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STATEMENT REGARDING THE VISIT TO FEDERAL REPUBLIC OF GERMANY

13 September, 1991

I visited the Federal Republic of Germany from the 5th to 7th September 1991. This was essentially a goodwill visit, the main purpose of which was to inaugurate, alongwith Chancellor Helmut Kohl, the Festival of India in Germany. I took advantage of this occasion to exchange views with German leaders on a wide range of bilateral and international issues. During the visit, I called on President Richard Von Weizaecker and Chancellor Helmut Kohl with whom I had more than an hour-long meeting. I also met Dr. Spranger, Minister for Economic Cooperation and Dr. Juergen Moellemann, Minister for Economics, and had discussions with them on Indo-German economic and commercial relations.

The other import features of the visit were a meeting with the Senior Executive of leading members of the German business community, and a luncheon meeting with German idologists. I met Members of the Indian community in Germany at a reception arranged by our Ambassador in Germany.

I acquainted my German interlocutors with the changes we have recently brought about in our economic policies and emphasised that they constituted an important milestone in a natural evolution and derived from the logic of the present level and stage of our development. They were, therefore, irreversible. They also enjoyed the support of the people and Parliament of India.

There was full appreciation on the German side of the nature and significance of the changes and about India's determination to press ahead with them. They recognised that these changes were of decisive importance for determining future cooperation between India and Germany and that they deserved to be fully supported by the international community. I was told by the German Chancellor that despite the new burdens imposed upon Germany by the process of its unification and developments in Europe, particularly in the Soviet Union, Germany remained fully committed on its development cooperation with India.

The inauguration of the Festival of India in Germany was a major event in the cultural life of the German people. In his inaugural address,

Chancellor Kohl described it "as the largest cultural presentation of a friendly country which has ever taken place in Germany". The festival is heading towards a resounding success and is bound to have a decisive impact on the hearts and minds of the German people.

I dedicated the Festival to the memory of Shri Rajiv Gandhi who had mooted the idea three years ago during his meeting with Chancellor Kohl. **Rajivji had made an outstanding contribution to the furtherance of Indo-German cooperation. A reciprocal Festival of Germany in India is planned for the year 1993-94.**

Hon'ble Members are aware of the German fascination, enthusiasm and pursuit of Indian culture and the importance of culture in the shaping of Indo-German relations, which came much before the development of political and economic interchanges between the two countries in recent times. My meeting with the German Indologists proved beyond doubt that German scholars and intellectuals still retained their deep interest in India's cultural, spiritual and philosophical heritage and in the contemporary scene in India. **It is important for us to do everything possible to encourage the German Indologists, indeed Indologists everywhere, in their pursuit of knowledge about India. Cultural contacts and Interchange are the fountain head of better understanding between countries and societies.** I may also add that it is time we organised an international conference of Indologists in Delhi or some other appropriate place in India. I intend to sound out the State Chief Ministers for their cooperation I am also confident that the event will evoke unstinted cooperation from academic and cultural circles in India.

I am glad to inform the House that this first visit of mine to a foreign country after taking over as Prime Minister, went off very well and succeeded in achieving the objective I had in mind. I am confident that it would provide a fresh impetus to Indo-German cooperation. I am particularly happy to have had this opportunity of renewing my contact with Chancellor Kohl. Of particular significance is the desire expressed by him to me to draw India closer to the New Europe that is emerging.

BACK NOTE

- I. **Statement regarding the Visit to Federal Republic of Germany
13 September, 1991**

NIL

**STATEMENT REGARDING COMMONWEALTH SUMMIT
IN HARARE, THE G-15 SUMMIT IN CARACAS AND
THE VISIT OF PM TO NEPAL AND PEOPLE'S
REPUBLIC OF CHINA**

20 December, 1991

Mr. Speaker Sir, Events in the world have continued to move at a rapid pace since I intervened in the discussion on the international situation in the Lok Sabha on 18 September 1991. I had, on that occasion, recalled the congress party manifesto and Jawaharlal Nehru's vision of a world without competing *blocs*, a world of detente, a world moving towards disarmament. And yet, the lowering and elimination of East-West tensions and the renewed quest for solutions to sub-regional and regional conflicts, have not brought solutions to the basic and fundamental problems of development faced by the large majority of countries.

The world today is in a state of ferment and in metamorphosis. The bewildering pace of developments, the reorientation of ideologies governing societies and their interaction constitute problems and pose challenges. My Government stands ready to both adapt to the changing international environment and to utilise foreign policy as an instrument to further our national interests in a dynamic manner.

The last three months have been eventful. In overall terms, the three overriding priorities of our foreign policy are: (i) preventing any threat to the unity and territorial integrity of India, (ii) ensuring geopolitical security by creating a durable environment of stability and peace in our region, (iii) creating a framework conducive for the economic well being of our people by encouraging a healthy external economic environment, and (iv) trying to restore, internationally, the centrality and criticality of development in the evolution of political and economic policies all over the world. We have addressed these by carefully nurturing and strengthening our bilateral relations with other countries, and by participating consciously and effectively in multilateral forums in whose work and success we have a critical stake. We participated in the meeting of the Commonwealth Heads of Government in Harare in October and the second G-15 summit in Caracas in November. We received the Prime Ministers of Nepal and China in

December. This eventful interaction deserves, in my opinion, a comprehensive statement to this House.

The Central theme of the Commonwealth Heads of Government meeting in Harare was the future role of the Commonwealth in the 1930s and beyond. The objective of this exercise was to identify the strengths of the Commonwealth, examine its relevance in a changing world and determine priorities for the future. There were naturally divergences between developed and developing countries regarding their perception and priorities for the future. Some of the developed countries are keen to see the multilateral agenda concentrating on emphasis on political pluralism, human rights and democratic practices, these are sought to be integrated under the umbrella concept of 'good governance'. India has a proud track record in the area of political pluralism and democratic functioning. Our society cherishes, and is in turn structured on, these basic human rights and values, we support an international focus on such issues. However, this cannot be at the expense of basic issues relating to development and economic cooperation. More important, given the cultural specificities of individual countries, norms and standards developed over decades in one part of the world cannot be mechanically applied to another. Also, the desire to pursue such values should not result in the imposition of noneconomic conditionalities to development assistance. The Harare Declaration reflects this view of India, which emerged eventually as the accepted commonwealth consensus.

At the G-15 Summit in Caracas, our objective similarly was to ensure that there is a convergence of opinion, at least amongst the members of the G-15, on the need to restore the emphasis on development cooperation on the multilateral agenda. I was invited to be the lead speaker on the need for a new international consensus on development. The joint communique adopted by the Heads of State/Government fully reflects such a need. The second G-15 Summit was also significant because it resulted in the adoption, and directives for implementation, of a number of specific South-South cooperation projects. These include two Indian projects relating to the establishment of gene banks and solar energy application. These projects will give economic and technological content to South-South cooperation which will be further enhanced through annual gatherings of business representatives. The parallel meeting of businessmen in Caracas

brought together over 250 senior representatives from the G-15 countries.

We have reason to be satisfied with the outcome of the second G-15 Summit. We were invited to host the 1993 Summit in New Delhi, and we have accepted it.

The visit to India of Prime Minister Koirala of Nepal earlier this month ushers in a qualitatively new era of cooperation between India and Nepal. The discussions held and agreements reached addressed many mutual concerns and cleared many issues. All the meetings were held in an atmosphere of great warmth, cordiality and sincerity. They resulted in a number of important decisions aimed at deepening and expanding mutually beneficial cooperation between Nepal and India.

An Indo-Nepal Treaty of Trade, an Indo-Nepal Treaty of Transit and an agreement on cooperation in controlling unauthorised mode has been signed. The Trade Treaty provide several new facilities and concessions which should substantially boost Nepalese exports to India if fully exploited by Nepalese trade and industry. The Transit Treaty further simplifies customs and other procedures for Nepal's transit cargo. Both sides have committed themselves to cooperating fully to control the growing menace of smuggling that seriously affects the Indian economy.

Water resources development has the maximum potential for revolutionising the Nepalese economy and also benefitting India. We hope that the number of decisions that have been taken concerning the Karnali.

Pancheswar and Kosi hydel projects, the medium sized projects like the Burhi Gandaki, flood forecasting and flood protection schemes, power exchange etc. will lead to early and substantial progress in this sector. What is significant is that these projects are, and will be, equally beneficial to the peoples of Nepal and India.

A specially favourable access regime to the Indian market has been provided for the products of approved Indo-Nepal joint ventures. This should help promote industrial cooperation and also the industrialisation of Nepal. At the same time, the causes for the stagnation or failure of the existing Indo-Nepal joint ventures will be studied and necessary corrective measures taken.

As requested by the Government of Nepal, a number of new Indian aid projects in the fields of health, roads, railways and telecommunications will be taken up within the availability of our own financial resources. This represents a continuation of our longstanding tradition of assisting Nepal with its economic development to the best of our ability.

Again in response to a Nepalese request, agreement has been reached on cooperation in agricultural science and technology, research, processing of cash crops and agro-based industries among other areas. These programmes would help promote rural development and rural employment in Nepal. Specific measures have also been identified for promoting cooperation in civil aviation and tourism.

In homage to the memory of the great Nepalese patriot, freedom fighter and statesman, the late Bishweshwar Prasad Koirala, who was also deeply involved with the Indian struggle for independence, both countries have decided to jointly establish a B. P. Koirala India-Nepal Foundation. This foundation will work to promote not only educational and cultural exchanges but also cooperation in science and technology, agriculture and other development oriented fields. The Government of Nepal and India will contribute equally to the trust Fund for this Foundation, to the extent of Rs. 2 crore each.

Thus, a durable framework has been established for cooperation between the two countries. Our objective is to truly revolutionise our bilateral cooperation. We stand at the threshold of a new era in our relations with Nepal, full of new possibilities. It is for us, the two Governments, to ensure that we do not deprive our peoples of the benefits of such cooperation, which are their due. From our side, there will be no lack either of efforts or commitment. I am certain that our approach will be fully reciprocated. Here again, I submit, a conscious effort has been made to concentrate on areas of development.

As the House is aware, the Premier of the State Council of the People's Republic of China, Mr. Li Peng, visited India from December 11 to 16. This visit by a Chinese Premier taking place after a gap of more than 31 years has naturally generated interest in the House as well as in the country in terms of its impact on Sino-Indian relations and on regional developments.

The interaction between two important Asian countries like China and India also has significant implications in the international sphere. I wish to take the House into consideration about the discussions held during the visit.

Premier Li Peng was accompanied by Foreign Minister Qian Qichen and Foreign Economic Relations and Trade Minister Li Langling and other senior officials of the Chinese Government.

Mr. Li Peng's visiting our country and the detailed exchange of views which we had with him on matters of mutual interest and concern gained added significance because the visit has taken place in the context of the ongoing rapid changes in international relations involving a fundamental transformation of States and societies in Eastern Europe, progress towards integration taking place in western Europe and the changing equations in international political and economic relations. We had wideranging discussions on bilateral, regional and global issues.

Mr. Li Peng availed of the opportunity of his visit to call on the President Shri R. Venkataraman and the Vice-President Dr. Shankar Dayal Sharma. The Foreign Minister of China had detailed discussions with our Minister of External Affairs Shri Madhavsingh Solanki. There were also separate meetings between officials of the two sides. I am glad also that the Prime Minister of China, like the Prime Minister of Nepal, had opportunity to meet leaders from our political parties and several Members of Parliament.

In our discussions on the international situation, Premier Li Peng and I agreed that the five principles of peaceful coexistence, jointly initiated by India and China in 1954, were essential norms for the conduct of international relations and that all countries, regardless of their size, strength or stage of development, were equal members of the international community. It was our common position that the use of force or threat of force as a means of settlement of disputes should be firmly abjured in international relations. The economic imbalance between the developed and developing world had become more serious. Developing countries would not only need to take a common stand in their dialogue with the North, but become more collectively self-reliant. The role of the United Nations should be strengthened.

On the outstanding question of the boundary between our

two countries, both the Chinese Premier and I were agreed that efforts should be intensified to find an early, fair, reasonable and mutually acceptable solution to this question. We expressed our satisfaction that peace and tranquillity had been maintained in the border areas. We stressed that our differences on the boundary question should be reduced and that we should maintain our contacts with each other in order to provide directions to the Joint Working Group that was set up to deal with this question in 1988. I expressed the conviction that the resolution of this question would be a signal achievement for the two countries and a vindication of the five principles of peaceful co-existence. The next meeting of the Joint Working Group will be held as early as possible in 1992 and meetings between the military personnel in the border areas to sort out local issues will be held on a regular basis.

This was not the case in 1988. Now, these meetings will be held on a regular basis thus making it much easier and much more certain that there will be no breach of peace by any mistake or misunderstanding on the border.

A number of bilateral agreements have been signed during the visit. These include the agreement on restoration of the Consulates General in Shanghai and Bombay and the Memorandums on the resumption of border trade and on cooperation in the field of outer space sciences. We have agreed to intensify our cooperation in such fields as agriculture, public health, energy and education, it has been agreed to hold a Festival of India in China. A Festival of China will also be held in India.

On the issue of Tibet, our long standing and consistent position was clearly reiterated. Tibet is an autonomous region of China and we do not allow Tibetans to engage in anti-China political activities in India. This does not in any way conflict with the religious and cultural affinities we have had with Tibet through the centuries, which I pointed out in our discussion. Our respect for His Holiness the Dalai Lama as a religious and spiritual leader remains constant. The approach to such questions should be consensus oriented through political dialogue. The Chinese Prime Minister indicated that all issues except that of the independence of Tibet are open to negotiation with His Holiness the Dalai Lama.

We conveyed to the Chinese side our concerns about the supply of sophisticated arms and defence technologies to Pakistan and Pakistan's role in fomenting terrorism and subversion in the States of Punjab and Jammu and Kashmir. The Chinese Government is opposed to terrorism since it does not solve problems and only sharpens existing contradictions. They have said that they do not wish to see conflict and are for the peaceful settlement of differences between India and Pakistan. Our concerns about Chinese arms supplies to Myanmar have also been conveyed. We have referred to the fact that the vast majority of world opinion favours the restoration of democratic rule in Myanmar in consonance with the aspirations of its people.

The issue of human rights figured in our dialogue. I stressed our adherence to the concept of the indivisibility of all human rights. At the same time, I expressed the view I had put forth in both Harare and Caracas that no country should be denied assistance in the name of human rights, Norms for human rights cannot be determined unilaterally and externally. Primacy should be given to the task of development. The Chinese Premier was of the opinion that the issue of human rights should not be used as a lever for interference in the internal affairs of countries.

China is our biggest neighbour and we are drawn to it both by geographical inevitability and by the tradition of historical interaction. We look forward to the future in our relations with China. Our dialogue must strengthen mutual understanding and enable the peaceful resolution of all outstanding issues. I believe the visit of the Chinese Premier has been an important step in that direction. I have invited general secretary Jiang Zemin of the Chinese Communist Party to visit India. Our President has been invited to visit China and Premier Li Peng has also extended an invitation to me to visit his country. Today, in a volatile and changing international situation, I believe that our two countries which represent a third of humanity, can and should play an important role in the promotion of peace and development in the world.

The approach to this visit was to discuss the border on the one hand and, at the same time, cooperation in other areas of mutual interest there are two categories; one bilateral and the second, in the international field in the common interest of humankind. **India and China, are two**

ancient civilisations, can do no less, it is their duty to the world. I fervently believe it. This international aspect has always been important and will always be so. But at the present juncture, when the world is in the throes of unprecedented changes, I think this particular duty to mankind is also urgent. It brooks no delay. I believe that the future of a vast chunk of humanity, living in developing countries and groaning under conditions of poverty and want, is at stake now as perhaps never before. India and China owe this duty to this vast chunk of humanity.

In conclusion, may I share with Honourable Members the linear weave, the logic which has underpinned the orientation of our foreign policy as reflected in the important events on which I have just reported, It is primarily to maintain the ideological integrity of our secular pluralistic polity, it is to safeguard our national cohesion and territorial integrity in a world in ferment and against challenges emanating from ethno-religious, economic and segregationist socio-cultural impulses. It is to ensure the basic well being of our people by maintaining the necessary emphasis on the primacy of development the world over, particularly in the developing countries. This *leit-motif* of our foreign policy, as I conceive of it, is not uni-dimensional in the narrow nationalistic sense. The *leit-motif* is to restructure the regional and international order based on harmony, consensus, willingness and to strive for peace and readiness to converge on basic issues and needs of mankind. This factor was common to these four events, the tangible result yielded by each of practical measures that can affect and enhance, the quality of life of peoples.

It is my firm conviction that our participation in the two multilateral gatherings in Harare and Caracas and the visits to India of the Prime Ministers of Nepal and China constitute a meaningful and structured approach to the fulfilment of our international objectives and obligations and safeguarding our national interests. The Minister for External Affairs and I shall continue to keep Honourable Members informed about developments on the foreign policy front periodically. I believe that we will continue to need a national consensus on major foreign policy issues. In this, the contribution of Honourable Members can never be overemphasised.

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Sir, it is true that any committee composed only of officials can go only up to a point in trying to resolve a border dispute or any other dispute. It happened earlier in 1981; we started with a Government committee. We had as many as seven rounds and until the seventh round, some progress was made from round to round and I had occasion to make statements on the floor of the Houses as to what was that small bit of progress made between one round and another. At the Seventh round, however, they ran out of steam. They needed some political signal and without that signal they could not go ahead. So, those rounds somehow did not produce the result that was expected. This time we have been careful. There has been some idea in the minds of the Joint Working Group. Besides, This is a Joint Working Group which was not the case earlier; it was just a round of meetings across the table between delegates this time So, this is a Joint Working Group working jointly, in the sense that if both agreed, they put it on paper, if neither agreed or one of them did not agree, it was not put on the paper, which means that so far as the Group is concerned, we have jointly made recommendation on any point.

During the present visit it was anticipated that at some point of time, may be after the second or third round of the Joint Working Group, we would need to give them a fresh political signal. This need was recognised. But I believe that the next meeting of the Joint Working Group is not going to need a fresh signal right now. What we agreed to do was to keep in touch to see how the Joint Working Group is going, and after the second meeting in 1992, at our level by some method which we could devise easily, we would get in touch and feel our way if a political signal is necessary. If it is not necessary and they can still have another round with some result expected then we would wait for the third round. But otherwise from round to round we have agreed that we should be in touch. That is the answer to the first question.

About 'International oligarchy', this phrase is only to describe what is general likely to happened. I am not saying that it has already happened or is happening, but it is likely to happen if one chunk of humanity or one

group of countries can have its way to such an extent that their will right of wrong, can be imposed undemocratically on the rest of the countries. I am not naming countries. I am not naming blocs, but even if in a unipolar world this happens and this can happen under certain circumstances we have to be careful. And we have to be careful right from the beginning. From the word 'go' we have to be careful, anticipatory such a thing to happen. But we have another constraint that we have to avoid confrontation. For so many years, so many decades, we had a confrontationist posture on both sides. We all know what happened. But it is easier to content that to come to a meaningful conclusion through dialogue. So that task of diplomacy has become much more difficult now. Earlier, we passed a resolution; voted for it and came back. Then we thought that that brought us to the end of our duty. That is not the case now. We have to go on with the process of dialogue, building a consensus internationally and making it acceptable to everybody and making it work. This is going to be much more difficult and, therefore, right from the beginning we have to see that a large chunk of humanity or a large number of countries are not automatically and blindly falling in line with the policy or the idea or programme given by a small number of countries. Out of helplessness pressure.

I do not say that that line is invariably wrong. It may not be. It may be right. We may follow that policy, but it cannot be imposed on us. It has to be a national decision, this Parliament has to decide in the case of India that we are going to follow the policy. The Government has to decide and it has to be a conscious decision. That is how this word 'international oligarchy' came to be used. This was meant to be the descriptive part of it. But actually the substantive part what is happening in the world is at least, to some extent, on these times we have to be careful about it, that is how the word came to be used.

BACK NOTE

II. **Statement Regarding commonwealth summit in Harare, the G-15 Summit in Caracas and the visit of PM to Nepal and People's Republic of China 20 December, 1991**

1. MR. SPEAKER: I think, we are going to allow the Members to express their views on unlisted matters a little later. But in the Business Advisory Committee, a view was expressed by some senior Members that not many questions, at least one or two questions, very pertinent questions, may be allowed to be put so that they can elicit more information. Now, this is not the practice in the House, yet as an exceptional case, I am allowing it, which will not be a precedent. May I request hon. Members not to long questions and not to have many questions; not to repeat the questions and to allow ourselves to clinch the issue in as peaceful and meaningful manner as is possible. I am allowing Shri Indrajit Gupta to ask the questions.

SHRI INDRAJIT GUPTA (Midnapore) : Mr. Speaker, Sir, while appreciating the very comprehensive statement made by the Hon. Prime Minister, I would like, according to your directions, to ask two very brief questions. Firstly, this joint working group which is to look into the boundary question and which consists of the officers of the two sides and which has of course, been given some sort of an upgradation, as I understand it, for the future, whether this joint working group of officials can produce any meaningful results unless the two Prime Ministers or the two Governments at the highest level give them some sort of directives, some principles on which they should proceed? I would like to know whether any such guidelines or principles have been discussed, agreed, of course, between the two sides which may be conveyed as a guidance to these officials who are in the joint working group. This is one question.

My other question is what was the significance of the reference it is not contained in the official communique issued at the end of the visit, but, during the course of the visit it was very prominently published in the press and not contradicted as far as I know what is the significance of the reference which was made by both the Prime Ministers to the danger of international oligarchies this was the expression used 'international

oligarchies', I would like to know what was meant by this phrase? Does it refer in any way to the danger of unipolar world which, may be, some powers would like to see established? Is it in this context that this phrase of international oligarchies was used and a caution was given?

MR. SPEAKER: Mr. Prime Minister, if you like, I think, I will allow some others also to put questions and you can reply at the end.

SHRI P.V. NARASIMHA RAO: Sir, I just want to crave your indulgence on one thing. We did not expect this, we thought that it would be just a statement. So, I had intended to make the same statement in the other House and a time had also been fixed. Now if the rule is to be changed, the pattern has to be changed, we should know a little in advance about it. I really do not know how this is going to work out between the two Houses' today frankly.

MR. SPEAKER: It should have been discussed with the Parliamentary Affairs Minister. Well, I think, briefly I will just allow one or two questions. Mr. Prime Minister, at what time you have to be there?

SHRI P.V. NARASIMHA RAO: I am already overdue there. Twenty minutes ago I was due. I have sent a message that this may be postponed. But, really I do not know what is happening there.

I am not running away. I am not fighting shy. If in the one House we can give answers, in the other House also we can. But the only thing is I did not expect it. That is the only thing.

REPLY ON MOTION OF THANKS TO PRESIDENT'S ADDRESS

9 March, 1992

Mr. Speaker. Sir I am grateful to all the Hon. Members who have participated in this debate particularly grateful to the crowning performance of Shri Vishwanathji, and of course, the very suave, very entertaining, very instructive, somewhere positive, somewhere less positive speech of Atalji.

I had not expected this sudden development that in a situation where national consensus was being sought was being obtained and generally was being given suddenly we would be faced with a tense situation a tense moment not only tense for this country within the country for the people of this country but not quite good from the point of view of the country's image abroad. It is this latter which causes even more concern to me at a time when the return package introduced in India was hailed everywhere at a time when it was yielding result at a time when we were getting investment, in infrastructure much needed infrastructure at a fast pace, pace which was about 14 to 15 times the pace of what happened in the previous years. At such a time this debates and the turn to this debate. I am sorry to say, has brought a set back or is likely to bring a set back. It will take some time before we are able to repair this damage. I must be honest. I must be plain to say this.

There will be again questions raised in the minds of the people. We will meet the situation. We will bring it back on the rails. But, somehow I must say that I feel a little sad about the turn of events here.

Sir, on the 26th of June, three or four days after this Government took over, I called for a meeting of the Opposition Parties. My Finance Minister placed before them all the cards, the situation as it existed, as we inherited three or four days earlier and at the end of the discussion we came to some kind of a opinion shared by almost everyone that what was proposed to be done was unavoidable and there was no other way. I would like to remind Hon. Members, leaders of the parties, of that meeting. That gave me the courage to go ahead with the reform programme. And, I am glad to say that the reform programme has been received well within the country and abroad. I also made it absolutely clear in this House, in the other House and everywhere I addressed any meeting of any kind that I am

not depending on numbers, I am not daunted by numbers. Neither I am proud of my numbers nor am I daunted by number if they happen to be fewer. I said even if I had 20 more or 30 more seats in this House I would still go by the method of consensus because I said in plain words that the time has come when the strength of numbers alone will not be able to enable us to solve the problems that we are facing, today, I repeat that once again now. I will not go by the number become certainly important when a situation like this arises. I have never dreamt that the number would ever have become this much important the number would have become relevant in the five years of my term but certainly the situation seems to have been forced on me, on this Government in eight months: Oh if you have two less, your Government will go. I did not think that this would be the situation. But then there is something like political impatience. That has been built into the system, built into our thinking perhaps. Therefore, in spite of my best efforts, probably, the impatience became too much and we are facing this scene today, this situation today.

Sir, I would like to remind the House as Atalji has just said that we had to plunge into a situation, we had to face a situation which was handed down to us. But that is only one part of the story. My case is not that I was pushed into a situation. No. My case is that while a situation has to be faced at very short notice, I also think, my party also thinks, that what we are doing is exactly what we promised the people to do in our manifesto. Nothing more, nothing less. So, I am not ashamed of what has been done. I am not hesitating to reiterate the programme that we have undertaken as being the promise of the Congress Party to the people with which incidentally we have many other parties agreeing to different degrees but generally agreeing as a national consensus. This is how the position stands and I am satisfied. I have never wanted any other party to agree with me hundred per cent. Otherwise, there would not be two parties. There would not be different parties. There will be different shades of opinion and they are bound to be. I am not bothered about the shades. In fact, while formulating the knittygritty of our policy, we have taken the opinions given by other parties. We have taken into account what some leader must have said at some place and how that would have to be taken into order to go into some detail of the programme that we undertook. So, it is not as if we

have been impervious to opinions from the other parties. We have been responsive to all opinions, opinions which would fit into our own framework of the policy. If they did not, naturally we could not take that. This has been the position, this has been the *modus operandi*. The background is well known.

Atalji said, Rashtrapatiji had to read so many addresses, three Addresses which he should have taken 15 years to read. But it is not my fault. Because the longevity of the Government happened to be what it was he had to read three Addresses.

About posterity, yes, we will have to decide who was responsible for this and that evaluation will remain the property of the nation, something for the nation to ponder over for the coming generation to consider carefully, dispassionately.

We returned to power in June 1991. What I am going to say has been said already. But if there is any controversy on any of the facts, since I have satisfied myself with every small detail of what I am going to say, I am prepared to make the files available to you. You can verify if there is any inaccuracy, I will be held responsible.

Files are not brought here. What I am saying is that whatever facts and figures I would like to place before the House are well authenticated, they are correct, they have been verified.

Foreign exchange reserves had declined to a perilous level, it had happened despite the fact two previous Government had drawn 2.4 billion dollars from the IMF from July 1990 to January 1991. It was no longer an untouchable. They had drawn all that they could draw. They drew what is called the money which belongs to the different countries, Government. That does not need any great procedure. We have taken that money. And the first tranche also was taken by the next Government. I am not blaming them at all. After all, what is the World Bank, what is the IMF? Now this seems to be something like a monster whom we have suddenly discovered to be some outsider. The World Bank belongs to India as much as the United Nations belongs to us. There are facts and the World Bank and the IMF have been approached for assistance not for the first time now, but we

have done it several times before. There is hardly any country which does not knock at the doors of the World Bank. Countries who are not members of the World Bank are now knocking at the doors of the World Bank.

Be that as it may. I would like to say that this prejudice or bias or opinions sought to be created against an international financial body is not in the interest of our country. Yes, the Brettonwoods' Institutions, their structure, their working is something which we do not like completely. We have been trying for the reform of these Institutions both in the Non-Aligned Movement and the United National, constantly, persistently and we will continue to do so. But to say that taking along from the World Bank or the IMF is itself to sell the country is something which is totally unacceptable. And I have to protest against this language being used against any Government particularly, the Government belonging to the Indian National Congress, which brought Independence, It is absolutely uncharitable. I would like the hon. Members and the hon. leaders of the Opposition Parties, to please consider how far it is appropriate to use a language to this kind. They may have differences; they may have their very strong views. They are welcome to express their views but words like "sell out" etc. would not either be worthy of them and their parties or worthy of the country.

Sir, the agreement the Articles of Agreement of the IMF and World Bank have got two books here. The Articles of Agreement have this:

"To give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunities to correct maladjustments in the balance of payments without resorting to measures destructive of national or international prospects."

This is what the IMF is all about. Now what have we gone to IMF for? It is precisely for this and nothing more and nothing less. It comes completely within the Articles of Agreement of the IMF.

About the World Bank:

"to promote private foreign investment by means of guarantees or participations in loans and other investments made by private investors and when private capital is not available on reasonable

this will be kept under watch because when a creditor advances credit, even if it is a cooperative bank even if it is a bank in India and if you give a loan for the purchase of a buffalo, there is someone there, to find whether the buffalo exists or some other animal is being made to stand there in the name of the buffalo-this is the normal practice, Sir.

Anyone who has run a bank and particularly for the villagers, he knows that there is someone looking into the developmental aspects of it; whether the money has been properly utilised; whether there is a scheme by which the person taking the loan will at all, be able to return the loan, because a bank is a bank. A bank is under orders of the Government to work as a bank, to function as a bank and not a charity giving body. That is what some parties really wanted to make the banks of. A part of the malady is because of that. The Government also requested a stand by arrangement in the first credit tranche, covering the period through end of March'91.

Progress is made to correct the fiscal deficit and to improve the balance of payments. We intend to further support, seek further support. All the decisions and all the intention of seeking assistance, seeking loans were common, it is not as if any new decision has been taken. This is one part of the story.

The other part is while I have inherited this situation, I would say that what we wanted to do was exactly the right thing and this is what we have done. If I was not convinced of what we have to do, I would not have done this Government would not have done it.

As I said, what was being proposed was exactly in line with what we promised to the people and therefore we accepted it. That is the real clinching argument for accepting it. Now, if that manifesto or what we have said in the manifesto is something with which people would not agree, the whole wide country is there to give a verdict.

..... **xxx** **xxx** **xxx**²

I once again reiterate that we stand by the promises given by us. In fact, one of the promises which we gave to the people had a timeframe of four year in it. We were supposed to do it in four years. We have started

doing it in four months, namely the new Public Distribution System. We found it was urgent enough to be undertaken this year rather waiting for four years. I will come to that later.

So, the question of jeopardising the economic sovereignty of the country is totally irrelevant. It does not arise. I would like to say with all the emphasis at my command that this shall not be allowed. There is no question of our affecting in any way the economic sovereignty of the country.

But what is sovereignty? Sovereignty does not consist in not doing anything in times of peril. Sovereignty consists in keeping complete control over one's policies. The World Bank did not want me to do anything on the public distribution system. The World Bank did not say anything about antipoverty programmes. If the World Bank tomorrow says that you should not have these programmes, I will say, I am sorry, I have to have these programmes whether you like it or not. So, the World Bank will not be able to interfere with my internal policy, economic policy to any extent. The World Bank certainly may have its conditionalities. I will accept them only if they suit me. I will not accept them if they do not suit me if they go against my policy.

Mr. Atal Bihari Vajpayee has said something which is quite meaningful. I so not think that the world situation, as I see it today or anyone could see it really points to unlimited capitalism. I would not agree to that. I would not agree to that as a proposition as I would not agree to have anything to do with it as a programme in this country. We will have to think of the pro-poor programmes. We will have to think of this massive poverty which is ailing the nation.

There are two nations, three nations in the world having the same kind of difficulty China has the same kind of difficulty. We have the same kind of difficulty. Countries like Brazil have the same kind of difficulty and the advent of total capitalism will not be able to solve our problems. We are convinced on that. That is why we have to have a third way. **That third way is that while we open up while we become part of the world economy, we will not allow ourselves to be swamped by the world economy. We will have to have our programmes absolutely intact because we consider them absolutely necessary for our people. Therefore, there will be no dilution on that. We have deliberately included all the programmes for the poor in**

this country in the budget. Also in our programme, yes some cuts have come, because cuts have come generally.

If you do not have money, a little cut comes here, a bigger cut comes somewhere else. But we have also tried to restore the cuts in some other way. Dr. Manmohan Singh explained how the cut of Rs. 500 crore in rural development has been more than made up by taking money from the National Renewal Fund and putting it only for employment programme in the villages. In fact, this has been improved. Either they allow me to speak or you please give me some protection. Those who have run out of ideas and issues, they will again start this.

That's all. So Sir, this package has become better because if I had put Rs. 500 crores in general for rural development, they would have gone into different purpose. Now this Rs. 500 crores or may be about Rs. 800 crores or a little more than that, has been put specifically on employment generation programmes and I am glad about it. It was to be earmarked for that purpose because the need for that exists today and we will certainly see that this money will be diverted only to that purpose.

About the public distribution system, this is one of the most promising programmes for the poor that could be thought of it is true that the public distribution system in this country has working. In a rather unsatisfactory manner because the Central Government does not run the public distribution system. It is very clear and perhaps, it should be clear to anyone who know the Government at the State level and at the Central level that the public distribution system runs partly by what the Central Government does. But for the rest of it, it has to depend on the machinery of the State Government. There is no way I can neither run a fair price shop nor supervise the running of a fair price shop. It has to be run by the State apparatus and I am glad to say that when the National Development Council took up this matter, the Chief Ministers, belonging to all parties, very readily wanted do cooperate in revamping this, taking full advantage of it and I went and inaugurated the programme in Rajasthan, not in Andhra Pradesh or Karnataka, because this is not really a party matter. I wanted to take one of the most backward areas and go there. And the Chief Minister of Rajasthan told me that after that inauguration, he has himself visited several districts and he found that the programme as revamped as introduced, has been working well. There may be some lacuna here and there. We are prepared

to look into those things any time because any programme of this massive magnitude cannot be perfect all the time if there is imperfection here and there, anything to be done by us, we will do it and anything to be done by them, they will do it. This is one of the programmes in which both Governments, at the State and the Central levels are working in unison, in tandem and with perfect cooperation and this is how it should be. This is going to be the real economic centre of tomorrow in the villages.

Not only rice and wheat but whatever foodgrains and other things we are giving, we have added to what is being made available there. The State Government are negotiating with the producers and with the manufacturers to find that things like match boxes, salt, etc. are brought in bulk to the State and from there distributed to the shops. It is a very unspectacular kind of programme, Sir, not have any fireworks here. But the point is that is the programme of tomorrow and that is the programme on which the entire economic activity of this country will rest. We have taken 1700 blocks particularly in the villages. I do not know whether the Members have really cared to find out how many blocks are included from within their own constituencies. I would, with folded hands, ask them and request them to do so; and visit the shops, go and find out whether they are working well or not. If they are not working well, find out why they are not working well. This is the duty of all the Members.

Now, we have released four million tonnes more foodgrains the year and still, stocks are low. We have to import, it has been done over the years. We have imported and exported. But the reason for exports is what is really relevant here. When the decision to export ten lakh tonnes of what was taken in 1990, it was not because we were overflowing with wheat. It was because we were in desperate need of foreign exchange. Now, this is the kind of thing which we should avoid. We should not dispose of our stocks; we should not allow our bufferstocks to come down under any circumstances and this is the lesson of the last two or three years. Therefore, we will have to take that as a policy postulate and we should always stick to it. Whatever happens on the food front, we should never be found to be in any distress and this I would say will be the policy of this Government.

Sir, on the industrial side, I have already answered question in

these programmes can hardly be less than what we have promised to the people and that will be completed.

About the unemployed, this cannot be useful for them it is obvious. They have to be given opportunities for self employment only in the context of rapid industrialisation of the country. I would like to know from any hon. Member or economist, if there is any other way I do not see only other way excepted rapid industrialisation of the country.

In the agricultural sector, whatever is possible for selfemployment, will be taken up but at the same time it is industrialisation that will do the trick in regard to the employment opportunities in this country. So, that has been decided upon.

Sir, Atalji has made a very unkind comment about education. I would like to say, Sir that what has been said in that Para 30 of the President's Address gives us some encouragement in fact, they should feel encouraged and proud at being told by the President of India for the first time that we have made a break through in literacy. It was said that India is going to have the dubious distinction of having the largest number of illiterates at the turn of the century. From the Presidential Address, it appears that that dubious distinction is going to be averted. I feel overjoyed at that one factor which he has mentioned Literacy amongst girls is increasing. Where is it increasing? It is increasing in the Northern States, not in Kerala there is nothing to increase because it is already covered. It is increasing in the Northern State. Himachal Pradesh has done excellent work in literacy programmes. Other State also are coming up. So, at the end of the century, the future Indian citizen will not have to hang his head in shame that in his country largest number of illiterates live. So many programmes which have been mentioned in this are programmes about which we can legitimately be proud and I would not like to measure the worth of a para by the length of the para. That is difficult.

Sir, now, the programme of the minorities. Again many comments caustic and otherwise, have been made about the Minorities Commission. I would like to announce to the House, Sir that the Minorities Commission is going to be given statutory status in this Session itself. Everything is ready and I am sure, we will be able to do that. So, that has been a long standing demand long standing proposal, we accepted it, we wish to

complete it and we wish to fulfil it in this Session.

I have explained certain foreign policy aspects on several occasions in the House. There is only one important decision which seems to have created a difference of opinion and that is having diplomatic relations with Israel. Sir, when we talk of recognising Israel, I do not know what the hon. Members really mean because Israel stands recognised. We recognised it long ago when Panditji was alive. What we have done is, we have decided to have diplomatic relations. We have a Consulate already in Bombay.

