-86.

[Translation]

I am asking about 1986-87. You have given no reply as to what decision has been taken in the matter of importing sugar. Then you have also not replied about the reprocessing of sugar and framing a new sugar sale policy which was under consideration of the Government. I have yet another supplementary to ask. Therefore, you please reply to my first supplementary and then only I shall put the other one.

MR. SPEAKER : You put your second supplementary also. Reply to both will be coming together.

SHRI BALASAHEB VIKHE PATIL : Mr. Speaker, Sir, if you insist I shall put my second supplementary also, but at the same time, I shall insist on having a reply to my first supplementary as well. My second supplementary is that in view of the shortage of sugar, to the Government propose to give more incentive to late crushing from 1st April in view of the fall in recovery in summer so as to raise the sugar production and do the Government purpose to give incentive early next year? The incentive given by you last year did not result in increase in sugar production and it rather came out to be a disincentive. Therefore, are you going to give incentive early for the next year or not?

[English]

Please reply to both the questions. Otherwise, it is no use putting questions in the House.

SHRI A. K. PANJA : The first part of the question, I have already answered. Coming to the second part, regarding incentives, the Government is fully aware and conscious of this. Therefore, two main systems have been evolved: one is short term incentive and the other, long-term. So far as the short-term is concerned, the price was Rs. 14; it has been increased, because of the recommendation, to Rs. 16.50; next year, it is going up to Rs. 17/-. In fact, the producers get from the millers a higher amount according to the State; it varies from Rs. 20 to Rs. 27. Secondly, so far as production during the lean months is concerned, October-November, in order to increase the production, in the beginning of the season,

excise duty rebate on the extra production made during the lean months has been allowed.

SHRI M. RAGHUMA REDDY : The total milling capacity in our country is ten million tonnes. We need 8.5 million tonnes of sugar. Last year the production, according to the Minister, was only 5.9 million tonnes...

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKAR : It is not production. Carryover.

SHRI M. RAGHUMA REDDY : I want to know whether the Ministry of Commerce and the Ministry of Agriculture have any coordination between them as to how much production of cane we require. The farmers are burning their cane and the Commerce Ministry is importing sugar from outside. I want to know whether the Ministries of Commerce and Agriculture will have coordination and also whether they are going to announce the prices one year ahead so that the farmers can grow more and more to meet the requirements.

SHRI A. K. PANJA : There is coordination between the Ministries of Commerce and Agriculture. Otherwise, how can we achieve this? This is a request for action. As regards the second part for the next year we have made it Rs. 17/-. It has already been declared. This year it is Rs. 16 5.

[Translation]

SHRI RAM FYARE PANIKA : So far as the problem of sugar is concerned, it is an established fact that the farmers produce more in the year in which they are given incentive. The information this year from all the States is that in spite of the fact that some of the mills in Uttar Pradesh and Bihar have paid sugarcane price more than what the State Government or the Central Government have fixed, the area under sugarcane has not increased. Will the Hon. Minister give an assurance in the House that after giving due consideration to the inputs, the Government would announce remunerative price for the next year well in advance so as to encourage the farmers to grow sugarcane in order to save foreign exchange on the import of sugar?

[English]

SHRI A. K. PANJA : Reasonable price to the farmers is one of the items. There are various other factors involved so that price of sugar is controlled and availability made. So far as payment to farmers is concerned earlier it was Rs. 14 which was increased this year to Rs. 16.5 and for the next year we have made it Rs. 17/-. We have already declared it. The main reason for shortfall is drought which we had in the last two years. This year we are picking up and the production is good.

Consumer Protection Guidelines

*84. **DR. G. VIJAYA RAMA RAO :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether at the recent Seminar on Consumer Protection held in Delhi on 20-21 January 1986, Consumer Guidance Society of India had suggested for adoption Consumer Protection Guidelines :

(b) if so, the action proposed thereon;

(c) whether Government propose to give special consideration to consumer safety, supply of goods, and services of mandatory standards;

(d) whether for ensuring the above, effective consumer laws and consumer education through mass media, will be introduced;

(e) whether consumer protection priorities will be given to food, water and pharmaceutical; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Yes, Sir.

(b) to (f). A Statement is given below.

Statement

An All India Seminar on Consumer Protection was held in New Delhi on 20-21 January, 1986 to discuss various Administrative, legal and Monitoring measures for consumer protection including Draft Model Law on Consumer Protection to be adopted by the States/Union Territories. The seminar

was attended by the representatives of Central Ministries/Departments concerned with consumer protection laws, State Governments and Voluntary Consumer Organisations. The measures initiated by the Government were welcomed by the participants who also made certain suggestions for consideration by the Government.

The Consumer Guidance Society of India which also participated in the Seminar, made following important suggestions :

- (i) Creation of a separate Ministry/ Department of Consumer Affairs with Consumer Protection Council and the Directorate of Consumer Protection.
- (ii) giving more powers to the Voluntary Consumer Organisations.
- (iii) inclusion of public utility services under the purview of the model law.
- (iv) compulsory ISI certification of all consumer products.

Department of Civil Supplies as a nodal Department for Consumer Affairs is coordinating with other concerned Central Departments on all matters relating to consumer protection.

Delhi Administration has set up a Directorate of Consumer Affairs under the Department of Food and Civil Supplies as a nodal agency to deal with the various problem of consumer. In Delhi, well established Voluntary Consumer Organisations have been given certain powers of inspection and acting on complaints of consumers.

While the Central Government is taking action on various suggestions made at the Seminar, it may not be possible to include public utility services in the Model Law, as this may lead to multiplicity of authority, since the concerned Departments of public utility have appropriate machinery for redressal of public grievances.

The Government accords high priority to consumer safety, supply of goods and services of mandatory standards. To ensure safety and health of consumers, the Government has enforced compulsory quality control and certification for 93 products. In addition,

the Government proposes to introduce mandatory quality control in a phased manner for items involving health and safety of consumers, such as, household electrical appliances, GLS Lamps, milk power, condensed milk, oil burning pressure stoves etc.

Consumer Protection Laws e.g., Prevention of Food Adulteration Act, Monopolies and Restrictive Trade Practices Act, Essential Commodities Act, are being amended to provide better protection to the consumer.

Mass-media is undertaking programmes on consumer education. To protect consumer's interest, priorities are accorded to essential items, like food and drugs

DR. G. VIJAYA RAMA RAO : Adulteration in our country is more. The official report itself says that compared to other countries the adulteration percentage is between 20-30 in our country. This is because of ignorance and illiteracy among the rural people. The mass media like the Press, TV and AIR are not playing proper role to root out illiteracy in this country. I would like to know from the Minister whether they will encourage formation of consumer organisations throughout the country and also financially help consumer organisations to function throughout the country? Secondly, will they permit the consumer organisations to monitor mass media like TV and AIR?

SHRI A. K. PANJA : So far as voluntary organisations are concerned we are encouraging voluntary organisations to come forward provided they fall within certain parameters which are known to the Hon. Members. In fact, various voluntary organisations have been helped in this regard. So far as availability of funds is concerned, the funds are also provided to those who satisfy the conditions laid down. Further so far as consumer protection is concerned a model law is on the anvil. It is being considered from all angles taking into account the various views expressed by various organisations and also some State legislatures. The model law is being drafted taking into account the various views so as to make it proper and good law.

DR. G. VIJAYA RAMA RAO : What about monitoring the advertisements in TV and AIR?

SHRI A. K. PANJA : I am sorry I forgot the last part. We are taking the help of mass media organisations not only for monitoring but also making consumers conscious about their rights. The main point is to make our unwary consumers, that is, the purchasers, conscious of their rights and also to bring them to such a conscious level that they ask for their rights from the sellers and ask for proper things from the sellers.

DR. G. VIJAYA RAMA RAO : What are the specific measures that the Government have been adopting specially in regard to the legal system, safety regulations and implementation of national standards to ensure that products are safe for us, including consumer education by way of giving vital safety information in respect of products, such as, electrical appliances, drugs, etc. ?

SHRI A. K. PANJA : There is the ISI specification and some of these items are in the list. There is a long list. If the Hon. Member wants, I can give him. I need not go into the list of items because the Hon. Member already knows about it.

For these items it has been made compulsory that ISI marking must be there on each of the listed item so that the consumers are protected or at least they look at the ISI marking while purchasing the items.

So far as the law is concerned, I have already said that Anti-Adulteration Act and the M. R. T. P. Act are now being applied for the purpose of enforcing the rights of consumers so that the health and life of the people, that is, the consumers, are not affected.

SHRI HAROOBHAI MEHTA : One of the areas in which consumers are cheated is retail price. Will the Government come out with a proposal requiring retail price to be printed on each commodity sold in this country ? The Hon. Minister must be aware that in countries like the U. S. S. R. retail prices are printed on each commodity so that the consumers get each commodity at the same price whether in Moscow or in the remotest village. Is there any proposal to print the retail price on each commodity so as to serve the interest of consumers and they are not cheated.

SHRI A. K. PANJA : At present on every specified package we are giving the weight so that the consumers are protected from getting commodities of under-weight and do not fall a victim of getting commodities of less weight. So far as mentioning of the price is concerned, on each item which the consumers purchase, the proposal is worth considering and we will look into it. However, in some specified listed items of package price is also printed.

Delay in setting up of currency note press at Panagarh (West Bengal)

***87. SHRI SATYAGOPAL MISRA :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that his Ministry has given up the proposal for setting up of a currency note press at Panagarh, West Bengal;

(b) if so, the reasons therefor; and

(c) if not, the reasons for delay in implementing the proposal ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Does not arise.

(c) An Officer on Special Duty has been appointed on 31.8.85 for this project. M/s. Metallurgical and Engineering Consultants (India) Ltd. have been engaged for preparation of Feasibility Report. They have submitted a project profile on 31.1.86. Action is being taken to depute a team to visit a few countries abroad for selection of process technology and choice of machinery. Feasibility report will thereafter be prepared for facilitating investment decision.

SHRI SATYAGOPAL MISRA : Sir, my question has not been fully answered. In my question, I have asked the reasons for delay in implementing the project. But no answer has been given to this specific question. The idea of setting up a currency note printing press at Panagarh, West Bengal, was initiated during the year 1984. Now, we are in 1986. In view of the fact that the country is facing acute coin shortage, will the Government have a time-bound programme and inform

the House the probable date on which the project will be commissioned?

SHRI JANARDHANA POOJARY : The project implementation will come after the project has been approved. It has to go to Public Investment Board for approval. The feasibility report has to be prepared. The availability of water which is the most important factor has to be considered. Water to the extent of 15-20 lakh gallons per day is required; and the water will be provided through the tubes. We have to think of the security angle also. For example, when we print the notes worth about Rs. 1500 crores, that will be a big treasure. The notes have to be carried from one place to another. All these factors have to be considered. There is no delay as such. The feasibility report is being prepared and after the feasibility report, it would go for approval and only after that further action will be taken.

PROF. MADHU DANDAVATE : If there is any difficulty in carrying the notes, they can be left in Bengal.

SHRI SATYAGOPAL MISRA : The Hon. Minister has stated in his reply that action is being taken to depute a team to visit a few countries abroad for selection of process technology and choice of machinery. May I know from the Hon. Minister which are those countries?

SHRI JANARDHANA POOJARY : We would not like to disclose that at this stage.

(*Translation*)

SHRI GIRDHARI LAL VYAS : The Hon. Minister has stated that the scheme has not yet been approved. Therefore, may I know from the Hon. Minister whether before giving approval to the scheme, he would ensure adequate safety for the proposed currency note press? Have you also considered the aspect as to how much bungling would take place there?

(*English*)

MR. SPEAKER : Next question.

Fall in coffee price

*88. **SHRI VAKKOM PURUSHOTHAMAN :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware that coffee growers in the country, especially in Kerala, are destroying their coffee gardens to switch over to other cultivations due to the fall in price of Coffee; and

(b) whether Government propose to take any steps to ensure a reasonable price to coffee growers?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). No, Sir. In fact coffee growers have been getting remunerative returns.

SHRI VAKKOM PURUSHOTHAMAN : I am sorry to say that the answer is not correct. Coffee growers are not getting enough price of the high cost of production. Therefore, they are destroying the coffee gardens to switch over to other more remunerative cultivation. Kerala, Karnataka and Tamil Nadu are the major coffee growers; I know that personally. Probably, coffee is the only agricultural commodity where there is an incidence of export duty. Taking into consideration the difficulties faced by the coffee growers, will the Government take steps to abolish this export duty for the coffee?

SHRI P. SHIV SHANKER : The assumption that the Hon. Member made does not appear to be correct. The entire coffee produced has got to be surrendered to the Coffee Board. Out of this one-third is used for the internal consumption and two-thirds for the export market. When it comes to the question of internal consumption, the minimum release price is fixed taking into consideration the cost of the cultivator plus 10 per cent of the post tax profit that he should get. When once this formula is applied, naturally the grower gets the profit. It is not a case where he is getting the price at a lower rate, so that he suffers. Therefore, the position as it emerges with the reference to the release price in the internal market, the prices range in a better position as a result of which there is a case of sufficient profit to the grower. Apart from that, as I said, two-thirds of the coffee has got to be exported and this is based on the international prices, which are much higher as compared to indigenous prices. Now, when it is a question of two-thirds of the coffee of the grower being

exported, he gets his profit there also, which is much higher than what is fixed in the country based on the minimum release price. Therefore, I am sorry to say that the assumption of the Hon. Member does not appear to be correct. In fact various incentives have also been given for the purposes of the growth of coffee and on the question of the export duty, we have found that there is no case for the abolition, as has been suggested.

SHRI VAKKOM PURUSHOTHAMAN:

The growers' complaint is that the cost of production has not been assessed properly. Anyway, I understand that the revision of the minimum release price, consistent with the increased cost of production is now pending before the Government for some time. Will the Government take an immediate decision in this regard?

SHRI P. SHIV SHANKER : The minimum release price was fixed last in 1983. Thereafter in January 1985 a directive was given for the purpose of going ahead and fixing a minimum release price and a Committee was constituted. Its report is expected within about a month or two and once that report comes, the minimum release price would certainly be revised.

SHRI E. AYYAPU REDDY : Is there any confederation of coffee growing countries in the world? If there is no such confederation, will India take steps to organise such a confederation? All the coffee growing States are in the South and the external market is in the North. In order to protect the poor countries of the South which are coffee growing States, will India take steps to organise a confederation of the coffee growing countries of the world?

SHRI P. SHIV SHANKER : It is very difficult for me to immediately react to the proposal that has been put forward. But the fact of the matter is that India is one of the exporters of coffee. Along with Brazil, there are many countries which are catering the international market. So far as the international prices are not concerned, they are governed in the London market and these fluctuations do take place, but they do not take place so often.

MR. SPEAKER : Do they still govern there?

SHRI P. SHIV SHANKER : That market was supposed to be an international congregation for purposes of fixing the price of coffee and tea, both. The point that is urged by my friend is with reference to confederation. As I said, it might be a case to be considered. But it is not possible to give an immediate answer for a confederation. If we go for it, it is possible that we might suffer a loss in the international market because we are the major exporters.

DR. K. G. ADIYODI : The assumption of the Minister is not correct. The minimum release price has to be fixed every year before the harvest, but that is not being done regularly. Another thing is this. Though the price in the international market is high, one-third of the production is sold at a discount price to Russia. Russia is the only buyer outside the non-quota countries. So, the price fall is there in every year and as the cost of production is high, coffee is replaced by some other crops by the growers. Will the Government take action to prevent it?

SHRI P. SHIV SHANKER : I have already submitted that so far as the minimum release price is concerned, it is under review. The moment the Committee gives the report on the basis of the cost estimations, the price will naturally be fixed accordingly. But even the prices that have been fixed in 1983 are not against the interests of the growers. That is what I have already submitted. I have also said that from the export quota also, the grower gets his own profit which is much higher than the minimum release price. On the question of what is called as favouritism to Russia, I must submit that Russia is a prominent non-quota country to which we supply. There had been agreements. And on the basis of the agreements, the supplies have been effected. There are quota countries also. This is the prominent non quota country so far as we are concerned. And on the basis of the agreement, every year, we had been supplying Coffee to this country on a very reasonable rate. It is not as though undue-favour has been shown to this country. In fact, if we take into consideration the figure of 1984-85, we have been able to supply Coffee to the tune of Rs. 61.34 crores to this country.

SHRI H. N. NANJE GOWDA : Regarding the Export Duty, you have raised it from

Rs. 3000 to Rs. 6000 on 31st January, last I do not know whether coffee lobby is not powerful as such or tea lobby is more powerful and Government has abolished export duty on tea. What are the criteria for fixing export duty and that too for increasing it? You were telling us that this Export Duty is having a direct bearing on the income of the Coffee growers and the remunerative prices I am coming from the coffee growing area. I know the problems of coffee growers. What you have estimated as the cost of coffee cultivation is not correct. It is double actually. The margin of profit provided for a small Coffee grower per tonne is such that he is not in a position even to earn about Rs. 1,000/—, I may say. Will you please re-consider abolishing Export Duty as you have done in the case of tea?

SHRI P. SHIV SHANKER : The question itself answers the poser that has been put by my friend. He says that it is lesser profit and he pleads for a higher profit. That part of it I have said. In respect of the minimum release price, that would be fixed on the basis of the report that would be submitted within about two months' time, which we are expecting. The Committee was constituted in January, 1985 to go into it and revise the costs.

Sir, on the question of the guidelines, with reference to export duty, a revision of Export Duty has been effected. I must submit that the Export Duty is a proportion which is normally 50 per cent of the difference between the London Terminal Price and the base remunerative price. This is how normally the Export Duty is fixed. The Export Duty was last revised on the 31st January, 1986 to a level of Rs. 6,000 per tonne.

At that time, London Terminal Price was about Rs. 44,700. In fact if it is a case, it is a case of increasing the Export Duty and not reducing it.

[Translation]

**Loans under State sponsored schemes
through nationalised banks during
Sixth Five Year Plan**

***89. SHRI DILEEP SINGH BHURIA :**
Will the Minister of FINANCE be pleased to state :

(a) the total amount made available as loans under the State sponsored schemes through various nationalised banks during the Sixth Five Year Plan;

(b) the amount made available as subsidy by the Union and State Governments against this amount;

(c) whether it is a fact that the amount of subsidy is not credited for a long time to the accounts of beneficiaries in various nationalised banks and their branches and as a result thereof the beneficiaries have to bear the burden of interest on that amount unnecessarily;

(d) if so, whether the Government have issued any instruction in this regard; and

(e) whether Government propose to ask the concerned banks to waive the interest so imposed on the beneficiaries?

[English]

**THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) :** (a) to (e). A Statement is given below.

Statement

(a) The total amount made available under the Integrated Rural Development Programme (IRDP) by the banking system during the Sixth Five Year Plan was Rs. 3101.61 crores. Under the Scheme for Self Employment of the Educated Unemployed Youth (SEEUY) which was introduced in 1983 loans aggregating Rs.831.07 crores were sanctioned by banks during the two years 1983-84 and 1984-85.

(b) The aggregate amount made available as subsidy by the Central and State Governments under IRDP during the Sixth Plan Period was Rs. 1661.17 crores. Under SEEUY subsidy amounting to Rs. 173.97 crores has been released so far against the loans sanctioned during 1983-84 and 1984-85.

(c) to (e). Under SEEUY the subsidy amount received by the bank kept in a separate term deposit account for being adjusted towards the end of loan repayment. Under the IRDP the District Rural Develop-

ment Agencies are required to keep sufficient funds with the principal bank branches of the district. The other bank branches operating in the district are required to draw the subsidy amount from principal branches and to credit the same into the account of the borrower without undue delay. However, there have been instances of delay in subsidy adjustment for various reason like non-availability of sufficient funds, delay in transfer of funds from the DRDA to the principal branches and from principal branches to the financing branches, delay in the reconciliation of subsidy amount between DRDA and bank etc. The RBI has been advised to instruct the banks that in cases where the banks are responsible for the delay in adjustment of of subsidy, no interest on the subsidy portion should be charged from the borrower for the period of delay.

[Translation]

SHRI DILEEP SINGH BHURIA : Mr. Speaker, Sir, my question was quite clear but the Hon. Minister has given an evasive reply to it. The Hon. Minister has himself admitted that the amounts which used to be given as subsidy were being deposited by the concerned banks in their account and a rate of interest from 18 to 20 per cent was charged by these banks from the farmers on the loans. I want to know from the Hon. Minister whether he has ordered or he proposed to order any inquiry into it and whether the penal interest and compound interest being charged from the farmers will be waived ?

[English]

SHRI JANARDHANA POOJARY : Sir, it has been very clearly stated in the reply that the Reserve Bank of India has been advised by the Government of India to instruct the banks that they should not charge interest on the subsidy portion. That has been made very clear. And there is no vague answer given.

[Translation]

SHRI DILEEP SINGH BHURIA : Mr. Speaker, I have not received a specific answer to my question. I want to know whether interest charged by the banks through bungling during the Sixth Five Year Plan will be waived ? The Hon. Minister is also aware

that such irregularities have been committed. Even now the villagers are reeling under the burden of interest. I want to know from the Hon. Minister whether he would order inquiry into it ?

[English]

SHRI JANARDHANA POOJARY : No bungling has been done during the Sixth Five Year Plan. We have already given Rs. 3101 crores....

MR. SPEAKER : When it is done, he will answer it.

SHRI JANARDHANA POOJARY : We have already given Rs. 3101 crores to the weaker sections, covering about 1.64 crore families.

[Translation]

DR. PRABHAT KUMAR MISHRA : Mr. Speaker, Sir, the amount of subsidy given to the farmers is not credited to their accounts and is instead spent on other items of the bank, such as, vehicles or other items which is in the interest of the bank. The entire records in this regard are with the Government. I want to know from the Hon. Minister what is the total amount of subsidy thus given, what is the amount of money spent out of it in the interest of the farmers and what is the quantum of money spent under other heads of the bank ?

[English]

SHRI JANARDHANA POOJARY : The amount of subsidy is kept with the D.R.D.As, If it is the fault of the D.R.D.A, it is for them to bear the burden, If it is the fault of the bank people, it has been mentioned clearly by the Reserve Bank that they should not charge any interest on the subsidy portion of the loan amount. And it has been made very clear.

[Translation]

SHRI K.N. PRADHAN : Mr Speaker, Sir, the banks were given directives by the Government under the I. R. D. P. and D.R.D.A that all the nationalised banks should ensure the disposal of loan cases within 15 days, but no bank, other than lead banks, has adhered to this directive in the

district. These instructions are not followed in the branches of the nationalised banks. A number of State Governments have complained and given suggestion that there should be an officer who should supervise all the branches of the nationalised banks in the same way as is being done in the lead banks in the districts. I want to know whether this suggestion will be given due consideration?

[English]

SHRI JANARDHANA POOJARY : We have been monitoring personally the dispersal of the loans. Instructions have been issued for that purpose, viz. that every month two days have to be fixed, and that the banks should distribute the loans outside the premises in a public function, twice a month. Instruction has also been given in respect of the follow-up of the complaints that have been received.

[Translation]

Export Trade

*91. PROF. CHANDRA BHANU DEVI :

Will the Minister of COMMERCE be pleased to state :

(a) the value of exports made by India during the last three years;

(b) the major commodities exported; and

(c) the names of the countries to which maximum exports were made?

[English]

THE MINISTER OF COMMERCE, AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKAR) : (a) to (c). A statement is given below.

Statement

(a) The value of India's overall exports during the last three years is as under :

Years	(Value : Rs. crores) Exports
1982-83	8803.58
1983-84	9872.10
1984-85(P)	11656.93
April-Sept. 1985(P)	5017.63

(P) Provisional and subject to revision.

Source : DGCI & S, Calcutta.

(b) The major commodities which have been exported from India during the last three years include Crude Oil & Petroleum products; Gems & Jewellery; Readymade Garments; Tea & Mate; Machinery & Transport Equipment; Leather & Leather Manufactures (excluding footwear); Iron ore; Cotton fabrics; Chemicals and Allied Products; Jute Manufactures (including twist and Yarn); and Marine Products.

(c) Names of the countries to which substantial exports were made during the last three years include U.S.A, U.S.S.R, Japan, U.K., Federal Republic of Germany, U.A.E., Saudi Arabia, France and Italy.

[Translation]

PROF. CHANDRA BHANU DEVI : Mr. Speaker, Sir, the Hon. Minister has stated in his reply that petroleum products are being exported. I want to know the year since which the export of petroleum products has started?

[English]

SHRI P. SHIV SHANKAR : So far as petroleum is concerned, crude and petroleum products are being exported not just now but for the last many years. It is only a question of the difference in quantum

[Translation]

DR. G S. RAJHANS : Since you can speak very good Hindi, please reply in Hindi.

SHRI P. SHIV SHANKAR : So far as export of petroleum is concerned, earlier also we used to export when our refining capacity was low. This year our refining capacity is 42 million tonnes, due to which we are not exporting crude oil, but at the same time the imports are still continuing. There being no export of crude oil now, our exports have declined.

PROF. CHANDRA BHANU DEVI : In spite of all efforts of the Government, our balance of trade is not satisfactory. What steps the Government propose to take to increase the exports?

SHRI P. SHIV SHANKAR : On Friday last also, I had stated in the House that many incentives were being given to promote exports. We have given to a number of facilities to some export oriented units, you may call it cash compensation scheme or reduction in export duty and have created export zones. There are a number of things and it is not appropriate to go into their details.

MR. SPEAKER : Shri Bairagi will raise the issue of export of refined opium.

SHRI BALKAVI BAIRAGI : Hon. Speaker, Sir, I shall come to opium later. The Hon Minister has stated in his reply that betel leaves are exported to Pakistan. Your teeth show that you do not chew betel leaves; your predecessor, Shri Arjun Singh had entered into an agreement regarding export of betel leaves. What is the position in that regard? What I want to know is whether some decision was taken in respect of betel leaves of Madhya Pradesh?

SHRI P. SHIV SHANKAR : No specific decision in respect of betel leaves of Madhya Pradesh has been taken. (*Interruptions*)

MR. SPEAKER : Should have taken a strong dose of 'Surti'.

SHRI BALKAVI BAIRAGI : There is a great demand for them.

[*English*]

**Construction of Hotels in Orissa
with the Assistance of I.T.D.C.**

***92. SHRI JAGANNATH PATTNAIK :**

Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that Government of Orissa have approached the India Tourism Development Corporation to seek its assistance for the construction of hotels in certain cities of Orissa;

(b) if so, the details thereof and the reaction of Union Government thereto;

(c) whether Union Government have any proposal to construct hotels in hill areas of Orissa; and

(d) if so, the details thereof?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) to (d). A statement is given below.

Statement

The India Tourism Development Corporation is setting up a joint Sector 44-room 3-Star Hotel at Puri at an estimate cost of Rs. 190.00 lakhs in collaboration with the Orissa Tourism Development Corporation. In addition the ITDC has been running a 2-star 35 rooms hotel at Bhubaneshwar. This is being expended and upgraded into a 4-Star hotel.

There is no proposal to construct any hotel in the hill areas of Orissa.

SHRI JAGANNATH PATTNAIK : The first part of my question has not been at all replied. Secondly, has the Union Government evolved a new scheme during the Seventh Five Year Plan to encourage the growth of hotel industry?

SHRI H. K. L. BHAGAT : As regards the first part so far there is no such proposal.

SHRI JAGANNATH PATTNAIK : Has the Union Government evolved any new scheme during the Seventh Five Year Plan to encourage the growth of hotel industry basically to encourage low star category of hotels for use of 'Budget Tourists'?

SHRI H. K. L. BHAGAT : The government is very keen to encourage budget tourists hotels; that is why government has decided that in public sector there will be no Five Star hotels except one in Bombay. Others will be there. They can be in the joint sector between the States and the Centre; and they are already going on in his State itself. So, the government wants certainly to encourage budget tourists hotels.

SHRI JAGANNATH PATTNAIK : What steps are being taken for coordination between

various Ministries and the State Government agencies for the development of tourism ?

SHRI H. K. L. BHAGAT : As far as coordination between the Centre and the States, coordination between States and coordination at Centre itself is concerned, we are going to have a committee consisting of the Tourism Minister and the representatives of the Ministry. In the case of States, I have suggested to the States to have a Tourism Development Advisory Board with all others concerned. Then we are asking for a coordination between the inter-States also.

MR. SPEAKER : The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

[English]

New Pricing Policy for Vanaspati

***85. SHRI P. M. SAYEED :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have announced a new pricing policy for vanaspati;

(b) the steps taken to protect the interest of the consumers keeping in view particularly those belonging to the weaker sections of the society; and

(c) the precautions taken so that this cooking media is not adulterated at any stage till it reaches the hands of the consumer ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir. For minimising controls and keeping in view the satisfactory availability and prices of vanaspati, the voluntary price agreement was withdrawn in January, 1986.

(b) and (c). A statement is given below.

Statement

The following steps have been taken to protect the interest of the consumers :

1. State Governments/Union Territory

Administrations have been advised to procure 30 per cent vanaspati produced within their jurisdiction for supply through State Government nominees or through Public Distribution System.

2. Remedial measures, including effective supply management of imported oils will be taken to ensure adequate availability and reasonable prices for consumers.

3. Adequate production and easy availability of vanaspati is maintained by supplying certain quantities of imported oils.

4. A watch is kept on the prices of vanaspati by the Directorate of Vanaspati, Vegetable Oils and Fats and with the help of State Governments/ Union Territory Administrations so that the prices of vanaspati and edible oils remain at a reasonable level.

The samples of vanaspati are being collected by the officials of the Directorate of Vanaspati, Vegetable Oils and Fats from packers' premises. Quality control on vanaspati has further been strengthened by bringing vanaspati under Indian Standards Institution (ISI) compulsory certification from 1st October, 1985. The ISI and the Central and State Health authorities collect samples both from the packers' premises as well as from market for analysis to ensure that they conform to the statutory standards prescribed for vanaspati.

Narcotics drugs seized by Anti-Narcotics Agencies

***86. SHRI LAKSHMAN MALLICK :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that in a country-wide swoop on 23 December, 1985, anti-narcotics agencies made one of the largest catches of narcotics drugs from a number of premises spread over a number of States and Union Territories, including Delhi; and

(b) if so, the details in this regard so far as the question of amount of psychotropic drug which was seized is concerned ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). An Operation, code named, 'KAL BHAIKAV' was conducted on 23.12.1985, which covered 135 places in 11 States and 2 Union Territories. The following seizures of narcotic drugs and psychotropic substances were effected as a result of the operation :

S. No.	Name of Drug	Quantity seized
Narcotic drugs		
1.	Heroin/Brown Sugar	85.83 kg.
2.	Charas	59.13 kg.
3.	Opium	30.00 kg.
4.	Cocaine	4.20 kg.
5.	Ganja	15.70 metric tonne
Psychotropic substances		
6.	Mescaline	0.243 kg.
7.	Diazepam	10,500 capsules

Production of Indian sparkling wine of Champagne variety under Indo-French Co-operation

*90. SHRI R. M. BHOYE : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Indo-French Co-operation has made India the first country in Asia and the Far-East to produce a sparkling wine of the Champagne variety; and

(b) if so, the details regarding this new Indian sparkling wine and the terms of co-operation as well as the foreign exchange earned since its introduction in the world market ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Besides India, the French are learnt to have a collaboration in Australia for production of sparkling wine.

(b) The sparkling wine to be manufactured by M/s. Champagne India Ltd. is of champagne variety based on grapes.

The foreign collaboration agreement between the Indian party and M/s. Champagne Technologie in France is at technical and engineering level, involving transfer of technology in return for payment of royalty.

Upto December, 1985, about 8,000 bottles of wine valued at Rs. 4.16 lakhs are reported to have been exported by M/s. Champagne India Ltd.

Rise in wholesale price index from January 1985 to January 1986

*93 SHRI K. RAMACHANDRA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the wholesale price index has risen from 339.8 points in January 1985 to 356.9 in January 1986;

(b) whether this rise has taken place in spite of fall in prices of agricultural farm production; and

(c) the actual rise in price index of the articles other than the agricultural produce ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The Wholesale Price Index (WPI, 1970-71=100), which is compiled on a weekly basis, reached an average of 356.6 in January 1986 from 340.1 in January 1985, i. e. an increase of 4.9 per cent over the year. The increase was partly moderated by a decline in prices of some selected agricultural farm products like condiments and spices, tea, fibres and oilseeds. The index of manufactured products, having a weight of 49.9 per cent in the general index, advanced by 5.4 per cent.

Export of Basmati Rice to USSR

*94 SHRI BRAJA MOHAN MOHANTY : Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of export of basmati rice to USSR during the preceeding three years;

(b) whether Government have come across any reports of some non-basmati rice exported to USSR under the brand of basmati; and

(c) if so, the steps Government have taken to stop such mal-practices ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) The quantity of basmati rice exported to USSR during 1982-83; 1983-84; and 1984-85 was 1,05,089 tonnes; 63,876 tonnes and 1,01,505 tonnes respectively.

(b) A communication making allegations against one of the suppliers was received in 1983. On investigation these were not substantiated.

(c) Basmati rice exported is subjected to inspection.

Plan to attract tourists during off-season months

***95. SHRI N. DENNIS :
SHRI CHINTAMANI JENA :**

Will the Minister of **PARLIAMENTARY AFFAIRS AND TOURISM** be pleased to state :

(a) whether it is a fact that Government have recently made an attractive plan to attract tourists during the off-season months of April to September; and

(b) if so, the details regarding the scheme ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) to (b). With a view to substantially augmenting arrivals of foreign tourists from Europe during the summer months, the Department of Tourism together with members of Indian and foreign travel industry are promoting a package to popularise India as a summer destination. Some of the components of the scheme are the reduction of between 15 to 20 per cent of normal fares by the airlines operating between Europe and India and 25 per cent discount by members of the hotel industry thereby making an attractive summer package available for foreign tourists.

Stoppage of financial assistance to tea-gardens in Darjeeling and North Bengal by nationalised banks

***96. SHRI ANANDA PATHAK :** Will the Minister of **FINANCE** be pleased to state;

(a) whether it is a fact that the nationalised banks have stopped financing some of the tea-gardens in Darjeeling and North Bengal leading to the closure of some of the tea gardens or stoppage of the payment of wages and salaries to the workers; and

(b) if so, the particulars of such tea gardens and the reasons for stoppage of finance to these gardens ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). It was brought to the notice of Reserve Bank of India (RBI) by the Tea Board that some tea companies were facing difficulties due to non release of funds by United Bank of India (UBI). The UBI has reported that out of the 40 tea gardens being financed by them in West Bengal, in the case of 12, funds for 1986-87 season were not released due to seasonal deficit and non compliance of terms and conditions. However, one more case has been sanctioned by the bank and disbursements would be made. The remaining cases are at different stages of scrutiny.

Excise raids in Bangalore City

***97. SHRI V. S. KRISHNA IYER :** Will the Minister of **FINANCE** be pleased to state :

(a) the number of Central Excise raids conducted in Bangalore city since November 1985;

(b) the number of cases booked; and

(c) the amount involved therein ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) 33

(b) 22

(c) Rs. 289.36 lakhs (approximately)

**Cash compensatory scheme for
Agricultural Exporters**

*98. SHRI AMAR ROYPRADHAN :
Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that agricultural exporters are covered under the Cash Compensatory Scheme;

(b) if so, the details thereof; and

(c) if not the reasons therefor ?

THE MINISTER OF COMMERCE
AND FOOD AND CIVIL SUPPLIES (SHRI
P. SHIV SHANKER) : (a) Selected agricultural export products are covered under the Cash Compensatory Scheme.

(b) A Statement is given below.

(c) Does not arise.

Statement

The Scheme of Cash Compensatory Support was introduced in 1966 as an instrument of export promotion. The object of the scheme is to make our exports competitive in the international market by compensating the Indian exporters for various disadvantages which are inherent in our present state of economic development. The compensation under the scheme covers :

- (i) Indirect taxes including Sales Tax etc. on inputs that are not refundable through the duty drawback mechanism, whether these taxes have been levied on the physically incorporated inputs or non-physical inputs such as fuel, power etc.;
- (ii) Discriminatory higher freight rates, on account of various factors like low total volume of trade discriminatory rates adopted by conference lines, etc.
- (iii) Cost of development of new markets and new products; and
- (iv) Higher rates of interest on working capital for export production and pre-shipment/post-shipment credits.

There are at present 417 items enjoying CCS at rates varying from 3 per cent to 20 per cent in 20 different producer groups. Poultry products, guar gum, bakery products, confectionery, walnut, fruit juices, pickles, chutneys and papads, alcoholic beverages, canned vegetables, fresh fruits, meat and meat products, cardamom, spices in consumer packs and cut flowers are some of agricultural export items on which CCS is given.

**Medium term loan to States to
cover their deficits**

*99. SHRI B. V. DESAI :
SHRI MULLAPPALLY RAMA-
CHANDRAN :

Will the Minister of FINANCE be pleased to state :

(a) whether in order to relieve the strain on the States resources caused by the deficit generated by them in earlier years, Union Government have provided a medium-term loan in the current year 1985-86 and if so, the total amount of such loan;

(b) the criteria adopted for providing loan to the States;

(c) the respective amounts advanced to each State, rate of interest and repayment schedule thereof; and

(d) whether Union Government have retained any power to determine the purpose for which loan amounts are utilised, if so, the details thereof ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Government of India provided to the States in the current year a medium term loan of Rs. 1628 crores equivalent to 90 per cent of their overdraft with the Reserve Bank of India as on 28.1.1985.

(c) A statement showing the amounts advanced to each State is given below. The medium term loans would be recovered in four years in equal instalments commencing from 1986-87 and would carry a rate of interest of 8 per cent.

(d) The loan was given to enable States clear 90 per cent of their overdraft with the Reserve Bank of India as on 28.1.1985.

Statement

Statement showing medium term loan equivalent to 90 per cent of the State's overdraft as on 28.1.1985 released to States in 1985-86.

(Rs. crores)

States	Medium term loans released to States in 1985-86.
1. Andhra Pradesh	206.98
2. Assam	28.21
3. Bihar	4.58
4. Gujarat	61.79
5. Haryana	74.94
6. Himachal Pradesh	2.37
7. Karnataka	221.27
8. Kerala	241.86
9. Madhya Pradesh	27.43
10. Maharashtra	24.27
11. Nagaland	7.95
12. Orissa	43.72
13. Punjab	97.08
14. Rajasthan	31.71
15. Tamil Nadu	38.98
16. Uttar Pradesh	308.88
17. West Bengal	205.99
Total :	1628.01

Value of Indian Currency

*100. SHRI P. KOLANDAIVELU : Will the Minister of FINANCE be pleased to state :

(a) the reasons for the decline in the value of the Indian currency when West German 'Mark' and Japan 'Yen' are making an upward trend; and

(b) the steps proposed to be taken by Government so that Rupee currency of India might also maintain a world standard along-with Dollar and Pound ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The value of the Indian rupee is determined with

reference to the exchange rate movements of a suitably weighted basket of selected currencies. Therefore, the exchange rate of rupee vis-a-vis the other currencies move upward or downward depending upon the fluctuations in the value of these currencies.

In a regime where the rupee is linked to a multi-currency basket currency basket comprising floating currencies, the movement in rupee value in relation to different currencies is likely to be different. As the rupee value is already determined with reference to a basket of currencies, the question of maintaining a world standard along with dollar and pound does not arise.

Export of cotton yarn and foreign exchange earnings

*101. SHRI MOHANBHAI PATEL : Will the Minister of TEXTILES be pleased to state :

(a) the quantity of cotton yarn exported during the last three years, year-wise and likely to be exported during the year 1985-86;

(b) foreign exchange earned by the export of cotton yarn during the said period;

(c) the count of yarn which is being exported;

(d) the steps being taken to boost this industry;

(e) whether Government have announced new cotton yarn export policy recently; and

(f) if so, the details thereof and how far it will be helpful in increasing the export of cotton yarn ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The quantity and value of cotton yarn exported during the last 3 years and likely to be exported during the year 1985-86 is as follows :

Year	Quantity (M. kgs.)	Foreign Exchange (Rs. in Crores)
1982-83	5.65	18.32
1983-84	6.99	22.65
1984-85	9.06	36.42
1985-86 (Estimated)	11.36	46.78

(c) Counts upto 100s are generally exported.

(d) A Standing Committee has been set up inter-alia with the objective of suggesting measures for ensures optimum capacity utilisation in the spinning sector. The New Textile Policy envisages liberalisation of the Policy with regard to expansion and creation of new capacities thereby increasing production of yarn in the years to come.

(e) and (f). Yes, Sir. The Government has announced the cotton yarn export ceilings for a period of 3 years, namely, for 1986 1987 and 1988. The annual ceilings will be as follows :

Count Group	Quantity
1 to 40s	20 m. kgs.
41s to 60s	20 m. kgs.
61s and above	No ceiling.

The Yarn Export Policy will bring about stability in the yarn export trade ensuring reliability of supplies from India.

Construction of Spinning Mills in Orissa

794. SHRI SOMNATH RATH : Will the Minister of TEXTILES be pleased to state :

(a) construction of how many spinning mills has been started in Orissa so far;

(b) how many of these have been completed and how many of these are still under construction;

(c) whether there is no sufficient cotton grown in Orissa to feed these mills; and

(d) the steps purpose to be taken to meet the demand of these mills when completed?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). As per the information available 10 Spinning Mills in Orissa have started construction of buildings and the construction of the buildings has been completed in 9 of the above mills.

(c) and (d). Orissa is not a major cotton producing State. However, there is adequate availability of cotton in the country to meet the requirements of spinning mills.

Re-organisation of Ministry of Commerce

795. DR. B. L. SHAILESH :
SHRI K. PRADHANI :

Will the Minsster of COMMERCE be pleased to state :

(a) the broad outlines of the proposed re-organisation of the Commerce Ministry as per Prime Minister's directive; and

(b) the time it will take to implement the Prime Minister's directive ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). The main thrust of re-organisation is in the areas of rationalisation of organisation; delegation of greater powers to Boards and Authorities, simplification of procedures in matters of licensing; and establishment of cells to look after public grievances.

The process is an on-going one and the exercises are constantly on.

Appointment of 'SKYPAK' as SBI courier for collection and clearance of outstation cheques

796. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of India has appointed 'SKYPAK' as its courier to help speed up collection and clearance of the bank's outstation transactions all over the country;

(b) if so, on what terms and conditions;

(c) what would be the clearance time for out of town cheques under this new arrangement as against the present time-lag;

(d) whether any other nationalised banks also contemplate to enter into any such arrangement; and

(e) if so, the broad outlines of the proposed couriers to be appointed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARI) : (a) State Bank has appointed 'SKYPAK' as its courier on experimental basis to help speed up collection and clearance of the Bank's outstation transactions between 21 centres in the country. According to the Bank, present experimental system of courier service will be replaced by a comprehensive courier system after collecting relevant data.

(b) The courier agency has agreed to deliver documents collected from one centre to another centre covered under the scheme normally within 24 hours subject to condition beyond their control. The Bank has agreed to pay service charges on the basis of weight of the parcels. These charges are subject to review once the new system stabilises.

(c) The Bank expects that the upcountry cheques etc. exchanged between 21 centres will be cleared much earlier than the present time lag which ranges between 3 to 4 weeks.

(d) and (e). As per available information some banks are already utilising the courier service of Indian Banks' Association and others are considering to have similar arrangements including engagement of private courier service.

Licence for setting up roller flour mills in Himachal Pradesh

797. SHRI K. D. SULTANPURI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the number of roller flour mills functioning in Himachal Pradesh at present.

(b) the criteria for the grant of licence to set up these roller flour mills;

(c) whether Government have received any representation for setting up such a roller flour mill in Solan District of Himachal Pradesh; and

(d) if so, the action taken by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Four.

(b) to (d). Except for the period from 29.6.1979 to 24.5.1980, the general policy of the Central Government since 1973 has been not to permit establishment of new wheat roller flour mills. However, keeping in view the present easy availability of wheat in the country, the above policy has been reviewed and it has been decided to permit a limited number of new units of capacity upto 30 MT per day to be set up in States/U. Ts depending upon the capacity already existing, the present level of utilisation and proposed location in Districts which do not have mills proximity of consumption centres, the likely demand in future and other related factors. The State Governments have already been advised to obtain applications from entrepreneurs for grant of permission and forward them to Central Government before 30.4.1986 for further consideration. The requests received for establishment of new units in Solan District of Himachal Pradesh and other places will be considered after this data, keeping in view the criteria mentioned above.

Holding company for STC and MMTCL

798. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have since dropped the proposal to create a holding company for State Trading Corporation and Minerals and Metals Trading Corporation along with their subsidiaries;

(b) if so, the reasons therefor; and

(c) if not, the stage at which the matter stands at present and the commercial, financial and administrative implications of this creation of a holding company for the two Corporation ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). The functioning including the status of the State Trading Corporation of India and the Minerals and Metals Trading Corporation of India and their subsidiaries is under review.

Export of Handloom Products

799. SHRI AMARSINH RATHAWA : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Indian handloom products is very much liked in foreign countries;

(b) if so, the value of handloom products exported every year; and

(c) the steps taken to boost the export of handloom products during the Seventh Five year Plan ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) According to available information the export of handloom products during the last three years were :

	<i>Rs. in crores.</i>
1982-83	323.59
1983-84	319.75*
1984-85	348.86*

*Provisional. Source : Handloom Export Promotion Council, Madras.

(c) (i) Cash Compensatory Support is allowed on handloom textile products exported from the country. These rates were substantially increased w. e. f. 1.1.1984 which were continued during 1985. These rates have been extended upto 31st December, 1985 subject to review before 31st March, 1986.

(ii) Under the Import and Export Policy, 1985-88, REP licences are given under Appendix 17 of the Policy permitting import of essential raw materials required for exports. The Government has been giving additional assistance for exports of new products and to new markets. 10 per cent higher REP is allowed for this purpose. Higher rates of grants are also allowed for export promotion activities in Latin America and and African markets.

(iii) The Government has been giving liberal assistance for sponsoring and funding promotion activities such as market studies, buyer-seller meets, participation in

international fairs and exhibitions inviting foreign designers for organising workers for the benefit of Indian manufacturers, fashion shows etc.

(iv) Export-oriented production programmes are also operated by Government.

Foreign collaboration of Indian Shaving Products Ltd. with Gillette.

800. SHRI SARFARAZ AHMAD : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the foreign collaboration agreement of Indian Shaving Products Ltd. with the American Company, Gillette, is being executed without any authorisation from his Ministry;

(b) if so, whether any action is proposed to be taken in the matter;

(c) if so, the details thereof; and

(d) whether it is a fact that the company has been permitted to use Gillette trade mark in violation of Government's policy ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARI) : (a) No, Sir.

(b) and (c). Do not arise.

(d) No, Sir.

Production and consumption of cloth

801. SHRI HANNAN MOLLAH :
PROF. NARAIN CHAND
PARASHAR :

Will the Minister of TEXTILES be pleased to state :

(a) how much cloth was produced in the last three years, year-wise;

(b) the contribution of textile Mills, power-looms and handlooms respectively;

(c) the per capita consumption or use of cloth during the last three years, year-wise; and

(d) how Government propose to improve the situation over previous years ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The production of cloth in organised mill sector, power-loom sector and handloom sector during 1982-83, 1983-84 and 1984-85 was as follows :

Sector	(Mn. Mtrs)		
	1982-83	1983-84	1984-85
Mill sector	3132	3487	3432
Powerloom Sector	4694	5315	5445
Handloom Sector	2788	2956	3137
Total	10614	11758	12014

(c) Per capita consumption in the household sector during 1983, 1984 and 1985 was estimated at 13.70, 13.83 and 15.56 mtrs. respectively.

(d) The new Textile Policy announced in Pune, 1985 envisages several measures, which are expected to improve general health of the textile industry and fulfil the main objective of increasing the production of cloth of acceptable quality at reasonable prices to meet the clothing requirements of a growing population.

Benefit to Indian consumers due to fall in price of imported tin

802. SHRI ANANTA PRASAD SETHI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the benefits of the International tin price crash have finally been passed on to the Indian consumer with official pricing committee for non-ferrous metals slashing the price of imported tin by Rs. 22,000 per tonne; and

(b) if so, the details regarding the decisions taken by the official pricing Committee so far as the question of other imported varieties of copper etc. are concerned ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) There has been no change in the prices of copper wire rods and copper wire bars fixed by the Pricing Committee for February, 1986.

[Translation]

Ban on open sale of spices

803. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to ban open sale of powdered spices; and

(b) if so, the reasons therefor ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) Does not arise.

[English]

Writing off loans over ten crores in a year in nationalised banks

804. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether any of the nationalised banks has written off any loans of over rupees ten crores in any single year during the Sixth Five Year Plan period;

(b) if so, the details about the written off of such loans by each of the banks and the reasons therefor; and

(c) whether any erring official has been identified in any such writing off in any of the concerned banks and the action taken against him/her ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The risk of certain debts going bad is inherent in the nature of operations of banks. Commercial banks including all nationalised banks make provision every year out of their annual income for meeting their liability towards bad and doubtful debts to the satisfaction of their statutory auditors and write off the debts which are considered by their management as ultimately unrecoverable from out of the provisions so made. These amounts are written off only after all avenues of recovery are exhausted. According to the forms of Balance Sheet and Profit and Loss Account prescribed in the Third schedule of

the Banking Regulation Act, 1949, which all banks are required to follow strictly, the banks are given statutory protection from disclosing the quantum or particulars of bad and doubtful debts for which the provision is made to the satisfaction of their auditors. In accordance with the statutes, governing the public sector banks and in accordance with the practices and usages customary among bankers, all the public sector banks are enjoined upon by law not to divulge information relating to the affairs of their constituents.

In view of the above position, the required information cannot be divulged.

The operation of public sector banks is continually kept under review by the Reserve Bank of India. These banks have a system of continuous monitoring of individual advances at various levels of organisation. Wherever lapses are noticed on the part of bank's officials appropriate disciplinary action is taken against such officials. Banks also hand over cases to the Central Bureau of Investigation or local police for criminal investigation and prosecution if a criminal involvement of outsiders or bank officials is suspected.

The present data reporting system does not yield information separately for officers and staff against whom action has been taken for their involvement in debts going bad or writing off of debts. The Reserve Bank of India has reported that as per the available information based upon the reports from the public sector banks during the years 1983, and 1984 and 1985, 50, 32 and 27 employees respectively were convicted and 559, 478 and 387 employees respectively were awarded major or minor penalties.

Promotion of export of Indian garments to Japan

805. SHRI SRIBALLAV PANIGRAHI :
SHRI MURLIDHAR MANE :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Japan External Trade Association is launching a three year programme to promote export of Indian garments to Japan from this year; and

(b) if so, the details regarding the agreement, if any, arrived at in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Yes, Sir. Japan External Trade Organisation has decided to undertake an Import Promotion Programme for Apparel for the three years beginning from 1985-86. The main objective of the programme is to give guidance and advice on fashion design and garment making to the exporters in India for penetration into Japanese garment markets.

Demand for increasing allotment of rice to Kerala

806. SHRI T. BASHEER : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the allocation of rice from the central pool to Kerala for Public distribution system during the last year, month-wise;

(b) whether it is a fact that the present allotment of rice is not adequate for distribution through ration out-lets under the public distribution system;

(c) whether Government have received any request from Government of Kerala to enhance the monthly allotment of rice; and

(d) if so, the details thereof and the steps Government have taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : A statement indicating the allotment of rice from the Central Pool to Kerala during 1985, month-wise, is given below.

(b) The State Government have reported that the present level of monthly allocation at 1,25,000 tonnes of rice is not adequate. However, taking into account the over-all availability of stocks in the Central Pool, relative needs of various States, market availability and other related factors, as also in view of the supplemental nature of Central allocations, the existing level of allocation is considered reasonable.

(c) and (d). Yes, Sir; Government have

been receiving requests from time to time from the State Government for increase in the monthly allocation of rice, the latest being for the monthly quota of rice to the level of 1,50,000 tonnes.

The monthly allocation of rice to Kerala was increased from 1,10,000 tonnes in May, 1985 to 1,15,000 tonnes in June, 1985, 1,20,000 tonnes in July, 1985 and 1,25,000 tonnes in August, 1985. This increased level of allocation has since been maintained. In addition, two special additional allocations of 25,000 tonnes each were also made during the months of July and November, 1985,

Statement

Statement showing allotment of Rice in respect of Kerala during 1985.

MONTH	(in '000' tonnes) ALLOTMENT
January	110.0
February	110.0
March	110.0
April	110.0
May	110.0
June	115.0
July	145.0*
August	125.0
September	125.0
October	125.0
November	150.0*
December	125.0
TOTAL	1,460.0

*Includes 25,000 tonnes as special one-time allocation.

