

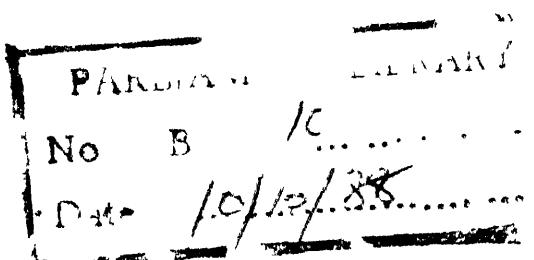
Eighth Series, Vol. XXXVIII, No. 38

Friday, April 22, 1988
Vaisakha 2, 1910 (Saka)

LOK SABHA DEBATES

(English Version)

Tenth Session
(Eighth Lok Sabha)



(Vol. XXXVIII contains Nos. 31 to 40)

LOK SABHA SECRETARIAT
NEW DELHI

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CONTENTS

[*Eighth Session, Vol. XXXVIII, Tenth Session, 1988/1910 (Saka)*]
No. 38, Friday, April 22, 1988/Vaisakha 2, 1910 (Saka)

COLUMNS

Obituary Reference	1
Oral Answers to Questions :	2—29
*Starred Questions Nos. 776, 777, 781 to 783, 787, 790 and 792	
Written Answers to Questions :	29—267
Starred Questions Nos. 775, 778 to 780, 784 to 786, 788, 789, 791 793 and 794	29—38
Unstarred Questions Nos. 7954 to 7994, 7996 to 8083, 8045 to 8111 and 8113 to 8185	39—264
Papers Laid on Table	267—269
Assent to Bills	259—270
Estimates Committee—	270
Sixty-third Report and Minutes—presented	
Public Accounts Committee—	270
Hundred and Twenty-seventh and Hundred and Twenty-ninth Report—presented	
Business Advisory Committee—	271—272
Fifty-third Report—adopted	
Matters Under Rule 377—	272—277
(i) Need to declare the Ahmednagar Fort as a 'National Monument'—	
Shri Yashwantrao Gadakh Patil	272
(ii) Need to provide more financial assistance to the Government of Rajasthan to meet the situation caused by drought in the State—	
Shri Shanti Dhariwal	273

*The Sign †marked above the name of a Member indicates that the question was actually asked on the floor of the House by that Member.

(iii) Need to take steps to check prices of drugs—	
Shri Manvendra Singh	274
(iv) Need to provide adequate facilities and concessions to spastics—	
Shri Ranjit Singh Gaekwad	274
(v) Need to ensure proper distribution of potassium chloride to the small matche manufacturers of Sivakasi in Tamil Nadu—	
Shri N. Soundararajan	275
(vi) Need to take steps to ensure proper working of the Hindustan Teleprinters, Madras—	
Dr. A. Kalanidhi	276
(vii) Need to check the use of tobacco products—	
Shri Raj Kumar Rai	276
(viii) Demand to take up immediately repairs of the railway bridge in Kamla Balan river at Jhanjharpur in Bihar	
Dr. G. S. Rajhans	277
Demands for Grants, 1988-89—	278—339
Ministry of Defence—	
Shri R. S. Sparrow	278
Shri E. Ayyappu Reddy	290
Shri Ajay Mushran	298
Shri Indrajit Gupta	306
Shri Shivraj V. Patil	319
Shri Chiranjit Lal Sharma	337
Committee on Private Members Bills and Resolutions	340
Fifty-first Report—adopted	
Bill Introduced—	
Representation of the People (Amendment) Bill (Amendment of Sections 59 and 61)	340
Shri Sharad Dighe	340

Constitution (Amendment) Bill**341—360****(Insertion of new article 15A)****Shri Thampan Thomas****Motion to Consider—**

Shri Dinesh Goswami	341
Shri Suresh Kurup	344
Shri Ram Bahadur Singh	348
Shri Bhadreswar Tanti	355

LOK SABHA DEBATES

LOK SABHA

*Friday, April 22, 1988/Vaisakha 2,
1910 (Saka)*

*The Lok Sabha met at Eleven of the
Clock*

[MR. SPEAKER in the chair]

OBITUARY REFERENCE

[English]

MR. SPEAKER : Honourable members, I have to inform the House of the sad demise of Choudhary Raghbir Singh who was a member of the First Lok Sabha during 1952-57 representing Agra—East constituency of Uttar Pradesh.

An agriculturist and a prominent social worker, he worked untiringly among the poor and the down-trodden and fought against the evils of untouchability and illiteracy. He evinced keen interest in the spread of education in the rural areas and was associated with several educational institutions in various capacities.

Choudhary Raghbir Singh passed away at Ahmedabad on 12 March, 1988 at the age of 81 years.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolence to the bereaved family.

Now, the House may stand in silence for a short while as a mark of respect to the departed soul.

*The Members then stood in silence
for a short while*

ORAL ANSWERS TO QUESTIONS

[English]

EEC Aid for Development of Coconuts in Kerala

*776. SHRI K. KUNJAMBU : Will the Minister of FINANCE be pleased to state :

(a) whether the European Economic Community has agreed to finance a project for the development of coconuts in Kerala by giving an aid of 45 million (ECU) (\$ 53 million); and

(b) if so, whether any phased programme has been chalked out for the utilisation of this aid and how it will reach the coconut planters ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) This programme, which is phased over a five year period, is to be implemented by Kerala Kera Karshaka Cooperative Federation (Kerafed) in which the coconut growers, who are the main beneficiaries, are represented.

SHRI K. KUNJAMBU : Sir, I would like to know what are the details of this programme which is to be financed by the EEC. I would also like to know whether this programme will be a part of the programme being undertaken by the Coconut Board to develop Coconut or it is a separate programme.

SHRI EDUARDO FALEIRO : Sir, under the 1987-88 programme, the EEC has agreed to finance to the extent of 45 million European Economic Unit which means \$ 53 million. Therefore, they are financing the coconut development project in Kerala with an aid of 45 million ECU. The assistance is available under the follow-

ing terms. (1) Direct financing to the extent of ECU 21.2 million and (2) financing through the supply of vegetable oil to the extent of ECU 23.8 million. The assistance received would be channelised through the National Cooperative Development Corporation to the Kerala Kera Karshaka Cooperative Federation, which is responsible for the implementation of the project. The project has the support of the Government of Kerala. Therefore, the Government of Kerala is involved at every stage in this project and so also the Coconut Board that the hon. member has in mind

SHRI KUNJAMBU : I also want to know the approximate number of coconut growers that are going to be benefited through this programme.

SHRI EDUARDO FALEIRO : It is a wide programme and it is for the State as a whole. It is expected to be completed within five years from the date of agreement, i.e. 25 March 1988. It will fulfil the objectives of increasing the production of coconut through increased productivity, adoption of better management practices in cooperative movement and providing the members of Kerafed with Supplies and services and increasing their income through an integrated system of production, procurement, storage, processing, diversification and marketing of coconut products or by-products.

SHRI A. CHARLES : It is seen that a substantial amount has been allowed as aid. If passed on to the real coconut growers, it will help in stepping up the production of coconut which is the backbone of the State's economy. May I know from the hon. Minister, since there is a possibility of the funds being misused, whether there would be proper monitoring by the Government of India? And will the Minister ensure that this aid will really be passed on to the coconut growers so that the aid may really benefit them?

SHRI EDUARDO FALEIRO : We have no reason to believe that this money will be misused when in this project, Government of Kerala is involved and different organisations are involved and so also the Government of India is involved.

SHRI SURESH KURUP : As you know, the economy of Kerala is depend on coconut cultivation and we wholeheartedly welcome this help given by the Central Government. But now, a serious apprehension has arisen in the minds of the farmers and the general public in Kerala due to the new Import Export Policy of the Government of India. It has been a standing demand of the people of Kerala and the Government of Kerala that the Central Government should not allow the import of coconut oil. In the new Import Export Policy, the Government has announced that it intends to import coconut oil on a large scale. I would like the Minister to clarify the position of Government of India with regard to this, because it affects the economy of Kerala.

SHRI EDUARDO FALEIRO : As the hon. member is aware, this Ministry does not deal with the export import policy.

[Translation]

MR. SPEAKER : Today you have told it.

[English]

Interest Free Loans to Cotton Growers

***777. SHRI M. RAGHU MAREDDY† :**

SHRI SUBHASH YADAV :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has recently expressed its inability to provide interest free loans to cotton growers in the country;

(b) if so, the reasons therefor;

(c) whether Union Government propose to instruct all public sector banks to provide maximum relief to the farmers affected by natural calamities like drought and floods on interest free basis; and

(d) if not, the reasons therefor ?

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

Statement

(a) to (d). The banks raise resources at certain cost and have also to bear operational expenses; it is, therefore, not possible for them to lend money without charging any interest. However, in cases of crops affected by natural calamities like drought/floods, relief in repayment of past dues, is provided by the banks in accordance with the guidelines laid from time to time by the Reserve Bank of India.

SHRI M. RAGHUMA REDDY : Sir, the reply of the hon. Minister is most distressing and it shows the anti-farmers attitude of the Ruling Party. Mr. Speaker Sir, you are a Krishi Ratna. As you are aware, for the last four to five years, the cotton growers are put to heavy losses and they have mortgaged what all they have. Andhra Pradesh ranks first with regard to area under cotton cultivation. Nearly four to five lakhs of hectares are under cotton cultivation. While many concessions have been given to the industries sector, the same facility has not been extended to the agriculture sector. Nearly Rs. 5000 crores are locked up in the form of bad debts in the case of industries, while there are only Rs. 700 crores in the agriculture sector. In the name of bad debts, you are giving all the concessions to the industries but you are not giving concessions to the farming community.

Then, coming to Andhra Pradesh, this year, nearly 20 people committed suicide because they were not in a position to repay the loans, which they have taken from the commercial banks, private, co-operative and other banks. I welcome the Government of India's gesture for deputing the Deputy Governor of Reserve Bank, Mr. Ojha, to Andhra Pradesh.

I want to know from the hon. Minister what steps he proposes to take regarding remissions and what incentives you are going to provide to the farmers of Andhra Pradesh whose plight is very bad ?

I would request the hon. Minister to write off all the loans and also waive the interest on the loans given to the farmers. I want to have a categorical reply from the hon. Minister.

SHRI EDUARDO FALEIRO : As desired by the hon. Member, I will

give him a categorical reply. The plight of the farmers or the cotton growers in Andhra is not due to banks and also not due to financial institutions. As the hon. Member himself hinted at and he very well knows that those who have been asking the farmers to pay back the loans as a result of which they were put to great distress are not the commercial banks. It is not our banks. It is the private moneylenders who are doing it.

As far as banks are concerned...

SHRI M. RAGHUMA REDDY : He is avoiding the reply. It is not because of the private money-lenders, but it is due to the harassment of the commercial banks.

SHRI C. JANGA REDDY : It is due to the harassment of the commercial banks.

SHRI EDUARDO FALEIRO : I think the hon. Speaker has not called Jangaji. (Interruptions)

I will clarify the position.

[Translation]

SHRI C. JANGA REDDY : Mr. Speaker did now allow me to ask the supplementary.

MR. SPEAKER : Jangaji did not attend the House for many days and therefore he thinks that he can ask the question even without my permission.

[English]

SHRI EDUARDO FALEIRO : Sir, we have issued instructions to the banks not to collect these loans which are overdue and also not to take action for the time being—whether it is regarding capital or whether it is regarding interest. This is point number one.

The second point is that the instructions which are there are detailed instructions. I will just give you the gist of some of them. I can give you gist of all, if you so desire. These are general instructions which apply to all drought hit areas, including Andhra Pradesh.