Today, we have a situation where India's participation in the Middle-East peace process, for the sake of fighting for the cause of the Palestinians has become more important than anything else. I do not want to divulge personal discussions, etc. But with a full sense of responsibility I could say that this is a decision which is going to be found very useful, very useful in the Middle-East peace process. We could have waited two more years, we could have waited four more years. The only difficulty would have been that we would have been the only country left out of the whole world. That kind of isolation was not acceptable to us. And at the same time, the part that India — you will see — will play in that Middle-East, peace process, hon. Members on some occasion will compliment me for have taken that decision.

Today, in view of the difference of opinion that has existed, today, in spite of the fact that what we have considered absolutely right we have done, there seems to be some doubt in the minds of friends. Some friends really expressed those doubts to me. I have nothing to say about those doubts, except to assure them that those doubts are unfounded. We stand by the Palestinian cause as strongly as ever before and this cause will be fully served by the decision taken by India and perhaps not so well otherwise. This is what I want.

..... **xxx** **xxx** **xxx**⁴

I really do not know. Almost every country, there is hardly any country excepting the neighbouring countries with whom the dispute exists, they have done it because they wanted to play a role in this. Middle-East is going to be one of the most important theatres in which the role of a country is going to be absolutely crucial in the coming years. We have to have a little foresight for these matters. We take the flak temporarily. But

at the same time we have done the right thing and I am fully convinced that what we have done is the right thing.

I have covered all the points that were raised. Of course, there will be points which need not have been raised but have been raised. I would not like to waste the time of the House. I would like to conclude by saying that this question raised, the slogan that has been raised is rather unfortunate, that there is some danger, some jeopardy, to the economic sovereignty of the country.

I would like to refute it with all my might, with all the emphasis at my command and I am prepared for any test on this. What we have done is the right thing.

I have been addressing students, I have been addressing young men, I have been addressing villagers in their lakhs, and I find that when they are told that the licence-permit Raj is coming to an end, and has come to an end, the kind of response you get from them is tremendous.

Yes, there is a change. There is a change in our orientation but there is no change in our objective. I want to be absolutely clear. That objective remains. I cannot fulfil that objective by the old methods. I have to change. The whole world has changed. There is no justification for India not to change when the objective which we wanted to achieve till yesterday by some other means needs a different means today. That is the pragmatic approach which we have undertaken, without changing the objective without giving up the objective. We have gone into every detail of whether there was an alternative.

There wasn't, I am prepared to have it discussed in this House, I am prepared to have a full debate of the House. This is only for an amendment. This is a very small thing let us have a debate. What were the alternatives available to India? What are the alternatives available to India today? Leave alone eight months back, what are the alternatives available to India today? I shall have an open mind I am fully convinced that what we are doing is the correct thing. If someone can convince this House, convince me that there is another way equally viable, equally effective in the world of today, I will not flinch from it. But I must say again and again that what I have done is the correct thing and this conviction has given me so much

encouragement to go ahead with this programme. I want national consensus, which already exists consensus does not mean unanimity. All that I can say is, consensus means unanimity minus Mr. V. P. Singh unanimity minus Mr. Chatterjee, unanimity minus a few individuals. I understand that our friends in the CPI(M) have objections I recognise that But in spite of that, I have to say that this new reform package and the line we have taken has the vast majority of the population of this country behind it standing like a rock. It will be so and we will follow it.

BACK NOTE

III. Reply on Motion of Thanks to President's Address 9 March, 1992

1. SHRI VISHWANATH PRATAP SINGH: About the question of conditionalities, it is well known that there are two three grades of funds available. One is, the country's own deposit. A country can withdraw it without any conditionality. There is no question; it is your own money. There is another window where you get lesser money but there is no conditionality. When the Gulf crisis came, these were the tranches available where there were no conditionalities. We did not concede to conditionality. Now mixing up both together and trying to present the case. I think, is not fair.

SHRI P.V. NARASIMHA RAO: That is not correct. It is subject to verification. I agree that our own money needs no conditionalities because you can take it at any time. The only thing is that you have to take it. You were cornered by the circumstances to such an extent that you had to take it number one and you authorised the second credit also. Negotiations started under your authority. You were not there to continue, I agree. That is all there. I am only telling you facts and figures.

SHRI VISHWANATH PRATAP SINGH: During the Gulf crisis there was sudden rise in the crude oil prices and the country had to bear it. These were available without conditionalities. That was the question. There was no question of submission to conditionalities. That is the issue.

SHRI P.V. NARASIMHA RAO: I can give you all the details. I can give you more details. The Finance Ministry will come up with more details, if necessary. But the fact is, I am not blaming him. This is the point. I am not blaming Vishwanathi ji, I am not blaming the Government that come thereafter. Chandra Shekharji's Government, I am not blaming any of the previous Governments.

What I am saying is that the situation that the country faced did not give us any option neither him, nor his successor, nor me, any option but

to get assistance from the IMF. This is what I am saying.

I would like to refer to the statement made by the Finance Minister, the then Finance Minister in Chandra Shekhar Government, in Parliament—nowhere else. He says:

SHRI BASU DEB ACHARIA: It was supported by you; supported by your party. You created that Government.

SHRI P.V. NARASIMHA RAO: I think they don't seem to be in a mood to hear the truth. What can I do?

SHRI BASU DEB ACHARIA: That is the truth. You accepted it.

SHRI P. V. NARASIMHA RAO: "Today the soft options stand exhausted. It is now imperative for us to start making the necessary macro economic adjustments. We should have no illusion that fiscal imbalances accumulated over several years can be eliminated at one stroke. But it is essential that we begin to introduce correctives. Even this will mean harsh decisions and difficult choices. If we are to restore the economic reform of the nation, we must face reality rather than ignore it. In this context we attach a very high priority to fiscal consolidation. Thus austerity would be the watch word of the Government not simply in the current financial year; but also in 1991-92 and beyond. The Government would continue the process of fiscal corrections and consolidation from the next financial year. We hope to reduce the fiscal deficit of the Central Government significantly..."

And here comes the magic figure.

"...significantly, so that it is about 6.5% of GDP in 1991-92." Exactly the same figure which was inherited by Dr. Manmohan Singh. "Such a reduction would be the beginning of our transition to a sustainable fiscal regime over a period of three years in which the fiscal deficit returns to a range of three to four per cent of GDP as it was in the mid 70s. For this purpose the Government shall exercise a strict control over expenditure and rationalise subsidies, so that they are better directed towards the poor..."

"At the same time, the Government would improve the revenue collections, the combination of revenue and expenditure measures to achieve the desired fiscal correction. That will be formulated in

the coming months and implemented during the next financial year."

But, the coming months' saw a change of Government. That is all. So, the continuity is there.

2. SHRI RUPCHAND PAL: You have promised many more things, like the prices would be brought down within hundred days.

SHRI P.V. NARASIMHA RAO: Yes we have promised many more things and we are trying to do many more things. In some we succeed, in some we do not.... At the end of five years, the people will give us the verdict. They will take the balance sheet from us: please do not worry about that.

SHRI BASU DEB ACHARIA: You had promised that you will bring down the prices within hundred days. What happened to that?

SHRI P.V. NARASIMHA RAO: This Government will be completely accountable to the people who have brought it to power. At the end of five years, based on its own performance and not on any gimmicks. This we will do.

3. SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): What about the electric locomotives? BHEL has offered to supply the same. Are you going to give it.

SHRI P.V. NARASIMHA RAO: Each Kilometre is calculated to generate an employment potential of 18,000 to 22,000 mandays. At this rate if we take up 6000 Km, or can calculate how much it will be The Planning Commission has come up with some figures in the 8th Plan.

SHRI BASU DEB ACHARIA: What about the new lines?

SHRI P.V. NARASIMHA RAO: The only difficulty is that we do not really read anything before we say something.

4. SHRIMATI MALINI BHATTACHARAYA (Jadavpur): Why is the Government silent on Israel bombing of the Palestinian tanks?

SHRI P. V. NARASIMHA RAO: We are not silent on anything done by Israel against the Palestinians. We have never been silent on anything.

STATEMENT ON BOFORS INVESTIGATION

23 April, 1992

Mr. Speaker, Sir, it was only on 1st April, 1992 that I had spoken in this House on the subject of the investigations and cases relating to the Bofors contract. After comprehensive debate on all aspects I had clearly indicated Government's approach to the matter in unequivocal terms. Within the same month we are again discussing the same subject. Unfortunately, as on the previous occasion, this matter has come up again on the basis of a newspaper report which by and large repeats what had appeared in newspapers earlier.

Sir, since no changes have taken place on facts, I have very little to add to what I had said when I spoken in the House on this subject last time. To recount, as the then External Affairs Minister, Shri Solanki, told this House earlier, he met his counterpart Mr. Felber in Davos on 1st February, 1992. He passed on to Mr. Felber note concerning the proceedings pending in India connected with matters arising out of the Bofors contract. I had no knowledge of the note and there was no question of my having authorised him to pass it on to the Foreign Minister of the Government of Switzerland. This is the truth of the matter.

Since in fact, I had neither authorised the giving of the note nor had any knowledge of the note, the question of Shri Solanki mentioning my name or authority to his counterpart simply could not arise. Shri Solanki has confirmed this and has emphatically denied having made any reference to me in any manner. The sequence of events is already in the knowledge of this House as they were brought out in the previous debate. I would once again like to reiterate unequivocally that I neither had knowledge of the note handed over by Shri Solanki nor did I authorise any note being handed over to the Swiss Foreign Minister.

Mr. Speaker, while I continue to hold the view that an unauthenticated report contained in a newspaper ought not to require a discussion, denial or rebuttal, I shall cover some of the points, in deference to the wishes of Hon'ble Members.

The newspaper report refers to a sequence of events that allegedly took place after Shri Solanki handed over the note to the Swiss Foreign Minister, Mr. Felber. I wish to make it clear that there has been no

communication from the Swiss Government making any reference to and note. The reference in the newspaper report to "a communication from Switzerland to the CBI dated March 23, 1992" is in fact a reference to a fax message from CBI's lawyer in Switzerland, Mr. Mare Bonnant, in which there was a reference to a memorandum having been handed over to Mr. Felber by Shri Solanki. This communication was received in the office of the CBI on the night of 24th March 1992 and was seen by the Director, CBI on 25th March, 1992. The lawyer, Mr. Bonnant, stated that he was told that the memorandum handed over by Shri Solanki was at the Prime Minister. In this communication he sought directions from CBI on various points. CBI promptly replied to Mr. Bonnant on 26th March, 1992 and denied any knowledge of the alleged memorandum. CBI reiterated that the Swiss authorities should pursue the enquiries without taking cognizance of the said memorandum. It will therefore be seen that the letter of 23rd March, 1992 was from counsel to client and the client had promptly and categorically repudiated the alleged memorandum.

The newspaper report also refers to lack of response on the part of the Government of the handing over of an unauthorised note. I should like to remind the House that during the debate, and particularly in my own reply, I had strongly repudiated any suggestion that the note was sent either by Government or with my knowledge. We informed the House of the communications sent by CBI to the Swiss authorities on 24th March, 1992 and 26th March, 1992 reiterating our request for legal assistance. Besides, as stated in the House, another official communication was also sent to the Swiss Government within hours of the closure of the debate pointing out that the note handed over to Mr. Felber was not authorised and should therefore not affect in any manner the pending request for assistance. I had occasion to inform the Rajya Sabha on the following day of this position. There is no question of the Government or the CBI not having reacted adequately or appropriately to the situation.

In conclusion, Mr. Speaker, Sir, I should once again like to reiterate that my Government is committed to pursuing the case in accordance with law and with all diligence to find out the truth.

BACK NOTE

IV. Statement on Bofors Investigation 23 April, 1992

NIL

**STATEMENT ON CERTAIN IRREGULARITIES AND
TRANSACTIONS IN BANKS AND OTHER
FINANCIAL INSTITUTIONS**

9 July, 1992

MR. SPEAKER, Sir, The events that have unfolded in the last few months in the financial sector of the country have caused grave anxiety to me and the country at large. The ramifications of this matter have to be thoroughly probed and effective measures taken so that the basic integrity of the financial institutions of the country is not jeopardised and the new economic initiatives taken by the Government to strengthen and accelerate the economic growth are in no way inhibited. My Government has been taking concrete and effective steps at every stage in the last few months as required in the circumstances. The inquiry by the CBI and action by the Special Court will be pursued and whatever is required to be done as a consequence thereof, shall be done.

While this aspect is being fully attended to, I feel that there is need for a comprehensive inquiry through the instrument of Parliament which not only fully establishes Parliamentary supremacy but also provides an effective safeguard to protect the country's interests. We have had consultations with all political parties in Parliament and there is consensus on the desirability of setting up a Joint Parliamentary Committee in this regard. I am, therefore, requesting the hon'ble Speaker to proceed with the formation of a Joint Parliamentary Committee and entrust it with the task. I have mentioned which may be completed within a reasonable time.

I would like to assure this august House that my desire and purpose remain, as they have been so far, to unravel the truth and ensure the smooth transformation to a vibrant economy in the larger interests of the nation.

BACK NOTE

- V. Statement on Certain Irregularities and Transactions in Banks and Other Financial Institutions 9 July, 1992**

NIL

NO CONFIDENCE MOTION IN THE COUNCIL OF MINISTERS

17 July, 1992

Mr. Speaker, Sir, at the end of every debate it is customary to thank the hon. Members who participated in the debate and gave very valuable suggestions. It is, more or less, the first sentence with which the person replying to the debate starts his speech.

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In this case, Sir, I do not know how to thank the hon. Members of the Opposition who have participated in something like a sterile debate which could, perhaps, be considered a debate for a debate. They have every right to do so and I do not deny that.

During the last one year, we have discussed many issues in this House and in the other House. Many clarifications have been given and many questions have been raised and if I say that the debate which we had, on the No Confidence Motion, was just a rehash of what has been said, what has been replied to in great detail except that this comes under a new caption. I think I would not be far wrong. So, that is the content of the debate.

Sir, I would very humbly like to claim that during the last one year this country has not attracted any extraordinary national or international headlines for negative happenings — for killings, for windings, for rapes or for tensions in the society. Whatever problems we have come up against, we have promptly tried to attend to them and, therefore, **the thrust of the new Government has been emphasis on economic programmes, keeping issues of tension in a low profile, greater attention to people's problems and further emphasis on development aspects. I have said time and again that this is not the time for this country to deviate from the path of development, to deviate from the path of national unity, integrity and stability. That luxury we cannot afford.**

I am grateful to the other parties who, by and large, agreed with this approach and we have had a fairly successful consensus method working during the last one year. Despite this No-Confidence Motion and what will

happen on it, I would certainly expect this method to continue and the same amount of cooperation and appreciation of the real problems of the country in the future also and that is the only way of conducting the affairs of this country.

Sir, during the debate many other Ministers have intervened, many matters have been clarified and I am afraid I will not be able to add to what they have already said on their respective subjects, I shall only refer in a general way to the direction in which the Government has been moving and why it has been moving in that direction. I think I need hardly add anything to that.

The last year — last two or three years in fact, have seen recessionary trends all over the world. This is borne out by several reports, several facts and figures including the World Economic Survey of the United Nations. So, the economic situation which my Government inherited came in a particularly difficult era in the history of the world economy and particularly after the dismemberment of the former Soviet Union, the systemic changes in the Eastern Europe when investment of a massive magnitude was needed in all these countries and India was more or less competing with all these countries. This situation needs to be noted specially because in the light of this, if we have been able to attract not only attention but a good deal of investment, it is something which cannot be scoffed at.

The World Economic Survey in regard to India has said this and I quote:

"The economic reform launched by India in 1991 was a landmark in the remarkable, change in policy orientation that has swept across the continents of Latin America Artificial and Asia in recent years. The wave of liberalisation reflects a genuine recognition of the need to mobilise and enable the economic talents of the people and to make the State more efficient and less oppressive. Governments had been overwhelmed by the external debt burdens and the reduction on net financial transfers in the first half of the 1980s. This is for the world and for India, in particular, both historical and temporary experience suggest that the State has indispensable functions in defining legal framework, providing infrastructure, establishing monetary and financial stability, ensuring education and health, maintaining an acceptable distribution of income and social justice, safeguarding the environment and providing a vision of the future role of the country in the world economy."

This, I submit, is precisely what the Government of India has taken upon itself to do, while other functions which it was performing spreading its limited money too wide and too thin, all these areas have been given over or made over to those who can bring investment and supplement those areas.

Sir, I have said many times that in the Eighth Five Year Plan what we really wanted and still want is a massive augmentation of the outlays for rural development. With great difficulty, with all the goodwill in the world, the Planning Commission was able to allot Rs. 14,000 crores for rural development. Of course, there are other areas in which rural development also comes in and the villages and the people of the villages do get benefit, but at the last meeting, in the recent meeting, it so occurred to us that Rs. 14,000 crores would not suffice, it would not really meet the needs of the people as we want to and so we raised it to Rs. 30,000 crores. But raising it from Rs. 14,000 crores to Rs. 30,000 crores is a big jump and I would still like to say that considering the backlog of development of the rural areas in the country which has been accumulating Plan after Plan, I would be happy when we would go to some figure like Rs. 50,000 crores in the Eighth Plan. But, how will that happen? How is it possible if very large investments like Rs. 3,000 crores, Rs. 4,000 crores, Rs. 5,000 crores on each project are eaten up by the infrastructural sectors like power, telecommunications, oil etc.? Budgetary support has to be given to all these factors which is totally inevitable. There is no question of our not having a power sector, there is no question of our not having an oil sector and there is no question of our not having all the infrastructure sectors.

Sir, we know that from the First Five Year Plan onwards, these sectors have consumed larger portion of the Plan outlays. This is a wellknown fact. What has suffered? The areas that have suffered are those of human resource development. Today, illiteracy is at a level which is unacceptable; if the health standards of the people are at a level which is unacceptable, it is because of the fact that much of the outlays have been taken up by the infrastructure sector. If we want this fifty thousand or forty thousand or whatever to come to the Human Resource Development, to the rural sector where all these are needed, I submit that the only way to bring this about is to make a change over in the infrastructural investment sector which we are trying to do with some success, about which one need not be too discouraged. We have sent a team specially to negotiate power projects.

I am glad to say that they have been able to come back even after the first visit with a sizeable number of power projects properly examined negotiated. The paper work is going on. Clearance etc., would need some more time. But the figure which they have quoted is about 15,000 crores which to my mind is going to release about Rs. 30,000 crores or Rs. 35,000 crores. Now if this kind of substitution takes place, this money perhaps we could find for the rural sector, for the sector in order to help the sections of people who have been deprived so far. This is the only way of bringing the entire country up, not section wise but starting with the base of the pyramid. I do not know of any other way. This is what we have decided and in order to do that, there has to be something like a bypass operation—not just asking to trickle down, expecting the classical trickle down theory to work. We have to pass on this money—these 30,000 or 40,000. Whatever it may be— straight to the base of the pyramid, not passing through the other channels that we know of. This is the only way we can get this done.

So both the aspects have been taken care of.

The liberalisation programme that we have started is not the one which was started in many other countries. It has a speciality of its own. It takes care of the areas where liberalisation would bring in dividends. It also takes care of the areas which perhaps would suffer as a result of liberalisation being concentrated in one area. Our villages and the illiteracy there or the lack of educational facilities, lack of skills on the part of the boys and girls in the villages would leave them far behind when compared to their counterparts, their brothers and sisters in towns where they have better educational facilities. So, investing only in the towns, investing only in the industries would mean that those who are around the towns would get better facilities while the rural areas would be left behind.

So, we have to have a massive programme for the rural areas whereby the skills of the rural population—whether adult or child or boys or girls—those skills are brought up in such a way that they do not have to migrate to the cities and they also have a job which they can do, a gainful job which they can do. Rs. 30,000 crores what would it mean in terms of mandays? It would mean a lot. Rs. 30,000 crores in terms of mandays would mean a lot. But it is not just in mandays that we are measuring. We want infrastructure in the villages also. We want all facilities to be created

in the villages also. Therefore, these 30,000 crores, and, more if possible, would have to be very well spent, spent with certain amount of imagination so as to see that the rural population really makes progress so as to minimise or at least reduce the disparity between the rural and the urban population. This is one of the very important objectives of the Eighth Five Year Plan, I would like to submit it is possible that we will not be able to go all the way during these five years because the disparity is so much. But we will be able to go part of the way and I have no doubt that this is going to happen. We have taken steps. Some Plans like the JRY have been severely criticised all over the country where they have not worked well. But, at the same time, they have been hailed in those parts of the country where they have worked well. We have a Planning Commission report on the JRY, on the working of the Jawahar Rozgar Yojana which has brought out some very discouraging features of the Yojana because it says that it can give only a few days' rozgar to people, not more, because the money was limited and the methodology also was such that it did not really reach the people whom it should have reached. For the first time again, the Jawahar Rozgar Yojana is being linked in the 1,711 blocks taken for the revamp of the public distribution system. The Yojana is being linked with the public distribution system. In other words, wages in those areas of whatever work is taken, will be paid at least partially in kind, in foodgrains. Now this really ensures that the money goes to the persons for valid purposes and money is not eaten by middlemen. So, this tie up, I am sure, will improve both the Jawahar Rozgar Yojana and the public distribution system which is now for the first time reaching the village and a determined effort is being made to see that it reaches the village and when it reaches the village, it goes to those who do the work in the Yojana. This linkage is important and is being attempted. I have myself been to some places, one place in Madhya Pradesh, one in Rajasthan, where the reports had been that it is not working satisfactorily. I went there. I talked to people. There is no use of simply criticising what is happening for so many years. If things have been going wrong, we have to correct them. So, I have seen to it that at least at the official level, there is a determined effort to link these together. We will be monitoring, we are monitoring. Still we are not fully satisfied. But that is the only way of going on improving this linkage and serving the rural people.

On investment, the situation, as I said, is encouraging on the whole. As compared to 100 million dollars of equity investment on an average during the last five years, this year alone we have had a foreign equity of over 900 million dollars. This has already been cleared by the Government. It is more than nine times, about ten times. I think it is a good progress, putting it mildly and it could be more in the coming years.

The spread of the source countries is widely dispersed, including almost all the major capital exporting countries. My first visit to Germany convinced me that while we can get something from these countries, we have not been able to convince them that their money would be safe or their investment would be safe. There had been still some questions lurking in their minds and, as I visited country after country, between Germany where my first visit took place, and Japan where the latest visit took place, I can say with no fear of contradiction that the amount of confidence in investing in India has been growing apace. I am quite sure that now we can safely assume that investment decisions are taken in those countries subject to their own limitations. I am not saying that it is possible for them to invest endlessly. It is not that. I mean, their conditions also have their own limitations.

About Japan, we came to know that they had limitations. During the visit and even before the visit, we were warned that there are limitations in the Japanese economy which would affect the capacity or the possibility of Japanese investment immediately. Now, I am glad to say that in spite of those limitations, what we found in Japan was quite encouraging. Instead of our who wanted to invest we had the pleasant surprise of their calling on me and offering investment. So, I am very much heartened by this visit and I hope all steps will be taken as follow-up.

Now, Jaswant Singhji said something about Coca Cola. I might inform him overall more than 80 percent of foreign investment proposals are in the identified list of high priority industries contained in the Industrial Policy. He seems to have picked up something from the remaining 20 percent. But I would respectfully submit to him that I do agree that there is a 20 percent list. Now, I cannot equate 80 with 100. So, the 80 percent also is there which contains investment promises and investment prospects,

clearances to some extent, to the extent of 80 percent.

Government has taken particular steps to encourage investment in important infrastructural areas like hydrocarbons, telecommunications and power. In power, Sir, we are in the process of discussing 21 major power projects for clearance with both Indian and foreign companies. Those were the companies, those were the projects Jaswant Singhji perhaps referred to. I would like to submit to him that each one of those projects is being processed, processed with expedition. It is not like projects which could be cleared very easily or very quickly. The decisions to be taken, the technical and ' other details to be worked out do take, on an average, a year or a year and a half and if these are taking sometime, we should not either be discouraged or surprised. But, I am sure, after having asked the Power Ministry that all the projects are likely to go through and get clearance.

In Telecommunications, we have cleared proposals from leading telecom companies for manufacture of the latest telecom equipment. This is expected to double the production capacity of telecom switching equipment in the country. Proposals are also being considered in the area of valueadded services to enhance the efficiency and quality of telecom services.

Proposals for two Oil Refineries on the East and West Coast of the country have already been cleared. The entire foreign exchange cost of these refineries will be met by the private sector companies which otherwise would have had to be met by the ONGC in other words by the Government. Now, these are some of the savings which we are trying to effect in areas where independent investment is coming, independent of the Government and to that extent Government funds are saved and could be diverted to more important areas of Human Resource Development, as I have just pointed out.

Coming to local investment, investment within the country.

Sir, in the internal investment, the picture is equally encouraging and we have got more than 6000 investment decisions having been made this year in compared to half of that last year. So. the. situation in local investment, investment within the country also is quite good. This is the economic picture. All details have been dealt with by the Finance Minister yesterday, I am sure. I only wanted to add this just to show that these

investments are not idle investments, they are not just because we are enamoured of those investments coming from abroad or other sources. We do want them, want them badly because we want our own money to be released for purposes which will not attract any investment from abroad. Nobody is going to run the schools in India, nobody is going to run the primary health centres of India, nobody is going to run the vaccination programmes in India. These are the programmes that have been crying for money and we have not been able to find that money. Hopefully, with the other areas relieved from heavy investment, it will be possible, not only possible, I think, it will be certain, that we will be able to attend to these areas much more than before.

Coming to public distribution system to which I have made a reference just now, the blocks. I have talked about, are getting extra foodgrain allotments and that is one of the reasons why the reference made by Shri Jaswant Singhji to lower stocks, stocks going down that has been responsible for that, we have made greater allotments, higher allotments to these areas.

And this year's prospect, as we all know, needs to be watched. But whatever happens, we would like to stick to those higher allotments to the rural areas in these blocks and there is no intention of reducing them.

Now I come to the important areas which perhaps, the occasional remarks of the Members seem to indicate they are more interested in it. About Assam, no one can say that Assam now is not a lot better than what it was two years ago or a year and a half ago. ULFA has taken certain decisions. There have been two lines of thinking within ULFA. Those who wanted to have talks with the Government, a delegation from that section came and met me. We have gone ahead with discussions... Some arms have been surrendered. There is another section which is against this. There is a sort of running dialogue between them going on and we hope that in the near future it will be possible for us to have meaningful talks with the whole of the ULFA in order to solve that vexed question which has been there for many years.

Considerable progress has been made in the implementation of the provisions of the Assam Accord. Economic development of Assam in pursuance of the provisions of the Assam Accord and otherwise has also

received continued and utmost attention. In terms of the Accord, an oil refinery is being set up at Numaligarh and an IIT is also being established near Guwahati.

I laid the foundation stone to these institutions, the other day, when I visited Assam. And also a long railway line which is being converted from metre gauge to broad gauge and which has given lot of hope and lot of happiness to the people around. I have had occasion to talk to the people and I saw how happy they felt at these projects coming up. That is about Assam.

About Kashmir, Jaswant Singhji has tried to point out that there have been contradictory statements or different statements from different persons, different Ministers. I would like to point out that in my Press Conference, I had summed up the whole thing by saying that we do want Kashmir to come back to normal. And I would say normal only when a democratic Government is functioning there. Now this is an egg and chicken situation. We want normalcy for elections to take place. But until elections take place real normalcy will not come. So, we have to play it very carefully. We have been successful in creating certain conditions of peace, when compared to the last one year. And we are in a position to say that in the foreseeable future conditions will further be created to enable elections to take place in Kashmir. One complaint that has come to me from some critics is that elections have not been fair in Kashmir. We will have fair election; we always had fair elections. I told them that I do not agree with that statement and we will have elections.

I am talking of Kashmir. I will come to Punjab. There is no need for you to suppose that I will skip Punjab.

So, I do not agree that elections have been anything but fair. But I have said that elections will take place as soon as conditions conducive to elections are created. I do not think there is any contradiction in what the Home Minister said, what I said or what any other person said. The fact of the matter is, tomorrow, if you want me to hold elections, it is not possible. But elections have to take place there and we have to create conditions conducive to elections. This is the whole picture and taken as a whole, I think this position does not have any internal contradictions.

Sir, about Punjab, I am really very amused when people talk lightly of the elections there. Why it should be so? I do not know. Because when we went in for elections. I only wanted a State Government in Punjab. I made it absolutely clear that I want a State Government because I can not talk to the Governor, all the time, to solve the questions of Punjab. I wanted a State Government. As a Congress President, I could have asked for a Congress Government. I did not; I deliberately did not, because I thought that in the situation of Punjab, we should not, perhaps, talk in terms of parties. I wanted a State Government. I went on the Doordarshan and said this. In spite of that, some parties chose not to participate. It was not my fault.

But in any case if they had participated I would have been happy. The percentage of voting would have been much higher and whichever government had come as a result of that, we would have dealt with that State Government equally effectively and that would have been a better situation. But if elections have taken place and a party government has come there, we have to deal with that government and I can say that the Government of Punjab is more zealous about the rights of Punjab; what is to be done in Punjab; they are not really acting like just Congress; it is not like that. Beant Singhji comes to me with certain suggestions which are very difficult in themselves Still we are examining them. We cannot reject them because when it comes from a State Government, one has to go into the history, into the background, into the feasibility, etc of those proposals. I assure the House that this is being done. I am not talking of a package because my package is the RajivLongowal Accord. Now whatever is being discussed, it is within that Accord Therefore I do not have to have a separate package. The package is already there. This I have made clear many times.

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The floodlighting and the fencing on the Punjab sector of Indo-Pakistan border to check the movement of terrorists and smugglers have been completed. This is one important matter that has been coming up in the House. We have now to go to the other sector of the border. I am not quite aware of what is being done on that But I am sure, from the Punjab we will go on to the other border. Unless the whole border is flood-lit it will not be possible to effectively stop incursion from across the border. This is the present situation in Punjab.

On External Affairs I really do not know if there has been anything very seriously said. But I would like to take the House into confidence that there has been no 'U' turn in our foreign policy. In fact we have stuck to our policy as very few countries have. Those who were having different systems working for decades and decades: what is the turn they have taken; how many degrees is the angle of turn they have taken; and what we have done; please make a comparison. Because the change is not a change in one country, it is a change in the whole world. What is the degree of change? **I cannot see any change in my policy I am still a non-aligned country; as nonaligned as I ever was. I continue to be non-aligned whether there are two blocs, three blocs or only one bloc. Because I equate non-alignment with my right to take a decision according to my rights, according to my likes and stick to that decision. I am doing that. I have not swerved from that till this moment. Who so ever wanted me to change certain policy decisions, etc. I have politely told them that this is not possible.** First there is a little more pressure. You withstand the pressure and then say, "Yes, yes, we understand your position". This is how, it has ended now. I am happy about this. We change when we want to change. We do not change at the behest of others. This is the policy and this continues to be the policy and we are non-aligned. In fact, it is the Non-Aligned Movement that has taking a new and relevant role for itself. The exercise was started at Belgrade. Unfortunately, because of the conditions within Yugoslavia, the Non-Aligned Movement and the activities of the Movement could not go very much further during the last three years. I had a talk with the President of Indonesia, the Chairman-to-be. We met in Rio and we had a fairly long discussion on what is to be done. Their Foreign Minister came here who is prepraing the new document. We are taking a full hand in prepanng the document; we are assisting them-the Chairman as we always do. And I am sure that we will be able to delineate the new role of the Non-Aligned Movement, pursuant to what had been done in Belgrade and I think we will be able to give the finishing touches to it because between Belgrade and Jakarta so much has happened in the whole world.

After the dissolution, after the dismemberment of the former Soviet Union, we have had diplomatic relations established at the earliest. We have not lost any time in doing it because if we were dealing with one

country, Soviet Union, It was not really one Soviet Union in one area, we were dealing with a country which, in its economic and other relations with us, was spread over 15 States. Something which we wanted came from Ukraine; something we were dealing with, came from Kazakhstan; something which we wanted came from some other States. But we were dealing only with the Soviet Union. Today we have to deal with all these areas from where we still have to get those things and I might assure the House that within the shortest possible time, with the least delay, with the least possible delay, we have been able to establish contacts, not only diplomatic contacts, but contacts of a bilateral nature which were on going when the dissolution took place. It has taken some time on the other hand; on the other side also they need some time to acclimatise themselves, to acquaint themselves with the new situation.

Therefore, we have been in a much better position than we would have been if we had not taken immediate steps. Now, the Presidents of all these, four or five of these Republics have visited India. They have told me by the way, each one of them told me, that his country, his Government stands by secularism; his country, his Government is against fundamentalism. Now, the kind of struggle that they are having to wage in those countries in the new circumstances, is well-known to all of us. So, they have something to compare notes with India and this is the most important part of it. They have said that, with India, they would like to continuously discuss these matters because a new situation has developed there, whereas they want to be totally secular as they have always been, they are finding it a little less easy to do so in the changed circumstances.

So, there is much that is common between them and us. And we are pursuing your talks with them. We will continue to have some institutionalised structure whereby this exchange of views and experiences becomes easy.

Now about joint naval exercises. I think, this has appeared so many times. We have not had so many exercises as debates on exercises. I think, we find it useful to have exercises. We have had exercises with many other countries. I do not think there is anything to explain why we had exercises with the United States. If our Navy finds it useful, I think, it is good to do it. There are, of course, Members who would not agree. There is hardly

anything I can do to make them agree. So, we just leave it at that.

About our neighbours, I do feel that relations with our neighbours have improved. We have problems even with Pakistan. Mr. Jaswant Singh wanted to know, after having met so many times the Prime Minister of Pakistan, what is the outcome. It is very difficult to measure the outcome. We are neighbours and we will continue to be neighbours. There will be ups and downs. There will be some misfeasance and malfeasance. From across the border, what is being done, we all know. Whenever we meet, we start with that topic impressing on them that they should stop this activity. Well, sometimes we are told that they have already stopped it. Sometimes we are told that they have never started it. Sometimes we are told, "We will stop it." All kinds of different signals come. But, in any case, we have to continue to have dialogue with them. We can postpone. We can protest. We can signify our disapproval of some acts done by them. All this is valid. All this is allowed. All this should be done. But today, it is not we but many other countries who have come to the same conclusion that State sponsored terrorism by Pakistan is a fact.

So, whenever we meet, we have to compare notes and we also have to understand. At his very first meeting with the Prime Minister of Pakistan. I think, Mr. Chandra Shekhar would have come to understand that every Prime Minister has his own limitations within his own country. We do not make a speech about these limitations. We understand it. Once we understand these limitations, we also understand the limitations on the effectiveness of the dialogue or the conclusive nature of the dialogue that we have with them.

So, with all these things in view, since I am going to meet him again number of times I have already met plus one I would not like to say anything but this effort will have to continue. The Secretary level talks which we had suspended will be resumed after the dates are fixed by diplomatic channels and we will continue this. Ultimately, Sir, I have a feeling that we will have to treat Pakistan with the amount of friendship, tolerance and firmness, a combination which is not always easy to prepare and to think of but a combination, nevertheless, which is perpetually going to be necessary. And that is what I would like to submit to the House.

About Israel, the Israel diplomatic relations have been established

with Israel as a result of which we are very much into the Middle East process now. This I could say without any fear of contradiction. And as a result of this, the Middle East process has a very good Indian component of participation today. It remains to be seen how the process goes on. But whatever happens in that process, India is going to play a role which is useful and perhaps, we will contribute to the process really achieving results more than any other country, if I may say so. So, this is about Israel. About other bilateral relations with Israel, I am not sure whether that much has been done but that is a matter of time and we will take up those issues as we go along. Now, Sir, about the subject matter which is really rousing passions for the last two or three or four days, I would like to very briefly submit to the House. Sir, you may recall that in the NIC meeting held on 2nd November, 1991, the Chief Minister of UP had given the following assurances:

- (1) All efforts will be made to find an amicable resolution of the issue.
- (2) Pending a final solution, the Government of UP will hold itself fully responsible for the protection of the Ram Janmabhoomi Babri Masjid Structure.
- (3) Orders of the Court in regard to the land acquisition proceedings will be fully implemented, and
- (4) Judgment of the Allahabad High Court, in the cases pending before it, will not be violated.

Now, these were the four assurances given. All the members of the NIC and the whole world knows about them. This was on the 2nd of November. Evidently, the efforts should have started at No. (1), that is, "All efforts will be made to find an amicable resolution of the issue." We have hardly had any time to even begin, leave alone complete the task at No. 1 and in December itself, developments had taken place which could adversely affect the security of the RJB structure.

Road barricades, iron pipe barricading, rolls, barbed wire, etc. which were there 'around the structure, have been removed and perhaps the security climate of the structure, thereby, got adversely affected. This is the observation of everyone.

In February 1992, the State authorities commenced the construction of a wall enclosing a large area around the RJBBM, including the land acquired in October 1991. After the construction of the wall had begun, the Central Government had requested the State Government to indicate the development plans in the vicinity of the Ram Janam Bhoomi-Babri Masjid structure, particularly on the land acquired in October 1991 and the area falling within the wall under construction, because the acquisition itself was subject to certain public purposes. Reply giving the details of these plans has not been received from the State Government till date.

In March 1992, the State Government leased out approximately 42 acres of land in the vicinity of the RJB Complex to the Ram Janam Bhoomi Nyas for implementation of the Ram Katha Park project out of the Nyas funds. In March 1992, again, the State authorities undertook the demolition of additional structures in the RJBBM Complex such as Sankat Mochan Temple, major portion of Sakshi Gopal Temple, Sumitra Bhavan, Lomas Ashram Gopal Bhawan and shops. Along with the demolition, extensive digging and levelling operations were also commenced. I am giving all these details because the atmosphere of security which had come as a result of the Chief Minister's assurances given on the 2nd of November, got shaken. What was the intention, we cannot say. But the result has been that that atmosphere has got shaken. These levelling and digging operations have led to apprehensions in the minds of many people, and caused concern about their possible effect on the strength and safety of the RJBBM structure. Fear has also been expressed that the collection of water during the rains in the dug up ground could seep to the foundation of the structure and weaken it.