Losses in ITDC hotels and other projects

807. SHRI AJIT KUMAR SAHA : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to refer to the reply given to Unstarred Question No. 4932 on 20.12.85 regarding financial irregularities in ITDC and state :

(a) the names of hotels and other projects of India Tourism Development Corporation in which losses had occurred;

(b) whether responsibility has been fixed for such losses; and

(c) if not, the reasons therefor?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM SHRI H. K. L. BHAGAT : (a) to (c). A statement showing profit and loss in respect of hotels and other units of ITDC for the last three years from 1982-83 to 1984-85 is given below.

The role and functions of the ITDC are mainly promotion and development of tourism infrastructure in the country. Though certain units of the Corporation do not earn profit but they play an important promotional role.

Statement

(Rs. in lakhs)

	Net profit/loss		
	1982-83	1983-84	1984-85
1. Ashok New Delhi	124.90	3.10	7.68
2. Janpath, New Delhi	41.09	68.00	58.62
3. Lodhi, New Delhi	27.87	23.16	29.23
4. Ranjit, New Delhi	7.42	(—)8.62	(—)0.33
5. Ashok, Bangalore	(—)47.64	(—)5.49	(—)59.84
6. Akbar, New Delhi	109.28	(—)18 01	(—)58.39
7. Hassan Ashok	(—)0.72	(—)1.68	0.03
8. Jammu Ashok	(—)2.76	(—)2.32	(—)4.12
9. Aurangabad Ashok	(—)6.10	(—)1.06	0.03
10. Khajuraho Ashok	(—)6.45	(—)3.34	(—)2.11

11. Kovalam Ashok Beach Resort	(—)10.34	1.35	3.62
12. LVP Hotel Udaipur	6.58	11.65	6.36
13. Temple Bay Ashok Beach Resort, Mamillapuram	(—)3.91	(—)3.22	(—)3.02
14. Varansi Ashok	(—)8.17	0.34	(—)3.27
15. Qutab Hotel, New Delhi	10.75	(—)2.15	8.45
16. LMP Hotel, Mysore	(—)2.34	(—)1.09	5.66
17. Airport Ashok Calcutta	(—)10.46	38.53	52.02
18. Patliputra Ashok Patna	(—)7.71	(—)9.48	(—)7.98
19. Kalinga Ashok Bhubaneswar	4.60	3.41	(—)11.07
20. Jainpur Ashok	(—)3.19	(—)3.75	(—)2.86
21. Madurai Ashok	(—)8.95	(—)6.67	(—)6.35
22. Samrat, New Delhi	(—)70.89	(—)206.67	(—)128.05
23. Kanishka, New Delhi	(—)24.11	51.10	42.94
24. Ashok Yatri Niwas	(—)26.71	(—)14.18	17.28
25. Vigyan Bhavan	0.66	0.11	4.79
26. Western Court	(—)2.52	(—)2.50	(—)1.77
27. Asian Games Village	37.14	—	—
28. Tls. & Restts.	(—)12.92	(—)8.09	(—)9.35
Total	114.40	(—)97.57	(—)61.80

1. Production & Publicity	7.95	5.94	0.02
2. Ashok Travels & Tours	(—)55.52	(—)26.80	(—)22.95
3. Duty Free Shops	119.47	166.52	204.03
4. Sound & Light Show	3.46	4.86	5.67
5. Headquarters	(—)8.12	2.78	0.91
Grand Total	181.64	55.73	125.88

Expenditure on special supplements in newspapers on international customs day

808. SHRI D. N. REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that special supplements were brought out at the initiative of Customs Department on the occasion of International Customs Day in several national newspapers;

(b) if so, the approximate expenditure and outlay on these;

(c) whether the space for Customs officers' articles and advertisements was paid for by Government;

(d) if so, the total expenditure incurred thereon;

(e) whether it is a fact that many large Business Houses which are in export-import business released joint advertisements in order to help the Customs Department in bringing out these Supplements; and

(f) if so, on what considerations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (f). At the instance of the Customs Cooperation Council, Brussels, the Indian Customs have been celebrating 26th January every year as International Customs Day and Annual Day of the Customs since 1983. As a part of these celebrations, Custom Houses have been organising cultural programmes, sports events, etc. and some of the leading newspapers have been bringing out supplements endeavouring to highlight the activities and the achieve-

ments of the Customs Department so as to make its role better understood by the public.

The supplements are sponsored by a large number of associations, organisations, public sector undertakings and individual firms on a voluntary basis, generally through an advertising agency. The Customs Department supply articles and other factual information to help the advertising agency or the newspapers to design the supplement.

Government have not paid for any space in the newspaper or to the advertising agency for services rendered in connection with such supplements. Government have information about the total expenditure incurred by the advertising agency or sponsors in bringing out the supplement. Since the sponsorship is on a voluntary basis, the question of any consideration to the sponsors does not arise.

Memorandum regarding grievances of employees of Food Corporation of India

809. SHRI KALI PRASAD PANDEY : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that a memorandum was presented to the former Minister of State for Food and Civil Supplies regarding grievances of the employees of the Food Corporation of India;

(b) if so, the main grievances mentioned in the memorandum; and

(c) the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Yes, Sir.

(b) The main demand of the Unions related to Wage Revision.

(c) The wage revision of the employees of Food Corporation of India is linked to their switch over to the Industrial DA pattern of pay scales as a matter of Government policy. The staff bodies have filed petitions in the Supreme Court against it and the matter is subjudice.

All India average consumer price index for Industrial and Urban Workers

810. DR. CHINTA MOHAN : Will the Minister of FINANCE be pleased to state :

(a) the most recent all India average consumer price index for industrial Workers and urban non-manual workers;

(b) whether they have been suitably compensated;

(c) if so, the details thereof; and

(d) the highest consumer price index in respect of any town/city ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The All India Consumer Price Index for Industrial Workers (1960=100) and the All India Consumer Price Index for Urban Non-manual Employees (1960=100) were 630 and 574 respectively for December 1985 (latest available).

(b) and (c). The Government employees and the employees in the public sector and local bodies are compensated for the rise in the cost of living through payment of dearness allowance.

(d) The Consumer Price Index for industrial Workers for Varanasi Centre (714) and that for Urban Non-manual Employees for Gulbarga centre (645) were the highest in December 1985. Centrewise indices under both the series measure the average change in consumer prices over time at a particular centre and can not be used for comparison of costliness of different centres.

Debt Service Ratio

811. DR. T. KALPANA DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that at the end of Seventh Five Year Plan, debt service ratio would touch 23.2 per cent leading the country into debt and debtors' claws; and

(b) whether the recent price hike in petroleum products was made to service our debts ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) According to the VII Plan, the debt service ratio, defined as debt service as percentage of current receipts will average 17.6 per cent during the Plan period.

(b) No, Sir.

Realisation of Excise Duty from Hindustan Lever Limited

812. SHRI SODE RAMAIAH : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 982 on 22.11.85 regarding excise duty pending against Hindustan Lever Ltd and Gestetners Ltd. and state :

(a) whether Government have now obtained the information in respect of pending realisation of excise duty from various units of Hindustan Lever Limited; and

(b) if so, the details of pending realisation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : a The Government have since collected the information and fulfilled the assurance given in reply to Lok Sabha Unstarred Question No. 982 for 22.11.85 regarding excise duty pending against Hindustan Lever Limited and Gestetners Ltd.

(b) Demands on account of Central Excise duty amounting to Rs. 5.30 crores raised against M/s. Hindustan Lever Ltd. since December, 1972 have not been realised pending finalisation of court cases/appeals filed by the party. It is not possible to state with certainty as to by which time those would be realised. However, such measures, administrative, legal and others, as are considered necessary, continue to be taken from time to time to get the cases finalised, so that the amounts can be recovered early.

Demands of Coffee Growers

813. DR. K. G. ADIYODI : Will the Minister of COMMERCE be pleased to state :

(a) the demands of the coffee growers of Karnataka, Kerala and Tamil Nadu;

(b) the extent to which these demands have been met by Government; and

(c) whether there is any proposal to export coffee in consumer packets, so as to increase revenue in line with value added export ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). The major demands made by Coffee growers relate to revision of minimum release price, waiver of export duty and change in the representation of various interests in the Coffee Board.

Government ordered a cost study in January, 1985 for purposes of taking decision on updating of MRP. Steps have been taken to expedite completion of the cost study.

Export Duty is chargeable only if the London Terminal Price (equivalent to roughly the prices of lower grades of coffee) are higher than a base remunerative price. Remunerative return to coffee growers net of export duty is ensured. Export prices having risen very sharply and there does not appear to be justification for abolition of export duty. The composition of Coffee Board was reviewed as recently as in August, 1984 to provide more balanced representation.

(c) Some instant coffee is already being exported in 100 gms. tins.

Export of garments in 1984-85

814. SHRI MURLIDHAR MANE : Will the Minister of TEXTILES be pleased to state :

(a) the target of garment export during 1984-85;

(b) whether the achievement of the garment export was more than the target fixed for 1984-85; and

(c) if so, whether target for 1985-86 has accordingly been increased and if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The target for Garment exports during 1984-85 was Rs. 850 crores.

(b) and (c) Yes, Sir. The target for 1985-86 is Rs. 1000 crores.

Guidelines to Nationalised Banks for Finalisation of Annual Profit and Loss Account

815. SHRI GURUDAS KAMAT : Will the Minister of FINANCE be pleased to state :

(a) whether Government have issued any guidelines to the nationalised banks in regard to finalisation of annual profit and loss account;

(b) if so, the details thereof; and

(c) the steps proposed by Government for implementation of the guidelines ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Public Sector Banks are required to submit their Annual Accounts in the prescribed format, before 31st March of every year or before the expiry of such extended period as may be granted by the Reserve Bank of India.

Government and the Reserve Bank of India have impressed upon the Public Sector Banks the need to finalise their annual accounts for the year 1985 within the stipulated time limit.

Trade relations between India and Netherlands

816. SHRI SHARAD DIGHE : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that India has had an adverse balance of trade with Netherlands in the last three years inspite of the fact that the Dutch market is open and considered a gateway to Europe;

(b) if so, the reasons thereof; and

(c) the steps Government propose to take to increase the Indian exports to Netherlands ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) There is a high incidence of developmental imports from the developed countries in the EEC including the Netherlands. India's exports are also limited by some tariff and and non-tariff impediments in the EEC including the Netherlands.

(c) A number of steps like the holding of workshops, seminars, exchange of delegations, etc. have been contemplated to enhance Indian exports to the Netherlands and also to impress upon the EEC Commission to facilitate better access for Indian imports in the community markets.

[Translation]

Increase in Indo-China Trade

817. SHRI BANWARI LAL BAIRWA : Will the Minister of COMMERCE be pleased to state :

(a) whether it is fact that Indo-China trade has increased during the last few years;

(b) if so, the details thereof; and

(c) the possibilities of increasing trade in future ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). No, Sir. The figures of India-China Trade during the last three years are as under :

Year	(Rs. in lakhs)
1982-83	11,718
1983-84	8,151*
1984-85	6,867*

*Provisional.

(c) India and China signed a Trade Protocol in November, 1985 which envisages two-way trade turnover of between US\$100-160 million for 1986.

[English]

**Loans advanced by Nationalised Banks
for industrial purposes**

818. SHRI K. MOHANDAS : Will the Minister of FINANCE be pleased to state :

(a) the State-wise break-up of loans advanced by the nationalised banks for industrial purposes during the last three years;

(b) whether industrial backwardness is the paramount criterion in advancing loans to different States; and

(c) if so, the reasons why industrially advanced States got the larger percentage of credit from these banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) As per the information available from RBI, outstanding bank credit to small, medium and large scale industries from the 28 public sector banks as at the end of December, 1983, December, 1984 and October, 1985 amounted to Rs. 18,362 crores, Rs. 20,425 crores and Rs. 22,312 crores respectively. RBI has reported that State-wise break-up of these figures is not available with them.

(b) and (c). Technical feasibility and economic viability are primary considerations for grant of bank loans to industrial units. In order to bring about over all development of all areas and regions, various incentives are provided for setting up industrial units in backward areas/regions. However, since entrepreneurs may prefer to set up industries in the States having comparatively developed infrastructure such States may also get larger share of bank credit.

**Career prospects of officers of Indian
Economic Service**

819. SHRI Y. S. MAHAJAN : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4922 on December 20, 1985 regarding career prospects of officers of Indian Economic Service and state the latest position thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : In CMP No. 2604/85 in W.P. No. 1595/79 regarding fixation of seniority in Gr. IV of Indian Economic Service and promotions to higher grades, the Hon'ble Supreme Court has delivered the judgement on 11-2-1986. As a result of this judgement, the seniority of Gr. IV officers of Indian Economic Service will be revised and the officers will be promoted on the basis of the revised seniority. Therefore, the proposed cadre review can be taken up only after the implementation of the order of the Supreme Court.

**Induction of private trade channel in
procurement and supply of food-
grains**

820. SHRI SURESH KURUP :
DR. CHINTA MOHAN :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the Federation of Indian Chamber of Commerce and Industry has suggested the induction of private trade channel in procurement and supply of food-grains in place of Food Corporation of India; and

(b) if so, the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) No, Sir.

(b) Does not arise.

**Proposal to set up jasmine concentrate
plant in Maharashtra**

821. SHRI P. R. KUMARAMANGALAM : Will the Minister of COMMERCE be pleased to state :

(a) whether a modern jasmine concentrate plant for export is being set up in Maharashtra as reported in the 'Economic Times' of 14 February, 1986;

(b) if so, details thereof; and

(c) whether similar agro-based plants for roses and other fragrant flowers are proposed to be encouraged both for exports and internal use ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b) A plant with a capacity of 900 kg. per annum of jasmine concrete Plant has been approved to be set up in District Aurangabad in the State of Maharashtra. Though the registration letter does not bear any condition for the export of the product, it is likely that a substantial part of it may be exported out of the country.

(c) Proposals for setting up similar agro-based plants for roses and other fragrant flowers can be considered favourably as and when received.

Erection of rice bran oil plant in collaboration with Japan by M/s. Foods, Fats and Fertilizers

822. DR. KRUPASINDHU BHOI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether M/s. Foods, Fats and Fertilizers, an existing oil manufacturing unit, has been permitted by Government to erect rice bran oil plant in collaboration with Japan;

(b) if so, whether the production has been started;

(c) if so, the details thereof; and

(d) if not, the time by which the Production is expected to start ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Yes, Sir.

(b) to (d). The plants are being erected but production has not commenced. Five projects, each for processing 9000 tonnes of crude rice bran oil per annum into refined oil for direct use as cooking oil for salad oil, are being set up. Of these, three projects are in Andhra Pradesh, one in Pondicherry and one in Tamil Nadu. All the plants are expected to be commissioned by September, 1986.

Requirement of cloth

823. SHRI K. KUNJAMBU : Will the Minister of TEXTILES be pleased to state :

(a) the estimated requirement of cloth during the Seventh Five Year Plan;

(b) the total capacity existing at present;

(c) the steps being taken to meet the full requirement thereof;

(d) whether demand from mills for additional spindlages is being accepted; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The total requirement of cloth in the terminal year (1989-90) of the Seventh Five Year Plan is estimated at 14,500 million metres.

(b) As on 31.3.1985, spinning and weaving capacity of cotton textile industry was 24.42 million spindles and 2.1 lakh looms respectively.

(c) In accordance with the new Textile Policy announced in June, 1985, capacity expansion by existing units and capacity creation by new units is permitted subject to the general industrial policies

(d) and (e). Industrial licences for additional spindleage to the textile mills are granted in category 'A' backward areas and in these states which do not have such areas, they are being considered in category 'B' backward areas also.

Opening of branches of nationalised banks in Palghat

824. SHRI V. S. VIJAYARAGHAVAN : Will the Minister of FINANCE be pleased to state :

(a) the number of applications received from Palghat district for opening branches of nationalised banks during 1985;

(b) the number of branches opened during this period; and

(c) the names of places where these branches have been opened ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India (RBI) has reported that it had received only one application (in April 1985) after the Branch Expansion Programme for 1982-85 came to an end on 31st March 1985 for opening of a branch in the Palghat District.

(b) and (c). RBI has reported that during January to September 1985 4 branches of commercial banks were opened in Palghat District as detailed below :

<i>Name of Bank</i>	<i>Location of Branch</i>
Canara Bank	Anakatti Chalavara Karinganad
South Indian Bank Ltd.	Pudur

Jewellery exports

825. SHRI VIJAY N. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) the present state of jewellery exports;

(b) the steps Government have taken to tap foreign markets in view of rich resources of skilled craftsmen in the country; and

(c) the programme Government propose to cover several important facets of jewellery manufacture for the benefit of artisans and craftsmen ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Exports of gold jewellery from India during April '85-January '86 are estimated to be of the order of Rs 72 crores against the amount of about Rs. 69 crores during the corresponding period last year.

(b) and (c). Besides enabling the gold jewellery exporters to undertake manufacture at competitive terms through several policy initiatives and facilities of import of essential equipment and inputs at easier terms, measures have been taken to help them in product development as well as market

development by means of training of artisans, participation in fairs and exhibitions, exchange of delegates, etc.

Contract awarded to M/s. Indian Molasses Company by STC for handling export

826. SHRI G S. BASAVARAJU :
SHRI H. N. NANJE GOWDA :

Will the Minister of COMMERCE be pleased to state :

(a) since when the Indian Molasses Co. group namely. M/s. Indian Molasses M/s. J. R. Enterprises and M/s. A. V. R. & Co. have been handling the storage and transportation of molasses for export by the State Trading Corporation;

(b) when was the last contract awarded by State Trading Corporation to Indian Molasses Company for storage and handling of molasses; and

(c) the reasons why the contract was awarded to M/s. Indian Molasses Company group by the State Trading Corporation while the rates offered by the group were highest ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) As per available records, prior to 1976 M/s. J. R. Enterprises and their associates M/s. Indian Molasses Co., and M/s. A. V. R. & Co. have been suppliers of Molasses for export upto the shipment stage at load ports and since 1976 they have been handling storage and transportation of molasses for export by STC.

(b) STC entered into its last contract with M/s. J. R. enterprises and their Associates M/s. Indian Molasses Co. and M/s. A. V. R. & Co. on 10.9.1982 for storage and handling etc., of molasses for export for a period of 5 years w.e.f. 1.6.82. This contract was revised on 21.6.83 to remain in force for 3 years w.e.f. 1.6.83.

(c) It is not correct that the contract was awarded to M/s. J. R. Enterprises and their associates M/s. Indian Molasses Co., M/s. A. V. R. & Co., on the highest rates.

Among the offers received against last tender invited in 1979, two offers including one from M/s. J. R. Enterprise was considered workable. However, on account of suspension of export of molasses no award was given for handling of molasses at that time. On resumption of molasses exports in 1982 the Board of STC decided to appoint M/s. J. R. Enterprises on the basis of their past experience, performance, expertise and infrastructure available on All India basis to handle procurement, movement storage and shipment of molasses, as comparable services and expertise were not available with other parties.

**Recommendations of Kaul Committee
on wasteful expenditure**

828. SHRI DHARAM PAL SINGH MALIK : Will the Minister of FINANCE be pleased to state :

(a) whether the Kaul Committee on cutting wasteful expenditure has submitted its recommendations to Government in recent past;

(b) if so, the main recommendations made; and

(c) the action taken on the recommendations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). A working Group has been set-up under the chairmanship of Cabinet Secretary to review all on-going activities and organisations of the Central Government and to discontinue those which have outlived their utility.

Review by the Group is continuing.

**Decline in growth rate of profitability
of nationalised banks**

829. SHRI YASHWANTRAO GADAKH PATIL :
SHRI K. RAMAMURTHY:
SHRI V. S. VIJAYARAGHAVAN :

Will the Minister of FINANCE be pleased to state :

(a) the profit of each nationalised bank during 1985;

(b) whether the growth rate of profitability of the nationalised banks during 1985 has gone down as compared to 1984;

(c) if so, to what extent;

(d) the reasons therefor; and

(e) the steps taken to improve growth rate ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The final accounts of the 28 public sector banks for the year 1985 are at various stages of finalisation. Only after these accounts are finalised, it will be possible to indicate the actual profits earned by them during the year 1985 or a comparison of the growth rate of their profitability for the year 1985 with that of 1984. A quick estimate of the working results of 28 public sector banks indicates that the published profits might go up by about 32 per cent in 1985 as compared to the published profits for the year 1984.

(e) A number of specific steps have also been taken to improve the profitability of banks which include a better return on cash reserves kept with the Reserve Bank of India, higher rate of interest on food credit, the benefit of non-deduction of tax at source on interest on Government securities held by nationalised banks, allocation of additional capital to nationalised banks, etc.

[Translation]

**Employees working in Trade Fair
Authority of India**

830. SHRI HARISH RAWAT : Will the Minister of COMMERCE be pleased to state :

(a) the number of employees working in Trade Fair Authority of India and since when they have been working there;

(b) whether all the employees working in the Authority are permanent;

(c) if not, the reasons therefor; and

(d) the time by which they will be made permanent ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) and (b). The total number of employees working in the Trade Fair Authority of India as on 1.2.86 is 849, out of which 190 employees are working on daily-wage basis. A year-wise break-up of the number of employees working in the Organisation since its inception is given below in the statement.

(c) and (d). With the gathering of momentum in holding fairs and exhibitions, the daily-wage employees were appointed in different years as shown in the statement. The daily-wage employees will be considered for appointment against available regular posts subject to their fulfilling the conditions of eligibility.

Statement

Details of employees working in Trade Fair Authority of India as on 1st February, 1986 with the year of their appointment

Sl. No.	Year of appointment	Regular employees	Daily wage employees
1	1977	317	—
2.	1978	7	—
3.	1979	16	—
4.	1980	15	7
5.	1981	36	8
6.	1982	42	34
7.	1983	33	37
8.	1984	44	48
9.	1985	148	54
10.	1986	1	2
Total		659	190

[English]

Development of Lonar lake in Buldana district as tourist centre

831. SHRI MUKUL WASNIK : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government are aware that there exists a hyper velocity natural impact crater in basaltic rock and salt water lake at Lonar in Buldana district in Maharashtra;

(b) whether Government are aware that the Geological Survey of India has established that Lonar Crater is unique of its kind in the world;

(c) if so, whether Government have any proposal to develop Lonar Crater lake as a tourist centre; and

(d) if not, the reasons thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT): (a) and (b). Yes, Sir.

(c) The State Government has prepared a report on the development of Lonar Crater as a tourist centre. The work for beautification of 120 hectares is already in progress. The Department of Tourism has not received any project proposal from the State Government for developing Lonar Crater as a tourist centre.

(d) Does not arise.

Subsidies to products of public sector enterprises

832. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether World Bank has exerted any pressure regarding continuing subsidies to products of public sector enterprises;

(b) whether the recent coal price increase has anything to do with the World Bank view;

(c) if not, whether World Bank has conveyed its views to Government regarding administered prices of public sector products and services; and

(d) if so, the Bank's views ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). No, Sir.

(c) and (d). The World Bank's concern during the Project appraisal is in improving the financial viability of commercial enterprises to which it lends. To achieve such viability it looks into issues like organisational improvement, operational efficiency, better capacity utilisation, improvement of inter-sectoral linkages, subsidies and administered prices. In these and other policy matters, the Government of India does not deviate from its stated policies.

Licensing of investments and imports

833. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) the steps taken to replace the present system of licensing of investment and imports by indirect controls through taxes and subsidies as has been recommended by Narasimhan Committee for ensuring the play of competitive forces in our industrial economy; and

(b) the reaction and the response of industrial producers towards such steps ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Government has taken steps to rationalise the industrial licensing system and has also announced a three year Export-Import Policy. The Long-Term Fiscal Policy, which indicate the future directions of fiscal policy, has been presented to Parliament. The recommendations of Narasimhan Committee and other high level Committees have been kept in view.

(b) It will take time for the full effect of the steps taken by Government to be reflected in the investment and production. However, it may be noted that growth of the manufacturing sector accelerated to 6.8 per cent during the first eight months of this financial year over the same period in the previous year.

Import and export of cereals

834. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether there was any import of cereals during the Sixth Five year Plan period;

(b) if so, the quantity and value of such imports year wise;

(c) countries from which the imports were made;

(d) whether cereals were exported during this period; and

(e) if so, the quantity exported and value thereof, year-wise indicating the countries to which exported ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : Yes, Sir.

(b) and (c). Statement-I showing quantity and value of import of cereals during 1980-81 to 1982-83 and names of major countries from where imported is given below. Data are available upto 1982-83 only.

(d) Yes, Sir.

(e) Statement-II showing quantity and value of export of cereals during 1980-81 to 1982-83 and names of major countries to which exported is given below. Data are available upto 1982-83 only.

Statement-I

Statement showing import of cereals during 1980-81 to 1982-83.

Quantity :- Tonne
Value :- Rs. lakhs

Sl. No.	Description of items	1980-81		1981-82		1982-83		Names of major countries from which imported
		Qty.	Value	Qty.	Value	Qty.	Value	
1.	Wheat (including spelt) and meslin, unmilled	296450	7659	1328084	29975	1651800	35174	Australia, USA, Nepal, Canada and U.K.
2.	Rice	18708	369	64939	1469	19333	387	Nepal, Singapore, U.K. and Japan.
3.	Barley, unmilled	802	11	9	Neg.	—	—	Nepal
4.	Maize (corn), unmilled	22614	442	27050	528	3375	105	Nepal, U.S.A.
5.	Cereals, unmilled (other than wheat, rice, barley and maize)	1597	27	15840	438	5881	160	Nepal, U.S.A., German FRP and Burma
Total :-		339771	8508	1435922	32410	1680389	35826	

Source I For 1980-81 and 1981-82 :- Monthly Statistics of Foreign Trade of India Vol. II (Imports) published by the Directorate General of Commercial Intelligence and Statistics, Calcutta.

Source II For 1982-83 :- Advance data received in the Office of the Economic Adviser, Ministry of Commerce from DGCI & S, Calcutta.

Statement-II

Statement showing export of cereals during 1980-81 to 1982-83

Sl. No.	Description of items	1980-81		1981-82		1982-83		Names of major countries to which exported	Quantity :- Tonnes Value :- Rs. lakhs
		Qty.	Value	Qty.	Value	Qty.	Value		
1.	Wheat (including spelt) and meslin, unmilled	63863	1064	1414	56	2	Neg.	Bangladesh, Korea DP RP, Vietnam Rep., Vietnam DRP and Nepal	
2.	Rice	727351	22386	872532	36778	453572	21790	Sudan, Benin, USSR, France, Kenya, Nepal, Canary Is, Iran, Kuwait, Oman, Saudi Arab, U.K. U.S.A., Vietnam DRP, Vietnam Rep., Czechoslovak, Bahrain Is, U. Arab Emits., Rumania, Tanzania REP.	
3.	Barley, unmilled	5716	95	44368	802	5552	83	Kuwait and Yemen P D Rep.	
4.	Maize (corn), unmilled	—	—	27	1	391	8	Oman, Sri Lanka	
5.	Cereals, unmilled (other than wheat, rice, barley and maize)	140	2	14	1	274	6	Maldives Is, Japan, Qatar, U.K. and U. Arab Emits.	
Total :-		797070	23547	912355	37638	459791	21887		

Source I For 1980-81 and 1981-82 :- Monthly Statistics of Foreign Trade of India Vol. I (Exports) published by the Directorate General of Commercial Intelligence and Statistics, Calcutta.

Source II For 1982-83 :- Advance data received in the Office of the Economic Adviser, Ministry of Commerce from DGCI&S, Calcutta.

**Increase in smuggling at
Trivandrum Airport**

835. SHRI M. RAGHUMA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a large number of customs officials are involved in gold smuggling at Trivandrum airport;

(b) whether it is also a fact that the smuggling of gold and other articles is on an increase there;

(c) whether it is also fact that no searches have been conducted nor any investigation made on the information available with higher authorities at Delhi; and

(d) if so, the corrective steps taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Reports received by the Government indicate that gold continues to be sensitive to smuggling and total seizures of contraband goods including gold at Trivandrum airport during 1985 worked out to Rs. 3.7 crores as against Rs. 1.65 crores worth of contrabands seized during 1984.

(c) and (d). There is no let up in the conduct of anti-smuggling activities whatsoever, as is evident from the figures of seizures furnished above. However, the trends in smuggling and seizures made are kept under constant review for taking appropriate action as warranted.

Stringent action is taken against all those found involved in smuggling activities both departmentally as well as through prosecution in Court of law. Apart from imposition of personal penalties and confiscation of goods, in appropriate cases preventive detention under the COFEPOSA Act is also resorted to.

**Increase in smuggling across Ladakh
Region in J. & K.**

836. P. NAMGYAL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that smuggling across the international borders as well as across the line of actual control between India and Tibet in the Ladakh region of Jammu and Kashmir has increased manifold;

(b) if so, the number of cases that have been apprehended, persons arrested and details of articles confiscated; and

(c) the steps taken to prevent smuggling in that sector ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Reports received by the Government as well as trends of seizures indicate that the incidence of smuggling across Indo-Tibetan border (Ladakh sector) as well as Jammu and Kashmir sector in the Indo-Pak border is not on a significant scale. However, one seizure of miscellaneous goods consisting of garments, one colour T. V, chappals, tooth pastes etc. valued at Rs. 3 lakhs was effected by the Indo-Tibetan border police authorities in December, 1985. In this connection, one person was arrested. On the Jammu and Kashmir sector, Border Security Force has effected a seizure of miscellaneous goods valued at Rs. 2,070/- in 1985.

(c) Anti-smuggling drive has been intensified on our international borders. The concerned agencies of the Central and State Governments remain vigilant to check smuggling activities across the border.

Imports vis-a-vis exports

837. SHRI CHINTAMANI PANIGRAHI : Will the Minister of COMMERCE be pleased to state :

(a) whether imports of our country in the first five months of 1985-86 rose much faster than export;

(b) if so, the extent thereto;

(c) the items and countries from which India's imports rose faster; and

(d) the reason for the same ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) According to the provisional trade statistics available from DGCI&S, India's exports during the first five months of the current financial year i.e. April-August 1985 amounted to Rs. 3763.15 crores as against Rs. 3895.68 crores during April-August, 1984 registering a marginal decline of 3.4 per cent. On the other hand imports during April-August, 1985 were 7566.24 crores which were higher by 25.0 per cent as compared to Rs. 6054.01 crores during April-August, 1984.

(c) The product groups in respect of which imports have increased during April-September, 1985 for which cumulative data is available, as compared to April-September, 1984 include Petroleum and petroleum products; machinery and transport equipment; fertilizers manufactured; iron and Steel; metal-ferrous ores and metal scraps; Professional, scientific and surgical instruments; pulp and waste paper; organic chemicals and non-ferrous metals.

Similarly countries in respect of which imports registered an increase during April-September 1985 as compared to April-September, 1984 include France, Federal Republic of Germany, United Kingdom, Australia, Iran, Japan, Iraq, Kuwait, UAE, USA, Canada and USA.

(d) Higher imports have been effected to support the levels of consumption of essential

items, investment and production in the country.

Closing of Bank branches found economically unviable

838. SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) whether there is a ban on the opening of new branches by public sector banks, except in districts for which they have been named as lead banks;

(b) if not, the number of branches opened by each bank during 1985 in districts for which they are recognised as lead banks and in other districts;

(c) whether any branches have been closed by such banks during the year on being found economically not viable; and

(d) if so, the number thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) Details of bank offices opened by public sector banks having lead districts and other districts during 1.1.85 to 30.9.85 are given below as statement.

(c) No, Sir.

(d) Does not arise.

Statement

Name of the Bank	Number of lead districts	Offices opened in lead districts	Offices opened in other districts
Allahabad Bank	9	—	73
Andhra Bank	5	8	26
Bank of Baroda	31	20	62
Bank of India	34	15	121
Bank of Maharashtra	6	5	15
Canara Bank	19	13	63
Central Bank of India	47	46	68
Dena Bank	10	13	28

Indian Bank	9	12	37
Indian Overseas Bank	7	5	44
Punjab National Bank	42	39	106
Punjab & Sind Bank	1	1	13
Syndicate Bank	19	19	43
Union Bank of India	8	22	58
United Bank of India	22	28	51
United Commercial Bank	25	21	47
State Bank of India	79	38	311
Associates of State Bank of India	38	13	67
Total	411	318	1233

[Translation]

Development of Tourist Centres at Jhunjhunu

839. SHRI MOHD. AYUB KHAN : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether there is any proposal to develop Jhunjhunu (Rajasthan) which has many ancient forts and buildings with rare work of architectural beauty as a tourist centre during the Seventh Five Year Plan; and

(b) if so, the details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) and (b). No proposal has been received so far from the State Government to develop Jhunjhunu (Rajasthan) during the Seventh Five Year Plan.

[English]

Effect of increase in duty on Import of T. P. A.

840. SHRI S. M. GURADDI : Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that due to increase in the duty on TPA by 50 per cent no import of TPA has taken place during the past six months (May to December, 1985);

(b) the total import of TPA for the period of six months prior to issue of order of change of duty on TPA by 50 per cent; and

(c) the names of three firms manufacturing polyester-yarn which had imported TPA during the period mentioned in part (b) above ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No. Sir.

(b) and (c). The item TPA is not separately classified in the Indian Trade Classification, Rev. 2. on the basis of which foreign trade statistics are maintained.

Particulars of import licences are published in the 'Weekly Bulletin of Import Licences, Export Licences and Industrial Licences', copies of which are available in the Parliament Library. The latest Weekly Bulletin published is for October, 1985. Import statistics is not maintained importer-wise and licence-wise. Government have agreed to allow import of TPA to the following firms :—

(i) M/s. Reliance Textiles Industries Ltd.

(ii) M/s. Orkay Silk Mills Ltd ;

(iii) M/s. J. K. Synthetics Ltd.;

(iv) M/s. Indian Organic Chemicals Ltd.

Advertising of Japanese Products in Indian Press

841. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that many Japanese electronic firms are advertising their consumer products in the Indian press;

(b) if so, the names of the news papers published from Delhi which bring out such advertisements;

(c) effect of such advertisements on smuggling;

(d) whether the earning for such products goes up by such advertisements and whether it is according to official policy; and

(e) whether Government are contemplating banning such advertisements of items banned for imports ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) to (d). Foreign manufacturers advertise their consumer products occasionally in some of the Indian newspapers viz. Hindustan Times, The Times of India, Indian Express etc. published from Delhi. Such advertisements are part of the global strategy of the foreign manufacturers for the promotion of their products and influencing the preferences of consumers, including Indian tourists visiting abroad.

(e) No, Sir.

Export of Iron-ore

842. SHRIMATI JAYANTI PATNAIK: Will the Minister of COMMERCE be pleased to state :

(a) the total quantity of iron ore exported through Paradip Port and other ports in the country in 1985-86 (upto 31st January, 1986) port-wise;

(b) whether steps have been taken by Government to increase the export of iron ore;

(c) if so, the names of the countries which have taken interest in importing iron ore from India; and

(d) the steps taken in this regard ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) A statement showing quantity of iron ore exported through Paradip Port and other ports in the country 1985-86 (upto 31st January, 1986) port-wise, is given below.

(b) Yes, Sir.

(c) The countries importing iron ore from India are Japan, Romania, South Korea, G. D. R., Czechoslovakia, Hungary Pakistan, Taiwan, DPRK, China, Kuwait, Saudi Arabia, Iraq, Oman, Italy and Holland.

(d) The following steps have been taken to improve exports :

(i) Foreign buyers have been provided incentive by way of discounts for exports through Paradip Port to compensate for high freight incidence due to shipment by smaller sized vessels, and larger distance involved as compared to Madras and Vizag Ports.

(ii) Quota restrictions for procurement of iron ore from Paradip Port from mine owners have been removed by MMTC consequent upon higher off-take from the port.

(iii) In order to meet long term requirements of the port, a proposal for improving iron ore handling facilities and deepening of the port is being examined.

(iv) Action has been initiated to improve infrastructure facilities at other ports.

(v) Efforts have been made to diversify iron ore export markets,

Statement

[English]

Statement showing shipments of iron ore port-wise during April, 1985—January, 1986

Port	Quantity (in Lakh Tonnes) Provisional
Vizag	44.35
Madras	39.01
Paradip	15.23
Marmugao	108.53
Redi	8.48
Karwar/Belkere	1.19
Haldia	—
Total	216.79

[Translation]

Survey in Faizabad Commissionary to Unearth black money

843. SHRI R. P. SUMAN : Will the Minister of FINANCE be pleased to state :

(a) whether any comprehensive survey has been conducted by the Income-tax Department in various districts of Faizabad Commissionary in Uttar Pradesh with a view to unearthing black money;

(b) if so, the details thereof;

(c) if not, whether Government propose to conduct such survey there; and

(d) if so, when ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Survey is constant process and survey operations are being conducted in accordance with the long-term survey action plan. In various districts of Faizabad Commissionary in Uttar Pradesh 30 premises were surveyed recently.

Loan applications pending under 20-point Programme belonging to weaker sections of Adalatganj and Mohalla (Bihar)

844. DR. G. S. RAJHANS : Will the Minister of FINANCE be pleased to state ;

(a) whether Government are aware that a large number of loan applications under the 20-point programme belonging to the weaker sections of the society of Adalatganj and Mohalla in Bihar are pending with the different branches of the nationalised banks;

(b) if so, the action Government propose to take against the sanctioning authorities of the different branches of the nationalised banks for delay in sanctioning loans; and

(c) the action Government propose to take to expedite the sanction of loans ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) and (c). The requisite information is being collected and to the extent possible will be laid on the Table of the House.

Special Committee for Cardamom in the Spices Board

845. PROF. K. V. THOMAS : Will the Minister of COMMERCE be pleased to state :

(a) whether a separate statutory committee for cardamom would be constituted in the Spices Board; and

(b) if so, whether the headquarters of the Spices Board would be situated at Cochin ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). The Spices Board Bill, 1986, which is still under consideration of Parliament, does not provide for a separate statutory Committee for cardamom. It is, however, proposed to have the headquarters of the Board at Cochin,

Closure of retail outlets in Andhra Pradesh

**846. SHRI V. TULSIRAM :
DR. B. L. SHAILESH :**

Will the Minister of TEXTILES be pleased to state :

(a) whether Government have finalised a scheme to shut unviable retail outlets in the country;

(b) the saving likely to accrue to the National Textile Corporation as a result thereof;

(c) the locations of these outlets in the country particularly in Andhra Pradesh;

(d) the number of employees at each outlet who are likely to be affected and whether alternate jobs will be provided to them; and

(e) the reasons for their closure and also the reasons for not taking timely steps for their improvement ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (e). No scheme for the closure of all unviable retail shops of NTC has been finalised. Cases for closure of individual retail shops are examined from time to time. There is a proposal to close down two showrooms in Tamil Nadu (5 employees each) and two showrooms in Andhra Pradesh (3 employees each) in Hyderabad and Secunderabad). However, no final decision has been taken regarding closure of these showrooms.

Export of Himachal Apples

847. SHRI K. D. SULTANPURI : Will the Minister of COMMERCE be pleased to state :

(a) the total amount of foreign exchange earned by the export of apples from Himachal Pradesh during the year 1985-86;

(b) whether the Union Government have given any grant to the State Government for development of apple produce or for marketing their produce;

(c) whether Government of Himachal Pradesh have sent any scheme for marketing the apple produce; and

(d) if so, the details thereof and the action taken by the Union Government thereon ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) State-wise data of exports of apples is not available.

(b) No grant has been given against any specific scheme of the State Government.

(c) No scheme has been received from the Government of Himachal Pradesh.

(d) Does not arise.

[Translation]

Production and Distribution of Janta Cloth.

848. SHRI MOOL CHAND DAGA : Will the Minister of TEXTILES be pleased to state :

(a) the quantum of Janta Cloth in meters required for dhotis, saris, shirtings etc. in the country at present and the extent to which demand of Janta Cloth is met by National Textile Corporation and other mills separately; and

(b) whether the required quantity of Janta Cloth is not made available at fair price shops and it is sold in black market due to which weaker sections of people are deprived of it ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The target for production of controlled cloth (comprising Janta Cloth in the handloom sector and controlled cloth by the National Textile Corporation mills) is fixed on the basis of the availability of resources for payment of subsidy. It is not linked to the quantum of total demand. The production of various varieties like dhotis, saris, shirting etc., is undertaken in keeping with the consumer preferences.

The total quantum of controlled cloth has been raised from 650 to 700 million square metres in the year 1985-86. As envisaged in the Textile Policy, the controlled

cloth is being shifted to the handloom sector in a phased manner as will be evident from the following Statement :

Year	Total Target of Controlled Cloth	(in million square metres)	
		Controlled Cloth	Janata Cloth
1983-84	650	300	350
1984-85	650	290	360
1985-86	700	280	420
1986-87	700	200	500

(b) The janata cloth is produced by State handloom agencies comprising States Handloom Corporations and State Handloom apex/primary societies. Janata Cloth produced by these agencies is distributed through the owned outlets of the producing agencies, consumer cooperative stores, other types of cooperative stores, civil supplies outlets, fair price shops etc. The Central Government have not received any specific complaint about janata cloth being sold in the black market.

[English]

**Proposal to close down eight
Textile Mills of N.T.C.**

849. SHRIMATI KISHORI SINHA : Will the Minister of TEXTILES be pleased to state :

(a) whether the National Textile Corporation proposed to close down eight textiles mills as reported in the Economic Times dated February 7, 1986; and

(b) if so, the reasons thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The Textile Policy States that the continued operation of units, which are incapable of becoming viable, would mean a continued drain on scarce resources and such units or parts thereof may have to be closed down to prevent any further losses. However, no final

decision has been taken regarding which mills are to be closed.

**Nationalisation of Jute Mills
in West Bengal**

850. DR. SUDHIR ROY : Will the Minister of TEXTILES be pleased to state :

(a) whether Government of West Bengal has been requesting the Union Government to nationalise the Jute Industry;

(b) whether Union Government would reconsider the matter; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) and (c). Nationalisation of jute industry would not resolve the problems in jute industry. Instead Government have been taking measures to deal with each of the various aspects of problems in jute industry.

**Subsidy for Public Distribution
of Foodgrains in States**

851. SHRI CHITTA MAHATA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have allowed subsidy for public distribution of foodgrains in States; and

(b) if so, the names of the States which have not been allowed subsidy so far and the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) and (b). Consumer subsidy on public distribution of foodgrains is being given by Central Government to all the States.

Effects of New Textile Policy on Handloom Weavers

852. SHRI BANWARI LAL PUROHIT: Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware that the economic condition of the handloom weavers in the country has worsened since the formation of the new textile policy;

(b) whether Government have assessed the economic conditions of the handloom weavers in the country;

(c) whether the handloom weavers are not even in a position to earn their livelihood; and

(a) the steps taken by Government to provide adequate assistance to the handloom weavers in the country ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) No such reports have been received by the Government.

(b) Government of India is planning to conduct a national census of handlooms, which will provide data regarding the economic conditions of the handloom weavers.

(c) No such reports have been received by the Government.

(d) Government have formulated a number of schemes aimed at developing the handloom sector and improving the lot of handloom weavers. These are mainly directed towards creation of an organisational infrastructure in the form of cooperatives State handloom development corporations for giving a package of assistance including

supply of inputs, training, marketing etc. Besides, emphasis is laid on improving the quality and wearability of handloom fabrics modernisation of looms for increasing the productivity and thereby earnings of handloom weavers. Janta cloth scheme, which according to the New Textile Policy involves transfer of the entire controlled cloth to the handloom sector by the end of 7th Plan, is likely to create additional employment in the handloom sector. Two Welfare Schemes, namely, Contributory Thrift Fund and Workshed-cum-Housing have also been launched during the current financial year.

Deficit Financing System

853. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that during the last financial year Government have been able to control the deficit financing system which was in vogue for many years;

(b) on account of strict implementation of new policies adopted by Government, the quantum of savings made during the last financial year; and

(c) the proposal of Government to replace the deficit budget system ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI JANARDHANA POOJARY) : (a) to (c). It is always the endeavour of the Government to keep the amount of the budetary deficit within prudent limits. The details regarding revised estimates of revenue and expenditure and the likely budget deficit, will be presented in the Budget, to be presented to Parliament on 28th February, 1986.

[Translation]

Impact of New Fiscal Policy on Pace of Economic Development

854. SHRI VIRDHI CHANDER JAIN : Will the Minister of FINANCE be pleased to state :

(a) the manner in which the recently announced new fiscal policy will be helpful in promoting the pace of economic development of the country; and

(b) the results achieved so far in this direction ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) : (a) The document on Long Term Fiscal Policy which was laid on the Table of the House on 19th December 1985 spells out the proposals for policy measures and the directions of fiscal reform which should contribute to higher growth, and expansion of productive investment and employment.

(b) Since the proposed measures will be taken over a period of years, it is too early to assess their impact.

[English]

Demand for Incentives for Promotion of Tourism Industry

855. SHRI TARIQ ANWAR : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that a delegation of the Federation of Hotel and Restaurant Association of India has met him recently;

(b) if so, whether the Federation has sought a number of incentives for the promotion of tourism industry; and

(c) the reaction of Government on these proposals ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) Yes Sir.

(b) and (c). The discussion between the Department of Tourism and the Federation of Hotel and Restaurant Associations of India on the question of incentives required for the promotion of tourism industry in the country is a continuing process. The various incentives/concessions requested by the Federation are examined by the Department and appropriate action taken on the merits of each such proposal in consultation with other concerned Ministries/Departments of the Government, and after consideration of various aspects of the matter.

Scheme for Disclosure of Concealed Income

856. SHRI C. MADHAV REDDI : Will the Minister of FINANCE be pleased to state :

(a) the duration of the new amnesty scheme for disclosure of concealed income;

(b) the salient features of the scheme;

(c) whether facilities would be available also in relation to concealed incomes of past years, if so, for how many years;

(d) whether there has been an encouraging response so far; and

(e) the amount expected to be collected as taxes as a result of this scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) : (a) Upto 31st March, 1986.

(b) Circulars have been issued asking assessee-old as well as new-to come forward voluntarily and in good faith to make true and full disclosure of their incomes and pay tax thereon before 31.3.1986 without fear of penal consequences such as penalty or prosecution. It has been assured that no roving enquiries will be made in their cases nor their earlier assessments will be opened/reopened by the Department on account of declaration of higher income in this year. In respect of declaration of earlier year's income, the assesseees have been advised to approach the concerned Commissioner of Income-tax with full and true disclosure and pay tax besides filing fresh return of income where the assessment has already been completed.

(c) The facilities will be available also for past years. No limit has, however, been prescribed in the circulars but the overall limit laid down in the Act for regularising such assessments will have to be adhered to.

(d) From the letters received in this regard from various persons, trade-associations, etc., the response of tax-payers appears to be encouraging.

(e) In cannot precisely be stated at this stage as to how much additional amount would be collected as a result of these circulars.

**Potential for development of hiking
in Sikkim**

857. SHRIMATI D.K. BHANDARI : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government are aware that Sikkim has tremendous potential for the development of hiking; and

(b) if so, the initiatives taken by the Union Government to foster it ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) Yes, Sir.

(b) In the year 1985-86, the Central Department of Tourism has approved a scheme for construction of trekkers' huts along various trek-routes in Sikkim at an estimated cost of Rs. 15.16 lakhs. Another proposal for provision of trekking equipments at estimated cost of Rs. 3.88 lakhs is under consideration.

**Smuggling of gold from Dubai, Hong
Kong and Singapore**

858. SHRI BHATTAM SRIRAMAMURTY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that gold is being smuggled into the country from Dubai's Sona Bazar, Hong Kong and Singapore; and

(b) the value of the smuggled gold seized during 1984 and 1985 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARI) : (a) Reports received and seizures made indicate that gold continues to be sensitive to smuggling into India by air, sea and land from Gulf countries, Hong Kong and Singapore.

(b) The value of gold seized during the years 1984, 1985 is given below :

Year	Value (Rs. in crores)
1984	10.24
1985	51.56 (provisional)

**Adverse effect of hike of petroleum
prices on exports**

859. SHRI RAJ KUMAR RAI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the export effort which had yielded rather disappointed results during the current year, is likely to be hit further by the recent hike in petroleum prices;

(b) whether price hike will raise our cost of production and make product less competitive in the world market; and

(c) if so, the steps Government propose to take to save the industries in the country?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). It is not right to conclude that our export efforts have yielded disappointing results during the current financial year. Our export performance depends on a number of factors including external economic environment and domestic economic situation. The recent increase in prices of petroleum products is not likely to have any substantial impact on the competitiveness of our products in the world market.

**Allocation of sugar quota to States and
Union Territories**

860. SHRI D. B. PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that quantum of sugar per head per month has been fixed for distribution through fair price shops by Government;

(b) if so, the quantum so fixed;

(c) whether sugar is not allocated to

States and Union Territories as per the quantum so fixed;

(d) if so, the reasons therefor; and

(e) the requirement of each State and Union Territories as per the quantum fixed and the quantity actually allocated to the States and Union Territories for the years 1983-84, 1984-85, April 85 to December, 1985 ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a), (b) and (e). The State-wise monthly levy sugar quotas have been fixed on the basis of 425 grams monthly per capita availability for the projected population as on 1.10.1983. These quotas are effective from 1.10.1983 and prior to this data the States' mothly quotas were worked out with reference

to the population as on 1.3.1981 with the same per capita availability of 425 grams.

The levy sugar allotted to the State Government/Union Territories on the above basis (including some extra allocations made for festival purposes ect.) during the financial year 1983-84 and 1984-85 and from April, 1985 to December, 1985 are shown in the Statement is given below.

As regards the scale of distribution of sugar through fair prices shops, it is decided by the respective State Governments.

(c) Levy sugar is allocated to States and Union Territories on the basis mentioned against parts (a) (b) and (e).

(d) Does not arise.

Statement

Statement showing the allocation of sugar quota to States and Union Territories

(Qty. in tonnes)

State/Union Territory	Financial year 1983-84 (April to March)	Financial year 1984-85 (April to March)	Financial year 1985-86 (Upto December'85)
1	2	3	4
Andhra Pradesh	2,84,179	2,92,165	2,35,448
Andman & Nicobar	2,464	2,614	2,105
Arunachal Pradesh	3,382	3,514	2,831
Assam	1,07,363	1,11,749	90,055
Bihar	3,72,535	3,83,923	3,90,392
Chandigarh	3,670	3,988	3,212
Dadra Nagar Haveli	572	608	490
Delhi	78,850	83,356	67,175
Goa, Daman, Diu	5,764	5,812	4,682
Gujarat	1,81,220	1,86,788	1,50,529
Haryana	68,727	70,977	57,198
Himachal Pradesh	22,614	23,310	18,783
Jammu & Kashmir	31,717	32,503	26,192
Karnataka	1,98,208	2,04,808	1,65,047
Kerala	1,33,920	1,36,494	1,09,995
Lakshadweep	809	827	667

1	2	3	4
Madhya Pradesh	2,76,277	2,83,033	2,28,089
Maharashtra	3,32,334	3,40,452	2,74,362
Manipur	7,615	7,819	6,302
Meghalaya	7,135	7,405	5,966
Mizoram	2,720	2,918	2,350
Nagaland	4,442	4,742	3,820
Orissa	1,38,309	1,40,775	1,13,448
Pondicherry	3,212	3,296	2,659
Punjab	89,208	92,184	74,289
Rajasthan	1,84,487	1,92,515	1,55,143
Sikkim	1,753	1,873	1,511
Tamil Nadu	2,54,262	2,58,810	2,08,566
Tripura	11,157	11,649	9,387
Uttar Pradesh	5,93,529	6,83,659	4,94,529
West Bengal	2,89,452	2,97,126	2,39,445

(Includes additional allocations made for festival purposes etc.)

Unsold tobacco of Andhra Pradesh and transactions for its disposal

861. SHRI N. VENKATA RATANAM :
Will the Minister of COMMERCE be pleased to state :

(a) the present stock of tobacco laying unsold in Andhra Pradesh and the steps taken to export it;

(b) whether it is a fact that Government of Algeria had contracted with Government of India to purchase 1200 tonnes of tobacco of Andhra Pradesh in 1984-85;

(c) if so, the present stage of the transaction;

(d) whether the USSR is also prepared to buy the Andhra Pradesh tobacco and has entered into any negotiations with Union Government, if so the detail of such negotiations; and

(e) whether Government of India have been negotiating with any other countries for sale of tobacco of Andhra Pradesh, huge quantities of which are lying in Andhra Pradesh ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) According to the information available with the Tobacco Board an estimated quantity of 18,500 Tonnes of VFC Tobacco of 1983, 1984 and 1985 crops is available with the trade in Andhra Pradesh.

The following steps have been taken to increase exports of Unmanufactured Tobacco:

(i) Unmanufactured Tobacco has been included in the Select List of Export Products under Appendix 16 of the Import and Export Policy;

(ii) Minimum Export Prices (MEP) for all types of tobacco of 1986 crops have been maintained at the 1985 level to make Indian tobacco more competitive in the international market;

(b) Yes, Sir. Algeria has contracted to buy 1200 Tonnes of 1985 crop of Andhra Pradesh Tobacco.