PROF. N.G. RANGA : Let them be placed on the Table of the House.

SHRI EDUARDO FALEIRO : I will place them on the Table of the House the instructions relating to drought and flood relief to all States, to all people which includes Andhra Pradesh also. In addition to that, I would say regarding our banks, which are there, particularly in those States and in those districts, which have been most affected.

The lead banks for Prakasam District (Syndicate Bank) and Guntur District (Andhra Bank) have reported that decisions have been taken to provide various reliefs to the cotton farmers in these districts. In Prakasam District, Syndicate Bank convened a district level meeting on 21.2.1988 under the leadership of the District Collector and as decided in the meeting, all branches of commercial banks were advised to consider converting crop loans into medium term loans, rephasing the existing term loans, providing fresh finance to farmers for raising crops as also for other occupations such as keeping milch animals, waiver of overdue interest, withholding auction of gold offered as security, renewal of agricultural gold loans and even providing gold loans out of season to meet urgent requirements of farmers. In Guntur District, Andhra Bank had convened a meeting with the district authorities and bankers. At the DCC meeting for Guntur, some decisions were taken. I will lay it on the Table of the House.

PROF. N G. RANGA : What about Krishna ?

SHRI EDUARDO FALEIRO : That information also, I will give it to the hon. Member.

[Translation]

SHRI C. JANGA REDDY : Prakasam Guntur and Hyderabad are cotton growing areas but nothing has been told about them.

MR. SPEAKER : Please speak when you are allowed to, but not in this self-imposing manner.

[English]

SHRI EDUARDO FALEIRO : I will just conclude this answer by saying, what is the position of bank assistance to persons affected by drought.

By the end of October, 1987, as far as Andhra Pradesh is concerned, the amount of assistance given in different forms goes to the extent of Rs. 6165.63 lakhs. Alongwith Andhra, Karnataka and Tamil Nadu are the other States which have most benefited from the bank assistance in the context of the present drought.

SHRI M. RAGHUMA REDDY : I refer to the Debt Relief Act introduced in 1938 by Rajaji as Prime Minister of the then Madras Presidency to liquidate the debts of agriculturists and to say that since the Act is very much in force in A.P., it should be invoked for the purpose. Under the shelter of Section 4, sub-section (e) of this Act, the banks are not extending loans to the farmers *i.e.* as per that Section. Will the Minister consider deleting that section from the main Act, and extend the loan to all the cotton-growing areas and tobacco-growing areas, so that it will be helpful to the farmers ?

With regard to natural calamities, whatever you say, anything that you have given, is given as advance, and not as a grant. In any State, if there are droughts or natural calamities consecutively for 3 or 4 years, will you consider it as a grant, and will you waive interest on the total loans, as we are doing in the cooperative sector ? In Andhra, in the cooperative sector, we have waived interest on the cooperative loans. In a similar way, will you consider waiving interest by commercial banks also, in the case of natural calamities where for consecutively 3 or 4 years some districts are affected ? Will you consider this there also ?

In Andhra Pradesh, not only Krishna and Guntur, but all the 19 districts except three districts grow cotton. Will you extend these facilities, which you have extended, to all the other districts also—as the State Government has already announced Rs. 50 crores as relief to the farmers ? Will you extend these facilities to all these districts; if you want to be a favourite of the farmers, you can do this.

SHRI EDUARDO FALEIRO : We want to be a favourite of the farmers. We want to be a favourite of the entire people of this country; and we are the favourite of the farmers and the entire people of this country. That is how we are setting here. But apart from that....

SHRI M. RAGHUMA REDDY : You are the favourite of industrialists, and not of farmers.

SHRI EDUARDO FALEIRO : Empty rhetoric is not going to take us anywhere. What I am saying is that many valuable suggestions have been made by the hon. Member. I am going to place them before this high-level team of the Reserve Bank of India, because on these matters we go by the advice of the Reserve Bank of India. As we have mentioned, we have already deputed a team there. The Reserve Bank has deputed a team, and all the suggestions will be placed before that team, for their consideration.

[*Translation*]

SHRI C. JANGA REDDY : Mr. Speaker, Sir, due to the injustice done to the cotton growers of Guntur and Prakasam districts, some of them have suffered badly. The Government have announced certain concessions for them. Cotton is also grown in Warangal, Adilabad and Kareem Nagar districts and the farmers of these districts are also in great difficulty. Through you, I want to ask the hon. Minister whether he will be pleased to extend the concessions given to Guntur and Prakasam districts to these districts also without placing them before the Reserve Bank of India? Now the Government proposes to convert crop loan into long term loan, but the burden of loans on the farmers is increasing as a result thereof. Do you want the farmers to remain under debt always? You are using this loan as a weapon to keep farmers under debt. I want to know whether the Government is going to waive the loans given to farmers? It is better if you completely write off the loans given to farmers as it has been done in Haryana. The Reserve Bank of India is not ready even to waive the interest on the loans of Cooperative Banks. I would like to say that the loans of the Commercial Banks in India is only 11 crore rupees and apart from this, there are other loans also which are not more than Rs. 11 crore. The total amount of loan therefore, in India is only 22 crore rupees. To write off this amount of 22 crore rupees is a small thing for the Government. I, therefore, want to know from the hon. Minister whether he pro-

poses to issue orders to write off the loans given to farmers or not?

[*English*]

SHRI EDUARDO FALEIRO : Banks are service organizations, about they are also financial organizations and, therefore, it is not the practice of the banks, and the hon. Member will agree with me that it is not a good financial practice, to write off loans just across the board.

[*Translation*]

SHRI C. JANGA REDDY : The Government have been writing off huge sums of loans in industries.

[*English*]

SHRI EDUARDO FALEIRO : About interest, we shall surely consider. (*Interruptions*) As far as interest is concerned, we shall surely consider it and look at the merit of the case. We shall surely consider whatever facilities have been extended to the districts I have mentioned, should, other things being equal, be extended to the rest of the Andhra Pradesh. When the hon. member looks at the guidelines he will see that there are lot of facilities that the banks are prepared to extend to these people.

SHRI M. RAGHUMA REDDY : I request you to suggest to the government that farmers should be included in the crop insurance scheme.

MR. SPEAKER : There is nothing in it. They have taken upon themselves to adjust it.

[*Translation*]

I want to say one more thing.

[*English*]

PROF. N.G. RANGA : Is it right for us to assume that government have advised the RBI and the RBI agreed to extend what is known as moratorium so that they need not try to collect the arrears to debt, so far as cotton growers are concerned. The Deputy Governor of RB, who has just now returned from his tour in Andhra Pradesh, has agreed to waive penal rate of interest, accumulation of it and also for

the future, so far as farmers are concerned, because the farmers are subject to natural vicissitude and to go on charging from them penal interest is a criminal thing from my point of view. I hope the government would agree to it.

SHRI EDUARDO FALEIRO : I appreciate the suggestion, advice given by the hon. member, Shri Ranga. I feel that there is much substance in what he says. I will convey it to the RB. I appreciate specifically the practical point that under such circumstances the farmers should not be charged penal interest. I also appreciate the point that the loan should be rescheduled; and the other points I am placing before the RB. Incidentally, the Deputy Governor's team that has gone there has not yet submitted their report to us. I will discuss all these matters with them.

SHRI SRIBALLAV PANIGRAHI : The farmers, due to crops failure in some areas, are in great distress and are just now not in a position to pay the loan and also the interest. So, there is a force in the demand for exemption of the interest at least. There is a crop insurance scheme in operation and that, is quite laudable. But due to improper working of the scheme the affected cultivators in different areas are not getting any relief. Therefore, the pressure on this sort of a demand, that is exemption of loan and interest is mounting up. What steps the government are taking for the proper implementation of the crop insurance scheme so that the affected cultivators get relief?

SHRI EDUARDO FALEIRO : The crop insurance scheme is being monitored and implemented by the Ministry of Agriculture.

[Translation]

SHRI C. JANGA REDDY : Mr. Speaker, Sir, you were to say two things. You please say so that they may take it seriously. They are not going to listen to us. You are also a farmer. You please tell. . . *(Interruptions)*

Losses Suffered by State Bank of Indore

*781. **SHRI C. JANGA REDDY :** Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of Indore with 284 branches in the country has incurred a loss of about Rs. 50 crores so far;

(b) the steps being taken by the Government to check the loss;

(c) the causes of the loss; and

(d) the total amount distributed as loans by the bank during the period of incurring losses ?

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The State Bank of Indore has not incurred any loss so far.

(b) to (d). Do not arise.

[Translation]

SHRI C. JANGA REDDY : Mr. Speaker, Sir, the reply given by the hon. Minister is far from facts. I quote you figures. A bank in Madras has incurred a loss of Rs. 6.58 crores. There is an article written in this regard which the hon. Minister perhaps has not gone through. I will send it to the hon. Minister. I want to know from the hon. Minister about the details of 284 branches. I think the hon. Minister has in mind the headquarter branch of Indore only. I would like to know about 284 branches. If you want I can produce the data. I want to know about the irregularities being committed in these 284 branches. I want to know about their profit also. Kindly also produce the balance sheets of these branches. Are these branches having profits and if so, how much ? Please also tell how many branches have been incurring losses.

[English]

SHRI EDUARDO FALEIRO : Neither the hon. Member has asked for information about the branches specifically, nor do I have it. But I surely have information which I can convey to the House, about the total situation of Bank of Indore. As far as all the branches are concerned, put together, in 1985 the profit made was

Rs. 13 lakhs. in 1986 it was Rs. 38 lakhs and in 1987 it was Rs. 77 lakhs. These are the figures as far as the Bank as a whole is concerned. So, there has been profit, and increasing profit.

[*Translation*]

SHRI C. JANGA REDDY : There is a loss of 6.58 crore rupees in the Madras branch and 3 crore rupees in the Bombay branch of the Bank.

[*English*]

PROF. MADHU DANDAVATE : He is giving a different picture.

[*Translation*]

SHRI C. JANGA REDDY : An article has been published in a newspaper about it. I will send it to you. You get it examined.

PROF. MADHU DANDAVATE : See, whether there is reference to Swiss Bank also ?

SHRI C. JANGA REDDY : No, there is no such reference. That is a separate issue. May I know from the hon. Minister whether any investigation has been conducted by the C.I.D. into the irregularities committed and the losses incurred by this Bank and the names of the officers against whom action has been taken ?

[*English*]

SHRI EDUARDO FALEIRO : I can assure the hon. Member that if he gives me any specific case of bungling or mismanagement, I will order an inquiry. Strict action will be taken and nobody will be spared. And when I say strict action, strict action will be taken.

[*Translation*]

SHRI C. JANGA REDDY : I have written two letters to you in this connection. I want a reply to these letters. I want to know as to what action has been taken by you. These letters might be either with you or Poojaryji, but I have given full details in them. I have the acknowledgement with me. You check up with your office record. I have got the acknowledgement

receipt with me. I request you to take action upon those letters and give reply to me within one month.

[*English*]

SHRI EDUARDO FALEIRO : I do not recall having received any letter from the hon. Member but there was a question in Parliament some time ago on this issue and I have ordered, rather, we have ordered, I should say, the Ministry has ordered an inquiry into the alleged bungling and mismanagement by some of the branches which are mentioned in the question. As soon as we get the report, we will take suitable action which will be action strict enough to deter any mismanagement of any sort.

[*Translation*]

SHRI RAJ KUMAR RAI : Mr. Speaker, Sir, Shri Janga Reddy has written just two letters, while I have written not less than 200 letters. You had objected to my critical remarks regarding the banks.