The Central Government has, on many occasions, expressed the view that a negotiated solution of the RJB dispute should be found. If, however, such a solution cannot be reached, the Government favours a solution by court's verdict.

On July 15, just about two days back, the Allahabad High Court has passed an order prohibiting any construction on the land acquired by the U.P. Government last year. Now, the Home Minister has been literally harassed, hour after hour, in Parliament and outside, as to what he is doing when the order is being violated and why it has not been implemented.

Now, the latest information which the Minister of State for Home Affairs has given to this House is that the concerned officers are given orders. I am putting it in my words. The State Government has passed orders to the officials concerned to take steps in compliance of the High Court's orders. Now, at this moment, what all I can say is, I await further reports on the actual compliance of the orders.

Now, some very interesting information has been passed on to me here, after I came here, that the orders were to be sent by fax, but suddenly, between Lucknow and Faizabad, the fax machine broke down. It is possible. Anything can go out of order. But then, as a follow up or as a remedial measure to this failure, a special messenger has been despatched to Faizabad. That is, human machine has now substituted the fax machine.

Now, about the spill over of the last Session. I would like to say a few words about the spill over about which points have been made. I do not consider them very formidable but then I have to give the information.

Sir, on the Bofors case itself, when I had spoken on this matter last in this House, I had stated categorically that investigation would be pursued diligently and without lot or hinderance in order to unearth the truth. All steps were taken to persuade the Swiss authorities to pursue the case. The cantonal court at Geneva heard the case on the 12th of June, 1992. The decision of the court was reserved. After the hearing the court has recessed on vacation. The decision is, therefore, expected in August when the vacation ends. Until we get a favourable decision from the court and until we get to know the names of the recipients of the pay offs, it is not possible for the CBI to investigate further. At present this is the position there.

The High Court of Delhi also is likely to take up hearing from the 25th —If I am not mistaken — and I have been told that, subject to correction, it is going to be continuous and on a daily basis. If it is so, then we could expect the decision of the Delhi High Court also to come as quickly as possible.

Sir, the news item on Bofors pay offs, in the issue dated 10.7.1992 of Indian Express, has been brought to my notice. The investigations carried out by the CBI so far have not revealed any information which may authenticate the issues raised in the news item. As the CBI is not a party in

the proceedings in the cantonal court in Geneva, as per Swiss laws, it has no information about any such account as mentioned in the newspaper having been frozen by the Swiss authorities. The cantonal court of Geneva is likely to pronounce its judgment, as I just submitted, by next month and if the documents are made available, further investigation about the probable recipients will be conducted. At present no comments on the information contained in the news item can be made. But further action would be taken depending on the outcome of the proceedings in the Geneva cantonal court.

Then, Sir, about Mr. Solanki. I have already stated that as advised by the CBI, there is no possibility for our CBI to take up any investigation in Geneva about the identity of a person. The investigation of the CBI starts and ends with Mr. Solanki. They went to Mr. Solanki; they asked him and he said he is in no position to identify the person. This is the position.

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Sir, I think, I have dealt with all the matters that have figured in the House. There is anything which needs further to be explained or any answer to be given, I am prepared to give it. But only thing is that we will not go into inessentials, other Ministers have spoken and I think the debate has been fairly comprehensive.

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BACK NOTE

VI. No Confidence Motion in The Council of Ministers 17 July, 1992

1. SHRI ATAL BIHARI VAJPAYEE (Lucknow): If you do not want to thank, it is O.K.

SHRI P.V. NARASIMHA RAO: I did not mean this. Please listen to me first.

2. SHRI BASUDEB ACHARIA (Bankura): What about its implementation?

SHRI P.V. NARASIMHA RAO: This is what I am saying. It is not easy to implement any one portion of the Accord. The Accord has to come in totality and that is what we are grappling with at the moment. It is not possible for me to give details right now. I may be excused because once I say something, then it will become a point of debate, a public debate if you wish, and then it becomes impossible to take the next step. I can only assure the House that we are assiduously following discussions, continuing discussions and examination of all the questions involved. I am quite sure that with so much of effort going into it, the results should be satisfactory. That is my hope; that is my confidence.

3. SHRI SOMNATH CHATTERJEE (Bolpur): How did he give the summary of the letter to the Swiss Minister?

SHRI P.V. NARASIMHA RAO: It is a question of a person giving the letter not the summary.

SHRI SOMNATH CHATTERJEE: How Mr. Solanki had the summary when he did , not know the content of it?

SHRI P.V. NARASIMHA RAO: Today, itself before coming here, I again spoke to Solanki ji.

If he is in any position at all, even now, to recollect the complexion or any clues by which On behalf of the Parliament, Sir, I impressed on him on behalf of all the hon. members, on behalf of all of you, I pleaded with him if he could recollect anything that could give a clue, he said it is just not possible for him to recollect anything. So, there is nothing I can do about it. That is all.

4. AN HON. MEMBER: What about Scam?

SHRI P.V. NARASIMHA RAO: About Scam, Sir, I think, the Finance Minister has already given a reply. Now, it is in the J.P.C.

SHRI NITISH KUMAR (Barh): Would you appoint an opposition member as a Chairman of J.P.C. ?

SHRI P.V. NARASIMHA RAO: Do not be so indignant. It is in your hands, so do not ask me.

I am not able to hear with so many speaking at a time. I would like to submit with all despatch, steps have been taken right from the beginning, right from the moment, it came to our notice, the Government's notice, culminating in the J.P.C. Now, this is where we are at the moment and if the J.P.C. is able to go further into the matter....

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, Prime Minister has said something about the accounts and Mr. Solanki. I will not make any comment on that because it would then become a question-answer session. It is a separate issue for discussion. But I hold that Prime Minister is responsible for conducting CBI enquiry. Justice Wariava has made a written observation saying that CBI is shielding the guilty people in its enquiry into Bank and stock scam and is in search of scapegoats. He has used very harsh language in his written observation. Prime Minister has just now analysed this big bungling of thirty thousand crores of rupees. Mr. Prime Minister, misappropriation of interest only in this Bank scam is to the tune of rupees forty thousand crores and you have been talking of thirty thousand crores for the last fourteen-fifteen months. Mr Prime Minister, you had set up a one member special court and when the judge raises such a question, would you instruct CBI and all other concerned agencies to give a clear reply to this question.

SHRI P.V. NARASIMHA RAO: I would do it immediately. I have noted all that the hon. member has said and I would give all necessary instructions to them in this regard.

STATEMENT ON RAM JANMA BHOOMI- BABRI MASJID DISPUTE

27 July, 1992

The Ram Janma Bhoomi Babri Masjid dispute has been agitating the minds of all those who believe in the values of secularism and governance based upon Constitutional principles. During the last few weeks, the developments at Ram Janma Bhoomi - Babri Masjid complex have been unfolding rapidly. The order of the Lucknow Bench of the Allahabad High Court dated 15 July was a watershed in the series of recent developments. The High Court, in its interim order, restrained the parties from undertaking or continuing any construction activity on the 2.77 acres of Land which had been notified by the Government of Uttar Pradesh for acquisition. The Court also directed that if it was necessary to do any construction on the land, prior permission from the Court would be obtained.

While the Government of Uttar Pradesh repeatedly assured the Government of India as also the National Integration Council that they would undertake to have the orders of the High Court implemented, the construction activity at the Ram Janma Bhoomi - Babri Masjid complex continued.

The non-implementation of the High Court orders created misgivings among the people. This matter came up for consideration before the Supreme Court in a writ petition. During the hearing of the petition on 22 July 1992, the Supreme Court called for suspension of the construction work of any kind on the acquired land.

In a further affidavit filed by the Government of Uttar Pradesh in the Supreme Court on 23 July 1992, the State Government unconditionally undertook to obey the orders passed by the Supreme Court and by the Allahabad High Court. It was further mentioned in the affidavit that the suggestions made by the Supreme Court at the time of the hearing on 22 July 1992 had given a new dimension to the negotiations which had been going on between the State Government and the religious leaders. The Government of Uttar Pradesh assured the Supreme Court that the State Government was using all means at its command to ensure that an agreement is reached by all parties concerned so that the orders of the Court are effectively implemented. The affidavit, *inter-alia*, referred to the invitation

given by me to the leaders of the religious groups to meet me for discussion on 23 July 1992.

In the light of the submissions made by the Government of Uttar Pradesh, the Supreme Court adjourned the hearing of the petition to Monday, 27 July 1992. The Supreme Court said, *inter alia*, that exploring a solution to this problem is in the larger national interest.

I am sure all the right thinking people will share the concern of the Central Government to find an amicable solution of the problem. The Central Government believes that all avenues of amicable settlement must be sincerely explored in the first instance. Our effort, therefore has been to defuse the situation, avoid a confrontationist approach, and to bring about reconciliation of views of various concerned parties. While doing so, we have been acutely conscious of the importance of upholding the dignity of the judiciary and respect for the rule of law. It was on this basis that we had repeatedly urged the Government of Uttar Pradesh and all other concerned parties to abide by the directions of the Court, both in letter and spirit, and not to do anything which will undermine the basic principles of the Constitution.

As was stated in the Congress manifesto, we are committed to finding a negotiated settlement of this issue which fully respects the sentiments, of both communities involved. If such a settlement cannot be reached, all parties must respect the order and verdict of the Court. The Congress is for the construction of the Temple without dismantling the Mosque.

It was the responsibility of the Government of Uttar Pradesh to ensure that the orders of the Court are implemented and the construction activity on the acquired land is stopped. However, the situation was allowed to escalate to a point where the State Government expressed its inability to do anything and in fact requested that either the Home Minister or I should persuade the Sants and Mahants to stop the work. In view of the critical situation which had come about at Ayodhya, I had a meeting with the religious leaders on 23 July 1992. During the discussion, I drew the attention of the delegation to the serious situation created by the non-compliance of the Court orders by the Government of Uttar Pradesh. I also informed the delegation that I would be in a position to begin the process of dialogue

only after the construction activity comes to a halt. Finally, I requested the religious leaders to see that the work is stopped so that efforts to solve the Ram Janma Bhoomi - Babri Masjid dispute etc. could thereafter be proceed with, in a time-bound manner. I also told them that once the work is stopped, I would revive the efforts initiated by the previous Government that had remained unfinished, plus the preliminary soundings I have been making for some time past. The purpose of this exercise is to bring about an amicable settlement through negotiations. In case it becomes necessary, the litigation pending in various Courts on the subject could be consolidated and considered by one judicial authority, whose decision will be binding on all parties. This would require a fairly elaborate exercise at Government level and appropriate submissions to the Courts for their consideration. I expressed my belief that this exercise at Government level could be expedited and completed within 4 months' time. I found agreement on this approach.

The construction activity on the acquired land at the Ram Janma Bhoomi—Babri Masjid complex is reported to have ceased on 26 July. I hope this will pave the way for arriving at an agreed solution of the problem and bring about an amicable settlement of this long standing issues. I therefore appeal to all political parties and all sections of the people to help in strengthening the traditional values of religious tolerance and in maintaining peace, tranquility and communal harmony.

BACK NOTE

**VII. Statement on Ram Janma Bhoomi-Babri Masjid Dispute
27 July, 1992**

NIL

STATEMENT ON ENHANCEMENT IN THE PENSION OF FREEDOM FIGHTERS

12 August, 1992

Freedom fighters under the Swatantrata Sainik Samman Pension Scheme are at present, getting a pension of Rs. 750 per month, Ex Andaman and Nicobar Islands freedom fighters receive a pension of Rs. 1000 per month. In addition to this pension, freedom fighters are also eligible for certain other facilities including Railway passes and free medical facilities. I may add here that some additional telephone facilities have also been made available to them just two days back.

In this Golden Jubilee Year of the Quit India Movement, the Government have decided to increase the monthly pension of freedom fighters by two hundred and fifty rupees. This would mean:

- (a) In the case of freedom fighters under the Swatantrata Sainik Samman Pension Scheme from Rs. 750/- to Rs. 1000 per month.
- (b) In the case of Ex-Andaman and Nicobar Islands freedom fighters, from Rs. 1000 to Rs. 1250 per month.
- (c) In the case of widows of freedom fighters (in both categories) from Rs. 750 to Rs. 1000 per month.

It is proposed that this increase be effected immediately. By this small token, the nation renews its gratitude and respect to those who dedicated and consecrated their lives to the cause of achieving India's freedom.

BACK NOTE

**VIII. Statement on Enhancement in the Pension of Freedom
Fighters 12 August, 1992**

NIL

REPLY ON NO CONFIDENCE MOTION IN THE COUNCIL OF MINISTERS

21 December, 1992

Mr. Speaker Sir, I am indeed grateful to the large number of hon. Members who have participated in this discussion and made valuable contributions. The debate has rightly been exhaustive and many Members were able to express themselves with anguish, with anger, with reason and with so much of patriotism that this debate, perhaps, will go down as one of the debates of a highest order in history of Parliament.

I once again express my gratitude to them. The occasion itself is one of introspection, seriousness, gravity and perhaps, an occasion where each one of us has to set our sights on the vision of the future.

This country has been a great country, it has risen to great heights, it has seen aberrations but from every aberration it has come out stronger and not weaker. I do hope that this great tragedy, this act of betrayal and vandalism which occurred on the 6th of December will be obliterated as quickly as possible from the public mind, I wish to God that this happens. Even the slightest remnant of the memory of this would be harmful to the country and I would appeal to all sections of the people, all sections of the House to help in this process, the process of living down this shameful event of the 6th December and prove to the world once again that this is just an aberration, otherwise the country is one full of harmony, full of brotherhood and this has been so for thousands of years; it will be so for thousands of years to come.

It is rather strange, Mr. Speaker, Sir, that this discussion should come in the form of a No Confidence Motion. The Bharatiya Janata Party has no confidence in the Government of India. Why? Because the Government of India reposed confidence in the State Government of the Bharatiya Janata Party. May be, this is good justice meted out to the Government of India. I have to own that. I have to admit that. But how do we run the country, How do Centre-State relations run? On the basis of suspicion? On the basis of mistrust? How do we run the Governments of the States which are so inextricably linked with the Centre, that they have to be running at three legged race all the time? One of them cannot run in advance, leaving the other behind.

In the National Development Council, in the National Integration Council, in the Chief Ministers' Conference, we have seen that every problem is so intractable if seen in isolation but becomes easy when seen comprehensively with the States and the Centre both Governments sitting together and trying to sort it out. During the last one and a half years the National Development Council has been functioning this way. Several sub-committees of the Council headed by Chief Ministers of whichever party, have been constituted and they have been doing excellent work. There has been no dissension of any kind and the National Development Council on the whole has acquitted itself admirably as a result of this functioning. This is how a federal State has to function.

But is it possible, is it conceivable for the Central Government of any federation to even imagine that one of the units, a State Government, would keep giving affidavit after affidavit after affidavit, giving solemn assurances, and finally violate those assurances in a manner that until the last moment it cannot be detected? That is why my first reaction was that for all appearances it was preplanned. There is going to be an enquiry. I would not like to anticipate the results or the findings of the enquiry. But it was so planned, it cannot be an accident, it just cannot be an accident.

Sir, I have been arraigned, I have been criticised for believing. That is the only sin I seem to have committed. I agree. I plead guilty for believing a State Government. I have no explanation on that. But the point is that I believed it not only as Central Government; I found that there was nothing else but to believe the assurance of the State Government. Was there any other way when the Supreme Court believes it? The Supreme Court hearing after hearing places more reliance on the State Government; asked the State Government to come back with more affidavits; asked me at some point of time to keep out because they would like to try the State Government. They have full faith in the State Government. I am not party. The Central Government is not a party before the Supreme Court nor in the High Court for that matter. But I was called for a particular purpose. We said: "We are prepared to help the Supreme Court in whatever manner the Supreme Court wants us." That was all the role we played. And ultimately on the 6th itself, the Supreme Court had been shocked, what they said is revealing. I do not remember any State Government in a federal set up having behaved this way. So, those who told me and tell me now, did we

not tell you? Yes, they have been proved right. But I was proved right in July. So, it is not a question of who is proved right. The question is what has happened to the Constitution of India in this process. It lies shattered. What happens to Article 356? It lies shattered. I would like constitutional experts to go into it. Where is it that the President of the Union finds that a situation has arisen whereby the governance of the State cannot be carried on according to the provisions of the Constitution. What is that precise Point? We have dismissed State Governments times without number. Most of the State Governments dismissed or removed have been Congress Governments belonging to the same party at the Central Government. It was easy to tender the chief minister's resignation. We send advisers from here and the State Government gets President's Rule. In those few cases, where other Governments were also dismissed; similar procedure not quite beginning with the resignation, but some other procedure was followed. But in no case was the practical implication of Article 356 tested. You send the advisers. They take over at leisure any time, maybe one day late, maybe one day early. But here in the Ayodhya Matter, I cannot do a thing without dismissing the State Government. I send my troops, paramilitary forces. I sent them because I wanted them to be available to the State Government. At no point of time do the State Government tell me that they will not use them. Yet they do not use them. I have yet to come across a scrap of paper from Shri Kalyan Singhji to say that he refuses to use the Paramilitary forces sent by the Centre. The Home Minister will bear me out. But, he has not used them. Ultimately, on the last day, when we say please use them, please use them, please use them, the Home Secretary who is sitting with the Chief Minister—says it is so unfortunate Unthinkable and unfortunate.

"At 2.20 P.M. DG, ITBP informed M.H.A. that three battalions which had moved from DRC had met resistance and obstructions enroute, there were a lot of road blocks and people stopped vehicles. After talking to the people en route, the convoy reached with great difficulty at Saket Degree college where the forces were again stopped and the road was blocked. Minor pelting of stones also took place. The Magistrate asked them in writing to return. DG, ITEP further informed that three battalions had returned accordingly, the Commissioner had been contacted, who informed, the Chief Minister, Uttar Pradesh had ordered that there will be no firing under any circumstances."

Commission of Inquiry which will go into there, I am only placing before you some rudimentary facts which need to be taken into account.

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The inexorable logic of 6th December has started... in right earnest, started within whatever time is necessary to take action. Action after action after action has been taken. Yes, this is a change in direction because it was warranted by the worst tragedy we could imagine and the new direction has been accepted, the challenge has been accepted, the battle has been joined. There is no need for us to go into history now. The need for us is to make new history and that is that for the first time after many many years the secular forces of the country have come together, the secular parties with all their internal differences have come together. I feel that at this time.

And we will forge ahead, we will see that the secular credentials of this country are reestablished fully and what our great leaders through the Constitution and through their own example told us to do, we will do it to the hilt.

Sir, Mr. Indrajit has raised a very relevant point. In fact, I was going to read the same Resolution which he read from the Constituent Assembly, I had occasion to raise this in one of our Party meetings. In a secular democracy, what is the place of non-secular parties or what should be the composition and the programme of parties participating in that democracy, is a question which needs a national debate. I want this debate, I want thinkers, I want leaders to come together because the time has come when we can easily see that there is an irreconcilability in these forces. We tried to carry on for many-many years. Now we find that there is a Party which takes a religious issues as its main plank. I have nothing against a religious issue, I have nothing against religion, but a religious issue being brought into politics election after election after election cannot be accepted. This will have to be looked into and this will have to be effectively checked. If there is a party which takes to arms, for instance, if the candidate of one party has an AK47 and moves with it and the other candidate has nothing, it is an unequal fight. If a party takes Ram as the spokesman of the party and affects the minds and hearts of people day in and day out, whereas the

other party does not even utter this because it is a secular party, does not want to make use of that as an issue, then it is again an unequal fight and the Constitution does not, in my view, allow such unequal fight. The field has to be even for both teams, those who are participating in the elections would have to participate on the basis of certain guidelines, certain principles which are common to all and which are defined very clearly in the Constitution. This will have to be looked into. This is fair to both of us. Let Ram remain where he remains, let us fight on the basis of other issues which are much more important from the point of view of the people and that is the only way of making the Constitution work in its right spirit. I appeal to the other parties who are thinking perhaps that religious issues are going to be a permanent asset to them, they will not be a permanent asset to them. The people of India can see through game very easily and very quickly; may be in one election or in the other election, the next election, they will see through it and perhaps you will be wasting five years for doing nothing except raising unnecessary slogans. So, I would like this to be gone into. I thank Mr. Indrajit, for having brought out that resolution. We will have to act on it; we will have to think about it. I will come, if possible to the House or to the leaders of the Opposition first, all leaders and perhaps for a general debate, a wider debate in the country, of how this aberration which has become rather menacing during the decade has to be set right. It started with small beginnings, but then it has permeated, more or less, every party. Today, when I say that something which has happened will have to be undone, there are eyebrows going up in all parties. I do not want this at all to happen in any party. If we are secular, the vandal cannot be allowed to take advantage of the act of vandalism committed by him. It is quite clear to me. Everything is there for discussion. We will discuss all these things, find ways, as we were about to find the way, we will find a way once again. I assure that to all of you. I would like to once again appeal that today, the day of balancing plusses and minuses is over, we will have to go ahead with a programme.

So far as rehabilitation and reconstruction measures are concerned, I thought. I should apprise the House of what has been decided. The Government of India have advised the State Governments to take strong action against officers who have been derelict in their duties in maintenance of law and order during the recent communal riots. At Present, the scale of

ex gratia assistance to victims of communal riots differs from State to State. The Government of India will see to it that assistance to riot victims is given on a uniform scale by all the State Governments so that next of kin of persons killed in riots could be paid Rs. One lakh and those who are permanently incapacitated are paid Rs. 50,000/each. For this particular incident, I would like to add that as a one time exception, we would like to raise this amount to Rs. Two lakhs in case of death.

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BACK NOTE

IX. Reply on no confidence motion in the Council of Ministers 21 December, 1992

1. SHRI SRIKANTA JENA (Cuttack): Did you receive any IB Report or not ?

SHRI P.V. NARASIMHA RAO: There is no variance between the IB report and what I have read. The, three days before the date, the Governor of Uttar Pradesh writes in categorical terms, that the Central Government should not, I repeat, should not, think of imposing President's rule in the State. He also adds that if any such thing is contemplated, the safety of the Babri mosque can become questionable. I have got the letter. All these factors are on one side which stop me from invoking article 356. On the other side is, of course, the private advice tendered by more supposedly knowledgeable persons.

SHRI CHANDRA SHEKHAR (Ballia): He is quoting Article 356. Is it not under Article 356 that if the Government of India is convinced without the report of the Governor and without the report of the State Government that the Constitution is not being implemented there, they can take action? And action has been taken even without the Governor's report, on the information that the Government of India collected.

SHRI P.V. NARASIMHA RAO: I agree Chandra Shekhar ji. I am only trying to list out the circumstances under which the Government of the State could not be conducted. That is all I have said. On the other hand, as I said, was the advice that these people might let us down, and some statements here and there, not from the Government but from some leaders, saying that they would not do *kar seva* only by sweeping. These were the otherthings. I say in all sincerity that the Government had to weigh the evidence on both sides and we came to the conclusion that it was not possible to impose President's rule, in the face of all this, at the time at which it would have been of some use. And I would also like to add I do not know whether I should say this that the situation in Ayodhya was such that one had to be very careful, extremely careful. The Babri Masjid that structure was a hostage. On one side was the possibility of its being saved by negotiation, by further commitment of the State Government, on the other side, you had absolutely no lead time to save it by the central forces inspite of the State Govt. It is not only with *kudals* and these things, as

were used on that day. It could, have been blown up in a matter of minutes, seconds, by one bomb the size of a tennis ball, detonated from two hundred years, if the State Government connived at it. There were the real possibilities. This is like the mother stabbing the child, the mother poisoning the child. You do not expect it to happen but when it does happen, no one can save it. This is my case.

SHRI EBRAHIM SULAIMAN SAIT (Ponnani): What about previous experiences?

SHRI P.V. NARASIMHA RAO: That is what I say. In July I succeeded. You all heard me, heard my statement here in this House. We discussed it. It worked. I was taking the same line which I had elaborated in my statement. We had the Cell. We got the discussions going. Two meetings were held in a very good atmosphere. The third meeting was to clinch the issue of reference to the Supreme Court. It was at that point that a spanner was thrown in the works and the whole thing came back to square one. This is the situation. History will judge, people will judge. I am not really being dogmatic about it. Some of my own party people had different views. I told the party that it is possible for Congressmen to have different views. Who is proved right, who is proved wrong, is not the question. You take a decision, you stick to it, you defend it. If you win, you win, if you do not win, you do not win.

SHRI VISHWANATH PRATAP SINGH (Fatehpur): With your permission. Sir, the hon. Prime Minister's full case is that he totally trusted the BJP Government, the U.P. Government, and he had no reason to mistrust it. And because he trusted fully, therefore, this tragedy took place. May I remind the hon. Prime Minister that we had put a question that if Kalyan Singh suddenly resigns, how will he manage the situation. He did say: We have alternative programmes and within minutes we can get into action and manage the situation. That means it was prudently so, as any administrator should do to have alternative plans and also not mere trust. We were given to understand that there are alternative plans; if Shri Kalyan Singh resigns, the alternative plans are there and within minutes the things can be managed. The whole scenario, as it developed, was described here. May I know where has that alternative plan gone? What happened to that alternative plan that, if Shri Kalyan Singh at the last moment resigns, you

will put into action?

SHRI P.V. NARASIMHA RAO: Sir, when Shri Kalyan Singh resigned, it was too late to do anything. He timed it like that. In fact our information had been that the BJP very much wanted to save its States Govts. Resignation route was not expected. But when it happened contrary to our information, nothing could be done then except to dismiss the Government which was done.

2. SHRI INDRAJIT GUPTA (Midnapore): Mr. Speaker, Sir, one small question to the hon. Prime Minister. Is it not a fact that the news that the demolition work on the mosque structure having begun reached you, reached the Government of India by Twelve noon? If so, why the Cabinet meeting was not called till Six O' clock in the evening to decide what to do?

SHRI P.V. NARASIMHA RAO: The first impulse of anyone who gets a report like this is to see that we save the mosque first. We ask them to make use of the forces; we go on pleading with them; we go on asking them to do it. This is all that could be done at that stage.

SHRI SOMNATH CHATTERJEE (Bolpur): Mr. Speaker, Sir, How long did the Government of India continue to have faith in the Uttar Pradesh Government? Was it till Eight O' Clock in the evening or till Nine O'clock in the evening, when by this time the demolition work had gone on? Therefore, what we have been most anxious to find out from the hon. Prime Minister is that realising that the betrayal had started, that he has been betrayed, how long did he continue to have trust in him. This is what is worrying us.

SHRI P.V. NARASIMHA RAO: By 9.10 p.m. the President had signed the papers. By 7.30 p.m. or so, Shri S.B. Chavan took the papers to him. Those are the timings if I remember right.

3. SHRI BASUDEB ACHARIA (Bankura): The Uttar Pradesh Government is paying only Rs. 50,000/.

SHRI P.V. NARASIMHA RAO: We will talk to the Uttar Pradesh Government; between them and us we will see that it is paid.

SHRI MOHAN RAWALE (Bombay South Central): Does the Government propose to pay any compensation to the next of the kins of

the police personnel, who were killed during these incidents?

SHRI P.V. NARASIMHA RAO: A fund will be set up for repair and reconstruction of all places of worship which were damaged in the disturbances. In addition to the *ex gratia* relief in the case of death, grievously hurt or damage to the property, the Government of India will recommend to the State Governments that the victims of recent communal riots may also be given the following assistance; employment to widows or wards of the families affected by the communal riots where in earning member of the family had been killed or permanently incapacitated, allotment of tenements and house sites to families rendered houseless, allotment of shops/space for kiosks to families to restart their business and bank loans for capital investment as also working capital for recommencement of industries and businesses affected in the riots. Similar measures will also be taken in the Union Territories. These are the steps that have been decided upon.

SHRI BASUDEB ACHARIA: What about the payment of wages to the workers during the period of curfew? This also should be taken into account.

SHRI P.V. NARASIMHA RAO: Sir, some of these suggestions have come from the hon. Members. If more suggestions come and we find them feasible, we will go into them. I have done.

SHRI SRIKANTA JENA (Cuttack): The Prime Minister told day before yesterday and assured the House to give a White Paper on Ayodhya issue. That has not been submitted, about the reconstruction of that structure, you have not said anything today. What is your response about, Reconstruction?

SHRI P.V. NARASIMHA RAO: The Supreme Court have asked the Government of India to submit its views on this particular subject within a time frame which they have fixed. We would like to examine all aspects of this and go to the Supreme Court and make our submissions. I would like to tell the hon. Members that this is being looked into.

SHRI INDERJIT: (Darjeeling): The cause of mediamen who have suffered has not been referred to.

SHRI P.V. NARASIMHA RAO: Sir, there is a specific term of reference

in the terms of reference of the Commission of Inquiry in regard to what happened to media persons.

We have meanwhile decided to give those whose equipments etc., were damaged, certain concessions which were asked by them. So, the Commission of Inquiry will go in great detail into what happened to the media persons.

**REPLY ON MOTION OF THANKS TO THE
PRESIDENT'S ADDRESS**

11 March, 1993

Mr. Speaker, Sir, I am grateful to all the hon. Members who have participated in this debate and evidently made very valuable contributions.

The President's Address has a particular connotation in our parliamentary system. The beginning of the Address in particular brings out the uppermost concern of the nation and the Government. For instance, in last year's Address we find that the president, after a few preliminaries, straight went to the question of economic recovery and the economic programme. That was the first concern of the nation last year and rightly so, because we had been landed in an extremely difficult situation from which Government's efforts made us come out bit by bit, inch by inch. And therefore at the time of last year's Address, the economic agenda loomed larger than anything else; and that is what the President started with more or less.

This year, Sir, unfortunately, I do not say that the economic agenda has been completely closed or given the go by, but the first concern of the President is on the survival of the nation and the survival of the secular credentials of India. It is also a deliberate expression of what we should attend to first and foremost in this country as a result of what all has happened during the year or in the past two or three months. So, I would like to say in the first instance that this is our very important and perhaps the first concern which we have to attend to.

Sir, it is not for the first time that the need to avoid bringing religion into politics has figured in our discussions, in our thoughts, in this country. After independence this has been figuring time and again. During the debates in the Constituent Assembly again this figured very prominently and since then it has been figuring from time to time. We have tackled it to some extent. We have not tackled it to some extent. The extent it has not been tackled, it has raised its head again and created complications from time to time.

I submit to the House and to the nation that the time has come

when we cannot afford any further tinkering with this problem. We have to decide it once for all. **We have to say that this country is going to be perpetually wedded to secularism and this country cannot exist, cannot survive without secularism.** That is going to be the first thing we have to decide amongst ourselves, including all parties, I say.

Sir, there was, even in 1948, while the Constitution was in the anival, a resolution brought by Shri Anantasayanam Aiyangar, Member of the Constituent Assembly. The Resolution reads this:

“Whereas it is essential for the proper functioning of democracy and the growth of national unity and solidarity that communalism should be eliminated from Indian life, this Assembly is of the opinion that no communal organisation which by its Constitution or by the exercise of discretionary power vested in any of its office bearers or organs, admits to or excludes from its membership, persons on grounds of religion, race and caste or any of them, should be permitted to engage in any activities other than those essential for the *bonafide* religions and cultural needs of the community and that all steps, legislative and administrative, necessary to prevent such activities should be taken.”

Panditji, of course, in the same debate said:

" We must have it clearly in our minds and in the mind of the country that the alliance of religion and politics in the shape of communalism is a most dangerous alliance and it yields the most abnormal kind of illegitimate brood."

This is the word which he had used. So, Sir, the concern with this has been there throughout.

Unfortunately, because of circumstance as then prevailed from time to time we have been able to solve this problem partially through other means, through the ballot box, etc. But right from the beginning, 1952 onwards from the first election, I can say without any fear of contradiction that the tinge of communalism being brought into electoral politics has been there to a lesser or a larger extent the extent has been growing ever since. Still it did not become alarming in this sense that it did not really threaten the existence of the country, the survival of the country. But within 25 years, Shrimati Indira Gandhi came to the conclusion that it is necessary

now to make it absolutely clear that Indian democracy is going to be a secular democracy.

The word 'secular' was used in the Forty-second Amendment. It took 25 years. Until then the urgency of adding this word, or making it abundantly clear that it is secular and nothing else, did not arise. It arose at the time of the Forty-second Amendment. The Forty-second Amendment makes it very clear that the kind of democracy, the brand, of democracy in this country is going to be secular democracy. It could be any other democracy, non-secular also, if the nation wants it. But this nation in particular wants secular democracy. And this is what was clarified.

In a secular democracy, it is very clear that those parties who participate should have a secular content, a secular programme, a secular outlook and everything secular. There should be nothing non-secular about this. This is something axiomatic. This need not be proved or argued about too much. Therefore, it is necessary to go into this particular aspect of secularism and its functioning in a secular democracy.

Sir, after the recent tragic events, number of jurists in this country, constitutional experts, intellectuals have been writing to me and I know that this fermentation has been going on throughout the country, because this is a thinking country, after all. It has been so for thousands of years.

So, as a result of all this cogitation, I got some of the aspects examined in the Government. We have several provisions by which, to some extent to a large extent let us say the brining of religion into politics could be avoided, but it could not be eliminated. That is the position today. But avoidance merely is not enough. It has to be eliminated. It has to be eliminated from the minds of the people, of course. That is a long drawn process. But at the same time, it has to be eliminated from the constitutional and legal framework on which the functioning of this democracy is based. This is important.

After having got it examined and the Forty-second Amendment, if I may say so, was a step in that particular direction; adding that particular word 'secular' in the Preamble was in that particular direction and, therefore it supplied an important missing link. Today the situation is that after full examination of the matter, the conclusion is as under. Shri Madhu Limaye was one of the very thoughtful leaders who wrote to me about it and we

had the matter fully examined. We find —

“From the foregoing it is clear that the present provisions in the Constitution, electoral law and other enactments are not adequate to meet a situation in which a political party takes upon itself, directly or indirectly to take up specific or general religious issues, though the use of such issues during the time of elections is specifically prohibited by a definition of 'corrupt practice' incorporated in the Representation of the People's Act.”

So, it is only partially effective in the functioning of the party, in the entire gamut of its activities, it is not possible to prohibit it. We have to do it if this democracy is to be secular democracy. Therefore, whether the amendment of the Representation of the People's Act, the Election Symbols Order, would meet the requirements of isolating and debarring political parties drawing, strength or exploiting the religious sentiments or sectarian feelings, the answer is 'No'. Because we have not tried that. That has not been put to test. Therefore, we have to devise some very special means and this Government has been on the look out to find out those means. I want a full debate on this House and outside and after a full debate we will come up with whatever is found to be most effective which human ingenuity in this country can devise. This is a commitment from the Government. I would like this subject to be brought here. This concerns the very existence of the State, and this has to be taken as our first priority. As I said, priority has had to be changed as a result of what happened last year and this I submit will come before the House, before the nation in whatever form it can come. I again pledge this Government to any constitutional legal amendment that may be needed to correct its framework so as to bring it entirely in line with the secular democratic ideal, which we have espoused in the Constitution. This is on the political side.

We cannot accept a religious device for political means. If there is a religious body, we have no objection at all. That is the essence or secularism, if someone wants to have a Hindu body or a Muslim body for their rights, for education, for things like that, we have absolutely no objection; the Constitution is fully open to that, it allows it. But, we cannot do this to be brought in electoral politics because it is to a level ground when it comes to electoral politics. The play has to be at level around. For both sides it has to

be the same advantage or disadvantage. If being a Hindu itself is a qualification and a party says it is for all Hindus and another party becomes Muslims, then why do we have elections in this country. Eighty five per cent are Hindus. Even before the elections, the results are out. Therefore, unless the vast majority of the people in this country get divided on ideological grounds, not on religious grounds, so also the minority, there can be no secular democracy, if the divisor of the people is religious grounds. Therefore, there must be something to stop this. There must be something to make it illegal just as it is illegal to preach sedition. For instance, in the Punjab elections, some leader said, I am going to take these elections as a referendum for Khalistan. We stopped the elections. This cannot be allowed.

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Now, this debate is going overlap with two other debates. One is the Railway debate. About some Railways, some friends have raised some points here. They will have to be dealt with by the Railway Minister. Then there is a whole lot of economic material in the Presidential Address. He has given us the main thrust of the economic policy which, has been endorsed last year also and in pursuance of which, lot of progress has been made in this country. But I would not go into any great elaboration of that because during the Budget debate, all those things are going to come up. So, I shall leave those points to be dealt with during the Budget debate.

Only one point which has not been well brought out in our debate so far, I would like to mention here, that is, the importance of agriculture. It has been only said as a matter of slogan may be, but this has not been elaborated I would like to bring to the notice of the House that the Budget of 1993-94 intends to give a major push to our policy of reducing poverty and increasing employment, uplift of the poor is an article of faith with us. As the Government moves away from regulation and direct involvement in industry, etc. it must focus more strongly on those services only which it can provide. The Budget has demonstrated our commitment to these vital principles. It will give a major push to afford, to reduce poverty and increase employment, to increase allocations in agriculture and rural development. In agriculture, there is a sixteen per cent increase and in rural development there is a very major, thirty-six per cent, increase, bringing it to Rs. 5,000 crores. Rural development in the FiveYear Plan has got something like more

than a 110 per cent increase or 120 per cent increase. Starting with Rs. 14,000 crores, it has jumped to Rs. 30,000 crores, because we thought that this is necessary. In the next five years it is necessary to make a real quantum jump in rural development which mostly consists of rural employment the Jawahar Rozgar Yojana.

This being the case. Education has received a jump of twenty-nine per cent. Health and Family Welfare has received a jump of 17.6 per cent. These increases were not there in the previous Budgets. Therefore, this is the special package that has been devised. On the one hand, there has been liberalisation, deregulation, making the people free to come up with their own enterprise, own initiative, no curbs on them, at the same time, on the rural side, so that this change may not increase differences, increase disparities, a big chunk of money is being given to the rural sector so that the balance is maintained, the relationship between the rural and the urban sector is not completely distorted.