(c) The Algerian buyers have completed the formalities of inspection etc. The shipments are expected to take place shortly.

(d) USSR is one of our principal buyers and they negotiate their purchases from year to year.

(e) Yes, Sir.

Evasion of customs duty due to serious flaws in Baggage Law

862. SHRI MANIK REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to serious flaws in baggage laws leading to serious evasion of customs duty; and

(b) whether it is a fact that ITDC Duty-free shops for purchase within the country are being widely misused ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARI) : (a) Customs authorities at Airports/Seaports remain vigilant to detect cases of excessive importations by baggage and take necessary action in individual cases on merits by way of confiscation of goods, imposition of fines/penalties, prosecutions where justified, etc. Further, to deal with cases of 'carrier' traffic in baggage, the Baggage Rules have recently been amended to provide that in the case of Colour T. Vs., Video Cassette Recorder, Video Cassette Players and Video Cameras imported into India, the duty-free allowance permitted to be set off against the value of these articles would be limited to Rs. 500/-. The amendments further provide that no concessional duty or free allowance will be available for clearing unaccompanied baggage. These would help further restrict any mis-use of baggage allowances by persons going abroad.

(b) No, Sir.

New textile policy and utilisation of cotton lint

863. SHRI UTTAM RATHOD : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Government have accepted the new textile policy to allow fragility in the use of man-made fibre;

(b) whether Government have given any thought as to how to utilise the cotton lint produced in India; and

(c) if so, the particulars of projects that will consume the cotton lint produced in India ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHED ALAM KHAN) : Hon'ble Member of Parliament perhaps refers to the flexibility in use of man-made fibres by the textile mills as envisaged in the new Textile Policy, accepted and announced by Government in June, 1985.

(b) and (c). The Textile Policy envisages that the pre-eminent role of cotton as the main raw material of the textile industry would be maintained. Utilisation of indigenous cotton would be ensured by domestic consumption and by export of cotton, yarn and other manufactures. During the current cotton season (1985-86), Government have released so far 10.00 lakh bales of long and extra-long staple cotton, 52,000 bales of Bengal Deshi and 25,000 bales of Yellow Pickings for export. A liberalised long term yarn export policy has also been announced by Government.

[Translation]

Scheme for development of tourist places in Belaganj, Tapovan and Attari in Gaya

864. SHRI RAMSWAROOP RAM : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Belaganj, Tapovan and Attari in Gaya District of Bihar have been totally undeveloped from tourism point of view; and

(b) whether the Union Government have formulated any scheme for the development of these tourist places and if so, the details thereof ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) and (b). Development

of tourism infrastructure of a place is undertaken in a phased manner depending upon the importance of the place, availability of funds and *inter se* priority through the combined resources of the centre, the state and the private sector. From the State Plan a sum of Rs. 9.07 lakhs is being spent on construction of staircases from two different directions of Barabar Hills near Belaganj. Tapovan Development Committee, Attari has requested the State Government for the provision of a rest house, drinking water facilities and renovation of Tapovan Hot Water Springs. The Central Government have not received any proposal from the State Government for developing tourist infrastructure at any of these places.

[English]

Fall in cotton consumption and its price due to new textile policy

865. PROF. RAMKRISHNA MORE : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have made any assessment to know the extent to which the cotton consumption has been reduced and its prices fallen with the new textile policy giving boost to the production of polyester and blended fabrics;

(b) if so, the details thereof; and

(c) the remedial measures taken by Government to protect the textile industry and the cotton growers in the country from the adverse impact as a result of the new textile policy ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KURSHID ALAM KHAN) : (a) and (b). The consumption of cotton during the last cotton season (Sep. 84-Aug. 85) was estimated at 91.15 lakh bales and the consumption of cotton during the current cotton season (Sep. 85-August 86) is estimated at 91.65 lakh bales. The downward movement of the prices of cotton during the current cotton season has been due to the excellent cotton crop during the last cotton season and the prospects of the satisfactory cotton crop during the current year.

(c) The new Textile Policy envisages that the pre-eminent role of cotton as the main raw material of textile industry would be maintained. Utilisation of indigenous cotton would be ensured by domestic consumption and by export of cotton yarn and other manufactures. Cotton growers shall always be assured off-take of their produce at remunerative prices. Cotton needed by the textile industry would be made available in adequate quantity and at reasonable prices. The Government of India with a view to protecting the interests of the cotton growers have announced export of 10.00 lakh bales of long and extra long cotton, 57,000 bales of Bengal Deshi and 25,000 bales of yellow pickings during the current cotton season. Minimum support prices for procurement of kapas during the current cotton season have been announced by the Government and the Cotton Corporation of India have been authorised to make purchases at the support prices where-ever the market prices fall below the support prices. Government have also announced a liberalised long term export policy for yarn.

Production of more sugar to overcome sugar scarcity

866. SHRI V. SOBHANADREESWARA RAO : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the quantity of sugarcane crushed and sugar produced in the current season as on 15 February, 1986 and the corresponding figures as on 15 February, 1985; and

(b) the steps Government have taken to encourage production of more sugarcane to overcome sugar scarcity ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) On the basis of telegraphic information received from the sugar factories, the provisional figure of sugar production upto 15th February in the current sugar year 1985-86 has worked out at 41.82 lakh tonnes as against the actual sugar production of 36.80 lakh tonnes upto the same date in 1984-85 season. As regards the sugar cane crushed, the information so far furnished by the factories is upto 31.1.1986. The provisional figure of sugar-

cane crushed upto 31st January in 1985-86 season has worked out at 34.5 million tonnes as against 30.7 million tonnes of actual cane crushed upto the same date in 1984-85 season.

(b) To encourage production of sugarcane, the payment of remunerative cane prices by the sugar factories to the cane growers has been ensured. Besides, the Government of India is supporting the measures of the State Governments to provide incentives to the farmers to boost sugarcane production. The Cooperative structures in the States have organised provisions of credit and inputs to sugarcane farmers. Many State Governments also provide incentives and assistance like subsidies for irrigation, provision of link roads in reserved areas of sugarcane factories, training of farmers, protection against pests and diseases etc. Loans for sugarcane development from the Sugar Development Fund will be provided on soft terms to sugar undertakings.

Nationalisation of closed textile mills in Ahmedabad

867. SHRI RANJITSINGH GAEKWAD : Will the Minister of TEXTILES be pleased to state :

(a) whether about 20 textiles mills in Ahmedabad are closed for a long time;

(b) whether the workers of these closed textile mills are rendered unemployment since long;

(c) whether Government propose to nationalise these closed textile units of Ahmedabad;

(d) if so, when a decision is likely to be announced in this regard; and

(e) if not, the reasons thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (b). As on 31.12.1985, 16 textile mills in Ahmedabad were lying closed affecting the employment of around 30,000 workers.

(c) The Government of Gujarat have already nationalised 12 of these mills.

(d) and (e). Do not arise.

[Translation]

Purchase of cotton by cotton corporation of India in Gujarat

868. SHRI NARSINH MAKWANA : Will the Minister of TEXTILES be pleased to state :

(a) the details of the instructions issued to Cotton Corporation of India for the purchase of cotton in Gujarat indicating the date of such instructions;

(b) the target fixed for the procurement of cotton this year and whether the procurement is going on in accordance with this target; and

(c) the measures being taken by Government to remove the complaint in certain parts that the traders sell their cotton to the Corporation posing as farmers and cotton is not being purchased from farmers ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM DHAN) : (a) to (c). A statement is given below.

Statement

A study team consisting of the representatives of the Central Government, Cotton Corporation of India and Government of Gujarat visited for 10th to 25th January, 1986 various cotton growing areas of Gujarat from making an on the spot study of the arrangements made for purchase of Kapas in Gujarat and other related matters. In the light of Study Team's recommendations, instructions were given to Gujarat and Sawashtra Branch Office of the CCI on 21.1.86. The gist of such instructions is as under :

(i) Norms for purchase of Kapas pooled by Agricultural Marketing Societies of the growers at support prices with usual quality deductions.

- (ii) Adequate publicity to be made in local language including putting up hardings at places of purchases indicating the quality parameters prescribed for the fair average quality and scale of deductions, if any on account of poor quality.
- (iii) Distribution of printed leaflets in local language.
- (iv) Utilising the services of Mandis for making purchases where regulated markets are not functioning.
- (v) Procedure to be followed to ensure that Kapas are purchased from the genuine farmers.
- (vi) Exploring possibility of utilising the services of the Gujarat State Cooperative Marketing Federation for procurement of kapas in Kutch and Sawarashtra where marketing infrastructure is very weak.
- (vii) Procedure to be followed for quick payment to individual growers and societies for pooled Kapas within a reasonable time.

As the price support agency, the Corporation has no fixed quantitative target for procurement of cotton in various cotton grower States including Gujarat except Maharashtra where the Cotton Monopoly Procurement Scheme of the State Government is in operation. The Corporation shall remain in the markets till the arrivals of kapas last. However, in Gujarat the Corporation has purchased about 1.95 lakh bales of cotton upto 21st February, 1986. Further purchases are in progress.

It is the policy of the Corporation to effect purchases by participating in the open auction held in all the Mandis under the supervision of Agricultural Produce Marketing Committee. Thus, the Corporation effect purchases directly from the growers and not from the traders. The CCI also purchase kapas pooled by the Societies from their grower members. However at places where regulated markets are not functioning, procedure and norms have been prescribed to ensure that kapas are directly purchased from the farmers.

[English]

Identification of industrial sickness

870. SHRI RADHAKANTA DIGAL
Will the Minister of FINANCE be pleased to state :

(a) whether some efforts have been made by Reserve Bank of India to identify industrial sickness;

(b) whether joint efforts are proposed to be made by the Ministries of Industry and Finance to revive the sick units; and

(c) if so, the other steps proposed to be taken by Government to check industrial sickness ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India has written to banks on various aspects concerning industrial sickness. Banks have been advised to set up special cells in their head offices and important regional offices for dealing with sick units and for detecting early warning signals regarding development of sickness. Banks have also been asked to strengthen their organisational arrangements for early detection of sickness and to introduce accountability at the branch level so that early warning signals are not ignored but reported to higher authorities for taking various necessary corrective action.

(b) and (c). The Ministry of Industry and Ministry of Finance maintain close liaison as regards revival of sick units.

The Government have been emphasising upon the banks and financial institutions to strengthen their monitoring arrangements for prevention of sickness and to take appropriate corrective measures on the basis of diagnostic studies where units have become sick. The Government have converted the erstwhile Industrial Reconstruction Corporation of India into Industrial Reconstruction Bank of India with effect from March, 1985 as the principal credit and reconstruction agency for industrial revival. "The Sick Industrial Companies (Special Provisions) Act, 1985" envisages setting up of a Board for Industrial and Financial

Reconstruction which will take various measures pertaining to the sick industrial companies.

Augmentation of small farmers capacity to retain and sell produce for better profits

871. SHRI PRAKASH V. PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have taken any long term steps to cut down wastage of foodgrains in storage and also augment the capacity of the small farmers to retain their produce for some months and sell the foodgrains when the prices rise so that they are equally benefited as the big farmers do at present;

(b) whether it is a fact that unless this is done, the lot of the small and marginal farmers cannot be improved;

(c) if so, the details of the steps Government propose to take in this direction; and

(d) the targets fixed for the Seventh Five Year Plan period ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) to (d). The Ministry of Food and Civil Supplies has taken the following steps :

(i) The Indian Grain Storage Institute of the Ministry has developed appropriate scientific storage practices including improved storage structures for use in rural areas. The research and development effort of the Institute is a continuing one to evolve further improvements.

(ii) 17 Central Save Grain teams have been established. The teams give demonstration and training to farmers in selected rural areas on scientific storage practices with a view to minimising storage losses. A similar service is also being provided by the Central Warehousing Corporation, an undertaking of the Ministry, to the farmers located in the vicinity of 75 of its warehouses.

(iii) Procurement of foodgrains is undertaken at support prices in order to provide price support to farmers.

(iv) The Central Warehousing Corporation and the State Warehousing Corporations in which the Central Warehousing Corporation has made sizeable investment have set up scientific storage facilities which are available to various depositors including farmers. The farmers can also obtain advance from banks against the pledge of warehouse receipt issued by these Corporations.

(v) The Central Warehousing Corporation allows the farmers a rebate of 10 per cent in storage charges.

During the Seventh Five Year Plan, the Central Save Grain teams are expected to cover 4,000 villages and undertake 6,975 training courses.

Opting out from hundred per cent export oriented units

872. SHRI JAGANNATH PATTNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that permission sought by at least 10 export oriented units for withdrawal from 100 per cent export orient scheme has put the Ministry in a quandary;

(b) whether it is also a fact that these industries want to opt out mainly because of uncompetitiveness of their products in world market and the substantial financial burden due to the stationing of the custom staff;

(c) whether it is also a fact that in some cases, foreign collaborators have also gone back on their commitment to buy back the products; and

(d) if so, the details regarding the policy of Government in this regard ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) About a dozen

units have sought permission to withdraw from the 100 per cent export-oriented Unit Scheme. In the context of a total of about 470 valid units and a large number of fresh proposals being received, these few withdrawal requests are in no way an unnatural phenomenon in any new scheme of this year.

(b) No, Sir.

(c) Yes, Sir.

(d) The working of the Scheme is being reviewed from time to time and measures taken to enable the units to be efficient and viable.

**Development of tourism industry
during seventh plan**

873. SHRI CHINTAMANI JENA : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether it is a fact that the development of tourism industry in India is far behind as compared to other countries;

(b) if so, the reasons therefor;

(c) the steps taken to develop this industry during the Seventh Five Year Plan period particularly in the Eastern Region; and

(d) the amount earmarked for tourism industry for the Seventh Five Year Plan ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : (a) and (b). The development of tourism in India has been somewhat on a low key compared to some other countries of the world, primarily due to paucity of funds for infrastructural development and promotion. While the tourist arrivals in India reached a figure of 835,503 (excluding nationals of Pakistan and Bangladesh) in 1984, India's share of the world tourist traffic was only 0.3 per cent.

(c) Government is taking several steps to develop tourism during the Seventh Five Year Plan which include grant of conces-

sions/incentives for activities connected with tourism including exemption of hotels from the MRTP Act, income-tax holiday to new hotels, higher depreciation, Central subsidy for hotels in specified backward areas, interest subsidy on hotel loans advanced by IFCI and other Central Financial institutions, foreign exchange incentive quota, concessional customs duty on a number of items imported by hotels for actual use, priority in allotment of telephone/telex connections LPG etc., besides provision of infrastructural facilities at tourist centres and promotion of India's tourist attractions overseas. Several schemes for development of tourism infrastructure in the Eastern Region have been taken up/are being taken up in consultation with the State Governments concerned. A list of such schemes is given below in the statement.

(d) For the Seventh Five Year Plan, an allocation of Rs. 138.68 crores has been made in the Central Sector for Tourism. This comprises Rs. 68.68 crores for the Department of Tourism, Rs. 40.00 crores for the ITDC and Rs. 30.00 crores for the Hotel Management and Catering Unit.

Statement

*List of schemes taken up/proposed to
be taken up in Eastern Region
during the Seventh Five
Year Plan*

1. Cafeteria at Maner Sharif (Bihar)
2. Development of facilities at Bodh-gaya (Bihar)
3. Provision of water and toilet facilities at important monuments in the region.
4. Provision of wayside facilities at Chandrabhaga Konarak.
5. Construction of a Day Centre at Konarak.
6. Construction of Toilet Blocks at Konarak.
7. Preparation of Master Plan for Lalitgiri, Udaygiri and Rajagiri.
8. Construction of Cottages at Ajodhya Hills (West Bengal).

9. Construction of Tourist Lodge at Digha.
10. Provision of floating accommodation at Sunderbans (West Bengal).
11. Construction of Cottages at Cinque Island (A & N).
12. Construction of a Jetty and undertaking hydrographic survey at Cinque Island (A & N).
13. Trekking huts at Sandakphu-Phalut.
14. Construction of Trekkers Huts in Sikkim.
15. Provision of trekking equipment for Sikkim.
16. Construction of Forest Lodge at Simlipal.
17. Construction of Forest Lodge at Betla (Bihar).
18. Development of Nandan Kanan Lion Safari Park (Orissa).
19. Provision of mini buses and elephants in wild life sanctuaries in the Eastern Region.
20. Construction of Yatrikas by Bharatiya Yatri Avas Vikas Samiti at Puri and Bihar Sherif.
21. Provision of boats for Chilka Lake.
22. Construction of Cafeteria at Rajgir.
23. Preparation of Master Plan for Chilka Lake.
24. Construction of Yatri Niwases at Satpada and Konarak.
25. Provision of way-side amenities at Hisua, Bisua and Sasaram (Bihar).
26. Completion of SEL at Buxar.

India Tourism Development Corporation, a Public Sector Undertaking, also proposes to undertake following schemes during the Seventh Five Year Plan in the Eastern Region :-

1. Expansion and conversion of

Travellers Lodge at Bodhgaya into a hotel.

2. Construction of a Joint Venture Hotel at Ranchi.
3. Expansion of Hotel Kalinga, Bhubaneswar.
4. Construction of a Joint Venture Hotel at Puri.

India-Iran trade accord

874. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether India and Iran have signed a trade accord; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) Does not arise.

Suggestion for setting up of a Central Tax Court

875. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether at a recent seminar on 'Tax Laws and Tax Administration—Need for Reform' held at Jaipur and inaugurated by the Chief Justice of India, it was suggested that a Central Tax Court with permanent and Circuit Benches all over the country be set up for quick disposal of cases; and

(b) if so, reaction of Government to this suggestion ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes, Sir. The suggestion made by All India Taxation Seminar has been noted by the Government.

Setting up of tea production to meet future requirements

876. SHRI SANAT KUMAR

MANDAL : Will the Minister of COMMERCE be pleased to state :

(a) keeping in view the present rate of domestic tea consumption whether India will have to import tea by year 2000 unless production is stepped up;

(b) if so, whether any long-range plan for tea production both in quality and quantity—particularly covering the tea gardens in West Bengal has been or is being prepared; and

(c) if so, outlines thereof, the capital outlay involved and the agency through which it is being implemented ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). The consumption of tea in 1985 was estimated at around 415 M. kgs. with the estimated increase being 15 M. kgs. per annum. Thus at the current rate of annual incremental consumption the requirement for domestic consumption by 200 AD would be of the order of 640 M. kgs. which is comparable to the current production of 657 M. kgs. However, it is necessary to increase the production in order to both maintain and increase our level of exports and to take care of increases in incremental consumption which may go up on account of various factors.

Measures envisaged for increasing tea production include short term measures like optimization of inputs, medium term measure like irrigation and drainage infilling and rejuvenation of the bushes and long term measures like extension planting and replanning.

Resentment in public on new textile policy

877. SHRI R. M. BHOYE : Will the Minister of TEXTILES be pleased to state :

(a) whether some representations regarding resentment among the public in respect of the new textile policy have been received; and

(b) if so, whether Government propose

to make some changes in the new textile policy so as to give some relief to the public ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). While some representations have been received, the new Textile Policy has been appreciated also. There is no proposal to make changes in the new Textile Policy at this state.

Export/import of cloth and garments

878. SHRI HANNAN MOLLAH : Will the Minister of TEXTILES be pleased to state :

(a) the value of cloth exported during the last three years, year-wise;

(b) the value of garments exported during the same period; and

(c) the volume of import of both during the last three years, year-wise ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The value of cotton cloth exported during the last three years is indicated below :

	(Rs. in crores)
1983	254.16
1984	428.31
1985	428.90

(Source : Cotton Textiles Export Promotion Council)

(b) The value of garments exported during the last three years is as given below :

	(Rs. in crores)
1983	640.13
1984	850.10
1985	1067.65

(Source : Apparel Export Promotion Council)

(c) Import data for cotton cloth and and garments is available upto 1982-83. The value of import of last three years is as under :

	(Rs. in crores)
1980-81	9.12
1981-82	14.68
1982-83	16.40

(Source : Chief Controller of Import and Exports)

Volume of total exports and share of individual states

879. SHRI HANNAN MOLLAH : Will the Minister of COMMERCE be pleased to state the volume of India's total exports in terms of money and the share of each State in it during the years 1980-85 ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : Statewise statistics of exports are not compiled. The value of India's overall exports from 1980-81 to 1984-85 is as under :-

(Value : Rs. Crores)

Year	Exports
1980-81	6710.71
1981-82	7805.91
1982-83	8803.58
1983-84	9872.10
1984-85 (P)	11656.93

(P) Provisional and subject to revision.

Source : DGCI & S, Calcutta.

(b) Information is given below :-

(Value in Rs. crores)

As on	Total small coins including uncurent coins and coins being withdrawn.	Total currency in circulation	Percentage of coins to currency.
March 1982	305	15233	2.0
March 1983	320	17661	1.8
March 1984	335	20418	1.6
March 1985	350	23591	1.5

Circulation of Re. 1 currency notes and coins

880. SHRI HANNAN MOLLAH : Will the Minister of FINANCE be pleased to state :

(a) the volume of total circulation of Re. 1 currency notes and coins since 1982;

(b) the volume of total circulation of different coins under the value of Re. 1 in relation to total circulation of money since 1982;

(c) the capacity of production of coins and the rate of capacity utilization of different mints in India;

(d) whether Government still mint coins of denominations 1 P, 2 Ps and 3 Ps; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The position is given below :-

Total circulation as on	Value in Rs. crores
March 1982	366
March 1983	375
March 1984	383
March 1985	418

(c) The actual capacity and rate of utilization depend upon the type and age of machines, process techniques and balance between various production sections in the Mints. Steps have been taken for an Engineering study for modernisation of the Mints with a view to reviewing and making an assessment of the optimum capacity. The production capacity of the 3 Mints indicated for 1985-86 on the basis of 54 hours per shift per week and two shifts per day with incentive, is around 2000 million pieces.

(d) No Sir.

(e) There has been no demand for these coins.

Loan Melas organised by nationalised banks in West Bengal

881. SHRI HANNAN MOLLAH : Will the Minister of FINANCE be pleased to state :

(a) the names of the nationalised banks which organised 'Loan Melas' in West Bengal;

(b) the places where such melas were organised;

(c) the number of beneficiaries who were benefited and the amount of loan distributed;

(d) who were the people's representative involved in those loan melas;

(e) whether such loan melas will be organised in all Lok Sabha constituencies in West Bengal;

(f) if so, when; and

(g) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (g). Present data reporting system does not yield separate information in respect of number of credit camps, amounts disbursed and number of beneficiaries in these camps. Separate monitoring of such functions is

considered neither feasible nor necessary. The holding of public functions for credit camps organised by banks, is purely a local affair and mainly depends on the initiative of the field functionaries and responsiveness of the local people. However, as per Reserve Bank of India's guidelines from time to time, banks have been advised to follow the well laid down procedure for identification, sanction and appraisal while sanctioning of all loans including those disbursed in credit camps.

Proposal for a separate sub-office of Save Foodgrain Campaign for Himachal Pradesh

882. PROF. NARAIN CHAND PARASHAR : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government have initiated any proposal for the sanction of a separate sub-office of the Save Foodgrain Campaign for Himachal Pradesh;

(b) if so, whether the proposal has since been sanctioned;

(c) if not, the reasons for delay; and

(d) the likely date by which a final decision would be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) No, Sir.

(b) to (d). Do not arise.

Measures for stabilisation of coconut and coconut oil prices

883. SHRI T. BASHEER : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there is any proposal under Government's consideration to use a fixed percentage of coconut oil for industrial purposes so that the price of coconut and coconut oil could be stabilised;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) No such proposal is under Government's consideration.

(b) Does not arise.

(c) Coconut oil is already being used for industrial purposes such as toilet soap and hair oil to a certain extent. However, manufacturers of toilet soap and other toiletry preparations prefer to use other non-edible oils which are cheaper than coconut oil and solvent extracted coconut oil is used in toilet soap manufacture when it is essential.

A market intervention scheme for copra has also been introduced for the year 1985-86. Under the scheme, market intervention price for copra has been fixed at Rs. 1200/- per quintal.

Losses incurred by national Jute Manufacturers' Corporation

884. SHRI N. DENNIS : Will the Minister of TEXTILES be pleased to state :

(a) whether trend of losses incurred by the National Jute Manufacturers' Corporation has been noticed;

(b) if so, to what extent it has gone during last two years; and

(c) the steps Government propose to take so as to make the Corporation run as a profit making agency ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The increase in losses of National Jute Manufacturers Corporation during 1983-84 to 1985-86 is as under :

Year	Loss (Rs./Crores)
1983-84	32.13
*1984-85	88.77 (Provisional)
1985-86 (April to Dec. '85)	21.23 (Provisional)

* Higher loss in 1984-85 was mainly due to unusually high price of raw jute in that year.

(c) A statement is given below.

Statement

The performance of National Jute Manufacturers Corporation is under constant review. Various steps have been taken from time to time to improve the functioning of National Jute manufactures Corporation (NJMC), which include :

- (i) For improving the capacity utilisation of NJMC Mills (excluding) RBHM Unit a Scheme of Modernisation/Renovation involving a total outlay of Rs. 28.34 crores has been taken-up;
- (ii) A Committee has been constituted with eminent experts to take an integrated view on modernisation;
- (iii) A total ban for further recruitment has been imposed except for need based requirements for maintaining the man-machine ratio;
- (iv) Detailed projections about improvement in capacity utilisation production and productivity have been drawn up.

Tenders offered by STC for export of Molasses

885. SHRI G. S. BASAVARAJU :
SHRI H. N. NANJE GOWDA :

Will the Minister of COMMERCE be pleased to state :

(a) the names of the parties which offered their quotation for handling the storage and transportation of molasses for export by State Trading Corporation during the last tender offer made by State Trading Corporation;

(b) the details of the rates quoted by each party for the said purpose; and

(c) to whom State Trading Corporation offered tender and on what basis ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI

P. SHIV SHANKER) : (a) and (b). 11 (c) No award was made against the parties quoted against STC's last tender in tender as export of molasses was suspended December, 1979. Names and details of at that time. rates quoted by them are given in the statement below.

Statement

<i>Sl. No.</i>	<i>Name of the Party</i>	<i>Details of offer/rates</i>
1.	Tunghabhadra Sugar Works (P) Ltd., Bombay.	Offered integrated handling services for 6000 MT in every 2 months except during June, July and August when only 6000 MT will be handled. Transportation from States of Karnataka and Goa for shipment from Goa subject to distance within 600 Kms from Goa port from where they would lift molasses. Rates Rs. 400/- per MT.
2	M/s J. R. Enterprises and their Associates M/s Indian Molasses Co. and A. V. R. & Co.	Offered integrated handling services for 40,000 MT per month from all the States. Rate Rs. 275/- PMT with Rs. 165/- PMT extra for movement in barrels.
3.	Indian Port Warehousing Company, New Delhi.	Offered for hiring of the storage tanks and handling at port only. Tank for a capacity of 25,000 MT proposed to be constructed provided STC willing to sign agreement for minimum 3 years. Storage charges Rs. 18/- PMT per month on total capacity handling charges Rs. 25/- PMT and additional charges @ Rs. 7/- PMT on quantities received in drums.
4.	Chemila (P) Ltd., Indore.	Offered for hiring of storage tanks and handling at port only. Tanks for a capacity of 10,000 MT offered @ Rs. 16/- PMT per month on total capacity for a minimum period of 3 years. Handling charges Rs. 30/- PMT and additional charges @ Rs. 7/- PMT on quantities received in drums.
5.	Pravir Warehousing Corpn., Ahmedabad.	Offered for hiring of storage tanks at Kandha only. Tank for a capacity of 6250 MT offered @ Rs. 10/- PMT per month.
6.	Modern Auto Traders, Kota.	Offered for transportation to Kandla port only. Quantity to be transported 3000 MT per month

Sl. No.	Name of the Party	Details of offer/rates
		from States of Maharashtra, Gujarat, UP and Haryana. Rate Rs 275/- PMT for transportation from Maharashtra, Rs 250/- from Gujarat and Rs. 325/- PMT for transportation from UP and Haryana.
7.	Grover Tankers, Delhi	Offered for transportation to Kandla port only. Quantities to be transported 1000 MT from UP and Haryana @ Rs. 400/- PMT plus Rs. 2.50 per KM and Rs. 2/- per KM extra from sugar mills in UP and Haryana to Delhi respectively.
8.	Swastik Petro Chemicals, Karnal	Offer for transportation to Kandla and Madras ports only. Quantities to be transported 8—10,000 MT per month from the States of UP, Haryana and Gujarat to Kandla and from Tamil Nadu to Madras port. The rates are as under : From UP and Haryana movement by railway tank wagons. Rs. 173/-PMT From UP and Haryana by drums/lorries. Rs. 269.50/- PMT From Gujarat by railway wagons. Rs. 102/-PMT From Gujarat by drums, lorries. Rs. 157/-PMT From Tamilnadu by drums/ lorries. Rs. 170/-PMT
9.	Himalyan Exporters, New Delhi.	Offered integrated handling services for 6000 MT per month molasses at Goa. Rates Rs. 450/-PMT within 400 KM from Goa Port. For more than 400 KM, rates to be negotiated. Also offered to give on hire storage tank @ Rs. 100/- PMT on actual quantity shipped with a minimum guaranteed quantity of 40,000 MT in a year or alternatively @ Rs. 40/- PMT per month on total quantity basis.
10.	Liquids Imports and Export, New Delhi.	Offered for hiring of storage tanks and handling at ports of Goa and Kandla. Tankage capacity 6000 MT. Rates for tanks Rs. 40/- PMT per month on total capacity. Storage and handling at the port Rs. 250/- PMT.

S. No.	Name of the Party	Details of offer/rates
11.	Kundanmal Mukanmal, Jaipur.	Offered for hiring of storage tanks and handling at Kandla port. Tanks to be got erected by the party within the time limit fixed by STC.
	—	Rate for storage per MT on capacity of tanks Rs. 17/-PMT.
	—	Rate for handling, storage and loading vessel Rs. 23/- PMT.

Mobile fair price shops

the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

886. SHRI BRAJAMOHAN MOHANTY : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that a number of mobile fair price shops to solve the food production inaccessible areas are under operation; and

(b) the number of such mobile fair price shops in different States and Union Territories operating, Statewise ?

(a) at what stage in the construction of sugar factories in cooperative sector in Nayagarh and Badamba in Orissa;

(b) whether there is sufficient sugar cane available in respective areas to run the sugar factories;

(c) if not, the steps being taken in this regard; and

(d) the yearly target of production fixed for these sugar mills and the likely cost involved to complete these factories individually ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) and (b). Information is being collected and will be laid on the Table at the House.

Sugar Factories in Cooperative Sector in Nayagarh and Badamba

887. SHRI SOMNATH RATH : Will

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) The position of two sugar factories in Orissa as intimated by them is as under :

Nayagarh (As on 31.12.85)	Badamba (As on 31.12.85)
1	2
1. The land required for construction of the factory has been acquired.	1. The land for the factory has been acquired.
2. The orders of plant and machinery have been placed with M/s. Anand Tanks and Vessels (Pvt.) Ltd., Bombay and an agreement signed on 5.9.1984.	2. The orders for the plant & machinery have been placed with M/s. Indian Sugar and General Engg. Corpn., Yamunanagar (Haryana) and an agreement signed on 15.1.1985.

1

3. As regards civil works, the construction of the workshop, Technical Office, General Stores, Sugar Godown, Time Office, Excise and Gate Office, etc. is nearing completion. The work of construction of main factory building was expected to start in Jan., 1986.

4. The site fabrication work has already been started by the erectors.

(b) Yes, Sir,

(c) Does not arise.

(d) No target of production has been fixed for any sugar mill. However, a 1250 T.C.D. plant in Orissa is expected to produce about 9000 tonnes of sugar annually. The likely cost involved to complete each of these factories is around Rs. 900 lakhs.

Spinning mill at Aska (Orissa)

888. SHRI SOMNATH RATH : Will the Minister of TEXTILES be pleased to state :

(a) at what stage the spinning mills at Aska stand; and

(b) when it will be opened for production ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The Aska Spinning Mill is under construction and is expected to go into production by October 1986.

Registration of all manufacturers of household electrical appliances for compulsory manufacture of Goods of ISI mark

889. DR CHINTA MOHAN : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

2

3. The Civil construction works of workshop, General Stores, Sugar Godown, etc. are in progress. The tender for main factory building and machinery foundation has been finalized on 16.1.86 and work order issued.

4. The machinery erection work has not yet been started by the suppliers.

(a) whether Consumer Guidance Society of India, (CGSI) have put forward proposals at the recent consumer Seminar held in Delhi on 21-22 January, 1986 for registration of all manufacturers of household electrical appliances and for compulsory manufacture of goods of ISI or SISI mark only;

(b) whether a demand has also been made for strict implementation of Household Electrical Appliances (Quality Control) Order 1976 and for withdrawal of rod type water heaters;

(c) whether CGSI have also suggested for mandatory ISI certification for electrical appliances and pressure stoves;

(d) whether Government have been collecting statistics of accidents including deaths caused by pressure stoves and electrical appliances; and

(e) if so, the details thereof for the last three years ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) to (c). Yes, Sir. The Consumer Guidance Society of India had made certain suggestions at the All India-Consumer Seminar held on 21-22 January, 1986. One of the suggestions of the Society was that ISI

quality certification should be made compulsory and mandatory for all consumer products. The Society had also suggested that the Household Appliances (Quality Control) Order should also be included in the draft Model Law on Consumer Protection. No specific mention was made of the rod type water heaters or pressure stoves. The Government has, however, recently

chalked out a phased programme for introduction of compulsory ISI Certification Mark Scheme for household electrical appliances, which affect the health and safety of consumers. In the first phase, Compulsory ISI Certification Marks Scheme will be introduced for the following 7 products in the interest of safety of consumers :

Product	Corresponding Indian Standard
1. Electric Immersion Water heaters	IS : 368-1977
2. Electric Irons	IS : 366-1976
3. Electric Stoves	IS : 2994-1965
4. Electric Radiators	IS : 369-1965
5. Switches for domestic and similar purposes	IS : 3854-1966
6. 2-Amps Switches for domestic and similar purposes	IS : 4949-1968
7. 3-pin-plugs and socket outlets	IS : 1293-1967

For pressure Stoves, the Oil Pressure Stove (Quality Control) Order has already been issued on 25.9.1985 by the Ministry of Industry.

(d) Statistics of this nature are not being collected by any agency of Government of India.

(e) Does not arise.

**Printing of Rs. 10/- denomination
National Savings Scheme
Certificate**

890. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Rs 10 denomination National Savings Scheme Certificates are not available in post offices;

(b) whether the printing of Rs. 10 denomination National Savings Scheme Certificates has been stopped;

(c) if so, the reasons thereof; and

(d) whether Government propose to cut down the printing cost by changing the size

and design of all National Savings Scheme Certificates ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Rs. 10 denomination of National Savings Certificates VI Issue are not available in post offices in Karnataka Circle due to abnormal demand on account of payment of dearness allowance and arrears to State Government employees in the shape of National Savings Certificates. Part of the demand has been met by the Department of Posts by diversion from other Circles. The balance of demand will also be met by diversion from other Postal Circles.

(b) and (c). The printing of Rs. 10 denomination of National Savings Certificate VI Issue has been stopped as it has been decided to discontinue the sale of this denomination from 1.4.1986.

(d) The size and design of the National Savings Certificates are optimal and there is no proposal to change the same.

**Popularisation of consumption of coconut
oil for Non-edible purpose**

891. SHRI K. KUNJAMBU : Will the

Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether any suggestion has been received to popularise the consumption of coconut oil in the country for non-edible purpose;

(b) if so, the details of the suggestion; and

(c) the steps being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) No, Sir.

(b) and (c). Coconut oil is already being used for production of soap and hair oil.

Co-Operativisation of Sugar Mills

892. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government propose co-operativisation of sugar mills in the country and giving them to the sugarcane growers on co-operative basis;

(b) if so, the details thereof; and

(c) if not, the reasons thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) No, Sir.

(b) Does not arise.

(c) Sugar industry is one of the scheduled industries controlled and regulated under the Industries (Development and Regulation) Act, 1951 and industrial units in all the three sectors namely—cooperative, public and private are licensed for manufacture of sugar under the aforesaid Act. However, according to the present guidelines for licensing of new capacity in the sugar industry, first preference is given to the cooperative sector followed by the public sector and, in the event of proposals not forthcoming in any particular area from these two sectors, proposals received

from the private sector are also considered on merits. Out of a total of 365 sugar factories installed in the country, as many as 192 are cooperatives and another 43 are in the public sector. In a mixed economy, as it exists in India at present, the industrial units in all the three sectors, namely, cooperative, public and private have to co-exist.

Payment of uniform prices to farmers for sugarcane

893. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the details of the new sugar policy announced by Government recently for the crushing season 1985-86 and subsequent years and the benefits likely to become available to the sugarcane growers commensurate with the benefits likely to be given to the sugar industry;

(b) whether it is a fact that till recently price paid to the farmers throughout the country was not uniform and farmers of Uttar Pradesh were paid lowest price for sugarcane;

(c) if so, the reasons therefor; and

(d) the remedial steps proposed to be taken by Government to pay prices of sugarcane to the farmers in Uttar Pradesh at par with the farmers in other parts of the country ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) The salient changes made in the Sugar Policy during 1985-86 season, for improving viability of the sugar sector and imparting it stability, are :

- (i) The statutory minimum price of sugarcane payable by sugar factories has been fixed at Rs. 16.50 per quintal, linked to 8.5 per cent recovery, with proportionate premium for every 0.1 per cent increase in recovery above 8.5 per cent. This marks an increase of Rs. 2.50 per quintal over the price fixed last year.

- (ii) The ratio of levy : levy-free sugar has been changed from 65 : 35 to 55 : 45.
- (iii) The statutory minimum price of sugarcane payable by sugar factories for the 1986-87 season has been announced in advance at Rs. 17.00 per quintal linked to 8.5 per cent recovery.

The above measures should result in better paying capacity of the sugar mills and expeditious payments to cane growers.

(b) to (d). The statutory minimum price of sugarcane fixed by the Central Government is linked to recovery and is uniform throughout the country. Thus the price of Rs. 16.50 linked to 8.5 per cent recovery fixed for 1985-86 season is paid uniformly in all the States including mills in Uttar Pradesh. However, certain State Governments advise the sugar factories to pay higher prices, taking into consideration, among other things, local factors. The price being received by the growers of U P. is not the lowest in the country and is comparable to the prices being received by growers in the other northern States.

Abolition of 'Arhatia' System to ensure timely payment to farmers

894. SHRI P. M. SAYEED : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that there is an acute problem of the farmers in almost all the states in India regarding timely payment for foodgrains and other commercial crops sold by them in 'Mandis';

(b) whether the age-old system of selling through 'Arhatias' (market agents) causes cut in rates and lot of delays in payments; and

(c) if so, whether the Union Government are considering to issue some directives to State Government urging them to abolish the 'Arhatia' system in order to give relief to the farmers ?

THE MINISTER OF STATE IN THE
MINISTRY OF PLANNING (SHRI A. K.

PANJA) : (a) to (c). The conduct of sales in the Mandis and the system of "arhatias" are regulated by enactments of the State Governments. The Central Government have favoured direct dealings between the producers and the buyers, wherever possible.

Exemption of certain goods from customs duty

895. SHRI P. M. SAYEED : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have exempted certain goods from customs duty leviable as provided in the first schedule to the Customs Tariff Act; and

(b) the benefits that are envisaged in monetary terms by the exemption from customs duty ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) Copies of the notifications issued under sub-section (1) of section 25 of the Customs Act, 1962 are laid on the Table of both the Houses of Parliament, along with explanatory memoranda. The revenue implications of such exemptions are generally indicated in the explanatory memoranda to the notifications. Exemptions are also granted by issue of special orders under sub-section (2) of section 25 of the said Act, under circumstances of an exceptional nature, which are mentioned in each such order. It is not possible to quantify the benefits of all exemptions in monetary terms.

Export of Wheat

896. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the quantity of wheat exported from India in 1985; and

(b) the names of countries to which exported and the quantity exported to each country ?

THE MINISTER OF STATE IN THE
MINISTRY OF PLANNING (SHRI A. K.

PANJA): (a) and (b). The quantity of wheat exported by the Food Corporation of India during the year 1985 has been as under :

Country	Quantity (lakh tonnes)
U.S.S.R.	2.07
<i>African Countries*</i>	
Sudan	0.22
Somalia	0.10
Ethiopia	0.57
Kenya	0.05
Tanzania	0.06

	1.00 1.00

Vietnam**	0.36

Total :	3.43

* As aid

** As commodity loan

[Translation]

Loss suffered by Cotton Corporation of India

897. PROF. CHANDRA BHANU DEVI : Will the Minister of TEXTILES be pleased to state :

(a) the amount of loss suffered by the Cotton Corporation of India during 1983, 1984 and 1985; and

(b) the causes of the loss so suffered ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The information is as under :

Year (Sept.-Aug.)	Loss (Rs. in crores)
1982-83	25.14
1983-84	14.22
1984-85	12.15 (Provisional)

(b) The main reasons for the losses suffered by the Corporation are on account of the heavy interest burden on the past borrowings from the banks/Government which the Corporation had to undertake in order to make large purchases during the years of comfortable cotton supply position, and on account of the carrying costs of the stocks.

Losses in R. B. H. M. Jute Mill, Kathiar (Bihar)

898. PROF. CHANDRA BHANU DEVI : Will the Minister of TEXTILES be pleased to state :

(a) whether the R. B. H. M. Jute Mill Kathiar in Bihar is running in heavy loss; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) One of the main reasons for incurring heavy losses by R. B. H. M. Jute Mills, Katihar, a Unit of National Jute Manufactures Corporation, is high conversion cost due to its old and outdated machineries and highly expensive power generation, since the mill does not get power from the Bihar State Electricity Board.

Increase in smuggling of narcotics

899 PROF. CHANDRA BHANU DEVI : SHRI AMARSINH RATHWA : SHRI CHINTAMANI JENA : SHRI SURESH KURUP :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that smuggling of narcotic drugs has considerably increased during the past few years;

(b) the value of narcotic drugs seized during the past three years;

(c) the number of cases of seizures since

November, 1985 and the kind of drugs seized; and

(d) the way in which seized drugs are disposed of ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) No precise value of narcotic drugs seized can be furnished as the illicit market price varies widely depending upon the time and place of seizure, purity of the drugs, local demand and supply position, etc.

(c) The particulars of the drugs seized from 1.11.1985 to 31.1.1986 are given below :

Sl. No.	Name of the drug	No. of cases	Quantity seized (kg.)
1.	Opium	68	1,890.594
2.	Ganja	35	25,318.656
3.	Charas	34	8,343.814
4.	Morphine	9	4.617
5.	Heroin	40	785.012
6.	Mandrax Tablets	2	55.600
7.	Poppy Husk	9	289.500
8.	Cocaine	1	4.400
9.	Dionine	1	0.500

(Figures are provisional).

(d) After confiscation, opium and morphine are sent to the Government Opium and Alkaloid Factories at Neemuch and Ghazipur for further use.

Ganja, being a State subject, its disposal is made by the State authorities as per the State Government rules.

The other drugs, after confiscation, are destroyed.

Distribution of loans by rural banks

900. PROF. CHANDRA BHANU DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether the work done by the rural

banks for distribution of loans in different parts of the country has been reviewed; and

(b) if so, the findings thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The various aspects of functioning of regional rural banks (RRBs) including advancing of loans are continuously reviewed by the National Bank for Agriculture and Rural Development (NABARD) through various returns prescribed for this purpose.

As on 30th June, 1985, the 183 regional rural banks functioning through a net work of 12139 branches had outstanding advances of Rs. 1188 crores spread over 63 lakhs borrowal accounts. The purpose-wise distribution of these loans is indicated below :

Category/Purpose	Amount of loans (Rs. in crores)	Percentage to total (%)
A. Agriculture and Allied Activities	693	58
(i) Short term (Crop loans)	206	17
(ii) Agricultural Term Loans	278	23
(iii) Allied Activities	209	18
B. Rural artisans Villages and Cottage Industries	69	6
C. Retail trade, small business and self employed	303	25
D. Other purposes	93	8
E. Indirect Advances through ceded PACs.	30	3
Total	1188	100

[English]

Trade agreement with Pakistan to contain smuggling

901. SHRI K. RAMACHANDRA REDDY : Will the Minister of COMMERCE be pleased to state :

(a) whether any trade agreement has been signed between India and Pakistan for export of 42 items to Pakistan;

(b) whether this agreement is expected to contain and reduce border smuggling of said 42 items;

(c) whether it is a fact that Government of Pakistan have expressed fear that its markets may be flooded by substandard items being imported from India; and

(d) the steps taken to allay these fears ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) Does not arise.

(c) Yes, Sir.

(d) Both sides have agreed to adopt measures to have balanced trade with each other.

Illegal forward trading

902. SHRI K. RAMACHANDRA REDDY : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government are aware of the illegal forward trading being resorted to by traders in violation of the Forward Contract (Regulation) Act; and

(b) the steps contemplated to curb the illegal forward trading activities by big business people ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Reports are being received from time to time regarding illegal forward trading.

(b) Forward trading has been allowed in pepper, turmeric, gur, castor seeds, potatoes, cotton, groundnut, groundnut oil, jute and jute goods so as to develop and foster growth of legal and regulated forward trading in the country. The State Governments and Union Territory Administrations, who are responsible for taking penal action against illegal forward trading, have been asked by the Forward Markets Commission (EMC) to intensify drive against illegal forward trading by setting up special cells in their police departments to deal exclusively with offences under the Forward Contracts (Regulation)

Act, 1952. During 1985, police authorities of State Governments/Union Territory Administrations conducted 102 raids as against 83 during 1984. 35 prosecutions were launched in 1985 as against 34 in 1984.

F.M.C. assists concerned authorities in the State Governments and Union Territory Administrations in scrutinising documents referred to by them and renders such expert advice as may be required. The Commission has been conducting a number of training courses for police and prosecuting officers of the State Governments and Union Territory Administrations so as to familiarise concerned officers in the technicalities of offences under the Forward Contracts (Regulation) Act, 1952. Similarly, a series of seminars is being organised by the Commission for judicial and metropolitan magistrates. Government has also under consideration some amendments to the Forward Contracts (Regulation) Act, 1952 to make it more effective.

Weeding out of corrupt bank officials

903. SHRI K. RAMACHANDRA REDDY : Will the Minister of FINANCE be pleased to state :

(a) the measures taken by Union Government for weeding out corrupt bank officials;

(b) whether any fool proof method has been evolved to prevent victimisation on a large scale in the process of weeding out of corrupt bank officials;

(c) if so, the methods evolved; and

(d) the number of corrupt officials weeded out during the last one year ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). For weeding out corrupt officers, measures are taken by banks under the relevant Service Regulations. Prosecution of bank officials suspected of corrupt activities is undertaken by C.B.I. Disciplinary action is also taken against officers for corruption and dereliction of duty. Every care is taken to follow prescribed procedure in this regard

to prevent victimisation. Regulation 19(1) provides for premature retirement of officers after a review by a Special Committee constituted for this purpose by the Board of Directors in order to bring objectivity. Competent authority can pass orders of premature retirement only on the recommendation of the Special Committee. Additional provision has recently been added in Regulation 19(1) under which an aggrieved officer may file a representation to the Board of Directors against the decision of the competent authority for prematurely retiring him. If the Board decides that orders passed by the competent authority are not justified, the concerned officer is re-instated.

(d) According to the latest available information, 95 officers have been retired under Regulation 19(1) of the respective Regulations/Orders of Public Sector Banks. The services of 33 Officers have been terminated under Regulation 20 of the respective Regulations/Orders of the Public Sector Banks, which provides for termination of services of an officer by giving 3 months notice or 3 months emoluments in lieu thereof. The above two figures are, however, provisional. Reserve Bank of India have reported that 139 employees have been dismissed/discharged/demoted in connection with fraud cases during 1985.

Opening of more tourist centres in Tamil Nadu

904. SHRI N. DENNIS : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether Government of Tamil Nadu have approached the Union Government for opening more tourist centres in that State; and

(b) whether Government of Tamil Nadu have also sought the assistance of the Union Government to construct a Janata type hotel in Madras city to attract tourists ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) The Government of Tamil Nadu had requested for central assistance for the following projects and the Department of Tourism has already sanctioned them :

	Total cost
1. Landscaping at Mamallapuram	Rs. 15.32 Lakhs
2. Development of watersports facilities at Muttukadu	Rs. 6.39 „
3. Construction of 8 Beach cottages at Kanya Kumari	Rs. 13.36 „
4. Way-side facilities at Thirukalukundram	Rs. 3.92 „
5. Way-side facilities at Thiruthani	Rs. 3.92 „
6. Reception Centre at Rameswaram	Rs. 18.45 „

(a) A joint venture project for the construction of Economy Hotel at Madras is under consideration between the Tamil Nadu Tourism Development Corporation and the India Tourism Development Corporation. The State Government is in the process of identifying suitable land for this project.

(b) if so, the total amount thereof and the period from which it is due; and

(c) the steps Government propose to take to ensure that the Coffee Board pays the sales tax dues to Karnataka Government immediately ?

Indo-Norwegian Trade Talks

905. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Indo-Norwegian Trade Talks were held in the 1st week of February, 1986;

(b) if so, the main features of discussions; and

(c) the outcome thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) and (c). Do not arise.

Sales Tax outstanding against Coffee Board, Bangalore

906. SHRI V.S. KRISHNA IYER : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Coffee Board, Bangalore has to pay a huge amount to Karnataka Government towards sales tax arrears;

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). No, Sir. Only a sum of Rs. 9,218.11 for the assessment year 1981-82 is due to the Government of Karnataka towards sales tax. This has been contested by the Board for the reason that liquid coffee served by the Coffee Board has also been included for the purposes of assessment for sales tax. There is no assessment for the subsequent years as on date.

Suspension/Dismissal of Corrupt Bank Officials

907. SHRI B. V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that number of officers and other employees of public sector banks have been suspended or dismissed in corruption charges;

(b) if so, the total number of employees so far suspended and dismissed;

(c) the charges against them; and

(d) the other steps Government propose to take to weed out corrupt officials from the banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDAN POOJARY) : (a) to (c). In connection with frauds in banks, both criminal and departmental action are taken by the public sector banks against such employees as are involved. As a result of these measures; some bank employees have been dismissed/discharged/removed from service. Pending finalisation of the disciplinary proceedings or conclusion of criminal proceedings, in appropriate cases, banks have also suspended the employees concerned. RBI has reported that as per available information based on reports from banks during 1985, 27 bank employees were convicted and 187 bank employees were dismissed/discharged/removed from service. In addition major/minor penalties were awarded to 200 banks employees.

(d) In order to weed out corrupt elements, the banks also review the performance of their officials in accordance with the provisions contained in the relevant Service Regulations.

**Increase in smuggling from across
Border in Punjab and Rajasthan**

908. SHRI B. V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that smuggling from across the Pakistan border in Punjab and Rajasthan has risen and poses a great danger to the country;

(b) if so, whether the forces at present deployed are not sufficient to check smuggling;

(c) whether the total amount of seizures across the border crossed Rs. 23 crores as against Rs. 5.53 crores in previous year;

(d) if so, the remedial steps being taken to check such smuggling; and

(e) whether additional forces have been deployed to check smuggling ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reports

received by the Government and seizures made indicate that the entire Indo-Pakistan border continues to be vulnerable to smuggling activities.

(b) and (c). The trends in smuggling etc. are kept under constant review in consultation with the concerned Central and State Government agencies for ensuring adequate and optimum deployment of resources, as warranted.

(c) The value of goods seized in the Indo-Pak border region during the year 1984 and 1985 is given below :

Year	Value (Rs. in crores)
1984	5.6
1985	29.65 (including the value of 365 Kgs. of heroin seized by B.S.F.)

(Figures for 1985 are provisional).

(d) Anti-smuggling drive in the region has been intensified. The preventive and intelligence machinery of the Custom department remain vigilant in the region against smuggling activities.

Stringent action is taken against the persons involved in smuggling activities both departmentally as well as through prosecution in Courts. Apart from confiscation of goods involved and imposition of personal penalties, in appropriate cases preventive detention under the COFEPOSA Act is also resorted to.

**Indo-Soviet Trade Agreement
for 1986-90**

909. SHRI B. V. DESAI : Will the Minister of COMMERCE be pleased to state :

(a) whether India and Soviet Union signed a 5-year trade agreement for 1986-90 on 23 January, 1986;

(b) if so, the main features of the agreement.

(c) whether the 5-year trade agreement for 1981-85 had been over fulfilled; and

(d) if so, the extent the 1986-90 agreement is more beneficial than the 1981-85 agreement ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). A Trade Agreement allowing the rupee payment system between India and the Soviet Union to continue for the 5-year period from 1st January, 1986 to 31st December, 1990 was signed on 23rd December, 1985. The salient features of the Agreement are that payments for all commercial and non-commercial transactions between the two countries are to be made in non-convertible Indian rupees and the rupees are to be utilised by the Soviet authorities for purchase of Indian goods and services for export to the USSR. The trade will as hitherto be conducted on a balancing basis over a period of time. The agreement also provides for automatic renewal for subsequent periods of 5 years at a time unless either party gives a written notice to the other at least six months in advance of the date of expiry of the Agreement of its intention to modify it.