AN HON. MEMBER : Acknowledgement is received but there is no reply.

SHRI RAJ KUMAR RAI : There is no reply. In fact, more the number of letters written and questions asked in Parliament, more these bank people find themselves nearer to the Minister. We may ask any question, these bank people will go on briefing the Minister and the same reply will be forthcoming, such things take place. This did not happen in your tenure, this relates to the tenure of your predecessor.

I would like to mention the incident in which two officials were suspended at Chandni Chowk branch, Delhi for the bungling of Rs. 28 lakhs. No action was taken against these officers but the man who had complained about the irregularities committed by these officers was removed from service and ** was not paid subsistence allowance. They were relations of the high officials and that is why they were promoted. The hon. Minister had accepted that the circumstances forced to do it. Is the hon. Minister aware of this fact ?

**Not recorded.

[*English*]

SHRI EDUARDO FALEIRO : I would say with due respect, it is very bad to make this type of general allegation that because somebody is close to some officials; the things are done. This is not proper at all.

SHRI RAJ KUMAR RAI : I am making a specific allegation.

SHRI EDUARDO FALEIRO : If you make a specific allegation, when we will take action. (*Interruptions*)

SHRI RAJ KUMAR RAI : You yourself had replied to many questions. I am making a specific allegation, but you are replying in general. (*Interruptions*)

[*Translation*]

MR. SPEAKER : You can not mention names like this. It is not proper.

[*English*]

You cannot do that.

[*Translation*]

SHRI RAJ KUMAR RAI : Sir, you object to it.

MR. SPEAKER : I do not. The rules do not permit.

SHRI RAJ KUMAR RAI : Sir, we take you as our rules. We say what you advise us to. Whatever you say is a rule for me and for the House also.

MR. SPEAKER : I refer to the rules which have been formulated by you.

SHRI RAJ KUMAR RAI : Alright, we agree to the rules. We are not die-hard. We will speak only when you permit. But when we take some specific case...

MR. SPEAKER : You may give it in writing but do not refer to it in the House.

[*English*]

SHRI EDUARDO FALEIRO : Sir, I will say this much. The Ministry of Finance work as a whole. We have all decided that if any case comes, we will decide together. If any case of fraud or malpractice comes to our notice, we shall take strong action. I request the Member

immediately after the Question Hour is over, to come and sit with me, identify the cases and I will see that the matter is enquired afresh and action is taken.

SHRI RAJ KUMAR RAI : I must thank the Minister. We will sit together and decide.

Assistance from Public Financial Institutions to North Eastern States

*782. **SHRIMATI D. K. BHANDARI** : Will the Minister of FINANCE be pleased to state :

(a) whether the North Eastern States are getting their due share of assistance from the public financial institutions;

(b) if not, the reasons therefor; and

(c) what steps the Government envisage to remove this regional imbalance in the country?

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

Statement

The Industrial Development Bank of India (IDBI) has reported that assistance sanctioned by all-India financial institutions to North Eastern States viz., Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura increased from Rs. 38.86 crores in 1982-83 to Rs 83.54 crores in 1986-87. Cumulative assistance sanctioned by these institutions as at the end of March, 1987 totalled Rs. 385.13 crores.

Viable projects as received from any part of the country are given due consideration by the financial institutions. The entire North Eastern Region comprising of the States mentioned above, is already treated as industrially backward area and as such units set up therein are eligible for financial assistance from institutions on concessional terms.

IDBI has, in addition, also established organisations at Guwahati and Imphal to specially provide technical consultancy services to industries in the North East,

SHRIMATI D. K. BHANDARI : My question not only relating to North Eastern States but to the entire country. I had asked, what steps the Government envisage to remove this regional imbalance in the country? In the statement, it has been said that the entire North Eastern Region comprising of the States—that means, all the six States of the North Eastern Region—is already treated as industrially backward areas. I would like to know from the hon. Minister since when these six States are being treated as industrially backward area, and how many industries have been established or started after that date?

SHRI EDUARDO FALEIRO : Sir, the backward areas of the country are given special preference in different manners. If you call upon me, I will give the different manners in which it is done. Banks give facilities in interest. For instance, for composite loan schemes, the interest charged on loans upto Rs. 50,000 per unit to artisans, village/cottage and tiny units in backward areas of the North Eastern Region is 8 to 10 per cent when compared to non-backward 10 per cent; for SSI unit 12.5 per cent when compared to non-backward 13.5 per cent to 14 per cent; and so on and so forth. There are different ways in which we are helping the industrially and economically backward areas—otherwise not backward areas. We will not remain behind. Banks will give whatever assistance they require for their development. They must only ensure that infrastructural facilities are available. We can give money, but we cannot set up the industry. For setting up any industry, it depends on the entrepreneurs choosing the location, and the State Governments to give facilities of infrastructural nature to the entrepreneurs to set up industries. Otherwise, we are prepared to give all the assistance.

SHRIMATI D. K. BHANDARI : After these States have been declared as industrially backward, how many industries have been set up? That part of the question has not been answered.

SHRI EDUARDO FALEIRO : We do not deal with the industries. We can only say what is the financial package that we are giving in this Ministry. Financial institutions cannot tell the hon. Member how many industries have been set up. But

we can tell the hon. Member that we keep on increasing the amount being disbursed to the North-eastern States. I have the figures. In 1984-85 we sanctioned Rs. 47.57 crores, in 1985-86 Rs. 63.05 crores, 1986-87 Rs. 83.54 crores. So, financial assistance to the North-eastern States is rising every year. We are prepared to give even more assistance so long as the State wants it and have the necessary viable projects.

SHRIMATI D. K. BHANDARI : My State of Sikkim also falls in the North-eastern region. Everybody knows that Sikkim is most industrially backward State in the country. Can the Government consider to establish organisations specially to provide technical consultancy services to this industrially backward State?

SHRI EDUARDO FALEIRO : We will give all the assistance. We can also consider providing technical services. As far as assistance sanctioned by financial institutions to Sikkim is concerned, it has gone up from Rs. 0.36 crores in 1982-83 to Rs. 2.95 crores in 1986-87. We keep on increasing financial assistance. Technical assistance will be considered sympathetically if the hon. Member comes with some specific projects.

SHRI ATAUR RAHMAN : The NE region is very backward industrially. And there is a very serious imbalance in the development of NE region as compared to the rest of the country. What the Minister has said is nothing but quoting a few figures of grants given to the NE States. But he has not given the full picture of imbalance. If he does not know about the imbalance being faced by the NE States, would he set up a committee with MPs of NE Region to go into this question? There has been a lot of imbalance and injustice done to NE Region. Our MPs and Ministers go there and praise that NE region is a very beautiful area and beyond that nothing is being done. Even our power projects are neglected. Would the Minister send a committee consisting of MPs of NE Region and officials of related Ministries?

SHRI EDUARDO FALEIRO : I agree that there are many areas of the country where there are imbalances and North-eastern is one of those areas. However,

imbalance cannot be attributed to constraints in banks' or institutional finances which we deal in this Ministry, to the regions, but would, perhaps, be attributed to other factors such as provision of infrastructural facilities, assured supply of adequate raw materials, development of infrastructural facilities, formulation of proper project profile, technical training and assistance, etc. I will pass the valuable suggestions of the hon. Member to the Minister for Industry for his consideration.

[*Translation*]

SHRI RAM BHAGAT PASWAN : Mr. Speaker, Sir the question is as to what steps are being taken to remove the regional imbalance. There are several states which happen to be the victim of natural calamities and are backward industrially. There is no water, no electricity there. My state Bihar is one of such states. A number of schemes had been undertaken long ago but have not been completed so far. Some of them were started even before the independence period. Kamlabalan dam, Sakri-Hasanpur railway line, Darbhanga-Samastipur broad gauge line and Ashoka Paper Mills are some such projects. Will special funds be sanctioned for these and for other big projects as well so that regional imbalances may be reduced.

[*English*]

SHRI EDUARDO FALEIRO : Sir, this is outside the purview of this question. This is a limited question regarding the North-Eastern States.

SHRI BASUDEB ACHARIA : Sir, there is disparity not only in the assistance given by the financial institutions, but also in the deposit and investment ratio of the nationalised banks from State to State. So, in order to remove this disparity and imbalance, is there any proposal before the Government of India so that the industrially backward States can also become industrialised States, at par with other States of our country ?

SHRI EDUARDO FALEIRO : Sir, no general statement can be made that the credit-deposit ratio, as far as the backward States are concerned, is low, compared to the average. I have just been to Orissa

where the credit-deposit ratio is much higher than the average in the country. One of the reasons why sometimes in some parts of the country credit-deposit ratio is below the average is precisely because people do not come forward for taking loans and advantages because they do not have viable projects. They do not have viable projects because the infrastructural facilities are not available. The infrastructural facilities have to be created and then the banks will never lag behind in helping the areas which are backward. We will very much like to remove all imbalances.

Financial Assistance for Irrigation to Rajasthan

*783. **PROF. NIRMALA KUMARI SHAKTAWAT** : Will the Minister of WATER RESOURCES be pleased to state :

(b) whether Union Government propose to allot special funds to Rajasthan Government under centrally sponsored scheme for strengthening the State Minor Irrigation Organisation; and

(b) if so, the quantum of assistance being given during 1988-89 ?

[*Translation*]

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). A Centrally sponsored Scheme for strengthening Minor Irrigation Organisations in the States is being implemented under which 50% matching Central assistance is admissible to States which submit suitable proposals with assurance of availability of matching funds with them. No proposal has been received so far for the year 1988-89 from the State of Rajasthan.

[*Translation*]

PROF. NIRMALA KUMARI SHAKTAWAT : Mr. Speaker, Sir, as you know, Rajasthan is a drought affected State facing drought for four successive years. So, I would like to ask the hon. Minister, through you, that if a proposal comes to him from Rajasthan Government this year, will the Government consider increasing the amount of assistance to desert and mountain areas from 50% to 75% or 100% ?

SHRIMATI KRISHNA SAHI : The hon. Member very well knows that irrigation is a state subject. All the schemes relating to it are submitted by the State Governments. The Central Government gives only technical advice. The hon. Member wanted to know about the proposal submitted by the Rajasthan Government. In reality the Rajasthan Government did not submit any proposal in 1985-86 and 1986-87. In 1987-88 we have received a proposal but the State Government had no funds even for its share. So, in the absence of any proposal, there was no question of considering it. Funds were not released because utility certificate was not furnished.

PROF. NIRMALA KUMARI SHAKTAWAT : There is acute scarcity of drinking water in Rajasthan. These small irrigation schemes may be multipurpose schemes. Rajasthan Government should be asked as to why they have not submitted proposals in this regard. The famine conditions and drinking water scarcity are two different serious problems in the state. It would be very difficult for the State if the Central assistance is not provided. I would like to request the hon. Minister that desert areas should also be given the same importance as given to mountain areas. May I know whether the hon. Minister proposes to give the problem a sympathetic consideration?

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir, whatever the hon. Minister has said is true. Rajasthan is facing the same problems as faced by mountain areas. Besides, Rajasthan is facing the drought problem for many successive years. The Government has evolved two schemes to face the situation—a long term scheme and a short-term scheme. The Centre provides assistance/relief through the Ministry of Water Resources and the Ministry of Rural Development of those State Governments which are facing drought conditions. As far as drought problem in Rajasthan is concerned we have already sent five drilling rigs and these are in operation at Churu, Jodhpur, Nagaur and Bikaner. Besides, 40 wells have also been sunk and effective steps have been taken by the Rural Development Department in consultation with technology mission to solve the problem of drinking water. The Ministry of Water Resources extends technical advice to the State

Governments and also performs the responsibility of tapping the drinking water reservoirs in the problem villages. I have already told you that the Government is making regular efforts to solve the drought problem in Rajasthan.

PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh) : Mr. Speaker, Sir, I regret to say that the yardstick fixed by the Government for helping the problem villages is not like the Gita or Bible in which no changes can be effected. I regret to say that today every villages in full Rajasthan is full of problems. You have fixed three definitions for the problem villages, there should be a problem of fluoride, or the water should be deep or else the water should be contaminated to cause a disease like Naru. My submission is that you should change this definition at the earliest because, as I said earlier, the definition of problem villages is not like the Gita or Bible in which changes may not be brought about according to the need of the time. The need of the hour is to bring forth changes in it. I submit that keeping in view the kinds of problems prevalent in the villages of Rajasthan, the Government should consider Rajasthan at par with the hilly areas and provide necessary help to it.

SHRIMATI KRISHNA SAHI : The subject of drinking water is not related to the Ministry of Water Resources. It is the subject related to urban development.

PROF. NIRMALA KUMARI SHAKTAWAT : I have put the question to you again because you just mentioned in your reply that you have made some rigs available in Rajasthan; and you also talked something about the problem villages.

MR. SPEAKER : The function of this Ministry is limited to the sinking of wells only. This Ministry has nothing to do regarding making drinking water available.

SHRI C. JANGA REDDY : Mr. Speaker, Sir, please allow me also to ask something regarding this question.

MR. SPEAKER : You have already got three opportunities.

SHRI MANVENDRA SINGH : Mr. Speaker, Sir, this question is not limited to

Rajasthan alone. Five other states are also affected by the drought and my own state, Uttar Pradesh, is one of them.

MR. SPEAKER : Manvendraji, this question is limited to Rajasthan.

SHRI MANVENDRA SINGH : Mr. Speaker, Sir, you have yourself visited Mathura and are very well aware of the drinking water conditions there.

MR. SPEAKER : Shri Manvendra, this question is related only to Rajasthan. If you give notice for a separate question, the hon. Minister will be able to give a reply.

SHRI MANVENDRA SINGH : Please ask the hon. Minister to pay attention to Uttar Pradesh also.

MR. SPEAKER : Yes, I will surely ask her to pay attention in that direction.

SHRIMATI KRISHNA SAHI : This question is not even related to the water problem in the whole of Rajasthan but its focus is rather on the need to allot special funds to Rajasthan Government.

MR. SPEAKER : That is what I am saying.

SHRI MANVENDRA SINGH : My question is also related to the minor irrigation in Uttar Pradesh.

MR. SPEAKER : If you give a separate notice, then the hon. Minister will be able to give a reply. This is specific question regarding Rajasthan.

SHRIMATI KRISHNA SAHI : This question is not related to minor irrigation even; this is regarding strengthening of a special organisation.

MR. SPEAKER : Shri Jagannath Pattnaik

Shri G.S. Basavaraju

Shri S.B. Sidnal

Dr. G.S. Rajhans

Smt. Madhuree Singh

Shri C. Sambu

[English]

Import of Currency Note Paper

*787. SHRI C. SAMBU : Will the Minister of FINANCE be pleased to state :

(a) whether India is importing the paper needed for the printing of currency notes;

(b) if so, from which country and the details thereof; and

(c) if not, the facilities available for making such paper in India ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Security Paper Mill, Hoshangabad has an installed capacity for the production of 6000 metric tonnes per annum of paper needed for printing currency/bank notes. With the steady increase in demand, it became necessary to resort to imports to supplement domestic production from 1985. Arrangements were entered into in that year for import of 10500 metric tonnes of paper from a U.K. based company. A trial order for import of 200 metric tonnes of paper was placed on a company based in Finland in 1986.

SHRI C. SAMBU : I would like to know from the hon. Minister the total requirement of the currency paper in our country and the break-up of the figures of the imported paper and indigenous paper. How much is spent by the Government for importing the currency paper ?

SHRI EDUARDO FALEIRO : The present requirement of currency paper/bank note is 6500 metric tonnes. The actual production of Security Paper Mill during the last three years is :

1985-86 — 3603.32 m.t.

1986-87 — 3763.71

1987-88 — 3933.35

This year, we expect, we improve further on this and we have made progress every single year. In the present circumstances, in view of the figure for January, February and March, if the trend continues, it is likely that the annual production of the

paper will rise to 4500 m.t. So, there is an increase every year and the gap which is not covered is obviously imported.

SHRI C. SAMBU : In view of the shortage of the currency paper in our country, what steps have been taken by the Union Government to manufacture the entire currency papers/notes in our country.

SHRI EDUARDO FALEIRO : We are taking steps. We are aware of this situation. We want to reduce the quantity of import. Even for this year, about the quantity of import of security paper, we are taking steps to see that the target for this year is reduced. We are moving towards self-sufficiency in producing this paper.

SHRI V.S. KRISHNA IYER : The Government India decided to set up a Security Press in Mysore, which is welcome. In that case, are you going to be self-sufficient by that time, so far as production of paper is concerned. You just now said, nearly 30% to 40% is being imported. What will be the production then? What will be the paper required then for the Security Press. I think, in another two years' time, you are going to start it. Will you kindly let us know what is the percentage of imported paper by that time when the security Press at Mysore starts functioning?

SHRI EDUARDO FALEIRO : Sir, the hon. Member is right. We are proposing to set up two new note Presses, one at Salboni in West Bengal and the other, as mentioned by the hon. Member, at Mysore, in Karnataka. The requirements for bank note papers are going to increase and we are already working on the concept of new security paper mill so that more security paper is produced on the line of self-sufficiency on production of security paper.

[Translation]

Central Assistance for Irrigational Facilities in Chambal Division

*790. **SHRI KAMMODILAL JATAV** : Will the Minister of WATER RESOURCES be pleased to state :

(a) the percentage of land in Chambal Division of Madhya Pradesh for which adequate irrigation facilities are available;

(b) whether Union Government have any scheme for social assistance to provide irrigational facilities to the entire land in this division by way of anti-dacoity measure; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RRSOURCES (SHRIMAT KRISHNA SAHI) : (a) As per the latest land use statistics available (1984-85), about 36.6% of the net cropped area in Morena and Bhind districts (Chambal Division) has irrigation facilities.

(b) and (c). There is no scheme for special assistance to provide irrigation facilities to the entire land in the Division, though there is a scheme being administered by the Ministry of Agriculture under Centrally Sponsored ravine reclamation programme in dacoity-prone areas, for reclamation of shallow ravines for productive use of land inclusive of irrigation facilities.

[Translation]

SHRI KAMMODILAL JATAV : Mr. Speaker, Sir, the information given by the hon. Minister that irrigation facilities in Chambal Division are available in 36.6 per cent areas is not correct. Irrigation facilities are not available upto this extent. The canal which has originated from Gandhi Sagar covers 600 kilometre area in Chambal division and out of that, 250 kilometres fall in Rajasthan and that there are frequent breaches in the canal and, therefore, water does not become available in the Chambal Division. There are disputes every day. I would like to know as to what steps will the Government take for the places where water is not available for irrigation.

SHRIMATI KRISHNA SAHI : The question asked by the hon. Member is related to a specific subject. He has asked whether the Central Government has any plan of giving special assistance for making irrigation facilities available in the whole area as a part of anti-dacoit measure. I have given its reply to him but the question which the hon. Member is now putting is not related to this

SHRI KAMMODILAL JATAV : In relation to the dacoit problem I had asked that when there is very limited water in the

whole of the Chambal Division and the water is provided from Gandhi Sagar, situated at a distance of 600 kilometres, whether the Government propose to provide lift irrigation facilities from Chambal, Kuno and Kuwari rivers.

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir, I am again unable to understand his question. What I could make out is that he wants to ask about Chambal Valley.

I would like to tell that there is a Government scheme functioning there with the assistance of World Bank which has provided an amount of Rs. 31 million dollars to implement the Chambal Madhya Pradesh phase II scheme. I can surely elaborate it if the hon. Member likes.

MR. SPEAKER : Next question, Shri H.N. Nanje Gowda . . . he is not there, Ramkrishna More . . . he too is not there, Shri Tulsiram.

SHRI V. TULSIRAM : Question No. 792.

MR. SPEAKER : Look, what a thunderous voice he has.

[English]

**Handloom Technology Training Institute
in Andhra Pradesh**

*792. **SHRI V. TULSIRAM :** Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal under consideration of Union Government to set up a Handloom Technology Training Institute in Hill and backward areas of Andhra Pradesh during the next two years;

(b) if so, the time when a final decision is expected to be taken and the location of the Institute; and

(c) the extent to which handloom industry in the State will be benefited ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a). No, Sir.

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

[Translation]

SHRI V. TULSIRAM : Mr. Speaker, Sir, with great difficulty we have reached upto this point. I was not expecting my Question to be covered.

MR. SPEAKER : We will take you further also.

SHRI V. TULSIRAM : Mr. Speaker, Sir, the reply by the hon. Minister is—No, Sir, the question does not arise. Earlier I had given 21-22 questions and told you here itself. The reply for all of them was the same "No" and even today the same reply "No" is there.

My State, Andhra Pradesh is such a state where the people are always suffering from flood, drought or cyclones and there is no plan for the welfare of the people. What sin have they committed? You should not forget the fact that it was your party Government which ruled the state for 35-36 years. If once Government of the opposition is formed there, does it mean that no scheme should be made for the welfare of that state? You should rather be generous and give more grants wherever the opposition Government is in power. Are you going to do something in this connection in Andhra Pradesh? Will you reconsider it and do something in this direction?

[English]

PROF. N. G. RANGA : If you are to allow like this, this debate will go on. I do not know why you are allowing him to indulge in this.

[Translation]

SHRI V. TULSIRAM : Let the hon. Minister give the reply. You are no more the Minister, you have been made to quit.

[English]

PROF. K. K. Tewary : You can exempt these tax evaders and economic offenders from paying taxes.

PROF. N. G. RANGA : You are going on delivering a lecture.

[Translation]

SHRI SHIVRAJ V. PATIL : Mr. Speaker, Sir, whatever I have heard just now was merely a lecture. I could hardly follow the question.

MR. SPEAKER : He has understood it

SHRI SHIVRAJ V. PATIL : On the basis of whatever I have understood, I would like to tell the hon. Member that the way he had put his question, its answer is only "No" and there is no need to add anything else. But I would like to tell that some information about the institutes which you want in Andhra Pradesh has been sent to the Central Government. It has been duly considered and the situation has been created to take a decision on it to some extent. Apart from this, a number of other things have been asked from your state, Andhra Pradesh which have to be decided by them. A decision will be taken only when they decide it and send the information here. You have also asked whether these goods are produced in hilly and the backward areas. The reply to this question is that the forthcoming plan is for the hilly and the backward areas alone.

WRITTEN ANSWERS TO QUESTIONS

[English]

Excise Duty Realisation from Cigarettes during 1987-88 Compared with Previous Year

*775. **SHRI B. B. RAMAIAH :** Will the Minister of FINANCE be pleased to state :

(a) whether the implementation of New Excise Duty Policy on cigarettes for the

financial year 1987-88 resulted in less realisation of excise duty as compared to the previous year; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No, Sir. The excise duty structure on cigarettes was changed with effect from the 1st March, 1987. During 1987-88 the realisation of excise duty from cigarettes has not been less than that for the year 1986-87.

(b) Does not arise.