We have recently evolved a progressive agricultural policy after detailed consultation with the States, agricultural universities and farmers. The Agricultural Policy Resolution was discussed on 5th March, 1993 in a conference of Chief Ministers who have broadly approved it. The Agricultural Policy Resolution will be brought before Parliament also for eliciting the views of the Members. This policy lays emphasis on infrastructure development, balanced regional growth, greater public investment, better provision of credit and other inputs and developing a favourable price, trade and investment environment for agriculture.

This is the real thrust now. It is not just only production. It is also trade and investment environment in agriculture. For the first time a massive investment has been made in this year's Budget on agriculture. It was not so earlier. In fact the investment on agriculture was steadily going down.

Therefore, I would like to say that this is a turning point in the policy of the Government in regard to agricultural investment and this is going to be all to the because unless agriculture is strengthened whatever else do, the economy is not going to really come up. This has been the experience in the past. Whenever we had a good harvest, everything else was good. Whenever we had a drought, everything else-even if it was good it did not make any impact on the economy of the nation. Therefore, this is one

point which I wanted specially to stress.

Sir, in agriculture there is one difficulty that has come and I would like to share the Government's thinking with the hon. Members. About fertilizers there has been some complaint from some sections of agriculturists. So far nitrogenous fertilizers are concerned, there is no complaint because the prices have come down. Coming to the phosphate fertilizers, particularly DAP there has been a complaint. The complaint is two-fold. On the one side we have our own factories producing the DAP at as high a price at Rs. 9,200 per tonne while you can import the same DAP at Rs. 6000-Rs. 6,500. Now what is in the national interest? What is in the interest of the farmer? This is where the dilemma come.

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This is where a sectional approach will never do. Our friends who are raising their voices from the other side are unnecessarily straining their throats. They stand for one section, that is the industry and the labour. If the industry tries to make it much more modern, labour will be thrown out. That is their very legitimate concern. I can understand. But there is another concern and that is of the farmer. He wants it at Rs. 6,000 if you can give him. Is it not possible for us to have a buffer stock when the prices are down? The idea is to have a buffer stock; make it possible for us to even out the price at some point which is neither Rs. 6,000 nor Rs. 9,000, but still within the reach of the farmer. This is approach we have to take, not to shut our imports. This is the best policy which could be devised for the farmer and this is what we are thinking. On the other hand, there is the whole industry of fertilisers. We have built it at great cost. It is producing between 40 and 45 per cent of our requirements. We cannot let it go down the Train. Therefore, we have to do something for keepings it afloat and that is also what we are planning. So, this is a two-pronged approach where whenever imports bring you at lower price you build a stock and at the same time, you help the local industry also to flourish in the sense that they become competitive.

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Sir, now these are the constraints of agriculture and if we do not understand and try to solve them, agricultural problems will remain where

they are. This is what we are trying to do. This is the package which I would like to bring to the notice of the House. We will go into greater detail later. When the agriculture demand comes, naturally we will go into the details.

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Sir, coming to import, this year if I am not mistaken there will be no imports. Our crops has been food and our prospect of the Rabi crop has been equally good. There will be no import of wheat this year and I hope next year also, if our buffer stock is good enough, then we may not have to import. But, this, I must say again and again that the country, in spite of all the agricultural progress that we have made, is still dependent on rains and if you have God forbid, a really bad drought in this country, the country will not be able to stand it. We can stand a drought here or there, sway in one or two States or one-and-a-half States or a few districts here and there. Sometimes, extensive droughts are not uncommon in this country. I hope they will not recur, because we have rely established the irrigation system to the extent possible and we do not have recurring very extensive droughts these days. But if such a drought comes we will not be able to stand it. Therefore, the importance of agriculture still remains and agricultural extension still happens to be very important. But this extension still happens to be very important. But where is this extension to take place? In Punjab there is nothing more to do, in Haryana there is nothing more to do.

It is only in the Gangetic plain, it is only in Eastern Uttar Pradesh, it is only in Bihar, it is in areas which are endowed naturally, but at the same time do not have the wherewithal, those are the areas where this investment has to be made. I have heard agricultural experts say, just one State of Bihar can feed the whole of India. The kind of yield that you have today is nothing to be proud of. It is about one-tenth or one-eighth of Haryana or Punjab. So, the entire scope of increasing the per acre yield is in the Eastern. Area. That is where Ayodhya also is. If everyone is thinking only of Ayodhya and nobody will think of agriculture, nothing is going to happen. That is where the agenda of the nation has to change from religion, from obscurantism, from outdated, slogans, from going to past to going to the 21st century. This is what is the essence of the whole thing. The entire scope lies there. Therefore, I would like to put an end. I would like the House to endorse

be it is a little more. But things are picking up. Things are coming back to normal fast coming back to normal. The figures of January and February clearly indicate that there is again an upward trend in the economy, in everything including exports and, therefore, this is a hopeful feature, this is a healthy feature with which we should consolidate.

Sir, this is also proved by the fact that within the last one month alone or five weeks, we have been able to receive the countries from which we expect foreign investment on a large scale. Immediately after Ayodhya for about a fortnight or a month, there was a tendency to pause. They asked themselves whether India will again come back to normal. After one month, it started with a drizzle, but now it is becoming, a torrent. I have no doubt that we are already back on the rails. National Agenda has been picked up, has been accepted by us and our friends in other countries. The visit of President Yeltsin has proved beyond doubt that our relations with that part of the world are going to be as close as they have ever been, in whatever situation those countries are. We have settle many outstanding problems. Some Members were just asking, before I started, about what is happening with Russia. Now, we have more or less settled all the outstanding questions with Russia.

Many farmers from Kerala, Andhra Pradesh and other States had come with long complaints, better complaints, that what they were producing is not moving. "Why does not the Government of India find markets for us?" It is not easy to find markets. We had only one established market of the former Soviet Union and that market was completely out of function. Now that market has started. Only three days back, several people came and told me that their goods have started moving. LCs have been opened. A new chapter has started. This has happened very recently and we have to be happy about it because Russia has been a very important factor in our economic programme. That importance we should never give up. There have been economists who think that we should go in for alternative markets. This Government will not give up the established, traditional markets that it has got. We will continue. We will bring them even closer and I am glad to say that President Yeltsin was much more forthcoming than what we expected because, before that, at the official level, things were not moving. They were not rely on the same wave length, but at the submits level, when he came here, I am glad to say that all these cobwebs

have been removed. So also have been the visits of other countries which only means that the Agenda has changed. We will have to go ahead with the original Agenda and there should be no hesitation on this, no looking back on this.

Sir, the other questions raised by the hon. Members would have to be dealt with in the other debates that are coming. So, I have placed before the House the main thrust on the political side on the side of the nation's secular credentials being saved, on the nation's survival, and on the other side the most important aspect, on the economic side. Only these two, I have placed before the House. The other matters will come in their own good time during the other debates. So, I have done it.

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It is true that when the BJP Government was in U.P., we wanted the BJP Government to agree to Article 138(2). It makes sense because when the State Government and the Central Government agree which is necessary under Article 138(2), there will be no problem at all, both will agree that the courts will finally decide the matter and everybody would be happy. There will be nothing meanwhile to agitate about. That is the central point, the centre-piece of the entire thing. But now when the U.P. Government does not agree, did not agree, what were we left with ? And in the case of agreement from the U.P. Government, the time frame did not matter whether it took ten years or twenty years, the normal litigation would go on. We would come back with the national agenda. We will forget about Ayodhya because someone else is looking into it. That was the idea. It was not with any evil intention against the BJP or anything. We only wanted this, the matter should be finally decided. Everything should be finally decided. And for that we need the consent, of both. If we do not get the consent of both, it will be a one way affair. If they do not agree to Article 138(2), they will be still in the streets agitating. We will be facing an agitation year after year, month after month, day after day. And what is the situation we are getting into. We do not want to get into that situation. Either we want both to agree even today. Today, Sir, I am giving this open offer. We have gone under Article 143. We are again prepared to go under Article 138 if the BJP agrees that they will abide by that, this is what I am saying.

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Sir, I am absolutely clear in my mind that I do not want this matter to be pending for the next 20 years, leading to agitations. I want it to be settled; within the next few months, it has to be settled. It can be done only under 143 and not under 138. It has to be settled. I want to settle it one way or the other. It has to be settled.

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BACK NOTE

X. Reply on motion of thanks to the President's address 11 March, 1993

1. SHRI MADAN LAL KHURANA (South Delhi): In Mizoram, the Congress Manifesto stated that if voted to power the congress Party will from Christians Government in the State.

SHRI P.V. NARASIMHA RAO: Wherever this is done it is wrong. It is constitutionally incorrect. We are talking of something serious. In this discussion lungs are not going to really determine success.

SHRI MADAN LAL KHURANA: In Mizoram, was it there in your manifesto?

SHRI P.V. NARASIMHA RAO: I agree. In Mizoram, there was a wrong para inserted in the State's Congress manifesto. We removed it. We disapproved of it. We completely disassociated from it. That is what happened. That was wrong. Absolutely that was wrong. There are cases in this country where even a small pamphlet appealing to religious sentiments was taken by the Supreme Court as violative of the principle of secularism or the Representation of People's Act and elections have been set aside. There have been decisions of the Bombay High Court where this principle has been upheld. It is only a question of consolidating the existing law, the existing case law, and wherever there is a lacuna, to close that lacuna, to remove that lacuna to see that secular democracy in this country becomes foolproof, inviolable in all senses of the term. So, I am very clear on that. That is going to be our first priority.

2. SHRI BASUDEB ACHARIA (Bankura): What will happen to the indigenous factories?

SHRI P.V. NARASIMHA RAO: Why do you not listen?

Sir, this is the dilemma. You can get something at two thirds the price. Ask any farmer what would he like to do. Would he like to get it at Rs. 6,000 or Rs. 9,000 because he is patriotic enough to see that our own factories should flourish and give him at Rs. 9,000.

3. SHRI SOMNATH CHATTERJEE: This does not happen.

SHRI P.V. NARASIMHA RAO: This does happen and that too does

happen. There is a single package for the both.

I would also like to submit for Mr. Chatterjee that without the one the other cannot succeed. If you do not import and if you go on insisting on Rs. 9,000 per tonne, the entire economy will go away. You have to do it, That is where the subsidy is not "available. The subsidy, next year, is going to come to Rs. 12,000 crores. Is it possible for the taxpayer of this country, for the poor man of this country to be able to produce Rs. 12,000 crores only because some industries have become so inefficient that we have to go on feeding them? This is not possible.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Why should you need import to make the Government sector competitive?

SHRI P.V. NARASIMHA RAO: You need import because you do not have the fertiliser being produced in this country. Coming to potash, you do not have even one tola of fertiliser produced in this country; every tola has to come from outside.

4. DR. S.P. YADAV (Sambhal): Please tell us why wheat imported from America while it was available case at Rupees 300 a quintal?

SHRI P.V. NARASIMHA RAO: On fertiliser, we had a Joint Parliamentary Committee to go into it in great detail. We have accepted the recommendations of the Committee. We are implementing the recommendations of the Committee and there are voices being raised here. I can only say that the hon. Members have not read their own JPC's report and therefore, all this is going on. It is better to go into the JP report, find out what the points were and to what extent they are being implemented.

5. SHRI RAM VILAS PASWAN: There is no reservation for the backward classes in the I.A.S and I.P.S. examinations being conducted at present.

SHRI P.V. NARASIMHA RAO: What is there?

SHRI RAM VILAS PASWAN: Why has the provision of 27 per cent reservation for backward classes not been implemented for I.A.S. and I.P.S. examinations?

SHRI P.V. NARASIMHA RAO: Ram Vilas ji, you have come to me many times with many people bringing a number of representatives. You know, when you say something, I take you a bit seriously. If you point out

any anomaly, corrective measures would be taken to remove that. Very recently Shri Buta Singh and some colleagues has come to me and point out a certain anomaly and I promise that we would go into all the matters, examine them and would do everything possible within the framework of the Supreme Court's verdict. Whatever is possible, will definitely be done I assure you.

6. SHRI SOMNATH CHATTERJEE: Mr. Speaker, Sir, this is a very important speech coming from the head of the Government. We have raised the important issues. We expected that the hon. Prime Minister would deal with them, with most of them, at least, But passing the buck on to Shri Manmohan Singh and to Shri Jafar Sharief will not solve the problem. There are some very basic issues. I must say that I welcome today's forthright statement on the question of communalism. It is better late than never. He has become wise after the tragic events. I welcome that statement. I only hope that it will be translated into action. There is nothing but *inter-alia* in their party. Nobody is doing anything except coming with some statements. But there are some very basic issues. I am sure, the hon. Prime Minister would respond. Probably Shri Kumaramangalam has misled him; he has not given him the information. What about Tripura? The House, for two or three days, could not function. We were assured that some statement will come about Tripura.

SHRI P.V. NARASIMHA RAO: Yes, Sir, About Tripura, Somnath ji had no time to find out from outside because nothing is happening in the House !

SHRI SOMNATH CHATTERJEE: Yes, I give priority to the House.

SHRI P.V. NARASIMHA RAO: Yes, very good. I am trying to supply you the information from outside. In Tripura, the caretaker Government has resigned. And evidently, the President's Rule is going to come.

President's Rule is going to come. We have recommended to the President. The decision, of course, is his.

SHRI SOMNATH CHATTERJEE: I am thankful. I find these are delayed good senses. One or two things are there. Kindly clarify about the position of the riot victims and their families of those who died during the recent riots. A large number of people died during the most unfortunate riots which took place in this country. Not even one word you have spoken on that. People have been driven away from Bombay.

SHRI P.V. NARASIMHA RAO: They are returning.

SHRI SOMNATH CHATTERJEE: People who have been driven away from Bombay are belonging to the majority community. That is the brilliant performance of the Shiv Sena and the BJP. We have been demanding that Article 138 (2) should have been taken recourse to for the purpose of resolving all the outstanding questions on the Ayodhya issue. Why have you kept things alive? Only one issue will be decided there. That will mean that you are keeping the question of Ayodhya alive to be agitated and cogitated. Some people, whom you know, are mixing politics with religion for their own ends. Now, you are giving them the handle to do that. The hon. Prime Minister has not said anything. On Dunkel, when the whole country is agitated, the House is agitated, he should have spoken. Mr. Prime Minister, you have not spoken about the principle of selfreliance of this country.

MR. SPEAKER: Shri Somnath Chatterjee, we are going to discuss the economic matters.

SHRI SOMNATH CHATTERJEE: He said about the dilemma in the Fertilizer industry. But connected with this is the indigenous industries survival. He should have said about it.

SHRI P.V. NARASIMHA RAO: I have already told you, I have already dealt with that.

SHRI SOMNATH CHATTERJEE: We have raised another very vital issue, that is, about the Centre-State relations.

Mr. Prime Minister, you should have said something.

On very vital issues, you have kept quiet.

SHRI P.V. NARASIMHA RAO: If you have brought it in writing then please read it out thoroughly. Many questions have already been answered. Even if you want to read, then please read it.

SHRI SOMNATH CHATTERJEE: What would you read ?

SHRI GEORGE FERNANDES: I want a clarification from the Hon. Prime Minister when Mizoram issues has raised here, the hon. Prime Minister had said that it was written in the Congress Manifesto that we

wanted to make Mizoram a christian State... That was not condemned either at party level or at any other level. Mr. Speaker, Sir, I had paid a visit to Mizoram after that elections. I had studied that manifesto and the entire situation there. I had put that manifesto before the people of Delhi. I had challenged congress party at that in and asked it why it had made such a statement but I have never received any response. Now that the Prime Minister has raised the issue, I want that the Prime Minister may condemn it with the proof.

SHRI P.V. NARASIMHA RAO: What is the proof in this ? The same day Mr. Rajeev Gandhi had said that we disassociated with it. This is wrong. This has nothing to do with the All India Congress. Our Party President had said.

SHRI HARIN PATHAK (Ahmedabad): After the elections.

SHRI P.V. NARASIMHA RAO: We had said so at the time of election itself.

MR. SPEAKER: Without my permission, nothing will go on record.

SHRI SAIFUDDIN CHOUDHURY (Katwa): We had made one point about referring the Ayodhya matter to the Supreme Court under Article 138 (2). You have not given any reply to that. That will be bidding on everybody. That is very important.

SHRI P.V. NARASIMHA RAO: I really refer to this one point ? I thought it was not necessary. But since it has been raised so persistently, I better really come out with my reply.

7. SHRI L. K. ADVANI: How does the BJP come in?

SHRI P.V. NARASIMHA RAO: Please wait.

SHRI SAIFUDDIN CHOUDHURY: You forget about them.

SHRI P.V. NARASIMHA RAO: Please sit down.

Shahbuddin ji, please sit down. I have a separate reply for you.

Please sit down. Please understand. Please appreciate what I am saying.

To me, Sir, it is not the Central Government and the State Government that matters because, the State Government is also mine today. I am agreeing with myself and people will laugh at Article 138, if I take recourse to that...

SHRI SOMNATH CHATTERJEE: No.

SHRI BASUDEB ACHARIA: Have you consulted with other parties ?

SHRI P.V. NARASIMHA RAO: I have consulted everybody.

SHRI SRIKANTA JENA (Cuttack): From this we understand that the veto is not with the Prime Minister. The veto lies with Shri Advani and not with the Prime Minister. We understand this now.

SHRI P.V. NARASIMHA RAO: The time frame which I am talking about. Shri Ahamed, please sit down.

8. SHRI SOMNATH CHATTERJEE: Sir, the Prime Minister said that even now he is agreeable. Therefore, the reason which he has given, is no reason at all. The country demands that Article 138(2) should be taken recourse to.

SHRI P.V. NARASIMHA RAO: The country does not demand that. To me the concerned parties are not the Central Government and the State Government.

SHRI SOMNATH CHATTERJEE: Mr. Prime Minister, please do not compromise. Please do not show any weakness on this. You have to be firm on Article 138(2) . You must finish all this for ever.

SHRI P.V. NARASIMHA RAO: I am absolutely firm on this. In the next six months or eight months, the opinion of the Supreme Court will come. It will be implemented in spirit and letter. And, no one in this country will be able to oppose it.

SHRI SOMNATH CHATTERJEE: Sir, what will be the effect of its finding? It is a very serious matter.

MR. SPEAKER: Shri Nitish Kumar, you may speak after Shri Ram Naik. We have discussed this matter for a pretty long time. We have the opportunity to discuss certain other matters, when we discuss the Budget and the Demands. I have given you the opportunity to be very brief and

succinct. I would request hon. Prime Minister to reply to all the questions together so that we can avoid all this.

SHRI P.V. NARASIMHA RAO: They are not asking any other questions.

SHRI RAM NAIK: During the last year's discussion on Appropriation Bill, we have made a demand that for each Lok Sabha constituency, a fund of Rs. 2 crore should be allocated.

MR. SPEAKER: This can be raised during the Budget discussion.

SHRI RAM NAIK: This issue was raised by Shri Anna Joshi, today in the Parliament and Prime Minister was here. At that time, he did not reply to that.

MR. SPEAKER: At the time of Budget discussion, it can be discussed. Now, Shri Nitish Kumar.

SHRI NITISH KUMAR: The reply given by the Hon. Prime Minister just now state that until and unless the Bhartiya Janata Party agreed on this issue, he was not in a position to refer the Ayodhya issue to the Supreme Court under Article 138(2) . It means the attitude of the Union Government is still not clear on the Ayodhya issue and on this issue it is taking full support of those powers who demolished the mosque. The second point is that in its judgement delivered on the 16th November the Supreme Court clearly declared the notification of V.P. Singh Government about the Mandal Commission recommendations valid. After this date there should have 27 per cent reservation for the candidates of other backward classes in the Central Government services but ignoring it this time too the U.P.S.C. has deprived the candidates of other backward classes from this facility and in this regard the Hon. Prime Minister has not said anything clearly. We are not satisfied with the reply of the Hon. Prime Minister.

SHRI P.V. NARASIMHA RAO: I want this to go on record. I am of the firm view that any reference under Article 138(2) without proper consent would mean twenty years of further litigation and agitation in the country.

SHRI SOMNATH CHATTERJEE: This is most unsatisfactory. We cannot accept this and in protest we are walking out.

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

SHRI P.G. NARAYANAN (Gobichettipalayam): The Prime Minister's reply is not satisfactory. He failed to settle the Ayodhya issue permanently. So, on behalf of AIADMK we are walking out.

9. SHRI L. K. ADVANI (Gandhi Nagar): Mr. Speaker, Sir, perhaps the Hon. Prime Minister must remember that when there was a dialogue between the Hon. Prime Minister and me on 18th November, we had discussed the same issue on which today, several hon. Members of the opposition left the House expressing their displeasure at the statement made by the Hon. Prime Minister. The irony is that at that time I was saying him that he is fully authorised to refer this issue to the Supreme Court under Article 143, while the hon. Prime Minister was explaining to me that to refer this issue under Article 143 is meaningless. If the Government of Uttar Pradesh gives its consent to refer this issue under Article 138, then it has some meaning otherwise not. I rise here to ask from the Hon. Prime Minister whether all the constitution experts of the country agreeable to the Ayodhya issue or not but almost all of them have said that the Union Government has no right to dismiss the Government of Rajasthan, Himachal Pradesh and Madhya Pradesh using Article 356. Even it has no moral right to do so.

Mr. Speaker, Sir, I would not like to say anything but the resonance of the statement of the Hon. Prime Minister reminds me the situation of 1975, when it appeared that the Government would not remain in power under the law of this country.

Therefore, I would like to ask the Government whether it has decided to extend the President's rule for further 6 months, after completion of 6 months or it is ready to assure us that whatever right or wrong has happened at that time but the Government will arrange to form Government again in these four States within six months where there is no elected Government and elected representatives at present. Is the Hon. Prime Minister ready to assure it.

SHRI P.V. NARASIMHA RAO: The decision will be taken after consulting Governors.

SHRI L. K. ADVANI: And the Governor will consult you as to what report should they give, as they had done so earlier.

SHRI P.V. NARASIMHA RAO: You know, there is nothing like this.

SHRI L. K. ADVANI: Mr. Prime Minister I hope you would say boldly that whatever the Government has done at that time, was the need of the hour but it will hold elections within 6 months. It will be a right decision for all, for you, for the Government and for the political health of the country and for all these four States. In this regard, I would like to have an assurance from you. I regret that the Hon. Prime Minister is taking support of Governors.

SHRI P.V. NARASIMHA RAO: I am not taking support of Governors. Whenever any step is taken, it has been taken on the recommendation of Governors. The Government has done nothing except that. But it is not proper to give assurance in the House that I will do this or that or I will not do this or that.

SHRI L. K. ADVANI: I am not satisfied with it and we are walking out.

10. SHRI SURYA NARAYAN YADAV (Sahasra): Mr. Speaker, Sir, through you, I would like to know from the Hon. Prime Minister whether he would like to refer the disputed site at Ayodhya under Article 138 for eliciting opinion or not? As the Hon. Prime Minister has said just now in clear terms that he would take any decision only after consultation with the B.J.P. Disputed land should be referred under Article 143. It should be decided as early as possible. Secondly, I would like to know whether Government would like to take into account the Dunkel Proposals in view of the recent farmers' rally in the country since the farmers are quite confused over Dunkel Proposals in view of the recent confused over Proposals and since there has not been any discussion on Dunkel proposals? Will you like to discuss it?

SHRI P.V. NARASIMHA RAO: I would like to say that we would ensure that Indian farmer may not suffer on account of Dunkel proposals.

**DEMANDS FOR GRANTS (GENERAL) 1993-94,
RELATING TO MINISTRY OF DEFENCE**

28 April, 1993

MR SPEAKER, Sir, I am indeed grateful to the hon. Members who have participated in the Debate and I am sure, the Government has immensely profited by the suggestions and also the questions raised in the Debate.

Sir, I would first like to start with a very brief resume of the security environment locally and also in our region, in our neighbourhood. All these have an impact on our own security environment and, therefore, in any debate on the Defence of the country, they become extremely important.

Sir, it is said that there has been a great transformation after the Cold War came to an end and there is generally greater inclination towards cooperation, dialogue, consensus etc. in global matters. The START-II Treaty which we all welcome has brought about, to some extent, a change in the thinking and perhaps brought home the fact that where there is political will, it is possible to take the path of world peace and for sake the path of confrontation. **The chemicals weapons treaty again is perhaps an ideal treaty which could be emulated in all other spheres because it is truly universal and multilaterally negotiated agreement and it really conforms to all that India has stood for in all matters of disarmament including nuclear disarmament. We have been saying, time and again, that the chemical weapons treaty could be taken as an ideal treaty, as a standard to which all to there treaties of a similar nature could conform.**

Then again there has been a recent development that in the 47 Session of the UN General Assembly, it adopted a transparency in armament dislocation which led to the opening of the arms register. Almost all the countries have subscribed to it including India and let us hope that this new procedure, new process, will really bring in transparency and make all attempts at bringing about disarmament, reduction in conventional armaments easier. That remains to be seen over the years. But itself, this is a good development.

Having said this, one has to pause because at the global level, all these are welcome features. But what has happened at other levels?

The mutual deterrents that has been created during the Cold War, they created globally an atmosphere of uncertainty and a land of foreboding that any nuclear holocaust will blow the entire globe to bits and no one country, whether it wanted to enter the arms race or not would be spared. That was the specter of destruction on specter of an inhibition that availed everyone that stated everyone in the face. But really individual countries were not affected except by this psychological scenario that hunted everyone in actual fact, India was not affected. Pakistan was not affected. But after the cold War ended, the effect has now come to the regional conflicts. They were always there. They were even being fuelled by the big powers. But they had taken a lower place. Now they have taken the highest profile possible because they are really the live problems that we are facing and, therefore while one feels satisfied that at the global level there is a modicum of peaceful atmosphere prevailing, at the levels that has been an actual escalate of tension and, therefore, the Defence preparedness of countries like India becomes even more important and urgent and we have to be absolutely clear about it, that the Cold War ending has not ended out troubles it has perhaps in reached them. This is what we have to rallies and, I am sure that the House will agree with me that we have to be on our toes all the time I assure the Members that the Government is very much aware of this and has always been aware.

What has happened? One superpowers no longer there. It has been divided into many countries, one disciplined, military, industrial complex has broken up. What is happening each of these countries and what happened during the transformation is something which we have ready no way of assessing it. That is why when people talk of disarmament, nuclear disarmament or any other disarmament at a local level or a regional level, I feel that this is just not possible unless you make it global and that is India's stand. Disarmament can only be global today. In fact, this situation is more clear, more pronounced today than before. At least, there was some kind of a discipline at that time Now, there is none.

The House may recall that even when the Soviet Union and United States were talking against each other on many other matters, on one matter they were talking the same language and that was the NPT. Why was it so? Because both of them wanted that except for that small club, no one else should possess weapons of mass destruction, nuclear weapons. But, now,

what has happened? We do not know. Who is possessing? How many more are about to possess them? We have a policy. We have a clear enough policy that we are for peaceful purposes of nuclear energy. In spite of our capability, we have not embarked on any weapons programme. I think this is quite clear and this is going to be the policy.

Now, the question is in this atmosphere of confusion what do we do? It only means that both on the diplomatic front and on the Defence front, we have to be very alert, much more alert.

Then we had been earlier and I assure the House that this is what we are trying to do. We have now improved our relations, good relations with all important countries of the world including those who can help us in our development as well as Defence. Our sources have been diversified. Today, with the United States a Defence relationship which has been started is very promising I do not say that we are ourselves building up any great arsenals. But the point is that India's Defence needs have to be met India's Defence Policy is very clear. I was told yesterday by Shri Jaswant Singh that there is no Policy but I think the Policy has been very clear:

"Our Defence policy, clearly articulated since independence, is that our military capability is to be directed to ensuring Defence of national territory over land, sea and air, encompassing among others the inviolability of our land borders, island territories, off-shore assets and our maritime trade routes."

I think this has been the articulated policy since Independence. In other words we have no designs to conquer other countries. We have no aggressive designs in our Defence build up. They are purely the needs of defence which we are trying to meet and we will certainly meet them. These needs are changing. These needs are changing because of the environment, what the neighbours have, what the others have what is the approach of other countries and what is the general atmosphere in regard to war and peace in the whole world. These are the factors which certainly will influence our Defence assets from time to time. But there is always a minimum, what we can call figuratively, the deadlevel below which we cannot go given so many miles, so many kilometres of post, so many kilometres of land border. Now, we have to have a certain pre-determined

level of Defence preparedness always, no matter what. That has been ensured. The doubts that were created yesterday were that even that has been affected.

I would like to disabuse the minds of the hon. Members and tell them, tell the House, tell the nation with all the authority at my command that the optimum level of preparedness has not been affected and will never be affected. There will be variations. I do not feel as the Defence Minister of the country today, as I felt in 1985, because the resource crunch is very much there today, which was not felt to that extent by the Defence Minister in 1985 or thereafter for some years. Therefore, while these variations will always be there, the necessary preparedness for the purposes of our defence policy, in pursuance of the defence policy, will never be allowed to be lowered.

Sir, now I come to some of the conceptual points on foreign policy raised yesterday, and I would like to dispose of these points. One was about the National Security Council having been allowed to wither away. Now it has been felt that, in view of the need for speedy decision making, confidentiality and flexibility relating to strategic and security matters affecting the nation, the setting up of a formal institutional mechanism such as the National Security Council may not prove to be very successful. This matter has been discussed back and forth for years and years I have come to the conclusion that for certain purposes, a National Security Council may be a good idea, although not for all purposes. So I have taken up this matter for a review which is going on and we will come as soon as possible, to Parliament report on what has been decided. The need for a National Security Council for certain long term purposes is being felt and I personally think that this has to be set up. This has to be, once again resuscitated resurrected, if it has been allowed to wither away and I will have more to say to the House after sometime.

Sir, there has been a lot of misgiving, a lot of anxiety and probably well placed anxiety because of the fact that with the former Soviet Union, we had a long standing defence relationship regard to supplies, manufacture etc. and after the disintegration of the Soviet Union, our position, as the position of those countries which had similar relationships with the former Soviet Union, has become very very uncertain and very very unsatisfactory.

I agree that this has been so Government have been feeling the uncertainty very much for sometime. But, I am glad to say that after President, Mr Yeltsin's visit, the situation has changed very much for the better and we have had lot of improvement in the supplies position and also in the spare parts position. I would like to briefly report on this. The supplies position is as under:

When in the wake of the reorganization of the Soviet Union, it was perceived that continued and smooth supply of spares from the former Soviet Union was in Jeopardy. Seven Task Groups covering the following areas were constituted in July 1991 Armament Stores for Army Vehicles and Engineering stores for Army, Electronics and Electrical. Stores for Army, Naval requirements, Air Defence Environment and Armament for Air Force, Army and Navy; Aircraft and Airborne Stores for Air Force and Navy, POL and Flying Clothing.

The Task Groups had detailed consultations with the services and the production agencies and identified 19,185 items of spares as in indiginisable.

The groups found that in another 9275 items it would not be possible to indigenise either because the requirement were small or because drawings and other technical support was not available. Based on the identification orders for the manufacture of 5132 items have been placed on public and private sector units.

So while we have been anxious on this count, we have not been keeping quiet We have done all that is possible byway of indeginisation and incase it is not possible whether we can pile up the stores that are needed wherever they are available to the extent of the life of the hardware that we have, for which it is meant-this has been done and the task groups have succeeded.

Meanwhile there has been gradual improvement in the supply of spares from Russia and Ukraine and the Services have been advised to undertake imports and stockpiling of spares as an approach parallel to that of indigenisation wherever it is not possible. At the time of President Yeltsin's visit, assurances were held out that supplies will be resumed against all past contracts. Such supplies have started and are likely to pick up in the

coming months, once the problems with the production agencies and for shipping of goods at Ukrainian ports are fully resolved. So we are very much better than we were in 1991. Therefore I think with the passage of time, this is going to improve further. Not only in this in all other spheres our exports to the Soviet Union had completely collapsed, including tobacco cashewnut many many things. Now they are looking up. We are trying to actually reestablish whatever relationship there was and I think we will succeed. There will be a time lag, it will not be just overnight possible to go back to the level of supplies and the level of trade. But now it is possible to say that the worst is over and we are progressing on the right lines.

About Arun Singh Committee's report some doubts were raised that nothing has been done in implementation of the report I would like to correct that impression. The report is in six volumes. The position in respect of each of the reports is as follows Volume 1 recommended what the size of the 8th Plan for Defence should be, Volume 2 is a report on the proposed organisation and structures in Defence decision making, Volume 3 contains a report on planning management and financial control. Volume 4 is for acquisition and purchase for the armed forces. Volume 5 is a report on management of equipment, logistics and support. Volume 6 relates to manpower, Government did take a decision on Volume 1. However, the subsequent economic crisis necessitated a review which is on at present. Some of the recommendations in Volumes 4, 5 and 6 have been accepted by the Government and orders have been issued for implementation. It is mainly Volumes 2 and 3 which have proposed major structural changes in the form of Government working which are under examination. It is not correct to say that the whole report has been shelved. This is the position.

Another very important, vital matter raised was about Defence expenditure as percentage of Central Government expenditure It was pointed out that this has been declining in the last five years I would like to submit that according to the budget documents presented by the Ministry of Defence, the percentage share of Defence in the total expenditure has been as under:

1989-90 15.5 that was the highest after that 1990-91 14.65, 1991-92 14.67 1992-93 (Revised Estimates) 14.03 1993-94 (Budget Estimates) 14.61.

It means that with the exception of 1989-90 the percentage share of Defence in the total Central Government expenditure has been more or less stable. Further as compared to 1992-93, the percentage share shows a slight increase. This is all that could be said, Sir I do not say that this is a very satisfactory situation but it is a situation which is the best under the circumstances given the resource crunch and the other difficulties we have come across.

Now Sir the inflow of capital equipment is declining over the years whereas the budgetary outflow is increasing. It was raised and we are asked why this is happening. Now the simple answer to that is major acquisitions from former USSR as well as Western sources involved deferred payments whereby inflow of equipment was confined to a small number of years. Whatever we have to get we got in the first five years or three years while payments were spread over a much larger period. These payments have increased in rupee terms on account of exchange rate variations. When the full requirements as contracted is supplied within a few years the capital goods inflow will obviously vary from year to year. Moreover the aircraft the ships equipments etc. once imported will be in use for 20 years or so. It is expected that the debt repayment obligations for equipment acquisitions of Western origin will be substantially discharged within the next three to five years. So this is the explanation to the point raised.

About the Navy also the same thing has been raised. The position seems to be more or less the same, there has not been much of a variation. The Defence Budget of 1993-94 does not cater for increase in railway tariff likely increase in POL prices and extra liability on account of unified exchange rate. Both in the fields of transportation and petroleum products. Ministry of Defence and Services. Headquarters have initiated measures for economy.

Consequently the effect of increases or likely increases is proposed to be offset by such measures. I do not quite agree with this. But, this is the only explanation which the Ministry as the other explanation which I would like to supplement is that we just have no money, therefore, it has to go down. This is all very simple. We will try our best to make up. But it may not be possible to make up 100 percent. Some part will be made up; and that is why strenuous efforts are being made for economisation and probably this is an opportunity to its logical end.

Sir, another very important point is about the R&D investment, and evidently, all sections of the House, every one of us, wants that there should be a substantial increase in the R&D investment so that self-reliance is achieved as quickly as possible.

To that, Sir, the figure that I would like to give to the House as that the percentage share of R&D in the Budget estimates of 1993-94 has been increased to five percent from 4.1 percent, that is Rs. 952.096 crores in 1993-94 compared to Rs. 720.64 crores in 1992-93, which I think, is by any standards, a good, a respectable increase, is not a substantial one.

Now, Sir, about the manpower policy. There is a difference between other countries which have been following other systems and India. There is a well defined manpower policy which is designed to attain and maintain the requisite force levels. The force levels are predicted on the threat configuration, the warning time available and the designated tasks. The force levels of India's adverseries have a direct bearing on manpower requirement.

Since these factors are liable to change, it is not pragmatic to evolve a static policy on this issue. There is a requirement of a large standing army in our context due to mandatory deployment of our live borders as also due to a large number of formations being utilised for counter insurgency, etc.

So, the point that was made, that we should switch to the other method of reservists etc., does not appear to be feasible. That will take a long time to materialise, if at all, but at the moment we cannot do away with the present system. We have to live with it and make whatever changes or whatever abridgements are possible. This is what I would like to submit, Sir.

The other point raised was that the histories of various operations are not published timely. A special mention was made about 1965 war and Op Pawan, etc. Yes, it is a fact that if they are available, they will be of a great use but it is also a fact that histories of IndoPak War... 1965 and 1971 have already been released for restricted circulation to Category 'A' training institution of the Armed Forces. The history of Chinese conflicts, 1962 is ready for distribution to these institutions. The writing of following operational histories will be taken up shortly; Op Pawan, Op Meghdoot, Op Cactus etc.

Now, Sir, on the point of modernisation, for which complaints have been made, to some extent it would be right to say that the allocation for modernisation has not been adequate. I only have to say that within the circumstances of budgetary constraints the principal thrust has been towards meeting the deficiencies in ammunition reserves, upgradation of critical weapon systems through overhaul, refurbishment and technological improvements, introduction of simulators and the selective introduction of strategically important force multipliers, particularly in the field of electronic surveillance and electronic warfare.

So, as a result of the concerned efforts made to divert all savings and the additional revenues generated by the sale of surplus assets it has been possible to satisfy most of the priorities projected by the Army Headquarters. Whatever savings have been effected in any Department or by any means have been ploughed into the channel of modernisation. This again is a matter which could be called relative because I do that modernisation does need more funds and whenever if possible, I assure the House that we will go back to the level which is needed and fund adequate.