(c) The trade turnover envisaged for 1981-85 was to be 1.5 to 2 times of the trade turnover for 1976-80 and this was overfulfilled;

(d) It is programmed that the bilateral trade turnover in 1986-90 would be about 1.5 to 2 times higher than the trade turnover in 1981-85.

Demand for increase in Cash Compensatory Support

910. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the Cotton Textile Export Promotion Council have urged Government for an increase in the Cash Compensatory Support (CCS) to promote exports.

(b) if so, whether Government have accepted their demands; and

(c) if not, the reasons thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILE (SHRI

KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) and (c). The Cotton Textiles Export Promotion Council has been asked to justify the proposed increase on the basis of cost data.

Increase in export of Tea to USSR and UK.

911. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether the export of tea to USSR, UK and other countries has increased during 1985 as a result of removal of minimum export price and waiving of export target; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). As against a target of 220 M. kgs. envisaged in the Tea Marketing Plan for 1985, with 80 M.kgs. for the period January to June, export licences for 229 M.kgs. were issued for the whole year of which 78 M.kgs. related to the period January to June, 1985.

The regime of MEP and quantitative export restrictions in the earlier part of the year encouraged the export of costlier teas and value added teas and helped to maintain high unit value realisation in the face of a falling market. Total foreign exchange earnings from export of tea from India were higher during January to June, 1985 as compared to the corresponding period in 1984. In the latter part of the year such restrictions become unnecessary in view of substantial increases in production, stable domestic prices and surplus availability abroad.

U.S.S.R. had bought 70 M.kgs. of tea by October, 1985 before export restrictions were fully lifted. Their request for further imports was acceded to in view of comfortable supply position.

U.K. generally buys most of its tea during the second half of the year. U.K.'s total imports from India and all other coun-

tries was lower during 1985 as compared to 1984 mainly possibly because of a comfortable stock/supply position.

The tea marketing policy was carefully adjusted at each stage to derive optimum benefits from prevailing market conditions.

**Meeting of Indo-Saudi Joint
Commission at Riyadh**

912. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether he attended the meeting of the Indo-Saudi Joint Commission at Riyadh in January, 1986; and

(b) if so, the outcome of the discussion held there ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). The Indo-Saudi Joint Commission meeting has not been held this year as yet.

**Facility of providing imported edible
oil in rural areas**

913. SHRI CHINTAMANI JENA :
SHRI AMARSINH RATHAWA :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) agency through which edible oil is being distributed amongst the public;

(b) the quantity of edible oil allotted to each State during the year;

(c) whether it is a fact that this facility is not provided to the rural population; and

(d) if so, the steps taken by Government to provide this facility to rural area also ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A.K. PANJA) : (a) The Central Government allocate edible oil to State/Union Territories. These oils are distributed through licensed fair price shops under Public Distribution System under control of State Governments.

(b) A statement in respect of the quantity of imported edible oil allocated to States/Union Territories during the current oil year from November 1985 to February, 1986 is given in the statement below.

(c) and (d). Both the urban and rural population is covered under Public Distribution System.

Statement

*Statement showing the allocation of
imported edible oils made to States/
Union Territories under Public Distribu-
tion System from November, 1985
to February, 1986 during the
Oil Year 1985-86.*

(in M. Tonnes)

S. No.	Name of the State/ Union Territories	Quantity allocated from November, 1985 to February, 1986
1	2	3
1.	Andhra Pradesh	21,900
2.	Assam	800
3.	Bihar	1,600
4.	Gujarat	26,000
5.	Haryana	1,600
6.	Himachal Pradesh	2,820
7.	Jammu & Kashmir	1,300
8.	Karnataka	8,500
9.	Kerala	11,750
10.	Madhya Pradesh	4,700
11.	Maharashtra	30,380
12.	Manipur	1,600
13.	Meghalaya	1,100
14.	Nagaland	680
15.	Orissa	2,800
16.	Punjab	4,000
17.	Rajasthan	1,000
18.	Sikkim	600
19.	Tamil Nadu	15,300
20.	Tripura	640
21.	Uttar Pradesh	3,000
22.	West Bengal	26,000

1	2	3
23. A & N Islands		60
24. Arunachal Pradesh		120
25. Chandigarh		200
26. D & N Haveli		140
27. Delhi		4,000
28. Goa, Daman & Diu		1,200
29. Lakshadweep		60
30. Mizoram		760
31. Pondicherry		1,020

Total :		1,75,510

[Translation]

World Bank assistance for horticulture projects

914. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether Government of Uttar Pradesh has sent any proposal to Union Government seeking assistance of Rs. 57 crores from World Bank for the horticulture development project;

(b) if so, when this proposal was submitted; and

(c) the action taken by the Union Government in regard to this proposal ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) A proposal seeking World Bank credit for Horticulture Development Project in U. P. Hills whose total Project Cost was estimated at Rs. 57.04 crores has been received in the Department of Economic Affairs.

(b) The proposal was received in January 1984.

(c) After obtaining necessary clearance from Ministry of Agriculture, Planning Commission, Ministry of Home Affairs etc. the project was proposed to World Bank in May 1984.

Intensive Handloom Development Project for hill areas of U. P.

915. SHRI HARISH RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether his Ministry has received from Uttar Pradesh Government a draft of Intensive Handloom Development Project for hill areas of Uttar Pradesh;

(b) if so, when and the outlines of the project;

(c) whether Central assistance has been released after according approval to this project; and

(d) if so, when and if not, the reasons for delay in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir. Government of India have received proposals from the U. P. Government for Hill Area Handloom Development Project for Woollen Handloom in Garhwal and Kumaon Divisions of U. P.

(b) The present project proposal was received in November 1985 and the explanatory note thereon in January, 1986. The outlines of the project may be seen in the statement given below.

(c) No, Sir.

(d) After the final details of the project proposals were received in January, 1986, the proposal is now under consideration of the Government.

Statement

Outlines of Hill Area Development Project for woollen Handloom in Garhwal and Kumaon Divisions of Uttar Pradesh

1. Statement of proposal;

(a) Title of the proposal/scheme :

Hill Area Development Project for Woollen Handloom in Garhwal and Kumaon Divisions of Uttar Pradesh.

(b) Discription of the proposals/scheme and its objectives;

With a view to develop handlooms in the hill areas, Uttar Pradesh Government has proposed to start the Hill Area Handloom Development Project for woollen handlooms in Garhwal and Kumaon Divisions of Uttar Pradesh covering 1184 woollen handlooms under the project during the 7th Five Year Plan period. The proposal envisages increasing both production and productivity as well as quality, arranging a proper marketing net work to match the anticipated increase in production thereby increasing the earning capacity of handloom weavers working in hill areas of U. P. The project is proposed to be implemented through U. P. State Handloom Development Corporation.

2. Financial implications of the proposal :

The total cost of the project in 5 years is anticipated to be Rs. 798.63 lacs. 50 per cent of this project cost i. e. Rs. 399.365 lacs is proposed to be borne by the Central Govt. and the balance 50 per cent by the State Government. The yearwise cost of the project is as under :

	(Rs. in lakhs)
1985-86	106.50
1986-87	169.95
1987-88	150.82
1988-89	166.66
1989-90	204.80
TOTAL	798.73

The Central Government and the State Government assistance will be 50 per cent in the form of a grant and 50 per cent in the form of a loan to the U. P. State Handloom Development Corporation.

Lodging facilities in places of pilgrimage in U.P. and Bihar

916. SHRI HARISH RAWAT : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) the extent of lodging facility available at each of the prominent Buddhist places of

pilgrimage in Uttar Pradesh and Bihar which are visited by the large number of foreign tourists;

(b) whether his Ministry is formulating any scheme for the development of these places and increasing lodging facility there; and

(c) if so, the details of the scheme ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) The prominent places of pilgrimage which are visited by a large number of foreign tourists are Sarnath, Kushinagar and Sravasti in Uttar Pradesh and Rajgir, Patliputra (Patna), Bodhgaya and Vaishali in Bihar.

The accommodation facilities available for pilgrims as these centres are given in Statement I below.

(b) and (c). The Department proposes to prepare a master plan for developing and preserving the historical sites associated with the life of Gautam Buddha in collaboration with the Archaeological Survey of India and the Governments Uttar Pradesh and Bihar.

Master plans have been prepared for Kushinagar, Sravasti, Piprahwa, Bodhgaya, Rajgir-Nalanda through the Town and Country Planning Organisation and micro-plans of Kushinagar-Sravasti through the National Institute of Design, Ahemdabad.

Projects taken up by the Department of Tourism in the Buddhist centres are given in statement II below.

Statement I

State Tourism Department/ITDC Accommodation facilities^a at the Buddhist Centres in Uttar Pradesh and Bihar

Sarnath	48 beds
Kushinagar	22 beds
Sravasti	PWD Inspection Bungalow
Rajgir	98 beds
Patna	190 beds
Bodhgaya	64 beds
Vaishali	26 beds

Statement-II

Central Tourism Projects in Buddhist centres in Uttar Pradesh and Bihar

Name of the project/scheme	Amount released
	(Rs. in lakhs)
1. Master Plans (Micro-planning) for Kushinagar-Sravasti	4.25
2. Tourist complex at Kushinagar	22.17
3. Tourist complex at Sravasti	22.00
4. Tourist complex at Bodhgaya	12.02
5. Cafeteria at Rajgir	2.50
6. Youth Hostel at Patna	10.00
7. Fairs & Festivals at Vaishali	0.88

ITDC PROJECTS

(capital outlay as on 31.3.1985)

1. Travellers lodge at Kushinagar	3.23
2. Hotel Patliputra Ashok	44.45
3. Transport unit at Patna	16.71
4. Travellers lodge, Bodhgaya	5.48

[English]

Reduction in lending rates of bank

917. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to reduce lending rates of banks to further make Indian industry competitive;

(b) if so, whether Government have received representations from various Chambers in this connection; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARI) : (a) to (c). There have been from time to time representations from various Associations of Industry requesting that the lending rates of banks should be reduced.

The interest rate structure is kept under continual review by Government and appropriate changes are made from time to time in the light of current and emerging trends—there has been a progressive reduction in the maximum lending rate of banks from a peak of 19.5 per cent in March 1981 to 17.5 per cent in April 1985.

The structure of lending rates is prescribed taking into consideration various factors, including the overall liquidity and pace of monetary expansion, the cost of funds to the banking system, the need to mobilise additional resources, the overall growth of the economy and its sub-sectors and importantly, the relative priorities accorded in the Plan for different sectors.

Workshop on World Bank credit
in Delhi

918. SHRI MAHENDRA SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether a workshop on World Bank credit for engineering exports was held in New Delhi, on or about January, 16, 1986;

(b) if so, the main conclusions arrived at the workshop and suggestions made therein; and

(c) Government's reaction thereto ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). Yes, Sir. A workshop on World Bank Credit for Engineering Exports was held in New Delhi on 10 January, 1985. The main objective of the Workshop was to advise industry of the World Bank loan for \$250 million, which has been negotiated by Government of India, and the component thereof. At the workshop, details of loan components, the modus operandi for managing the loan and how industry could utilise this loan were discussed.

RBI committee on investment by non-resident Indians

919. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether the Committee set up by the Reserve Bank of India to look into the procedural problems faced by non-resident Indians in investment has submitted its report;

(b) if so, the principal recommendations of the committee; and

(c) the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) The principal recommendations of the committee are granting permission for portfolio purchases for a period longer than the current limit of three years, simplification in RBI procedure for crediting NRE A/cs, increasing the entitlement from the present 25 per cent of the foreign exchange brought by returning Indians under the Returning Indian Foreign Exchange Entitlement Scheme,

permission to remit abroad the premium of Life Insurance Policy, etc.

(c) These recommendations have been considered in consultation with other concerned Deptts./Ministries and action taken as necessary.

Nodal agency to coordinate imports

920. SHRI K. RAMAMURTHY : Will the Minister of COMMERCE be pleased to state :

(a) whether there is any proposal to set up a nodal agency under a State Trading Organisation to coordinate imports by diverse agencies in order to maximise advantages from counter trade; and

(b) if so, the details thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) Does not arise.

Income-tax and Central Excise outstanding from business houses, individuals and HUFs

921. DR. B. L. SHAILESH :
SHRI SANAT KUMAR

MANDAL :

Will the Minister of FINANCE be pleased to state :

(a) the names of business houses, individuals, Hindu Undivided Families and other from whom Income-tax amounting to Rs. 1 crore and above is outstanding as on 1 February, 1986;

(b) the names of business houses from whom Central Excise Duty amounting to Rs. 1 crore and above as on 1 February, 1986 is outstanding; and

(c) the effective steps being taken to cut short the protracted litigation in case of amounts contested in law courts and to recover these huge outstandings ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANAR-

DHANA POOJARY) : (a) to (c). The information is being collected and will be laid on the Table of the House.

[*Translation*]

Sick textile mills

922. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of TEXTILES be pleased to state :

(a) Whether it is a fact that Government are considering not to take over sick textile mills in future;

(b) if so, how Government propose to safeguard the interests of such mills as well as the worker working therein;

(c) whether Government propose to enact any legislation to ensure that these mills may not become sick;

(d) if so, the time by which would be done; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Under the New Textile Policy where a unit has no expectation of becoming of viable in a reasonable period of time, there may be no alternative but to allow the unit to close provided the interest of the workers are protected. Take-over by the Government or nationalisation of such sick unit does not provide solution to the problem of sickness and the Government would not as a rule intervene in such cases. The policy also envisages the creation of a Rehabilitation Fund to provide relief to safeguard the interest of workers who might be displaced by permanent closure of units.

(c) No, Sir.

(d) Does not arise.

(e) A Nodal Agency as envisaged in the new Textile Policy has been set up to evolve and manage Rehabilitation Packages in respect of such textile units that are found to be potentially viable.

[*English*]

Position of balance of payment

923. SHRI CHINTAMANI PANIGRAHI :
SHRI C. P. THAKUR :

Will the Minister of FINANCE be pleased to state :

(a) whether the balance of payments position of our country is worsening ;

(b) if so, the position on date; and

(c) the steps taken to improve the position ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The balance of payments position has somewhat weakened during the current financial year, as reflected by the movement in overall foreign exchange reserves, which have declined by Rs. 324 crores during the first ten months of the current financial year.

(c) Measures have been taken to reduce the need for imports of key bulk items, such as petroleum products, sugar and edible oils. The balance of payments position is kept under constant review with a view to maintaining its viability.

Export of cotton yarn

924. SHRI AMARSINH RATHAWA : Will the Minister of TEXTILES be pleased to state :

(a) the value of cotton yarn exported during the last three years, year-wise and likely to be exported during the year 1985-86;

(b) whether Government have recently announced its new cotton yarn export policy; and

(c) if so, the details thereof and how far it will be helpful to boost the export ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Statement

showing the value of cotton yarn exported during the last three years and the estimated value of likely exports during 1985-86 is given below.

(b) and (c). Yes, Sir. The Government has announced the cotton yarn export ceilings for a period of 3 years, namely, for 1986, 1987 and 1988. The annual ceilings will be as follows :

Count Group	Quantity
1 to 40s	20 m. kgs.
41s to 60s	20 m. kgs.
61s and above	No ceiling.

The Yarn Export Policy will bring about stability in the yarn export trade ensuring reliability of supplies from India.

Statement	
Year	Value (Rs. in Crores)
1982-83	18.32
1983-84	22.65
1984-85	36.42
1985-86 (Estimated)	46.78

(Source : Cotton Textiles Export Promotion Council)

[Translation]

Complaints of misbehaviour with passengers by customs officials at Delhi Airport

**925. SHRI BANWARI LAL BAIRWA :
SHRI MANVENDRA SINGH :**

Will the Minister of FINANCE be pleased to state :

(a) the number of complaints of misbehaviour with passengers by customs employees/officers at Palam Airport received

during the month of January, 1986 and the main points of these complaints;

(b) whether it is a fact that passengers are detained even upto five hours at Delhi Airport for customs clearance and customs employees resort to unfair means for giving customs clearance;

(c) whether Government receive some complaints from the passengers who travelled by AI 315 and landed at Delhi Airport on 12 January, 1986; and

(d) if so, the details in this regard and the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Ten complaints were received in January, 1986 by passengers against Customs Officers at Delhi Airport. The main points of grievance were over-valuation of goods, over-assessment of duty, delay in clearance, harassment, uncalled for seizure/detention and demand for illegal gratification. These complaints have been inquired into and suitable action taken by the Customs Authorities.

(b) No, Sir.

Sometimes delays in clearance occur in respect of passengers from whom smuggled goods are recovered or who have imported goods in excessive quantities. Such delay may also occur in case of passengers who are unable to pay immediately the duty assessed on their baggage.

(c) and (d). A complaint was received from a passenger Shri R. P. Mordhwaj regarding harassment at Delhi Airport. The applicant had alleged that some of his goods were removed by the Customs Officers from his baggage. The complaint was looked into and it was found that goods which were alleged to have been removed by Customs Officers had in fact been detained against a proper detention receipt as the passenger did not have enough money to pay the duty which had been assessed. The passenger subsequently visited the Airport. He expressed his inability to pay the duty and requested for permission to re-export the goods. This re-export has since been allowed.

**Valuation of foreign articles for
realising customs duty at Delhi
Airport**

926. SHRI BANWARI LAL BAIRWA : Will the Minister of FINANCE be pleased to state :

(a) the criteria adopted by Customs Officers posted at Delhi Airport to fix the value of foreign articles for the purpose of realising customs duty;

(b) whether these criteria are followed in all cases or some exceptions made and if so, the nature and extent of discretion exercisable by the Customs Officials; and

(c) whether there are any guidelines for Customs Officials for exercising these discretionary powers and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Valuation of articles of baggage for the purposes of charging duty is made according to the price list compiled by the Customs authorities on the basis of information about prevailing prices received from Indian Missions abroad, as also data obtained from published international catalogues etc. These prices are circulated among all International Airports in India in order to have general uniformity in valuation.

(b) and (c). Depreciation is allowed on merits in cases where articles are claimed to have been used or damaged and the officer is satisfied regarding the claim of usage on the basis of documents produced, visual inspection of the goods etc. Whenever any deviation from the general price list becomes necessary, the decision in this regard is taken by supervisory officers on duty.

[English]

**Amount repatriated by FERA
Companies**

927. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state the amount repatriated by the FERA companies during each of the last three years

by way of (i) dividend, (ii) royalty on technology, (iii) fee etc. for consultancy, (iv) fee for the use of brand names and trade marks, if any, (v) purchase of foreign equipments, components, raw materials, capital goods, spares etc. from abroad, (iv) any other foreign exchange payment made by them and (vii) foreign exchange earnings by these companies ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : The information is being collected and will be laid on the Table of the Lok Sabha, to the extent available.

Promotion of wild life tourism

928. SHRIMATI JAYANTI PATNAIK : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether there is tremendous scope for promoting wild life tourism in the country ?

(b) if so, the steps proposed to be taken to promote wild life tourism in 1986-87 as in the Seventh Five Year Plan;

(c) the scheme prepared therefor; and

(d) the specific steps proposed to be taken for the promotion of wild life tourism in Orissa ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) Yes, Sir.

(b) and (c). During the Seventh Five Year Plan period, a provision of Rs. 560.00 lakhs has been made for development of wild life tourism in the country, this includes Rs. 65.00 lakhs for 1986-87. The facilities to be created are accommodation and transport for wild life viewing. Proposals for such facilities have been received and some of them sanctioned at Wild Life Sanctuaries e.g. Betla, Ranthambore, Nandankanan, Simlipal, Enjal, Bhandhavgarh, Manas, Corbett, Madhumalai, Dudhwa etc.

The Government is proposing to set up a Committee of Wild Life Tourism Experts

to advise on measures to be taken for promotion of Wild Life Tourism.

(d) In collaboration with the State Government, the Central Department of Tourism has taken up the project of development of a Lion Safari Park at Nandankanan. An amount of Rs. 19.23 lakhs has already been released out of the total estimated cost of Rs. 21.30 lakhs for this project which is nearing completion. The Department has also sanctioned an amount of Rs. 36.76 lakhs for the construction of a forest lodge at Similipal. The work is in progress and an amount of Rs. 20.80 lakhs has already been released for the purpose. In addition, the Central Department of Tourism has also sanctioned an amount of Rs. 4.04 lakhs for purchase of mini buses and elephants at Similipal for wild life viewing.

World Bank's approval for Centre and State Projects

929. PROF. NARAIN CHAND PARA-

SHAR : Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank has approved any project in the last three years including the current financial year;

(b) if so, the details thereof, State-wise and Central Sectors separately;

(c) if not, whether any projects are pending for approval with the World Bank from the Union Government or any of the State Governments, separately; and

(d) if so, the details thereof and the reasons for which they are still pending ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) to (d). The details of projects approved by the World Bank are furnished in the statement given below.

Statement

Sl. No.	Name of the project	Name of the State (s)	Amount in US \$ million	
1	2	3	4	5
I. State Sector			IBRD	IDA
<i>1983-84</i>				
1.	Himalayan Watershed and Management	U. P.	—	46.2
2.	Karnataka Social Forestry	Karnataka	—	27.0
3.	Maharashtra Water Utilisation	Maharashtra	22.70	32.0
4.	Orissa Irrigation-II	Orissa	—	105.0
5.	Upper Indravati Hydro	Orissa	156.4	170.0
6.	Third Calcutta Urban Development	West Bengal	—	147.0
7.	M. P. Urban Development	M. P.	24.10	—
<i>1984-85</i>				
1.	National Agricultural Extension-I	M. P. Orissa Rajasthan	—	39.1
2.	Kerala Social Forestry	Kerala	—	31.8

1	2	3	4	5
3.	Periyar Vaigai Irrigation-II	Tamil Nadu	—	35.0
4.	Upper Ganga Modernisation Irrigation	U. P.	—	25.0
5.	Indira Sarovar Hydro-Electric	M. P.	157.4	12.4 (SDRs) 122.0 (SDRs) SF
6.	Tamil Nadu Water Supply and Sanitation	Tamil Nadu	—	73.0
7.	Bombay Urban Development	Maharashtra	—	138.0
8.	Gujarat Medium Irrigation	Gujarat	—	172.0

1985-86

1.	National Agricultural Extention-II	Haryana Gujarat Karnataka	—	49.0
2.	National Social Forestry	U. P., H. P. Gujarat Rajasthan	—	165.0
3.	Maharashrta Composite Irrigation-III	Maharashtra	—	160.0
4.	West Bengal Minor Irrigation	West Bengal	—	99.0
5.	Narmada River Development (Gujarat), Sardar Sarovar Dam & Power	Maharashtra Gujarat & M. P.	200.0	100.0
6.	Narmada River Development (Gujarat) Water Delivery and Drainage	-do-	—	150.0
7.	Chandrapur Thermal Power	Maharashtra	300.0	—
8.	Kerala Power	Kerala	176.0	—
9.	Kerala Water Supply and Sanitation	Kerala	—	41.0

II-Central Sector

1983-84

1.	Central Power Transmission		250.7	—
2.	Third Population	Karnataka & Kerala	—	70.0

1984-85

1.	NCDC-III		220-0	—
2.	Cambay Basin Petroleum		242.5	—
3.	Second Farakka Petroleum		300.8	—
4.	M. P. Fertilizer		203.6	—

1	2	3	4	5
5. Railway Electrification and Workshop Modernisation			280.7	—
6. Nhava Sheva Port			250.0	—
7. Dulhichua Coal			151.0	—
<i>1985-86</i>				
1. National Agricultural Research-II			—	72.1
2. Rihand Power Transmission			250.0	—
3. Fourth Population		West Bengal (Centrally sponsored)	—	51.0
4. Jharia Cooking Coal			248.0	—
5. Maharashtra Petrochemicals			300.0	—
6. National Highways			200.0	—
7 Industrial Export (Engineering Products).			250.0	—

**Damage of rice stored in LIC godowns
in Cochin**

930. PROF. K. V. THOMAS : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether the rice stored in the LIC godowns in Cochin are damaged;

(b) if so, the quantity damaged; and

(c) the steps taken to prevent such damage in future ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Food Corporation of India and Central Warehousing Corporation do not have rice stocks in LIC godowns in Cochin.

(b) and (c). Do not arise.

Export of woollen knitwear

931. SHRI V. TULSIRAM : Will the Minister of TEXTILES be pleased to state :

(a) whether it has been estimated that the export of woollen knitwear fabric and blankets

would increase by about 30 per cent during the Seventh Five Year Plan;

(b) if so, the estimated foreign exchange to be earned as a result thereof;

(c) the States from where the woollen knitwear and other woollen material will be exported;

(d) the names of foreign countries to which woollen material is likely to be exported; and

(e) the annual estimated break-up of the woollen material likely to be exported to various countries, year-wise and country-wise;

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Overall export of woollen products during the Seventh Five Year Plan is estimated to grow at 15 per cent per annum.

(b) The anticipated exports during 1985-86 is Rs. 90 crores. The exports may be projected to increase at 15 per cent per annum.

(c) As per present trends, exports of woollen products are mainly from Punjab, Maharashtra, Gujarat and U.P.

(d) The countries are USSR, U.S.A., Canada, Ethiopia, the Middle East Countries and U.K.

(e) Country-wise/product-wise performance for each year of export depends on a number of factors. The overall exports is projected to grow at 15 per cent per annum on the basis of 1985-86 figure.

Persons challaned for concealment of income

932. SHRI K. D. SULTANPURI :
SHRIMATI GEETA
MUKHERJEE :

Will the Minister of FINANCE be pleased to state :

(a) the number of persons challaned in various Courts for concealment of income during the last one year; and

(b) the number of case in which properties have been attached under orders from the courts ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Prosecutions have been launched in 962 cases for concealment of income during the last one year.

(b) There is no specific provision in the Income Tax Act for attachment of property under orders from the Court.

Losses in transit and storage of surplus wheat

933. SHRI MOOL CHAND DAGA : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) how the problems arising out of huge surplus of wheat were dealt with during 1984-85 and current financial year;

(b) whether it is a fact that (i) Rs. 3000 crores were spent for carrying surplus wheat,

(ii) as on 1st October, 1985, FIC was keeping 2.41 million tonnes of foodgrains in open, (iii) there were heavy losses in transit and storage;

(c) if so, the reasons why suitable arrangements were not made in time and whether any responsibility has been fixed for such losses;

(d) whether it is a fact that India failed in export of wheat; and

(e) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) The Government has taken a number of steps to increase consumption of wheat and to build up additional storage capacity.

(b) (i) No, Sir.

(ii) 2.41 million tonnes of stocks have been kept in cover and plinth (CAP) storage.

(iii) During 1984-85, the losses in transit and storage of foodgrains were 1.94 per cent of its total purchases and sales.

(c) In view of (a) and (b) above, the question does not arise.

(d) No, Sir. Some quantities of wheat have been exported.

(e) Does not arise in view of answer to (d).

Investment in India by American businessmen

934. SHRI SRIBALLAV PANIGRAHI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the American businessmen consider India better for investment than China;

(b) if so, the main factors so far as the question of interest in financial circles is concerned; and

(c) whether there have been generated good publicity by India for its goods or Union Government's liberal policies have aroused America's curiosity and made them more venturesome ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Investment decisions are taken by the individual investors with reference to their own investment criteria and perceptions. Our foreign investment policy continues to be selective and foreign investment is permitted in high-technology and export-oriented areas. This policy has been reiterated in the Technology Policy Statement of 1983. Foreign private investment including from US sources, is welcome within the parameters of this policy.

The number of foreign collaborations approved with US companies during the last four years is as under :

Number of collaborations approved

Year	With U.S.A.		All Countries*	
	Total	Financial	Total	Financial
1982	110	24	590	113
1983	135	32	673	129
1984	148	37	753	151
1985	197	66	1024	238

*(including U.S.A)

Proposal to enhance baggage allowance

935. SHRI T. BASHEER : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal under consideration of Government for enhancement of baggage allowance to Indians working abroad;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN

THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) In view of (a) above, does not arise.

(c) Indians working abroad for not less than one year and returning after termination of work are already allowed to bring, free of duty, used household effects upto a value of Rs. 5000—. This is in addition to the free allowance of Rs. 1250/—which is allowed to all persons, other than tourists, coming to India. Indians working abroad and returning after a minimum stay abroad of two years, under transfer of residence, are allowed to import duty-free their used household effects, subject to conditions stipulated in the relevant rules. These allowances are presently considered adequate.

Financial assistance for setting up storage space for strengthening public distribution system

936. SHRI T. BASHEER :
SHRI K. KUNJAMBU :
SHRI V. S. VIJAYARAGHAVAN :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there is any proposal under Government's consideration to provide financial assistance to the State for setting up storage space, etc. for strengthening public distribution system;

(b) if so, the details thereof;

(c) whether Government received any proposal from Kerala Government in this regard and requested for financial assistance; and

(d) if so, the Government's reaction thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) and (b). During the Seventh Five Year Plan there is a Central Sector Scheme for giving financial assistance to the States and Union Territories in North Eastern Region, Sikkim, Himachal Pradesh, Jammu and Kashmir and Andaman and Nicobar Islands for developing infrastructural facilities

for strengthening of Public Distribution System, in the shape of share capital contribution to their State Civil Supply Corporations, if any, and financial assistance for construction of godowns. This Scheme does not cover other States/Union Territories. Also, there is no proposal under Government's consideration to give financial assistance to other States/Union Territories under the Central Sector for construction of storage space etc.

(c) and (d). No proposal has been received from the State Government of Kerala for financial assistance for setting up storage facilities etc. for strengthening Public Distribution System.

Harassment of passengers by customs authorities

937. SHRI T. BASHEER : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that there are lot of complaints from Indians working abroad about the customs authorities and that the Indian passengers are harassed by the customs authorities unnecessarily;

(b) whether Government have received any complaints regarding this; and

(c) if so, the steps Government have taken to stop such unnecessary harassment ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Complaints are received from time to time from passengers regarding delay in clearance or amount of duty levied on the goods brought as baggage at the International Airports. Such complaints are promptly looked into by the concerned officers for necessary remedial action.

The Government have since 1983 introduced a system of clearance of passengers based on their own declaration regarding the value and contents of their baggage. Examination of baggage is resorted to only in cases of suspicion. The majority of the passengers are cleared in the walk through Green Channel. The system of clearance provides

for adequate and close supervision by senior officers so as to minimise instances of complaints of harassment. Any examination of baggage is also done under the supervision of such officers in order to avoid harassment to passengers.

Production and requirement of edible oil

938. SHRI HUSSAIN DALWAI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the total edible oil production in India per annum at present;

(b) the total requirement of edible oil in India per annum;

(c) how the deficit of edible oil is met by Government; and

(d) the measures Government propose to take to make India self-sufficient in edible oil production ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) The production of edible oils during oil year November, 1984 to October, 1985 has been estimated at 36.68 lakh metric tonnes.

(b) The Sub-Group on Edible Oils for the 7th plan has estimated demand for edible oil in the year 1985-86 to be about 6.80 kg. per head per annum.

(c) As a short term measure the gap between the demand and availability of indigenous edible oil is met by imports.

(d) Government has taken/is taking a number of measures to increase the production of oilseeds and oils as follows :

(1) Implementation of the National Oilseeds Development Project, covering special project on groundnut, rapeseed/mustard, soyabean and sunflower, besides intensive development work on other oilseeds. The programme, inter alia, aims at the development of non-traditional oil-

seeds, increase in areas under irrigated crops, particularly ground-nut in rabi/summer season, basic inputs and free distribution of seed-cum-fertiliser mini kits on a large scale,

- (2) National Dairy Development Board's Oilseeds Project : State level cooperative oilseeds growers' federation have been formed in seven States under the Project for restructuring of Edible Oils and Oilseeds Production and Marketing through National Dairy Development Board.
- (3) Better incentive to producers through fixation of minimum support prices.
- (4) Intensification of research efforts for increasing the productivity of oilseeds.
- (5) Increase in area under non-traditional oilseeds crop like soyabean and sunflower and exploitation of oilseeds of tree and forest origin, rice bran etc.
- (6) Setting up of a necessary processing and infrastructural facilities to keep pace with the production programme of oilseeds.

Termination of services of Bank officials for corrupt practices

939. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) the number of officers of the nationalised banks whose services were terminated, bank-wise, during the last one year for corrupt practices; and

(b) the number of criminal cases lodged against such officers and the number of cases which are pending enquiry ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). RBI has reported that as per available information based on the reports received from public sector banks during 1985, 27 banks officials were convicted and 187 bank

officials were dismissed/discharged/removed from service in connection with fraud cases. At the end of 1985, criminal proceedings were pending against 186 bank employees and departmental proceedings were pending against 446 bank employees in connection with cases of bank frauds.

Demand for rise in minimum release prices for coffee.

940. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have taken any steps consequent to the agitation staged by coffee growers before the Coffee Board Office in Bangalore, demanding rise in minimum release price for coffee etc.;

(b) whether Government have been able to find new international markets for coffee this year; and

(c) if so, the details thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) to (c). Change in the minimum release price of coffee has an impact on domestic prices and revision is made after careful consideration on the basis of a cost study. A cost study was ordered in January, 1985 much before representations for updating MRP were received. There have been difficulties on account of slow response from growers in furnishing cost data. However, steps have been taken to get the cost study completed at the earliest. Coffee Board has succeeded in diversifying markets by substantially increasing the volume of exports to non-quota markets other than USSR. We have even in the past been exporting coffee to the important quota markets.

Effect of fall in price of crude on India's import policy

941. SHRI N. VENKATA RATNAM : Will the Minister of FINANCE be pleased to state the effect of fall in price of crude in international market on our import policy and our international monetary fund debt of Rs. 3,000/- crores ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : A fall in the prices of crude oil in the international markets may help reduce, to some extent, the overall size of our import bill. Other things remaining unchanged, this may induce some reduction in our trade and current account deficits. This has no direct impact on India's repurchase obligations with the IMF.

Consumer protection on P.F.A. and Weight and Measures

942. DR. T. KALPANA DEVI : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Consumer Guidance Society of India at the recent Consumer Protection Seminar held at Delhi on 20-21 January 1986 put forward suggestion of consumer protection on PFA and weight and measures;

(b) if so, the details thereof;

(c) whether the above society had also proposed delegation of certain powers to voluntary organisations to assist Government in their objectives;

(d) whether it is a fact that in United States, Government recognised several non-Governmental laboratories under Federal Laws for testing of food; and

(e) if so, whether Government have plans to do likewise in the country specially in view of paucity of facilities in Government laboratories ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) and (c). Yes, Sir.

(b) The Consumer Guidance Society of India at the recent Seminar on Consumer protection held in New Delhi on 20-21 January, 1986 suggested, inter-alia, that wherever Government inspection and vigilance organisations need assistance to cope up with their work, the Government should not hesitate to use the services of the accredited Consumer Representatives by giving them suitable authority and entry power

especially in respect of fair-price shops, detection of adulteration, checking weights and measures etc.

(d) As per provision of Federal Food, Drugs and Cosmetic Act as amended in 1981, the Secretary of Health and Human Services is authorised to conduct examination and investigations for the purpose of this Act through Officers and employees of the Department or through any health, food or drug officer or employee of any State, Territory or political sub-division thereof, duly commissioned by the Secretary as an officer of the Department.

(e) There are already 72 food laboratories set up both by the State Governments and local bodies (Non-Governmental) in addition to four Central Food Laboratories who are undertaking analysis of food samples under the provision of PFA Act, 1954.

Special cars for disabled

943. DR. T. KALPANA DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that avoidable component of foreign exchange is being lost for import of special cars for the disabled; and

(b) whether Government instead propose to allot a special quota for special cars such as Maruti, Fiat and sell these without excise and sales tax duties to this disabled after necessary changes thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : No, Sir. As per the Import and Export policy, 1985-88 import of cars is allowed to physically handicapped persons only in cases of specified disabilities duly certified by the State Surgeon or head of the concerned Wing in Government Hospital, subject to prescribed conditions. Further, CIF value of the car sought to be imported together with disability control fitted thereon should not exceed Rs. 65,000/-.

(b) A proposal by Ministry of Industry to Deptt. of Revenue has been sent regard-

ing conversion of Maruti car into disability car by import of automatic transmission and certain control linkages and a nil import duty has been recommended by the Ministry of Industry on specialised equipment only. No decision has yet been taken on this. No concession of Excise duty and Sales Tax on the cars itself for disabled has been recommended.

**Generation of unaccounted money
from disposal of Molasses in
Maharashtra**

944. DR. CHINTA MOHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that nearly Rs. 3120 crores are generated from unaccounted money from disposal of molasses in Maharashtra alone;

(b) whether similar surveys have been conducted for other States also; and

(c) if so, action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

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

[Translation]

**Deplorable credit-deposit ratio of
Commercial Banks in Bihar**

945. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Governor of the Reserve Bank of India during his tour of Bihar on 31 January, 1985 expressed his concern at the deplorable "credit-deposit ratio" of commercial banks located in Bihar;

(b) whether it is also a fact that "recovery ratio" of banks located in Bihar, particularly commercial banks, is very deplorable due to which banking transactions have been adversely affected; and

(c) if so, whether any concrete steps have been taken by Government to bring about necessary improvements in their working ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (c). At the State Level Bankers' Committee meeting held at Patna on 1.2.1986 presided over by the Reserve Bank of India's Governor it was decided to take measures for improving the credit : deposit ratio so as to bring the State ratio upto the national norm in due course. A Committee consisting of the Government Secretaries and Bankers has been constituted to monitor progress in this regard.

(b) In the State Level Bankers Committee meeting held on 12/13 April 1985, it was pointed out by Reserve Bank of India that the percentage of overdues to demand in respect of commercial banks in Bihar was as high as 61.1 as against the All-India average of 46.8. The State Government has been requested time and again for helping the banks in recovery of overdues.

[English]

Goods imported from EEC countries

946. SHRI D. N. REDDY : Will the Minister of COMMERCE be pleased to state the nature of goods (consumer goods/capital goods) imported from the EEC countries ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : Country-wise details of import of various items are published in the publication entitled 'Monthly Statistics of the Foreign Trade of India Vol-II Imports' copies of which are available in the Parliament Library. The published data are available upto 1981-82.

Engineering Exports

947. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of COMMERCE be pleased to state;

(a) the engineering exports for the last three years; and

(b) the steps being taken to boost the engineering exports in the seventh Five Year Plan period ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Exports of engineering goods during the last three years have been as follows :

Year	Exports* (Rs. in crores)
1982-83	1250.00
1983-84	1170.00
1984-85	1300.00

*Figures are provisional.

(b) The Government has taken a series of measures for boosting the exports of engineering goods during the Seventh Five Year Plan period. These include :

- (i) liberalisation of industrial licencing policies and introduction of new technologies with a view to increase the international competitiveness of domestic industry;
- (ii) Extension of the cash compensatory scheme beyond 31.3.1986 thereby providing compensation to industry for the cascading effect of domestic taxes.
- (iii) Including alloys and other types of steels in the International Price Reimbursement Scheme to provide steel material at international price for export production;
- (iv) Introduction of the Import-Export Passbook Scheme with effect from 1.1.1986 for manufacturer-exporters with a view to provide easy access to duty free imports for export production.

Five Star Hotels in the country

948. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of PARLIAMEN-TARY AFFAIRS AND TOURISM be pleased to state :

(a) the number of Five Star Hotels constructed in each Five Year Plan in the country;

(b) the number of Five Star Hotels to be constructed in the Seventh Five Year Plan period; and

(c) the criteria for opening Five Star Hotels ?

THE MINISTER FOR PARLIAMEN-TARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) The number of Five Star Hotels constructed in the Public Sector in the country during different Five Year Plan periods is as follows :

First Five Year Plan	—	Nil
Second Five Year Plan	—	1
Third Five Year Plan	—	Nil
Fourth Five Year Plan	—	4
Fifth Five Year Plan	—	3
Sixth Five Year Plan	—	4

(one of these is yet to be completed and commissioned)

(b) The Seventh Five Year Plan does not include any specific provision for the construction of Five Star Hotels.

(c) Demand for accommodation and financial viability are the main criteria determining the opening of five star hotels.

Progress of Indo-Iran Trade and settling up of Joint Ventures in Iran

949. SHRI VIJAY N. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have monitored the progress of Indo-Iran trade in the years 1981-82, 1983-84, 1984-85;

(b) if so, the details of progress in the above years;

(c) whether it is a fact that in the meeting of Indo-Iran Joint Commission held in

January, 1986' Iran had decided to import several items from India;

(d) if so, the details thereof;

(e) whether it is also proposed to set up joint ventures in Iran with help of Indian manufactures; and

(f) if so, the details thereof;

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir.

(b) Our exports to Iran have shown an increasing trend while imports from Iran have declined over these years.

(c) and (d). During the meeting no such decision was specifically indicated by Iran, except a general assurance that it would increase imports from India in the current year provided the quality and prices were competitive.

(e) and (f). Both India and Iran have agreed to explore and identify possibilities of setting up joint ventures in the field of heavy industries in either country or in the third world countries.

Economic Co-operation with Netherlands

950. **SHRI VIJAY N. PATIL :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have explored the possibilities of further economic co-operation with the Dutch in January 1986 on the occasion of Royal Couple's Visit to India;

(b) if so, the field of economic Co-operation where both the countries have identical views; and

(c) the steps Government propose to take to enhance Indo-Dutch Trade ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI

P. SHIV SHANKER) : (a) and (b). The visit of the Dutch Queen and her husband was a protocol visit. There was no formal bilateral discussion on economic matters between the officials of the two countries during the Queen's visit.

(c) A number of steps like the holding of workshops, seminars, exchange of delegations, etc, have been contemplated to enhance Indo-Dutch trade.

Reduction of debt-equity ratios for Industrial Sectors

951. **SHRI VIJAY N. PATIL :** Will the Minister of FINANCE be pleased to state :

(a) whether the Industrial Development Bank of India have decided to reduce the debt-equity ratios for all the three sectors of industry-large, medium and small-scale;

(b) if so, whether Government have examined its effect upon the medium and small sector;

(c) whether it is a fact that several State Governments have represented to the Union Government against the decision of the Industrial Development Bank of India on reduction of debt-equity norms for the small-scale sector of industries; and

(d) if so, the remedial measures Government propose to take in view of avowed policy of the Centre' regarding the rapid growth of small sector ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) to (d). Some representations have been received regarding the revised norms for debt-equity ratio. The Industrial Development Bank of India has reported that in recent years industrial units have started relying on debt financing for their investment programmes in an increasing measure. With prevailing rates of interest for term capital as well as working capital, heavy reliance on debt has been posing debt servicing problems for industrial units.

Accordingly, the financial institutions have decided to encourage the widening of equity base of the industrial units by adopting revised norms for debt-equity ratio. In respect of small and medium projects, liberalisations effected in the Seed Capital Scheme (under which equity type of assistance of upto Rs. 15 lakhs is extended at a nominal service charge of 1 per annum for projects costing upto Rs. 3 crores for strengthening equity base) is expected to supplement in the equity requirements of projects.

Issue of underweight wheat bags from godown of Food Corporation of India in Delhi

952. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether it is a fact that underweight wheat bags issued by the Food Corporation of India godown at Fheora, Delhi, were recently detected by the Directorate of Industries and Weight and Measures Department of the Delhi Administration;

(b) if so, the details thereof;

(c) whether any inquiry has been conducted in the matter;

(d) if so, the result thereof; and

(e) the action taken/proposed to be taken against the guilty persons ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) and (b). On 31-1-1986, Weights and Measures Department of Delhi Administration weighed at random 10 bags out of 30 bags of wheat issued by Food Corporation of India at its Ghavera depot and not Fheora as mentioned in the question, to Delhi State Civil Supplies Corporation for distribution through fair price shops and found shortages of 24.5 kgs.

(c) to (e). The Food Corporation of India is investigating the matter with a view to fixing responsibility on its employees for their lapse.

Losses in Sugar Factories

953. SHRI V. SOBHANADREESWARA RAO : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether many sugar factories have incurred losses in recent years;

(b) whether the price of molasses from which alcohol and arrack are manufactured is kept at very low level;

(c) whether Government propose to increase the price of molasses to help the sugar factories and khandasari units to overcome financial crisis to some extent; and

(d) whether Government also propose to increase the price of arrack payable to the sugar factory to enable it to overcome losses and pay higher price to cane growers ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) The Government do not maintain profit and loss accounts in respect of sugar mills which are mainly in private or cooperative sector. The sugar policy is announced by the Government of India from time to time. The profitability or otherwise of a sugar factory depends on a variety of factors which include cane availability, technical and managerial competence of a sugar mill and certain other factors which are not directly regulated by the sugar policy. The ultimate responsibility to ensure efficient running of a sugar mill lies solely with the management.

(b) Reasonable prices of molasses and alcohol are fixed on the basis of Cost Studies undertaken by the Bureau of Industrial Costs and Prices.

(c) and (d). Government are yet to take a view on further revision of prices of molasses and alcohol.

Closure of Textiles Mills in Gujarat

954. SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI : Will the Minister of TEXTILES be pleased to state :

(a) whether Maharana Textiles Mills of Ranavav-Porbandar in Saurashtra, Gujarat is closed for the last three years or so;

(b) if so, the reasons thereof;

(c) the steps taken to re-open the same;

(d) the total amount actually given to Gujarat and various textile mills in Gujarat to re-open the closed textile mills; and

(e) the steps taken for re-opening the closed textile mills ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) The mill is closed due to financial difficulties.

(c) Under the new Textile Policy where a unit has no expectation of becoming viable in a reasonable period of time there may be no alternative but to allow the unit to close down. The potential viability of this mill has not been established.

(d) and (e). Government of India have agreed to give an advance Plan assistance amounting to Rs. 65 crores for nationalising 12 closed textile mills in Ahmedabad City. A Nodal Agency has also been set up as envisaged in the new Textile Policy to evolve and manage Rehabilitation Packages in respect of sick mills which are found to be viable.

Smuggling in Gujarat

955. SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI : Will the Minister of FINANCE be pleased to state :

(a) whether smuggled foreign goods and other articles were seized during 1.1.1985 to 5.2.1986 from Salaya, Porbandar, Mahuva, Bhavnagar and other parts of Saurashtra and Kutch in Gujarat;

(b) if so, the details thereof;

(c) how many persons have been found involved and number out of them detained and arrested indicating their particulars;

(d) how many of them have been released and the reasons therefor; and

(e) the action taken to minimise such activities ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) During the period 1.1.85 to 5.2.1986, contraband goods worth Rs 11 crores were seized from Salaya, Porbandar, Mahuva, Bhavnagar and other parts in Saurashtra and Kutch in Gujarat. Gold, wrist watches, fabrics, Indian currency, etc. were the main commodities seized.

(c) and (d). The number of persons arrested under the Customs Act, detained under the COFEPOSA Act, 1974 and the number of persons released from detention by Advisory Board/High Court are given below :

Period	Persons arrested	Persons detained	Persons released	
			Released by the Advisory Board.	Released by the High Court
1.1.1985 to 5.2.1986	165	112	4	28

The Advisory Board does not communicate the reasons for release of detenus to the Department. The High Courts released the persons generally on technical grounds.

(e) Anti-smuggling drive in the region has been intensified to check smuggling activities. The trends in smuggling and seizures made are also kept under constant review for

taking appropriate remedial measures in close co-ordination with the concerned Central and State Government authorities.

Stringent action is taken against persons found involved in smuggling activities both departmentally as well as through prosecution in Courts. Apart from confiscation of goods involved and imposition of personal penalties, in appropriate cases, preventive detention under the COFEPOSA Act is also resorted to.

More items under ISI Certification Scheme

956. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government propose to bring more items under the Indian Standards Institution (ISI) certification scheme;

(b) if so, the description of the items and when these will be brought under the scheme; and

(c) the manner in which Government monitor and ensure the maintenance of standards under the said scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Yes, Sir.

(b) Some of these items are Synthetic Detergents, GIS Lamps, Clinical Thermometers, Surgical implants, Hydraulic Brake fluids, Electrical appliances, Pneumatic tyres, Infant milk powder etc. The Government would like to cover these items in a phased manner and as early as possible.

(c) The monitoring and maintenance of quality is ensured under the provisions of ISI (Certification Marks) Act, 1952 which inter-alia, includes testing and inspection of products.

Modernisation of National Textile Corporation Mills

957. SHRI MURLIDHAR MANE : Will the Minister of TEXTILES be pleased to state :

(a) the allocation for modernisation of National Textile Corporation mills during the Seventh Five Year Plan period;

(b) whether the financial allocation is considered sufficient by Government to undertake modernisations of all the mills of NTC; and

(c) if not, the steps proposed to be taken by the Government to raise adequate funds for modernisation of these mills ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The Planning Commission has so far indicated an outlay of Rs. 117 crores for modernisation and rationalisation of labour schemes of NTC during the 7th Plan period.

(b) and (c). It may not be possible to modernise all the NTC mills with limited resources. Efforts are being made to explore possibilities of raising finances from institutional sources and deferred payment credits.

Development of new Wild Life Sanctuaries at Manan Thody in Kerala

958. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether any decision has been taken to develop new wild life sanctuaries in the country;

(b) if so, the details thereof; and

(c) whether Government propose to develop the Begur Forest, Mananthody in Kerala, a wild life sanctuary considering its rich animal inhabitation ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) and (b). The Department of Tourism is concerned with the creation of infrastructural facilities for accommodation and transport to enable tourists to see the wild life.

Wildlife Sanctuaries are established under the provision of the Wildlife (Protection) Act, 1972 by the concerned State Government and Union Territory administrations who have been empowered for this purpose.

(c) Department of Forests and Wildlife have informed us that they are not aware of a proposal to develop the Begur Forest Mananthody in Kerala as a Wild Life Sanctuary.

Import of Vegetable Oils

960. DR. G VIJAYA RAMA RAO : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether usage level of imported oils for vanaspati has been reduced from 40 to 30 per cent as reported in the 'Economic Times' New Delhi of 11 February, 1986;

(b) by what date these will reach zero per cent;

(c) whether Government propose to arrange marketing of vegetable oils mixed or pure in small polythene packs instead of hydrogenated oils which are highly expensive and offer no advantage to consumer; and

(d) whether imports of vegetable oils are proposed to be drastically cut due to very high improvement in productivity of oilseeds brought about under Cooperative League of USA vegetable oil projects high technology Mission ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) Vanaspati Industry is presently being allocated 30 per cent of its requirement of imported oil at Rs. 11,500/- per M. T. They are further permitted to lift, on demand, 10 per cent imported oil at commercial rate of Rs. 13,000/- per M. T.

(b) It is not possible to give any precise date for bringing the percentage usage of imported oil used in the manufacture of vanaspati to zero. Government policy is to progressively reduce the percentage incorporation of imported oil in the manufacture

of vanaspati. However, the usage of imported oil in the manufacture of vanaspati depends upon the indigenous production of edible oils.

(c) Presently, 6,850 M. T. of imported oil is being packed by M/s. Hindustan Vegetable Oil Corporation in consumer packs both in tin and poly packs and allocated to the State Governments/Union Territory Administrations for marketing through fair price shops and cooperative outlets. Some private companies, besides, are already marketing indigenous oils in consumer packs. The permission for blending groundnut and soyabean oils by the Government has been allowed. It will be sold through the authorised agencies of the Department of Civil Supplies and State Cooperative Oilseed Growers' Federations in sealed packages weighing not more than 5 kg.

(d) Presently, imports of edible oils are at a low level. This is attributed to the various projects undertaken by the National Oilseed Development Board for improvement in productivity and prospects of better crops of oilseeds.

Increase in Engineering exports

961. DR. G. VIJAYA RAMA RAO : Will the Minister of COMMERCE be pleased to state :

(a) whether engineering exports are likely to increase enormously in coming years as reported in the "Economic Times" of 11 February, 1986; and

(b) whether the recent steep price hikes in electricity petroleum products, foodgrains etc. will come in the way of this export drive and if so, the corrective steps taken/proposed ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) Yes, Sir. It is estimated that there will be a rapid growth in the export of engineering goods in the coming years.

(b) Increase in cost of inputs normally leads to higher manufacturing costs in

domestic market. For exports, however, Government policy would aim at insulating the engineering export sector from uncompetitive input prices.

Export of garments

962. DR. G. VIJAYA RAMA RAO : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that annual garment quotas of garments to EEC lapsed due to out-pricing of Indian garments for export;

(b) if so, corrective/remedial steps taken/proposed; and

(c) whether competing countries are buying Indian textile for garments at lower prices and competing with India's garments exports ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) The overall quota utilisation in EEC has increased from 54 per cent in 1983 to 69 per cent in 1985. Utilisation of quotas depends on a number of factors like demand trend, changing fashions, delivery schedule, packaging and pricing.