Production of Opium

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

(a) whether India is one of the World's largest producers of opium;

(b) if so, the details regarding the quantity, location and production of opium, annually, in the country; and

(c) the amount of foreign exchange being earned annually ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir. India continues to be the only producer of licit opium for export in the world.

(b) and (c). Opium poppy is cultivated in notified tracts in Uttar Pradesh, Madhya Pradesh and Rajasthan under strict licence control of the Central Government. The state-wise production of opium during the last three years is as under :

Name of the State	Production of opium (in M.Ts.)		
	1984-85	1985-86	1986-87
1. Uttar Pradesh	164	162	118
2. Madhya Pradesh	377	312	329
3. Rajasthan	248	209	226
Total :	789	683	673

The amount of foreign exchange earned from 1985-86 to 1987-88 is as follows :

(Rupees in crores)

Year	Amount of foreign exchange earned
1985-86	24.29
1986-87	25.50
1987-88	18.80*

(*Figures provisional)

Seizure in Income Tax Raids***779. SHRI PRAKASH CHANDRA :****SHRI SRI HARI RAO :**

Will the Minister of FINANCE be pleased to state :

(a) whether raids were conducted in Calcutta and other cities on 24 March, 1988 by the Income Tax Authorities for alleged evasion of Income tax as reported in the 'Indian Express' dated 26 March, 1988;

(b) the parties raided and particulars of seizures made as a result of these raids; and

(c) what further action has been taken or is proposed to be taken in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b) The Income Tax department conducted searches at various places in India on 24.3.88 at the premises of M/s. United Breweries group and its Directors. During the course of these searches, prima-facie, unaccounted assets worth approximately Rs. 14.62 lakhs were seized. Besides, a large number of documents indicating prima-facie tax evasion were also seized.

The other search mentioned in the newspaper article was in respect of Shri B. Panda group of Bhubneshwar. In this case, there was a seizure of prima-facie unaccounted assets worth Rs. 60.15 lakhs and during the course of the search, the group admitted concealment to the tune of Rs. 121.37 lakhs.

(c) In the case of M/s. United Breweries group, certain bank lockers which were sealed by the department are to be

searched and the final result in respect of seizure will be known only after this action. This group has so far admitted concealment of income to the tune of Rs. 305.20 lakhs.

Appropriate action as per Direct Taxes laws is taken in both these cases.

Rise in Price of Janata Cloth in Maharashtra***780. SHRIMATI USHA CHOU-DHARY :** Will the Minister of TEXTILES be pleased to state :

(a) whether contrary to the assurance of Government that Janata cloth will be cheaper, the prices have actually risen sharply in Maharashtra;

(b) whether Government are aware that in Maharashtra the prices of the various varieties of handloom cloth have risen manifold;

(c) if so, the percentage of raise in prices of (i) M-2 Dhoti Grey, (ii) M-67 Janata Sarce (iii) M-16 Janata Sarce (iv) M-24 Janata Sarce;

(d) if so, the reasons therefor; and

(e) the steps Government propose to take to reduce the prices ?

THE NINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a), (b) and (d). Consequent on the rise in prices of cotton yarn and other inputs, State Government of Maharashtra, during February, 1988 had proposed for revision of maximum consumer prices of Janata sorts produced in the State to neutralise the losses incurred by handloom agencies in production of Janata cloth. Accordingly, the consumer prices of some popular sorts have been increased.

(c) The percentage increase in prices is as under :

- (i) M-2 Dhoti Grey — 55.4%
- (ii) M-24 Janata Saree — 30.3%
- (iii) M-16 Janata Saree — 38.7%
- (iv) M-67 Bleached Dhoti — 20.3%

(e) The Central Government have recently enhanced the rate of subsidy on Janata cloth from Rs. 2.00 per square metre to Rs. 2.75 per square metre in order to meet the increase in cost of Janata cloth production. In addition, Central Government have taken the following corrective measures to check the rise in prices of yarn :

- (i) Export of staple cotton has been suspended.
- (ii) Import of cotton against export of cotton yarn/cotton fabrics and made-ups has been permitted.
- (iii) The export of hank yarn up to 60s counts has been suspended.

**Financing of Foreign Nationals by S.B.I.
Branch in Singapore**

*784. SHRI JAGANNATH PATTNAIK : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a senior officer of the State Bank of India Branch in Singapore was found involved in huge illegal financing to foreign nationals during 1979-83;

(b) if so, the details thereof;

(c) whether any enquiry was made and if so, the outcome thereof; and

(d) the action taken in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) State Bank of India (SBI) has reported that no cases of illegal financing of foreign nationals during 1979-83, by its Singapore branch, have come to its notice.

(b) to (d). Do not arise.

Programme of Economic Cooperation with European Economic Community

*785. SHRI G.S. BASAVARAJU :
SHRI S.B. SIDNAL :

Will the Minister of COMMERCE be pleased to state :

(a) whether India and the European Economic Community (EEC) have agreed to a wide-ranging programme of cooperation to strengthen commercial, economic, industrial and scientific relations;

(b) if so, whether any concrete programme has been prepared in this regard;

(c) if so, the details thereof;

(d) whether any agreement has been reached with EEC; and

(e) if so, the main features thereof ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) to (e). An agreement for commercial and economic cooperation signed by India and the European Economic Community in 1981 forms the basis of a wide ranging cooperation across the whole range of commercial and economic endeavours between India and the European Community. The framework of cooperation between India and the Community encompasses not only commercial relations but also industrial cooperation, investment promotion, development cooperation as well as in Science and technology. The Indo-EEC Joint Commission, set up as an institutional instrument in promoting cooperation between India and the Community meets periodically and helps review and promote cooperation in areas of trade, industrial cooperation, science and technology. An annual development cooperation programme is also mutually agreed upon for financial assistance from EEC under which EEC has extended assistance to India to the extent of about ECU 464 million.

(1 ECU = approx. US \$ 1.3)

Export of non-traditional Items

*786. DR. G.S. RAJHANS :

SHRIMATI MADHUREE SINGH :

Will the Minister of COMMERCE be pleased to state :

(a) the volume and value of the increase of our non-traditional items of export over the past two years; and

(b) the new programmes and strategies being contemplated in the context of rising protectionism and growing competition from other developing countries to sustain the increase ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). The export of non-traditional items in value terms registered an increase of 11.4 per cent during 1986-87 and 41.8 per cent during April-December, 1987 as compared to the corresponding periods of the previous year. The volume figures are available only in respect of Marine Products, which indicated an increase of 13.6 per cent during 1986-87 and 2.4 per cent during April-December, 1987 as compared to the corresponding periods of previous year.

The Government has taken a series of initiatives designed to generate surpluses for exports, to induce the production of goods contemporary in technology and competitive in prices and to encourage product and markets diversification in non-restrictive areas. Besides, India has been endeavouring in various international fora to bring out further liberalisation of trade in sectors of interest to the developing countries.

Assessment of Working of COFEPOSA

***788. DR. B.L. SHAILESH** Will the Minister of FINANCE be pleased to state :

(a) whether Government have at any stage made any analytical assessment of the working of the vital instrument for effectively controlling smuggling—Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974, since its enactment;

(b) whether some recent cases have shown that COFEPOSA has become toothless and most economic offenders, kingpins and master-minds go scotfree; and

(c) if so, the steps being taken to give more teeth to this Act?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The working of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 has been kept under constant review ever-since its enactment and Government have taken necessary remedial measures from time to time to overcome procedural, technical and legal difficulties in the light of various judicial pronouncements and on the basis of experience gained in the implementation of the aforesaid Act.

(b) and (c). It has been Government's experience that in some cases orders of detention were set aside by courts purely on technical grounds. In the light of such judicial pronouncements as well as part of review of the implementation of the COFEPOSA Act, 1974, Government have been taking and will continue to take measures including *inter-alia* stricter compliance with the technical and procedural requirements as laid down by the Courts.

Investment in National Saving Certificates and Indira Vikas Patra

***789. DR. PHULRENU GUHA :** Will the Minister of FINANCE be pleased to state :

(a) the total amount of money invested in the National Saving Certificates and Indira Vikas Patras till December, 1987;

(b) the total number of agents employed in the National Saving Scheme during 1985-1986 and 1987; and

(c) the total amount of commission paid to those agents ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The gross investments in Savings Certificates including Indira Vikas Patras from April 1987 to December 1987 are Rs. 2637 crores.

(b) and (c). The total number of Standardised Agency System/Mahila Pardhan Kshetriya Bachat Yojana agents and the commission paid to them during the last three years are as follows :

Year	Total No. of agents	Commission paid
1984-85	1.23 lakhs	Rs. 50 Crores
1985-86	1.54 lakhs	Rs. 67 Crores
1986-87	1.74 lakhs	Rs. 71 Crores

Trade Expansion with U.S.

*791. SHRI H.N. NANJE GOWDA : PROF. RAMKRISHNA MORE :

Will the Minister of COMMERCE be pleased to state :

- (a) whether the Indo-U.S. Joint Business Council has suggested to step up bilateral trade by \$ 1 billion;
- (b) if so, the items of trade identified;
- (c) whether any agreement has been signed in this regard; and
- (d) if so, the salient features of the agreement ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). At the meeting of Indo-US Business Council held in May, 1987, at Washington, D.C., USA, one of the Working Groups set up was on Technology Transfer. This Working Group in turn had set up a Task Force which held its meeting in New Delhi in March, 1988. At this Meeting, a suggestion was made that efforts should be made to increase bilateral trade by US \$ one billion. No further details were discussed.

(c) No, Sir.

(d) Does not arise.

[Translation]

Sale of Confiscated Foreign Goods by Customs Department

*793. PROF. CHANDRA BHANU DEVI : Will the Minister of FINANCE be pleased to state :

- (a) whether Customs Department sells the confiscated foreign goods; and

(b) if so, the value of the foreign goods confiscated by customs in Madras and Bombay during the years 1985, 1986 and 1987 and the value of goods sold by them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) The value of foreign goods confiscated by the Customs in Madras and Bombay and the value of goods sold by them during the calendar years 1985, 1986 and 1987 are given below :

Year	(Value : Rs. in crores)			
	Value of goods confiscated Bombay	Value of goods disposed of Madras	Value of goods disposed of Bombay	Value of goods disposed of Madras
1985	45.34	4.19	40.34	2.72
1986	65.90	7.66	48.87	3.29
1987	74.87	5.86	73.00	4.14

[English]

Credit Camp in Cochin

*794. PROF. K.V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether the credit camps are being continued; and

(b) if so, the time by which the proposed credit camp in Cochin is likely to be conducted ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Credit camps are organised by public sector banks as a part of the overall measures undertaken by them to give accelerated credit support to weaker sections.

(b) According to Union Bank of India, which is the lead bank of the area, no date has yet been fixed for holding a credit camp at Cochin.

Flood Relief to West Bengal

7954. SHRI MATILAL HANSDA :
SHRI SYED MASUDAL HOSSAIN :

Will the Minister of FINANCE be pleased to state :

(a) how much amount was recommended by the Second Central Study Team for restoration work in flood affected districts in West Bengal; and

(b) how much amount had since been released by Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Based on the recommendations of the Second Central Study Team which visited West Bengal, a ceiling of Rs. 13.40 crores has been approved by Government of India for 1987-88 flood.

(b) As this Ministry has not received any expenditure statement from the State Government, no amount has been released against this ceiling.