There was one very good suggestion that in order to reduce the Pension Bill scheme should be evolved for lateral induction of service personnel into para military and civilian jobs. I have some experience of this, Sir, Both as the Home Minister and as the Defence Minister we have tried this it can be done to some extent but only to some extent because I am not quite sure that after 17 years of service the Army person would like to go and join another Armed Services. Generally, it is found that he just wants to settle in something else. But, he can be available and we can make it possible if anyone wants to go and join, we can work out the details. The reluctance of the retiring military personnel to join para military services and continue to serve far from home, as I said, is one of the inhibiting factors. And the other factor is inadequate number of vacancies to match the number of people leaving the military services. This is also one of the constraints but the idea is very good because he also has a lot of training, a lot of perception and so on. The idea is good and we will see if more could be done then what is being done at present.

Again, about the Defence R&D, I may inform the House that recently when Shri Sharad Pawar was the Defence Minister, he ordered the institution

of a Committee to go into this and prepare a 10 year self-reliance plan for Defence system.

The points that were to be examined were, in the first phase, the focus would be primarily on organising adequate product support for the existing system; the second or the intermediate phase will involve an enhanced level of indigenous system and goal in the third phase would be to plan for the maximum possible induction of indigenously developed systems so that dependence on imported systems is reduced to the barest minimum. Sir, the Committee so far has had the benefit of presentations by the Army, Navy and Air force on their perspective plans for the next decade. Seven Task Groups working on indigenous of spares for weapon systems, as I have submitted have been set up a Task Team of resource mobilisation studying the aspects of bringing down defence expenditure through innovative economy measures as well as possibility of generating resource through fuller exploitation of defence assets in national and international markets. The Committee will be shortly receiving inputs from the other agencies and we are expecting the Report by June 1993 just about two months. So, this has been good step and we will know where we stand more clearly, may be after June, when we receive this Report in the investment of R&D.

Now, Sir, about recruitment, certain comments have been made. It is very easy to say probably in some respects it was not totally unfounded that there is some kind of irregularity, corruption etc. going on but the pattern is like this. Tests are conducted on a fixed date all over the country applications once submitted remain valid till a candidate becomes overaged, screening of candidate is carried out by a Board of Officers which includes two Members from the locally stationed Units, a system of independent checks by a second Medical Offices has also been instituted, the merit list of selected candidate is displayed for public information, candidates who are selected but don't join are sent Registered letters as final call for enrolment and only screened personnel are posted to recruitment related jobs and their tenure is restricted to two years. This is the pattern.

Now, if hon. Members have any suggestions, any further suggestions, improvements refinements whatever to change this and make it more

transparent, less corrupt etc. I would welcome every bit of suggestion given by any hon. Member or any one in the country. Because, there is no Question of claiming that everything is perfect, human nature being what it is. But, there should be no difficulty in accepting suggestions and implementing them from whatever they come and whatever extent they may help. Sir, this is an open offer, I would like to invite suggestions.

Now, Sir, about teeth to tail ratio I may give some figures which may not fully satisfy the members for at least there is a glimmer of hope that in the future, we will be able to do better. In 1970, the teeth to tail ratio was 62 to 38, in 1998, it was 65 to 35, and now, in 1990, it is 70 to 30, which is a clear indication that, efforts have been made to improve it and the improvement has come about, maybe there is a limit beyond which it can not be improved things being what they are. But, then, we will make an utmost effort to do whatever is possible, the best efforts and the best results in this respect, Sir So, we are on the right track and this is what I wanted to submit to the House.

Now, Sir, some questions were raised about LCA, why is it necessary, you have been buying all kinds of things, all kinds of aeroplanes, if one is enough, why do you go for another and so on. Now, Sir, it is a well known factor that a single plane, a single aircraft whatever the make, whatever the capability, cannot really meet all situations in airports.

I think this is rudimentary. People will know that this is so. Therefore, as per our requirements we have had to diversify.

LCA is replacing the Mig series of aircraft which form 70 per cent of our fleet LCA has to carry out air combat close air support and introduction roles. The project has been accepted. Sir, The Cabinet approval was given only on the 20th of April. Now, it is a *fait accompli*. We are going to have it, And the idea is during 1990-95, we have taken a decision on productionisation. Presently, all technology options have been closed. Subsystem fabrication is in progress. The Project is working towards first flight of LCA in June 1993, and we take decisions for productionisation in 1995. The initial operational clearance of the aircraft will be sought in 2002 AD The Airforce is fully committed to the LCA.

About Jaguar, it was considered as it is a deep penetration bomber; and then Mirage 2000 air-to-air and air-to-ground combat support.

Mig 29, air defence system, Migs 21, 23, 27 again with air internal variation, air-to-air and close air support including air-to-surface and LCA is a multirole high performance aircraft system, which will replace the ageing Migs. So, I don't think any great redundancy in all these series. Migs are going to be phased out. Therefore, by the time, they are phased out, LCA will be on the field. This is the position.

Now, when the contract for the Mirage 2000 was signed, some of the weapons to be used on it were still underdevelopment. Hence the aircraft was purchased without a full complement of weaponry. Whenever a new aircraft is inducted, flying training is to be given for a year or so to make the Pilot proficient in its use, operational use of the aircraft will arise only thereafter. All the weapons had been procured in time for the operational use of the aircraft. So, the criticism that was made yesterday that in the first place it was brought without the weapon system, the background is what I have just now stated. About the Arjun MBT.

You know that it will make my task easier.

A total of 19 prototypes for R&D evaluation really on this, there is so much of investment of labour and also technological expertise, so much has been done, this country can be proud of Arjun. There is absolutely no doubt and 23 pre-production series tanks for facilitating transfer of technology and production planning had been approved. Now the results of the winter trial in 1993 have been very impressive and it had been decided to plan for the induction of certain regiments in the Army after a final round of confirmatory user trials in June, 1993. Probably, there will be summer trials. Allocation for the pre-production of tanks are adequately provided for in the DRDO budget. The regular induction of MBT on commencement of talk, commercial production is likely to commence from 1995-96. This is the latest position.

Then about compulsory military training, this point is important because there has been a strongly argued point that we should not have this very big Army and we should have a smaller Army with a large number of reservists and so on. Many hon. Members referred to this.

Now the situation is that the Indian Armed Forces get enough people on a voluntary basis and to train all able bodied citizens in military practices would be prohibitive in money terms and also administratively impracticable.

We are not able even to increase the NCC strength For many Years we have been trying, but it has been only marginally possible because the costs are high. But I do feel that at some point of time in future we have to fall in with the other countries who are doing it. The only thing is that the population of India and the conditions here do not admit of a very quick change over to the new pattern. But I agree that the NCC and the other organisations would have to be first improved, both quantitatively and qualitatively and then we could think of what is to be done.

About the Territorial Army there was a point raised that it is going down. We will look into that.

Some points have been raised about the cantonments. We all know what they are very few taxes are raised and it is a kind of all money being found by the Government. I think that has to change and in course of time we will have to insist on some taxes being raised by the authorities.

These are some of the important points raised. In the end, I would like to once again reiterate that no matter what the constraints, the necessary preparedness of the country will always remain and the Government is determined on this. I would like to assure the nation that there is no let up whatsoever.

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BACK NOTE

XI. Demands for Grants (General) 1993-94, relating to Ministry of Defence 28 April, 1993

1. DR. S.P. YADAV (Sambhal): Would you be kind enough to tell us about the Bofors gun.

SHRI P.V.NARASIMHA RAO: I shall put you before it.

REPLY ON NO CONFIDENCE MOTION IN THE COUNCIL OF MINISTERS

28 July, 1993

Mr. Speaker, Sir, I am grateful to the hon. Members who have taken part in this debate. Perhaps this is the third or fourth no confidence motion coming before this House. I do not see no difference between one motion and another. This time perhaps one has to look for a few needles in a big haystack. It has been quite a task to do that but I will try to take up those needles and answer the questions raised, at least those of them which are genuine, which need an answer.

Sir, evidently, the mover of the motion only repeated what the CPI(M), the Left parties have been saying. All the time, during the last two years they have had nothing else to add, nothing to subtract, except when it comes to practicality. They are very practical people. When it comes to industrialization in a particular State, the rhetoric changes. Coming to Lok Sabha again there is something totally different. I will not blame them, I will not criticise them. I am only bringing to the House a few facts which have come to my notice, may be after some time both rhetorics will coincide. We will have to wait for that day but until then perhaps we will have to live with both.

Sir, when we started liberalisation, everyone thought this is going to throw thousands and lakhs of people out of employment. There is going to be total unemployment in this country and what is called hire and fire will become the order of the day. This was at the back of their minds. I do not again blame them because this has happened in many other countries where liberalisation without any stops was introduced. This has not happened in this country. I have been saying time and again in this House and the other House, everywhere, that liberalisation here has a human face. Whenever there is a human problem we solve that problem, we take every step to solve that problem and we are not really enamored of liberalisation for the sake of liberalisation. It is for a certain objective.

Sir, all our policies during the last two years have had to follow two tracks. One is liberalisation because that has become necessary, because Indian economy has to integrate itself with world economy. We cannot be

an island completely isolated from the world.

Therefore that integration with world economy needs liberalisation, needs a lot of changes that we had to bring about within records time because not long piecemeal would do, nothing by degrees would do, nothing by dribbles would do. Therefore we have to go in a big way on the path of liberalisation. At the same time, we have seen to it that the illeffects of liberalisation that could be anticipated in advance were forestalled and effectively forestalled. A sudden jump of three times 300 per cent in rural development, the outlays on rural development going upto Rs. 30,000 crore in the Eighth Five Year Plan, which perhaps would have been normally reached in the Tenth Five Year Plan, is a case in point. Why was it done? It was done simply because in the programme of liberalisation, there is always the possibility of people being thrown out of employment and that should not happen.

Today if I may say so with certain amount of pride, the Ministry of Rural Development is the only Ministry in the Government of India, which can spare some money for the poor, no other Ministry can do it because all the other Ministers are always clamoring for more money. Their programmes are already saturated. Their money is very little or at least insufficient in regards to the needs of what they have undertaken. In the Rural Development programme, I am glad to say, they have had some cushion built into the programme so that the people of the villages in the rural areas do not suffer and they are able to remain where they are. The programmes like the Jawahar Rozgar Yojana are getting much more money since this year. And then this will be the first shield against unemployment, against urbanisation, against people leaving their hearths and homes going to big cities in search of employment.

About health, the step up is 60 per cent in the outlay; 37.6 per cent in education; 29.6 per cent in agriculture. Therefore, you have the activity expanding all the time and this is the only way of ensuring employment, optimum employment, in these areas. Everyone knows that these areas are employment intensive. Now this has been the two track thing. This money in the normal liberalisation programme of the capitalist kind would have been expected to trickle down from above to the bottom. We do not believe in that. We have not done anything which betrays a belief in that trickle

down theory. We have said, while liberalisation is taking place, while industrialisation is taking place, and at the macro level industrialisation has to take place there is no theory way and it has to be through other than 'through' means, other than the public sector, and along with the public sector if necessary. You have to see that a bypass model is created. You send money strength to the people, not through the trickle down but straight to the people. This is the model we have undertaken. I am not sure this model is available in any other country. This is a totally pragmatic kind of model. So far as we have devised it in this country depending entirely on our own circumstances. How well it is functioning, what more is needed to make it function better all these things I am open to suggestions, to criticism on these points.

But the model itself is something which needs to be looked at and needs to be properly understood in the context in which it has been devised.

Sir, we have had a record production of 180.3 million tonnes of foodgrains this year. How was it possible? If the village area, if the rural area had not been galvanised, if the farmer had not been galvanised, if he had not been given something which he considers worthwhile from his own economic point of view, this would not have been possible, I can just cite three or four areas. In paddy in 1989-90 the price was Rs. 185 per quintal. Today it is Rs. 310. The support price of coarse cereal has gone up from Rs. 165 to Rs. 260 and that of moong food from Rs. 425 to Rs. 700. These are the jumps that the farmer has got and still inflation has not gone up.

There was a great belief that whenever you raise prices of agricultural commodities by two or three rupees, there will be so much of inflation that it will just break all records. This has not happened. The inflation from a 16.8 per cent or 17 per cent when this Government took over in 1991 has now come down to 5.4 per cent

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There is unprecedented breakthrough in oilseeds. We were spending about Rs. 2,500 crores. I do not know exactly the figure, but it is in that neighbourhood on the import of edible oil alone. Today we do not have to

import a single drop of edible oil. This again is the achievement of the Indian farmer. Today he is threatening to do even more than this. They have started on oil palms cultivation and we do not know what to do with the enthusiasm of the farmer because he is coming in a big way and we are afraid in fact I am afraid that this increase in oilseeds production may cut into foodgrains production. It is possible.

Sir, even now we have to think of replanning our crop patterns in such a way that after five years or ten years before we know what is happening we do not become deficit in food. This has happened in many other countries. They get food from other countries. But they grow so many cash crops in their own countries and they say that it is worth it because we are getting more on agriculture. So that kind of a thing should not happen to a country with 880 million people because no other country will be to feed us if we go down in the production of foodgrains.

The new Agricultural Policy which we have adopted is not a traditional policy. It is not following the line which agriculture has been following in this country either as subsistence agriculture or agriculture meant for a particular section of society.

This agriculture is much more—what was happening plus something much more.

The objectives are, to step up support to infrastructure development, build an economic climate for farmers' investment and efforts through a favorable price and trade regime in agricultural products, it is no longer the agriculture of five years ago or ten years ago where keeping prices down was considered an end in itself and keeping the farmer only in a marginal sense, just keeping his body and soul together was considered to be a very high achievement in economic planning. Sectors like research, irrigation, power, transport, roads, market, storage and processing will receive priority. Infrastructural support to rainfed agriculture has become one of the weakest spots, but now we are really improving this. In ICRISAT in Hyderabad and in other places where research is going on, I have seen myself, Sir, that the whole outlook of dry land farming is being transformed. This is a very good augury for the country and after five years we will see that we would have made so much progress in dry land agriculture that

perhaps it would be surprising to ourselves.

Generating value added exportable surpluses is also one of the most important things. Farmers in this country are taking full advantage of it expect that it is not as highly developed as it should be, and I think in the years to come we are going to develop it.

The cooperative movement would be freed from State control and supported on the strength of their being truly cooperative ventures. However, Government would continue to provide financial and extension support to cooperates in areas where the cooperative movement is weak or is yet to take root.

These are some of the objectives of the new agricultural policy and it can be very clearly seen how it is different, how this policy is going to be different, how the outlook of the farmer is going to be different, how the future of the farmer is going to be different in the years to come.

Sir, some criticism of the fertiliser policy was made. Now, I would like to humbly submit that we have taken the most practical policy approach for fertiliser. Suddenly we found that certain fertiliser, particularly DAP produced in this country, become two or three thousand rupees per tonne costlier than what we are getting by import. It is true that the factories raised a hue and cry because they were losing money by our import, they could not compete with the imported price. What we did was, we took full advantage of the lower import price. Today, Sir for the first time in this country we can say that we have enough DAP for the complete year, we don't have to go in for further import. What we have imported is enough for the whole year and our farmer scan rest assured that they are going to get it at the imported price and even were for Mop we have given them a subsidy of Rs. 1000/ a tonne and therefore, so far is agriculture is concerned, the anxiety that we had in 1990 and 1991 is at an end. Meanwhile, as Atalji pointed out, what is happening to the factories? They have had to shut down. Can they ever open? My answer is, they have shut down and they have also opened because we have given a package of facilities to them, concessions to them, by which they became viable or they are on the way to becoming viable. In order to enable domestic industry to survive, Government has announced a scheme of refund of systems duty paid on capital good and also a concession of three per cent interest on term loan,

which is a very big chunk of concession, Sir, for new fertilizer plants commissioned after 1st January 1991. Also, in order to enable the domestic phosphatic industry to sell at prices compatible with imports, the Government has recently announced a concession of Rs. 1,000 per tonne on indigenous D.A.P. and proportionate concession in respect on indigenous complex fertilizers and S.S.P. during the current kharif. No such concession is available on imported D.A.P. and complex fertilizer. These incentives have enabled five units which had shut down-Cromaned Fertilizers, Madras Fertilizers, Paradeep Phosphates, G.S.F.C. and Mangalore Chemicals and Fertilizers Limited-to resume production. I think, there are still two factories which have not fully resumed production, but they are well on the way to resuming of production. This is what has been done in agriculture.

Sir, there are a very large number of rural artisans, only next to the agricultural labour, people who also depend on agriculture then they have the handloom weavers. The hon. Members might know the plight of the handloom weavers. For years and years they have been almost starving. That is the situation there. Now, for the first time, we have taken up some linkages with rural development. Nobody bothered about rural development in the case of handloom weavers, although most of them live in the villages. Sir, the Ministry of Rural Development, this is what I was referring to; when you have Rs. 30,000 crores in a Ministry in the Plan, you can certainly spare some money for programmes which never had anything to do with the rural development programmes in the past four new schemes for coverage of the handloom weavers under the on going schemes of Integrated Rural Development Programme (IRDP), TRYSEM, Indira Awas Yojana and Jawahar Rozgar Yojana. And this has been done for the first time. These people were never looked at even when these programmes were taken up not a single weaver ever got a house built under Indira Awas Yojana and all these were totally unavailable to them. Today, we have made them available with the result that enormous benefits will go to them along with their other brethren living in the villages. We have, for the first time, recognised that this is a very important section of rural people whose needs for employment, for habitation and everything are as much as those of the others. So coverage of looms handloom weavers under the IRDP, coverage of the Scheduled Caste and Scheduled Tribe houseless handloom weavers under JRY training of handloom weavers under TRYSEM, and setting up of Common Facility Centres (CFCs) for the

handloom weavers with JRY assistance, Under these four schemes 3.27 lakh loomless weavers will be provided with looms, work sheds and working capital in a phased manner in three years. These are the schemes which are being introduced from this year for the first time.

Sir, then I come to Khadi, another very important area of activity in the villages. We are committed to the development and upgradation of Khadi and Village Industries. These industries also have been suffering, languishing for a long time. A few months back, three or four months back, a delegation of a very influential leaders in the Khadi field—they have been working for decades and decades, they have given all their life to Khadi and Village Industries, these colleagues, friends of our came and told me about the plight of the Khadi workers and the industry in general. So, a high powered Committee under my Chairmanship has been set up to review the potentialities and programmes for this sector within a space of three months. I also happened to be a very humble Khadi worker in my area. So, they said 'you are one of us, so you must be the Chairman'. I have accepted it.

Within three months, we are going to go into all the details about what the Khadi and Village Industries are ailing from and what could be done by Government, by organisations and by the Khadi institutions themselves. This is what we have done for the Khadi sector.

I am sure, there Finance Minister gavefull details about the economy, how it has functioned, how it has behaved during the last two years including the foreign exchange reserves etc. I only have to add here just one point. Foreign equity investment approved up to 21.7.1993 amounted to us dollars 3.2 billion. This involves over 1100 cases. The foreign equity thus brought in will be supplemented by Indian equity and borrowings both in India and abroad. The total expenditure on the projects involved would be around Rs. 60,000 crores. Now in two years if the investment has reached Rs. 60,000 crores, whereas is the public sector, we were not able to go beyond one lakh crores over all these years, we can see how quick has been the investment rate, naturally all these investment will not fructify in a day or in a year. It will take some time but it will fructify because it has come from people who know what they are going to do; they know that investment in India is profitable. Only after getting convinced of this, they have come here.

The power projects alone will make available additional capacity of 4,000 meager watts. The refineries proposed to be established will be 41 million tonnes refining capacity per annum. Most of these investments are in the infrastructural, most essential sectors, contrary to the belief and contrary to the disinformation which was spread sometime back that these are all for cosmetics and so on. It is not so, Mr. Speaker, Sir.

Now I come to the most important aspect of national life today which is the achievement of harmony within the society, the lack of which has been dogging us for some time and from which we have to come out as a nation. If this is not done, then the nation will have no future. That goes without saying. We have already seen people who cannot really be stable one or two years of stability and then we do something with stability so that it gets broken; gets disrupted. This is the kind of repletion which we seem to the earning. We will have to come out of it. We will have to live it down by whatever mean possible. That is why, I have been appealing time and again to all parties all sections of people that this is the time for development, this is the time to keep our heads cool for the next three years, five years. If this country could do nothing expect development, then perhaps after that time probably this country would be a giant in every respect. This has been said by many economists, many people who have some idea of the shape of things to come. But somehow we seem to be slinking back into the old ways and that is what we have to come out of.

In this Session, we are introducing two Bills for amendment of the Constitution and for amendment of the Representation of the People Act, 1951 with a view to curb the use or religion in politics. Now we want religion; we want politics. We want both. Both have their very important palace in this country. But a mix of the two have no place in this country. The mix of the two is going to be disastrous. I am saying this to all parties. Religion cannot be a trump card of any a part, any political party for all time to come, For one election, two elections, yes. But people will see through it.

And then the effects of this will be so bad that we will not be able to recover from the disaster for a long time to come. It is not meant to be against one community or another community. It is meant to bring back

the political ethos, the countries ethos back to what it was and what it should be.

In this connection, I would like to quote from a recent judgement of the Supreme Court. This is where I am appealing to the people. You may not like this. You have become addict to religion being used as a political weapon. We must come out of it. Please for Heaven's sake, we will have to come out of it. Whoever are the hon. Members who think that I am doing something wrong, they will have to ask themselves this question. I am saying this for the good of the country, and good of the Parties themselves because this cannot go on for ever.

On a study made so far, it does appear possible to think of legal provisions to prevent the use of religion for political purposes. It is a very subtle matter. It is not just a matter of prohibiting something. Because the Constitution is full of freedoms, we cannot infringe upon any freedom given by the Constitution except as permitted by the Constitution itself.

The Supreme Court of India has recently observed, it is a beautiful passage and would like to quote it:

"Our Constitution-makers intended to set up a secular, democratic republic. Our political history made it particularly necessary that the basis of religion, race, caste, community, culture, freedom and language which could generate powerful emotions depriving people of their powers of national action should not be permitted to be exploited lest the imperative conditions for preservation of democratic freedoms were disburden. Sections 123(2) and (3) and (3A) were enacted to eliminate process appeals to those divisive forces like religions, caste, etc., which arouse irrational passions. The crux of the matter is that the electoral process is a rational process, it cannot be allowed to slip into the irrational channels. Condemnation of electoral campaigns on lines of religions, caste etc. is necessarily implicit in the language of Section 123."

This is the passage from one of the Supreme Court judgements and it is based on this that these two laws are being introduced. We must go into them in great detail. We will discuss them and we will have to pass them. We will pass them because they will really determine the political life of this country hereafter. We have not been able to do it because there was

an aberration of the last three or four or five years. That aberration has to be removed lock, stock and barrel and then it has to go back to the secular foundation of the Indian polity.

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Two drafts, one for the Temple Trust and the other for the Mosque Trust and deed for the perpetual lease of the land has been prepared in consultation with the Ministry of Law. The list of persons who may be consider or who may come forward to man the Trusts, according to information available has been prepared. It could undergo lot of changes. There is nothing final about it. But ultimately the Trust has to be created by Government and would invite suggestions from hon. Members on this matter. The investigation into the demolition...

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What Atalji said about electoral reforms, I was very deeply impressed by what he said. So much effort has gone into this. But perhaps, it has stopped in the middle. And, I think, the time has come when we have to take it up again. In 1990, after taking all these into account, all the proposals of the Chief Election Commissioner, the proposals contained in the RP (Amendment) Bill, 1990 and Constitution 70th (Amendment) Bill, 1990. The Government is considering to bring forward a comprehensive package in electoral reforms. So, we are taking up the porches where it was left in 1990. I have discussed this with the Ministries of Law etc. It is proposed to seek the views of leaders of various political parties on these proposals as we have always done in a matter like this. Some of the important proposals under consideration include: Measures to discourage non-serious candidates; Restriction on contesting election from more than one constituency; State finding of the election; Restoration of pre-1975 position regarding automatic disqualification in case of a person found guilty of a corrupt practice; Introduction of multipurpose identity cards; Expenditure incurred by a political party on the election of a candidate to be treated as part of his election expenditure whoever incurs it; Fixing six months time limit for holding by elections; Ban on donation by companies to political parties; and Provision of an independent secretariat for the Election Commission. These are some of the salient points on which we have to take decisions after due deliberations. This is the position in regard to electoral reforms.

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I would like to say that there is no need for us to be worried about the non-availability right now of the technology because as many engines as we want will be available. For the next years, we will not have to worry about our PSLVs etc., going up in the space for want of engines.

That difficulty is not there. But the point is, since we want to be self reliant in technology, early or late, we will have to go in for the technology. It is not available, from where it was going to be made available or we will have to develop it ourselves. This is the bottom in and there is nothing on this to comment further. Any other comment made on our friend, the Russian Government, would not be proper because they have not done it capriciously; they have done it under a Force Major clause which already existed. Now we can not take exception to that. The only thing is we have to discuss with them. And I would certainly like, at some point of time, to take the House into confidence, after the discussions take place and place before you, all that has happened during the discussions and where we stand right at the moment.

About peace keeping operations, this has been India's policy always; right from the beginning, right from the time, the U.N. was formed, wherever peace keeping operations were undertaken, India has been one of the important countries under the U.N. and that is how it becomes our duty. Tomorrow, the U.N. is going to hold out some promises to us; if we do the job of the U.N. we will have a place there, a place of honour and it is worth keeping. And that is why, we are going into Somalia.

Sir, another point which was raised, quite a pertinent point, was about the Lok Pal. After the introduction of the Lok Pal Bill in Lok Sabha on 29.12.1989. Government considered various suggestions for amendment, penal provisions relating to the publication of proceedings were toned down and some other changes were made. Subsequently, in August 1990, Government points. One is, whether the definition of a complain to the Lok Pal should be modified to cover not only corruption but also abuse of position for gain or causing harm or hardship or mal administration; whether the definition of a public functionary should be enlarged to also cover officers of the level of Joint Secretary and above in the Government of India as well as Chief Executives of Central PSUs. A view was taken and

this is important, how it stopped there, in September 1990 that no change was required. There were detailed consultations between the Department of personnel, the C.V.C. and some key Ministries on the question of bringing the CEOs 7 PSUs within the scope of the Bill. But, no decision in favour of their inclusion was taken by the time the Bill lapsed. Now, Sir, meanwhile, **during the last one year Government have been making very thorough exercise in examining the possibility of an ombudsman in our country. Now, Ombudsman's scope is much wider and perhaps, it may be worthwhile to consider whether this Ombudsman's office should be established here by law, by act of Parliament. I have sent one or two officers to several other countries where Ombudsman's office exists and there are differences between the countries.** I have got a full report from each country and one of these days, I would like to have consultations with the party leaders and whichever way they think it should be done, we will take it up.

There is another point in regard to consultation with State Governments in the case of restructuring or closure of industries by voluntary retirement, retrenchment, etc. In the case of voluntary retirement, there is a scheme of voluntary retirement; that we all know about; but that is between the employer and the employee; probably the Central Government or the State Government, neither of them figures necessarily. But in the case of retrenchment. I understand that at present under Chapter 5(b) of the Industrial Disputes Act, the appropriate Government State or Central Government as the case may be-whenver workers are to be laid off, take prior permission. Prior permission is mended. Thus except in the case of undertaking in respect of which Chapter 5(b) of the Industrial Disputes Act is the Central Government, consultations always done with the State Government and the authorisation is given by the State Government. Now in this perhaps there is some idea that even in the case of central establishments, when they are located in a particular State, if any action on these lines is to be taken. it may be a good idea because it is being done already, I am told to regularly at least consult the State Government, so that whatever is the result, both the Central Government and the State Government have the chance to think about it and come to some conclusion. We will certainly look into this; this is a constructive idea.

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Since the matter has been raised, I am only responding to it. We have the Bodoland problem; we solved it. We had this Karbi Anglong problem in Assam; we have solved it. In Darjeeling we had a problem; we have solved it. So there is no point in pushing it under the carpet. This is not going to be good. So we have taken certain steps. They have not yet fructified; I know. They have not fructified for various reasons. When it is said that both the parties the Leader of the Opposition and the Chief Minister are hand in hand against the demand, it can be easily summarised that these matters cut across party lines.

That is precisely the reason. That is Central Government has to be extra careful in dealing with these matters so that by our own hastes, we do not add to the problem.

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Sir, I would like to say that the Government is fully serious about this problem. To charge the Government with nonseriousness, I am afraid, is not correct. We have been discussing this for months because every small thing has to be gone into, even the name; name became a bone of contention and for quite valid reasons. So, I would like to point out that this is not accepted so easily. Therefore, we have taken a lot of steps, many steps. The Government has sent the suggestion to be incorporated in the Bill which was sent towards by the Bihar Government. They sent a Bill of a Council to Centre. We found that it was not adequate. We thought that some more are and some more things have to be put in that in order to at least partly meet the aspirations of those people from Jharkhand. Therefore, this is under discussion. It is at a delicate stage. This is the time when no passions should be aroused, wither on this side or that side. I am sorry to say that right now something like this is happening in Bihar. It should not happen. I will talk to the Chief Minister myself. I will take it up with the Bihar Government; the Home Ministry will take it up. We will not allow it to get out of hand and we will see that at the earliest, whatever has been agreed in fact, there has been some modicum of agreement on a particular pattern that agreement with whatever changes or whatever changes agreed to by both sides, all sides, will be brought about. We are serious and we would like to put an end to this question.

So, this is what I would like to say. Similarly, Sir, regarding the ASDC, that is the Assam District Council.

Sir, about the Assam District Council, again a controversy had arisen in the last two days because the State Government had gone up in appeal to the Supreme Court which created a problem there, I have requested the Chief Minister and at my request, he has decided to withdraw the appeal from the Supreme Court and get this Council Bill passed.

Now, finally, there are two very important matters that have been raised one is under Article ...

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Just about two point and I have done. That is very important thing. Under Article 339, a commission has to be set up every ten years for the review of tribal development and administration. This is the constitutional provision. It is pity that we had only one commission. And after that, we have not appointed the second commission. A number of Members have raised this. They suggested that it time that we had the second commission. I have made note of his suggestion. We will certainly examine this.

Measures for welfare of scheduled castes and scheduled tribes, especially with regard to the reservation in private and public and multinational cooperation in view of the economic policy this is again an extremely important point. But right now, as the law stands, as the Constitution stands, it is not possible for me to give any to this, how we can cope with is new situation in the new context. He will do it.

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BACK NOTE

XII. Reply on No Confidence Motion in the Council of Ministers 28 July, 1993

1. SOME HON. MEMBERS: It is rate of inflation.

SHRI P.V. NARASIMHA RAO: It is the rate of inflation. It is the same thing Whatever they understand by it whatever was 17 per cent in 1991 become 5 per cent today. That should be understood.

In some other countries really developing countries, the rate of inflation is something which is unimaginable. You cannot get the same thing for the same price in the evenings it was available in the morning or the afternoon. This galloping rate of inflation has been brought effectively under control and, I think, the Indian farmer, the Indian people, the Government all have to be congratulated for this achievement.

2. SHRI RAM VILAS PASWAN: These Bills are defective, include the caste and other things also.

SHRI P.V. NARASIMHA RAO: Let the Bills come before the House.

3. SHRI NITISH KUMAR: He can become the Chairman of that Trust by quitting the office of the Prime Minister.

SHRI P.V. NARSIMHA RAO: The main intention behind setting up of this Trust is to remove those who are in politics.

SHRI EBRAHIM SULAIMAN SAIT (Ponnani) I would like to know where the mosque will be constructed?

SHRI P.V. NARASIMHA RAO: Neither you nor I will be in the Trust.

SHRI MADAN LAL KHURANA (South Delhi): Is Shri Chandraswani in politics or is he your advisor?

SHRI P.V. NARASIMHA RAO: I am saying that those who are in politics will not be in the Trust. There is no use of just banning the names. I am talking about a principle that those who are in active politics, would not maintain the Trust. What is there to object to and be surprised at it.

Sir, another point, an important point was raised about electoral reforms. I was fully....

SHRI EBRAHIM SULAIMAN SAIT: Where will the mosque be constructed?

SHRI P.V. NARASIMHA RAO: It is not in my hand as to where the mosque will be constructed. Let the Trust be setup first. Read my promise attentively.

4. SHRI SOMNATH CHATTERJEE (Bolpur): What about multimember Election Commission?

SHRI P.V. NARASIMHA RAO: It is already there.

SHRI SOMNATH CHATTERJEE: About Election Commission?

SHRI P.V. NARASIMHA RAO: Yes, it is already there.

SHRI SOMNATH CHATTERJEE: No, no, you have only the Chief Election Commissioner. Have two more.

SHRI P.V. NARASIMHA RAO: The provision of two more is already there. What do you have to do? You do not have to add anything. You only have to.

SHRI SOMNATH CHATTERJEE: That is concerned with the electoral reform because there are not even elections held in this country.

SHRI P.V. NARASIMHA RAO: You only have to appoint. That is all.

SHRI SOMNATH CHATTERJEE: Why not do it? Please do it.

SHRI L.K. ADVANI (Gandhi Nagar): Mr. Prime Minister, may I point out that all the issues that you have just mentioned under the list of electoral reforms have already been considered and decisions taken. Except in respect of one, in respect of all the other, decisions were taken by the Goswami Committee. My colleague Somnathji was also there,

SHRI P.V. NARASIMHA RAO: We will look into that. Why was it stopped in 1990?

SHRI L.K. ADVANI: The Report was submitted finally, it was not stopped. In fact, all that is needed is to implement it.

SHRI P.V. NARASIMHA RAO: There was not much debate on External Affairs except engines. Now about cryogenic engines, we had a full question answered this morning.

5. SHRI NITISH KUMAR: We know the man behind the move.

SHRI VISHWANATH PRATAP SINGH (Fatehpur): Just on a point of information on the issue of labour. A Bill for labour participation in management is pending in the Rajya Sabha.

What is the Prime Minister's view on it? Is he going to proceed with the Bill or not?

SHRI P.V. NARASIMHA RAO: Yes, we will proceed with it, if only you allow. Because all our legislation is passed at dead of night. That has been the new tradition, if the House permits, certainly we will take it up.

There are just three or four matters, very short points which I have to make and I am done. Our friend from Jharkhand. This is one of those local aspirations with which Indian polity has had to content with. This is not a new thing. We had agitations everywhere. We have these matters come up. even take a few lives and then get settled. Lot of economic distress has taken place because of these agitations and if we do not see the writing.

SHRI SHARAD YADAV (Madhepura): Please speak about Uttaranchal also.

6. SHRI BHOGENDRA JHA (Madhubani): The Communist Party of India has formally taken a stand in favour of the separate Jharkhand State. That is for your information.

SHRI P.V. NARASIMHA RAO: The Communist Party of India took a stand that India consists of several; national, once upon a time.

7. SHRI L.K. ADVANI: You have talked about the local and regional agitations of Bihar and Assam. I would like to request him to throw light on the Uttaranchal for which the State Government has already recommended and the Legislative Assembly has also passed the Bill in this regard and submitted it to the Central Government you take it for granted that we won't make it a deal for this No Confidence Motion. Other may do so but you are not even referring to it.

SHRI P.V. NARASIMHA RAO: Nobody is going to make it a deal.

SHRI L.K. ADVANI: I would like to know the stand taken by the Government on the Resolution on Uttaranchal which has been passed by the Legislative Assembly and was sent to centre.

SHRI AJIT SINGH (Baghpat): The hon. Prime Minister, he has raised the issue of Jharkhand in view of the No Confidence Motion. Bharatiya Janata Party is raising the issue of Uttaranchal because it was in their maestro. I would like to know whether the Government is in favour of smaller States. What is its opinion? what measures are going to be taken by the Government in this regard?

SHRI P.V. NARASIMHA RAO: At present I am not in favour of smaller States.

8. SHRI KALKA DAS (Karol Bagh): Hon. Prime Minister, The provisions of the reservation.

MR SPEAKER: Mr. Kalka Das ji, you should understand that your point has also been converted.

SHRI P.V. NARASIMHA RAO: I have converted the points raised in the debate.

SHRI MADAN LAL KHURANA: What about Harshad Mehta and Bofors issues?

SHRI P.V. NARASIMHA RAO: Finally Atalji's speech was mostly monopolised by Mr. Bhardwaj. I would like to say in all seriousness that all that Atalji read out was what any colleague of mine said others or anyone. I consider it improper, I have already asked Bhardwaj ji to tell me what he has to say on this particular matter. I do not subscribe to the view that in any party or even between parties language like this should ever be used.

I assure that I will take whatever steps are to be taken. Thank You.

SHRI JASWANT SINGH: I would like to have some clarification.

STATEMENT ON LAUNCHING OF INSAT-2B

13 August, 1993

I am delighted to inform the Honourable Members of the House that the second indigenously built second generation multipurpose geostationary satellite, INSAT-2B has been successfully placed in its orbital position and all the payloads have been switched on. The spacecraft has been declared fully operational.

The 1322 Kg. satellite was successfully launched by the Ariane launch vehicle on July 23, 1993 and was injected into geostationary transfer orbit. Immediately following the launch several critical manoeuvres were carried out using the systems on board the satellite, by the INSAT Master Control Facility at Hassan in Karnataka. The satellite was first placed in a near geosynchronous orbit, nearly 36,000 KM above the earth, by firing the liquid apogee motor in three stages. Then the Spacecraft was allowed to move slowly towards its final orbital position at 93.5 Degree East longitude and all the deployments were carried out. INSAT-2B achieved its full in-orbit configuration on schedule, due to the excellent performance of all the systems onboard.

INSAT-2B carries 18-band transponders including six in extended C-band, 2 high power S-band transponders, a Very High Resolution Radiometer for meteorological imaging, a Data Relay Transponder and a Search and Rescue payload. A series of extensive checks and characterisation of all the payloads have been carried out and the Spacecraft will be put into regular operational use from August 15, 1993.