(b) The Government have declared a large number of categories as slow moving items in EEC by enlarging the definition of slow moving items. This would entitle them a number of concessions which will push up their exports. The Apparel Export Promotion Council participates in Fairs and Exhibition and Buyer Seller meets and also sponsors visits of European fashion designers.

(c) Textiles are allowed to be exported on OGL. The competing countries would, therefore, be able to buy Indian textiles at international prices.

Recommendation of Rajamanner committee on banking laws

963. SHRI D. N. REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether a high powered Committee had been set up under Dr. P. V. Rajamanner on Banking Laws;

(b) whether this led to formulation of new guidelines and rules and laws;

(c) if so, the details thereof;

(d) whether the recommendations of the Rajamanner Committee which were accepted by Government are being followed and implemented in letter and spirit at present; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) to (e). The Rajamanner Committee had submitted five reports. These reports were examined in consultation with Reserve Bank of India in the context of the changed circumstances and requirements. Recommendations received from Reserve Bank of India in this regard are being further processed.

Investment by LIC on priority sectors

964. SHRI GURUDAS KAMAT : Will the Minister of FINANCE be pleased to state :

(a) whether Life Insurance Corporation of India propose to invest huge amount of money on priority sectors during the Seventh Five Year Plan; and

(b) if so, the details of industries where-in investment is proposed to be made and amount to be invested by the Life Insurance Corporation of India ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). During the Seventh Five Year Plan, LIC's investment in the form of loans to State Governments for financing the plan programmes in the socially oriented sectors,

including housing, water supply, power, transport etc. is estimated at Rs. 2210 crores. Investments in these sectors are decided by the Planning Commission on year to year basis, During the year 1985-86. Planning Commission has made the following allocations :

	(Rs. in crores)
1. Loans for water supply and sewerage schemes	79.44
2. Loan to State Road Transport Corporations	28.08
3. Loans to State Electricity Boards and North Eastern Electric Power Corporation	178.17
4. Loans to State Government for housing (urban and rural)	66.30
5. Unallocated	11.00
Total :	362.99

LIC business in rural areas

965. SHRI GURUDAS KAMAT :
SHRI MURLIDHAR MANE :

Will the Minister of FINANCE be pleased to state :

(a) the business of Life Insurance Corporation of India both in terms of money and in relation to the percentage of its total business in rural areas during the last three years;

(b) whether Life Insurance Corporation of India has made satisfactory progress in its business in rural area; and

(c) how much investment was made by Life Insurance Corporation of India during the last three years for rural welfare ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes, Sir. The progress made by the Life Insurance Corporation of India in rural areas is generally satisfactory. The desired information is given below :

Individual Assurance

Years	Sum assured in crores of rupees		
	Total	Rural	Percentage of Rural to total
1	2	3	4
1982-83	3974.39	1037.98	26.1
1883-84	4386.98	1260.24	28.7
1984-85	5375.93	1569.62	29.2

(c) The amount of investments made by Life Insurance Corporation of India during the last three years for rural welfare is as follows :

	(Rs. in crores)		
	1982-83	1983-84	1984-85
1. Loans advanced to Zilla Parishads for their rural piped water supply schemes.	10.25	15.62	14.88

2. Loans advanced to State Governments for Rural Housing Schemes.	8.52	9.90	10.05
3. Loans to Industrial Estates.	4.97	2.83	2.80
4. Co-operative Land Development Banks Debentures.	35.00	35.00	35.00
5. National Bank for Agriculture and Rural Development Bonds.	—	—	10.00

Further, Life Insurance Corporation of India advances loans to State Electricity Boards which are utilised for generation and transmission to electricity for agricultural and industrial use both in urban and rural areas. Total loans advanced by Life Insurance Corporation of India to State Electricity Boards during the last 3 years are :

	(Rs. in crores)
1982-83	151.78
1983-84	130.29
1984-85	151.98

Training programmes for exporters of garments

966. SHRI MURLIDHAR MANE : Will the Minister of TEXTILES be pleased to state :

(a) whether adequate facilities for providing training to Indian exporters and executives in garment manufacturing technology, fashion design and pattern making are available in India; and

(b) if not, whether a proposal to send Indian candidates for advanced training to other countries is under consideration of Government ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Presently in India there are not adequate facilities for advanced training courses on garment manufacturing technology, fashion

design and pattern making. The Government of India have decided to set up a National Institute of Fashion Technology to meet the fashion and technological requirements of the garment industry in the country.

Cost of production of Cardamom

967. SHRI K. KUNJAMBU : Will the Minister of COMMERCE be pleased to state :

(a) the comparative cost of production of cardamom in the cardamom growing countries including India;

(b) whether the cost of production of cardamom in India is the highest;

(c) if so, whether there is any effort being made to reduce the cost of production and make Indian cardamom more competitive in the international market; and

(d) if so, the details thereof ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) and (b). Guatemala and India are the major world producers accounting for around 90 per cent of world production. Cost of production in Guatemala is said to be around Rs. 75-100 per kg. Cost of cultivation in India is reported to vary considerably, with area, weather conditions and cultivation practices followed, but was estimated in 1985 to average from about Rs 90 per kg. in Karnataka to about Rs. 125 per kg. in Kerala.

Information on cost of production in other producing countries is not available.

(c) and (d). The major scheme for increasing productivity and reducing costs being implemented by the Cardamom Board is the 'Cardamom Replanting Scheme'.

Formulation of Scheme for poor Handloom Weavers

968. SHRI K. KUNJAMBU : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have formulated any scheme for the benefit of the poor handloom weavers in the country; and

(b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) The major schemes currently being implemented are as follows :

1. Share capital assistance for Primary/ Apex Handloom Weavers Co-operative Societies;
2. Share capital assistance to State Handloom Development Corporations;
3. Assistance for creation of pre-loom and post-loom processing facilities;
4. Loan and grant assistance to handloom weavers in the cooperative sector for improvement and modernisation of looms;
5. Managerial subsidy to handloom cooperatives to enable them to engage qualified personnel to manage their affairs;
6. Handloom janata cloth scheme for providing sustained employment to handloom weavers and cheap cloth to the weaker sections of the society;

7. Grant of special rebate on sale of handloom cloth;

8. Workshed-cum-Housing Scheme; and

9. Contributory Thrift Fund Scheme.

Proposal to develop tourist complex in Palghat

969. SHRI V. S. VIJAYARAGHAVAN : Will the Minister of PARLIAMENTARY AFFAIRS AND TOURISM be pleased to state :

(a) whether any request was received for developing a tourism complex in Palghat;

(b) if so, the details thereof; and

(c) the steps taken thereon ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : (a) Yes, Sir.

(b) and (c). The State Government requested for central assistance to construct a restaurant complex with accommodation in Palghat at a total cost of Rs. 10.28 lakhs and the Department has already sanctioned the project and an amount of Rs. 4.00 lakhs has been released as advance during the current financial year.

Import of Wheat and Rice during 1986-87

970. SHRI SOMNATH RATH : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) the quantity of wheat and rice procured in the country in 1985-86;

(b) whether wheat and rice procured are sufficient to meet the demand of the country;

(c) if not, the plan of Government to import wheat and rice during 1986-87;

(d) the quantity of wheat and rice imported during 1984-85 and 1985-86; and

(e) the steps taken to reduce the import of wheat and rice ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) During 1985-86 Rabi and Kharif marketing seasons, a quantity of 103.45 lakh tonnes of wheat and 78.98 lakh tonnes of rice (including paddy in terms of rice) have been procured in the country as on 24.2.1986.

(b) Yes, Sir. The total stocks available with the public agencies together with likely procurement are considered sufficient to meet the present requirements of the public distribution system.

(c) There is no plan to import any wheat and rice during the year 1986-87.

(d) No quantity of wheat and rice was contracted for import during the years 1984-85 and 1985-86.

(e) Does not arise in view of (c) above.

Wholesale Price Index for Agriculture Based Primary Articles

972. SHRI P. R. KUMARAMANGALAM : Will the Minister of FINANCE be pleased to state :

(a) the latest wholesale price for agriculture-based primary articles;

(b) whether this index has gone up due to export of certain food articles such as ground-nuts, fish, fruits and animal feeds essentially in short supply in the country; and

(c) if so, whether such exports would be banned ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The latest Wholesale Price Index for agriculture-based primary articles is as follows :

Wholesale Price Index (1970-71=100)

	8.2.86	9.2.86	30.3.85	Per Cent Variation Annual Financial Year	
Agriculture based primary articles	307.3	302.8	299.9	1.5	2.5

Certain food articles, for instance, animal feeds, do not go into the construction of wholesale Price Index. Exports of Food articles are allowed after ensuring their adequate availability in the domestic market. The exports of these items are subject to quantitative limits.

Single Window Consumer Protection Department

973. SHRI MANIK REDDY :
DR. T. KALPANA DEVI :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether there has been a persistent demand for creation of single-window

consumer protection Department in the Government for handling all essential supplies and services to the general public;

(b) if so, the details thereof;

(c) whether the same view was expressed unanimously at the consumer protection seminar held in New Delhi on 20-21 January 1986; and

(d) if so, the decision of Government thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : (a) to (d). Some voluntary consumer organisations have suggested handling of consumer protection problems by nodal

Ministry/Department. In the recent all India Seminar on Consumer Protection, similar suggestions were reiterated for dealing with the consumer complaints. However, there has been no suggestion for handling all essential supplies and services by a single Ministry/Department. The Department of Civil Supplies in the Government of India is the nodal Department for consumer affairs. It co-ordinates the efforts of various concerned Ministries/Departments in ensuring availability of essential commodities through public distribution system. The Department also co-ordinates measures on consumer protection. State Governments and Union Territory Administrations have been advised to take similar measures for dealing with consumer problems. Delhi Administration has set up a Directorate of Consumers Affairs in the Department of Food and Civil Supplies which acts as a nodal agency for receiving complaints and acting on the complaints of the consumers.

— — —

[English]

12 hrs.

SHRI K. P. UNNIKRISHNAN (Bada-gara) : Mr. Speaker, Sir

(Interruptions)

MR. SPEAKER : I have got your letter, The Minister in charge will make a statement on Monday. They have got to go and get it. They have to go, find out the facts and come.

SHRI K. P. UNNIKRISHNAN : Thirty people have been killed.

MR. SPEAKER : I know that. That is why I took the initiative.

SHRI K. P. UNNIKRISHNAN : It is near Tellicherry, thirty people have been killed. (Interruptions).

It is a humanitarian matter.

MR. SPEAKER : That is what I am telling. I also got in touch as you also got

in touch immediately on receipt of the news.

SHRI K. P. UNNIKRISHNAN : The Minister should make a statement at least at 4.30 P. M. (Interruptions)

MR. SPEAKER : He can only give you second hand information now. Look here. Listen to me. (Interruptions).

SHRI K. P. UNNIKRISHNAN : It is not second hand. It has been announced on the All India Radio.

MR. SPEAKER : I am as much aggrieved as anybody else is. For God's sake, listen to me.

(Interruptions)

MR. SPEAKER : When I am listening to you, why are you agitated ?

(Interruptions)

MR. SPEAKER : I am as much aggrieved as anybody else in the House is aggrieved. The loss of life of our own people,— it is always a matter of great distress and despair for us. That is why I immediately took action.

(Interruptions)

MR. SPEAKER : I think this is something which we have to see what it is all about. (Interruptions).

I have talked to him.

SHRI K. P. UNNIKRISHNAN : Let him make a statement at 4 o' clock.

MR. SPEAKER : It will not be based on facts. They have gone there to collect the facts. We are not meeting tomorrow.

SHRI K. P. UNNIKRISHNAN : Whatever facts he has got, he can give.

MR. SPEAKER : If a half-truth statement can be made, I can ask him.

SHRI BASUDEB ACHARIA : (Ban-kura) : Please ask him to make a statement.

SHRI K. P. UNNIKRISHNAN : Let him make a statement today.

MR. SPEAKER : How can he do it without knowing the facts ? He is himself in the dark.

(*Interruptions*)

MR. SPEAKER : I will ask him.

PROF. MADHU DANDAVATE (Rajapur) : There has been a convention of this House, that when a major accident takes place, that is, when more than ten persons die, at the first available opportunity even a preliminary statement is made. If they want to add any information, they can do it later on.

MR. SPEAKER : That is what he told me.

SHRI K. P. UNNIKRISHNAN : He cannot say that he does not know the facts. And he told me that has sent his Member (Traffic). That is not enough. This House must be informed. (*Interruptions*). He must make a statement by 4 o' Clock. He can collect the information and make the statement.

MR. SPEAKER : He is himself agitated. And he himself has taken up the matter. That is what he conveyed to me. "Sir, I will be coming to the House with the full facts, everything, in the statement." I will ask him.

(*Translation*)

SHRI RAM PYARE PANIKA (Rober-tsganj) : Mr. Speaker, Sir, I want to draw your attention to a serious incident in which two Harijans were murdered...(*Interruptions*) . This has happened in Uttar Pradesh..... (*Interruptions*).

MR. SPEAKER : I have seen it. It is a State subject and it is for the State Government to take action.

SHRI RAM PYARE PANIKA : Two Harijans were murdered ...

(*Interruptions*)

MR. SPEAKER : All human beings are equal in my eyes but it does not behove you to behave in this manner (*Interruptions*).

SHRI RAM PYARE PANIKA : No proper action has been taken so far. I would like...(*Interruptions*)

[*English*]

MR. SPEAKER : Please sit down. The State Assembly is meeting and they take note of it. We cannot do anything.

(*Interruptions*)

MR. SPEAKER : I am giving a ruling on a privilege motion. I am giving a ruling Please sit down. Will you please take your seat ? This is not the proper way. When I am saying, why are you raising all these things unnecessarily ? When I am seized of the situation and I bring the whole thing before you, why are you agitated ?

— — —

12.06 hrs.

RE : QUESTION OF PRIVILEGE AGAINST THE MINISTER OF STATE IN THE MINISTRY OF FINANCE FOR ALLEGEDLY ANNOUNCING EXEMPTIONS FROM CUSTOMS DUTY ON CERTAIN LUXURY GOODS A WEEK BEFORE PRESENTATION OF BUDGET BY ISSUING NOTIFICATIONS UNDER THE CUSTOMS ACT.

[*English*]

MR. SPEAKER : On 27th February, 1986, Prof Madhu Dandavate gave notice of a question of privilege against Shri Janardhana Poojary, Minister of State in the Ministry of Finance for allegedly announcing exemptions from customs duty on certain luxury goods a week before the presentation of the budget by issuing certain notifications under the Customs Act, 1962.

Prof. Dandavate contended that "to announce these exemptions from customs duties only a week before the presentation of budget is a mockery of the budgetary process and contempt of the House and a breach of privilege of the House".

SHRI BHATTAM SRIRAMAMURTY :
What happened to my Privilege Motion on
the same subject ?

MR. SPEAKER : What ?

SHRI BHATTAM SRIRAMAMURTY :
That is also on the same subject.

(Interruptions)

MR. SPEAKER : I will also give a
ruling.

SHRI BHATTAM SRIRAMAMURTY :
I have a privilege motion on the same
subject.

MR. SPEAKER : That was something
else. We gave the information to you. I
sent you a letter. I have rejected it.

SHRI BHATTAM SRIRAMAMURTY :
On the same subject, Sir.

PROF. K. K. TEWARY (Buxar) : There
is one privileges manufacturing industry in
this House and that is Prof. Dandavate.
(Interruptions). I also gave one.

(Interruptions)

MR. SPEAKER : We have taken note
of everything. I have seen. I did not allow
it.

PROF. K. K. TEWARY : Why did you
reject it, Sir ?

SHRI NARAYAN CHOUBEY (Midna-
pore) : He is questioning your order.

MR. SPEAKER : Because, I did not
think it fit.

On a perusal of these notifications, which
were laid on the Table of the House on 21st
February, 1986, I find that most of the noti-
fications have been issued under sub-section
(1) of section 25 of the Customs Act, 1962,
which provides as under :—

“If the Central Government is satisfied
that it is necessary in the public
interest so to do, it may, by notifica-

tion in the Official Gazette, exempt
generally either absolutely or subject
to such conditions (to be fulfilled
before or after clearance) as may be
specified in the notification goods of
any specified description from the
whole or any part of duty of customs
leviable thereon.”

The Central Government is thus empo-
wered under the said Act to issue such
notifications in the public interest and there
is, therefore, no irregularity involved in it.

Moreover, as many as 25 of the notifica-
tions referred to by Prof. Madhu Dandavate
in his notice, were published in the Gazette
of India on varying dates during the period
19th December, 1985 to 30th January, 1986,
and one on 7th February, 1986, i.e. much
before the commencement of the Budget
Session. In pursuance of section 159 of the
Customs Act, 1962, the notifications were
laid on the Table of the House at the ear-
liest opportunity, i.e. on 21st February,
1986.

It is not, therefore, correct to say, as con-
tended by Prof. Madhu Dandavate, that
these exemptions were announced “only a
week before the presentation of the
Budget”.

No question of privilege is, therefore,
involved in the matter and I do not accord
my consent under rule 222 to the raising of
the matter in the House as a question of
privilege.

SHRI P. NAMGYAL (Ladakh) : The
law and order situation in all parts of the
country...

MR. SPEAKER : I had already told you
yesterday that about the law and order
situation we had a discussion in the Business
Advisory Committee and we had decided to
have a full discussion on this subject at a
later date.

SHRI BHATTAM SRIRAMAMURTY
(Visakhapatnam) : My privilege motion was
also on the same subject.

MR. SPEAKER : We have told you that
it is under the same ruling. Your name will

be added to it. If you want I can read it out.

SHRI BHATTAM SRIRAMAMURTY : Please read it.

[Translation]

SHRI RAM PYARE PANIKA (Roberts-ganj) : Sir, some miscreants fired indiscriminately, in the presence of the police, on a function being held on the occasion of Ravidas Jayanti on Monday in Ghoswal, located in my constituency, Mirzapur in which two Harijans were killed and several persons injured (Interruptions).

[English]

MR. SPEAKER: As long as the Government exists in the State I cannot handle it. Not allowed.

(Interruptions)**

MR. SPEAKER : I cannot,

[Translation]

I have called Shri Tewary.

[English]

PROF. K. K. TEWARY : Will you kindly recall that you had assured the House that you would allow a discussion on the fast deteriorating conditions in Punjab and influx of terrorists from across the border.

MR. SPEAKER : I am already seized of the situation.

PROF. K. K. TEWARY : People are being killed daily. The Golden Temple has become the sheet anchor of extremists and separatists. In this condition the Home Minister should make a statement on the situation and should make a statement on the situation and also about the situation in Jammu & Kashmir...

MR. SPEAKER : I am seized of the situation very much. And every one is agitated in the House, because it has become a sort of butchery ground there. I think. the

Government is anxious to deal with it. And at an appropriate time I will get back to you.

SHRI P. NAMGYAL : It is not only the concern of Punjab but the whole country including Jammu & Kashmir. The situation in Jammu & Kashmir is not good ..

MR. SPEAKER : This is something else and that is something else. These two subjects cannot be co-related. These are not inter-linked.

(Interruptions)

MR. SPEAKER : When I have already assured you, then why are you taking the time of the House unnecessarily ?

— — —

12.10 hrs.

RE: QUESTION OF PRIVILEGE AGAINST THE MINISTER OF FINANCE FOR ALLEGEDLY RELEASING TO THE PRESS ON 10.2.1986 ESTIMATES OF PROJECTED REVENUE AND EXPENDITURE OF CENTRAL GOVERNMENT BEFORE PRESENTATION OF BUDGET.

MR. SPEAKER : Shri S.M. Bhattam, Prof. Madhu Dandavate, Sarvashri V. Sobhanadreeswara Rao, Thampan Thomas and M. Raghuma Reddy gave separate notices of question of privilege against Shri Vishwanath Pratap Singh, Minister of Finance for allegedly releasing to the Press on 10th February, 1986 estimates of the projected revenue and expenditure of the Central Government for 1986-87, while addressing a Press Conference.

The Members in their notices have referred to the following news report published in the *Hindustan Times* dated 11th February, 1986, under the heading "86-87 revenue estimates released" :—

"Breaking all conventions, Union Finance Minister V.P. Singh today released a head of the Budget, estimates of the projected revenue and expenditure of the Central Government for 1986-87 as per the long-term fiscal policy, which place the revenue to

be raised from public enterprises at Rs. 4,704 crore more than the current year's Rs. 6,753 crore to finance the Annual Plan of Rs. 19,845 crore.

Mr. Singh made it plain at a Press Conference that there was hardly any escape from increase in administered prices as a resource raising measure. The other alternative was to cut down the Plan itself. He did not say what will be his own preference which will be known when he presents the budget."

The Members have contended that by releasing these figures to the Press before presenting the Budget to the House, the Finance Minister has violated all established norms and conventions and has committed contempt of the House.

The notices of the Members were sent to the Minister of Finance for his comments. The Minister of Finance in his reply dated 20th February, 1986 has denied that the figures relating to the 1986-87 Budget were released to the Press. He has stated *inter alia* :—

"It is not a fact that the revenue estimates for 1986-87 were released to the Press. The figures furnished to the Press were the results of a shadow exercise presented to the Members of the Consultative Committee to estimate the receipts and expenditure for 1986-87 on the basis of a Central Plan outlay of Rs. 19,845 crores equivalent to Rs. 18,000 crores at 1984-85 prices as projected for the year in the long term fiscal policy. These figures are based on the Seventh Plan, which has already been released to the public. The exercise was to work out the various estimates of receipts and expenditure, including the contributions required to be made by the public enterprises, on the basis of the relative percentages of different resources and plan and non-plan expenditures assumed in the Seventh Plan document.

In view of the resource requirements for financing the Seventh Plan, it is useful to have a wider debate in

the Press and the public on the avenues of raising resources, the priorities in allocating resources and the efficiency levels which are required to be achieved by all including the public enterprises...such a debate will go to strengthen the democratic institutions in the country.....no figures relating to the 1986-87 Budget were given either to the Consultative Committee or to the Press."

Now, first according to the categorical statement of the Finance Minister the newspaper report has no factual basis and there has been no release of the revenue estimates for 1986-87 to the Press.

Secondly, it is well established and has been held repeatedly by me and by my distinguished predecessors that leakage of budget proposals cannot form any basis for a breach of privilege. Until the financial proposals are placed before the House, they are an official secret.

I do not, therefore, give my consent for raising the matter in the House as a question of privilege under rule 222.

(Interruptions)

PROF. MADHU DANDAVATE (Rajapur) : Sir, I gave regrets to Professor Trivedi for having given this...(Interruptions).

MR. SPEAKER : Shri P. Shiv Shanker.

— — —

12.14 hrs.

PAPERS LAID ON THE TABLE

[English]

Notifications under Export (Quality Control and Inspection) Act, under Warehousing Corporation Act, Rice-Milling Industry (Regulation) Act

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : I beg to lay on the Table :

- (1) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 17 of the Export (Quality Control and Inspection) Act, 1963 :

(i) The Export of Coir Mattings (Inspection) Rules, 1985 published in Notification No. S.O. 7 in Gazette of India dated the 4th January, 1986.

(ii) The Export of Footwear and Footwear Components (Quality Control and Inspection) Rules, 1985 published in Notification No. S. O. 8 in Gazette of India dated the 4th January, 1986.

[Placed in Library. See No. L.T. 2059/86]

- (2) A copy of the Central Warehousing Corporation (Amendment) Rules, 1986 (Hindi and English versions) published in Notification No. G.S.R. 19(E) in Gazette of India dated the 9th January, 1986 under sub-section (3) of section 41 of the Warehousing Corporation Act, 1962.

[Placed in Library. See No. L.T. 2060/86]

- (3) A copy of the Rice-Milling Industry (Regulation and Licensing) (Second Amendment) Rules, 1985 (Hindi and English versions) published in Notification No. G.S.R. 1144 in Gazette of India dated the 14th December, 1985 under sub-section (4) of section 22 of the Rice-Milling Industry (Regulation) Act, 1958.

[Placed in Library. See No. L.T. 2061/86]

- (4) A copy of the Standards of Weights and Measures (Packaged Commodities) Amendment Rules, 1986 (Hindi and English versions) published in Notification, No. G.S.R. 32(E) in Gazette of India dated the 17th January, 1986 under sub-section (4) of section 83 of the Standards of Weights and Measures Act, 1976.

[Placed in Library. See No. L.T. 2062/86]

- (5) A copy each of the following Notifications (Hindi and English versions) under sub-section (6) of section 3 of the Essential Commodities Act, 1955 :

(i) The Sugar (Price Determination for 1980-81 Production) Amendment Order, 1985 published in Notification No. G.S.R. 924 (E) Gazette of India dated the 20th December, 1985.

(ii) The Sugar (Price Determination for 1985-86 Production) Amendment Order, 1986 published in Notification No. G.S.R. 51(E) in Gazette of India dated the 23rd January, 1986.

[Placed in Library. See No. L.T. 2063/86]

- (6) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

(i) Review by the Government on the working of the North Eastern Regional Agricultural Marketing Corporation Limited, Guwahati, for the year 1984-85.

(ii) Annual Report of the North Eastern Regional Agricultural Marketing Corporation Limited, Guwahati, for the year 1984-85 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.

- (7) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (6) above.

[Placed in Library. See No. L.T. 2064/86]

- (8) (i) A copy of the Annual Report (Hindi and English versions) of the Sports Goods Export Promotion Council, New Delhi, for the year 1984-85 along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Sports Goods Export Promotion Council, New Delhi, for the year 1984-85.

- (9) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (8) above.

[Placed in Library. See No. L.T. 2065/86]

- (10) A copy of the Annual Accounts (Hindi and English versions) of the Rubber Board, Kottayam, for the year 1984-85 together with Audit Report thereon.

- (11) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (10) above.

[Placed in Library. See No. L.T. 2066/86]

- (12) (i) A copy of the Annual Report (Hindi and English versions) of the Coffee Board, for the year 1984-85.

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Coffee Board, for the year 1984-85.

- (13) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (12) above.

[Placed in Library. See No. L.T. 2067/86]

- (14) A copy of the Audit Report (Hindi and English versions) on the Accounts of the Coffee Board for the year 1984-85 (General Fund).

- (15) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (14) above.

[Placed in Library. See No. L.T. 2068/86]

- (16) A statement (Hindi and English versions) explaining the reasons for not laying the Audit Report on the Accounts (Pool Fund) of the Coffee Board for the year 1983-84 within the stipulated period of nine months after the close of the Accounting year.

[Placed in Library. See No. L.T.-2069/86]

Annual Report of and Review on Wool and Woollens Export Promotion Council, New Delhi for the year 1984-85, Textiles Committee, Bombay, Annual Report of and Review on Cotton Textiles Export Promotion Council, Bombay, for the year 1984-85, etc.

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : I beg to lay on the Table—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Wool and Woollens Export Promotion Council, New Delhi, for the year 1984-85 along with Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Wool and Woollens Export Promotion Council, New Delhi, for the year 1984-85.

- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. L.T.-2070/86]

- (3) A copy of the Annual Report (Hindi and English versions) of the Textiles Committee, Bombay, for the year 1984-85 along with Audited Accounts.

- (4) A statement (Hindi and English versions) showing reasons for delay

in laying the papers mentioned at (3) above.

[Placed in Library. See No. L.T.-2071/86]

- (5) (i) A copy of the Annual Report (Hindi and English versions) of the Cotton Textiles Export Promotion Council, Bombay, for the year 1984-85 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of the Cotton Textiles Export Promotion Council, Bombay, for the year 1984-85.
- (6) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (5) above.

[Placed in Library. See No. L.T.-2072/86]

- (7) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :
 - (i) Review by the Government on the working of the National Textile Corporation Limited for the year 1984-85.
 - (ii) Annual Report of the National Textile Corporation Limited for the year 1984-85 along with Audited Accounts and the comments of the Comptroller and Auditor General thereon.
- (8) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (7) above.

[Placed in Library. See No. L.T.-2073/86]

Notifications under Government Savings Certificates Act, under Customs Act, Central Excise Rules, and Annual Report of Indian Investment Centre, New Delhi, for the year 1984-85

**THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE (SHRI**

JANARDHANA POOJARY) : I beg to lay on the Table—

- (1) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 12 of the Government Savings Certificates Act, 1959 :
 - (i) The National Savings Certificates (VII Issue) (Amendment) Rules, 1986 published in Notification No. G.S.R. 85(E) in Gazette of India dated the 3rd February, 1986.
 - (ii) The National Savings Certificates (VI Issue) (Amendment) Rules, 1986 published in Notification No. G.S.R. 195(E) in Gazette of India dated the 12th February, 1986.
 - (iii) The National Savings Certificates (VII Issue) (Second Amendment) Rules, 1986 published in Notification No. G.S.R. 196(E) in Gazette of India dated the 12th February, 1986.

[Placed in Library. See No. L.T.-2074/86]

- (2) A copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 15 of the Government Savings Banks Act, 1873 :
 - (i) The Post Office Recurring Deposit (Amendment) Rules, 1986 published in Notification No. G.S.R. 95(E) in Gazette of India dated the 7th February, 1986.
 - (ii) The Post Office Time Deposit (Amendment) Rules, 1986 published in Notification No. G.S.R. 193(E) in Gazette of India dated the 12th February, 1986.
 - (iii) The Post Office Recurring Deposit (Second Amendment) Rules, 1986 published in Notification No. G.S.R. 194(E) in

Gazette of India dated the 12th February, 1986.

- (iv) The Post Office Cumulative Time Deposit (Amendment) Rules, 1986 published in Notification No. G.S.R. 202(E) in Gazette of India dated the 14th February, 1986.

[Placed in Library. See No. L.T. 2075/86]

- (3) A copy of the Securities Contracts (Reference to the Company Law Board) Rules, 1986 (Hindi and English versions) published in Notification No. G.S.R. 33(E) in Gazette of India dated the 17th January, 1986, under sub-section (3) of section 30 of the Securities Contracts (Regulation) Act, 1956.

[Placed in Library. See No. L.T. 2076/86]

- (4) A copy of Notification No. G.S.R. 96(E) (Hindi and English versions) published in Gazette of India dated the 7th February, 1986 together with an explanatory memorandum regarding exemption to *bona fide* commercial samples and prototypes of goods, when imported into India by post or in an aircraft by manufacturers of export goods from the whole of the basic and additional duties of customs leviable thereon subject to the conditions specified in the notification under section 159 of the Customs Act, 1962.

[Placed in Library. See No. L.T. 2077/86]

- (5) A copy of Notification No. G.S.R. 310(E) (Hindi and English versions) published in Gazette of India dated the 20th February, 1986 together with an explanatory memorandum making certain amendment to Notification No. 42/86-CE dated 10th February, 1986 so as to continue the existing exemption for tyres, tubes and flaps used as original equipment in motor vehicles, issued under the Central Excise Rules, 1944.

[Placed in Library. See No. L.T. 2078/86]

- (6) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Investment Centre, New Delhi, for the year 1984-85 along with Audited Accounts.

- (ii) A statement (Hindi and English versions) regarding Review by the Government on the working of the Indian Investment Centre, New Delhi, for the year 1984-85.

[Placed in Library. See No. L.T. 2079/86]

Notification under Monopolies and Restrictive Trade Practices Act.

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : I beg to lay on the Table a copy of Notification No. S.O. 65(E) (Hindi and English versions) published in Gazette of India dated 21st February 1986 regarding further exemption from the requirements of Sections 21 and 22 of the Monopolies and Restrictive Trade Practices Act, 1969 in respect of certain industries under sub-section 3 of section 22A of the said Act.

[Placed in Library. See No. L.T. 2084/86]

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12.16 hrs.

ANNOUNCEMENT RE-ADJOURNMENT AND RE-ASSEMBLING OF HOUSE FOR PRESENTATION OF GENERAL BUDGET, 1986-87.

[English]

MR. SPEAKER : I would like to inform the House that as is customary, the House would adjourn for half-an-hour at 16.30 hrs. today to re-assemble at 17.00 hrs. for the presentation of the General Budget.

Accordingly, today being Friday, Private Members' Business would be taken up at 14.00 hrs. and will conclude at 16.30 hrs.

— — —

12.17 hrs.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : Sir, with your permission, I rise to announce that Government Business in this House during the week commencing Monday, the 3rd March, 1986 will consist of :

1. General discussion on the Railway Budget for 1986-87.
2. Consideration of any item of Government Business carried over from today's Order paper.
3. General discussion on the General Budget for 1986-87.
4. Discussion under Rule 193 on drought and other natural calamities.

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar) : I beg to submit the following matter of urgent public importance for inclusion in the next week's Government Business : Though the theoretical generation capacity of electricity in Orissa State today has been taken as 574 MW, the actual availability of power today from January to June, 1986 is only 413 MW, whereas the average demand of Orissa today stands at 800 MW. It is because the performance of Talcher Thermal Power Station is not at all satisfactory over the years. Against an All-India average of about 50 per cent the PLF of Talcher has been only 32 to 34 per cent. Immediate measures should be taken to see that at least in the month of March, Talcher Thermal generates 300 MW of power when its capacity is 480 MW. As a result, there is severe power famine in Orissa since December, 1985. Enough power should be supplied to Orissa from the National Power Grid immediately to overcome this crisis where power-cuts are being effected for days and days together in many parts of the State.

Taking into consideration this severe power shortage, the Working Group power set up by the Planning Commission for the 7th Plan recommended 16 Thermal in Orissa

under the State Sector and Talcher Super Thermal in the Central Sector with immediate effect from 1985-86. I urge upon the Government to implement the Working Group's recommendation immediately to save Orissa from this continuing darkness.

12.18 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

PROF. MADHU DANDAVATE (Rajapur) : When the Minister of Parliamentary Affairs makes a statement in the House today regarding Government Business for next week commencing 3rd March, 1986, I would like to suggest the following item for inclusion in the next week's business :

The situation in Kashmir has become highly explosive. The communal tensions have been heightened and there is large scale violence and atrocities. The law and order machinery has completely broken down.

I demand that the Government should make a statement on the subject. There was also reference to 'Removal of Government' But you have removed that. It does not matter.

DR. G. S. RAJHANS (Jhanjharpur) : The following may please be included in the next week's business :

The recurring floods in North Bihar are primarily due to the fact that quite a few rivers originate in Nepal and there is no barrage or reservoir in that country to check the flow of water into North Bihar. For this, the Union Government should take initiative so that an understanding is reached with the Government of Nepal to control these rivers at the point of their origins.

SHRI ANOOPCHAND SHAH (Bombay North) : I would like to submit the following matter for discussion in the next week's business :

During the period of past ten years, the circumstances in India are tremendously changed as far as elections of Assemblies and Parliament are concerned.

It has become quite necessary to make number of amendments to Election Law.

Government have already appointed the Committee to the same and the Election Commissioner is also considering this matter seriously.

I request the Minister to include this subject for the General Discussion in Parliament in the next week's business, namely, 'Necessary Amendments to Existing Election Law'

[Translation]

SHRI KRISHNA PRATAP SINGH (Maharajganj) : Sir, the following item may be included in the next week's agenda :

The situation arising out of people's agitation for conversion of Darođa Maharajganj railway line of N. E. Railway may be discussed. This railway line had been in operation since 1902 but due to the non-conversion of the railway line, the railway service is not operating there. Sanction had already been granted to the scheme. All the Railway Ministers including Pandit Kamlapati Tripathy have been giving assurances in this regard. The plea of financial constraints has been taken for not taking up this work. We, therefore, request that this item may be included in the next week's agenda.

SHRI K. N. PRADHAN (Bhopal) : Sir, the following items may be included in the next week's agenda.

ITEM NO. 1 : There has been definite deterioration in the postal services after the discontinuation of the Railway Mail Service. The mail is considerably delayed in the far flung areas of the country. So, in place of the present arrangement, the Railway Mail Service may be restored.

ITEM NO. 2 : There is acute shortage of kerosene oil in Madhya Pradesh. At present, 25,000 tonnes of kerosene oil is being allotted to the State per week which is quite inadequate to meet its requirement. Due to the shortage of fire-wood in the rural areas, kerosene oil is being used as fuel. This has aggravated the problem.

Due to the lesser allotment of kerosene oil to the State at present, no proper arrangement of its distribution in the rural areas has

been made which has resulted in resentment among the people.

The Madhya Pradesh Government had indicated its requirement in its memorandum submitted to the Mathur Commission but there has been no enhancement in the quota of the State. It is hoped that the Central Government will immediately increase the present quota of Madhya Pradesh from 25,000 tonnes to at least 40,000 tonnes so that the State may be able to meet its minimum requirement.

[English]

SHRI BHATTAM SRIRAMA-MURTHY (Visakhapatnam) : I wish to make the following submissions on the statement of the Minister of Parliamentary Affairs, regarding the business of the House for the next week :

- (i) Ugadi is the most important festival for the Telugu people. This festival is observed by the second largest linguistic group in this country. A few years back it was being declared a holiday. I urge upon the Central Government to include this festival in the list of holidays which are selected on a regional basis.
- (ii) The Central Tableau of Government of Andhra Pradesh for inclusion in the Republic Day Parade in 1986 was not accepted by the Central Government though it depicted important cultural aspects of the people of Andhra Pradesh. I urge upon the Central Government to give sufficient consideration to the feeling of all the regions and avoid recurrence of such instance in future.

[Translation]

SHRI HARISH RAWAT (Almora) : Sir, the following two items may be included in the next week's agenda :

1. Several areas of the country are far below the national average of electrification being carried out under the minimum needs programme by R. E. C. Hence, there is need to take up for discussion the issue of formulating special scheme for speedy implementa-

tion of electrification programme in those areas.

2. The Supreme Court has held that any Government employee can be dismissed in public interest without assigning any reason even on grounds of insubordination under section 311 (2) of the Constitution. The senior officers are taking advantage of this ruling for crushing the trade union activity and terrorising the employees. The employees and the workers of the whole country are agitated over this development.

The House should discuss the need to delete section 310 (2) (b) of the Constitution or to amend it.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Sir, I beg to submit that the following item of urgent public importance may be included in the next week's business of the House :

The Rengali Dam Project in Orissa is a multi-purpose river vally project now under construction with funds provided by the Government of India. It has two stages. The first stage consists of construction of the Dam over the river Brahmani for the purpose of flood control and construction of a power House generation which is on the point of completion. The second stage envisages construction of a barrage at Sambal in the down stream and the canal system to provide irrigation to a large area of the State. The construction work of the barrage which was slowly progressing has come to a grinding halt now reportedly due to necessary funds not being made available resulting in large scale retrenchment of workmen and thus creating mounting discontentment among the workmen in particular and the public in general. In the insterest of the agricultural production of the country as well as the general development of the backward State of Orissa, this project assumes utmost significance and as such should not be starved of funds.

May I, therefore, request the Union Government to make necessary provision of funds for this project immediately so as to ensure its speedy implementation ?

SHRI H. K. L. BHAGAT : Sir, I would like to react on one or two points before giving a general answer that I have taken careful note of all the points raised and I will certainly bring it to the notice of the Business Advisory Committee. But I would like to react on two things. That is on what Prof. Madhu Dandavate has said. But this is not to say that I am not reacting on others.

What Prof. Madhu Dandavate said was about the incidents of violence in Jammu and Kashmir. The Government is very much concerned about the incidents of violence in Jammu and Kashmir as elsewhere, and the matter was discussed in the Business Advisory Committee, also.

The second thing is, an Hon. Member said something the electoral reforms and he said, this should be discussed in the House. That is mentioned in the President's Address also wherein it is mentioned that there will be a discussion with all concerned and so on. So, that matter is mentioned in the President's Address. In any case all the points which have been mentioned here, I will bring them to the notice of the Business Advisory Committee.

12.25 hrs.

DELHI APARTMENT OWNERSHIP BILL*

[English]

THE MINISTER OF URBAN DEVELOPMENT (SHRI ABDUL GHAFOR) : I beg to move for leave to introduce a Bill to provide for the ownership of an individual apartment in a multi-storeyed building and of an undivided interest in the common areas and facilities appurtenant to such apartment and to make such apartment and interest heritable and transferable and for matters connected therewith or incidental thereto ?

MR. DEPUTY-SPEAKER : The question is :

*Published in Gazette of India Extraordinary Part II Section 2, dated 28.2.1986,

"That leave be granted to introduce a Bill to provide for the ownership of an individual apartment in a multi-storeyed building and of an undivided interest in the common areas and facilities appurtenant to such apartment and interest heritable and transferable and for matters connected therewith or incidental thereto."

The motion was adopted

SHRI ABDUL GHAFOR : I introduce the Bill.

— — —

12.27 hrs.

STATUTORY RESOLUTION RE :
DISAPPROVAL OF THE MOTOR
VEHICLES (AMENDMENT)
ORDINANCE 1986
AND
MOTOR VEHICLES (AMENDMENT)
BILL

[English]

MR. DEPUTY-SPEAKER : The House will now take up the next item, Statutory Resolution regarding Motor Vehicles (Amendment) Ordinance and the Motor Vehicles (Amendment) Bill.

[Translation]

SHRI C. JANGA REDDY (Hanamkonda) : Mr. Deputy Speaker, Sir, the Motor Vehicles (Amendment) has been brought in pursuance of the recommendations made by the State Ministers and the State Committee regarding this Bill. No statement of objects and reasons has been appended to the Bill.

THE MINISTER OF STATE IN THE DEPARTMENT OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : You have got the wrong copy.

SHRI C. JANGA REDDY : You supplied it.

SHRI HARISH RAWAT (Almora) : He is also member of the wrong party ..

(Interruptions)

SHRI C. JANGA REDDY : What objection do you have to supply the correct copy ? Now the States will be in a position to issue unrestricted number of permits under the provision of the Bill or they can issue licences for the movement of transport in other States whereas previously a limit had been imposed. Amendment to this effect has been brought in the Bill. The experts of Transport Committee had said in their report, which was submitted in 1980 :-

[English]

"The Motor Vehicles Act is to be replaced by a comprehensive legislation for promoting adequate, efficient, safe and economic road transport".

[Translation]

What is your opinion regarding this ? They had recommended a comprehensive Bill. The power given to the States to issue unlimited permits will have to be reviewed. I would like to tell you that more than 30,000 road accidents are taking place in a year. The reason for it is that in some Vehicles there is no proper head-light or sometimes there is no proper tail light. The drivers stop their vehicles on the road-side without giving any signal. At some places as many as 200 vehicles can be found parked on the national highway and there is no checking arrangement. There must be some checking either by the Centre or by the States. Vehicles proceeding to South India from Uttar Pradesh, Rajasthan or Punjab or Haryana are generally overloaded. If there is permission to carry ten tonnes of goods in a truck, the transporters carry as much as twelve or thirteen tonnes of goods in it. Sometimes accidents take place due to the height of the loaded goods. In the event of accidents, the Insurance Corporation has to pay insurance claims. The truck-owners change the number plates of their vehicles on the way to Rajasthan from South India. Recently, the number plates of trucks carrying chillies from Warangal to Rajasthan were changed at Kanpur or Nagpur or in Madhya Pradesh and the goods were sold on the way. Thereafter, the trucks disappeared midway. Theft of chillies takes place in transit in trucks from the South. When complaints of theft are lodged in Rajasthan and Delhi, no

positive action is taken on them. Arrangements can be made to apprehend them but it appears that it happens with the collusion of the police. Trucks coming from a distance of 2000 to 3000 Kms. sell chillies or cotton in others' names. The traders telephone from here that so much quantity of goods may be sent and after receiving their order the commission agent sends the consignment but the truck disappears enroute. This is causing concern to the people and you will also have to think about this because a lot of bungling is going on in this regard. There are more than 10 per cent trucks which are being plied without proper number plates, and transport commodities like chillies foodgrains and cotton are sold enroute. This is resulting in the theft of foodgrains. Instead of taking the trucks to the destination these are diverted to some other place and they go on changing their number plates. This is resulting in a lot of bungling. My submission is that while providing national permits, these things will have to be looked into. Trucks will have to be properly checked while allowing the trucks to move from one place to another, from one State to another. My suggestion is that only number plates should not be checked; chassis number and engine number should also be checked. If more national permits are given, then foodgrains loaded in trucks would not reach the real destination and would cause a loss of Rs. 2 to 3 lakhs due to this cheating. This will cause suffering to the traders and the farmers. There is a company in Rajasthan which is indulging in such activities and during the chilli season such activities are carried out on large scale. At the checkpost at the time of checking the national permit, mere number plate of the truck should not be checked, the engine number and chassis number should also be checked. They should be given clearance only after checking all these things so that the people do not become victims of such cheats. I do not find any difficulty in issuing permit nor do I have any objection to this but because of fraudulent activities people are suffering. This should be removed and proper checking should be conducted at the checkposts. Arrangement for flying squads should be made by the Centre and these people should be taught a lesson by awarding the severe punishment. It is quite necessary to do so.

Besides, I would submit that the Com-

mittee had given their recommendations in 1980 and now we are in 1986. We are considering them after 6 years. The President had announced on 31 January that Parliament would be summoned on 20 February. What was the need to issue this Ordinance two days before i.e. on 28th. We had been sitting on it for six years. We could have brought it in the shape of a Bill. To issue ordinances in this manner tantamounts to misuse of the powers of the President. There was no urgency to issue this Ordinance as the Parliament was being summoned after a month. When no hurry was shown in 6 years, what could have happened in one month? I do not understand it. I, therefore, oppose it. Had the Lok Sabha met after two months, it could still have been brought as a Bill at that time. Therefore, you will have to desist from issuing ordinances. That is why I had given a notice of disapproval.

Alongwith it, I want to say that the driving schools should be run either by the State Governments or by the Central Government. In Sholapur and Bombay one gets a licence in three months and in Andhra Pradesh it takes two years to get a licence. At some places driving licences are issued just after two or three months. You should make proper arrangements in the matter of driving licence and I request the Hon. Union Minister to bring a legislation for setting up training schools and a minimum qualification should be prescribed for training. Those who produce matriculation certificate or any other prescribed certificate should be given driving licence and the entire mechanism should be taught in one year so that accidents are avoided. The drivers who drive during the day drive the vehicles during night also. Because of this, they feel sleepy. Therefore, there should be two or three drivers with each vehicle. Only then they should be issued permits. During night driving, the trucks and other vehicles are more prone to accidents. Why? The reason is that around 3 or 4 o'clock in the early hours they feel sleepy and in that condition they go on driving. They fall asleep on the steering wheel which results in accidents. Therefore, permits should be given only when there is an arrangement of 2 to 3 drivers.

SHRI MOOL CHAND DAGA (Pali) :
You are speaking on the Ordinance or the Bill (*Interruptions*).

SHRI C. JANGA REDDY : On both. The driving schools should be run on behalf of the State Governments. People driving in a state of drunkenness should be checked at the checkpoints and they should be prevented from driving. Moreover, the buses of the Government Undertakings, Corporations, RTC, e.g. Delhi Transport Corporation, AP Corporation are overloaded.

[English]

MR. DEPUTY SPEAKER : Why are you bringing DTC here ?

[Translation]

SHRI C. JANGA REDDY : Buses are overloaded. This also causes accidents. Therefore, my submission is that when we were going to meet in a month, what was the need of issuing the Ordinance ? The Bill which has been presented three days ago, when the President...

SHRI GIRDHARI LAL VYAS (Bhilwara) : What loss have you suffered as a result of the issuance of the Ordinance ?

SHRI C. JANGA REDDY : There has been no loss but it is not proper to involve the President unnecessarily.

[English]

With these words, I move the following Resolution :

"This House disapproves of the Motor Vehicles (Amendment) Ordinance, 1986 (Ordinance No. 4 of 1986) promulgated by the President on the 28th January, 1986."

MR. DEPUTY SPEAKER : THE MINISTER.

THE MINISTER OF STATE IN THE DEPARTMENT OF SURFACE TRANSPORT (SHRI RAJESH PILOT) : I beg to move :

"That the Bill further to amend the Motor Vehicles Act, 1939, as passed

by Rajya Sabha, be taken into consideration."

With your permission, Mr. Deputy Speaker, I would like to say a few words.

The scheme for National Permit for public carriers was introduced in 1975 in terms of the relevant provisions of the Motor Vehicles Act, 1939. The State Government were authorised to issue National Permits to the truck operators upto the number as may be specified by the Central Government. The truck operator operating his vehicle under the National Permit was given the facility of uninterrupted movement throughout the territory or the States/Union Territories opted by him without the requirement of any counter-signature of other States and also the facility of single point taxation in the home State. Sir, the system of National Permit had been welcomed by all. There had been constant demand for increase in the number of National Permits. Though the Central Government had been effecting certain increases from time to time in the allocations to the States/Union Territories, it had, however, been found that the restriction on the number of permits was causing avoidable hardship to the operators. The restriction had also proved as impediment in the natural development of goods transportation by road. The National Transport Policy Committee in its Report had recommended removal of the restrictions on the number of vehicles to be allotted such National Permits. The Transport Development Council also, which has Transport Ministers of all the States and Union Territories as members, had in its recent meeting in October, 1985, unanimously resolved that the restrictions on the number of National Permits should be removed and suggested immediate action by making suitable amendments in the Motor Vehicles Act, 1939.

Taking into consideration all these factors and in the interest of facilitating smooth and uninterrupted movement of goods vehicles in the country, immediate removal of restrictions on the ceilings of National Permits to be issued by each State was considered essential.

The required amendment to the Motor Vehicles Act, 1939, has been made through

the Ordinance promulgated by the President on 28-1-1986. The present Bill is to replace this Ordinance. The Motor Vehicles Act (Amendment) Bill is an important step towards liberalisation of the permit system and for meeting the needs for quick transportation of goods, and I commend it to this House for acceptance.

MR DEPUTY SPEAKER : Motions moved :

"This House disapproves of the Motor Vehicles (Amendment) Ordinance, 1986 (Ordinance No. 4 of 1986) promulgated by the President on the 28th January, 1986."

"That the Bill further to amend the Motor Vehicles Act, 1939, as passed by Rajya Sabha, be taken into consideration."

SHRI M. RAGHUMA REDDY (Nalgonda) : Mr. Speaker, Sir, as Shri Ranga Reddy said when the House was to meet on 20th February there was not any urgency for the Hon. Minister to promulgate an ordinance and unnecessarily misuse the powers of the President. This is not such an urgent issue that they had to promulgate an ordinance. This is my only objection.

I welcome the Bill. Now the States have been given powers to issue permits as per their needs to facilitate transport from North to South and *vice versa*. The railway transport facilities have not so much developed as to reach the rural areas and it is a fact that where there is a transport there is a development. In the rural areas the agricultural produce has to reach the market and the farmers face a lot of difficulties in selling their produce. Further sometimes the rates in the local market are low and, as such, the farmers have to move their produce to other markets far away and, as such, the present legislation will help the farmers and also the industrialists.

In this connection I would like to request the Hon. Minister that there should be some guidance to the States as they have been given now powers to issue any number of permits irrespective of their needs. This may create some problems to the operators,

Further, as Mr. Janga Reddy also said there must be a training school for the drivers. We find everyday so many accidents take place involving especially private operators and public carriers. This has to be restricted and, as such, traffic rules should be further strengthened even in the States. I request the Hon. Minister to advise the State governments to strengthen the motor vehicles rules so as to minimise the accidents in future so that innocent people may not unnecessarily get killed on account of drunken condition of the drivers and also because they know nothing of the motor vehicles rules on account of their illiteracy. I request the Hon. Minister that in every State there should be a training school for the drivers. Government of India should issue the guidelines that only those drivers who pass from such training school will be given national permits.

It is a common thing in Andhra Pradesh that whoever goes to Poona gets a permit by spending Rs. 2000 to Rs. 3000 through a broker and then they are approaching the State Government to give them employment. This is causing lot of harm. It should be stopped forthwith. Some minimum rules and norms should be followed. A minimum qualification of SSLC should be prescribed for issuing a driving licence. There are many educated people willing to become drivers. If the above-mentioned guidelines are followed I welcome the introduction of this Bill which will facilitate the transport in the rural areas. Thank you.

Translation

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy Speaker, Sir, I rise to support the Motor Vehicles (Amendment) Bill, 1986 brought in the House. Government have brought the Bill here on the basis of the recommendations made by the National Transport Policy Committee and the Transport Development Council and now more national permits can be issued.

In India, agricultural and industrial production is increasing but there are certain far-flung areas, desert areas where means of transportation are scanty. With the issuing of national permits in more number, the goods will be properly transported to these areas. I, therefore, welcome this Bill.

[Shri M. Raghuma Reddy]

There are certain problems towards which Opposition Members have also drawn attention. One of these is of driving in a state of drunkenness. Many of our drivers do not drive cautiously. They remain drunken and drive the vehicles in a state of drunkenness. It is necessary to provide in the law strict action against them and to prohibit driving in a state of drunkenness. Now-a-days accidents occur quite often due to driving in a state of drunkenness and we suffer losses. But the provision in the rules is such that causing death through accident is a bailable offence because of which severe punishment cannot be awarded to the driver concerned. In this way, they get adequate relief. Unless it is brought in the category of cognizable and non-bailable offence and provision is made to punish the offenders, the situation will not improve. Only then the drivers will be afraid of driving in a state of drunkenness. I want that we should take immediate steps in this direction.