Appointment of Chairmen of STC

7955. SHRI MURLIDHAR MANE : Will the Minister of COMMERCE be pleased to refer to the reply given on 6 November, 1987 to Unstarred Question No. 71 regarding vacant posts of Chairmen STC and MMTC and state :

(a) whether the posts of Chairmen of the Minerals and Metals Trading Corporation and the State Trading Corporation of India have since been filled;

(b) if so, the names of the Chairmen; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). The panel of names for the posts of Chairman of the Minerals and Metals Trading Corporation and the State Trading Corporation has since been received from the Public Enterprises Selection Board. The recommendations of the Board are being processed to make appointments as early as possible.

Irrigated Area

7956. SHRI BHATTAM SRI RAMA-MURTY : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the irrigated area in the country has increased by several million hectares as per the latest figures;

(b) if so, the details thereof;

(c) whether it is a fact that the (i) cultivated area and (ii) the cropped area have not increased commensurately;

(d) what are the details thereof and the reasons therefor;

(e) to what extent there is non-utilisation of the command area under various irrigation projects in the country; and

(f) the time bound programmes taken up in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (d). According to latest land use statistics available (1984-85—Provisional) the gross irrigated area in the country has increased by 31.50 million ha. between 1950-51 and 1984-85, while the corresponding increase in the gross cropped area is about 44.07 million ha.

(e) and (f). The lag in the utilisation of irrigation potential created is reported to be about 6.95 million ha. at the end of the Sixth Plan. The steps being taken in improving utilisation of irrigation potential include provision of on-farm development works such as field channels, drainage, land shaping, introduction of rotational water supply and introduction of improved water management practices with farmers' participation.

Export of Fruit Juice

7957. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether is a big scope for export of fruit juices; and

(b) the salient features of the policy of Government to allow export of fruit juices ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) Export of fruit juices are freely permitted by all category of exporters.

Foreign Exchange Granted to Film Units that Went Abroad

7958. SHRI N. DENNIS : Will the Minister of FINANCE be pleased to state :

(a) the details of foreign exchange granted to these film units that went out of India during the last two years;

(b) the amount of foreign exchange utilised by them; and

(c) the steps taken to restrain the drain of foreign exchange by this entertainment sector ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The information is being collected and the same will be laid on the Table of the House.

Utilisation of Unclaimed Bank Deposits

7959. SHRI C.K. KUPPUSWAMY : Will the Minister of FINANCE be pleased to state :

(a) whether Union Government have formulated any scheme for proper utilisation of amount that were deposited and unclaimed;

(b) the unclaimed amount kept under deposit bank-wise details for the past three years; and

(c) whether it is proposed to utilise the amount for national development schemes by fixing a time limit for the withdrawal of the unclaimed deposit ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reserve Bank of India (RBI) has reported that as per the available information, the total amounts in inoperative/unclaimed deposits, as defined in section 26 of the Banking Regulation Act, 1949, lying with various

banks as on 31.12.1984, 31.12.1985 and 31.12.1986 were of the order of Rs. 41.48 crores, Rs. 49.65 crores and Rs. 61.99 crores respectively.

The unclaimed deposits with the banks are also deposits and represent their liability and have to be paid when claimed by the depositors. Since these unclaimed deposits form part of the bank's overall funds, they are already deployed by the banks for various purposes.

Personal Accident Insurance Social Security Scheme

7960. SHRI CHINTAMANI JENA : Will the Minister of FINANCE be pleased to state :

(a) whether Government have introduced the Personal Accident Insurance Social Security Scheme for poor families under which the family of a person who meets accidental death is provided assistance of Rs. 3000;

(b) whether it is a fact that at the first stage the Scheme was introduced in three districts of Orissa namely, Kalahandi, Koraput and Bolangir on August 15, 1985 and thereafter, it was extended to four more districts namely Mayurbhanj, Dhenkanal, Keonjhar and Ganjam with effect from August 15, 1986;

(c) whether six other districts of the State namely, Cuttack, Balasore, Puri, Sambalpur, Sundargarh and Phulbani, where the incidence of poverty is high, have not yet been covered under the Scheme; and

(d) if so, the action proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Yes, Sir.

(c) and (d). The Scheme can be extended to the remaining districts in Orissa after review of performance of the Scheme in the districts covered so far.

World Bank Assistance for Irrigation Project in Bihar

7961. SHRI SYED SHAHABUDDIN :

Will the Minister of WATER RESOURCES be pleased to state :

(a) the brief particulars of the Irrigation Projects under implementation in Bihar which have received World Bank assistance;

(b) the amount of assistance received from the World Bank, Project-wise so far; and

(c) the brief particulars of the Irrigation Projects in Bihar which have not been referred to the World Bank for its assistance with the amount requested ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). The following irrigation projects are being implemented in Bihar with world Bank assistance :

Sl. No.	Name of the Project	Date of Agreement Credit closing date	Project cost (In Rs. Million)	Amount of external assistance (In US \$ Million)	Utilisation of assistance/ disbursement upto Jan. 1988.
1.	Bihar Tubewells Project	13.1.87 31.5.94	1296.21	68.00	Nil
2.	Subarnarekha Irrigation Project (Bihar and Orissa)	2.11.82 31.3.88	2845.00	127.00	90.795

(c) The following irrigation project proposals have been received from the Government of Bihar for foreign assistance from time to time : (i) Subarnarekha Project Phase II (Repeater); (ii) Sone Canal Modernisation (Phase I); (iii) Bihar Medium consisting of 9 medium irrigation projects; and (iv) Bihar Major Project consisting of Auranga Reservoir Project and Upper Sakri Reservoir Project; These are at various stages of appraisal. The scope, cost and amount of assistance would be known only after the conclusion of negotiations with the world Bank, signing of the agreement and the loan and credit being declared effective.

Construction of Narmada Dam

7962. SHRI AMARSINH RATHAWA : Will the Minister of WATER RESOURCES be pleased to state :

(a) the progress made in construction of Narmada Dam in Gujarat State;

(b) whether it is a fact that the construction work has been slowed down due to some financial problem;

(c) if so, whether it is also a fact that the States of Maharashtra and Madhya Pradesh are not paying their share regularly;

(d) if so, the amount outstanding against these two States; and

(e) the steps being taken to realise the money from them so that the construction work is completed within the time limit ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) Work on dam and initial reaches of main canal has been taken up.

(b) No, Sir.

(c) to (e). The Government of Madhya Pradesh and Maharashtra have paid Rs. 104 crores upto December, 1987 against their share cost of Rs. 170 crores. This is pursued regularly by Sardar Sarovar Construction Advisory Committee.

UNDP Assistance

7963. SHRI T. BALA GOUD : Will the Minister of FINANCE be pleased to state :

(a) whether Government have sought a large share of the additional resources of 400 million dollars of United Nations Development Programme (UNDP); and

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

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The question of allocation of the estimated surplus amount of approximately \$ 400 million to \$ 500 million available with UNDP is to be taken up for consideration at the next Session of the UNDP Governing Council Meeting to be held in June, 1988. Government has impressed upon the UNDP Administration the need for ensuring that India gets an appropriate share of these additional resources.

Modernisation of Darjeeling Tea Gardens

7964. SHRI R. M- BHOYE : Will the Minister of COMMERCE be pleased to state :

- (a) the estimated production of Darjeeling Tea at present;
- (b) whether the Darjeeling tea gardens need modernisation to boost tea production;
- (c) whether Union Government propose to provide technical and financial assistance to modernise the Darjeeling tea gardens; and
- (d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) The estimated production of Darjeeling tea for the last two years is as follows :

(Figures in M. Kg.)

Year	Production
1986	11.54
1987	11.59

(b) to (d). With a view to enhancing tea production in Darjeeling tea gardens, Government has sanctioned a special Scheme in 1983 namely Darjeeling Interest Subsidy Scheme which envisages extension planting of 2000 hectares, replacement planting of 450 hectares and rejuvenation of 3000 hectares besides supply of tea machinery, creation of irrigation facilities, adoption of improved agricultural practices

and extension and modernisation of manufacturing process in the factories. The scheme provides for an interest subsidy by Tea Board @ 5.1% of bank loan to concerned Commercial Banks which has been granted from 1985-86. Besides, tea gardens in Darjeeling are also eligible to avail of assistance from Tea Board's various loan and subsidy scheme in operation.

Sale of Items Manufactured in FTZs.

7965. SHRI H. B. PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have decided that the sale of items produced in the free trade zones (FTZs) upto certain limit in the domestic tariff area will be subject to certain conditions;

(b) if so, the details thereof; and

(c) the facilities extended to manufacturers in free trade zones whose items indigenous content is less than 30 per cent ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) to (c). It has been decided that the units in Free Trade Zones/ Export Processing Zones would be permitted, on a case by case basis, to sell upto 25% of their production in the Domestic Tariff Area to the exclusion of applicable duties. Sale upto 25% of the extra factory value of the production will be permitted in respect of items where the indigenous content in the total cost of material inputs required for manufacture is above the level of 30%. Where the indigenous content is less than 30%, sale will be permitted only upto 15% of the ex-factory value of the production. The facility will be effective from 1.4.1988 and will apply to the production during the period 1.4.1987 to 31.3.1988.

Workers Employed in Powerloom, Handloom and Mill Sectors

7966. SHRI PARASRAM BHARDWAJ : Will the Minister of TEXTILES be pleased to state :

(a) the number of workers employed in powerloom sector, handloom sector and

mill sector during the seventh Five Year Plan period State-wise and Year-wise; and

(b) the estimated number of workers likely to be employed in each of these sectors in each State during the remaining period of the Seventh plan?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a). The number of workers on the rolls of the working mills, state-wise, as on 31.3.1987 and as on 31.3.88 are given in the statement below.

Because of the decentralised nature of the powerloom and the handloom sectors. State-wise figures of employment are not maintained. The estimated employment in the handloom sector is estimated to be as follows :

1985-86	78.76 lakhs
1986-87	82.86 lakhs
1987-88	85.33 lakhs (target)

The employment in the powerloom sector during 1984-85 was estimated to be about 32 lakhs. It has been estimated that the employment has since grown by about 14% in this sector, corresponding to the increase in the production of cloth from 1984-85 to 1986-87.

(b) It is expected that the employment in the mill sector may not increase during the remaining period of the 7th Plan. The target for employment in the handloom sector is 98.13 lakhs for 1989-90. The employment in the powerloom sector is expected to grow in keeping with the revised estimated production during 1989-90.

Statement

State	As on 31.3.87		'As on 31.3.88
	1	2	
Andhra Pradesh	31837		33344
Assam	2740		4148
Bihar	2476		2476
Gujarat	177924		170776
Haryana	10576		10812
Himachal Pradesh	1741		1741
Jammu and Kashmir	1133		1133
Karnataka	43389		44235
Kerala	20743		20443
Madhya Pradesh	59468		59468
Maharashtra	254302		251963
Manipur	584		584
Orissa	39000		39000
Punjab	32052		32052
Rajasthan	42005		40581
Tamil Nadu	166358		160794

1	2	3
Uttar Pradesh	111242	108429
West Bengal	65662	58714
Delhi	17812	17812
Goa	851	851
Pondicherry	6766	11323
Total :	10,88,661	10,65,763

Assistance Sought by Kerala for Major Irrigation Project

7967. SHRI T. BASHEER : Will the Minister of WATER RESOURCES be pleased to state :

(a) the details of major and medium irrigation projects under construction in Kerala;

(b) the amount of central assistance asked for by Kerala Government for major and medium irrigation schemes last year; and

(c) the details of amount sanctioned by Union Government for this purpose last year ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) 10 major and 5 medium projects are under construction.

(b) and (c). Irrigation schemes are planned, funded and implemented by the State Governments and Central assistance is given in the form of block grants and loans. However, as a drought proofing measure, the Centre has approved an additional amount of Rs. 5.50 crores to accelerate completion of certain projects in drought prone areas. 50% of this amount is in the form of drought relief assistance and the balance 50% as net additionality.