INSAT-2B will add capacity to the INSAT system for more long distance telecommunications circuits, business networks, remote area communication, teleconferencing, national and regional TV networks, Satellite TV channels, messaging and data networks. The Search and Rescue Payload which is a new feature added to the INSAT-2 system will instantaneously detect distress alerts over a vast region around India for taking appropriate rescue measures.

INSAT-2B, like INSAT-2A is a complex and state of the art spacecraft, and has been entirely designed and built in India with minimal imported parts and components. I am sure that Members of the House would join me in conveying our deep appreciation and heartiest congratulations to all the Scientists, Engineers, Technicians and other support staff of the Indian Space Research Organisation and the Department of Space for the great success that they have achieved in making available INSAT-2B for national services. The country can be justifiably proud of this magnificent achievement.

BACK NOTE

XIII. Statement on Launching of INSAT-2B 13 August, 1993

NIL

**STATEMENT ON SCHEME FOR SMALL WORKS PROGRAMME IN
THE CONSTITUENCIES OF MEMBERS OF PARLIAMENT**

23 December, 1993

Mr. Speaker Sir, very often it happens that the Members of Parliament are approached by their constituents for small works of a capital nature to be done in their constituencies. However, they are not in a position to ensure that the work suggested by them is undertaken. Hence, there was a demand made by members of Parliament of different political parties, in fact of all political parties including independents.

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As I said, there was a demand made by Members of Parliament of different political parties, in fact of all political parties including independents, that they should be allowed to recommend to the District Collector, works to be done in their constituencies. The Government of India considered the above suggestions and has decided to introduce a new scheme to be called "MPs' Local Area Development Scheme". Under this, each Member of Parliament will have the freedom to suggest to the District Collector, works to be done, not exceeding Rs. 1 crore per year within his or per constituency. Members of Parliament of Rajya Sabha will nominate one district in the State from which he or she has been elected and where the works will be undertaken.

The funds will be released to the District Collector directly by the Ministry of Rural Development, who will operate the scheme. The works will be executed through Government agencies by the Collectors after consultations with MPs. Naturally the handling of funds, giving of contracts, etc. dispersing money, all that will be done by the Collector as per the procedure that he is already following. The types of works that will be allowed will be such as to lead to the creation of durable assets. Under no circumstances shall any revenue expenditure be undertaken under thjs scheme. Each individual work shall not exceed Rs. 10 lakhs.

The scheme is for developmental works of small nature and based on locally felt needs. The work that may be done at the instance of a

Member of Parliament may fall in one of the following categories with a ceiling for each project of Rs. 10 lakhs. The following is the illustrative list of works. It is only illustrative, other things could be added to in suitable cases:—

- (a) Constructing school buildings.
- (b) Providing drinking water to the people in the villages, town or cities by digging tubewells or doing something else which may help in this respect.
- (c) Constructing the villages roads or approach roads.
- (d) Constructing bridges on the approach roads.
- (e) Constructing common shelter for the old or handicapped.
- (f) Constructing the buildings for the Gram Panchayat or for cultural and sports activities or hospital.
- (g) Afforestation in the Government and community land and social forestry for providing employment in lean period.
- (h) Desilting and digging of village ponds.
- (i) Constructing the irrigation canals to avoid the loss of water and also to provide employment to the people.
- (j) Constructing common gobar gas plants or carrying on some activities related to it.
- (k) Construction of small irrigation bandharas or lift irrigation schemes or water table recharging schemes.
- (l) Public Reading Room or Study Rooms.
- (m) Creches.
- (n) Construction of primary health centre and/or post mortem rooms.
- (o) Crematoriums.
- (p) Construction of Public Toilets and Bath Rooms.
- (q) Drainage and gutters.
- (r) Footpaths and path ways.

(s) Provision of electricity, water, pathways, public toilets, etc., in slum areas of cities, towns and villages.

(t) Construction of house galleys between old buildings in the cities, towns and villages.

(u) Ashram Shalas in tribal areas.

(v) Bus sheds/stops for public transport bus passengers.

(w) Mobile toilets for local bodies, useful at fairs, public meetings, sports meets, etc.

(x) Any other items specified by the Union Government from time to time.

As I said, this is only an illustrative list. There are many many other facilities one could think of.

The detailed guidelines for the scheme will be issued by the Ministry of Rural Development in due course.

While the scheme will start in the current year, given that some time will be required for preparatory work, it may not be possible to implement it before the beginning of February, 1994. Hence a token provision of Rs. 5 lakhs per M.P. is being proposed in the current year but from 1994-95 the full provision will be made.

BACK NOTE

XIV. Statement on Scheme for Small Works Programme in the Constituencies of Members of Parliament 23 December, 1993

1. SHRI NIRMAL KANTI CHATTERJEE (Dumdum): We did not ask for it. We never approached you.

SHRI P.V. NARASIMHA RAO: I am sorry, Sir, I did not know that there are exceptions to this.

REPLY ON MOTION OF THANKS TO THE PRESIDENT'S ADDRESS

8 March, 1994

Mr. Speaker, Sir, I am grateful to the hon. Members, who have participated in this Debate and given us the benefit of their observations, suggestions and also criticism.

Sir, if we look at the last three. Addresses of the President, we can see the change from year to year which represents the overall situation in the country as it existed at the time he gave the particular Address.

In 1992, the President began by addressing the question of economic reforms because that was uppermost in the nation's agenda. In 1993, the focus was on the survival of India as a nation and the survival of its secular character. This year, Rashtrapatiji has spoken of a note of optimism; an optimism he has elaborated as one of accelerating our pace of economic growth strengthened by the reassuring verdict of the people in favour of reforms and against the forces of communalism.

This is a very clear picture, comparative picture, of the three past years when the President addressed us and I would say that today we have this note of optimism and we have to build on this optimism because conditions are ripe, conditions are congenial for building up on this optimism.

I would, however, touch upon a few aspects which have been raised by some hon. Members although I must say that taking the Debate as a whole what is really warranted from me is a short reply and not to elaborate because the President's Address in whatever it has said has been extremely lucid and one does not have much to add to what he has said.

On the questions regarding the internal security, internal law and order, some points have been raised.

I would rather start with them and dispose them of before going on to the economic issues.

Sir, the RJB issue really is in the Supreme Court. There have been objections raised from several quarters right from the beginning that the reference should be under one article, not under the other. Now, all that

has passed. Today, the Supreme Court is seized of the matter and the hearings are going on. I would appeal to the House, I would appeal to the hon. Members not to, really, be agitated by this question any more, because once the Supreme Court gives its opinion, as the President has said action would be initiated on the lines of the opinion or in the light of the opinion given by the Supreme Court. Whatever legal and other niceties could be raised, have been raised, but now we are at a stage where action can follow as quickly as possible and therefore, we should, really, be ready for the Supreme Court's opinion, expected as early as possible and look forward to taking action. On that, of course, we will again come to the House, take the opinion of the hon. Members and have a consensus on what to do and how to take action. So, this is the stage at which we find ourselves today and I would, once again, appeal to the House to understand this and take it as the present stage from which we have to go forward.

Sir, about Kashmir there are two or three complications which need to be disentangled. The first very clear thing, clear fact we know is that from Pakistan incessantly, endlessly, without intermission terrorism is being exported into the Valley. We have been dealing with this with utmost patience and firmness combined; where firmness is needed firmness is being shown, but where patience could be better we have also shown patience as was evident in the Hazratbal matter. This has to be tackled on many fronts. The latest which, I think, we have thought of is, apart from what all is being done there is a need to intensify the development effort in the State. I shall come back to the House with more details on some other occasion, but suffice it to say at this moment that the front, the developmental front has to be concentrated upon. We are doing a lot of developmental work there, but that needs to be augmented, to be given some concentrated attention. The aspect involving the people is being looked into. The aspect of better coordination has been looked into and I am glad to say that the coordination today is much better and much more effective than it was a few months earlier.

Sir, we have a problem with Pakistan. The problem is that they have a compulsion, an internal compulsion to harp and keep on harping on the Kashmir question and harp on human rights. One fails to understand how

of all the countries Pakistan is the champion of human rights and India, with all our traditions, our laws, our record in the human rights sphere, is being put in the dock.

This is absolutely incomprehensible. But this is what is happening. We have to face it. We have nothing to hide. Our record is clear. Wherever there are excesses, the President has very clearly stated that we will take action. But to say that we are only violating human rights all the time is an exaggeration which borders on untruth. We would like to refute it and we would like to say that we will deal with the Kashmir question both on the front of terrorists whose human rights are not sacrosanct if they really want to kill people right and left. **It has to be firmness to put down terrorism, to preserve and protect the territorial integrity of the country and nothing is going to come in the way. of the Government of India, of the people of India in achieving this. Subject to this, of course, we have nothing to hide.**

Lots of people are coming into Kashmir. They are giving their recommendations; they are giving their suggestions; they are giving their opinions and will continue to welcome people to come and see Kashmir. After all, Kashmir has been one of our best tourist areas. Today because of what Pakistan has done, the situation has worsened to such an extent that the people of Kashmir are suffering. All the income of the people of Kashmir was mostly dependent on tourism. All that is no more now. This suffering has to be put an end to and this can happen only when what is happening by way of export of terrorism from Pakistan ceases. We are determined to see that it ceases.

Now something is being said about what is happening in Geneva, Sir, the Human Rights Commission is seized of the matter, I would not like to anticipate what is going to happen there. But we have convinced, we have tried to convince all our friends that Pakistan's propaganda against India on human rights is totally uncalled for. In fact, one could ask what Pakistan's *locus standi* is in respect of Kashmir, except that of an aggressor. That is the only *locus standi*. Beyond that, there is nothing. We have to tell the world many things that have been forgotten. The basic case on Kashmir, India's basic case on Kashmir has probably taken a back seat and all these

peripheral issues, in fact, irrelevant issues like human right issues etc., are coming to the fore. It is time that we go into the basics, tell the world what exactly is the Kashmir question and how they have to look at it, if they have to do justice or if they have to take the right view.

This is what needs to be done now. Since we have passed a unanimous resolution rightly, validly as an act of patriotism in this House, I would like both the Houses of Parliament to go into this question in greater detail. Many of our Members could take part, they could study and the world should know—apart from the Resolution that we have passed—what the Parliament thinks about the Kashmir question in all its details. I think, this is very necessary. I find when I go out, the real basis etc., of the Kashmir question has been totally sidelined, either forgotten or deliberately sidelined. Whichever is the case, we have to bring it back into focus. It is not in the focus, at the moment.

The determination of the nation has been fully reflected in the resolution of the Parliament. I have no need to add anything to that except to say that this Government will carry out the Parliament in letter and spirit and this is the undertaking of the Government of India to the Parliament.

Coming to the demand for new States which has been gathering some momentum for some time, I would like to say that the time and the situation do not warrant the carving out of new States. We have to make arrangements within the present set up in order to see that backward areas in States are looked after better. We had the Jharkhand Bill. We were not quite satisfied with it. We asked for some amendments to be made in it, I think it will be possible to find a solution by which that backward but very rich area gets its dues in development, in investment and in the general programmes of the States. So is the case with may be other areas, the Uttrakhand and the other areas from where similar demands have come. I would like to respectfully submit that this is no time for us to open the Pandora's Box for new States to be created. Our ingenuity has to be extended to the fullest extent to find solutions to the problems of the backward pockets.

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In the North-East, problems are rather complex, Shri Jaswant Singh ji asked the other day, how do you reconcile the two statements where the President says that North-East is peaceful land and there is imposition of President's rule in one of the States. I think they are not only reconcilable but that is the real situation. Today, in a part of Meghalaya the elections are taking place. In another State, there is a clash between two tribes. Now both are happening. But on the whole, what the President says is correct. Except Manipur where now things are fast returning to normal after the imposition of President's rule, the North-East is peaceful. But North-East bristles with problems, problems of development, problems of distance and problems of access. Even Indian Airlines suspended flights to the North-East. I do not know for what reasons. Now we have got them restored with some difficulty. The problems of the North-East are really difficult.

And I would say that we are paying special attention. I am glad that one of the States which had not been represented all these forty years has now got a Minister of States in the Council of Minister. The other Ministers also, they are looking into the problems. But, I think, the North-East is an area which needs special attention with another additional complication that it has become a haven of smuggling, haven of arms transfers which are being reflected in local feuds. So, it is not just a question of law and order. It is a social question to some extent; it is a question where large monies are concerned and it happens to be the border of three countries. Some of the areas are trijunctions. So, it needs much greater attention and I am glad to say that we have been paying greater attention going into all those questions dealing with different aspects of the questions.

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Now, on the whole, the situation in the country has stabilised so to give a lot of confidence to people from outside and within the country that economic activity can now be accelerated. There will be no problem about further investment, additional investment and things will be stable; things will be peaceful. This is the hope that has been created and that is why what the President has said, what the Rashtrapati ji has said is a note of optimism. This is one of the factors which has generated a note of optimism.

Coming to the economic policy, lots of things have been said. In fact,

there have been many suggestions; many demands of a local nature. I would, with your permission, with the permission of the House, like to deal with them in writing; send individual replies to all the Members who have said something about their constituencies, States etc. because we do not have to devote the time of the House for these individual matters. But I am only giving a few important policy statements, policy issues to the House.

What is the picture that is emerging in the country? On the one side, we are having the massive induction of outlays, investment in the infrastructure sector. This is happening. This is well known. The sectors that are being given additional investment are fuel, oil refineries, power, food processing, chemicals, electrical equipment, electronics, metallurgical industries, transportation, hotels and tourism, industrial and agricultural machinery.

These are the priority areas. Never before in any other previous plans did we have a shot in the arm to these areas of development as we are having today. I am not saying that it is enough. Much more needs to be done because once you start on this road, there is really no end. You will have to go on doing more and more.

On the other side, I am glad to say that on the rural sector, on the rural development sector—this is what I would request hon. Members to appreciate—from the Seventh Plan outlay of Rs. 7000 crore, we have jumped to Rs. 30,000 crore in the Eighth Plan. This again has never happened in the past. So, there is a determination on the part of the Government to balance this out. We cannot wait until industries come and the benefits trickle down to the villages. They will never trickle down to the villages. Industries mostly will remain where they are. Rural industrialisation of that kind is going to take a long time. Of course, the small-scale industries are doing very well in the new set up. We have enabled them to become more efficient. But that is not enough. So, Rs. 30,000 crore are being spent. I am glad to say that this is not on paper. Now taking the total of what has been spent on rural development—I want to give this picture clearly to the House so that later on there is no misunderstanding—in the first year of the plan it was Rs. 3,100 crore; in the second year it was Rs. 5,010 crore and in the third year, it is Rs. 7,010 crore. So, out of Rs. 30,000 crore, within three years, we have now reached Rs. 15,110 crore. In the next two years, the Planning

Commission has already accepted that it will replenish, it will complete Rs. 30,000 crore. We are already at Rs. 7000 crore this year, Rs. 500 crore more in the next year, then another Rs. 500 crore in the next year, Rs. 7,500 crore and Rs. 7,500 crore makes the full allotment of Rs. 30,000 crore.

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In the next plan, the picture that emerges is like this. We have had some discussion with the Planning Commission. The rural areas would have to get at least three times more than what they got in the Eighth Plan. So, in the Ninth Plan, for rural development Rs. 90,000 crore have to be given and nothing less. I am not saying that even that is going to be enough. But it has to be so.

Six percent of the GDP on education has been committed. What does that mean? You are at 3.7 percent today. In the Ninth Plan, it has to be somewhere between 3.7 and 5 percent.

Ninth Plan is being referred to because it is proposed to be done by the end of the century.

By the end of the century this has been a national commitment and we have to go, at least, to five percent of the GDP in the Ninth Plan. And in the Tenth Plan, we go straight on to the six percent target. So, the way we are projecting development plans, particularly in the rural areas is so clear that we will reach our targets and there will be no problem about the rural areas suffering in any way. And once this is inducted in a big way, you will have the rural areas booming with activity, busy with activity — economic activity and other activities. Education will improve and then you will have a picture which is totally different from what we have today. So, this is the economic picture that is emerging and is bound to emerge on the lines which I have just suggested. This is the general theme.

About investment from outside the Government, the word 'Foreign' somehow seems to evoke certain pictures, certain concepts. What I would say is, outside the Government whatever investment is coming, whether from within the country or from outside the country, from NRIs, that is increasing quite steadily and we expect that we would get more investment from outside than we had anticipated and that would be in substitution of what the Government would have otherwise had to invest.

On the power sector, Sir, the Planning Commission finally said, they cannot go beyond 30,000 MWs. The requirement was more than 48,000 MWs. Where is the rest going to come from? You do not have resources; you cannot wait another five years, We are trying our very best to get this investment from outside the Government.

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So Sir, at the end of some months of hard bargaining we are now able to say that it is not 30,000, it is going to be about 36,000 MWs which we will have in this as of today. We are still negotiating with many more investors and it is possible that the 18000 MWs gap which had been left unbridged by the Planning Commission in sheer helplessness may be completed. This is what is being done in all the fields where our own resources are inadequate and we cannot wait for another five years or indefinitely to get resources and do these things in the next plans. This is how this substitution process of which I have been taking time and again is taking place. I have given only one concrete example in the power sector.

Now it has been said, of course I can never expect this slogan to be stopped because it is a slogan coming in handy that we are doing things at the instance of somebody else. I have not got any suggestion from any international agency, financial agency, asking me to put Rs. 30,000 crore in the rural sector or whatever I have been doing. Whatever the Government has been doing is totally ours. We have taken the exigencies of the country, the needs of the country into account and we have planned this. We have put this as the project. It is for Members to suggest amendments. May be, we can improve many things if only a constructive attitude is taken by Members. Let us discuss where the thing is wrong. Just do not say you are doing it because somebody else asked you to do it. That is not correct. Factually it is wrong and then as an argument, it has absolutely no base. How does it matter what I am doing, at whose instance I am doing? I am doing this. It is on the Table. Please say whether it is good or bad.

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About the Uruguay Round, particularly the Dunkel proposals, it has become a horse which is almost dead. But everyone is flogging it still. We are going to discuss it again. We discussed it last time, we are going to discuss it again; there is no problem. I would like to say, pending discussion,

that I have gone into every aspect of the Dunkel proposals, particularly on the agricultural side. On the agricultural side all kinds of things are being said, all kinds of cock and bull stories are coming. I would like to reiterate on this occasion that on the agricultural side we have nothing to lose. We are having much to gain, opportunities will come our way. The export of agricultural commodities from India will get a shot in the arm.

Therefore, I do not find anywhere the farmer, the Indian farmer, suffering. We will discuss that. We will discuss that, please have some patience.

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Again, the allocation for Jawahar Rozgar Yojana has been steadily increased year after year.

Rashtrapatiji has made a special reference to three schemes which were announced in 1993 and which started on the 2nd of October, 1993. I am very glad that even after the President's Address was given to us, there has been almost improvement by the day in all these three schemes. For instance, the President's Address says that under the employment scheme, 2,000 people have been given loans so far. Between the day the Address was made and today, the latest position is that in all, 6,000 people have got it. The Banks are proving to be a little difficult because they have their difficulties. We are looking into all those difficulties and solving them. And there will be some kind of exponential growth in this particular programmes once the bank problems are looked into.

About the programme exclusively meant for women, I am glad to say that about five lakhs of women in this country have already opened their accounts. From five lakh women, deposits worth Rs. 6-7 crores have been collected already. This is catching on. In Jammu & Kashmir—everybody says, no development is taking place in Jammu & Kashmir—the latest report is that within the last few days after it was introduced there, more than 1,000 women have entered this scheme.

So, by and by, the entire women folk are getting into the scheme and I am glad that at the end of one year, they will be earning 25 percent interest in what they have put in the deposit and that will be a good thing for the women of India because we are engaged in a programme of empowering women.

About Scheduled Castes, Scheduled Tribes and other weaker sections schemes, the banks and financial corporations, the President has given full details and these corporations have been able to help the people concerned to a large extent. So, I do not have to really add anything as the figures are there. For instance, the Backward Class Finance Corporation has assisted 80,768 people so far. The authorised share capital, as the hon. Members know, is Rs. 200 crore. So this programme is going ahead steadily. Now, Sir, in the next five years, we would move towards abolishing child labour in industries like carpet as also other hazardous industries. I am only giving the important decisions and suggestions.

Now, about the educational plan, I have already submitted. At the same time, there is a proposal that we should levy educational cess. Now, this is nothing new, Mr. Speaker. We had District Boards functioning in the old British days and in those days, educational cess was being levied in municipalities and in District Boards in many States. I cannot say of the whole of India. But in the States which I know, this was being done. Somehow this was given up. The expectation was that everything should come from the exchequer. Now, the suggestion, is all educationists have agreed and Chief Ministers have agreed to levy this in their States and we will start it. In fact, we wanted, perhaps, the President himself to mention this but we were not ready. So, I think we are getting all the details now. If educational cess is properly levied, to that extent, the educational outlays will also get some augmentation and that is what I would like to inform the House.

Lastly, a few things about external affairs. Some comments have been made about the US and our relations with the US. I would like to say that our relations with the US in the economic, cultural and other fields have been close, good and progressing well. Certain statements emanating from Washington have created certain misgivings and that is why, the President, in his Address, has made a very pregnant and meaningful statement. "We look forward to working with the United States towards mutual understanding including on those issues on which such understanding needs enhancement". I think nothing more needs to be said on this because the President agrees that there are areas in which understanding is lacking. Regarding understanding, who has not understood whom is a question. That itself is a question. This will reflect the vibrant, democratic and secular

ideals of our two countries.

I think this contains the essence of what we stand for. The Home Minister has already informed the House about our position and I think there is no need to add anything.

On the question of India and China boundary, about further progress on the Peace and Tranquillity Agreement, I would like to report to the House that the discussion on that are going on and they are at an advanced stage. The idea is that, in some areas where we are having an eyeball to eyeball confrontation, as a beginning, we want to see that that confrontation is removed to the extent necessary. Now, we are at that stage. May be, in a very short time, we will be able to make a breakthrough on that.

These are the important developments since the President's Address. The President has already included the rest in his Address and I do not have to repeat those things.

One point about our fishermen being fired upon has been raised by certain hon. Members, I share their concern. We have taken this up strongly with the Sri Lankan Government with a view to formulating effective measures to prevent such incidents of Sri Lankan firing on our fishermen. A team of our officers has gone to Sri Lanka to look into concrete steps in this regard. I would like to inform the House that this is the latest position.

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BACK NOTE

XV. Reply on Motion of Thanks to The President's Address 8 March, 1994

1. MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal): It has not happened for the last so many years. You are just trying to postpone the problem.

SHRI P.V. NARASIMHA RAO: I am making a statement because a demand has been made, speeches have been made and the point has been raised. So, I think I must respond to this. This is what I am doing and I would say that short of carving out new States, we will have to find solutions to the imbalance that exists in almost all States and particularly States whose formation was a result of historical circumstances. We can go into all those things. Things have been done on those lines. Councils have been formed. They are working well and there is no reason why we should be diffident about doing these things effectively. That is one thing which I would like to submit to the House.

2. KUMARI UMA BHARTI (Khajuraho): What about the problem of infiltration in the North-East?

SHRI P.V. NARASIMHA RAO: That is one of the problems. What I am saying is that the border is so porous that any one can commit a crime in India and go into the other country; commit a crime there and come back into India and so on. That is why the porosity of the border is the main cause. There was a time when some sanitised area was considered. But I am sure that is working as it had to work. We will have to go into it and we are going into it.

3. SHRI NITISH KUMAR (Barh): What are you doing about the increasing prices?

SHRI P.V. NARASIMHA RAO: Please listen.

SHRI BASUDEB ACHARIA (Bankura): What is its impact on rural poverty?

SHRI P.V. NARASIMHA RAO: That also is being looked into. The impact on rural poverty, the impact on rural unemployment has been studied by independent groups. I can come to the House with details. But right

now, I would say that so much money being injected into the rural economy cannot go waste. There are benefits accruing, they have accrued. There is no point in denying that. Of course, there may be some wastage here and there. But rural areas have benefited. For instance, the artisans in the rural areas, more than two lakh artisans have been given improved tools. Now what is the impact of that? The artisans are not, by and large, going to the towns in search of employment. This is not my statement; this is the statement of an independent body which has gone into it. I can produce all the details. But I am just saying that when you are injecting investment for development into the rural areas, it is wrong to say that the rural areas do not respond. That would be an insult to our people. They are taking the benefit, they are responding to the benefit. I do not know if the particular experience of Members in those areas is not good. We will go into that, if again there are such individual cases. But generally the benefit is going to the people directly.

SHRI NITISH KUMAR: Mr. Prime Minister, you are not being given correct informations.

SHRI P.V. NARASIMHA RAO: Ok I will take correct informations from you. You may provide correct informations to me.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): Only recently, Shri Rameshwar Thakur said that the Government of Andhra Pradesh is not utilising the funds to the maximum extent.

SHRI P.V. NARASIMHA RAO: Sir, I am only speaking of the general trend of the investment in the rural areas.

4. SHRI SRIKANTA JENA (Cuttack): Is it by paying double the cost?

SHRI P.V. NARASIMHA RAO: What we are paying, we will come to that. Every problem, every project, you can discuss here. The question is: Can you wait another five or ten years for 18,000 MWs?

Is it possible? If you are thinking of industrialisation, can you do without power? Coming to terms and conditions, you can always have terms and conditions laid before Parliament, on the Table of the House. I am prepared for that.

5. SHRI SOMNATH CHATTERJEE (Bolpur): Like obtaining a majority; the method is immaterial. As your Finance Minister said in his Budget speech; we have obtained the majority; that is the end of the road.

SHRI P.V. NARASIMHA RAO: Somnath Babu, at some point of time I think we have to become a little more serious.

6. SHRI SHARAD YADAV (Madhepura): Mr. Prime Minister, I would like to ask only one thing from you. While you are going to have a debate on Dunkel Proposals in a day or two, Japan has put off holding a debate on it by a year. Why have Japanese Government and their people done so?

SHRI P.V. NARASIMHA RAO: This is what I am saying. We do not imitate Japan or any other country to do a certain work. We do it keeping in view our circumstances. This is what I was saying. Why do you refer to their stand?

SHRI SHARAD YADAV: Are we in a better position and are we stronger than Japan?

SHRI P.V. NARASIMHA RAO: It is not that. We will take decisions in view of our circumstances. You tell us whether it is right or wrong. We will have a discussion on that. But do not refer to what Japan or China has done. Every country has its own problems with their own solutions. On one hand, you accuse us of doing things at the instance of other countries and on the other hand, you compare us with Japan and ask why do we not follow them. What is this?

MR. SPEAKER: No. Please sit down.

MR. SPEAKER: I get a feeling that by interrupting, you are not paying enough attention to what the Prime Minister is saying.

SHRI P.V. NARASIMHA RAO: They know, Sir, that what I am saying is true. They cannot say that it is true, what is their difficulty; what can we do?

SHRI RUPCHAND PAL (Hooghly): Sir, I want to ask this question.

MR. SPEAKER: No. This is uncalled for. You will please refrain from doing that.

SHRI P.V. NARASIMHA RAO: There are three schemes.

MR. SPEAKER: On economic issues, you are going to hear the Prime Minister; and you have the opportunity of discussing the same when you discuss the Budget in general. Now, please sit down.

MR. SPEAKER: Please discuss it when the Budget is discussed.

SHRI NITISH KUMAR: Whatever is being said by you will be telecast but this is against the interests of farmers and this is what we want to discuss but it will not be telecast.

SHRI P.V. NARASIMHA RAO: So what, if it will not be telecast. This is not the question as to what was telecast first. It is going to be the subject matter of a very comprehensive debate. It is going to be a subject of discussion even at the village level and at the level of masses in the street. We are quite prepared for that. You have made an issue of a non-issue.

SHRI NITISH KUMAR: You must let every Panchayat have a copy of Dunkel Proposals, only then we will have a proper debate.

SHRI P.V. NARASIMHA RAO: The only blunder they have committed is. Sir, they have created an issue where there is none. That is the only thing.

SHRI NITISH KUMAR: It will become clear in the elections.

SHRI P.V. NARASIMHA RAO: There is no point in sustaining it now. Nothing is achieved by indulging in such frivolous talks.

SHRI CHANDRA SHEKHAR (Ballia): Mr. Speaker, Sir, this is not expected of a Prime Minister. People have got objection against Dunkel Draft; it is not *maskharapan*. The Prime Minister does not know the implication. He should talk in a good way. That is my plea. Yes, I can say that.

SHRI P.V. NARASIMHA RAO: I admit that people are having objections; and the objections will be met. But the kind of comments that we are hearing are totally meaningless; comments which have nothing to do with common sense even, are made. This is what I am saying. If you have no objections, generally what is done is, you try to poohpooh the matter; you try to ridicule the matter. There is no difficulty about seed multiplication.

SHRI NITISH KUMAR: The farmers are not going to have a right to seed multiplication.

SHRI P.V. NARASIMHA RAO: There is no problem.

SHRI NITISH KUMAR: Mr. Prime Minister, hon. Commerce Minister has said that its commercial scope will be in jeopardy and the farmer will be debarred of his right of seed multiplication.

SHRI P.V. NARASIMHA RAO: Our effort will be to bring this national legislation in this session itself.

If possible, I would like to bring it in this session, Sir, what is this? We have the sovereignty to make our own legislation.

SHRI L.K. ADVANI (Gandhi Nagar): Mr. Prime Minister, you have correctly said it yourself that the Government would present its point of view on Dunkel Proposals when the same come up for discussion. However your objection that Dunkel critics are ridiculing it and are saying things which do not concern them is absolutely wrong as today the Prime Minister repeated the same thing while talking of '*Maskharapan*' in the context of farmers or Dunkel. I would say that what the Commerce Minister, has said is definitely a serious matter.

SHRI P.V. NARASIMHA RAO: You are trying to give a twist to what I have said. I am saying that nothing can be achieved by ridiculing.

SHRI L.K. ADVANI: Do not ridicule.

SHRI P.V. NARASIMHA RAO: Ridiculing would not help. One has to ponder over it seriously.

SHRI SOMNATH CHATTERJEE: Please do not ridicule the opponent. Please do not ridicule those who are trying to articulate what their views are.

SHRI P.V. NARASIMHA RAO: I am not ridiculing at all. I am only saying, by way of criticism, anything serious can be brought. We can discuss it. Ridiculing is no way of making an argument. This is what I am saying. Whether anybody does it, that is not the way of making an argument. That is not the way of solving a problem.

7. SHRI JASWANT SINGH (Chittorgarh): Mr. Speaker, Sir, I want to mention very briefly three points. I will attempt not to repeat what has been said.

Firstly, there has come into existence an unseemly controversy relating to Identity Cards and Electoral Reforms. We would have benefited had the hon. Prime Minister shared with us his thinking in respect of both, multipurpose Identity Cards and Electoral Reforms.

MR. SPEAKER: We do need a full discussion.

SHRI JASWANT SINGH: We do need a full discussion and if the hon. Prime Minister says that we will have a full discussion.

SHRI P.V. NARASIMHA RAO: Sir, not only full discussion, I would submit that I would like to have full discussion and consultation with the Leaders of Opposition. I would like to do anything unilaterally. We will go into it. We have had a meeting with the Chief Ministers. The Home Minister had a meeting with the Chief Ministers. They have given certain suggestions. We would like to ask Members of the House, Leaders of the House and we will not take any hasty decision. Sir, it will have to be a considered decision.

SHRI JASWANT SINGH: Mr. Speaker, Sir I beg your pardon. There are two other issues which I wish to remind the hon. Prime Minister. He had assured this House that in respect of further action relating to the Bofors matter, he will pursue it himself on a day to day basis, when the House was agitating about Bofors papers, hon. the Minister of Parliamentary Affairs informed us and gave us an interim situation as to what had happened about Bofors. We were also then assured on that occasion that during the reply to the debate on the President's Address, the Prime Minister will take the House into confidence.

SHRI P.V. NARASIMHA RAO: I am able to.

SHRI JASWANT SINGH: ...and he will inform the House as to what is the status of the entire matter and where does it rest in Geneva.

Thirdly, I heard something on the question of a very major inquiry that you, Mr. Prime Minister, yourself had commended, that is, the inquiry relating to the Banking and Securities transactions. We had a debate. But

where does the Government stand on the followup action on the JPC Report?

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, I did not interrupt him. I just wanted to get information on a point.

MR. SPEAKER: This will spread over.

MR. SPEAKER: But, then everybody will like to ask.

SHRI GEORGE FERNANDES: I would like to remind him of a promise he had made here. He had given an assurance in this House in the month of August or September, 1991 that a special discussion will be held on poverty in the country, this assurance was repeated in 1992. Now we are in the year 1994 and the real figures relating to poverty are being concealed and the wrong ones are being shown. I would like to know whether the Government is going to fulfil that assurance at least during this year, if not during this year session itself.

SHRI SYED SHAHABUDDIN (Kishanganj): The Government had given word twice to set up a Minorities Finance and Development Corporation. What progress has been made in this regard? Will it be set up this year?

MR. SPEAKER: These are not the questions. There are thousands and thousands of problems, questions and policy ramifications. On each and every point there cannot be a response from the Prime Minister. Let us please understand this.

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): I would like to ask one question. About the power sector, the Prime Minister has mentioned.

MR. SPEAKER: We will discuss it when the debate on the Budget is taken up.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): The hon. Prime Minister has said that we can take a lot of advantage from the agricultural sector. Due to the continuing stepmotherly treatment being given to the agriculture sector, how can we get exportable surplus to get the advantage? Several demands of the small scale industry are not met. Your own announcement that the *Inspector raj* will be done away with has not taken any shape. Kindly clarify it.

SHRI P.V. NARASIMHA RAO: About the electoral reforms, Identity Cards and several other allied matters, as I said, I would certainly like to consult leaders of parties; and whatever we all decide should be done, will be done. The Government has no particular bias or anything on any of these matters.

SHRI SHARAD YADAV: When does the Government propose to hold a meeting in this regard?

SHRI P.V. NARASIMHA RAO: Of course, we will certainly hold a meeting very shortly.

SHRI RAM VILAS PASWAN: He is worried over the findings of the election commission.

MR. SPEAKER: Is it the way?

SHRI P.V. NARASIMHA RAO: That is no problem. About land reforms, I have been reporting to the House. We have been reporting to the National Development Council also from time to time the progress of the land distribution that has been done. Now, the latest figures, I am sorry, I am not aware, but the progress in the first two years was quite; it was commended by the NDC that a lot of progress has been made.

If hon. Members want the latest position, I can get it and tell them.

Mr. Ram Vilas Paswan says that something was done by them on SC & ST and we have shelved it. I don't think we have shelved anything that has been coming; we are actually adding new programmes to what was going on. So, I don't think that is so. But if he tells me that certain programmes were started and they were left halfway, I can certainly look into them.

SHRI RAM VILAS PASWAN: You please look into it only.

SHRI P.V. NARASIMHA RAO: Yes, we will look into it.

About sick industry, is it possible for me in this intervention to say anything about the sick industry?

SHRI SOMNATH CHATTERJEE: What about the policy?

SHRI P.V. NARASIMHA RAO: The policy exactly is the same as has been coming. BIFR is there. We have to take industry by industry, unit by unit what can we bring round what can we not bring round. If you say that until then.

SHRI SOMNATH CHATTERJEE: It is not so, the hon. Prime Minister.

Kindly look into it? Who will look into it on behalf of the Government is my trouble. We cannot go to anybody. Nobody is looking into this. I went to the Finance Minister. He said, "At my level, I will do it."

SHRI P.V. NARASIMHA RAO: Everybody is looking into it.

SHRI SOMNATH CHATTERJEE: I will feel happy if he does it, but he is too busy with Dunkel and all that. Where is the time? Who is doing it? Which Minister is doing it? Which officer is doing it? Kindly tell us about it. Kindly also clarify about BIFR.

SHRI P.V. NARASIMHA RAO: The Industry Ministry incharge of it and I am the Industry Minister.

SHRI SOMNATH CHATTERJEE: Since you have not divested from it, then you have to meet us everytime.

MR. SPEAKER: You got the answer.

SHRI SOMNATH CHATTERJEE: When will you have a discussion on this.

SHRI P.V. NARASIMHA RAO: Have I not ever met you? I mean this is very unfair.

SHRI SOMNATH CHATTERJEE: You give your response. Don't say, I refer to so and so. About the JPC Report, I think the Finance Minister would be able to tell the latest position. Would you like to say or would you like to make a statement?

MR. SPEAKER: May be at the time of debate.

SHRI P.V. NARASIMHA RAO: About Bofors the interim report which Shri Shukla gave, it still remains interim because I do not think anything has been received. I can report to the House from time to time, there is no difficulty about that. We had to receive some papers; those papers, I understand, are yet to be received. That is all. About Dunkel, of course, as I said...

SHRI SOMNATH CHATTERJEE: About 301 !

SHRI P.V. NARASIMHA RAO: We are talking of a multilateral forum which we have all preferred, we have worked for the last more than seven,

eight years. We have come to a particular stage. Now we have fought very hard to improve the report, improve the provisions and terms of the report to our advantage. That is a process that is going on. Now if any country has any other ideas I do not think I have to answer for those ideas.

SHRI SOMNATH CHATTERJEE: What will be your response if they do it later?

SHRI P.V. NARASIMHA RAO: Please do not ask hypothetical question.

**STATEMENT BY PRIME MINISTER ON LAUNCH OF
AUGMENTED SATELLITE LAUNCH
VEHICLE-D4 (ASLV-4)**

4 May, 1994

I am pleased to inform the august House of the successful launch of ASLV this morning. The Augmented Satellite Launch Vehicle was successfully launched today from Sriharikota. ASLV-D4 injected the 113 kg SROSS-C2 satellite into an orbit of about 437 kilometers perigee and 938 kilometers apogee at an inclination of 46 degree based on preliminary orbit determination. This is the second consecutive successful launch of ASLV. Preliminary analysis of the data SROSS-C2, received at ISRO's Telemetry, Tracking and Command stations indicate normal performance of the satellite.