I want to point out another thing, which I had emphasised earlier also, that some big officers like collectors etc. ask the drivers to take the back seat and they themselves start driving. Because they are not experts in driving, they often cause accidents and put the blame on the drivers. One such instance came to light on 23-11-1985 in Gujarat where the collector himself was driving and after the accident he put the blame on the driver. I want to submit that no officer should drive himself, if the driver is present. If he does not follow this practice, strict action should be taken against him. When in case of accident he puts the responsibility on the driver, the situation becomes very serious. We should make provision in the law to check this practice.

A situation which the permit holders have to face in particular is the problem of octroi. In this connection, perhaps, a decision has already been taken and the octroi system should be abolished. But so far only few States have abolished this system and it is still in vogue in other States. The Central Government should create a national consensus and take some action in this regard because it creates many difficulties and prob-

lems and much time is consumed as a result of it. This encourages corruption also. Concrete steps should be taken in this direction and the Central Government should compensate the States for the losses they will suffer due to abolition of this system.

I have observed that certain National Highways are very important from our defence point of view, for example, National Highway No. 15, Barmer-Jaisalmer Highway, Barmer-sector, from Jaisalmer-Pokharan to Bikaner and from Pathankot to Kandla National Highway, they all come in the category of defence roads.

The defence roads are being widened one and half times or are being doubled but the roads which are 12 feet wide should be widened. It is necessary to do so because Army vehicles ply on these roads and these are quite heavy vehicles. When these vehicles are driven, the public drivers plying public vehicles have to be very cautious. Only then they can save themselves. Otherwise, the danger of accidents on these national highways is always there. Now as the surface transport and the Railways both have been brought under one Department, this job should be looked after by both the Departments. As those roads are being used for military vehicles, these should be widened. If these are not widened, there is always the likelihood of a serious accident. Public drivers at the sight of military vehicles become cautious and drive very safely. Therefore, the number of accidents on those roads is less. Otherwise, their life is always in danger. I, therefore, urge the Government that those roads should be widened and this work should be done on priority basis so that accidents do not occur.

Mr. Deputy Speaker, Sir, regarding licence I want to say that only competent drivers should be given driving licence. About three or four Sections deal with training. Other Hon. Members have also expressed their views in this regard. Most of the accidents take place at level crossings. It so happens that buses crossing the level crossing generally collide with the train and in this way accidents take place. Government should adopt measures to avoid accidents at the railway crossings.

Sir, I would like to request that either over-bridges should be constructed on such level crossings, or they should be manned. Only then accidents can be prevented. Both the transport as well as the Railway Department should make provision for funds to make the railway crossings safe so that accidents may not take place.

With these words, I support this Bill.

*SHRI SATYAGOPAL MISHRA (Tamluk) : Mr. Deputy Speaker, Sir, I support this Motor Vehicles (Amendment) Bill 1986 and while supporting it generally, I will like to make a few comments on it. On the 28th January, 1986 an ordinance was issued by the President and today we are going to approve that in the form of a Bill. The hon. Minister did not mention clearly anywhere in his speech what was the serious development or urgency which necessitated the issue of an ordinance by the President in this regard just 22 days before this commencement of this session. The reason has not been explained by him anywhere. This is not the only instance where the Government resorted to issuing of an ordinance by the President, they are forming a habit of issuing ordinance even in petty matters evading the Parliament to carry on their activities. I hope the hon. Minister will explain in his reply what was the urgency that compelled him to get this ordinance issued.

Sir, when the original Motor Vehicles Act was passed in 1939 during the British rule, it had a specific purpose behind it. That was to give more importance to the Government regulated Railway Transport over the existing privately owned road transport system. Through an amendment to that Act in 1975 it was found that efforts were afoot to gradually turn over the transport system in the hands of private transporters. Through the present Bill, that process is sought to be completed. The Government had a proclaimed policy of developing the state controlled railway transport system and of spreading the network to all corners of the country. But in the recent Railway budget also we found that the Government is deviating from that policy of developing the railway trans-

port and are trying to handover the transport system to private transporters more and more. The present Government has set in a process of privatisation and this Bill is an instance among several other measures towards that end. As a result of this the country's transport system will gradually pass in the hands of private transport operators. When the transport system is owned and controlled by private operators, it will gradually assume monopolistic shape and once that happens, naturally the transport cost will rise through their better bargaining power. This will inevitably raise the cost of goods transportation in the whole country. Due to rise in transport cost, the prices of all commodities will go up. The country is being slowly pushed towards that crisis.

Another thing I do not understand Sir. Recently the prices of petrol, diesel etc. was raised and the Hon. Finance Minister justified that step by saying that our debt deficit has gone up tremendously and it was felt necessary to reduce the consumption of petrol, diesel etc. That was why the prices were raised to cut down the consumption and import of these items. But is there any consistency between that proclaimed policy of the Finance Minister and this Bill. How does he reconcile the two ? By issuing unrestricted licences the private road transporters are being invited to take increasing part in our transport system. This will naturally increase the consumption of petrol and diesel. So, how are these two policies consistent ? This may please be explained.

One other thing Sir, there must be a proper system of verification of the goods transported from one State to another. What are the nature of the goods transported, what is their weight, who are the transporters etc. unless there is a system of verification at different check posts, smuggling may increase, overloading may increase and various other malpractices may also increase. This aspect may kindly be looked into.

13.00 hrs.

Sir, the national transport policy committee had made several recommendations. It would have been much better if a comprehensive Bill was brought forth incorporating

*The speech was originally delivered in Bengali.

[Shri Satyagopal Mishra]

all the recommendations made by them. But instead, the Government has picked up one general recommendation made by them and has brought forth this Bill to hand over the transport system to private operators gradually, jeopardising the interests of the people. They are not thinking of bringing a comprehensive Bill covering all aspects. I will mention one thing in this context. There are many workers and employees in the privately owned transport companies like drivers, helpers, cleaners etc. Now what guarantee of employment have they got? At the time of appointment one must be offered minimum service conditions. He must be given an appointment letter, guarantee of service, medical facilities, gratuity, pension and other retirement benefits etc. There is no law whereby these minimum service conditions of the workers employed in private transport companies or by private operators can be regulated or enforced. I will request the hon. Minister to bring forth such a legislation to regulate the service conditions of these workers in private road transport companies. I do not wish to go into the details of this Bill, because I am supporting it generally. With that I conclude.

[English]

MR. DEPUTY SPEAKER : We adjourn for lunch and reassemble at 14 00 hrs.

13.01 hrs.

*The Lok Sabha then adjourned for
Lunch till Fourteen of the Clock.*

*The Lok Sabha re-assembled after
Lunch at six minutes past Four-
teen of the Clock.*

[MR. DEPUTY SPEAKER in the Chair]

MR. DEPUTY SPEAKER : We now take up Private Members Business : Item No. 10.

COMMITTEE ON PRIVATE MEM- BERS' BILLS AND RESO- LUTIONS.

[English]

Eleventh Report

SHRI HAFIZ MOHD. SIDDIQ (Mora-
dabad) : I beg to move :

"That this House do agree with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 26th February, 1986."

MR. DEPUTY SPEAKER : The ques-
tion is :

"That this House do agree with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 26th February, 1986."

The motion was adopted.

14.08 hrs.

RESOLUTION RE. DEVELOPMENT OF THE HILL AREAS—CONTD.

[English]

MR. DEPUTY SPEAKER : The House shall now take up further discussion on the following Resolution moved by Shri Harish Rawat on the 2nd August, 1985 :

"This House is of the opinion that in order to develop hill areas of the country, the Union Government should undertake to bear the entire expenditure for their development and

(a) set up hill area development cells in concerned Ministries ;

(b) set up electronics industries in such areas only ;

(c) enhance transport and investment subsidies for setting up of industries beyond a particular altitude ; and

(d) given grants-in-aid/loans for cultivation of forest land and start schemes for plantation, forestry, soil conservation, flood control, animal husbandry, etc. with the assistance of international organisations such as World Bank."

Before further discussion on the Resolution moved by Shri Harish Rawat regarding development of hill areas is resumed, I would like to mention that six hours and 40 minutes have already been taken on this Resolution, thus exhausting the time allotted for its discussion. On the last occasion, Shri A. K. Panja, Minister of State in the Ministry of planning, was intervening in the debate on Resolution. He has already taken 28 minutes. After the Minister finishes his speech, the mover of Resolution has the right to reply to the debate. Therefore, we may extend the time for discussion on this Resolution by another 30 minutes. I hope the House agrees to it.

SEVERAL HON. MEMBERS : Yes

SHRI HARISH RAWAT (ALMORA) : I think it would be difficult to finish it within 30 minutes.

MR. DEPUTY SPEAKER : We will see to it.

Shri A. K. Panja to continue his speech.

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI A. K. PANJA) : On the last occasion, when I was about to conclude my speech, one of the hon. members of the opposition raised a point on Jammu and Kashmir asking for an assurance from me whether an electronic industry would be set up there or not. When no assurance could be given by me, Prof. Saifuddin raised a point on lack of quorum and the House had to be adjourned and the debate could not be concluded. Today, he himself is not present. In any event, I have prepared all the points raised by the hon. members.

First, as far as Mr. Harish Rawat is concerned, I am grateful to him for drawing the attention of the Government to very important points. In fact, he drew attention to four very important points which require

our concerted effort. So far as the development of the hill areas is concerned, point-wise I have noted from his speech and I have made my answer ready. As the time is short. I would like to place the answer straightway so that it could be short. So far as the first point raised by him is concerned, that is in order to develop the hill areas of the country, the Union Government should undertake to bear the entire expenditure for development. to this, an amendment has been brought by Shri Mool Chand Daga to the effect that instead of 100 per cent, it should be 25 per cent from the States and 75 per cent from the Union of India. The answers are : already the hill areas are within the special category. Not only the Seventh Five Year Plan, the overall development which will take place all over the country, should also be taken into consideration for development of these areas. Hill areas specific programmes have been taken up not only within the overall Plan, but also with a specific object. And therefore, it is taken as a special category. The advantages of special category are to draw special attention of the State Governments and the Union Territories, the administration there, about certain works which have to be done, on a time-bound manner so that hill areas develop at the expected level. For that, the allotment of funds has also increased gradually during all the Plans, from the Fifth Plan then the Sixth Plan, and the Seventh Plan. These are done with special central assistance. The increased figure is in the Fifth Plans Rs. 170 crores, in the Sixth Plan Rs. 560 crores, and when in the Seventh Plan it is Rs. 870 crores. Therefore, it is not necessary for creation of any special funds. There is no case for only the Central Government taking charge of it. There are two reasons for it. The administrative infrastructure remains now wherever the hill areas are situated with the States and Union Territories. Now when that administrative structures are also thrown out, States own duty is there to contribute their share for the purposes and also for this sub-plan and that has been envisaged and that is why specific grants are given for specific purposes but the matching grant should also come and the share of the States would also come from their own budget and that is the system which we find has given good results for the development of the hill areas.

Our whole, idea now—and that is the

[Shri A. K. Panja]

recommendation of the Planning Commission as you know—is to decentralise these decision levels. If you keep everything in Delhi and try to command it from here, it may not be possible so that all the ideas which have been thought of and the money being spent to percolate down to that particular block of the hills, to those hill people who are working hard to meet their special needs and what they actually need for their development purposes should be decentralised. Therefore, the Planning Commission also generally directed all the States to carry on in a phased manner the planning process of decentralisation up to the district level.

Now, over and above the special assistance there is a North-Eastern Region where most of the hill areas are situated; there is a North-Eastern Council for that. Since 1974-75 it is functioning and for that also a special fund is given from the Centre so that the North-Eastern Council can perform in their own region with special assistance to those hill areas.

PROF. N.G.RANGA (Guntur): Will there be monitoring by the Centre?

SHRI A. K. PANJA : So far as monitoring is concerned, primarily the task is of the States and the Union Territories, and from them we ask for various details and data, how they are carrying on, what are their physical targets, have they got their money value, and also whether they have achieved their physical targets, and so on. We are taking information from the States although it is not up to the expected levels.

With the emphasis given by our hon. Prime Minister this monitoring system has been improved and we have asked the States and the Union Territories so that when they get monitoring reports from their own units they must send these figures also to the Planning Commission and also to the Programme Implementation Department.

So far as this North-Eastern Council is concerned, it was only 90 crores of rupees in the Fifth Plan. In the Sixth Plan it was Rs. 340 crores and in the Seventh Plan it has

been raised with the approval of this House and the Rajya Sabha to Rs. 675 crores.

There is special assistance from the Centre. Then the North-Eastern Council is also getting special assistance and it is making its own schemes looking into priorities which are required for the hill areas. So far as development of hill areas is concerned within the Plan itself, there is a separate sub-plan made for the purpose of giving emphasis on a particular area. Along with that, most of our tribals who are within the hill areas, there is a special grant made for tribal sub-plan. Therefore, if an all round effect is considered, Mr. Rawat will be satisfied beyond any shadow of doubt that all things taken together, there is no reason for creating any central fund or giving the entire money from the Centre. That will prove to be counter-productive because the people who are actually administering there, will not feed the responsibility and accountability for the works to be done so far as their States and Union territories are concerned. Therefore, when the overall burden is on the State Governments, it does not mean that we should not look into it. As I have already submitted, monitoring is being done. If the funds are earmarked for a particular purpose under the tribal sub-plan or the hill sub-plan, we have issued instructions that unless it becomes extremely difficult for some reasons which are not within their control, they cannot divert any fund so made. Even if they want to do so, they have to write to the Planning Commission and get their prior approval.

So far as setting up of hill areas development cell in concerned Ministries is concerned, it may not be necessary because different Ministries have been given specific functions. But certainly it is necessary for the respective States and Union territories to do their duties. That is why, hon. Prime Minister has issued a letter to all the Chief Ministers and the heads of Union territories giving emphasis on the forests that so far as forest lands are concerned, certain parameters have to be observed by them. They cannot do random felling of trees. Only 13 States have observed specific directions upto now. Others have not. We are giving them reminder that this has to be done and also clearance has to be taken.

MR. DEPUTY-SPEAKER : Yesterday also some Members raised this point that to get some programme implemented in hill areas, it takes quite a long time to get permission from the Forest and Environment Departments for clearance of even bushes. In my constituency, an electrical line has to be drawn. And for that the correspondance has been going on for the last ten years. There is not a big forest but only bushes are there.

SHRI A. K. PANJA : We have also received some complaints in the Planning Commission. ..

SHRI HARISH RAWAT : I have raised this matter at least ten times in this House.

SHRI A. K. PANJA : The hon. Members must keep one thing in mind that the percentage of forests is much below the required level. Even though we build huge dams for the people, if the ecological balance is disturbed, there will be danger and whatever dams we make and whatever money we spend, that will become useless. In Rajasthan there is hardly 5 per cent of forest when the all India figure is 22 per cent. This figure is also much below the required level. It should go upto 33 per cent. When you cross the border of Rajasthan and enter Gujarat, just 1 km from the border you find, because of the emphasis given by the Gujarat Government, that the entire ecological balance has changed. If you cross the border, just within one kilometre you will find that the entire atmosphere, entire climatic condition, entire standard of the people has changed. Therefore, I think the hon. Member will kindly take into consideration that this has to be done as an abundant caution because at random things were being done. As you know, it has started from the last year but if any specific complaint is coming to us, we are immediately writing it to the Forest Department. I am personally bringing it to the attention of the hon. Minister concerned, Ansari Ji. that here is a very small area of forest which is to be felled and kindly see that this is disposed of. But the Members would certainly appreciate that this is a danger so far as India is concerned. We are mainly an agricultural country. Our entire enterprise has been a success and we are now in a strong foothold because of the hard

labour put in by our farmers and cultivators. If you disturb the ecological balance, whatever canals are built up, they may be huge canals, but the catchment area will not get rain. We want to be able to feed the country. Therefore, this should be considered. Certainly, wherever the Members feel that something has to be done, as mentioned by you, Sir, if such things are brought to our notice, immediately we are sending special requests to two departments, the Water Resources Department and the Forest Department for their clearance. Immediately after the clearance comes from them, not a single such project is kept pending with the Planning Commission. I have looked into it and personally told the Deputy Chairman that nothing is pending so far as Planning Commission is concerned. If it is examined by them and sent to us quickly, it is being effected to. That is why I insisted on the forests so much.

So far as forests are concerned, we have taken certain steps which the hon. Members will certainly like to know. This question has been raised right now also. So far as forests are concerned, under Section 2 of the Forest (Conservation) Act, 1980, the diversion of forest land for non-forest purposes can only be made with the prior approval of the Government of India. The complaints about this Act coming in the way of development works have been received in the past, and in each such case it was found that the State Governments had not taken due care in submitting complete proposals in accordance with the guidelines issued by the Government of India. All complete proposals received from the State Governments are examined expeditiously and put before the Advisory Committee for their consideration. The State Governments have been repeatedly advised to prefer all proposals for diversion of forest area at the planning stage itself so that no delay occurs in the execution of the projects.

So, these are taken into consideration quite in right earnestness. So far as certain States are concerned, my appeal through the Members to the State Governments and to their own constituencies, wherever those may be situated, is that those States which have not yet complied with the requirements necessary for the felling of the trees, should comply with them. We must keep the forests.

[Shri A. K. Panja]

At some places felling may be taking place for development programmes but in other places random felling of the trees is taking place. Shri Anand Pathak raised a question whether there is a guideline. There is a guideline. Although West Bengal has come in category B and not in category A, but there are large tracts. Category A has totally complied with all the parameters and the results are quite encouraging. But West Bengal is in category B, that is, there is agency system. The work of felling of trees is given to the agents. That has to be stopped. The West Bengal Government has issued orders but the implementation is not ours. Therefore, through you, Sir, I do request all the States and Union Territories to comply with those parameters. If this is done, then certainly for development projects, small areas of forests could be immediately looked into and large areas of forests could be saved.

The other point about electronics was raised by a friend who is still absent, but it is an important point. Mr. Rawat has also rightly raised it. I have had it specifically examined and for the information of the House I am giving the details. Recognising the special advantages of the development of electronic industry in hill districts, Government has been laying emphasis for its development in these areas. The Minister of State for Electronics made an announcement in the Parliament on 21st March 1985 to this effect.

With a view to encourage more electronic industries in hill districts included in Category A—that means, no-industry districts, the Central Investment subsidy limit has been raised with effect from 1.4.1985 from Rs. 25 lakhs to Rs. 50 lakhs at the rate of 25 per cent of investment in fixed capital. Further, recently 109 electronic products have been decentralised for dispersal and rapid growth of electronic industry by the State Government.

The North-Eastern States have taken a number of good measures for setting up of electronic industry. In Meghalaya, a project for manufacture of tantalum capacitors is being established. Manipur Government has been obtaining know-how for manufacture of coloured TV from KELTRON. Assam has set up a State Electronics Development

Corporation. Arunachal Pradesh also has set up an Electronics Technology and Trade Corporation. Nagaland Government is formulating a project for manufacture of electronics products. In U. P., hill areas also, certain units like watch assembly, TV assembly, have been set up. In Jammu & Kashmir, Department of Electronics is setting up a Centre for Electronics Design Technology at Srinagar. Besides, HMT has a watch factory and Indian Telephone Industries Ltd. has a telephone instrument assembly unit at Srinagar, Jammu & Kashmir.

I am thankful to Mr. Rawat that he has raised a question which has drawn the attention of the Government for speedy implementation of some of the projects. As I have said, 109 electronic projects have already been decentralised for the purpose of dispersal.

So far as transport is concerned, a question has been raised by Shri Rawat in paragraph 1 (c) of his Resolution. The enhancement of subsidy from 50 per cent to 75 per cent was decided by the Government of India in July, 1983. This 75 per cent enhancement is now under study. We are closely studying the effect of this enhancement and also whether any more enhancement is necessary or not. That is to be considered after we get all the feed back about how this enhancement has given benefit to those people. Besides that, the backward areas have been classified into three categories on and from 27th April, 1983 under the Central Investment Subsidy Scheme.

The fourth point of Mr. Rawat is about grants-in-aid. I may tell the House that the U. P. Government has already availed of the assistance of international organisations, such as, World Bank, European Economic Community, Swiss Government for the programmes mentioned by Mr. Rawat. The European Economic Community aided South Bhagirathi project covering its catchment area of 90 sq. kms. with an assistance of 4.90 crores spread over a period of five years. Nayar Panar watershed project has been approved for a financial assistance of 4.62 crore dollars from the World Bank. In all, the project covers 83 micro water-sheds covering an area of 3,120 sq. kms.—74 in Garhwal hills area 9 in Kumaon hills. In addition, Aglar river

project in under consideration for assistance by the Swiss Government and Benalgad project is under consideration for assistance from German aid. These are watershed management projects for soil and water conservation and scientific management of natural resources in critical micro watershed in order to arrest depletion of environment and ecological imbalance.

So, we are getting the know-how from those countries who have done well, along with our own engineers and our own experts. We are exchanging knowledge by taking the know-how. So, these points also are being looked into.

About the forest conservation Act I have already answered. Therefore, all the four points, that is, (a), (b), (c) and (d) are well under the consideration of the Government and we have to look into them. The main thing now facing us is to make the agencies, that is, the State Governments and the Union Territories, to do their work properly, and we are making them alert by asking them to give their reports.

Under these circumstances, I would appeal to Shri Mool Chand Daga to withdraw his amendment and to Shri Harish Rawat to withdraw his Resolution because full attention has been given to all these aspects as I have already pointed out.

[Translation]

SHRI HARISH RAWAT (Almora) : Mr. Deputy Speaker, Sir, I would like to express my thanks to all the 32 Members and the Hon. Minister who participated in the discussion on the Resolution. Every Member of the House has highlighted the main points of the Resolution and has gone into its different aspects at length. They have expressed their support and opinions on it.

Mr. Deputy Speaker, Sir, it is very easy to extol the beauty of mountains but it is very difficult to formulate strategy for its development and to understand and analyse its different aspects. The reply of the Hon. Minister has substantiated this view point. The Hon. Planning Minister has referred to many aspects in his detailed reply but it

seems he has neither consulted his officers nor tried to understand the feelings latent in the speeches made by the Members in order to devise a strategy seriously to develop the hill areas and to remove their backwardness.

Sir, I had requested that because of scarcity of resources with the states, the Central Government should take up the development work of hill areas. The Hon. Minister has tried to sidetrack the issue by saying that there is already an administrative cell working for this purpose and by allocating more funds to this cell, the hill areas would be provided further assistance.

Sir, had the requirements for development of the hill areas been met and had the standard of living of the people of the hill areas improved since the First Five Year Plan, then there would not have been such widespread resentment in the North-Eastern region. The reason for the widespread resentment in Assam, Meghalaya and in other areas was that the basic needs for the people of the hill areas have not been met since the First Five Year Plan. No definite plan has been formulated to raise their standard of living. The condition of the hill areas of Uttar Pradesh, Jammu and Kashmir and Himachal Pradesh is the same which is at present prevailing in the North-Eastern region.

Funds are, no doubt, allocated to the states, but for the execution of a job in the hill areas the expenditure may be two times, three times, four times or as much as ten times the expenditure on the same type of work in the plains. The states have limited resources. You provide limited assistance which is insufficient to meet the needs of those states. I would request you to review this aspect and the states should be asked about the requirements of their hill areas.

Mr. Deputy Speaker, Sir, at present the condition is that the works started in the Fourth Plan for the hill areas of Uttar Pradesh have not been completed to date. Let us take the case of the construction of a building of some Degree College started in the Fourth Plan? We find that its playground is still incomplete and no hostel could be constructed for the students to date, because the state is short of funds. The

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result is that the works are not completed. I would, therefore, urge you to call for estimates from the State governments about their requirement of funds for the development needs of their hill areas and the projects undertaken under the minium needs programme and bear the responsibilities for the implementation of these schemes and provide the funds therefore. My first point is that you should give full amount for the development of the States.

Sir, my another point is that there should be a separate strategy for the development of hill areas in each Ministry. For this it is necessary that there should be a cell in every department which should be provided with special allocation for the development of hill areas.

Take the examble of Information and Broadcasting Ministry. If I request them to instal television towers in our area for the benefit of the people, they would reply that they have already sanctioned two television towers for our district But the two T. V. towers in our district cannot cover even 20 per cent population of that area. If I request them to make provision for 5 T. V. towers in our area they would reply that they are installing only one T. V. tower in other places and two towers have already been sanctioned to us. You will have to take note of the geographical situation of our district.

Similar is the case of communications. In case we demand S. T. D. facilities, an assurance is given that such and such city will be linked with such and such city. But even after two Five Year Plans this has not been done. Even today the facility of telecommunications is non-existent there or rather at an elementary stage.

The banking department has formulated a new licensing policy for opening bank branches during the Seventh Five Year Plan under which population and returns have been laid down as the criteria. They have not taken into consideration the geographical situation of the area. This would mean that not a single branch would be opened in Himachal Pradesh, Jammu and Kashmir, and North-Eastern region of the country. If

somehow sanction is given for opening a branch, the bank officers will submit such estimates under which it will not be possible to open even a single branch there.

In the agricultural sector, which is priority No. 1 for hill areas, attempt has never been made to know what type of cropping pattern will be suitable for those areas.

The development of tourism in hill areas can be attributed to their natural beauty. As regards the contribution of the Centre or the States is concerned, an analysis would reveal that tourist industry is confined to big cities or places of pilgrimage. You have not allocated any money for providing facilities in places of natural beauty so as to attract tourists there.

[English]

SHRI A. K. PANJA : Almora is a very good station.

SHRI HARISH RAWAT : No doubt.

[Translation]

I have already stated.

[English]

It is very easy to appreciate the beauty of the hills, but it is very difficult to realise the problems of those who are living there.

[Translation]

There are so many beautiful places in Almora.

[English]

SHRI A. K. PANJA : If the first promise is complete, then the second is all right.

[Translation]

SHRI HARISH RAWAT : Regarding industry, the Hon. Minister has said that electronics projects have been decentralised for dispersal. At a number of places Corporations have been set up and some

licences have been issued. It was due to my efforts that two licences were issued to Hindustan Lever Ltd. for setting up a unit in my constituency to manufacture detergent powder.

The Department of Environment refused permission to this unit on the ground that it will pollute the environment. We agreed to this. We hoped that if an industry which causes pollution was not allowed to be set up there, then at least electronics industry may be set up there. Although it is true that the policy has been liberalised and the subsidy has been raised, nevertheless you will be surprised to know that out of thousands of licences issued by the Electronics department, the number of licences issued to Himachal Pradesh, Jammu and Kashmir, Arunachal Pradesh and U. P. hills is only one per cent. The Government do not wish to set up industries causing pollution in these areas but I am sure that electronics industry will not cause pollution in the environment. I would like to ask that if even electronics industries are not set up, which industry can be more beneficial. Will Government think in this direction ?

You being the Planning Minister of the country, the entire responsibility of the economic development lies on your shoulders. We request you to communicate our sentiments to the Electronics department and allocate some funds for this purpose. If either you or the Ministry of Industry assure us that electronics industries would henceforth be set up only in hill areas, we would be satisfied. But even after liberalisation of the policy, all the licences have been issued to big cities and they are getting the benefit as a result thereof. The electronics units are coming up in Lucknow, Kanpur, Ghaziabad, Delhi, Bombay, Poona but nobody is prepared to set up in the hill areas. Not only this, no industrialist is even ready to set up assembly units of parts of watches, telephones or teleprinters—though there is enough scope for that in these areas. After all who is to be blamed ? The planning Ministry should give a serious thought to it.

Similarly, much has been said about forests. It is true that instead of deforestation there should be more afforestation. It would help in the growth of healthy environ-

ment in the country. We want to save the forests because every person who lives in the hills has great love for forests. But if the Government expect us to forgo development in lieu of our love for forests, we will not tolerate it. Nobody will be able to tolerate it. Today, even if a shrub is to be removed for construction of a primary school building the file would move from State Government to the Centre and only then the approval would be given. I can cite tens of such instances wherein the construction of roads had started in 1978-79 or 1980 but they are still incomplete. The construction work is pending. People cite these cases as instances. Do you want to protect the environment in this way ? The State Government has issued orders on the Centre's directions that nobody can cut a tree even if it is on the field-ridge. I am a farmer and if I come to know that I shall have to take the permission of the District Magistrate or the Central Government for cutting a tree which is in my own field what will I do ? I would destroy the very sapling rather than nourish it. Who would be benefited as a result of this ? If such a feeling is generated in the mind of the local population, what will happen ? I would, therefore, request the Government to consider it.

Besides, if the Government is really interested in saving forests it should, at the outset, find alternative means to end our dependence on the forests, before asking us to save forests. Forests are the mainstay of many industries on which our livelihood depends. Efforts should, therefore, be made to provide employment. Assistance should be given to develop textile industries in the hill areas. Handloom units should be set up to provide employment opportunities to people of the area. Handicrafts can be developed. Forests are also a source of fuel. Therefore, provide us cheap electricity, cooking gas and coal in order to save forests, in the one hand the Government do not provide alternative sources of fuel on the other hand it forces is not to fell trees for fuel; so how can this be tolerated ? Nobody can tolerate this. Who will think about it ? I request the Hon. Planning Minister if it is not done it would be harmful. The work on rural electrification is in progress. In the hill areas the work of rural electrification has not come even to the level of 50 per cent of the national average. When there is no progress

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in the work of rural electrification, how can the people make use of it? How will they be able to cook their meals if they do not use electricity? They will certainly use forest wood as fuel. If that person is not allowed to fell trees for fuel, how will he manage? So, when you were preaching, I was comparing it with the reality and I felt that the purpose of this talk about environmental protection is now limited to white collar people, bureaucracy, intellectuals and the seminars. Nothing is being done seriously for the protection of environment in reality. I would, therefore, request the Government to ponder over it afresh and until separate cells are set up in the various departments and the Ministries of Central Government, whether it is Information and Broadcasting, Banking, Tourism Energy, Industry or Electronics, Alternative Sources of Energy etc. and adequate funds are not allocated they will never try to look into the problems of hills in accordance with their requirements. Therefore, I would request the Government to reconsider it.

This should not be superficially viewed or put off on the pretext that the old structure is good. It has been pointed out more than once here that there is lack of coordination in the programmes for hill areas. On the one hand the Department of Environment wishes to save forests but on the other hand no department is ready to provide any alternative to reduce the traditional dependence on forests. I would, therefore, request the State Governments and the concerned Central Ministries to formulate a long term perspective plan in this regard. So long as such a plan is not formulated, it will not serve the purpose. Let the state agencies be held responsible but this must be done immediately. Whatever the quantum of funds, a will to do work must be created among them so that they are fully involved. The situation today, whether it is Himachal or Jammu and Kashmir (*Interruptions*) I want some more time. It is necessary for me to reply to Hon. Minister's remarks. I want that my views must go on record and I also want to relate the plight of hill areas in Uttar Pradesh. I can name at least seven high schools, intermediate schools in my constituency which are without any teacher.

I went to a place in my Constituency and told the people that a hospital has been opened for them; but when I was about to depart, I saw that they had put a stool on my car and said that was the hospital and I should take it back. There was no doctor in that hospital.

[English]

SHRI A. K. PANJA : That is for the State Government to do.

SHRI HARISH RAWAT : Kindly ask them to do something. You can advise them. All the Governments including the West Bengal Government.

SHRI A. K. PANJA : There are some Governments who listen to us. There are some Governments who do not listen to us.

SHRI AMAL DATTA (Diamond Harbour) : What is your experience with the U. P. Government? Obviously, they have not been listening.

MR. DEPUTY SPEAKER : Mr. Harish Rawat, please conclude.

[Translation]

SHRI HARISH RAWAT : I would request the Hon. Minister, through you, to formulate, as I said earlier, a long-term scheme which should meet the requirement of the area and should be related to improving the standard of living and raising their per capita income. More emphasis should be laid on extension of social services in hill areas. We have never paid attention to raise their per capita income. Physical monitoring of the existing scheme in hill areas is highly essential. Till this is not done cannot achieve success. The Government pleads that the Planning Ministry monitors these scheme but it is not doing it. You are not even in a position to conduct monitoring on a State Government level. That is why I want that there should be physical monitoring to find-out to what use the money is being put and what is its outcome. If you cannot do this work then the State Government should take up the monitoring work. Not much funds are being allocated for the development of

hill areas in Uttar Pradesh. Although an allocation of Rs. 1057 crores has been made in the Seventh Five Year Plan yet there is no Planning Board at the local level. The hill areas have been linked with the Planning Board of the state whereas there should be a separate Planning Cell for the hill areas. Similarly, there should be separate Planning cell for Andhra Pradesh, Western Ghats of Maharashtra and some areas of Karnataka which are at present linked with the state Boards so that monitoring is ensured to see whether the funds released as special assistance are being utilised properly or not.

[English]

MR. DEPUTY-SPEAKER : I think, it is over.

SHRI HARISH RAWAT : Not over, Sir.

MR. DEPUTY SPEAKER : We have already spent seven hours on this Resolution. There are other Resolutions also coming up. Please try to finish.

SHRI HARISH RAWAT : I will take five or six minutes more.

MR. DEPUTY SPEAKER : Address the Chair. Then only you can finish.

SHRI HARISH RAWAT : I am trying to convince the Hon. Minister.

MR. DEPUTY SPEAKER : You convince me.

SHRI HARISH RAWAT : I find it difficult to convince him through you, Sir.

MR. DEPUTY SPEAKER : Then you have to go to his room and discuss.

SHRI HARISH RAWAT : I will try to finish in five or six minutes.

[Translation]

The Hon. Minister has rightly pointed out the problem of soil erosion in hill areas for which Catchment Area Programmes have

been formulated. I would like to suggest that these Catchment Area Programmes should not be linked with the Budget of the hill areas. This work should be undertaken by treating it as a work of national interest. The afforestation in hill areas should be undertaken as a national requirement. If the Himachal Pradesh Government has been provided funds for afforestation and it has utilised the funds for the development of forests, this work has been done not only for Himachal Pradesh but also for the whole country. If soil erosion is not checked in the hill areas, it gives rise to problems like floods. So the Central Government should provide funds to the States by treating it as a national problem. If there are floods in Punjab due to siltation in Himachal Pradesh, The Punjab Government should also share the burden of tackling this problem. Similarly, Bihar, Uttar Pradesh and some other States are also affected by floods. So, these states should also share the burden of solving the problem. Although there is a cell in the Planning Commission to deal with such work, but that is not enough. A Member should be nominated in the Planning Commission who should solely look after the work of hill development and guide the cell as well as the State Governments regarding the situation in the hill areas.

You have referred to the Tribal Sub-Plan and many other points but from where will the money come for it. The funds being released for it are too meagre to solve the problem. The funds provided under the Tribal Sub-Plan scheme for Dhatica and Munshiyari in Uttar Pradesh is not sufficient for the development of that Block. If you want development of that areas, you will have to formulate Plans keeping in view all the requirements of that place.

The Tribal Sub-Plan lays stress on improvement in the standard of living of the people. But this can be achieved only when the people are provided with jobs. Mere construction of roads will not improve their standard of living. Under the Tribal Sub-Plan they should be provided with raw material like wool, raw cotton etc. But there is no mention in the Tribal Sub-Plan either about supply of raw material or of marketing of the finished goods. I would like to request that the Tribal Sub-Plan should take care of all these things.

[Shri Harish Rawat]

The economy of our country is based on agriculture. A Group should, therefore, be constituted and sent to hill areas for making practical study in the field of agriculture. Even after so many years of independence, the implements, the cropping pattern or productivity etc. have not changed in the hill areas. There has also not been any consolidation of land holdings. How can there be development when the same condition prevails there as was prevalent in 1947. Nothing has been done to wean away people from agriculture. My grand-father and father had been doing farming and even today my family is dependent on agriculture. Nothing has been done to improve agriculture there. I would again say that while formulating plan for the hill areas the needs of the people should be taken note of and those areas should be treated as a special care areas.

Some policy decisions have since been taken. They may not be applicable to other hill areas but they are applicable to our hill areas but they are applicable to our hill areas. You have mentioned investment subsidy which includes transport subsidy also. You have selected 8 districts of the U. P. hills for transport subsidy but only those districts are getting its benefits which are situated near the rail-heads. The industrialists want to set up industries near the rail-heads and do not want to go to the interior or high altitude areas. Same is the case with Himachal Pradesh, where the industrialists want to set up industries in Paonta Sahib or Parwanoo and not in Mandi or the upper reaches. The reason for this situation is that under the policy of transport subsidy and investment subsidy, the benefit goes to the people living in the interior, the policy will have to be changed.

The transport policy pertaining to the hill areas should be formulated according to the requirements of the people of those areas. You have not been able to provide rail links to the hill areas. You have not been able to provide rail links to the hill areas in U.P. or air links to high altitude areas. As regards road transport, the fares are on the high side in hills in comparison with plains. This is affecting all round development of that area.

I would request you that until rail link and air link are provided there, the fares should be charged on subsidised rates.

Hill allowance is also being given to the employees working in the hill areas of U.P. which includes foot hills of Nainital and Dehradun. This payment is made out of the funds provided by you. The results is that no officer or employee is willing to go to the high altitude areas. Everyone wants to work in the foothills because they get the same benefits as available in high altitude. You should keep this in mind.

In the end I would like to repeat one thing. You have given reply to the debate on your own but it is not clear from it what is the policy of the Government in regard to the hill areas. The Prime Minister is much concerned about the development of hill areas. Shrimati Indira Gandhi and Nehruji had laid great stress on the development of hill areas. During the time of Indiraji, a separate cell was created for the hill areas and separate planning was initiated for these areas and additional funds were earmarked for this purpose. But in spite of this there has been no change and the situation is the same as was prevalent in 1960, 1965 and in 1970. Some facilities have of course been provided. But if you want to avoid discontent among the people in hill areas and would like them to remain in the mainstream of the country then attention will have to be paid to that area. The people belonging to Himachal Pradesh, Jammu and Kashmir and any other hill areas say that in the time of war their men fight in the front. But now there is discontent and resentment among the educated youth because they are not getting jobs in the plains and there is lack of employment opportunities in the hill areas. The result is there has been no improvement in their economic condition. They hear about assurances for the development of hill areas but they find that actually nothing concrete has been done there. If you do not make effort to redress their grievances and extend facilities there then the time is not far off when Assam or Meghalaya like situation may develop in the hill areas of Uttar Pradesh. Some elements in those areas are raising points that when the Government cannot bring about development in those areas, why are we not allowed to be annexed with Nepal and China. Who is responsible

for our development and providing jobs to us and who is responsible for giving direction to us. So far as we are concerned, we try to reason with them so as to pacify there and to mollify their feelings. But all our efforts and reasoning will not be successful till the Centre and the Planning Commission do not adopt special policy in regard to the development of hill areas so as to bring development there.

15.00 hrs.

With these words, I just thank the hon. Minister as a formality that he replied to my Resolution because I cannot thank him from heart.

[English]

MR. DEPUTY SPEAKER : Mr. Mool Chand Daga, are you withdrawing your Amendment ?

SHRI MOOL CHAND DAGA (Pali) : Yes, Sir. I want to withdraw my Amendment.

MR. DEPUTY SPEAKER : Has the Hon. Member the leave of the House to withdraw his amendment ?

MANY HON. MEMBERS : Yes.

*Amendment No. 1 was, by leave,
withdrawn*

MR. DEPUTY SPEAKER : Mr. Harish Rawat, are you withdrawing your Resolution?

SHRI HARISH RAWAT : Yes, Sir. I want to withdraw my Resolution.

MR. DEPUTY SPEAKER : Has the Hon. Member the leave of the House to withdraw his Resolution ?

MANY HON. MEMBERS : Yes.

*The Resolution was, by leave,
withdrawn*

RESOLUTION RE: ELECTORAL REFORMS

[English]

SHRI D. N. REDDY (Cuddapah) : I beg to move :

"This House is of the opinion that there is an urgent need for electoral reforms so as to cleanse public life, and ensure free and fair elections which are now vitiated by the corrupt and unhealthy influence of power, money, caste, religion and other forms of corrupt practices and, therefore, recommends to Government to initiate wide-ranging discussions with all political parties, so as to arrive at a consensus for immediate implementation of poll reforms, which may reflect the popular will of the People in a truly democratic manner."

Before I speak on this Resolution, I would like to inform the House through you, Sir, regarding the malpractices that have been practiced in the elections. Sir, I have been a victim to all the malpractices adopted by other candidates in my own constituency. A candidate belonging to the other side of the Party spent nearly Rs. 1.5 crores in my own constituency for the purpose of election campaign, that too in the Rayalaseema District which is one of the backward regions. So, you may well imagine how much money would have been spent in other parts of country by adopting all sorts of malpractices. Not only that. Other activities like throwing of bombs, fire-arms, etc. were indulged in during the election. Money power, muscle power and booth-capturing had all become part of the election in my own constituency, by the candidate belonging to other side. So, Sir, having been a victim to these malpractices I thought it fit to bring forward a Resolution before this House to prevent such malpractices. I am certain that, as I happened to be the victim to these malpractices, there are many candidates here who have become the victims to these malpractices, in the elections in their constituencies. Therefore, I thought it fit to bring forward a Resolution regarding Electoral Reforms, as early as possible. Sir, about a week ago, a question was put to the Hon. Law Minister in this House and he informed

[Shri D. N. Reddy]

this House that consensus had to be taken from many persons. This kind of answer we have been hearing from the Government day-in and day-out. This is the reason why I have brought forward this Resolution in this House.

Sir, all of us know that free and fair elections are the basis for a working democracy in any country. Many discussions have taken place inside and outside this House. Suggestions have been given by eminent publicmen and the Election Commission from time to time, in view of the past experience in each election. The Election Commission has also remarked that grave irregularities are increasing with each election—some detected and many undetected—and I would like the Government to introduce Electoral Reforms as early as possible. Statesmen of our country like the late Shri Rajagopalachari and Shri Jayaprakash Narayan warned the country of the need to 'rescue democracy from money power'. Long back they had given this warning to the whole country. Yet the Government has been very slow to introduce Electoral Reforms except the Anti-Defection Bill, last year. Assurances have been given on the floor of this House again and again that the Government is examining the various aspects of the reforms recommended, but did not take action, in spite of the President's mention in his Address to the joint Session in 1985 that sweeping electoral reforms are round the corner. We all expected that after the President's Address immediately the Government would take action, but nothing was done.

Let me say at the outset that no amount of legislative measures can ensure complete purity of elections. Election reforms is only a partial remedy; it can only minimise at least the easily identified evils, namely money power and muscle power and booth capturing.

Mounting expenditure on elections is incurred both by the Government on organising them and by the parties and candidates on fighting them. Barring a few very rich individuals or a few first rank cinema stars, nobody can finance the elections from his

own resources. The political parties have therefore, came increasingly to rely on business sources drawing on unaccounted money. Another source is gangs of anti-social elements, smugglers, dacoits and industrial mafias. Still a third source now increasingly important is the cuts received by the ruling party for awarding huge contracts, licences, permits etc. That is why the Election Commission suggested that the Government should have an election fund on which the candidates of recognised parties have a legal claim to draw from. How this is worked is a question of sound thought and consultations, but anyway this is of a paramount importance. Hon. Members from both the sides of this House will agree that the expenditure on elections has reached such proportions that it is a rich man's game, and many deserving persons and useful public talent will be pushed out of the electoral fields and the elections will lose credibility in the public mind.

There must be an independent audit appointed by the Election Commission to examine the election expenditure of candidates and that of parties accounts; they must be made accountable for the funds they receive, but there is a possibility that the parties may not disclose the names of their patrons to prevent them from being harassed.

Even more than money power, the factor that vitiates the elections is the muscle power acting in aid of the candidates. With the aggravation of caste and communal conflict, eclipse of idealism and ideology in public life, the evil of booth capturing and rigging has virtually made a mockery of fair and free elections. The evil that started in one State—I need not mention the name, I hope everybody knows it—has spread to all States, and in fact there are candidates who do not canvass at all, and they depend upon the use of money power and muscle power for victory. It is this factor, combination of money and muscle power that is becoming a menace to the country, making the elections practically a private enterprises with a large capital investment, and a close nexus between a moral political leadership and organised crime. It is this which we should prevent at all costs.

The remedies have been suggested quite

often by the Election Commission and by eminent men in public life and can be listed on a priority basis.

Firstly, elections for Assembly and Parliament should be held simultaneously. There is absolutely no reason no justification to have separate elections, except political expediency. The practice for having separate elections for the Assembly and the Parliament should be given up. Why should we hold elections separately for Assembly and Parliament? I do not think that a poor country like ours can afford the luxury of two elections in the course of just one or two years. As a matter of fact, in our State we had two to three elections in one year. We can ill afford this practice and this problem should immediately be attended to because it is in the power of the Government to hold elections at the same time. Experience has shown us that the administration comes to a standstill for nearly six months before the elections. And then after the elections, they take another two to three months to settle down. In this way, we are not only wasting huge amounts of the poor man's money, but also wasting a lot of time in looking after the arrangement for elections. Thus it is a loss in many ways to the country. What was good in the previous years i. e. in the early elections of post independence era cannot be bad now and that practice should be followed immediately from now.

I am just mentioning some points in brief which will help us to introduce electoral reforms.

A law controlling party funding and election finances should be enacted. A special funding agency from the Election Commission should administer the funds. Unaccounted black money should be prevented from flowing in.

More powers should be given to the Election Commission. They should appoint their own observers in each State to inspect the conduct of elections. They should have independent powers and they should be accountable to the Election Commission only.

Several election offences which are non-cognizable should now be made cognizable.

Government should compulsorily be a care-taker government from the date of the announcement of elections. They should not announce any new policies and they should not undertake any new projects or grant any loans or hold Bank melas as was done before the last elections by the ruling party. There should not be any official functions also during this time.

If any case of booth-capturing is proved, the election in the whole assembly segment should be held invalid by the Election Commission and the Election Commission should have the powers to order a repoll in the whole assembly segment.

Mobile election booths may be introduced for the weaker sections. There have been many instances where the weaker sections had not been allowed to go to the polls. Some of the weaker sections in many parts of our country have not voted even once in their life. It is also very necessary to provide due protection to the mobile election booths.

The deposit amount should be increased because the amount prescribed now is very small. This will prevent many frivolous candidates from filing their nominations. For example in my constituency there were as many as 18 candidates. Because of so many candidates, the ballot paper becomes very lengthy and people have to search a lot to find a particular symbol that they want to vote.

There should be identification cards along with photographs for each of the voters. I think that this has been announced in many States. These cards should be given to all so as to prevent malpractices. Then equal broadcasting facilities to all recognised political parties. It was our sad experience to see that the ruling party was given a lion's share in the broadcasting, whereas the other political parties are not given their due share. The Election Commission should be consulted and they should see that all the parties are treated equally and for this also, we have been clamouring. The public relay system should be independent so that all parties are treated in an equal manner. I must again impress upon the Government that it is a matter which does not brook any delay. The Election Commission itself has

[Shri D. N. Reddy]

recorded that the number of irregularities and mal-practices have been increasing election after election. So, there is every need to take immediate steps to introduce electoral reforms. In my own constituency, as I mentioned in the beginning, so much amount was spent and no action was taken to find out where the money came from. In the same way, in almost every constituency, there were candidates who spend crores and crores of rupees and the Government or the Income Tax people never questioned them where the money came from. In similar manner booth capturing has been so rampant.....

(Interruptions)

15.17 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

SHRI MOOL CHAND DAGA (Pali) : You know there is a limit ..

(Interruptions)

SHRI D.N. REDDY : Evidently you are not here for the first time, you must have spent a lot of money.

(Interruptions)

AN HON. MEMBER : He is asking how much money you have spent ?

SHRI D.N. REDDY : Go and see the election account.

MR. CHAIRMAN : Don't put such questions and please do not reply also.

(Interruptions)

SHRI D.N. REDDY : I am ready to have a debate with them on this.

(Interruptions)

MR. CHAIRMAN : You make your own point.

SHRI D.N. REDDY : It is very important that audit should be made by the Election by appointing an independent agency which is only answerable to them and see that the limit under which the Government allows to spend the election fund is followed. Unfortunately, it is about 1½ lakhs or so now for the Parliament and it is a pity that the Government does not take notice. They should increase the amount instead of filing false accounts. As such also, the deposit amounts should be increased to prevent frivolous applications and those candidates who get below 25 per cent of the votes. The deposits should be forfeited and that would be a very-very good step to prevent unnecessary increase of candidates in number. It is very difficult for voters also to find out their symbols. Let them not take the elections lightly. The Election Commission should be made independent and share all powers, and the final say should be with them and not with the Government. In many cases, the observers have been sent to the States, but unfortunately in some of the States, the observers were under their influence, and had no powers at all. So, the Election Commission can appoint their own observers, either from the particular State or from the Centre or from wherever they like. They will be answerable to the Election Commission and they can take steps then and there immediately. This will also mitigate and lessen the delay when they go to the courts. Sometimes, it takes a year or two or even more. The election offences should be immediately attended to so that it will be deterrent to other parties in the next elections also. Election offences which are non-cognisable now should be made cognisable. So, I plead with the Government that this should be taken very seriously and reforms introduced as early as possible as was mentioned in the President's Address last year.

MR. CHAIRMAN : Now Amendments are tabled by Shri Shantaram Naik. Is he present ? He is not present. Shri Mool Chand Daga. Are you moving ?

SHRI MOOL CHAND DAGA : Yes.

I beg to move

'That in the resolution,—

after "religion" insert, "character assassination" (2)

That in the resolution,—

after "so as to" insert—

"frame a code of conduct with their consent and" (3)

That in the resolution,—

for "immediate implementation of poll reforms"

substitute "implemation of poll reforms this very year" (4)

That in the resolution,—

after "poll reforms" insert—

"by amending the existing laws and bringing forward new legislation, wherever necessary, in the House during this very year." (5)

MR. CHAIRMAN : Shri Dharam Pal Singh Malik.

[Translation]

SHRI DHARAM PAL SINGH MALIK (Sonepat) : Mr. Chairman, Sir, I want to speak on the Resolution of Shri D. N. Reddy. The Hon. Member while speaking on the Resolution expressed his views like an Opposition Member. I think there are certain practices which are unfair and there is need to enact a law to remove those malpractices. But there are several evils which can be got rid of by the political parties also.

The election process starts with the registration of voters and from this point till the counting of votes there are many shortcomings in the process. We should remove these shortcomings by enacting a new legislation. Our Prime Minister has already tried in the first session itself to effect electoral reforms. For this he has, by bringing the anti-defection bill, eradicated an old evil of 'Aya Ram, Gaya Ram'. The bungling starts from the registration of the voters itself. Several minors who are less than 21 years of age are registered as voters and in this manipulation, village patwaris

and other people also play their role. In this way, bogus polling takes place and many absentee or dead voters are shown to have voted. In this way not only the elections but our democratic set up also is affected.

Mr. Chairman, Sir, I submit that three or four things are necessary to make the election process foolproof and to effect electoral reforms. First, in an area where a particular party has a strong base it indulges booth capturing or rigging and does not allow people of weaker sections to use their franchise freely. Therefore, I submit that at the time of elections, in the interest of free and fair polls and to sustain the faith of the people in the democratic set up, booth capturing by such parties should be checked.

Mr. Chairman, Sir, my second submission is that there is provision in the law that for Harijans there will be separate booths but there is a lacuna in this provision and that is, that though the booths for Harijans are provided separately, yet the polling agents in those booths do not belong to these communities. They belong to those communities who do not allow free and fair polls to be held. The Harijans who come to cast their votes there are afraid of those men. I, therefore, suggest that the rules and the Act should be so amended that it provides that in the Harijan booths, polling agents will also be Harijans and that too from the same village or the same area so that the people may know that the person sitting as polling agent is one of them and the polling agent may also be able to verify that the people coming to cast their votes are genuine voters and belong to the same village. Usually, outsiders and goondas are hired and are posted as polling agents in Harijan booths because of which the Harijans of the area are unable to cast their votes in a free and fair manner.

Sir, I want to give one more suggestion also. On this aspect Shri Reddy also spoke, while moving the Resolution and that is about identity cards. Earlier also, this topic of issuing identity cards was discussed. I, therefore, suggest that cards should be provided for identification. Unless you introduce this card system, the evil of booth capturing or bogus polling cannot be remedied.

[Shri Dharam Pal Singh Malik]

Besides, I would like to submit that there are many Presiding officers who have direct or indirect connections with some candidate or a party and they encourage malpractices during elections. They encourage bogus-polling and it has been observed many times that even booth capturing is done in connivance with them. No action is initiated against them in this regard. I would request provision should be made for stringent punishment against anyone who indulges in election malpractices, whether he be an officer, voter, candidate or agent. It should be a cognizable offence.