Profits of Andhra Bank

7968. SHRI P. PENCHALLAIH : Will the Minister of FINANCE be pleased to state :

(a) The pre-tax profits of Andhra Bank in the current year; and

(b) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). All the commercial banks including Andhra Bank are required to prepare their Balance Sheet and profit and Loss Account in the formats set out in the Third Schedule of the Banking Regulation Act, 1949. The existing formats of Balance sheet and Profit and Loss Account prescribed by the aforesaid statute provide for exhibition of only such profit, after providing for all usual and necessary provisions including payment of tax. Pre-tax profits are therefore not disclosed in the Profit and Loss Account. As per the Balance Sheet and Profit and Loss Account of Andhra Bank for the year 1987, it has earned profit of Rs. 873.25 lakhs during 1987.

Extension of Natural Rubber Subsidy Scheme

7969. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to extend the natural rubber subsidy scheme; and

(b) if so, the details thereof and the objective in view ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Natural Rubber Subsidy Scheme has been introduced to offset higher indigenous prices of natural rubber compared to international prices incurred by exporters of rubber products. The present rate of subsidy is Rs. 6000 MT and this scheme is valid upto 31st

March, 1990. The question of extending this scheme beyond 31st March, 1990 would be examined at appropriate time.

Major Irrigation Projects of Karnataka

7970. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR : Will the Minister of WATER RESOURCES be pleased to state :

(a) how many major irrigation projects undertaken in Karnataka are expected to be completed by the end of the Seventh Plan;

(b) the progress made in the completion of these projects;

(c) the irrigation potentiality of these projects; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (d): The details of major irrigation projects which have been provided with outlays equivalent to their spill-over costs as assessed at the beginning of the Seventh Plan with the intention of completing them during the Plan period are given below :

(Rs. in crores) (in '000 ha.)

Name of Project	Latest Estimated cost	Anticipated Expenditure to end of 1987-88	Ultimate potential
1. Tungabhadra Dam and LBC	90.40	90.79	244.38
2. Tungabhadra RBLC	6.83		37.50
3. Tungabhadra RBHLC (Inter State)	15.83	14.57	80.91
4. Bhadra	66.00	60.09	105.57
5. Harangi (Non Plan)	122.00	102.41	53.54

[Translation]

Claims of Personal Accident Insurance Policies

7971. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the total number of cases of claims of personal accident insurance policy of 1985 pending with the offices of (i) the Regional Manager, National Insurance Co., Fairly Place, Calcutta, (ii) the Regional Manager, United Insurance Company, Himalaya House, 38-B, Chauranghee Road, Calcutta, (iii) Regional Manager, New India Insurance Company, 4, Mango Lane Street, Calcutta and the particulars of the claimants;

(b) the number of cases of claims of personal accident policy of 1985 rejected for payment in the offices in part (a) above and the particulars of the claimants and the reasons therefor; and

(c) whether any case of claim can be rejected on the basis of doubt ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) As on date, no claim of personal accident insurance policy of 1985 is pending with the offices of (i) Regional Manager, National Insurance Co. Ltd., Fairly Place, Calcutta, (ii) Regional Manager, United India Insurance Co. Ltd., Himalaya House, 38-B, Chauranghee Road, Calcutta and (iii) Regional Manager, New India Assurance Co. Ltd., 4, Mango Lane Street, Calcutta.

(b)

Company	No. of claims rejected	Particulars of claimants	Reasons for rejection
'National'	2	1. Dr. J. Mishra of Project and Development India Ltd., Dhanbad 2. Smt. Shanti Devi D/o late Smt. Maheswari Devi of Mukhdampur (Bihar)	Non-receipt of final police report which was vital in this case On investigation, the claim was found to be fraudulent
'United India'	1	-do-	-do-
'New India'	1	Shri Jogendra Prasad Mehta S/o late Smt. Maheswari Devi of Mukhdampur, (Bihar)	-do-

(c) Yes, Sir, if there is strong evidence on the basis of available supporting information.

[English]

Reservation for SC/ST in LIC

7972. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to state :

(a) total number of employees, category-wise, working in the Life Insurance Corporation of India;

(b) the number of those belonging to

SC/ST communities among them;

(c) whether quota reserved for SC/ST persons is complete in all categories of posts, if not, the reasons therefor; and

(d) the specific measures taken or being taken to complete the backlog and fill up the reserved quota in each category of posts ?

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

(As on 31.12.1987)

Category	Total number of employees	of which SC/ST employees
Class I	7118	281
Class II	9348	790
Class III	46048	5613
Class IV	8571	2297

(c) and (d). For fresh recruitment and for promotions to various cadres/posts, the Corporation follows Government instructions in regard to reservation of vacancies for Scheduled Castes/Scheduled Tribes. There is a shortfall in reserved vacancies in Class I, Class II and Class III posts. However, the Corporation is making all efforts including special recruitment exercise exclusively for Scheduled Castes/Scheduled Tribes, to complete the backlog. The success of this process will naturally depend on the availability of suitable and sufficient number of candidates, particularly in the Specialists' disciplines.

Repatriation of Dividends

7973. SHRI HAFIZ MOHD. SIDDIQ: Will the Minister of COMMERCE be pleased to refer to the reply given on 21 August, 1987 to Unstarred Question No. 4064 regarding Indian Investment in foreign countries and state :

- (a) the repatriation of dividends in the last two years;
- (b) what per cent of investment does this dividend constitute;
- (c) the amount due to be repatriated; and
- (d) the reasons for non-repatriation so far ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) As on 31.12.87 the amount of divident repatriated by joint ventures/wholly owned subsidiaries promoted by Tata Group of Companies amount to Rs. 54.30 lacs.

- (b) 6.20%.
- (c) 6.16 lakhs.
- (d) The State Bank of India, Bahrain stipulated subordination of dividend repatriation till the extinguishment of their liability.

Opening of Bank Branches in Himachal Pradesh

7974. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India had stipulated any dates by which the branches of the State Bank of India, State Bank of Patiala, Punjab National Bank sanctioned for various places in Hamirpur, Bilaspur, Una and Kangra districts of Himachal Pradesh were to be opened during this year 1987-88;

(b) if so, the details thereof and whether the banks have complied with the guidelines and opened the branches; and

(c) if not, the reasons for non-compliance and the likely dates by which the remaining branches would be opened ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Under the current Branch Licensing Policy for 1985-90, Reserve Bank of India has advised all commercial banks including State Bank of India, State Bank of Patiala and Punjab National Bank that the branches at the allotted centres should be opened in a phased manner during the remaining period of the Branch Licensing Policy which is operative upto 31 March, 1990. As such, it is not possible at this stage to indicate the likely date of opening branches by these banks at the remaining allotted centres.

Effect of GNLF Sponsored Bandh on Banking Services in Darjeeling

7975. SHRI MULLAPPALLY RAMA-CHANDRAN : Will the Minister of FINANCE be pleased to state :

- (a) the details of the effects of the Gorkha National Liberation Front sponsored Bandh on the banking services in the Darjeeling District;
- (b) whether any banks incurred loss directly due to violent activities during the bandh; and
- (c) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reports received so far from certain public sector banks indicate that some of their branches in Darjeeling District could not function normally because of Bandh Calls given in

the wake of the agitation by the Gorkha National Liberation Front. However, the banks have not reported any direct loss to their branches on account of the agitation.

Narcotics in Jammu and Kashmir

7976. SHRI NARSING SURYA-VANSI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Jammu and Kashmir in recent years, has become the second biggest narcotics producing area in the sub-continent after Pakistan; and

(b) if so, the effective steps taken or proposed to be taken by Union Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). Information available with the Narcotics Control Bureau do not suggest that Jammu and Kashmir have become the biggest narcotics producing area. However, intelligence reports indicate illicit cultivation of cannabis in certain districts of the State. The State Government are aware of the problem and have been taking necessary enforcement measures to eradicate the same.

Loan from West Germany for Solar Plants

7977. SHRIMATI JAYANTI PATAIK : Will the Minister of FINANCE be pleased to state :

(a) whether Government have a proposal to take loan from the Federal Republic of Germany for setting up solar plants in the country;

(b) if so, the amount of loan proposed to be taken from Federal Republic of Germany for the above purpose;

(c) the estimated cost of the solar plants proposed to be set up in the country with the aid of Federal Republic of Germany; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). The Government of the Federal Republic of Germany have been approached to ascertain their willingness for funding fully a 30 MW Solar Thermal Power Plant, which is estimated to cost around Rs. 100 crores. The proposal is still at preliminary stage.

Talks on Administered Pricing

7978. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether the West Bengal Government has mooted any talks with Union Government on administered pricing; and

(b) if so, the outcome thereof and the Centre's reaction thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise.

Opening of Bank Branches in Punjab

7979. SHRI KAMAL CHAUDHRY : Will the Minister of FINANCE be pleased to state :

(a) whether the proportion of bank branches in Punjab has decreased as compared to the other States during the past three years;

(b) if so, the reasons therefor; and

(c) the steps taken to remove discrimination ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The position of bank branches in Punjab for the last three years is indicated below :

As at the end of	No. of branches
31.12.1985	1998
31.12.1986	2308
30.9.1987 (latest available)	2041

It would be seen that the number of bank branches in Punjab has been increasing every year. The average population per bank office (APPBO) for rural and semi-urban areas is about 9000 and for the State as a whole is about 8000 as compared to all India figures of 13000 and 15000 respectively. The State of Punjab is, therefore, one of the better banked States. In addition, under the current Branch Licensing Policy for 1985-90, Reserve Bank of India has allotted 117 centres to banks for opening branches in Punjab. With the opening of branches at these allotted centres the APPBO in Punjab State will further come down.

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

**Submission of Annual Property Returns
Regarding Movable/Immovable Property**

7980. SHRI K.S. RAO : Will the Minister of FINANCE be pleased to state :

(a) whether as required under rule 18 of the Central Civil Services (Conduct) Rules, every Government employee has to submit his annual returns giving full details regarding immovable/movable property inherited or acquired by him in his/her own name or in the name of his/her family members;

(b) if so, whether all the employees of the Central Excise Vigilance Department at Delhi have submitted their Property Statements for the year ending 1987;

(c) if so, whether any irregularity/discrepancy in the property returns for the year 1987 *vis-a-vis* 1986 in the case of any individual/individuals has come to the notice of Government; and

(d) the number and names of persons in whose cases irregularity has been noticed and the action proposed to be taken against them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) Rule 18(1)(ii) of the Central Civil Services (Conduct) Rules, 1964 provides that a Government servant belonging to any service or holding any post included in Group 'A' or Group 'B' shall submit an annual

return in such form as may be prescribed by the Government in this regard giving full particulars regarding the immovable property inherited by him or owned or acquired by him or held by him on lease or mortgaged either in his own name or in the name of any member of his family or in the name of any other person.

(b) to (d). The requisite information is being collected and will be laid on the Table of the House.

T.A. Claim by Members of All India Handloom Board

7981. SHRI RAMSWAROOP RAM : Will the Minister of TEXTILES be pleased to state :

(a) whether a meeting of the All India Handloom Board was held on 30 December, 1987 at Vigyan Bhawan, New Delhi;

(b) whether it is a fact that a complaint has been received by his Ministry about false T.A. claimed by two members of the Board from Bihar for attending the same meeting;

(c) if so, the details thereof; and

(d) the action taken by Government in the matter ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) and (c). A complaint has been received by the Minister of Textiles alleging that two members of the Board from Bihar have submitted false TA claims for attending the meeting of the All India Handlooms and Handicrafts Board. The complaint states that the two members returned from Delhi to Patna after attending the meeting by Magadh Express in AC 2-tier on 3rd December, 1987 on MLA's Coupon, but they have claimed air fare in their TA bills.