ASLV-D4 lifted off at 0530 hrs. with the ignition of the two strap on boosters and 44.1 seconds later the first stage motor ignition was initiated by the on board Real Time Decision system. The strap on boosters separated at 55.1 seconds. The first stage separation and ignition of the second stage were commanded at 93 second from lift off and the closed loop guidance scheme was initiated from then on. The heat shield was jettisoned after the vehicle had cleared the dense atmosphere at the predetermined altitude of 107 km. at 142.9 seconds as planned. The second stage separation and third stage ignition occurred at 148.1 seconds after lift off. The burn out of the third stage occurred at 195.6 seconds which was followed by a long coasting phase and separation of the third stage at 488.9 seconds as planned. The fourth stage, alongwith the satellite, was spun up with the fourth stage ignited at 491.7 seconds. Separation of the SROSS-C2 satellite from the spent fourth stage took place about 641.6 seconds after lift off.

All the events were monitored using the network of Telemetry and Tracking stations at SHAR, Bangalore. Tiruvananthapuram and Car Nicobar. Data received at Car Nicobar indicate that the separation of the SROSS-C2 satellite from the fourth stage was normal.

The success of the ASLV-D4 flight has demonstrated the repeatability of the vehicle subsystems and further helped in evaluating a number of technologies which are employed in ISRO's advanced launch vehicles, like PSLV and GSLV. They include the strap-on booster technology, closed-loop

guidance system, real time on board decision system, etc., besides the telemetry tracking and command systems.

Sure that the honourable members will join me in congratulating the Scientists, Engineers, Technicians and all others in the Department of Space who have made us proud by this significant achievement.

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I shall convey as suggested by the Leader of the Opposition the appreciation of the entire House to the scientists.

BACK NOTE

XVI. Statement by Prime Minister on Launch of Augmented Satellite Launch Vehicle-D4 (ASLV-4) 4 May, 1994

1. MR SPEAKER: Shri Vajpayeeji, would you like to say something?

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, we are happy that the hon. Prime Minister has spoken on behalf of all of us. It is useless to express our happiness individually.

MR. SPEAKER: Now, both the sides have expressed their views.

**REPLY ON MOTION OF THANKS TO THE
PRESIDENT'S ADDRESS**

28 April, 1995

Mr. Speaker, Sir, I am grateful to the Hon. Members, who have participated in the debate and given very valuable suggestions. I do not propose to take up points alongwith the names of Members who have raised them. I have culled out a few items, a few issues, on which I would like to submit to the House my views.

Sir, we have come a long way since 1991 and the conditions of 1994. I do not want to remember them nor to remind the House of them. I will only say that in this long journey of the nation, we have come to a point where we can look to the future with certain amount of confidence and optimism and that is the main thrust of the President's Address to the Members of Parliament. I would endorse that spirit. I would endorse that optimism because what has been done during the last four years does justify that optimism. Facts, figures, situation as we have seen from time to time we have lived through these four years all this is witness to the fact that the optimism of the President, or Rashtrapatiji is fully justified.

Sir, there seems to be some forgetting of what we said last year and the year before last because when we talk this year, we seem to think that we are saying something for the first time. Sir, I would like to remind the House that ever since 1991, the spirit of the Government's actions has been the same. The purpose of actions of the Government and the policies of the Government has not changed. It has been on the same lines. And from 1991 to 1992, of course, we were only doing fire fighting. From 1992 onwards, you will find a continuity in the programmes, in the policies, in the attitudes and in the thrust of whatever the Central Government has been doing. I started in 1991 to say that our actions have followed the basic principle of continuity with change. As our economic situation has improved, our Commitment to the poor has manifested in higher outlays, and higher and higher outlays can be seen from the figures which are available to the House. Year after year, this has happened. This has been a common thread all through in the President's Addresses, Budgets and policy formulations. As a result, every year from 1992 onwards saw an increasing number of programmes being fielded. In 1992, I had clearly stated that we

would not accept the proposition of unlimited capitalism and leave the poor out. Our position was stated very clearly. And in 1993, I had stated that the Budget of 1993-94 intended to give a major push to our policy of reducing poverty and increasing employment. This is what we called 'human face' from day one. We are not calling it for the first time this year. Uplift of the poor is an article of faith with us. That is why in 1994, there was a note of optimism in the President's Address and this year that optimism and self-assurance has been vindicated.

Our thrust and commitment to the basic philosophy of the Congress has continued uninterrupted. While our achievements have been significant, there are many problems which still face the country. There is no gain saying that. And to these problems, reference has been made by the Hon. Members and I would like to respond to as many of them as I can.

Sir, the first criticism which has been levelled not only today but year after year against the new economic policy is that the policy is wrong and the policy is against the interests of the country. Sir, this criticism, I do not have to answer with any great stress and do not have to elaborate the point too much because my task has been rendered easier by what has been happening during the last few years or at least a year, may be, more than a year when successive Governments not ruled by Congress have come back to the same line; and during the last two or three days, we can see in the newspapers, a line up of Chief Ministers, 'just-elected Chief Ministers', coming for investment, from wherever it is available, making it absolutely clear that they have no hesitation in getting this investment because they know, as we know, that this investment is necessary. The only difference is that some people read the writing on the wall a little earlier; others read it a little later; but eventually all read it; and that is the great thing about this country; and I do not have to answer that point at all.

But there is one point this year, Sir, which has been stressed a little because of certain exigencies coming in the next one year, I presume; there has been a wedge being driven between the foreign investor and the local industrialist. Now, this is something which does not exist; this discrimination does not exist; but it is sought to be portrayed like this. I would like to appeal to Hon. Members not to do this because this is not going to be in

the interest of the country. We have not made any distinction, any discrimination against the local investor or local industrialist; and in fact, whatever local industry needed as protection, that has been given and that will continue to be given; but it cannot be the protection, the absolute protection to keep out everybody from outside as the protection that they have enjoyed for the last 30 or 40 years. There has to be a change and that change has come. It is possible that some Members might say that the pace of this protection or the withdrawal of this protection, lowering of this protection has been a little quicker than necessary. That is a matter of perception; and I feel that according to Government, according to all calculations made by the Government, all assessments made by the Government, this protection or this withdrawal of protection, lowering of the protection has not been to the detriment of the local industry.

There has been some criticism that the policy of encouraging foreign investment has been at the cost of domestic industry. The decision to invite foreign direct investment was on account of our need to add to resource availability, induction of modern technology and upgradation of marketing and management skills available in the country. Accordingly when any foreign company has sought fiscal tax or tariff concessions, it has been advised that proposal-specific-concessions are not part of our system. We do it across the board; there is a change in the policy; everybody falls in line with that policy. And there are an favourites played in this game. Such changes are made as part of the Budget and are applicable to all companies in a sector irrespective of whether they are Indian, joint ventures or foreign owned. We are consistently monitoring this aspect to ensure that Indian companies are not put to any disadvantage.

Some Hon. Members mentioned that the policy has encouraged the takeover of Indian industry by multi-nationals. This is not true. Where the Indian companies have, for instance, for reasons of infusion of capital or technology, sought to allow the foreign company to enhance their equity stake, the Government has accorded permission. However, we have made it incumbent upon Indian companies applying for such a change in equity structure to have the endorsement of their own Boards of Management or shareholders of the Indian company before Government accords such approvals. All these moves have been voluntary decisions of the company

and not predatory ones or imposed by the Government.

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I am somewhat surprised to hear that domestic industry has been adversely affected by the policies. Now, I am quoting some figures. The financial results of the corporate sector do not seem to indicate this. I understand that the provisional financial results for 135 major companies for the six months period ending in September 1994 have shown high level of profits. Except for five companies, all the rest have done well and the percentage growth of profits over the previous year for many companies has been, in figures, upto triple digits not even double digits but triple digits. As a sample, this does not reflect a domestic industry which has been hurt by the reform process.

I should also like to once again state that foreign investment has come into sectors to which we have attached importance. I would emphasize that 83 per cent of approvals accorded for foreign equity investment has been in the priority sectors with the major share being in power, oil refineries, metallurgical industries, chemicals, transportation, food processing, electronic equipment, etc. Even the balance of 17 per cent consists of the service sector (8 per cent), textiles (4 per cent), leather and rubber goods (0.8 per cent), soaps, cosmetics and vegetable oils (0.3 per cent), trading companies (0.3 per cent), fermentation industries (1.0 per cent) and miscellaneous industries (2 per cent), namely, jewellery, toys, locks, sports equipment, etc. Thus, there is clearly no distortion in the investment pattern in favour of an undesirable proliferation of consumer industries.

I would wish to draw the attention of the Members to two interesting features of the foreign investment proposals approved by the Government. In the first three years of the policy, the number of projects approved for companies in which foreign equity exceeds 75 per cent were only 8.7 per cent of the total. This illustrates that investment is mainly coming with Indian partners and this would ensure that Indian companies are getting the benefit of upgraded technology, marketing and management inputs, inflow of the additional capital injection and increased employment. Similarly, if we take the total number of approvals accorded for projects with foreign equity exceeding Rs. 300 crore, these amount to only 13 out of 2526. On the other hand, those with foreign equity below Rs. 3 crore were 2006. It would be evident that the companies that are availing of the

advantages of foreign investment are not big multinational giants but small and medium companies. Their partnership with emerging small and medium entrepreneurs should be encouraged rather than shunned. And this is the answer to the criticism that has been levelled in this connection, Sir.

Figures are so clear. All in all, I feel that industry has adjusted well to the changed economic environment. In 1994-95, the growth in the manufacturing sector was 9.2 per cent. It is particularly noteworthy that our capital goods sector has shown resilience and its growth in the same period has been 24.7 per cent above the previous year. Surely, this does not reflect an industrial sector under pressure from foreign capital !

In addition to this, we are in touch with the local, domestic industrial sector almost all the time, continuously. I have had interaction. I am sure other Ministers have had interaction. I am equally sure that Hon. Members of the Opposition, leaders of the Opposition, and Chief Ministers of the States other than Congress States are constantly in touch with them. We have not come across any such direct or indirect complaint that the Indian industry is suffering as a result of foreign investment coming. This has not come to my notice. But I would certainly like to know if there are any instances of this kind and if there is any such prevailing feeling that such a thing is happening, I would certainly like to know about it. I am telling you, I have not come across it.

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Sir, about the GATT, we have been the contracting parties right from the beginning. I remember very well when we had these discussions in Punta Del Este in Uruguay, Shri V.P. Singh who was the then Finance Minister, accompanied by Shri K.C. Pant who was then perhaps the Defence Minister and a very important delegation went from here. We have been fighting the battle on behalf of the developing countries right through. I may also say, Sir, that in this battle, many of the other developing countries, even big developing countries, fell by the wayside. If anyone has continued the battle throughout, It is India and maybe one or two others. But many have had to yield. We have not yielded. But this is a multilateral forum. Now, in the Non-aligned, in the G-77 or in any forum of the developing countries, what we have been saying consistently and persistently is that we want a multilateral system of trade. This has been there and we have been saying this for the last 25 or 30 years. And whenever one country seeks to dominate

another through bilateral arrangements, we have been opposing it; opposing it tooth and nail. Therefore, today when we have a multilateral forum finalised, working, to say that all this is wrong, is something like putting the clock back. I am afraid, we cannot do that and we should not do that. It is not in the national interest to do that. **Yes, when there is multilateral negotiations, there is always something like a 'give' and something like a 'take'. We will have to see how far our interests are being served and I am absolutely certain, Sir, that in all these long negotiations, very persistent negotiations, hard negotiations, our Government has done extremely well and, on the whole, we have come out with more gains and that is how we have become the champion of the developing countries.** I do not have anything to be ashamed of it. I do not have anything to apologise for this.

Sir, I now come to some of the important matters that have been raised like the social sector. Now, again in continuation with the human face that we have been advocating, I must submit to the House that in the very first Budget presented by this Government, we had clearly stated our commitment. As I just said, for rural development more was allocated. I think these figures have been quoted by many other Members, I do not have to repeat them. What I would like to say is that every year we are yielding some new programmes for the alleviation of poverty and increase in the employment opportunities. Special programmes targeting poor and the weaker sections have been initiated in the last four years. These programmes include revamped Public Distribution System, Employment Assurance Scheme, Manila Samridhi Yojana, Prime Minister's Rozgar Yojana, Intensive Jawahar Rozgar Yojana and Artisans Tool Kits Programme. Under the revamped Public Distribution System, as Hon. Members know, foodgrains are supplied at reduced price, that is reduced by about Rs. 50 per quintal less than the Central issue price. Now, on this point I would like to say—some Members have raised this point, it is a very valid point that the market price and the RPDS prices are more or less the same. Therefore, the offtake is coming down. I agree that this has been the scene. But why is it happening; we are not very clear about it as yet. We are making studies about this and my own feeling is that we may have to raise this differential of Rs. 50 further so that in the RPDS blocks, in the shops run there by the Government, it may be possible to sell those commodities

at even cheaper prices than they are selling at the moment. But it is also possible that the diminution in the offtake has other reasons, it is possible that people go to the open market. They have more advantages in going to the open market and buying things rather than going to the fair price shops. Fair Price shopwalas may not be very regular and so on. There may be many many reasons. We will have to do into those reasons. But I agree that this differential of fifty rupees is not necessarily the only reason. To the extent this reason is found to be valid, I would certainly like to go into it.

In fact, Sir, our study today is centred around the poorest families and their family budgets. We are going there and from there we are building up the policy structure of what is to be done on prices; what is to be done on food subsidy. Food subsidy, as Hon. Members know, was Rs. 4,000 crore until last year. This year it has come to Rs. 5,200 crore. Now, it is not just a matter of raising it. The point is: Why are we raising it? What is the advantage of raising it?

It is possible that we may be raising it; but it may be going only to the FCI and their officers and their expenditure etc., and may not reach the ultimate consumer. So, now we are chasing this point from the beginning to the end. That study, that exercise has been started, Sir. I would like to know what is the percentage which the producer gets and what is the percentage which is wasted between the producer and the ultimate consumer. We have come to the figure of 61.2 per cent which is what the producer gets. I agree that the other people are getting too much and a part of what the other people are getting should go to the consumer or to the producer. In principle I agree, but how is it to be done? We have a huge organisation like the FCI. If you do not have that organisation, in a country like India, it is not possible to have food security. Because we have had four or five good seasons, are we going to gamble with our security? This would be very wrong. But, at the same time, if you have this very huge organisation, as it is today, how are you going to bring down, the difference between what the producer is getting and what the consumer is getting and in between whatever is being got by the other people. This is the question we are addressing, Sir. In the next few weeks, I am sure, we will be able to find some way of getting the producer a little more, or the consumer a little more of this concession so that the middlemen it is not the middleman, just not a trader but it is an organisation whatever the 'middleman', is getting that expenditure is reduced to the minimum and the benefit goes either to the

producer or to the consumer or both, if necessary.

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Sir, the supply of improved tool kits to rural artisans, Sir, is a very quiet programme. But this has been going on in a very successful manner with great benefit to the artisans in our villages. So far 2.46 lakh artisans, that means almost half the villages or maybe more than one third of the villages, have been covered. The artisans are happy. They are not really any longer going to the cities because their tools are better. They are able to become more productive and that kind of urbanisation has been more or less reduced. The scheme has been extended to all the districts in the country this year, Sir.

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Now, I will come to Tool Kits Programme — We have now started giving power tool kits. Now, the artisans are saying that they have electricity in the village why should they use the old tool kits which do not use power. We are now changing. In Punjab, the other day, a number of people told me that Punjab has electricity in every village; so why do you not change this? I have immediately made a commitment there publicly that wherever the tool kits do not run on electricity, will be changed and a new tool kit, power driven tool kit, which, of course, costs about Rs. 1,000 or Rs. 2,000 more than the other one, will be given. But we are prepared to do that. Wherever there is electricity in every village, any village we are prepared to change that.

To promote self-employment amongst the educated unemployed youth—one Hon. Member was just saying that all this money is being wasted—now I would like to assure him. If he wants it, he can come with me, I will give him the list of those who have been benefited. I will give the list of what they are doing, what each one of these beneficiaries is doing. I have called for those lists, block-wise, district-wise, and village-wise, if you wish. But, of course in a country of this size 30,000 or two lakhs or three lakhs, does not make any impact, I agree. But, then, this is how you start. Maybe next year, we will go to five lakhs, after that we will go to ten lakhs. This is how every boy or girl who is little educated, not very much educated, not highly educated but he cannot go out of the village because he has no money. Now, he is being rehabilitated in this

manner. We can show you all the details, give you all the details that are needed. If there are any bogus things, I am prepared to take action. In this, the bank people, I am told, in many cases, are not cooperating to the extent they should. Now, we are pulling up the bank people. We will see to it that they cooperate and even if they have any difficulty in their actual operation, then we will see that those difficulties are removed. So, Sir, the programme is so designed that it covers all sections of the society and all areas in the country.

Last year, as the Hon. Members know, an Urban Poverty Alleviation Programme had been started to cover 345 Class-II towns and would involve urban local bodies in accordance with the Seventy-fourth Constitution (Amendment) Act, in all aspects of the scheme. A provision of Rs. 100 crore has been made and I am sure that it will take off this year in a real way, in a big way. The Eleventh Schedule of the Seventy-third Constitution (Amendment) Act relates to the Panchayats in the rural areas and it provides for 29 functions which could be entrusted to them. Now, this has to be really done to the hilt. This has been done only partly at the moment because the Panchayats are in the process of coming into existence and when they come, all these will have to be implemented and most of the programmes that we have started would be made over to the Panchayats and it would be possible for the Panchayats to ground them up, to field them wherever they want.

Sir, this year, for the first time, those who are not covered by any of these programmes are being covered. Like old people, like survivors of families whose main bread-earners have died, a provision of sustenance of prenatal and postnatal maternity care to poor women for first two births, creation of a new rural infrastructural development fund, expansion of the mid-day meals scheme for school children, a group life insurance scheme of the LIC to be implemented by Panchayats in the rural areas and schemes for assistance by way of better credit for small scale industries, khadi and village industries. I am very glad to say in this connection, Sir, that under the Indira Awas Yojana, we have doubled the target; ten lakhs of houses will be built this year.

I have also now decided that the families of ex-servicemen, Sir, who belong to those villages will also be included among the beneficiaries of

the Indira Awas Yojana. Yesterday, I have also decided that this benefit will be extended to the paramilitary forces also. Yesterday I had a very pleasant experience of some social reforms among the paramilitary forces. Some young men had died in action in Kashmir. Now, for their widows, just about 20 years, 22 years, 23 years old, a social organisation, among them, has managed to arrange their remarriages with young men from the same forces. I saw them....

I am on a different point. It is not about money I am speaking.

It is about transformation I am speaking and if this is appreciated, we can certainly think of how much we can take it up. That is a different matter. So, in Indira Awas Yojana, the point I am making is that all these sections are also being included.

Now, I will come to Jammu and Kashmir, Sir. This point has been raised by many Members. Sir, I would say what has been done in Jammu and Kashmir. Steps have been intensified to control militancy through sustained operations against terrorist in order to reduce the fear of the gun. The security forces have scored a number of significant successes. Secondly, a number of detainees including the prominent secessionist leaders have been released. They have not only been released but they have been allowed to come to Deity. They have been allowed to have free discussions with many leaders of the political leaders. They have been allowed to visit some embassies etc., and this kind of general interaction is being encouraged which is taking place.

The delimitation process is underway and the work of revision of electoral rolls is also expected to be completed shortly. In the context of our efforts to revive the political process it was important that the civil administration became functional. The restoration of the morale of the local administration coupled with disenchantment of the public with the militants has improved the overall ground situation. And I am saying this with a certain amount of responsibility. It is not just to tell the House what is not true. I am saying all this from not only reports but from very very reliable sources. I understand that there is a general improvement and people do want elections. They do want the electoral process to start. They are still afraid of the gun. That fear of the gun although much reduced still remains. This is the position, Sir.

There has been a noticeable step up in the pace of developmental activities since one year. Since one year we have been paying special attention to the developmental aspects in Jammu and Kashmir. A special plan assistance of Rs. 993 crore was given to Jammu and Kashmir in 1994-95. The schemes are being closely monitored. I have personally deputed two teams of Union Secretaries drawn from fifteen sensitive Ministries of the Government in critical areas of development. Under various Central sector programmes, an amount of Rs. 200 crore was made available during 1994-95. There has been a marked enthusiasm among the people to come forward and avail of the benefits under programmes like the IRDP, Jawahar Rozgar Yojana and Employment Assurance Scheme.

Let me mention the comparative picture of achievements with 1993-94. Whereas in 1993-94 under JRY employment provided was 25.50 lakh mandays, in 1994-95 it was 65.93 lakh mandays. Under Indira Awas Yojana whereas in 1993-94, 390 houses were built, the figure for 1994-95 is 1697 houses.

Million well scheme 1,563 wells in 1993-94; and 3,409 wells in 1994-95. The step up which has been achieved is to be noted. Rice supplied to the States increased from 36,200 tonnes to 44,000 tonnes and wheat allotment from 20,000 tonnes to 30,000 tonnes per month.

Since the people of J&K have a preferences for coarse rice, special teams were deployed to bring this rice from Punjab, Haryana and UP to JandK. So far 45,000 tonnes of rice has been moved to the Valley since October 1994.

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A massive programme has also begun on top priority to restore schools, bridges, hospitals, electric installations damaged by the militants. The Terrorists had damaged 450 educational institutions ranging from primary schools to colleges. There are all being repaired This is the work that is being done.

I shall not give too many details. What I would like to submit to the House is, I have noted the opinions of all the Members on this matter. I am being very careful in submitting to the House the exact position as it is today, from all accounts, conditions are improving for the electoral process to be taken up. I am consulting with the leaders of the Opposition Parties.

Right now I am engaged in that. The Government has noted the desire for more autonomy voiced in several quarters. Soon after completing the round of consultations, I will take the Parliament into confidence with clear cut proposals. This is what I propose to do in this Session and in the next few days, I would like your indulgence to give me some time to take the House into confidence.

On Defence, a mention has been made in the House of the Agni and Prithvi programmes. As Hon. Members are aware, Agni is a technology demonstrator and the project has been to our satisfaction. I visited the factory only three or four days back.

As far as Prithvi is concerned, the phase of user trials is over and subsequent activities are in hand. I would like to assure the House that there is no question of any outside pressures compelling us to delay or to compromise on our defence requirements. Whatever, we believe, needs to be done to secure the defence of the nation will be done.

Sir, about External Affairs, I would very briefly say that in the next two three days we are going to have a Summit of the SAARC countries. I would not like to say anything about our relations separately with individual countries at this juncture when the SAARC Summit is to take place. All I would like to say is that we are trying our very best to improve relations from our side. There has not been any lapse. We would appreciate if this is properly responded to.

For the first time, we are going to have the SAPTA (South Asian Preferential Trading Arrangement) being initiated this year. For ten years, we have not been able to make any headway in the SAARC meetings and SAARC Summits on the trade arrangement or trade relations between the countries. This should have been done long ago but for the reasons which are not so unknown, this has not happened.

This year it is going to happen and I would like to submit to the House that this is a happy augury that within these seven countries some preferential trade treatments are also going to be given to one another and this will really result in what we have seen, in a combination like the ASEAN, in the last 15 to 20 years how ASEAN has gone from strength to strength. In the same manner it is possible for SAARC also to perform in the coming years.

These are what I really wanted to place before the House, Sir. If there is anything more, I am prepared to respond.

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BACK NOTE

XVII. Reply on motion of Thanks to the President's Address 28 April, 1995

1. SHRI BASUDEB ACHARIA: What about Maruti ?

SHRI P.V. NARASIMHA RAO: Maruti is not today's Maruti is an old case.

2. SHRI SOMNATH CHATTERJEE: What about the Bombay Club ?

SHRI P.V. NARASIMHA RAO: This is what I am saying. If there are instances, yes, we can certainly go into them. But as a policy and as a general fallout of the policy, this has not happened. That is what I would like to tell.

Sir, there has been some criticism about the WTO. This is again a matter which has been figuring in our debates.

SHRI BASUDEB ACHARIA: If Indian industry is not suffering, how come every other day, one industry is being closed down in West Bengal ?

SHRI P.V. NARASIMHA RAO: Every third day, I meet a very large, a very influential delegation of Members of Parliament particularly from West Bengal's CPI (M) or CPI, buttressed by some union leaders — their own leaders — and they come and tell me that what all we are doing is wrong. All that I have to do is to refer the matter to the Chief Minister of West Bengal. Nothing else !

SHRI SOMNATH CHATTERJEE: Are you not paying any heed to them ?

SHRI P.V. NARASIMHA RAO: Mr. Speaker Sir, Shri Somnath Chatterjee has netted more foreign investments in the last six months than the entire Government of India has done in four years. So, his rhetoric also has very suitably changed. This change is a welcome change.

3. SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): Free movement of foodgrains is not yet being permitted in all areas.

SHRI P.V. NARASIMHA RAO: We have experimented with free movement. It has not been found useful all over the country. We see that if you allow free movement today, some States will stand to gain; many

States will stand to lose. It all depends on whether the State is a surplus State or a deficit State. This is wellknown. We have tried it for the last 2025 years one way or the other and we have seen that there has to be some way of tracking down what is happening in the movement of foodgrains, because the whole country being one, we have to see that disparities in prices also should not be too much.

4. SHRI RAJVEER SINGH: Mr. Speaker, Sir, the Hon. Prime Minister is speaking about the rural development. He has been given wrong information regarding that all these are paper figures only. Nothing like this is going on in the villages. Please get it rectified.

SHRI P.V. NARASIMHA RAO: I have seen, I am not leaving anything to chance. I am not only supervising these things personally, I have kept this Ministry with myself with some idea, some purpose. I am myself monitoring every one of these programmes, not 100 per cent but as a sample. Tomorrow I am going to Orissa. We have had a programme of visiting villages, sitting with the District Collectors sitting with the people who are beneficiaries, finding out what is happening, and calling the bank people also in the PMRY we are involving everybody including myself. That is why I have kept this Ministry with myself. I can say with certain amount of personal knowledge—I am not saying that 100 per cent of everything that I am saying is happening but I am at least able to see something is happening and I am able to satisfy myself that something is reaching the people which was case earlier because so many barriers were on the way.

5. PROF. RASA SINGH RAWAT (Ajmer): Have the expenditure been made on Kashmir valley only or on Jammu and Laddakh also.

SHRI P.V. NARASIMHA RAO: The expenses have been made everywhere.

6. SHRI SOMNATH CHATTERJEE: Sir, many vital issues such as price rise, unemployment, exit policy, sick industries have been specifically raised, Sir, the Hon. Prime Minister has not even referred to them. These are the issues which are vitally concerned to the people. These are very important issues which have been raised by the people everyday.

SHRI P.G. NARAYANAN: What about the Tamil Nadu situation?

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal): Please say something about the Muzzaffarnagar incident.

SHRI SOMNATH CHATTERJEE: These are the very important issues on which we must know the Government's mind.

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI: Say something about the Muzzaffarnagar incident. The report of the CBI is lying pending in the Allahabad Court.

SHRI BASUDEB ACHARIA (Bankura): Many important issues such as TADA, unemployment, sick industries, price rise have been raised.

SHRIMATI MALINI BHATTACHARYA (Jadavpur): It seems that there is no unemployment, there is no price rise.

SHRI SAYED SHAHABUDDIN (Kishanganj): Sir, one or the other new things are being said regarding Mathura and Kashi. A new Ayodhya movement is being launched. It is the duty of the Government to save there.

SHRI P.V. NARASIMHA RAO: Law is there for that.

SHRI SOMNATH CHATTERJEE: There is a danger of fascism in the country.

SHRI P.V. NARASIMHA RAO: Sir, I would like to very categorically say that TADA, which was enacted in 1986, was for a particular purpose, for a particular situation that prevailed in the country at that time. It has been used ever since by several States. Some States have not used it; some States have used it.

SHRI BASUDEB ACHARIA: This has been misused.

SHRI SHARAD YADAV: Mr. Speaker, Sir, it is being said by the Government that they want to bring some amendments in TADA. Everyone belonging to each party has raised the issue of TADA. What will be its form? TADA has been used in the areas where extremists are active and the people are in jail. In what form the Government wants to bring it. It should also be made clear.

SHRI P.V. NARASIMHA RAO: While this law was enacted in 1986 to meet a difficult situation created by terrorist activities in some parts of the

country, I have no hesitation in saying that some of its provisions were misused causing avoidable hardship to some people. I am clear in my mind that the law, as it is, should not continue. After the Home Minister's consultations the Home Ministry is just now consulting the Leaders of the Opposition on the options that are open for us, what are the options and which option is the best according to them he will come to a conclusion.

SHRI BASUDEB ACHARIA: We have given our opinion.

SHRI P.V. NARASIMHA RAO: Now you please sit down. You are not the whole House.

After the Home Minister's consultations, Sir, the Government will immediately come up with the necessary legislation.

MR. SPEAKER: Please take your seat. When I am standing, you should take your seat.

It is true that many Members have raised many important issues. But to each of these issues, it is very difficult to reply on the floor of the House in the available time. Now these issues are collected at one place and the spirit of the enquiry has been responded to. I would allow one or two Members to raise very important issues, not issues which can be raised in the shape of a question to the Government, but very important issues which cannot be raised in the shape of a question and I am sure the Hon. Prime Minister will reply to that. I would request the Members to ask the question and I will leave the discretion with me to allow or disallow or ask the Prime Minister of reply to those questions.

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, I had mentioned the Lucknow visit of the Hon. President of Iran in my speech. He was our Hon. guest. Everyone is agreed with it that our relations with Iran should be strong but whatever happened during his Lucknow visit and a particular party tried to avail petty gains of his visit, tried to incite communalism and he was invited to interfere in the internal affairs of our country. Does the Hon. Prime Minister has the report of the incident of Lucknow.

SHRI P.V. NARASIMHA RAO: I would like to submit this much only that some persons may have done something but visiting dignitaries have not interfered in our internal affairs and it appears from whatever he has

said that he did not want to say anything which he did not liked. Whatever he said, give strength to our policy.

SHRI ATAL BIHARI VAJPAYEE: I am not blaming the Hon. President of Iran. Perhaps the Hon. Prime Minister could not understand to what I said or may be. I could not make him understand. I am criticising, those who tried to hag the Hon. President of Iran in our internal affairs. Whether the Prime Minister is aware of the fact that when the President of Iran went to Imambara from Amansi Airport the national flag of our country was not there? The leaders of the Congress who were present on the stage at Lucknow, were not allowed to speak. It was said before the President of Iran that the minorities are in danger in the country and only their Government and their party, towards which I am pointing can save the minorities. Who the President of Iran taken to Lucknow for this purpose only? I am the elected representative of Lucknow but I was not invited to that, programme. Will the visits of the foreign guests be misused in this say?

SHRI P.V. NARASIMHA RAO: We do not agree to that at all. But, please tell how the leader of a party can be stopped to boast about his party.

MR. SPEAKER: I think I will allow the Members to put their questions and I think it will be more convenient for the Hon. Prime Minister to reply to them at one time. Otherwise, there would be so many questions and so many replies.

SHRI SOMNATH CHATTERJEE: Mr. Speaker, Sir, I am thankful for the opportunity given to me. There are so many issues on which he has not touched. We are upset.

But so far as price rise is concerned, this is not a matter concerning only the people who are sitting here but the whole country is affected rather. This concern has been expressed by all the Congress Members. May be, because of the whip, they have not said here but outside they are saying. Therefore, this is a matter on which not even a reference has been made and not even a whisper has been made by the Hon. Prime Minister. I would like to know what is the Government's perception and what are the Government's policies on this.

The other thing is revival of sick industries. It is very good to say that all the West Bengal MPs or Trade Unions are going there because we are very keen that these should be revived. Sir, out of the list of companies that has been prepared by this Government when it came into power, many of the companies which should be wound up or were in bad shape, have been revived by their own efforts. They are making profit now. So far as the other units are concerned, we are repeatedly saying that most of them can be revived but really no serious action has been taken. In Government companies, even wages and salaries have not been paid.

MR. SPEAKER: Somnathji, the Prime Minister has to go to the other House.

SHRI SOMNATH CHATTERJEE: Sir, I am only indicating that these can be easily revived.

SHRI P.V. NARASIMHA RAO: Even individual cases which I am receiving from them, I am sending them to the Departments. I am personally taking some interest for getting them revived.

It is not that they are being lost on the Government, it is not like that. These are individual cases. some cases are good cases, some cases are gone cases.

SHRI SOMNATH CHATTERJEE: It is not considered. I have given this list. We have been assured unit by review by Mr. Prime Minister, the Finance Minister says so and Shrimati Krishna sahi says so, but it is not being done.

MR. SPEAKER: That is all right.

SHRI SOMNATH CHATTERJEE: That is why our question is; What is the Government's reply to it?

SHRI P.V. NARASIMHA RAO: To this, my reply has already been given.

SHRI SOMNATH CHATTERJEE: Why do you not set a time limit or appoint a task force?

MR. SPEAKER: Very briefly, Shri Sharad Yadav.

SHRI SHARAD YADAV: MR. Speaker, Sir, I think that the visit of the Hon. President of Iran has been fruitful for our country. His statements were balanced. During that period, the Finance Secretary of America had also been here. He had said that if he knew that the President of Iran was

likely to come there, he would have rescheduled his programme. I think that his remark is sad in this regard. The Government's stand on it should be made clear.

SHRI P.G. NARAYANAN: Sir, regarding the situation in Tamil Nadu, are you going to recall the Governor or not? Are you going to solve this crisis?

MR. SPEAKER: No, no. That is not possible.

SHRI P.G. NARAYANAN: We are not satisfied with the attitude of the Government. We are walking out.

SHRI MR KADAMBUR JANARTHANAN: Tamil Nadu is a part of India.

17.13 hrs.

At this stage, Shri P.G. Narayanan and some other Hon. Members left the House.

SHRI RABI RAY (Kendrapada): Mr. Speaker, Sir, the Hon. Prime Minister on some important issues in his speech but it is sad that he did not utter anything on the eradication of corruption. The Hon. Prime Minister had said some months back in the House that he would inform the House about the Bofors after monitoring. The Hon. Minister of Parliamentary Affairs, Shri Vidyacharan Shukla had called on the leaders of opposition and assured them that the papers relating to Bofors would be shown soon. The people of this country are worried about the corruption and Bofors for many years. I would like to know from the Hon. Prime Minister, when the information regarding it would be furnished ?

MR. SPEAKER: I think I should first of all thank the Members for the excellent cooperation they have given today and I am sure that they would like to respect the feelings of the Members in the other House also where the Prime Minister is expected. So, I would expect the Prime Minister to briefly respond to one or two points which are made now and I think the House will agree that he should be allowed to go to the other House. We can take up the rest of the business here.

MAJ. GEN. (Retd.) BHUWAN CHANDRA KHANDURI: You do not have any feelings in your heart. Nothing is being said about Uttaranchal and on the report regarding it. Nothing is being said about the Muzaffarnagar incident.

MR. SPEAKER: Maj. Gen. Khanduri this is not a Question-Answer Hour.

MAJ. GEN. (Retd.) BHUWAN CHANDRA KHANDURI: I have mentioned it in my speech.

MR. SPEAKER: You may be right. You might have raised it. He is not expected to reply to all questions. Reorganisation of the States is not a small matter on which he can respond immediately. You should understand it.

MAJ. GEN. (Retd.) BHUWAN CHANDRA KHANDURI: Please give me one minute. I am not talking of the reorganisation.

SHRI SOMNATH CHATTERJEE: I am very sorry. Although we referred to it with all seriousness yet it seems that the Hon. Prime Minister has no time to deal with it. We are going to the people. There is no point in continuing here. Therefore, in protest, we are walking out.

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, I agree to it that the reply to all the questions and issues cannot be given in such sort of discussion but there are some issues which are agitating the minds of the people. These have been mentioned in the discussion.

MR. SPEAKER: As you say ?

SHRI ATAL BIHARI VAJPAYEE: There is the issue of Uttaranchal. We are not discussing about the reorganisation of the State. The CBI has presented its report to the Allahabad High Court regarding the treatment the Uttaranchal activists were given at Muzaffarnagar and the women were raped there. The Hon. Prime Minister is extending support to that Government. You might be remembering that a number of complaints were received on that day regarding the Panchayat elections. How the democracy was mocked at there Rahi ji, who is present here, had staged a hunger strike on it. The Hon. Prime Minister made him break his hunger strike.

SHRI P.V. NARASIMHA RAO: Then how are you saying that we are extending support to that Government.

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, the Congress Party is playing a double game. Rahi ji goes on strike and the Hon. Prime Minister saves the Government. After all Article 356 is there?

MR. SPEAKER: This is called battle of wits.

SHRI ATAL BIHARI VAJPAYEE: I would like to submit that the Hon. Prime Minister should give the reply. The Government should make its stand clear on the incidents of rape and the bungling in the Panchayat elections.

SHRI P.V. NARASIMHA RAO: Sir, on that day we have the Home Ministry's Demand. I shall request the Home Minister to say something.

Sir, I have been at some pains to explain how we want to minimise, if not eliminate, the difference between the price we pay to the farmer and the price which the consumer has to pay. This I have tried to explain. There are no ready answers to this. We cannot say that we will not pay the farmer fair prices. We have to. But, at the same time, out of that, about thirty-eight per cent or thirty-seven per cent is going in the middle, on the way to the consumer. That is all can be really diminished. We are going into that.

In regard to oil, I am sorry to say that it has been now put on the OGL. Oil prices are stabilising.