According to the existing provisions, anybody can file a nomination by depositing Rs. 500 as security. A time may come when any person or a party, if they so desire, can throw a spanner in the democratic system. It is possible that a party with the help of capitalists can file nominations for such a large number of candidates that the system may break down. For example, if as many as 100 candidates file their nomination for each of the 544 seats in the country, I feel that according to the existing provisions the democratic set up will collapse. I would, therefore, request the Government to check the increase in the number of the candidates in elections. Provision should be made to avoid entry of such candidates in the elections as have no intention to contest the elections seriously or have no definite policy but have merely jumped in the fray to defeat a particular candidate.

I would also like to draw Governments attention to the malpractices during counting of votes. There are people on duty who can play any dirty trick. They even mark the ballots for the opposite party candidate. Therefore, measures should be taken to ensure a fool proof election system so that the people's will is clearly reflected and the representatives they support should succeed.

Besides, I would like to point out the election returns are filed by all of us who are elected to Parliament. I feel that all of us know the way these are filed. We boast of clean politics and vouch by truth but we know that the seeds of falsehood are sown

when we file our returns. Attention should be paid to it. We just abserve a formality just to meet the legal obligation. If we spend Rs. 1 lakh we would file a return for Rs. 60,000 and if provision for Rs. 2 lakhs is made we would file return of Rs. 1.50 lakhs only. If we are ourselves law makers, can we not enact legislation wherein there is no need to take recourse to falsehood.

I would also suggest that there should be a strict check at the time of finalising voters lists i.e registration of voters. As I said earlier, it is at this stage itself that bogus voting starts. Fictitious names and absentees are registered in the voter's list and those votes are cast in the elections. Such registration is done at a place where the candidate wields considerable personal influence outsiders are brought to cast the votes. I would, therefore, request the Government to check registration of bogus, absentee or dead voters. A close watch should be kept on officers on registration duty. Firm action should be taken against those indulging in unfair practices in registration. I have myself seen that boys and girls aged 15-16 years are registered as voters and they cast their votes. At least 15 to 20 per cent voters in the country are such who are registered at three or even four places and at times they are able to cast votes at all these places thereby frustrating the will of the people and enabling unscrupulous candidates to use unfair means and win the elections. I, therefore, urge the Government to lay down certain conditions and qualifications for the candidates in order to reduce the malpractices because if this is not done it can prove harmful to us.

During the Punjab Elections, our Government took a thoughtful step by issuing an ordinance that even if an independent candidate dies prior to the commencement of elections' the elections to that particular constituency will not be countermanded. There were elements who used to take undue advantage of such provisions and filed the nomination of candidates who either met natural death or were liquidated in a bid to countermand the elections. If some take recourse to this method in a planned manner the entire electoral process can collapse. It is now time to take steps to improve the electoral system so that free and fair elections are held and the confidence of people in the

democratic set up is restored. Otherwise what happens is that the will of the people is frustrated. This would result in erosion in the faith of the people in the system and thereby cause extensive damage to it.

With these words I thank you for giving me an opportunity to speak.

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Chairman, Sir, the Resolution moved by Shri Reddy regarding electoral reforms is an important one. The Member who was just now speaking, it is his party which indulges in election malpractices in West Bengal. Therefore, there is an urgent need for electoral reforms in the country. Muscle power is generally used in the elections held in West Bengal. It is, therefore, necessary to check this situation immediately. Booth capturing is done at various places through muscle power and people are forced to cast their votes. Besides in the name of casteism.....

[English]

SHRI AMAL DATTA (Diamond Harbour) : Then you spend money and do not get the vote...(Interruptions)

[Translation]

SHRI GIRDHARI LAL VYAS : Mr. Chairman, Sir, whatever I have said is true and the Hon. Minister will bear me out that maximum election malpractices are done in West Bengal. This is absolutely true.

[English]

SHRI AMAL DATTA : Are these all going on record ? What is the proof that he has for booth-capturing in West Bengal ? Is he quoting from the report of the Election Commission ? Let him say that. Booth-capturing has gone in favour of the Congress in Bihar. This has come out in newspapers. ...(Interruptions) This has come out in newspapers, and openly it was mentioned that booth-capturing was going on in Bihar. .. (Interruptions)

How can you allow these remarks ? Either you expunge all these . (Interruptions).

[Translation]

SHRI GIRDHARI LAL VYAS : The modus operandi adopted in the Panchayat Elections in West Bengal. What to speak of elections to Parliament and Assembly, they adopted the same tactics even in the Panchayat Elections. Our candidates were locked up at different places and in this way they won all the seats. I would, therefore, submit to the Hon Minister that this suggestion is quite suitable.

[English]

SHRI AMAL DATTA : His statement is based on nothing at all. What is his proof ? He has no proof at all. Let him cite from the Election Commission's document any proof. And he goes on saying whatever he likes.

MR. CHAIRMAN : Instead of making any allegation against any political party, speak on the subject.

SHRI GIRDHARI LAL VYAS : I am telling the truth.

THE MINISTER OF LAW AND JUSTICE (SHRI A. K. SEN) : Why is the Hon. Member so much touchy ?

SHRI AMAL DATTA : I am not touchy at all. In that case, I must be allowed to put forth my point of view immediately; otherwise, this subject will come up again after two weeks and in the meantime he says all these things. You know, Mr. Sen that there was no allegation of booth capturing in West Bengal.

[Translation]

SHRI GIRDHARI LAL VYAS : Even in Panchayat Elections in West Bengal, this method was employed. There have been a number of such instances in the Assembly and Parliament elections, but you employed this technique even in Panchayat Elections and resorted to booth capturing.

Therefore, Mr. Chairman, Sir, I would like to submit that his suggestion is quite

[Shri Girdhari Lal Vyas]

appropriate and should be accepted. Wherever anyone talks of securing votes through muscle power stern action should be taken against him and the entire election so held should be countermanded. This was the first point which I wanted to raise.

The second point that I want to make is that the political parties which seek votes on the basis of casteism, put up their candidates on cast basis and want to mislead the people belonging to that particular caste... *(Interruptions)*.. I have not named any party. What I have said is that this was how elections were held in West Bengal. I do not know why do you develop cold feet the moment I mention the name of West Bengal? ...*(Interruptions)*.. My submission is that no party should be allowed to fight elections on the basis of caste. Today, some people in the country are trying to mislead the people by seeking votes on caste lives at different places whereas they do not have any policy or programme of their own. In fact, votes should be sought on the basis of policies and programmes of the party. *(Interruptions)* What I was saying was that today at many places it so happens that a Jat seeks votes in the name of Jats, a Gujar seeks votes in the name of Gujars, Brahmin secures votes in the name of Brahmins and a Rajput in the name of Rajputs. In this way efforts are made to mislead the votes. Therefore, this aspect should also be taken care of in the elections. If some people try to secure votes on caste lives by misleading the people of the dominant community in a particular constituency, they should be effectively checked from doing so, because casteism fans communal passions and such a situation would prove to be disastrous for the country. Communal passions tend to disintegrate the country and as such no party should get votes on this basis and such practice should be effectively checked.

My third point concerns those who get votes on the basis of their money power. The capitalists who do not have any link with the people and have nothing to do with the common people contest elections in this country. They file their nominations as independent candidates and spend enormous money in the elections. I would go to the extent of requesting the

Law Minister that the provision of independent candidates contesting the election should be done away with. No person should be allowed to contest an election as an independent candidate. The elections should be contested and votes sought on party basis.

SHRI KALI PRASAD PANDEY (Gopalganj) : I am on a point of order. The Hon. Member is talking of dispensing with the system of independent candidates.

[English]

MR. CHAIRMAN : He has a right to express his opinion.

[Translation]

SHRI GIRDHARI LAL VYAS : My suggestion is very appropriate. The Hon. Member who spoke prior to me has also said rich people file their nominations in many constituencies and they also make another forty persons file their nominations by giving them Rs. 500/- each. If each one of them secures 200 votes on the basis of caste, many thousand votes go waste. The person losing with a thin margin suffers heavily on this account. Many times, the nomination of a person on death bed is filed simply to see that the election is countermanded in the event of his death. Now, a law has been enacted that in the event of the death of such a candidate, the election would not be countermanded. But the provision regarding independent candidates should certainly be done away with. Neither in the interest of the country nor the democratic set up.

Shri Reddy has rightly said that a lot of money is spent on the elections and the poor people like me do not have money. We contest election with the funds provided by our party. But the people who have huge funds at their disposal, the landlords who have black money, spend crores of rupees in the election in addition to what they get from their party. Under such circumstances, the elections become unfair. Therefore, in my view government should meet the entire expenditure and election should be contested on the basis of that money, so that the right candidate is elected and this democratic set up is strengthened.

Another submission which I want to make is that the present method of canvassing in which clashes take place, the bombs are thrown, should be stopped forthwith. Take the instance of England or other countries. A party releases its manifesto and its candidate delivers his speech over the radio. On the basis of that speech the people make up their mind about their favourite candidate. If the candidates are elected through this process, the clashes in the elections and lakhs of rupees that are spent, can be avoided and the process will work smoothly. Therefore, there is a dire need to introduce this procedure urgently. Our democracy will become stronger when such a system is adopted. Today, we see how the election funds are raised. No political party can contest elections without accepting money from the big capitalists. No party, whether it is the Congress Party or the Socialist Party or the Communist Party, can fight election without money. In election, it is only the big capitalists who can provide money and in lieu thereof that they get their work worth thousands of rupees done through us. Sometimes, even their unjust demands have to be met. The Government is forced to give in to their demands. Even the political parties have to lobby for them irrespective of their ideology. But the parties try to give them the benefit in lieu of the money received from them. Hence, it must be stopped effectively. You have made a provision that the political parties will have the right to accept donations. Earlier, accepting of donations by the political parties had been banned, but now it has again been permitted. Now when it has been permitted again, the ruling party or the parties which wield political influence, the parties which control the trade unions and can harm the industry through strikes or agitations will get money from the capitalists and the businessmen. As such, you will be forced to work for them. Therefore, this system needs to be changed.

One of the suggestions is that the political parties should raise their funds from among the people. Contesting an election funded by the big capitalists should not be treated as a respectable as it certainly leads to corruption because the political parties will have to meet their demands. Therefore, a provision should be made under which no political party should be allowed to accept such funds.

Similarly, I would also like to say that each and every party in the country gets funds and many of them get donations not only within the country but from abroad also. This needs to be looked into. Government should identify the political parties which get funds from abroad. This money is being used to destabilize democracy and to plant another system in this country. You must have seen what happened when elections were held in 1977. Crores of rupees flowed into the country through the organisations which used to be known as constructive Associations prior to 1977 and were said to be engaged in constructive programmes and that money was used by the political parties to vitiate the atmosphere in the country. They tried to impose a system in this country which might lead to the end of democracy in the country. Therefore, this also needs to be checked. We must keep a watch on the foreign powers and these so called constructive organisations who want to engineer political turmoil in the country through their power and introduce their own system of Government. Be it C.I.A. or any other organisation, they are certainly trying to upset our democratic set up by pumping money into our country. I would like to request the Hon. Minister, through you, that such funds should be effectively checked from entering into the country, otherwise you know what happened in 1977. Whenever such a system is imposed on this country, the atmosphere would be totally vitiated. Such powers try to create disturbances in the country by exercising control over the political parties through their money power. Today you see what type of environment is emerging in the country. Communal clashes and riots are being engineered at different places and an effort is being made to vitiate the political atmosphere. Who are these people out to create disorder in the country. Who is behind it and which are these powers who are out to vitiate the atmosphere? These powers will have to be identified. It should be checked. A special vigil needs to be kept, especially when the elections are at hand, so that no one can create disturbance and our system may function smoothly.

I have yet another submission to make. Just now, it was said that the political parties should get money from the Government and that elections should be fought on the basis of money so given by the Government. Like:

[Shri Girdari Lal Vyas]

wise, time should be allotted to each political party on Radio and Television on the basis of the strength of their members. Apart from this, all candidates, whether they are contesting Assembly Elections or Parliament Elections, should be given time on A.I.R. or Doordarshan in their respective states so that they could project their policies and programmes before the electorate. Their constituents should know what they want to do in their constituency. Therefore, an arrangement should be made whereby the message of each political party may reach each the voter. It will prove very useful if time is allotted for this purpose. A system should be developed under which clashes, use of weapons and bombs and all such things which cause enormous loss are stopped.

Similarly, bogus voting takes place on a very large scale. Identity cards should be issued to check this bogus voting. At a number of places women voters, whose identity is not known, cast their votes. This spoils the chances of the winning candidate. It also undermines the chances of the candidate who is very popular in that area. This fraudulent practice must be put to an end. It is very necessary to issue identity cards for this purpose. I admit that it is not an easy task. There are 35 to 40 crore voters in our country and it is really a tremendous problem to issue identity cards to all. If the Government tackles this problem it will definitely have a healthy effect and would go a long way in checking bogus voting.

Similarly, there is the problem of booth capturing and people are prevented from casting their votes. This should also be dealt with sternly. Only then our electoral process would function smoothly.

I would like to express my views regarding booths meant for Harijans. At a place where there is dominance of a particular caste, the Harijans are not allowed to cast their votes. There the Harijans are told to remain in their homes and they should presume that they have cast their votes. The dominant community of any area does not allow the Harijans to cast their votes. That community does not allow Harijans to come out of their homes just to benefit their candi-

date. Harijans do not go to the polling booths to cast their votes out of fear of the dominant community. It is very necessary to check these people sternly who do not allow Harijans to cast their votes by intimidating them and thus obstruct the electoral process.

I would also like to submit that at present it is difficult for anyone to contest election within the limit laid down by law for incurring expenditure on elections. This limit on expenditure in elections should be enhanced and the a limit should be such as may be sufficient for any candidate to contest election for Parliament or Assembly. If a reasonable limit is fixed on the election expenses, the candidate would file correct returns and not otherwise. The limit on election expenses should be enhanced further to improve the system.

Earlier, in our country and particularly in Rajasthan, the princes used to rule the country. They still wield great influence over the people. This is not because they serve the people but it is because of the glamour of their royal grandeur, wealth and power. Even today they try to mislead the innocent people. Even now they put up their own candidates and use their influence in the favour of their candidates. The Office of Profit Act should also be made applicable to these rulers. Previously, these people used to get privy purses. Even now these rulers have palaces, jagirs and other kind of property. They had acquired this wealth by exploiting the people. All these jagirs etc have been given to them by the princely states. These jagirs and properties should be brought under the Office of Profit Act. The former rulers should be covered under the Office of Profit Act. They have acquired the wealth worth crores of rupees by exploiting the poor and now they use the same wealth to get themselves elected as the representatives of the people in this democratic set up. This should be checked. A legislation to this effect should be enacted so that right candidates come forward and contribute their mite in strengthening the democratic system.

During elections, complaints about use of muscle power come from a number of places. The situation cannot be controlled by one or two policeman posted there. Men belonging to some political parties have infil-

trated into the police force. The political parties use every kind of tactics to induct their men into the police force. When they use their muscle power, or weapons the police do not take action against them. The arrangement of police should be made in an independent manner so as to ensure that no malpractices take place during elections and no political party secures votes by using muscle power or by exploiting caste feelings.

At certain places, where candidates contest elections on caste basis, the presiding officer belonging to that caste should not be posted there because they encourage castism and influence the polling. It should, therefore, be ensured that in case a candidate belonging to a predominant community in a particular area is contesting election the presiding officer belonging to the same community should not be posted there as there is great likelihood of malpractices there. There is great need to improve this system. These are some of my suggestion.

With these words I request the Hon. Minister to bring about electoral reforms so as to conduct fair elections in the country and strengthen the country by electing the right candidates.

15.58 hrs.

STATEMENT RE : RAILWAY INCIDENT BETWEEN TELLICHERRY AND MAHE STATIONS.

[English]

THE MINISTER OF TRANSPORT (SHRI BANSI LAL) ; I deeply regret to apprise the House of an unfortunate incident which occurred at 5.35 hrs. on 28.2.1986 between Tellicherry and Mahe Stations on the Cannanore-Shoranur Broad Gauge single line section of Palghat Division of Southern Railway. While 310 Cannanore-Erarakulam Express was running between Tellicherry and Mahe Stations, large crowds, which were attending the annual festival at Jagannath temple, suddenly rushed on to the track. It is reported that there were a lot of fire works in the festival and some crackers fell on to the crowd and the crowd out of panic rushed

towards the track. Consequently, the train ran over a number of persons of whom, 26 were killed on the spot while 9 sustained injuries. The injured have been admitted in the hospitals at Tellicherry and Calicut.

My colleague Shri Madhavrao Scindia and Member Traffic have proceeded to the site and will be visiting the injured in the hospitals. General Manager, Southern Railway and Chief Security Officer have rushed to the spot. Divisional Railway Manager, Palghat and other officers have also rushed to the spot.

This incident will be enquired into by the Commissioner of Railway Safety.

16.00 hrs.

RESOLUTION RE : ELECTORAL REFORMS—*Contd.*

[Translation]

SHRI MOOL CHAND DAGA (Pali) : Mr. Chairman, Sir, Hon. Members have expressed their views on the electoral reforms. All the Eight Elections to the Lok Sabha held since 1952 have been free and fair.

16.01 hrs.

[SHRI VAKKOM PURUSHOTHAMAN
in the Chair]

Allegations are often made against the party in power that they won the elections because media was in their favour or because of some other unfair practices and these allegations are made by the party which has lost. The Hon. Member, who moved the Resolution, has said that crores of rupees have been spent in his constituency. Reddy Sahib has won the election despite crores of rupees spent by the other party in the elections. The people elected the man in whose merit and intelligence they had faith. In the year 1977, the people of India gave a verdict against the Congress party and we accepted it. The electoral process has been functioning since 1952. The winning candidates say that

[Shri Mool Chand Daga]

the election was free and fair and the losing candidates say that power was misused and some bungling had taken place. We have set up tribunals to hear such complaints. They file election petitions in the courts. Actually they are in the habit of making allegations. When elections were held in the Bangalore constituency in Karnataka, there were 300 candidates in the field. God knows what must have been the size of the ballot paper. This Act should be amended because innumerable number of candidates come forward to contest elections. In such cases, the voters get confused and do not know where to put the mark, the ballot paper is very long and much expenditure is incurred on it. The issue of election reforms is raised quite often. When asked about the recommendations made by the Election Commissioner, Shri Trivedi or Shri Shakdhar, one comes to know that they are under consideration of the Cabinet Sub-Committee. Our Minister of state for Law replies in a very simple manner that these are under consideration of the Cabinet sub-committee. Shri Ashok Sen will not say in his reply that these are under consideration. It looks there is something wrong in the Law Department because no one knows the outcome of all the suggestions. Whenever such suggestion are given, it is stated that these are under consideration of the cabinet sub-committee. The Election Commissioner has sent many suggestions between 1982 to 86 and the new Election Commissioner, Shri Peri Shastri has also submitted certain suggestions. Sir, I want to say this much only that it is a very important question. Earlier, a committee was formed during Shri Jai Prakash Babu's time and it had also been asked to suggest electoral reforms. Perhaps, Shri Tarkunde was the chairman of that committee, I do not remember exactly. He had also given some suggestions. One of his suggestions was to fix the minimum age of voters at 18. I do not at all agree with it. Let them be at least 21 year old, let them have some maturity. I do not know on what basis he recommended that the voting right should be given to the persons who have attained the age of 18 years and said that voters' lists should be accordingly amended. We had asked him to suggest reforms in the electoral system and he gave a new type of suggestion. I want that Government must make it mandatory

for the voters to exercise their voting right. The voter can be exempted in special circumstances but if it is made mandatory, he will definitely come to vote on the polling day. That will solve all the problems. Then Opposition will not be able to complain that vehicles are used for securing votes. I fail to understand what do they want to convey by saying such things. If vehicles ply then what is the objection in voters using them but at places like Rajasthan, where vehicles do not ply, people go on foot for casting votes. Sir, reform to the effect must be made in the electoral system that it will be compulsory for every voter to cast his/her vote because we have faith in the wisdom of the people of the country. We have seen that they are intelligent and understand the need of the hour. They know about every candidate and give an unbiased verdict. Every one knows why Congress gets more votes. Therefore, the allegations made here are not correct.

A suggestion has been given that we should use electronic machines in the elections. I also agree that it is a sophisticated and proper method and every one will benefit from it but at the same time all the parties had prepared a code of conduct and agreed to abide by it. I want that if someone does not abide by it he should be declared an offender. I would request the Law Minister that the code of conduct should not remain on paper only and it should be provided that if someone violates it, he will be debarred from contesting elections in future. People who commit moral offence, fall in the esteem of the people. People committing moral offence should not have the right to fight elections in our country. You should fix some criteria so that every person fighting elections should have unblemished character and should be worker. You should take into consideration all the aspects. If some Pandits living on the bank of the Ganga. Pujaris or Maulvis enter the field, you should look to that.

So far as expenditure in elections is concerned, earlier there was a law that a person cannot spend beyond a certain limit. After that some judgements to this effect were delivered that expenditure by candidate's friend or party will not be included in the election expenditure. It is a very good law.

I may not incur expenditure or I may incur it within the limits but if my friend spends or my party spends then that expenditure will not be included in the election expenditure is not a correct argument. Therefore, one method should be that Government should bear the election expenditure. Even today there are many countries in the world where the Government bear the election expenditure. Therefore, Government should provide some funds to the candidates for fighting election.

(Interruptions)

SHRI HARISH RAWAT (Almora) : Where from the money will come ?

SHRI MOOL CHAND DAGA : Money will be given by our country, our public... (Interruptions).

SHRI HARISH RAWAT : Money can come from Pali district.

(Interruptions)

SHRI MOOL CHAND DAGA : Yes, it can come. If someone asks for money from our moneylender, he will not go disappointed. He will definitely get money. If you ask for money you will definitely get it but if you decline it then do not blame us. The business community knows only to give.

Mr. Chairman, Sir, what I wanted to say, they are not allowing me to say, they want to detract my attention but I am still not detracted. I want to say that we submit affidavit about the election expenses but it should also be seen that cost of electioneering has skyrocketed. Accordingly, ceiling on our election expenses should also be increased.

Sir, in addition the area and the population of the constituency should also be taken into consideration. My constituency has a population of 15 lakhs in which there are about 2000 villages. It takes considerable time to visit such a large number of villages for canvassing because the villages are situated at a long distance from each other. It results in more expenditure and the limit within which you permit the expenditure, no one can ever render one's accounts. I, therefore, feel that there should be a system for this,

Secondly, I want that there should be delimitation of the constituencies. Somewhere the number of voters is less and somewhere it is large. Somewhere area is less and somewhere it is more. Therefore, the present system requires immediate change. Without this we cannot get justice. If delimitation is done we shall be benefited. I, therefore, want that your attention should go to delimitation also.

During elections, any person forms a party. Several parties join hands which have no common ideology. I want that a provision should be made that a party must have some minimum following which can be calculated by the percentage of its followers to the total population of the country. What happens is that any individual forms a party during the elections like growth of mushrooms. They are like croaking frogs in rains. You should not accord them recognition. You should not permit them to fight elections.

There are so many parties that their existence goes against the very basis of democracy. In democracy we want a strong opposition. If opposition is strong, the Government also becomes strong. But the opposition is scattered and weak. Therefore, we should pay attention towards this.

We want that if government is to be strengthened, the opposition should get united rather than getting divided in small regional parties. The regional parties should not be elected to the Lok Sabha. If there is any danger to democracy and socialism, it is from these regional and the communal parties and from the rightists, reactionary forces and extreme leftists. Such regional parties should remain confined to their own states and should not work on all India level like Desham, Bharat Desham.

[English]

SHRI H. A. DORA (Srikakulam) : Our party is a regional party with national outlook whereas the Congress Party is a national party with regional outlook.

MR. CHAIRMAN : No dialogue please. You can say something if he has said so.

[Translation]

SHRI MOOL CHAND DAGA : What was required was that such parties should not have been permitted to fight elections.

I hope the Hon. Minister will pay attention to my suggestions and will promptly pay attention to effecting changes in the election process and amending the concerned law.

Many other steps like enacting anti-defection law, law regarding donation by companies etc. have been taken. Therefore, I suggest that in this direction also immediate steps should be taken and the election procedure should be reformed in the interest of the progress of the country.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. Chairman, Sir, I want to speak on the discussion on the electoral reforms.

The way elections are held in our country, particularly in Bihar, will reveal to you the actual state of affairs. The Election Commissioner had reported that the elections held for Bihar Legislative Assembly were *false* but the Government did not pay attention to this. If the malpractices being adopted in the elections are not checked, I think the democracy will be in peril. People are losing faith in the elections. They are leaning towards extremists and mistakes are being committed in the elections.

It is true that in the elections booths are captured. The persons fighting elections adopt such tactics that the voters do not feel the necessity to go to the polling booth. The practice of the voters going to the polling booth is ending. It is because one or two persons take advantage of the entire election process. This has assumed serious proportions because the actual voter stays back at home and one or two persons manage to get all the votes cast in their favour. The chief Election Commissioner had issued a circular which said that if 90 per cent of votes went in favour of one party, the election was liable to be cancelled. But the District Electoral officers have used this circular against the opposition candidates only and not against the ruling party candidates. This process is

also leading to resentment among the people and the democracy is in peril.

Besides, the suggestion given by the previous speakers about the identity card, is timely and issue of identity cards to the voters is necessary. You can say that issuing identity cards to 41 to 52 crore voters involves huge expenditure, but if you want the democracy to survive, if you want the people to elect the right representatives, you must issue identity cards to the voters.

At the same time, those who are elected on caste considerations, do not rise above these caste considerations even in the matter of development of their area or village. Such a development leads to imbalance and it is this imbalance that is giving rise to many regional disparities. This emergence of regional parties, which the people have decried, can result in disintegration of any country, because the regional party takes its own region as its country and does not treat the entire India as its own country. You might have witnessed what happens in this House when the question of regional parties is raised here ? India is a country comprising many states. The reasons for emergence of these regional parties is that the Government commit irregularities for its own selfish ends which is proving harmful for the country. Today, the country is leading towards disintegration. You can rule over the country for as long as you wish, but let me tell you that if you do not reverse this process, this danger will go on escalating.

It reminds me of a recent happening. Is it not a matter of shame in a democracy that a person is given the certificate of being elected but after three days that certificate is given to another person ? Is it not mockery of democracy ? How can the people repose their trust in this process of election. It is not worth trusting now. This incident pertains to Bihar. It is Bihar that is notorious for everything. It is notorious for castism also. I am not speaking about Bihar alone, I am speaking as a citizen of India. With regard to the irregularities in Bihar or in any part of India for that matter, I want to request the Hon. Law Minister, who is a very learned person, to use his talent for the smooth functioning of our democracy.

SHRI G. S. RAJHANS (Jhanjharpur) : I thought I would not get my turn. Just now, Bihar was being discussed, he was speaking all the wrong things. Let me tell you the truth. A candidate belonging to a mafia gang had contested election in Bihar. I am not against independent candidates. But it is a very interesting case, I shall recount it in brief. This mafia candidate belonged to the area near Hajipur. He was an independent candidate. He used to move with a convoy of 100 elephants, 100 camels and 100 jeeps. All the riders used to be armed with guns, swords and revolvers. He died this year. In the election meetings, he used to address the voters with the request that if they were his supporters they should stay indoors and in case they were his opponents they should not venture out to cast votes and if they ventured to the polling booth, they would be shot dead. This is a true story. It is on record that the people were terrorised. None dared to go to the polling booth out of fear and the mafia candidate used to win by a margin of thousands of votes. This is not confined to a single instance of mafia gang.

I was going through the International Herald Tribune the other day. It was reported that election of Marcos was also held in the same way as the elections are held in some places in West Bengal. It should not startle you as it was only to quote an instance. What I want to say is that under the existing electoral process, to contest and to win an election for a non-political figure like me is almost an impossible task. In the climate that prevails today, lathi, money, pistol and gun is important, whereas a non-political person can afford neither money nor lathi, gun, sword or bomb. ... (*Interruptions*) It is also true that such a persons should not enter the political field.

I want to say only one thing. Our Prime Minister had dreamt of cleansing the political parties and he is making efforts in that direction. In this connection Anti-Defection Bill was also passed. Had this Anti-Defection Bill not been passed, I do not know how many governments would have fallen within a year and how many times elections would have been held in the states. The people would have borne the

expenditure on such elections and it would have led to further rise in prices.

The second thing he did was regularisation of donations to political parties. What objection can one have to this? If donation to political parties is given properly through a cheque and you as well as we show it in the accounts correctly and get our accounts audited, there is nothing to hide in it.

But in this process those who get money from foreign countries will experience great difficulty. This is not a secret that many political parties in this country are getting enormous funds from abroad. I feel it is now time to curb and control the inflow of money from abroad. If it is not done, a time will come when these political parties would dance to the tune of foreign powers. I would like to submit in this respect that in many foreign countries political parties are given funds by the state. The recognised political party gets a certain amount - 50 or 75 per cent from the state. This is the practice in many countries. Therefore, efforts should be made to examine whether such a system can be followed in our country as well - wherein the state gives funds to political parties. Otherwise, even if a person is educated and has a clean image but is not a capitalist, he will not be able to contest elections on his own.

[English]

MR. CHAIRMAN : Dr. Rajhans, you may continue your speech next time.

As announced earlier, the House stands adjourned to meet at 17.00 hrs.

16.30 hrs,

The Lok Sabha then adjourned to re-assemble at 17.00 hrs.

*The Lok Sabha re-assembled at
Seventeen of the Clock*

GENERAL BUDGET, 1986-87

[English]

MR. SPEAKER : I have a full House ?

[Translation]

SHRI BALKAVI BAIRAGI (Mandsaur):
I shall read out a couplet for Raja Vish-
wanath Pratap Singh.

*Yeh haque hai apko ki aap chahe
jo karen.*

*Par qatal bhi karen to zera pyar se
karen*

MR. SPEAKER : Myself and Shri
Bairagi are just returning from a mushaira.
You keep his point in mind. Whatever dose
you may give, it should be sugar-coated.

Shri Vishwanath Pratap Singh.

[English]

THE MINISTER OF FINANCE (SHRI
VISHWANATH PRATAP SINGH) : Sir,
I rise to present the Budget for the year
1986-87.

2. The Budget is a powerful tool for
achieving our socio-economic goals as laid
out in the Plan. Our Prime Minister, Shri
Rajiv Gandhi, reminded us not so long ago:

“Development must be accompanied
by equity and social justice—by
removal of social barriers that oppress
the weak. This is the essence of our
concept of socialism.”

These objectives have guided the formulation
of this Budget.

3. The economic developments in the
current year have been described in detail
in the Economic Survey, which was placed
in the House earlier this week. Therefore, I
will confine my remarks to a few key features
of our economic performance.

4. Growth in GNP in 1985-86 is expected
to be between 4.5 and 5 per cent, which
is close to the target envisaged in the Seventh
Five Year Plan. This is a distinct improve-
ment over the 3.5 per cent growth estimated
for 1984-85. In contrast to the disappointing
agricultural performance in 1984-85, when
net output is estimated to have declined by
1 per cent, growth this year is anticipated to
be about 3 per cent. Foodgrains production
had fallen to 146 million tonnes in 1984-85.
Despite drought in several parts of the
country, we expect food output to be about
150 million tonnes in the current year.

5. After a slow start, industrial produc-
tion has picked up and the rate of growth in
October and November, 1985 exceeded 8
per cent. For the financial year as a whole
it is expected that the growth rate will be
close to 7 per cent. The acceleration in
growth of industrial output largely reflects
higher production in the manufacturing
sector, which had shown low rates of growth
in the previous three years. It is heartening
that the production response to changes in
industrial policy has been positive.

6. An important priority of the Govern-
ment is to improve the functioning of the
infrastructure sectors. I am glad to inform
the House that in the first ten months,
thermal power generation registered an in-
crease of more than 15 per cent over the
corresponding period of 1984. Railway freight
has also recorded a commendable increase
of 9 per cent in the first eight months of this
financial year. This is double the annual
average rate of increase during the Sixth
Plan. Despatches of coal increased by 10
per cent in the first eight months.

7. The increase in the Wholesale Price
Index in the current year upto 8th February,
1986, was 3.4 per cent as against 5.4 per
cent last year. Among items of particular
interest to the consumer, the largest increase
in wholesale prices has taken place in wheat,
pulses, fruits and vegetables, eggs, fish, meat,
sugar and gur. On the other hand, prices of
rice, condiments and spices, tea, coffee and
edible oils have remained stable or have
actually declined.

8. The House will recall that the last
Budget ushered in major reforms in our

system of direct taxes. At that time, many a prophets of doom had prophesied that revenues will fall and buoyancy of the tax system, such as it was, will be further eroded. Exactly the opposite has happened. Collections from major taxes have increased by 22 per cent over the previous year, which is the highest increase in a decade. Collections have also exceeded Budget Estimates by a large margin. What is even more pertinent is the 36 per cent increase (over Budget Estimates) in personal income taxes. In the current year, we have succeeded in reversing the declining trend in the ratio of direct taxes of GNP.

9. This is a testimony to the soundness of our strategy of increasing revenue yields through a combination of reasonable rates, simpler procedures and strong enforcement of tax laws. We have raised more from the rich by way of income-tax, and not less. The proof of fiscal policy is, not in empty theorising, but in the revenue that it generates.

10. The Government has launched an intensive drive against smugglers, black marketeers and tax evaders. There cannot, and will not, be a compromise on this score. Those who abuse the nation's trust must be dealt with firmly and with full force of the law. Considerable success has already been achieved in curbing the growth of black money, and Government will spare no effort to root out this evil.

11. However, I do not propose to dwell only on the strong points of our economic performance. I would like take this opportunity to highlight some of the policy issues and to seek the advice and support of this august House in coming to grips with them. Let me, therefore, share with you a short list of key problem areas on which we, in the Government and the Parliament, must take urgent action, both through this budget and by other means.

12. The budget is now under severe pressure to meet the growing burden of expenditure on account of interest payments, defence, subsidies and assistance to States. An important issue before us is to find sufficient resources for financing the public sector Plan. This is not a partisan issue or the

problem of a particular Government in power and I believe that a frank debate is essential for the long term economic health of our nation. In a nutshell, the core of the problem is simply that internal generation in public public sector enterprises is not measuring up to the task of financing a Plan of the size that is essential for our development.

13. The severity of the problem can be illustrated by the experience of the current year. The Seventh Plan visualises that 53 per cent of the Central Plan will be financed through resources of public enterprises, and 47 per cent will be financed through the budget. In the first year of the Plan, in view of the paucity of internal resources, the budget had to finance 66 per cent of the Central Plan, and not 47 per cent. We have been successful in increasing tax revenues sharply, and beyond Plan targets. But higher revenues have been more than offset by increase in food and fertiliser subsidies and assistance to States. The higher budgetary support to the Plan, therefore, had to come from additional domestic borrowings and higher level of deficit financing.

14. Collectively, we must address ourselves to the basic issue of raising resources for the Plan without fuelling the fires of inflation. The Plan is not something abstract. It is more schools, more roads, more irrigation, more jobs, in a word, more development. It embodies the hopes and aspirations of our people for a better future. We cannot slacken our efforts to implement it fully.

15. Public sector has a key role in bringing about the transformation of our economic structure. We must work hard to strengthen it. A number of public sector units in this country are functioning very efficiently and producing surpluses for reinvestment. These units provide irrefutable evidence that the public sector can perform as well as the best, given the right set of circumstances. Unfortunately, there are also a number of public enterprises whose losses have become a drain on the resources of this nation, which could have otherwise been used for the greater benefit of the common man.

16. The Government for its part will be taking steps to improve the working environ-

[Shri Vishwanath Pratap Singh]

ment of the public sector enterprises, and improve their profitability. But beyond that, we must involve workers and the management in the task of revitalising the public sector. This, if any thing, is the need of the hour.

17. We also have to find a way of reducing the non-Plan expenditure, however painful it may be. Subsidies serve an important social purpose, and constitute a legitimate charge on society's resources. However, the question that we must ask ourselves is: how fast and how far they can be allowed to grow without cutting into resources for investment in our future. Food and fertilizer subsidies have now reached Rs. 3 700 crores and have increased by over 40 per cent per annum in the last three years. Even with buoyant tax revenues, this order of increase is simply not sustainable. At present rates of growth, these subsidies would have reached Rs. 14,000 crores by the end of the Seventh Plan. At this rate, total subsidies would exceed Rs. 41,000 crores for the Plan period. This is equal to the entire Central Plan for the first two years. To put it in another way, this amount would be sufficient to provide one deep tube-well and one primary school building in each village of the country. The issue is what balance to strike.

18. The Government is initiating a process of thorough review of our expenditure policies and procedures. We have to cut every rupee of wasteful expenditure, get more out of every rupee of essential expenditure, and improve efficiency all round. A full debate on what we can and must do to reduce expenditure is necessary and I would like to invite the suggestions of the Hon'ble Members on these issues.

19. There has been a healthy debate in the country regarding the impact of administered prices on the inflationary situation. When all other prices are changing, some changes in administered prices are necessary and inevitable. But the Government accepts the view that as far as possible there is need to stabilise the prices of critical commodities. In order to clarify the issues involved, and to initiate an open debate on the appropriate

approach, the Government will present a policy paper on administered prices to Parliament.

20. The balance of payments is another area of concern. As I had pointed out in my Budget speech last year, some of the factors that have worked in our favour in the 6th Plan will not operate with the same vigour in the 7th Plan. As anticipated, growth of oil production, which had shown an increase of 18 million tonnes in the 6th Plan, has slowed down. The world environment for trade and concessional assistance continues to remain unfavourable. Against this background, it is essential to strengthen further the measures to conserve scarce foreign exchange. In particular, we must pursue a concerted programme for energy conservation, and develop indigenous sources of energy. In the current year alone we are likely to pay nearly Rs. 1,100 crores more for oil imports. The net foreign exchange outlay on this account may exceed Rs. 4,600 crores as against about Rs. 3,500 crores in the previous year. Can we afford this?

21. In order to overcome domestic shortages, we also had to import large quantities of sugar and edible oils. Policy initiatives have already been taken to encourage higher domestic production of sugar and edible oils. These have begun to yield results. The potential for further expansion of output of oilseeds, particularly minor oilseeds, is immense. Later in my speech, I propose to announce a package of incentives, which will provide support to domestic cultivators of oilseeds. Our farmers have responded magnificently to the task of increasing yields and absorbing new technology. As a result of their effort, we are now self-sufficient in foodgrains. As Indiraji so rightly observed:

"In a country where half the national income comes from farming, agricultural self-reliance is the basis of all self-reliance".

22. Export growth is essential to pay for our vital imports without getting into a debt trap. The international environment for our exports, however, continues to be unfavourable with the intensification of protectionist tendencies and a low rate of growth of the world economy. This makes it all the more

necessary that greater impetus is given to industries which have made important contribution to our export effort. Several steps were taken in the last budget for export promotion. I shall be carrying this process further in the current year's budget. Separately, the Reserve Bank of India is announcing further liberalisation of pre-shipment credit facilities for exports.

23. The Government will keep external borrowings at prudent levels consistent with our debt-servicing capacity. Our record in this respect has been enviable. And we intend to keep it that way.

24. Over the past year, the Government has taken wide ranging steps to modernise the economy, accelerate industrial growth, encourage more economic scales of production, upgrade technology and promote rehabilitation of enterprises facing temporary difficulties. Although the full effect of these recent initiatives will take time, as I said earlier, these have already had a favourable impact on manufacturing output. However, overall industrial growth still remains below our full potential. Aside from further measures to promote overall growth in industrial output and employment, we have to devote special attention to the domestic capital goods industry. This industry, has been painstakingly built over decades and makes a valuable contribution to our self-reliance. It deserves our full support. I shall be making certain proposals in order to provide further encouragement to the growth of the capital goods industry.

25. Small scale industry has played a vital role in increasing our exports, generating employment opportunities, and reducing the concentration of economic power. It has been truly said that "great engines turn on small pivots." In order to provide a focal point for coordinating financial assistance to this sector at the apex level, it is proposed to set up a separate special fund, called the Small Industries Development Fund in the IDBI. This Fund will also be charged with the responsibility of providing refinancing assistance for development, expansion and modernisation of small scale industry. I also propose to announce a new scheme for excise exemption for small scale industries which should considerably facilitate their growth.

26. Agriculture is at the centre of our development strategy. The quality of agricultural performance is the single most important factor in reducing the incidence of poverty in rural areas. Through sustained and prolonged efforts we have become a surplus producer of wheat. But, as our heavy imports of sugar and edible oils testify, production of some important crops remains inadequate.

27. Correcting this imbalance in cropping pattern will ease the pressure on our balance of payments and lead to better use of our agricultural resources. To ensure that our approach is not ad hoc, we must work towards evolving a longer term policy, which takes full account of regional differences in yields of different crops. In particular, the reduction in uncertainty and instability in agricultural prices will provide more assured incomes for farmers, and thus encourage production response in desired directions. With a view to providing protection to farmers, last year, a comprehensive crop insurance scheme was introduced. This year, such a scheme will also be extended to fruit cultivation. As a further step to reduce uncertainty, I am glad to inform the House that my colleague, the Hon'ble Minister for Agriculture, has already initiated work on the formulation of a longer term price policy for important crops in consultation with agricultural experts and scientists.

28. Broad-based agricultural development provides the most effective way of tackling our central problem of poverty. But we must also recognise that the fruits of development do not always reach the poorest sections of our society, especially in regions where agricultural development is lagging. For them the best hope for higher incomes and better living conditions lies with the major anti-poverty programmes of Integrated Rural Development Programme, National Rural Employment Programme and Rural Landless Employment Guarantee Programmes. These programmes are at the forefront of our assault on poverty and for many millions they represent the difference between the despair of destitution and the hope of gainful employment. In the next year's Budget, I shall be proposing an increase of nearly 65 per cent in the allocation for these programmes. The programme for housing for Scheduled Castes and Scheduled Tribes,

[Shri Vishwanath Pratap Singh]

announced by me last year is also being strengthened.

29. Many of the programmes for the welfare of the poor and the needy are the gifts of our late Prime Minister Smt. Indira Gandhi to the nation. It will be a fitting tribute to her memory to name the new Housing Scheme for Scheduled Castes and Scheduled Tribes as "INDIRA AWAS YOJANA".

30. It is only proper that the banking system, which is the repository of peoples' savings, should use these savings to further our national objectives, particularly in respect of poverty alleviation and rural development. I am glad to inform the House that in the year 1985, the advances of public sector banks to the priority sector reached 43.4 per cent as against the target of 40 per cent. Under the Integrated Rural Development Programme, banks have advanced loans of Rs. 3,100 crores to 16.5 million persons below the poverty line during the Sixth Plan. In the Seventh Plan, the target of the number of beneficiaries is 20 million. Of them, six million will belong to Scheduled Castes and Scheduled Tribes.

31. It is also necessary to use our social banking and insurance infrastructure for tackling the problem of urban poverty. Rickshaw-pullers, cobblers, washermen, porters, barbers, hawkers, sweepers and cart-pullers are among the particularly disadvantaged. The Government proposes to introduce a new scheme which will provide loans through the banking system with a subsidy component, so that the repayment burden on beneficiaries is effectively reduced. The scheme will provide for purchase of equipment and loans for working capital for the self-employed, such as, rickshaw-pullers, cobblers, washermen, barbers, hawkers and cart-pullers. Details of this scheme are being worked out in consultation with the Reserve Bank of India, and will be announced separately.

32. I also propose to introduce a new Scheme for accident insurance for the benefit of Municipal sweepers and Railway porters.

This scheme, the details of which will be announced separately by the Life Insurance Corporation, will provide Group Insurance through the workers' Unions. The Scheme will provide life insurance cover of Rs. 5,000 with a double accident benefit to the members of a union, provided 75 per cent of the members agree to join the Scheme.

33. In the last Budget, I had introduced a Personal Accident Insurance Social Security Scheme for the poor families in 100 districts of the country. As the Scheme has been widely welcomed, I propose to extend it now to 200 districts. The Scheme will cover the risk of death by accident in respect of earning members of poor families in rural and urban areas comprising landless labourers, small and marginal farmers, traditional craftsmen, small traders and others. The entire cost of this scheme is borne by the Central Government.

34. The true asset of our country is its labour. It was in recognition of this that last year, I had announced a series of measures for the benefit of industrial and other workers. These included measures to give workers' dues the same priority as secured creditors in the event of closure of companies, the increase in the limit on the salary or wage on which bonus is payable to employees from Rs. 750 per month to Rs. 1,600 per month, the introduction of a stock option scheme and increase in the monetary ceiling on the exempt amount of retrenchment compensation from Rs. 20,000 to Rs. 50,000. These proposals were implemented during the year. In addition, the eligibility limit for bonus payments which was Rs. 1,600 earlier was raised to Rs. 2,500. We have also increased the industrial D. A. for public sector employees from Rs. 1.30 to Rs. 1.65 per point increase in the Consumer Price Index.

35. It is necessary to improve the return that workers and employees earn on their hard earned savings. I, therefore, propose to increase the interest rate on contributions to the Provident Fund. The rate of interest on General Provident Fund for Government employees is being raised from 10.5 per cent to 12 per cent. To benefit other workers covered by the Employees Provident Fund, Coal Mines Provident Fund Act and the like, interest on Provident Fund accretions invested

in Special Deposits with Government is being raised from 11 per cent to 12 per cent. The pattern of investment is also being changed to permit the funds to invest upto 85 per cent of the accertions in Special Deposits with Government as against the existing limit of 30 per cent. I also propose to increase the interest rate from 10 per cent to 12 per cent on Public Provident Fund which is intended for the self-employed persons and those not covered by other provident fund schemes.

36 The expansion of housing is essential for the welfare of workers and their families. I, therefore, propose to considerably liberalise the depreciation provisions in respect of outlays on workers' housing. Government will encourage all industrial units, large and small, to pay special attention to this area. The Housing and Urban Development Corporation has been playing an important role in building houses for economically weaker sections, and providing housing loans at low rates of interest. The Government will expand assistance to the weaker sections for housing.

37. In view of the role of construction activity in creating employment opportunities, while meeting an important and universal social need, Government will consider suggestions for giving a boost to this activity. We have to ensure that housing scarcity is reduced by increasing the supply and availability of houses. Tax concessions, which merely increase the demand for houses without increasing their supply, are unlikely to be helpful. There are several financial and non-financial factors inhibiting construction activity, and it is necessary to have a thorough debate on these. The Government would welcome suggestions from the Hon'ble Members and the public on this question.

38. Among developing countries, India has the distinction of having one of the highest rates of savings. This is a tribute to the habits of hard work and thrift of our people. An important objective of Government policy in the last few years has been to provide opportunities for investment of these savings in productive channels, particularly financial assets. These policies have proved remarkably successful, and today nearly 65 per cent of household savings are being invested in financial assets as against only 46

per cent in 1979-80. The household sector accounts for over 80 per cent of our national savings, and the substantial increase in the holding of financial assets augurs well for the future development of our financial and capital markets.

39. There is considerable interest among small investors in investing in shares quoted in the Stock Exchanges with a view to getting the benefit of capital appreciation. Most, however, lack the necessary expertise and are also subject to exploitation by unscrupulous elements. In order to provide a channel for such investors, it is proposed to set up a new Mutual Fund in the public sector as a subsidiary of the Unit Trust of India. Investment in units of the proposed Mutual Fund would qualify for exemption of capital gains under Section 54-E of the Income Tax Act, subject to certain conditions. This will be in addition to the already existing facility of investment in the Units of the Unit Trust of India.

40. An important innovation to tap people's savings, particularly rural savings, for public sector projects was announced by me last year. Public sector companies in Telecommunications and Power sectors have been permitted to raise funds from the public through a new series of bonds. These bonds provide an attractive rate of interest, and are quoted in the Stock Exchange. As a further innovation, in the next year, the Government will introduce another series of Public Sector Bonds with a tax free return. In addition, other benefits, such as Wealth Tax exemption will also be available. I am sure that people will respond enthusiastically to this opportunity for contributing to the country's development.

41. At this point I would like to refer to a somewhat technical matter, which nevertheless has an important bearing on the impact fiscal management on the rest of the economy. This relates to the measurement of budgetary deficit. The Chakravarty Committee, which was set up by the Reserve Bank of India to review the working of the monetary system, has observed that the budgetary deficit, as conventionally defined in the Budget documents, does not accurately measure the momentary impact of the Government's fiscal operations. The Committee has, therefore, recommended that the

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budgetary deficit should include changes in the entire RBI credit to the Government including changes in RBI's holding of long dated securities. The Government proposes to accept, in principle, this recommendation of the Committee. The modalities for effecting the change in the definition of budgetary deficit will be worked out in consultation with the Reserve Bank.

42. The Government also proposes to accept the Committee's recommendation for setting overall monetary targets, which can be monitored, and which will help bring about better coordination between fiscal and monetary policies, and make their overall management more scientific. There are certain technical difficulties in devising operational rules because of short-run volatility of monetary variables. An exercise to develop operationally meaningful targets will be undertaken by Government on an experimental basis in the next year.

43. I shall now turn to the Revised Estimates for 1985-86 and the Budget Estimates for 1986-87.

Revised Estimates for 1985-86

44. There were several important developments in regard to Budget Estimates for Revenue and Expenditure presented by me last year. As I mentioned a little while ago, tax revenues have exceeded Budget Estimates by a large margin. The Revised Estimates show an increase of Rs. 2476 crores, which is 21 per cent higher than last years' tax realisation, and 10 per cent higher than the Budget Estimates for 1985-86. Direct Taxes will be 15 per cent higher than the Budget Estimates and Income-tax Collections are expected to be as much as 36 per cent higher. This order of increase in Direct Tax collections is unprecedented. The Centre's share of taxes will increase by 19 per cent over 1984-85 and that of States by 30 per cent. Another heartening feature of fiscal developments is the sharp increase in Small Savings collections. These will be 23 per cent higher than the Budget Estimates and 32 per cent more than the previous year.

45. As regards other receipts, Non-tax Revenue will be 2 per cent higher and capital receipts including market borrowings, external assistance and small savings will show an overall increase of 8 per cent.

46. Taking advantage of buoyancy in tax revenues and satisfactory behaviour of other economic indicators, including the high level of food stocks, the Government decided to step up the Central Plan by Rs. 1594 crores. The Revised Estimate for the Central Plan is Rs. 20094 crores as against Budget Estimates of Rs. 18500 crores. Budgetary support for the Central Plan has been stepped up by Rs. 1484 crores or by 13 per cent. In the additional allocations, particular care has been taken to provide adequately for the infrastructure sectors like railways, steel and aluminium on the one hand and anti-poverty programmes on the other.

47. Several States continued to face problems of resources in the first half of the current year. A number of steps were taken to help them in overcoming these problems. I shall refer to them a little later.

48. Coming to non-Plan expenditure, additional provisions amounting to Rs. 440 crores were made for interim relief, liberalised *ad hoc* bonus, pensionary benefits and additional dearness allowance sanctioned to Government employees in the current year.

49. Defence expenditure is placed at Rs. 7862 crores as against Budget Estimate of Rs. 7686 crores. Interest payments are estimated at Rs. 7400 crores, which is about 5 per cent higher than the Budget Estimate of Rs. 7075 crores.

50. There was, however, substantial increase during the year on account of food and fertiliser subsidies. The Revised Estimates for these subsidies are Rs. 1650 crores and Rs. 2050 crores representing an increase of 50 per cent and 14 per cent respectively, over the Budget Estimates. Altogether, subsidies will be 24 per cent higher than the Budget Estimates.

51. The Revised Estimates for total receipts are Rs. 46017 crores as against the Revised Estimates of expenditure of

Rs. 50507 crores, leaving a deficit of Rs. 4490 crores. The Budget deficit is thus expected to be higher than the Budget Estimates. However, despite this, the rate of growth of money supply in the economy has been lower than in the previous year. The deficit has been absorbed by the economy without unduly aggravating the overall liquidity position.

Budget Estimates for 1986-87

52. In framing next year's Budget Estimates, my first priority has been to provide adequately for the Plan. As the House is aware, the Seventh Plan envisages a total public sector outlay of Rs. 1,80,000 crores of which Rs. 95,534 crores has been earmarked for the Central Plan at 1984-85 prices. To finance this order of Central Plan, as pointed out in the document on Long Term Fiscal Policy, an outlay of about Rs. 18,000 crores at 1984-85 prices was required for 1986-87. At present prices, this is roughly equivalent to Rs. 20,000 crores.

53. The annual Plan discussions conducted by the Planning Commission with the Ministries, however, revealed that a much higher order of Plan outlay is required for 1986-87, in order to maintain the momentum of investment in the core public sector, and accelerate the implementation of anti-poverty programmes. It has, therefore, been decided to allocate Rs. 22,300 crores for next year's Plan. This constitutes a massive increase of Rs. 3,800 crores or 20.5 per cent over the Budget Estimates for 1985-86. Although this is by no means sufficient to fulfil all our needs, I believe that this order of increase will enable us to meet our urgent requirements. Taking the first two years together, we would have provided over 40 per cent of the Seventh Plan outlay in real terms at 1984-85 prices. This is substantially better than in the first two years of the Sixth Plan.

54. I am also happy to inform the House that the total Plan outlay of States, for 1986-87 has been fixed at Rs. 15,880 crores, representing an increase of 21 per cent over the current year. For the Union Territories, the Plan outlay has been fixed at Rs. 872 crores compared with current year's level of Rs. 640 crores. It is also a

matter of satisfaction to me that the Centre provided substantial additional resources to States in the current year which has strengthened the financial position of States.

55. Compared with 1984-85, as I mentioned earlier, the States' share of Central taxes has gone up by 30 per cent. This reflects the sharp increase in the share of States as a result of the recommendations of the Finance Commission. I am glad that Centre's efforts to improve tax collections have also been of substantial benefit to States. There has been a steep increase in other forms of transfer of resources as well. The States' share in small savings has registered an increase of 50 per cent and the Centre's Plan assistance to States has increased by 38 per cent. In addition, the Centre has provided Rs. 722 crores as assistance to States for drought and flood relief. A medium-term loan of Rs. 1628 crores was also provided to the States in order to clear their overdrafts with the Reserve Bank of India. I had made it clear that the Overdraft Regulation Scheme would have to be strictly adhered to in all circumstances and I am glad that the States have conformed to it. A problem that has bedevilled the fiscal picture for more than a decade has thus been solved. I should make it clear that this problem will not be allowed to recur.

56. Taken together, there has been a massive increase of as much as Rs. 7542 crores or 51 per cent in Centre's transfers to States and Union Territories inclusive of assistance for Central and Centrally sponsored schemes in the current year as compared with 1984-85. In 1986-87 the budget estimates for total transfers to States on various counts is estimated at Rs. 20708 crores which is 15.4 per cent more than the budget estimates for 1985-86.

57. Let me now deal with some of the important sectors in which the Annual Plan for 1986-87 will provide a major thrust. First and foremost, we propose to provide a quantum jump in the allocations for poverty alleviation programmes. The outlay for Department of Rural Development for 1986-87 has been fixed at Rs. 1851 crores compared to an approved outlay of Rs. 1239 crores for 1985-86 an increase of nearly 50 per cent. Hon'ble Members will recall

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that during the current year, Government had announced schemes for construction of low cost rural houses for Scheduled Castes/Scheduled Tribes and bonded labour, distribution of foodgrains at a concessional price to the people in the Integrated Tribal Development Projects, extended coverage under nutrition programme for young children, pregnant women and nursing mothers and expansion of the coverage of the Rural Landless Employment Guarantee Programme and the National Rural Employment Programme by allocation of additional foodgrains. It is proposed to continue with these programmes during the next year also. An offtake of about 2 million tonnes of foodgrains is expected under these programmes in 1986-87. These programmes are designed to fulfil a commitment made by our Prime Minister Shri Rajiv Gandhi.

58. Consistent with this Government's commitment towards the alleviation of rural poverty, greater emphasis has been laid on programmes which are of direct benefit to the weaker sections of the society, especially the Scheduled Castes and Scheduled Tribes. The allocations and targets for some of the anti-poverty programmes in 1986-87 are :

- (1) National Rural Employment Programme will generate employment of over 300 million man-days in 1986-87 as compared to 253 million man-days in the current year. The Centre's outlay for this programme has been stepped up from Rs. 230 crores in 1985-86 to Rs. 443 crores next year an increase of 93 per cent.
- (2) The Rural Landless Employment Guarantee Programme will generate employment of 264 million man-days next year as compared to 209 million man-days in the current year. The Central outlay for this Programme for 1986-87 is Rs. 633 crores which is 58 per cent higher than the current year's budget estimate of Rs. 400 crores.
- (3) The Centre's allocation for Integrated Rural Development and related

beneficiary oriented programmes is Rs. 428 crores in 1986-87 as against Rs. 283 crores in the budget estimates in the current year—an increase of 51 per cent. In the first nine months of the current year 15.3 lakh families were assisted under the Integrated Rural Development Programme of which 6.3 lakh families belonged to Scheduled Castes/Scheduled Tribes. In the Seventh Plan, the Integrated Rural Development Programme is expected to assist nearly 20 million families.

- (4) The outlay for housing schemes for Scheduled Castes/Scheduled Tribes and bonded labour is being enhanced from Rs. 100 crores to Rs. 125 crores. In 1985-86 projects worth Rs. 146 crores involving construction of 1.5 lakh houses have been approved. This important programme will receive a further boost.

59. The rural water supply continues to be part of the Minimum Needs Programme as well as Revised 20-Point Programme. At the beginning of the Sixth Plan there were 2.31 lakh problem villages out of which 1.92 lakh were provided with at least one safe source of potable water during the Sixth Plan period. In the Seventh Plan, priority will be given to provide drinking water to the remaining 39,000 problem villages. It is expected that these villages will be covered by 1987-88. A provision of Rs. 317 crores has been made for this purpose in 1986-87.

60. Agriculture and allied sectors enjoy a natural priority in all our development efforts. The total Central outlay for the concerned Departments has been stepped up from Rs. 2207 crores in the current year to Rs. 2838 crores in 1986-87 an increase of 29 per cent. This includes the outlay on the programmes of rural development, details of which I have just mentioned. As the Hon'ble Members know, the Central outlay of Rs. 2838 crores will be in addition to the allocations made by the States for these sectors in their own Plans.

61. The Fertilizer Plants at Hazira and Thal Vaisht have commenced production in

the current year and will augment the production of nitrogenous fertilizers considerably. Production of fertilizers in 1986-87 is expected to go up to 6.9 million tonnes, which is an increase of 21 per cent over the current year. The provisions for Aonla Project of IIFCO and Vijaipur Project of National Fertilizers Limited the other major Gas based fertiliser projects-next year are Rs. 205 crores and Rs. 180 crores respectively.

62. A major thrust in the Seventh Plan is development of Human Resources. This includes education, sports, youth affairs, health, family welfare, women's welfare, environment, art, culture and broadcasting. I propose to enhance the outlays for programmes in this sector from the current year's level of Rs. 1,236 crores to Rs. 1,733 crores for 1986-87 an increase of over 40 per cent.

63. Education, the Hon'ble Members will agree, is the main instrument of change. Accordingly, I propose to increase the outlay on Education from Rs. 221 crores in the current year to Rs. 352 crores for 1986-87. This implies an increase of over 59 per cent.

64. In the field of Education mention may be made of two schemes. It has been decided to set up Model Schools in every district of the country to provide education of high quality and excellence. I propose to provide Rs. 25 crores in 1986-87 for this scheme. For providing equal opportunities to the students in the remote and backward areas in the field of higher education, a National Open University has been set up for which I have provided Rs. 7.5 crores for 1986-87.

65. Radio and television are powerful vehicles for spread of information and education. Successful implementation of new concepts and special schemes like dissemination of knowledge in remote areas through Open University are also dependent on the spread of broadcasting. With a view to enlarging the broadcasting infrastructure, I propose to step up the outlay for the Ministry of Information and Broadcasting in the current year from Rs. 110 crores to Rs. 242 crores—an increase of 120 per cent.

66. The 'New Education Policy' will be presented by the Minister of Human Resource Development during this Session of Parliament. I believe, the Policy will give the highest priority to universalisation of primary education and to spread of adult literacy in 15-35 age-group within the shortest possible time. Stress is also being laid in the new policy on consolidation of secondary education and on launching a large programme of employment-oriented vocational education. Besides, scientific research and training of technical manpower will receive high priority. The Government is committed to implement the education policy as approved by Parliament.

67. We have adopted the goal of "Health for All" by the year 2000 A.D. This is sought to be achieved mainly by expansion of primary health care programmes, which as Hon'ble Members know, form part of the State Plans. I propose to provide Rs. 200 crores for programmes of the Department of Health during next year, of which Rs. 123 crores will be on programmes for control of communicable diseases. For Family Welfare programmes I propose to provide Rs. 530 crores for 1986-87.

68. At forms and cultural heritage foster national integration as well as national development. I, therefore, propose to increase the outlay of the Department of Arts and Culture from Rs. 19 crores for this year to Rs. 59 crores for 1986-87—an increase of more than 200 per cent. A new scheme is being launched for setting up zonal cultural centres to highlight the cultural kinships that exist among the States and people, as part of the composite Indian culture.

69. The Government is deeply concerned about the problems of pollution. A major scheme—the Ganga Action Plan—has been launched during the current year for prevention of pollution of river Ganga. This is an inter-disciplinary programme being implemented by the Central Ganga Authority. The proposed outlay for this scheme for 1986-87 is Rs. 52 crores as compared to the current year's level of Rs. 10 crores. The higher provision will cover a large number of action plan schemes covering sewage treatment to be implemented during 1986-87.

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70. The Government has set up the National Wastelands Development Board with the objective of bringing wastelands under fuel wood and fodder cultivation. I propose an outlay of Rs. 15 crores for this programme for 1986-87. This will be in addition to the provision of Rs. 20 crores made for social forestry including rural fuel wood plantation.

71. A necessary feature of development process is the creation of needed infrastructure facilities in sectors like Coal, Power, Railways, Petroleum and Surface Transport which constitute the core of the public sector. In the Seventh Plan, the outlay on infrastructure accounts for Rs. 45,649 crores out of the total Central sector outlay of Rs. 95,534 crores, i.e. nearly 48 per cent. I am proposing an outlay of Rs. 10,805 crores for 1986-87 as against Rs. 8,751 crores in the current year—an increase of 23 per cent—for Departments of Coal, Power, Petroleum and Natural Gas, Railways and Surface Transport taken together. This accounts for 48 per cent of the total Central sector Plan outlay for 1986-87.

72. The outlay of the Department of Power is being stepped up from Rs. 2,090 crores in the current year to Rs. 2,575 crores in 1986-87. During the current year, the capacity for power generation in the country is expected to be augmented by more than 4,000 MW against the Seventh Plan target of 22,245 MW. Of the additional capacity likely to be created in the current year, 865 MW will be from the Central Sector projects. In 1986-87, the installed capacity is expected to further increase by about 4,000 MW. Thus, the first two years would account for 36 per cent of the Plan target.

73. The performance of power stations owned by National Thermal Power Corporation, a Central public sector undertaking, is a matter of satisfaction. In the first ten months of the current year, these power stations attained a Plant Load Factor of 67.9 per cent against the national average of 51.3 per cent.

74. A notable achievement in the current year is the attainment of criticality by Stage

II of Kalpakkam Atomic Power Station of 235 MW on August 12, 1985. The commissioning of this plant marks the complete indigenisation of the technology for Natural Uranium Heavy Water Reactor. The year also witnessed the commissioning of one of the largest research reactors in the world—the 100 MW Dhruva at the Bhabha Atomic Research Centre. It is also a matter of great pride for us that with the Fast Breeder Test Reactor at Kalpakkam attaining criticality, we have joined the select group of countries which have made a major breakthrough in the Fast Breeder Technology.

75. An important project approved during the year in the power sector is the Mejia Thermal Power Station of DVC. The project located in Bankura District of West Bengal—envisages creation of 630 MW capacity at an estimated cost of Rs. 566 crores. It is proposed to set up three power plants, one each at Kawas (Gujarat), Anta (Rajasthan) and Auraiya (Uttar Pradesh) based on Natural Gas, which together would create additional capacity of 1,500 MW. An outlay of Rs. 100 crores is proposed for these three projects during 1986-87.

76. Government have decided to set up a Power Finance Corporation. The Corporation will augment resources for financing of the power projects, including renovation and modernisation schemes. A provision of Rs. 100 crores has been made for renovation and modernisation in the Annual Plan for 1986-87, out of which Rs. 70 crores will be provided for the proposed Corporation.

77. An allocation of Rs. 3,300 crores has been made for the Ministry of Petroleum and Natural Gas for 1986-87. The production target for crude oil for the next year has been set at 30.21 million tonnes. A sizeable increase in despatches of natural gas is also anticipated. In 1986-87, the despatches are expected to be Rs. 4,677 million cubic metres which will be 28 per cent more than in the current year.

78. In the Indian context, Coal continues to be the most important primary source of energy. Keeping in view the increasing demand for Coal and the long lead time associated with development of coal mines, I am increasing the outlay for the Department

of Coal from Rs. 1,102 crores in the current year to Rs. 1,350 crores in 1986-87 an increase of nearly 22.5 per cent. The target for production of Coal for 1986-87 has been fixed at 166.80 million tonnes which is 12.30 million tonnes higher than the anticipated production during the current year.

79. Despite impressive growth in the Transport sector, the capacity of the entire transportation system continues to fall short of demand. There is also an immediate need for replacement of the overaged and obsolete assets. Keeping this in view, a total provision of Rs. 3,875 crores has been made for the Ministry of Transport for 1986-87 inclusive of Rs. 2,650 crores for the Railways, separately provided in the Railway Budget. Railways' freight traffic target for the next year has been fixed at 294 million tonnes—an increase of 17 million tonnes over the target for the current year. The year also witnessed a remarkable improvement in the utilisation of assets and financial performance by Railways.

80. For 1986-87, I am proposing an outlay of Rs. 1,350 crores for the Department of Steel which includes Rs. 700 crores for the Visakhapatnam Steel Plant. Hon'ble Members will be glad to know that SAIL which had incurred a loss of Rs. 214.61 crores in 1983-84 has turned the corner. In 1984-85 the Company earned a nominal profit of Rs. 4.24 crores. In the current year, the profits are expected to be over Rs. 100 crores.

81. The outlay for Department of Atomic Energy has been raised from Rs. 495 crores to Rs. 550 crores and for Department of Space from Rs. 165 crores to Rs. 217 crores.

82. The proposed outlay for the Department of Telecommunications for 1986-87 is Rs. 915 crores. With a view to improving the operational efficiency of the Telecommunication network, the Government have decided to set up a public sector corporation to manage and operate the telephone services of the metropolitan cities of Bombay and Delhi. This Corporation will also raise funds through the issue of bonds.

83. A scheme for providing self-employ-

ment to educated unemployed was announced by the late Prime Minister, Shrimati Indira Gandhi, on August 15, 1983. For 1986-87 a provision of Rs. 103 crores has been made for this scheme compared to Rs. 65 crores in the current year—a step up of 58 per cent. For the Khadi and Village Industries sector is expected to increase from 37 lakh persons to 50 lakh persons.

84. Tourism promotes understanding and national integration. Tourism is also an important source of earning foreign exchange for the country. The Seventh Plan outlay on tourism at Rs. 139 crores is 93 per cent higher than the outlay for the Sixth Plan. For 1986-87 an outlay of Rs. 26 crores is proposed. With a view to encouraging tourism, further steps are being taken for improving the tourist infrastructure.

85. The Hon'ble Members will be glad to know that with the priorities assigned in the annual Plan 1986-87, implementation of the 20-Point Programme will gain further momentum. Compared to Rs. 4,900 crores in the current year, the outlay for this programme in the Central Plan for 1986-87 will be Rs. 5,998 crores—an increase of more than thousand crores.

86. Coming to non-Plan expenditure, I have provided Rs. 8728 crores for Defence compared to Rs. 7,862 crores in the current year. The House will agree with me that in view of the pressure on our borders, there cannot be any compromise with our security.

87. Reflecting the increase in market borrowings and small savings mobilisation for development, interest payments will also increase to Rs. 8,750 crores against Rs. 7,400 crores in the current year. I am also making a provision of Rs. 1750 crores for food subsidy and Rs. 1,950 crores for fertilizer subsidy and the total of the two is the same as in the Revised Estimates for the current year. Other non Plan expenditure has been kept to the minimum. This includes a lump sum provision of Rs. 300 crores for additional dearness allowance to Government employees.

88. On the receipts side, I have assumed a 17 per cent growth in tax revenues over

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current years' Budget Estimates. In the estimates for non-tax receipts, I have taken note of the repayment next year of the instalments of compulsory Deposit deferred during the current year as well as those falling due next year.

89. Under capital receipts, only a modest increase of 4 per cent has been assumed under market borrowings over the current year. Small savings collections, however, are expected to yield 10 per cent more than current year's Revised Estimates and 36 per cent higher than the current year's Budget Estimates.

90. The total receipts next year are estimated at Rs. 48,767 crores and the total expenditure at Rs. 52,862 crores leaving a gap of Rs. 4,095 crores at the existing levels of taxation.

91. I shall now turn to my taxation proposals.

92. In the last year's Budget I had announced the Government's intention to formulate a Long Term Fiscal Policy co-terminus with the Plan. I am glad that the Government has been able to keep this commitment. The statement of the Government's long term fiscal intentions has, I am aware, greatly reduced the speculation and drama that has traditionally surrounded Budgets. I hope Hon'ble Members will agree that the loss in dramatic content has been more than compensated by the gain in imparting a stable frame-work, and much greater opportunity for open debate, in relation to Government's fiscal policies.

93. A primary thrust of this Budget is to implement the various elements of the Long Term Fiscal Policy. In particular, I shall be proposing a major overhaul of our system of excise taxation, which will reduce the cascading effect of multi-point excise levies and help in reducing costs and prices to consumers. The Budget will strengthen the development of handlooms, improve the supply of cheaper cloth, and lower duties on drugs and medicines and certain other articles of interest to consumers.

94. I also propose to liberalise the excise exemptions scheme for small scale industry, which will encourage growth of this sector and create more employment opportunities. In order to promote self-reliance and encourage domestic production. I propose to provide substantial help to domestic production of edible oils and to the indigenous capital goods industry. Naturally, I shall also be making certain proposals for raising revenue, the burden of which will fall on the affluent sections of society.

95. I would be brief in setting out my proposals for direct taxes as these have been discussed in the Long Term Fiscal Policy. We are introducing legislation to give effect to the following proposals :

- (1) A funding Scheme is being introduced which will replace the scheme for Investment Allowance. Assesseees will be allowed deduction to the extent of 20 per cent of the profits if these are deposited with the Industrial Development Bank of India or utilised for purchase of plant and machinery. Surcharge on companies which was largely being deposited with Industrial Development Bank of India, is being abolished from assessment year 1987-88, along with the introduction of the New Funding Scheme.
- (2) Investment Allowance will not be available in respect of plant and machinery installed after 31.3.1987. The benefit of both investment allowance and the funding scheme will not be available in the same assessment year.
- (3) I had earlier proposed in the Long Term Fiscal Policy that as part of the reform package, surtax on corporate incomes will not be charged from assessment year 1987-88. In interest of revenue, I am postponing giving effect to this measure by one more year.
- (4) In regard to Capital Gains taxation, the date of determining the cost of assets is being advanced from 1.1.64 to 1.4.74, and a uniform rate of

deduction at the rate of 50 per cent is being prescribed for long term capital gains from buildings and lands and 60 per cent from other assets. Bonds issued by Industrial Development Bank of India and Bonds issued by other notified public sector agencies are also being added to the list of investment qualifying for exemptions from Capital gains. The limit for initial deduction is being increased from Rs. 5,000/- to Rs. 10,000/—. The present period of one year for purchase of a residential house in case where the capital gains arise on sale of an old house is being increased to 2 years.

96. As promised in the Long Term Fiscal Policy Statement, I propose to introduce a system of allowing depreciation in respect of blocks of assets instead of the present system of depreciation on individual assets. Simultaneously, I propose to rationalise the rate structure by reducing the number of rates as also by providing for depreciation at higher rates so as to ensure that more than 80 per cent of the cost of the plant and machinery is written off in a period of 4 years or less. This will render replacement easier and help modernisation. Apart from those items which are eligible for 100 per cent depreciation in the initial year itself, there are at present different rates for plant and machinery. I propose to have only two rates of depreciation at 33 1/3 per cent and 50 per cent. Plant and machinery used as anti-pollution devices and those using indigenous know-how, are proposed to be placed in a block carrying the higher rate of depreciation of 50 per cent. Buildings meant for low-paid employees of industrial undertakings will be entitled to depreciation at 20 per cent as against the general rate of 5 per cent for residential buildings and 10 per cent for non-residential buildings

97. It has been brought home to me that of late I am not very popular with housewives. Their support and sympathy, I cannot afford to lose. Therefore, I propose to raise the standard deduction from 25 per cent to 30 per cent of salary income. The ceiling will be increased from Rs. 6,000 to Rs. 10,000. The measure will benefit 3.5 lakh tax payers in the fixed income group. I am giving this

benefit on the condition that it will be duly passed on to the housewives.

PROF. MADHU DANDAVATE :
Housewives including wife !

98. While the medical needs of some groups of salary earners are taken care of by the employers, there is no such provision in the case of other salary earners and of self-employed persons. In order to provide some relief in respect of medical expenses by such persons, I propose to allow a deduction out of the total income of such persons, subject to limits, of the amount spent by them on medical treatment or paid as premium on medical insurance policies taken by them with the General Insurance Corporation of India.

99. In line with the Long Term Fiscal Policy another major step being taken is to empower the Government with a pre-emptive right to purchase properties which are offered for sale in the market at the price agreed to by the transfer. To begin with, this provision will apply to properties valued at over Rs. 10 lakhs located in metropolitan cities. An honest seller, wherever he may be, will not be hurt by this measure. For the rest, it is between them and the Income-Tax Department and God !

SHRI S. JAIPAL REDDY : If there is one !

100. One of the vexatious problems in Wealth Tax has been the determination of the market value of assets. In order to eliminate the endless controversy and litigation arising out of this, we have decided to frame simpler rules for the valuation of assets such as shares, residential properties, commercial properties, jewellery, etc. and these will be notified by the end of March, 1986.

101. In the Long Term Fiscal Policy I had announced the intention of the Government to retain Gift Tax, and review its provisions with a view to rationalising them. The following amendments are being made in the Gift Tax Act :

- (a) The basic exemption limit will be raised from Rs. 5000/- to Rs. 20,000/—.

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- (b) Gift tax will be levied at a flat rate of 30 per cent of the value of the taxable gifts.
- (c) The provision relating to aggregation of gifts will be deleted.
- (d) Certain exemptions like those relating to National Defence Gold Bonds, 1980, gifts to the spouse, gifts of policies of insurance, gifts in the course of carrying on a business, etc. and gifts to any other person upto a maximum of Rs. 500/- are being withdrawn.

102. There is at present tax deduction at source from out of winning derived from races and lotteries. I propose to tax these windfall profit at a flat rate of 40 per cent of the gross receipts. The exemption from income of a casual and non-recurring nature will simultaneously be raised from Rs. 1,000 to Rs. 5,000. Income from any winning from crossword puzzles, card games, other games of any sort or from gambling or betting of any form or nature whatsoever, races including horse races (other than income earned by owners of races horses by way of stake money) and winnings from lotteries will not be aggregated with other incomes. That is to say, losses, if any, from other business will not be allowed to be set off against winnings from race or lotteries.

It has been said that "whoever plays deep must necessarily lose his money or his character". In depriving the lucky winner of his money, I would have contributed to the building of his character.

103. The above measure along with the withdrawal of certain other tax concessions in respect of inter-corporate dividends, will net additional revenue of Rs. 54 crores.

104. It is proposed that part of the benefit of tax deduction on export profits should be allowed to be transferred to the supporting manufacturers. This will help increase our exports.

105. The Long Term Fiscal Policy recognises the need to widen the tax base and to

bring all persons who have income above taxable limit, into the tax net. For this purpose, it is necessary to carry out surveys. An amendment is being made to authorise the Income-tax authorities to collect certain information. We are also taking separate steps to strengthen survey, investigation and prosecution machinery of the Income-tax Department.

106. In the Long Term Fiscal Policy, I had indicated the outline of a National Deposit (New Series) for public discussion. I am grateful for the comments and suggestions received from the general public, experts and also many Hon'ble Members of Parliament. Suggestion have been received for liberalising its provisions as well as for making these more restrictive. In view of the importance of this measure, I have decided to refer this proposal to the committee on Expenditure Tax for more intensive examination. I am asking them to submit their report on this aspect by May, 1986.

107. The Long Term Fiscal Policy, has also proposed the creation of a Venture Fund to promote indigenous technology, to be administered by the Industrial Development Bank of India. It was proposed that as a source of funding this scheme, a small 5 per cent Research and Development levy will be imposed on all payments made for purchase of technology from abroad, including royalty payments, lump sum payments and payments for designs and drawings. A separate Bill to give effect to this levy will be introduced in Parliament.

108. We also propose to carry out the following amendments :

- (a) Investment allowance and depreciation is claimed on the basis of actual cost. In the past few years a number of companies have been using an accounting practice of capitalising the entire amount of interest on the monies borrowed for acquiring of plant and machinery. This artificially inflates the cost of the assets and the net worth of the company. We are clarifying that the capitalisation of interest paid or payable will not be allowed after the asset is first put to use.

(b) The ceiling of investment in plant and machinery for the small scale sector is being raised from Rs. 20 lakhs to Rs. 35 lakhs, as mentioned last year and would be applicable to all cases where the previous year ends after the 17th March, 1985. This enhancement will be relevant also for the grant of investment allowance and for reduction in respect of profits and gains from newly established small scale industrial undertakings in rural areas.

(c) There is, at present, a great disparity between persons in receipt of house rent allowance and those provided with rent free accommodation, the former being worse off in the matter of payment of taxes. Amendments are being introduced to do away with this discrimination.

(d) At present notional income from self-occupied house is being taken into account for taxes. It is proposed to exempt such notional income.

(e) I propose to rationalise the tax deductible from the gross amount of incomes earned by way of royalties and fees for technical services by foreign collaborators at a uniform rate of 30 per cent.

109. We had initiated a simplification exercise in the last Budget which has been continued this year. It is proposed to bring out a comprehensive new Direct Taxes Code by June, 1986.

110. The total effect of those proposals will be a revenue loss of Rs. 33 crores and a revenue gain of Rs. 54 crores. The net increase in revenue will, therefore, be Rs. 21 crores.

111. I now come to my proposals relating to Indirect Taxes.

112. An important item in our agenda for 1986-87 is to initiate reform in the system of indirect taxes. The first step was taken in the Winter Session of the Parliament when new Tariff Bills for Customs and Excise were introduced based on the harmonized system

of classification. The new structure is scientific and international. In the second stage, the tariff structure with such amendments of duties, as will be carried out in this Budget, will replace the old *ad hoc* structure.

113. In excise taxation a vexatious question which has been often encountered is the taxation of inputs and the cascading effect of this on the value of the final product. The Long Term Fiscal Policy had stated that the best solution would be to extend the present system of proforma credit to all excisable commodities with the exception of a few sectors with special problems like petroleum, tobacco and textiles. This scheme, which has been referred as Modified Value Added Tax (MODVAT) scheme-I shall stress MODVAT, not MADVAT—allows the manufacturer to obtain *instant* and complete reimbursement of the excise duty paid on the components and raw materials

114. The MODVAT scheme provides a transparency which discloses the full taxation on the product and its introduction is an important measure of cost reduction. Amount of excise duty payable depends upon the value of the final product and the rate of duty. Introduction of MODVAT will decrease the cost of the final product considerably through the availability of instant credit of the duties paid on the inputs and consequential reduction of interest costs.

115. It would be noticed that the MODVAT scheme avoids the payment of duties on earlier duties paid. The payment of duty drawback will be swifter as the element of excise duty will be transparent. It will, therefore, benefit both the consumers and exporters.

116. However, in view of the novelty of the scheme, we have to hasten slowly and implement the MODVAT scheme in stages. As a first measure, I propose to introduce MODVAT scheme for all goods covered by 37 specified chapters of the Central Excise Tariff Act, 1985. The Scheme as a result would cover products of chemical and allied industries, paints and packaging materials, plastics, glass and glassware, rubber products, base metals and articles of base metals, machinery and mechanical appliances including electrical equipments, motor vehicles and

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certain miscellaneous manufactured products. This would imply that as long as the input and the final product are covered by the specified 37 chapters and the final product bears some duty of excise, credit of duty on the inputs covered by these chapters will be available.

117. The proforma credit given will cover both excise duty and additional duty of customs also known as countervailing duty. Set off will also be available for packing materials, consumables, paints though these are not strictly raw materials. Items outside these chapters availing proforma credit and benefits of set off under any erstwhile schemes would be allowed to continue to get the relief to the extent the revised tariff headings permit. However, the MGDVAT scheme and the erstwhile schemes to the extent they are continued, will be mutually exclusive.

118. The MODVAT scheme will be in force from 1st March, 1986. Manufacturers who fulfil the requirement will be able to avail of proforma credit in respect of the permissible goods which have suffered duty of excise from 1st February, 1986 and are either in the stocks or are received by the manufacturer on or after 1st March, 1986.

119. As stated earlier, the introduction of MODVAT scheme will result in considerable reduction in the cost of final product and, therefore, to retain the collection of excise duties at the earlier level, the rates of duties on the final product have been suitably adjusted. After accounting for the set off, the duty rates have been rounded to the nearest step in the new duty structure. While all care has been taken to work out the incidence of set off benefit, the scheme being a new one, Central Board of Excise and Customs would take corrective steps wherever anomalies are noted.

120. In respect of Small Scale Industry, the objective of reform is to ensure that the scheme of concessions is a ladder and not a lid. That is to say, such concessions should facilitate and encourage healthy growth of the small scale units and prevent unnecessary fragmentation and bifurcation of units. With this end in view, I propose to introduce a

New Scheme of Excise Concessions for small scale units. The proposed scheme will considerably enhance the scope of concessions available to the small scale sector. Under the New Scheme, the full exemption will continue to be available upto clearances of Rs. 7.5 lakhs in a year which account for nearly 85 per cent of the small scale units in the country.

121. Under the chief existing scheme, excise duty is chargeable in slabs of 25 per cent, 50 per cent or 75 per cent of the duty rate upto a turnover limit of Rs. 40 lakhs. After that, full duty is chargeable until turnover reaches Rs. 75 lakhs. If a unit crosses this level it loses the entire exemption. It has been noticed that the present slab rate system has provided strong temptation for small scale units to stay below a particular limit or to under-state their actual production. Under the New Scheme, in respect of clearances in excess of Rs. 7.5 lakhs, the excise concession will be available at a flat rate of 10 percentage points below normal duty, subject to a minimum excise duty of 5 per cent. This concession will apply upto a turnover limit of Rs. 75 lakhs. Thereafter the unit will pay normal duty but continue to enjoy the concessional rate on the first 75 lakhs of turnover. However, this concession will be lost when the Unit has crossed a turnover of Rs. 1.5 crores.

122. As a transitional measure and to overcome possible handicap in certain marginal cases, I am proposing that units in the turnover range of Rs. 7.5 lakhs to Rs. 15 lakhs may be allowed to pay concessional excise duty either at a rate of 10 percentage points below the excise duty rate or 25 per cent of the excise duty but not less than 2.5 per cent. The relief corresponding to this turnover range will also continue to be available to units with higher turnover for the prescribed period of one year.

123. An important feature of the new scheme is its universal applicability to all types of excisable goods with a few exceptions like cosmetics, TV sets, refrigerating and air-conditioning appliances, etc.

124. A new and major concession which is being allowed to the small scale sector relates to grant of proforma credit under the MODVAT scheme. We are providing that

proforma credit would be equal to the national normal duty even when the small scale unit would have paid only concessional duty.

125. The introduction of this new SSI scheme from 1st March, 1986 will mean a revenue loss of Rs. 75 crores.

126. In the last year's Budget *Special Excise Duty* had been removed from as many as 100 items from the Excise Tariff. I now propose to remove the Special Excise Duty on the remaining 32 items of the old Tariff.

127. My next set of proposals relate to incentives for greater production of edible oils. It is well known that the potential of production of oils from rice bran, oil cakes, cotton seeds, tree oil seeds is not fully exploited. A big thrust to maximise extraction of such oils, especially edible oils from these sources' is proposed to be accomplished by the following measures :

- (1) If minor oils like rice bran oil, mahuwa oil, water melon seed oil, sal seed oil and mango kernel oil are used by the Vanaspati units in excess of 3 per cent in the total oil mix, an excise duty relief of Rs. 100 per metric tonne on Vanaspati will be given for each additional percentage point of use of such minor oils.
- (2) In case cotton seed oil is used in excess of 15 per cent in the total oil mix for Vanaspati production, a relief of excise duty to the extent of Rs. 30/- per metric tonne of Vanaspati for each additional percentage point of use will be given.

The maximum relief for the use of minor oils and cotton seed oil together will not exceed Rs. 1000 per metric tonne.

- (3) The extent of relief in case of use in soap is being increased to Rs. 25/- per metric tonne for each additional percentage point of minor oils in excess of 3 per cent of such oils in the total oil mix. The relief now will be available for

10 additional minor oils apart from the 4 minor oils which enjoy the concession today at a lower rate.

- (4) The excise duty on solvents is being brought to Nil from the existing Rs. 1050/- per kilo litre.
- (5) Hardened inedible technical oils, fatty acids, soap-stocks and acid oils are being exempted from excise duty. This measure is expected to reduce imports and encourage the greater use of minor technical oils.
- (6) Plant and machinery as may be identified by the Department of Civil Supplies for improving the quality and increasing the production of solvent extracted oils or oilmeals will be exempted from customs duty or excise duty, as the case may be.
- (7) It is proposed to provide a cash compensatory support of 10 per cent of the f.o.b. value of oil meal exports.

128. The poorer sections of our society consume unrefined vegetable oils made from crushing of domestic oilseeds and it is proper that such oils continue excise duty free. We do not allow the use of crushed groundnut oil or mustard oil in vanaspati so that it remains available for direct consumption by the weaker consumers. There is, however, a production of less than 5 lakhs tonnes of refined edible oils which is consumed by the affluent classes. In general, the prices of these refined oils are even higher than those of vanaspati and the commercial margins are high. I propose to levy an excise duty of Rs. 1500 per tonne on costly refined edible oils in line with the excise duty on vanaspati. However, to encourage the production of new refined minor oils, we propose to exempt from this levy refined oils from soyabean, rice bran, cotton seed and sunflower.

129. The total revenue gain on account of the excise duty on a few refined vegetable oils will be Rs. 80 crores in a year; while the total revenue loss as a result of the above described measures would be Rs. 82.20 crores.

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These proposals would, therefore, be revenue negative to the extent of Rs. 2.20 crores.

130. I have to announce the following measures which will help exports and export production :

- (1) Export duty on unmanufactured tobacco has lost its rationale. In order to provide a competitive edge to the unmanufactured tobacco in the international market and to ensure that the tobacco farmers are able to get a fair price, I propose to provide total exemption from export duty on this item.
- (2) Garment industry is poised for rapid development and exports and we have recently conceded to them a drawback rate of 7.5 per cent. In view of the potential of this industry for exports and employment, it is proposed to further improve the general drawback rate to 10 per cent.
- (3) It has been a long standing demand of the footwear industry that the scheme of excise concession to small scale units of footwear production presently granted to units with 2 HP and 49 workers should be reviewed. The small units in case of footwear are the backbone of the production structure. It is now proposed to extend the general scheme of exemption to small scale industries to the footwear sector also.

In view of the shortage in the availability of wattle bark to our industry, the import duty has been reduced from 70 per cent to 40 per cent *ad Valorem*.

The import duty on leather-shaving blades is being reduced from an average rate of 72.5 per cent to 40 per cent.

- (4) Improvement in marine products export earnings will come about by modernisation of the plants to

improve the quality of product and also by moving over to added value product. It is, therefore, proposed to reduce import duty on specified machines used in processing and packaging of marine products from existing rate of 100 per cent to 40 per cent (Basic and Auxiliary).

- (5) We have a potential for development of exports of cigar, cheroots and cigarilloes. This would require development of production of branded products which will sell both in the domestic and in the export market. It is proposed to do away with the excise duty presently levied on branded cigars, cheroots, and cigarilloes. Excise duty on branded Hukka tobacco is also being abolished. I may confess that total excise collections on these items were insignificant. Those who cannot afford to smoke cigarettes can now turn to cigars and cheroots.
- (6) Gem and Jewellery—A reduction of import duty in respect of 74 items of machines, equipment and tools is being made from the existing level of 40 per cent to 228 per cent *ad valorem* to 25 per cent. Arrangements are also being made to allow export of gem and jewellery through air mail and parcel post from Bombay and Jaipur.

131. The concessions given in the interest of exports will cost the exchequer Rs. 12.94 crores on the customs side and Rs. 9 lakhs on the excise side.

132. In the textile sector, considerable relief has already been provided in August, 1985 as part of the implementation of the first stage of Textile Policy. From a review made by the Department of Textiles, it is observed that the market prices of fibre, blended yarn and fabrics showed a declining trend upto November, 1985, through some increase was noticed in December, 1985 and January, 1986. On the production side, there has been an increase in production of blended yarn from 129.72 million kilogrammes during July-December, 1984 to 146.72 million kilogrammes during July-December, 1985. It may

however, take some time to realise the full benefits of the duty reliefs. Under the 'Sulabh' cloth scheme, National Textiles Corporation has been provided with duty free polyester fibre and production of such cheap blended fabrics would go upto 50 million meters in 1986-87.

133. The Textile Policy also aims at encouraging production of blended fabrics on handlooms. Government is considering a scheme whereby specified handloom organisations can be provided blended yarn made from duty free polyester fibre. For the present I propose to fully exempt blended polyester cotton and polyester viscose yarn with certain polyester content supplied to specified handloom organisations. Duty is also being fully waived on processing of specified blended fabrics by specified handloom development organisations.

134. Handloom cess, which is now being collected at the rate of 1.9 paise per square metre is utilised for development of handlooms. I propose to raise the cess to 2.5 paise per square metre. The revenue gain of Rs. 3.23 crores from this measure will be utilised for setting up an Enforcement Machinery to ensure that the items reserved for the handloom sector are not encroached upon by other sectors of the textile industry.

135. I propose to extend exemption from excise duty to cover all shoddy woollen products. These will include blankets, melton cloth, shoddy shawls and other fabrics.

136. As a measure of relief to the woollen industry, I propose to reduce the import duty on raw wool from 40 per cent to 20 per cent *ad valorem*. To make up this loss and also to avoid assessment disputes, I propose to increase the import duty on wool waste and woollen rags from 10 per cent to 20 per cent.

137. As Hon'ble Members are aware, a reduced rate of customs duty of 25 per cent *ad valorem* was provided in respect of a few sophisticated textile machines in the year 1983. I propose to continue those reliefs for one more year. Moreover, in order to encourage domestic production of certain sophisticated textile machines, I propose to provide a reduced rate of customs duty of

25 per cent *ad valorem* in respect of components of such machines. This will involve a loss of Rs. 2.74 crores in a year.

138. To protect jute bag industry, I propose to levy duty on synthetic tapes at the rate of Rs. 10 per kilogramme where input duty relief will be available; on other tapes the duty will be Rs. 4 per cent kilogramme. This will also result in a revenue gain of Rs. 15 crores in a full year.

139. Our review of the earlier reliefs given during 1985 have shown that while reliefs were passed on by the fibre manufacturers, the blended yarn producers did not do so after an initial period of decline in prices. The prices of blended yarn produced by many of the important companies has gone up to or near the level prior to the grant of excise relief. I think it is necessary to establish the principle that if the spirit of reliefs given in the interest of consumers is not respected, the Government will withdraw the reliefs. I am reducing the reliefs given to the yarn producers roughly by about 50 per cent. On their future conduct will depend our further response.

140. The Government is also committed to increasing the share of additional duty (in lieu of sales tax) I propose to raise the additional duty of excise on cotton and man-made fabrics of value exceeding Rs. 50 per square metre by Rs. 2.50 per square metre. This will yield a revenue of Rs. 18 crores for the States.

141. The above proposals will lead to a gain of Rs. 55.83 crores in excise duty and a loss of Rs. 2.74 crores in the customs duties.

142. We have received a number of representations from associations of industries and from the concerned Ministries pointing out the need of certain rationalisation which are unimportant from the revenue angle but would remove difficulties for the industry or will bring down the leakage of revenue.

143. Paper industry has been representing that the scheme of relief to the paper units using at least 50 per cent unconventional raw materials does not encourage the mills to increase production. In the new scheme which I am proposing all paper mills whose

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clearances did not exceed 24,000 tonnes in the previous financial year and which do not have a bamboo or wood pulp plant will pay duty at the rate of Rs. 650, Rs. 1200 and Rs. 1500 per metric tonne for the successive slabs respectively. For paper mills with clearances exceeding 24,000 metric tonnes or larger paper mills having bamboo or wood pulp plant, the rate of duty will be 10 per cent *ad valorem* plus Rs. 850/- per metric tonne. Finer varieties of paper are being excluded from these reduced rates. These schemes will be in force from 1st April, 1986 and will cost the exchequer Rs. 6 crores in a year.

144. It is proposed to have a single uniform rate of excise duty of 30 per cent *ad valorem* in respect of 3 major thermo plastics, namely, Low Density Poly-ethylene, High Density Poly-ethylene and Poly-propylene. The loss in excise duty would be Rs. 7.24 crores. We are, however, revising the customs duty suitably to make the step revenue neutral. There will be a revenue gain of Rs. 7.52 crores in customs duties. Engineering plastics are raw materials which will have an increasing use in India. It is proposed to have a concessional rate of 60 per cent *ad valorem* of customs duty (Basic plus Auxiliary) in respect of 4 such specified engineering plastics. The additional duty of customs as appropriate will, however, continue to be levied. It is also proposed to provide for uniform rate of excise duty of 35 per cent *ad valorem* in respect of plates, sheets, films and foils of plastic materials and these items are being brought under the general scheme of small scale exemptions.

145. In consonance with the Drug Policy, I propose to exempt 23 specified Drug intermediates from the levy of additional duty of customs, thereby reducing the total customs duty on these to 110 per cent *ad valorem*. Revenue sacrifice will be Rs. 1 crore.

146. I also propose to exempt additional 41 life saving formulations from excise duty. This will cost the exchequer Rs. 15 crores.

147. The total customs duty on additional five medical equipments of consumable nature is being abolished. In the last Budget

exemptions from customs duty in excess of 45 per cent was provided in respect of 10 specified items of sophisticated medical equipments. I propose to enlarge this list substantially by adding 101 items of medical equipments and exempt them from duty in excess of 40 per cent *ad valorem*.

148. In order to encourage domestic production of medical equipments, I also propose to allow a concessional rate of customs duty of 40 per cent *ad valorem* in respect of components for manufacture of 15 identified medical equipments.

149. In the 1985 Budget, we had given a total exemption from customs duty in respect of consumable goods imported for scientific research by public funded research institutions upto the value of Rs. 50,000/-. As a measure to encourage indigenous research and development effort, I propose to remove the ceiling. The revenue sacrifice would be Rs. 5 crores.

150. These measures will involve a loss of Rs. 28.24 crores in excise duties and Rs. 0.48 crore in customs duties.

151. Some of the Other Rationalisations proposed are the following :-

- (a) I wish to give relief to some items of daily use of the common man. We are abolishing excise duty on stoves using kerosence and wood. The value limit of complete exemption in case of footwear is being raised from Rs. 30 per pair to Rs. 45 per pair. Excise duty is also being abolished on brushes, combs, umbrellas, chalks and similar other materials.
- (b) The Long Term Fiscal Policy recognises that cesses levied as excise duties contribute to the multiplicity of taxes. As an endeavour to reduce the number of these cesses, it has been decided to dispense with the cess on cotton, copra and vegetable oils. The Ministry of Agriculture will take appropriate action in the matter. The loss to the exchequer on this account will be Rs. 5.90 crores.

(c) Ship breaking industry is an important source of scrap for our steel industry. It is proposed to fix an effective rate of customs duty on ships imported for breaking up at Rs. 1,400/- per LDT and to exempt them from the auxiliary and additional duties of customs. The effective rate of excise duty of Rs. 365 per metric tonne would be available for materials obtained by breaking up of ships which have suffered the customs duty of Rs. 1,400/- per LDT.

(b) In recognition of the vital role of newspapers, I am reducing import duty on 4 items of printing equipment. It is my hope that they will not accuse me of influencing the Press.

152. Some of the other amendments which are being made are the following :-

(i) The effective rate of basic customs duty on caustic soda is being fixed at Rs. 3,500/- per metric tonne, and we are exempting it from auxiliary and additional duties of customs.

(ii) Import duty in respect of Synthetic Organic Dye stuffs and certain other Dyes is being increased as a measure of protection, from 100 per cent to 150 per cent *ad valorem*.

(iii) The effective rate of basic customs duty on PVC resin is being fixed at Rs. 10,500/- per metric tonne.

(iv) We wish to encourage the production of iodised salt in the interest of implementation of the National Goitre Control Programme and, therefore, iodine imported for the production of iodised salt would receive the concessional rate of import duty 25 per cent *ad valorem*

(v) Specific rates of excise duty are being introduced for manual typewriters and leather cloth.

(vi) The excise duty on marine plywood and aircraft plywood as an anti-avoidance measure is being increased from 10 per cent to 20 per cent *ad valorem*. Effective rates of excise duty for match boxes containing 300 sticks per box are being provided.

(vii) Exemption from excise duty is also being provided in respect of ores, slag and ash, wood pulp, inorganic chemicals used in manufacture of fertilizers, clinkers used in the manufacture of cement.

153. These measures will involve a revenue gain of Rs. 26.97 crores on the customs side and a loss of Rs. 3.44 crores on the excise side.

154. I will now come to important measures of resource mobilisation. My first proposal is to rationalise the structure of auxiliary duties of customs. At present, there are 11 slabs of auxiliary customs duties. While the specific duty on crude petroleum will remain as at present, it is proposed to reduce the existing 11 slabs into three slabs, namely, Nil, 25 per cent and 40 per cent. This will give us a revenue gain of Rs. 160 crores. However, removal of auxiliary duty from certain GATT bound items would mean a loss of Rs. 9 crores.

155. Earlier in my speech, I had referred to the importance of providing adequate support to our capital goods industry which is pivotal for self reliance. With this end in view, it is proposed to increase the general machinery rate of basic customs duty by 10 per cent. A similar increase is also being made in the general project rate from 45 per cent to 55 per cent *ad valorem*.

156. As a complement to this, it is proposed to reduce the import duty on components of capital goods by 5 per cent. This will ensure that the import duty on components will now stand at 15 per cent below the import duty on the complete machines. This differential, as recommended in the Long Term Fiscal Policy, would go towards greater production of capital machines including computerised numerically controlled

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machine tools in India instead of their total imports. While the reduction in rate on components will lead to a revenue loss of Rs. 50 crores, the increase in machinery rate will give Rs. 124 crores and the revision of general project rate Rs. 120 crores.

157. In respect of 32 machine tools where domestic production has been established, the customs duty is being raised to 110 per cent. Again, 91 machine tools and instruments have been identified where there is negligible domestic production and it is proposed to reduce import duty on these machines to 35 per cent *ad valorem* (basic plus auxiliary). There will be a revenue sacrifice of Rs. 9 crores in customs duties.

158. At present there is a concessional rate of duty on the fuel efficient cars which comes to about 15 per cent *ad valorem* or loss. As I have mentioned earlier, full MODVAT will be extended to the automobile industry and the new MODVAT rates for fuel efficient cars would be 20 per cent *ad valorem*. I feel that such cars and their purchasers can bear an increase in the rate of duty by 5 per cent.

159. The current rate of duty for non-fuel efficient cars is around 25 per cent. The MODVAT rate of such cars would be 30 per cent. It is proposed to increase the excise duty on non-fuel efficient cars also by 5 per cent so that the final duty would be 35 per cent. A concession of excise duty was given for non-fuel efficient cars used as taxis. It is proposed to fix this rate at 30 per cent.

160. Under the new Excise Tariff, both the chassis of the vehicles and the body building of the motor vehicles are chargeable to excise duty. Full MODVAT is available for the chassis to the body builders in the final vehicle. Body building imparts an added value to the chassis and it is proposed to levy excise duty of 20 per cent on the final vehicle also.

161. The net gain of the revenue of the above proposals would be Rs. 40 crores.

162. The duty incidence on T. V. set has been rather low. Substantial concessions in

customs and excise duties have been given in the past in respect of raw materials and components for the electronics industry in general. Duty is proposed to be enhanced from Rs. 900 to Rs. 1,500 per set in respect of colour TV sets of screen size exceeding 36 cms. This proposal will lead to a revenue gain of Rs. 48 crores in a year. [PROF. MADHU DANDAVATE : Image building may suffer !]

163. I also propose to provide for levy of additional duty of customs on TV sets imported as baggage. This increase would restrict the import of TV sets in baggage to some extent. The gain in revenue in the customs duties will be Rs. 30 crores in a year.

164. I propose to increase the duty on air-conditioners and replace the existing duty by a specific duty to stop evasion. It is proposed to levy a specific rate of duty of Rs. 8000 per air-conditioner upto 1.5 tonne capacity. The rate would be Rs. 10,000 per air-conditioner above 1.5 tonnes and upto 3 tonnes capacity and Rs. 15,000 per air-conditioner thereafter upto a capacity of 7.5 tonnes. A uniform duty of 60% *ad valorem* will now be levied on all parts and accessories of refrigerating and airconditioning machinery. The duty on compressors for airconditioners would be specific at Rs. 4000 per compressor. As we are extending full MODVAT relief to the industry, I propose to dispense with all end use exemptions except for Government hospitals. The special scheme of relief to small scale units in this sector will continue. This measure will yield revenue of Rs. 25 crores.

165. Copies of notifications giving effect to the changes in customs and excise duties effective from the 1st March, 1986, will be laid on the Table of the House in due course.

166. Apart from the above proposals, I have proposed some amendments in the Finance Bill seeking to effect some changes in the new Customs and Excise Tariffs. These changes are based on the feedback we have had from the trade and industry as well as the field formations since the enactment of these two tariffs and generally seek to preserve the position that existed under the old tariffs.

167. My proposals in respect of Customs and Excise duties outlined above are likely to yield additional revenue of Rs. 499.92 crores from customs duties and Rs. 253.78 crores from excise duties. The concessions and reliefs aggregate Rs. 93.11 crores on the customs side and Rs. 193.37 crores on the excise duty. The net additional revenue from customs duties thus would be Rs. 406.81 crores and that from excise duties Rs. 60.41 crores. In the excise duties, the Centre's share would be Rs. 24.19 crores and that of States Rs. 36.22 crores. In the total net additional yield of Rs. 467.22 crores Centre's share would be Rs. 431.00 crores and that of the States Rs. 36.22 crores.

168. I had earlier mentioned that the Budget deficit at the existing rates of taxes would be Rs. 4095 crores. The proposed tax measures, taken together with reliefs, are estimated to yield net additional revenue of Rs. 445 crores to the Centre. This will leave an uncovered deficit of Rs. 3650 crores. In relation to the size of our economy and the stock of money, the deficit is reasonable and non-inflationary. It is also significantly lower than last year.

PROF. MADHU DANDAVATE : Is there no ceiling on the speech ?

SHRI SOMNATH CHATTERJEE : How many pages left ?

SHRI VISHWANATH PRATAP SINGH : If you accept all the proposals, I will stop right now.

PROF. MADHU DANDAVATE : In sheer exhaustion, Members may accept your proposals !

THE PRIME MINISTER (SHRI RAJIV GANDHI) : Obviously, the reliefs that we are giving, are exhausting the Opposition Members.

169. With this, Mr. Speaker I have come to the end of my task. My principal priorities in this Budget were to strengthen the public sector, to provide a further thrust to the anti-poverty programmes, to promote self-reliance,

and to provide relief to the common man. I have provided an increase in the Plan by 20.5 per cent despite resource constraints. We will be financing over 40 per cent of the Seventh Plan in the first two years in real terms, which is an achievement in itself. I have increased outlays for major anti-poverty programmes by nearly 65 per cent in keeping with our socialist goals. New schemes are being introduced for the benefit of rickshaw pullers, cobblers, sweepers, porters and others among the urban disadvantaged groups. Interest rates on Provident Fund contributions is being increased for the benefit of workers and the self-employed. I have provided tax relief to the fixed income groups. And I have given incentives for import substitution and export promotion, besides introducing several measures for rationalisation.

170. This Budget is just one step forward. Finally, in the immortal words of Mahatma Gandhi :

"In times to come the people will not judge us by the creed we profess, or the label we wear, or the slogans we shout but by our work, industry, sacrifice"

I commend this Budget to the House.

FINANCE BILL, 1986*

19.08 hrs

[English]

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : I beg to move for leave to introduce a Bill to give effect to the financial proposals of the Central Government for the financial year 1986-87.

MR. SPEAKER : The question is :

"that leave be granted to introduce a Bill to give effect to the financial pro-

* Published in Gazette of India Extraordinary, Part II, section 2, dated 28.2.1986.

posals of the Central Government for
the financial year 1986-87."

MR. SPEAKER : The Finance Bill 1986
has been introduced.

The motion was adopted

19.09 hrs.

SHRI ^{**}VISHWANATH PRATAP
SINGH : I introduce the Bill

*The Lok Sabha adjourned till Eleven
of the Clock on Monday, March
3, 1986/Phalguna 12, 1907
(Saka)*

** Introduced with the recommendation of
the President.