In regard to pulses, I am sorry, our country is not self sufficient in pulses, and in other countries from where we get pulses, the prices ruling today are higher than what they are in India. That is something which the Government cannot help. So, we will have to make do with whatever situation there is today, until the situation in the other countries improves or the prices come down. So, in the case of each commodity, there is a particular way of controlling or bringing the prices down, or keeping them down and not allowing them to go up. So, in each of these commodities, the Government is trying to do whatever can be done. I can explain commodity wise what is being done. But what all I want to say is, ultimately the producer also has to be given a fair price, and that is the basis on which all other things are calculated. **We cannot go on increasing subsidies beyond a point. So, how much can we do is the question. It is a question of what we can afford to do.** This is how it is. The price situation is not in the hands of one person, not in the hands of one agency that just at the push of a button it can be controlled or brought down.

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, all the Hon. Members who had raised the issue have left the House. The Hon. Prime Minister is giving reply after their departure. Does he want that we should also leave the House, only then he will reply to our questions? What are you doing?

Mr. Speaker, Sir, ask him to give the reply regarding Uttaranchal, the Government.

SHRI P.V. NARASIMHA RAO: Sir, I think something would have to be left for the day on which we take up the Demands of the Home Ministry. I shall request the Home Minister to say something about Uttaranchal on that day.

DEMANDS FOR GRANTS (GENERAL) 1995-96, RELATING TO MINISTRY OF DEFENCE

16 May, 1995

Mr. Speaker, Sir, this debate seems to have been completed by several instalments. It is possible that something of what was said on the first day has been forgotten by today. But I have got all the notes and I find, Sir, that most of the factual details, whatever was asked for, have been given by my colleague, the Minister of State, and if there is anything which is still to be furnished to the hon. Members, we will certainly do so.

I would only confine myself to a few matters, a very few matters impinging on the defence policy of the Government and I would like to take the House into confidence and explain these things to the best possible extent, to the extent I can.

Sir, the first criticism has been rather an extraordinary kind of criticism to say that we have no National Defence Policy. I would like to submit very respectfully that this is not true.

We do not have a document called India's National Defence Policy. But we have got several guidelines which are followed, strictly followed and observed and those can be summed up as follows:

(1) Defence of national territory over land, sea and air encompassing among others the inviolability of our land borders, island territories, offshore assets and our maritime trade routes.

(2) To secure an internal environment whereby our Nation State is insured against any threats to its unity or progress on the basis of religion, language, ethnicity or socio-economic dissonance.

(3) To be able to exercise a degree of influence over the nations in our immediate neighbourhood to promote harmonious relationships in tune with our national interests.

(4) To be able to effectively contribute towards regional and international stability and to possess an effective out of the country contingency capability to prevent destabilisation of the small nations in

our immediate neighbourhood that could have adverse security implications for us.

A mention was made about the recommendations of the Estimates Committee suggesting that the Government should articulate a clear and comprehensive Defence Policy. It may be noted that the Ministry, in its Action Taken Notes on the 19th Report of the Estimates Committee, explained the position very clearly to the Committee. The reply was accepted by the Committee and was treated as acceptance of their recommendations, as mentioned in their 41st Report. This Policy is not merely rigid in the sense that it has been written down, but these are the guidelines, these are the objectives, these are the matters which are always kept in view while conducting our Defence Policy. I think no more explanation or elaboration is needed than this. And particularly in the context of our own Estimates Committee having accepted it. I do not think that any further question can arise.

A question was raised about the National Security Council. It is true that we had a National Security Council, first established in 1990 and it had only one meeting. After that nothing happened. When this Government came into office, the question was raised both in the House and outside. In the Government, a lot of thinking has gone into it meanwhile I had occasion to promise a National Security Council or some body which takes into account the questions of national security and we have examined the entire gamut of possibilities and options available to us.

I have referred to this important subject earlier and indicated that we were reviewing the orders issued on the subject by the Government in 1990. It is not because a new Government has come that we wanted to change everything. It was because the experience of the National Security Council as it existed from 1990 was found a little unworkable. A Strategic Policy Group headed by the Cabinet Secretary and including the Service Chiefs, Secretaries of Ministries concerned like Defence, Home, External Affairs and Finance and heads of agencies was also set up to consider the strategic policy papers. Now, according to the decision at that time the National Security Council was to comprise of the Prime Minister as Chairman and Ministers incharge of Defence, Home, Finance and External Affairs as members as well as some others including Chief Ministers as and when

needed. Essentially, it was, what is known as the Cabinet Committee on Political Affairs, plus one or two added.

It was a kind of mechanical addition. It was not a functional addition. A fairly large advisory board comprising experts, academics, scientists, journalists, former Government officers, some Chief Ministers and MPs was also constituted to enable interaction with non-official resource persons. It is this big body which was found to be a little unwieldy and its deliberations tended to become a little diffused in the sense that we could not in matters of national security come to a particular decision or particular conclusion after deliberations in this big body. The Board was to assist the NSC in providing a broad range of informed views and options. My opinion is after examining the working and whatever happened in that meeting that this objective cannot be achieved by a body of that size and composition. We have undertaken a thorough review of the above mechanism and come to the conclusion that a number of changes would be required. For one thing, the National Security Council as set up in 1990, as I have just submitted, is not much different from the CCPA. Secondly, the advisory board as proposed in 1990 appears to be somewhat unwieldy. Discussions in such a body, large body, would tend to lose focus and make the whole exercise blurred and confusing. Consultations with experts outside the Government including Members of Parliament and experts in academic and other institutions are important and advantageous. But such consultation is best done in small well knit groups with persons having specialised knowledge or expertise of that specific subject concerning national security.

National security is a very wide subject. It consists of so many items and it is better to concentrate on each item and while discussing that item, it is better to have experts in that particular item, in that area, rather than having every expert in a big body and losing focus. This is the idea and this is the conclusion we have come to, Sir. The same set of persons to be consulted always in a large advisory board would not serve much purpose. We therefore, feel that instead of having one large advisory board, it would be more appropriate to provide for meaningful interaction with selected experts in each specific field under study or discussion. Such experts can be associated at the stage of preparation of strategic policy papers as well as

during discussion of such papers at a higher level. Our review of the system prevailing in other countries shows that different structures exist for dealing with national security issues depending upon the type of system of Government prevailing in that country. Generally, the national security council set up is found in countries where the presidential form of Government has been adopted, the most notable example being that of the United States. We find that it is difficult to have such a system transplanted in India because here the business of the Central Government has to be ultimately transacted in the Cabinet or Cabinet Committee with Ministers incharge being responsible for their subjects to parliament. In the United Kingdom, for instance, no single national security council has been set up and the work pertaining to national security matters is considered in different Cabinet Committees, for example, the Committee on Defence and Overseas Policy, the Committee on Nuclear Defence Policy, the Committee on Northern Ireland, the Committee on Intelligence Services, etc. In our case, a system more akin to that prevailing in the U.K. might be more appropriate. We are, therefore, veering to the view that specific Committees of Ministers or Groups of Ministers could be set up for different aspects of national security whenever strategy or policy papers are brought up for consideration of the Ministers. This flexible arrangement would provide inclusion of the concerned Ministers incharge as well as other Ministers, the Chief Ministers and persons in public life including Members of Parliament who have specialised knowledge and experience and whose contribution would be valuable. Even though a separate national security council is not in place today, mechanisms and systems do exist for consideration of national security issues. The Joint Intelligence Committee in the Cabinet Secretariat constantly interacts with the concerned Ministries and agencies. There is regular consideration of the defence aspects of national security in the Chiefs of Staff Committee who have their own Secretariat. The Chairman, Joint Intelligence Committee and heads of other agencies interact with the Service Chiefs. We have all these working even now. The core group of Secretaries is also there. They look into these matters of internal security. These mechanisms and systems have been working well but this is where the difference comes that we are not satisfied with the present dispensation.

We would like to have an overarching body which looks into the conclusions drawn, the reports sent by these different mechanisms. While these mechanisms and systems have been working well, we still feel that there is a need for strengthening the present arrangement in certain respects. But one thing is that the resource persons including experts from outside the Government need to be associated more in the study and preparation of policy papers. There is also need for having papers prepared from a central point of view instead of from one Department or Ministry. Therefore, the need for an overarching body is felt here.

On many aspects of national security a holistic approach and on integrated action plan involving a number of Ministries and agencies can be better achieved if the paper is prepared in an Inter Ministerial Group or a nodal agency instead of any one Ministry or Department. So, both aspects, the specialised aspect of a particular area of activity or an item being considered in a specialised mechanism plus the general aspect, the holistic aspect from the national security angle by a body which is not unwieldy but which is an overarching body which takes into account and coordinates with all these views is necessary. And I feel that we should be able to come to the right conclusions and the right pattern of the Committee very very shortly. I am glad that hon. Members have brought up this issue and given me the opportunity of clarifying the Government's stand on this issue. We are in the process of giving a final shape to our proposals and before we take a formal decision, I would solicit the views of hon. Members on our proposals on the NSC. This is what I would like to say. It is more or less ready, in its final stages and before losing any more time, I would come back to hon. Members for their views.

The third point which has been raised prominently, Sir, is on the NPT. We have a very interesting but rather disappointing situation that for a full month there has been what is known as a Review Conference on NPT in New York. I would not like to be critical on what happened there. Our position being clear, I have not been able to understand what was achieved in that Conference; may be, I will be enlightened by those who participated in that in due course. But as of now, I find that what was achieved was only the indefinite extension of the NPT as it exists. **Right from the beginning, right from 1968 when NPT came into existence, India has taken a view and that view is that NPT as it**

was drafted, as it was accepted, is discriminatory. It allows vertical proliferation, it divides the world into nuclear haves and nuclear have nots and NPT is actually meant, In effect, to work against the havenots and those who by their own efforts might become threshold States Their ideas is 'we have had it; we will continue to have it but no one else will be allowed to have it'. Simply, Sir, this has not worked. This has neither brought in disarmament nor brought in any restriction on countries becoming nuclear, going nuclear. Both the things have happened and both were supposed to be stopped by the NPT. Now If the both objects have failed, I fail to see why a Treaty like this is being continued indefinitely. It only means that the present situation and worse that can follow should continue indefinitely; that is what it means.

It goes against the grain of our policy. Therefore, we do not accept it and I would like to say something very pertinent, very significant. While representatives of States were talking about the NPT, what happened during this one month? The following happened. This is taken from a document of the 'Greenpeace', might be one of the NGOs. I am not vouching for absolute accuracy. But I would like to say what has been happening. This is number one:

"While diplomats met during the past month at the United Nations Nuclear Nonproliferation talks:

Britain sent its newest Trident nuclear submarine on patrol. On Saturday April 29th, the Vanguard submarine went on its second patrol. Vanguard carries up to 96100-kiloton nuclear warheads on its complement of new Trident missiles. Each missile has a 4500 mile range and each warhead has a killing capacity equivalent to 640 Hiroshima bombs."

This has been happening while they are talking about NPT. Number two is:

"France inaugurated a new above ground nuclear testing facility. At the end of April, Prime Minister Edouard Balladur inaugurated a laser facility near Bordeaux for simulation testing of nuclear weapons. The facility is estimated to cost six billion French francs.

On Sunday, May 7th, Jacques Chirac, the elected President of France

said that France would resume testing if military experts advised it."

That was before he was elected. After he was elected:

"He told the New Zealand Prime Minister that France might conduct five to seven tests before concluding its testing programme."

So, everything is business as usual. During that one month they were talking about whether NPT is to continue or not to continue, whether it is to continue with changes or with no changes, even at that time, there is nothing like a pause, there is nothing like a rethinking. It is just a matter of taking the whole thing in such a non-serious manner that we go on talking but we go on doing whatever we do on the other side. There is a long list of what Russia has been doing, what the United States has been doing, what others have been doing. I do not have to go into details. I only have to say that this is not acceptable to us. Therefore, we have not accepted it. We will try. We will continue our efforts for genuine nuclear non-proliferation, nuclear disarmament and the only positive document which is there on the Table right now, and which has been lying on the Table for the last seven years is the 1988 Action Plan given by the then Prime Minister of India, late Shri Rajiv Gandhi in the Special Session on Disarmament. It has not been improved upon. It has not been rejected. It has not even been considered as it ought to be considered. It only means that all this that is happening there is totally against our own view. This needs to be given a new turn. We have to do that. We cannot simply give up and say 'So many people have done it, So we cannot simply stop.' No. We cannot stop. We will have to continue with this. We have a view. That view is the correct view. You cannot have haves and have nots in the nuclear field. They may take 20 years or they may take 15 years, but within a particular time, unless we aim at total and complete disarmament, disarmament is never going to happen, never going to come about. There has been too much of smuggling of nuclear material. This is known. We read it in newspapers every day. It is happening from so many other countries whom I need not name. Is it the right atmosphere for disarmament? Is it for disarmament that the world is really trying for continuing the NPT indefinitely?

We do not think so, Sir. I am sure that all the sections of the House will agree that this conference has not ended in something which is useful

for humanity. We stand for complete abolition of all weapons of mass destruction—nuclear and other weapons also. This is the position and I am sure that the House will appreciate the position of the Government on this.

The other question which was raised was about a War Memorial. I think it has taken a long time. But the position is like this. On 1st of March, the Chiefs of Staff Committee recommended construction of a War Memorial at Dhaula Kuan in 32 acres of land opposite Defence Service Officers Institute. As the project is of national importance, designs and models are proposed to be prepared on the basis of an open national competition. After the selection of design and model of the National War Memorial, a decision on the construction of the Memorial will be taken.

Then, about the War Museum also, a question was raised and the position is that the Services headquarters have been requested to locate an appropriate site for the proposed War Museum. Regrettably, this also has taken too long a time and there have been too many views. There has been some difficulty in coming to a final view. After the site is located, necessary action to establish the War Museum will be taken.

One rather good suggestion which came from one of the hon. Members is that the period of Colour Service be reduced to seven years and on release from the Army, the soldiers be absorbed in paramilitary forces or State police forces. Now this has its pros; this has its cons. But the suggestion on the whole is good. We could make some changes and modification in it. We are taking it up for examination, detailed examination. It has the advantage that the Colour Service is reduced and at the same time, he is not sent home. He is able to find a berth in the paramilitary forces while he is still active, still young and still has some experience which he has gained for seven years in the Army. Therefore, the advantage seems to be on both sides. But we have to see that about 20,000-25,000 jobs per year have to be created. Now, whether the total recruitment in police forces in the States can find 20,000-25,000 slots apart from the local aspirations of the youth there who would like to come into the police forces, how much can be accommodated — these are matters on which we will have to consult the State Governments. But the suggestion is good and I would like to say that this will be examined in depth.

Points have been raised about housing shortage. I agree that there is shortage and I understand that this year, the additional allocation will fund the construction. Allocation has been given and it will construct the additional married accommodation for officers 506 quarters, for JCOs 505 quarters and for Other Ranks 4215 quarters — 5226 quarters in all. The Service headquarters are also authorised to hire private accommodation. This has had the effect of reducing the deficiencies and increasing the satisfaction levels. But the ultimate solution lies in having our own self-contained accommodation, the way we want it, by the design we want it. Rented accommodation will be only a stop-gap.

A question was raised, which is a serious question, about the upgradation of the MIG-21 Bis. There has been some error in the statements made.

Let me put the record straight. The MIG-21 (Bis) aircraft was inducted in the IAF in 1977. As of now, the MIG-21 (Bis) has served only for over 15 years. Technological advances over the last decade especially in the field of airborne radar weapons and navigation attack system have made it possible to improve the combat effectiveness of the MIG-21 (Bis) substantially which was not feasible earlier. The current proposal includes adaptation of powerful air interception radar, advance air to air missile, air to ground precision, guided weapons and an accurate navigational attack defence system. I must say that earlier I had not heard about these improvements being possible. I came to know about it only four years back and since then we have been trying to mount these things and get this upgradation done. These improvements were not available ten years ago. The upgradation that is being considered holds the promise to improve the combat effectiveness of the aircraft substantially. So this is the position. We would not like to lose any more time in doing this. I know that all the investigations, all the efforts are being made. They are in final stages and I think it will fructify.

Something was said about Jaguars also. Jaguar aircraft was initially procured without the black box. The same was added subsequently. Now, Sir, the position is that, initially 16 Jaguar aircrafts were taken on loan from the RAF in 1979. These aircrafts did not have a black box as the Royal Air Force had not sought the same in their standard of preparation for their aircraft. However, when our own aircrafts were purchased in 1980, 1981,

they were with the black box fitted as our SOP required the same, the black box. This is the position. It is not that we just bought Jaguars without the black box. It is not true. We hired the first 16. They did not have the black box because they were not required to have the black box as they were at that time.

I think, these were the important points, points of policy raised in the debate. If there is anything I have missed, I am prepared to answers, if I can, otherwise, I can send the answers to the hon. Members. Thank you very much.

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BACK NOTE

XVIII. Demands for Grants (General) 1995-96, relating to Ministry of Defence 16 May, 1995

1. MR. SPEAKER: Both things. One or two questions which are very pertinent, can be allowed.

SHRI INDRAJIT GUPTA (Midnapore): I only wanted to know one thing as I could not follow, perhaps. The hon. Prime Minister said that the Government is now thinking of some sort of revised structure which may be called a National Security Council or may not. It may have some other nomenclature. It may be some sort of a main structure assisted, and complemented by certain Committees and so on. The final shape is still to emerge. But I would like to know where the Service Chiefs fit in, in this new structure which they are thinking of, where will the Service Chiefs come in? As I said earlier, our information, right or wrong...

SHRI P.V. NARASIMHA RAO: Wrong.

SHRI INDRAJIT GUPTA (Midnapore): ...you should verify it, is that in all matters, in Defence policy matters, in Defence planning matters, the Service Chiefs are generally left out in the cold. So, we would like to know about this.

SHRI P.V. NARASIMHA RAO: Sir, this is not correct. Service Chiefs are very much in the picture even now and they will continue to be in the picture because without them no National Security Policy can really be finalised. This is quite clear, Sir.

SHRI JASWANT SINGH (Chittorgarh): Mr. Speaker, Sir, when hon. the Minister of State had intervened during the debate, he briefly touched upon the question of missiles. He said that he will briefly touch it because the hon. Prime Minister when he comes to answering the main debate, we will further to clarify it. I missed the portion on missiles because perhaps, the hon. Prime Minister would like to take up from where the Minister of State had left on both the questions, *viz.*, Prithvi as also Agni and that would fill a gap which was being left out.

SHRI P.V. NARASIMHA RAO: I may remind the House, Sir, that in my reply to the debate on the President's Address, I had dwelt upon this point

in all the detail that is necessary. I had said clearly that Agni is a technology demonstration project. We have had some tests already; some more have to be done and that is the present position. I have visited the factory. I have seen both Agni and Prithvi recently and I can say with all confidence that the programme, as conceived, will continue. There will be no let up. There will be no modification and this is what I have already stated in both the Houses. The deployment of Prithvi is under consideration. I can take the House into confidence whenever the next stage arrives. I have no difficulty about that.

Let me assure the House once again although I have done it earlier already that no amount of persuasion or pressure or anything, etc., which has been alleged to have been brought to bear on us; no amount of all those things will make an iota of difference in the programme, as conceived by us.

MR. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal): I wish to raise two issues. One is that the Prime Minister talked about the Estimates Committee's Report when talking of the Defence Policy. He has said that the Estimates Committee has accepted the view of the Government. I would request you, Sir, to kindly go through the Estimates Committee's Report. There are derogatory remarks on various recommendations made by the Estimates Committee on the response of the Ministry of Defence. If you go through that probably the picture will be entirely different. Lots of good suggestions have been given in the 19th Report of the Estimates Committee, but the response of the Ministry has been negative.

MR. SPEAKER: Mr. Khanduri, the Action Taken Report has been accepted by the Estimates Committee. That is what the Prime Minister has said.

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI: He talked about the Defence Policy only, but there are many more recommendations in that. I have read out that.

MR. SPEAKER: We will not discuss the Estimates Committee's Report because we do not know what is the entire Estimates Committee's Report and what are the recommendations. It is not before us now. Please come to the second point.

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal): My request to the Prime Minister is that other recommendations of the Estimates Committee.

MR. SPEAKER: We do not discuss the recommendations given by the Committee in the House because those recommendations have to be carefully examined by the Government and the Action Taken Report has to be given. Please leave that point. Come to the second point. This is my ruling. You must come to the second point.

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI: I am talking about the Action Taken Report and not the initial report. I will proceed now.

The second thing is that I had raised an issue about the threat perception and I had asked two specific questions. What is the vintage year of this threat perception which has been worked out by the Government? What is the vintage? How old is it? Is it ten years or 15 years old? That is one question.

My second question is based on that threat perception. You have given certain task to the Armed Forces. Have the Armed Forces got that much capability? It is because we say that modernisation is not possible due to shortage of funds. When the capability has not been there with the Armed Forces then have you reduced the task or are you hoping that by improvisation or *ad-hocism* somehow the Armed Forces will get through? These questions have not been answered.

SHRI P.V. NARASIMHA RAO: I may submit to the House that the threat perception of a country is not constant. It has a part which is constant and a part which is variable. It varies from time to time according to circumstances. Therefore, I have been taking presentations from the Chiefs for four years now. They have not said to me the same things in two consecutive years. They have been giving the latest position in regard to the threat perception and also what we ought to do in order to meet that.

It is true that we have a resource crunch. Which country has not? We have a resource crunch. Take AWACS for instance. We never went in for AWACS. But that does not mean that we are defenceless without the AWACS. Our people have been ingenious enough to find a way around the AWACS and today everybody agrees that there is no AWACS necessary here. So, they have been doing their job very-very competently. I am satisfied that in spite of the resource crunch, the kind of savings that they have made, the kind of innovations that they have made, are really commendable. If

the resource crunch had not been there, I am sure, they would not have made it. So, there is a necessity and there is an answer to that necessity.

I would like to assure the House, however, that the efficiency of the Armed Forces, the effectiveness of the Armed Forces will not be allowed to be such as to impede the capacity to meet our threat perceptions from time to time. This assurance I can give. In fact, this year I have personally taken into account some areas in which there was some neglect, lack of necessary attention. I have corrected that. This will be the position year after year. It is not that we are just giving something more than last year, something less than last year. We are going into all the details. In one year we may give a little more, for instance, to the Navy. In another year we may give a little more for the Air Force or the Army or may be on the production side. All this is being gone into meticulously, I can assure the House.

SHRI AMAL DATTA (Diamond Harbour): The recent Gulf War has shown amongst others the effectiveness of the joint operations by more than one service. So, my question is, are we doing or are we contemplating having operations, integrated joint operations, by more than one service—Army, Navy, Air Force together—wherever possible.

Secondly, the combat manual and the training manual of many countries have been changed during the last fifteen years. I believe that we have not made any changes. They have introduced electronics and laser guided simulation in training for combat. We have got some of these, but we have not introduced them for large scale training in the Army as yet. What is the Government's feeling regarding introducing them, so that the combat perfection is reached? The recruitment of people into Armed Forces must be of people who are much more intelligent than the sort of people who are being recruited up to now.

Thirdly, the last question is that, we should go in for joint production with some countries who have got a storehouse of technology which is available to us with a little persuasion. I have mentioned Russia and the Commonwealth of Independent States in this regard. They have amongst others many sub-lethal weapons whose effectiveness in combating the terrorism cannot be overstated.

So, what are your reactions to these points?

SHRI P.V. NARASIMHA RAO: Sir, in regard to the electronic part of our Defence equipment, this is adequately being taken care of. The items referred to by the hon. Member are part of an on going process. I cannot go into details and tell him what is being introduced, what is not being introduced. If it is under introduction, it only means that it will be introduced if it is found necessary. Again, here, I would say that whatever is necessary will be done and it will not be stopped for want of funds. This is what I could say as Minister in-charge of Defence. When they find that something is necessary, they justify the necessity. And to the extent we can, we think of several alternatives, but do not on the whole allow our competence to suffer, effectiveness to suffer.

What is the third one?

SHRI AMAL DATTA: Joint exercises and joint production with other countries.

SHRI P.V. NARASIMHA RAO: I have no knowledge on that particular matter, Sir. I can find out and let him know. About the joint enterprises, joint manufacturing facilities, etc., now, here, we are doing it already in respect of many things. So, it is nothing new.

SHRI AMAL DATTA: We can do more.

SHRI P.V. NARASIMHA RAO: What really is at issue is, for what purpose? My view is—with which some of my colleagues, some of the Members of Parliament do not quite agree—that it should be for our own purposes. It is not for commercial exploitation. Our foreign policy, our policy of peace goes against the grain of becoming merchants of death. That is where I will draw a line, Sir. For the rest, so far as the defence of our country, defence of our territory, defence purposes are concerned, we are entering into joint ventures, we would like to enter into joint ventures. But there is a place where we have to draw the line. We would not like in the ordinary circumstances to go commercial. This is what I would say. But that is a question which is not totally closed. There are alternatives. There are sort of modifications in that. In the case of small arms, for instance, we have made a departure from what I have said. But where do we stop? Now, if you really want to become a commercially significant exporter,

seller of arms and ammunition, that is something which perhaps has to come to the notice of this House. We have to discuss about it. The Government has to go into it in greater detail.

SHRI AMAL DATTA: That is not the question.

SHRI P.V. NARASIMHA RAO: I have been asked to go in for it by some of our own colleagues but I have been a little hesitant. And the question does not arise today because the simple reason is, we are nowhere near it. We will be, perhaps, approaching it even with full vigour if you do it may be after ten or fifteen years. So, the question is a little premature. And we do not want to get ourselves lost in these discussions. Let us first concentrate on our needs and those needs are increasing. Because the threat is increasing, the needs are increasing. On the other hand, we have also to concentrate on reducing the threat. In the case of one country, we have managed to do it to some extent. So, Defence and External Affairs, external relations go hand in hand. It is something which we cannot dissociate from each other and in that respect we are happily placed.

SHRI SRIKANTA JENA (Cuttack): We have given cut motions on one issue, almost the entire Opposition has. That is on the issue of Bofors. And you have assured this House that 'personally I am looking after this issue and I am monitoring the whole issue'. So, may I request the hon. Prime Minister to kindly tell us what is the latest position regarding Bofors.

SHRI P.V. NARASIMHA RAO: Sir, regarding Bofors, the focus has shifted to Switzerland long ago. It is in the courts of Switzerland over which we have neither jurisdiction nor have we anything to do there. It is for them to take a decision. They have their own appeal and other provisions. Those who are interested in delaying it are getting it delayed through whatever legal devices are available. It happens in every country. So, I have nothing more to add to that except that the whole thing, the scene, has shifted to Switzerland.

**STATEMENT ON TRAIN ACCIDENT INVOLVING
PURUSHOTTAM EXPRESS AND KALINDI
EXPRESS NEAR FIROZABAD**

21 August, 1995

Mr. Speaker, Sir, it is with deep anguish that I apprise the House of an unfortunate rear end collision between 4023 Kalindi Express and 2801 Purushottam Express at Firozabad station on Allahabad Division of Northern Railway, on 20.8.1995 at 0255 hours.

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In the meanwhile, 2801 Purushottam Express finding all the signals green and which was running on the same line occupied by Kalindi Express, collided on its rear end resulting into derailment of the six rear coaches of Kalindi Express and locomotive and eight coaches of Purushottam Express and caused blocking up through traffic. In this accident, as known so far, 251 persons have lost their lives and 230 persons sustained injuries.

Relief trains with medical equipments and team of doctors were rushed from Tundla, Kanpur, Agra and Delhi. In addition, local doctors with ambulances rushed from local hospitals of Tundla, Agra, Etawah, Mainpuri and Firozabad and rendered medical assistance to injured persons. Later on, the injured were admitted to the various hospitals where they are progressing.

On receipt of the information requested my colleague Shri Mallikarjun to proceed to the spot immediately and he along with the Chairman, Members, Traffic and Electrical, Advisor Signals, Railway Board, proceeded to the site of the accident. The General Manager, Northern Railway had earlier rushed to the site with Heads of the Departments and team of doctors for providing medical relief and for restoration operations.

Ex-gratia payments have been arranged to the next of kin of the deceased and to the injured persons. Stranded passengers were cleared by a Special Train from the site of accident at 8.25 hours. Arrangements have been made to facilitate travelling of the relatives of the injured and dead passengers to the site of accident by special trains.

Prima facie, the accident took place due to human error. The Commissioner of Railway Safety, Northern Circle, New Delhi will be holding Statutory enquiry to the cause of the accident.

All railwaymen and I myself express our deep condolences to the bereaved families and also express sincere sympathies to the injured. We have already adopted the Resolution expressing our sympathies to the bereaved families.

BACK NOTE

XIX. Statement on Train Accident involving Purushottam Express and Kalindi Express Near Firozabad, 21 August, 1995

1. SHRI RAJVEER SINGH (Aonla): Hon. Prime Minister does not have full knowledge. Firozabad is not near Allahabad. It is nearer to Delhi and Agra. It is very sad that inspite of holding charge of Railway Department the Hon. Prime Minister does not know where the Firozabaad is located. He is saying that it is near Allahabad...

Even the Prime Minister did not visit the spot of accident. He was making merriment here.

MR. SPEAKER: Please. It is in Allahabad Division.

SHRI P.V. NARASIMHA RAO: The accident occurred when 4023 Kalindi Express on run from Farukhabad to Delhi was held up near advance starter of Firozabad station owing to a hose pipe disconnection on account of a cattle run over case.

**STATEMENT ON LAUNCH OF
INSAT - 2C SATELLITE**

7 December, 1995

Sir, I am happy to inform this august House that INSAT - 2C, designed and built by the Indian Space Research Organisation has been successfully launched this morning. The Ariane launch vehicle carrying INSAT - 2C lifted off from Kourou in French Guyana at 04.53 hours IST and placed it in a Geosynchronous Transfer Orbit with a perigee of 200 km and an apogee of 35,976 km. The satellite is now orbiting the earth every $10^{1/2}$ hours.

The INSAT Master Control Facility at Hassan in Karnataka required the telemetry signals from INSAT - 2C about two minutes after its injection into orbit and has confirmed that the health of the satellite is normal. Several manoeuvres are to be carried out before the satellite is made operational. The orbit of INSAT - 2C will be raised to its final geosynchronous orbit of 36,000 km above the earth in the equatorial plane by firing the liquid apogee motor carried on board the satellite. The deployment of two solar arrays and two antennas will be carried out after the satellite attains near geosynchronous orbit. Subsequently, all the payloads on board will be checked out. The orbit raising, deployment and appendages and initial testing of all the payloads are expected to take about three weeks.

All these operations will be carried out from the INSAT Master Control Facility and I am sure this House will join me in wishing the ISRO Scientists and Engineers complete success in their mission to put INSAT - 2C in the service of the Nation.

BACK NOTE

**XX. Statement on Launch of INSAT - 2C Satellite
7 December, 1995**

NIL

**RESOLUTION REGARDING INTERNATIONAL
WOMEN'S DAY**

8 March, 1996

Sir, on behalf of the Government I would like to assure the House that we are entirely in agreement with the spirit of the Resolution. Steps have been taken for years and years. **And every year, we are taking new steps in order to empower women, starting with education, going into property relations. And now starting with the Panchayats and other bodies, wherein politically their rights have been recognized by giving reservation and I hope that this reservation will extend to other bodies in course of time.** I cannot say just now, but I think it could happen. So, I would like to say that we are entirely in agreement with the Resolution. And whatever the lady Members and other Members, those who are thinking on the subject deeply for years and years, whatever, they suggest, those suggestions will receive very earnest consideration by the Government.

BACK NOTE

**XXI. Resolution Regarding International Women's Day
8 March, 1996**

NIL

MOTION REGARDING 'HAWALA CASE'

8 March, 1996

Mr. Speaker, Sir, a detailed factual reply will be given by my colleague Mrs. Alva. Meanwhile in a very brief intervention, I would like to say that the Government has never sought to interfere in any manner with the investigation. The hon. Supreme court has been overseeing the various stages of the investigations and CBI has been acting under the directions only of the Supreme Court.

Right from the beginning. In its order dated 1.3.1996 the Supreme Court observed and I quote,

To eliminate any impression of bias and avoid erosion of credibility of the investigations being made by the CBI and any reasonable impression of lack of fairness and objectivity therein, it is directed that the CBI would not take any instructions from or report to or furnish any particulars thereof to any authority personally interested in or likely to be affected by the outcome of the investigation into any accusations.

Sir, I would like to be heard. Now that there has been so much insistence on my speaking here, I would like to be heard.

This direction applies even in relation to any authority which exercises administrative control over the CBI by virtue of the office he holds without any exception.

We may add that this also accords with what the learned Solicitor General has very fairly submitted before us about the mode of functioning of the CBI in this matter.

We also place on record, the further statement made by the learned Solicitor General on instructions from the CBI Director that neither the CBI Director nor any of his officers has been reporting to any authority about any particulars relating to these investigations.

Sir, the earlier sentence is from the Solicitor-General himself. The next para is again from the Solicitor-General, on advice from the CBI Director who was present there in the Court.

The order of the Supreme Court accords fully with the Government's

view as to how the CBI should act in this case. The Supreme Court has asked the CBI not to do something which the CBI has not done, is not doing and will not do. The law of the land should be allowed to take its course; there will be no departure from this under any circumstances.

Since the case is pending in the Supreme Court, it may not be advisable for me to add anything more at this stage.

May I just say a few words to elaborate it?

The Supreme Court and the High Courts of different State have been entrusting several cases to the CBI for investigation. The cases include a wide variety such as alleged failure of local agencies, violation of human rights, disappearance of persons, murder, custodial deaths, atrocities against women, etc. Some of the cases are those relating to the incidents of Allahabad High Court, Uttarakhand, Muzaffarnagar, Shri J.S. Kalra, Pilibhit, illegal detention by two IPS officers of some individuals at Hissar, forgery and false affidavit submitted to an IPS officer, disappearance of persons near Gurdaspur, etc. In all these cases, the Supreme Court and the High Courts concerned have ordered CBI to submit reports to them. The CBI have accordingly been reporting to the concerned court directly.

No reports are sent to the Government or any other authority in these cases, only when a prosecution is needed or information is to be provided to Parliament, is information supplied for that specific purpose. There is nothing unusual in the CBI reporting to the Supreme Court or a High Court directly in compliance with the direction of the concerned court. The Government have not called for reports from the CBI nor otherwise interfered in such cases. The whole exercise, in such cases, has been as per the due process of law.

BACK NOTE

XXII. Motion Regarding 'Hawala Case' 8 March, 1996

NIL

**REPLY ON MOTION OF THANKS TO THE
PRESIDENT'S ADDRESS**

12 March, 1996

Mr. Speaker Sir, I only wanted to respond to Mr. Ahamed. He has given one or two good suggestions in regard to the minorities. He knows that there is a visible improvement in the situation as we are going along. We will certainly make more funds available to the Corporation. All these things we will do and he may rest assured that whatever he has said will be taken into account.

Sir, on any other matter, there is really no criticism or no point raised from the other side in order to reply. So, I would respectfully submit that you may kindly put the motion to the vote of the House.

BACK NOTE

**XXIII. Reply on Motion of Thanks to the President's Address
12 March, 1996**

NIL

VALEDICTORY REFERENCES

12 MARCH, 1996

Mr. Speaker Sir, I completely endorse the sentiments expressed by you and I would like, first of all, to place on record our very deep appreciation and admiration for the manner in which you, as the Speaker, the Deputy Speaker and others who happen to be the members of Panel of Presiding Officers have conducted this House, not merely conducted this House, but have actually brought some sheen, some new sheen to democracy in this country.

Sir, the Committee System which you introduced—I am saying this because many of us were rather sceptical about the success of that system—has worked extremely well and it augurs well that it will give the necessary depth to the deliberations and what has been said in the deliberations. This is what the Committees are for. They go into greater details, they go into nitty-gritty and come back with reports which are very insightful which we would have never had in our hands otherwise.

Sir, in more than one sense, I must say that, the Tenth Lok Sabha has been very different from any other Lok Sabha. In the first place, it was considered to be shortlived. Everybody made a prognosis that this was not going to last very long and the people would have to be approached once again within a few months. I was myself called a stop-gap Prime Minister. Therefore, the House also was called, considered a stop-gap House. It so happens that the gap is full five years wide now. It redounds to the credit of everyone, the Leaders of Parties, the Members, who have made this possible. I have no doubt that in making this Lok Sabha, the Tenth Lok Sabha run its full course, the contribution is not from one party alone, but from many, in fact all other parties also. I remember, we had as many as three No Confidence Motions. I cannot explain the victory of a minority party by 60 votes and 40 votes except by saying that we have had many invisible friends on the other side. It will always be good, Sir, for the future of democracy, for the strengthening of democracy and, I think, this is how it should be. **I hope that in the years to come, in the terms to come, the Lok Sabha, the representation which we have in the Lok Sabha will really complete its duty of making democracy**

strike deeper roots in the country so that no power on earth—whether a party losses or wins, whether a party comes into power or does not come into power—can shake these roots of democracy in this country.

I am also aware of the fact that the staff of the Secretariat of the Lok Sabha have been functioning very efficiently. They have worked overtime to make our deliberations a success and we all thank all those who are concerned with making this Lok Sabha a success for what they have done. In particular, your own approach helped the Members in overcoming the difficulties and in always having a useful debate. In fact, we have learnt a thing or two from you in exercise of patience and firmness, both combined in such a way that we did not know when you were exercising indulgence and when you were really enforcing firmness. Both have been blended so beautifully. It is not to praise you that we are saying this. I sincerely feel that this perhaps is one of the five years period of running a turbulent House with all kinds of uncertainties. To you Sir, I say hats off. I am, of course, very conscious of the fact that the press and the media have helped us in many ways. They have highlighted what we have said from time to time, particularly things which needed to be highlighted from the point of view of Press and sometimes they have given us copious coverage and I must say, I can say without any fear of contradiction that during this term, the reporting of the Press has, on the whole, been objective and conforming to the standards of an objectivity. I thank them once again.

With these words, I wish the best of luck to all the Members of the House, to you, and to the country because we are now crossing one milestone and going to the next in the long march, in the unending march of democracy.

BACK NOTE

XXIV. Valedictory References 12 March, 1996

NIL