(d) The Railway and Airbuses Authorities have been requested to send a report and clarifications have been sought from the two members concerned.

Additional Irrigation Facilities for Karnataka

7982. SHRIMATI BASAVA-RAJESWARI :

SHRI S. B. SIDNAL :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Government of Karnataka has prepared a plan to create an additional irrigation potential of 53964 hectares under the major and 11000 hectares in minor irrigation sector;

(b) if so, whether Government of Karnataka had submitted two memoranda to Union Government seeking financial assistance;

(c) if so, the details thereof;

(d) to what extent the Union Government have agreed to provide the requisite assistance; and

(e) whether the assistance provided by Government will be sufficient to meet the requirements of the Karnataka Government for completing the irrigation project ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (e). According to Draft Annual Plan 1988-89 of Government of Karnataka, the Annual Plan for 1987-78 had fixed a target of creation of additional irrigation potential of 53,960 ha. from major and medium projects and 11,000 ha. from minor irrigation works, and these were anticipated to be achieved. Irrigation projects are funded and implemented by State Governments and Central assistance is given in the form of block grants and loans. No memorandum but a request letter for additional financial assistance had been received.

Opening of Bank Accounts in Karol Bagh Branch of SBI

7983. SHRI VIR SEN : Will the Minister of FINANCE be pleased to state :

(a) the number of Saving/Current Bank Accounts opened on introduction by the members of staff of State Bank of India, Ajmal Khan Road, Karol Bagh, New Delhi during the last three years;

(b) the number of parties/persons in whose names the accounts were opened and the particulars of the members of the staff who introduced them;

(c) whether some of these accounts are in the names of fictitious persons and are operated by those employees themselves who introduced such fictitious persons; and

(d) whether it is also a fact that these accounts are maintained by bank employees to hide their illegal incomes from profits/dividends from various sources ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). State Bank of India (SBI) has reported that 553 Savings Bank and 87 Current Accounts in the names of different parties/persons have been introduced by 106 staff members during the last 3 years in its branch at Ajmal Khan Road, Karol Bagh, New Delhi.

(c) and (d). According to SBI a scrutiny of the accounts does not lend support to the allegation that most of these accounts are fictitious in nature, operated by the employees themselves and were opened to facilitate the concealment of illegal incomes being realised by the concerned members of staff.

Any specific account(s) involving transaction of a questionable nature brought to the notice of the Government could be looked into.

Inventory Manipulation by Companies

7984. SHRI S. M. GURADDI :

SHRI V. KRISHNA RAO :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government are losing about Rupees four thousand crores every year because of inventory manipulation by companies; and

(b) if so, whether any action is proposed to be taken by Government in this regard and the reasons for such a huge loss to Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) and (b). The accounts of the companies where income retuned exceeds Rs. 50,000 are fully scrutinised at the time

of making the assessments and adjustments for undervaluation of stock are made at the time of completion of the assessments. During surveys and searches also, the stock-in-trade is valued to determine the income of the assessee and necessary action is taken against the persons found to be manipulating inventories.

[Translation]

Completion of Indira Gandhi Canal

7985. SHRI SHANTI DHARIWAL : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Union Government have recently received any memorandum from Government of Rajasthan in regard to completing Indira Gandhi Canal expeditiously under a planned programme;

(b) if so, whether Government have considered seriously this memorandum of the State Government;

(c) if so, the details thereof and the action taken thereon; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHJ) : (a) to (d). The Government of Rajasthan prepared a construction programme in February 1988 for the Indira Gandhi Nahar Project for the 3 year period 1987 to 1990. The programme *inter-alia* indicated the proposed outlay of Rs. 125 crores for 1988-89 including an amount of Rs. 21 crores to be released by the Centre as grant under Border Areas Development Programme. This provision of Rs. 21 crores has already been accepted and hence no further action is required to be taken at the Centre.

[English]

Compensatory Allowance for Employees

7986. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the fact that the Eighth Finance Commission could not give more money for Compensatory Allowance for employees serving in the tribal

areas as the Commission did not get the report from the States about the number of employees serving in tribal areas; and

(b) whether any steps have been taken to furnish the total number of employees serving in tribal areas to enable the Ninth Finance Commission to provide the necessary amount of Compensatory Allowance to these employees during the next Five Year Plan ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) The Eighth Finance Commission, while recommending grants for compensatory allowance for transferable Government servants working in tribal areas under "Upgradation of Standards of Administration", have mentioned (in para 12.26 of their report) that they were slightly handicapped in assessing the quantum of outlay required for carrying further the process initiated by the Seventh Finance Commission in recommending grants for this purpose. They, therefore, provided an outlay roughly equal to what the Seventh Finance Commission provided i.e. Rs. 30 crores for 16 States. However, they recommended a grant of only Rs. 24.09 crores for 12 States (viz., Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Kerala, Madhya Pradesh, Manipur, Orissa, Rajasthan, Tripura, Uttar Pradesh and West Bengal). As a result of the Government's decision to implement the recommendations of the Eighth Finance Commission for only four year period 1985-86 to 1988-89, the amount of grant was scaled down to Rs. 19.27 crores for States.

(b) It is for the Ninth Finance Commission to obtain such information as they may need, and for the State Governments to furnish the same, for the purpose of recommending grants-in-aid to the States which are in need of assistance by way of grants-in-aid of the revenues under Article 275 of the Constitution, in accordance with the Terms of Reference of the Commission.

Reduction in British Aid to India

7987. SHRI RADHAKANTA DIGAL :

SHRI SRIBALLAV PANIGRAHI :

Will the Minister of FINANCE be pleased to state :

- (a) whether the British aid to India has been reduced this year;
- (b) if so, the reasons therefor?
- (c) whether the matter has been taken up with the UK Government; and
- (d) if so, the reaction of the UK Government thereafter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). Aid from UK is projected and the level of aid is determined annually by the commitments and drawdown against specific projects. During 1987-88 the drawdown has been less than in the previous year for a variety of reasons e.g. slow expenditure under local costs projects, appreciation of pound Sterling against Rupee, slow generation of new tied projects etc. This was discussed with the UK delegation during the UK/India bilateral aid talks held in March 1988 and it was agreed by both the sides to keep a close watch on trends in disbursement.

[Translation]

Raids Conducted by Income Tax Officers

7988. SHRI RAJ KUMAR RAI :

SHRI T. BASHEER :

Will the Minister of FINANCE be pleased to state :

(a) the names of the places raided by Income Tax Officers and C.B.I. during the period between 1 January, 1988 and 31 March, 1988;

(b) the total amount of cash and goods seized;

(c) the particulars of the persons whose premises have been raided; and

(d) the legal action taken/proposed to be taken against them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) to (c). The income-tax Department conducted 2122 searches during the period 1.1.1988 to 31.3.1988,

During the course of these searches, *prima facie*, unaccounted assets worth Rs. 5656.39 lakhs were seized and during the course of these searches, the persons searched have admitted concealment of income to the tune of Rs. 8553.90 lakhs. It is not practicable to give the names of the places searched or the particulars of each person searched. However, the searches were conducted, *inter alia*, on businessmen and others in different parts of the country. The CBI, in a special driven on 22.3.1988, conducted 71 searches in the cases of 30 officials of Government/Public Sector Undertakings and 8 private persons. These CBI searches led to the discovery of the movable and immovable properties valuing Rs. 140.24 lakhs, besides a large number of incriminating documents.

(d) Appropriate action as per law is taken in these cases.

[English]

Chakravarthy Committee Recommendation on Computing Budget Deficit

7989. DR. D.N. REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether Government had accepted the recommendation made by the Sukumai Chakravarthy Committee, that net borrowings by Government from the Reserve Bank of India should also be included in computing the total deficit in the budget;

(b) the net credit by the Reserve Bank of India to Government and deficit shown in the Budget from 1975-76 to 1987-88, year-wise; and

(c) the actual total deficit if the principal recommendation by the said committee is applied for the above period ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir. The Government has accepted, in principle, the recommendation made by the Chakravarthy Committee that the present concept of the budgetary deficit should be modified to include the entire Reserve Bank credit to the Government. Accordingly, the increase in Net Reserve Bank Credit to Central Government is being shown as a

memorandum item in the budget documents since 1987-88.

(b) and (c). The increase in net Reserve Bank Credit to Central Government and the

budgetary deficit of the centre for the years 1975-76 to 1987-88 are given in the statement below.

Statement

(in Rs. crores)

Year	Budget Deficit of the Centre	Increase in Net Reserve Bank credit to Central Government@
1975-76	399*	(—) 289
1976-77	154*	816
1977-78	842*	(—) 260
1978-79**	954	1,635
1979-80	2,427*	2,650
1980-81	2,576*	3,551
1981-82	1,392*	3,208
1982-83**	1,656	1,624
1983-84**	1,416	3,549
1984-85	3,745	6,050
1985-86**	5,315	4,561
1986-87	8,261***	7,091
1987-88 (RE)	6,080	6,230

@= Based on 31st March data after closure of Government Accounts.

*= Ignores funding of Rs. 100 crores each year in 1975-76, 1976-77, 1977-78 and 1980-81, Rs. 50 crores in 1979-80 and Rs. 3500 crores in 1981-82.

**= Excludes Rs. 555 crores in 1978-79, Rs. 1,743 crores in 1982-83, Rs. 400 crores in 1983-84 and Rs. 1,628 crores in 1985-86 on account of medium term loans given to States to clear their overdrafts with the RBI.

***= Includes Rs. 1200 crores to Food Corporation of India to finance buffer stocks of foodgrains which was earlier financed by bank credit.

[*Translation*]

Legislation Regarding Ceiling on Wealth

7990. SHRI RAM PUJAN PATEL : Will the Minister of FINANCE be pleased to state ;

(a) whether Government propose to enact a legislation regarding ceiling on wealth on the analogy of ceiling on land; and

(b) if so, by what time ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) There is no such proposal under consideration of the Government.

(b) Does not arise.

[*English*]

Decline in Trade with Gulf Countries

7991. SHRI BRAJAMOHAN MOHANTY : Will the Minister of COMMERCE be pleased to state :

(a) whether decline in purchasing power of Gulf countries on account of approciation of value of European and Japanese currency have affected our trade with the Gulf countries; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). During 1987-88, export from India of the Gulf countries show an increasing trend. According to the provisinal data available, exports to this region were Rs. 615.29 crores during April-December, 1987 as compared to Rs. 487.44 crores during April-December, 1986.

Shortage of Yarn in Kerala

7992. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of TEXTILES be pleased to state :

(a) whether the attention of Government has been drawn to the crisis facing the handloom industry in Kerala due to the rising prices and shortage of yarn;

(b) if so, the reasons for the steep rise in yarn price;

(c) whether it is a fact that cotton was exported from India when there was shortage within the country;

(d) if so, the reasons therefor; and

(e) the steps taken by Government to make sufficient yarn available to the handloom industry particularly for Kerala ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) The recent hike in prices of cotton yarn is basically due to rise in prices of raw cotton.

(c) No, Sir.

(d) Does not arise.

(e) In order to make sufficient yarn available to the handloom sector, the Central Government is implementing the following schemes :

(i) Hank yarn obligation scheme.

(ii) Loan assistance to the National Cooperative Development Corporation for setting up of new weavers' cooperative spinning mills and expansion of existing units.

(iii) Setting up NHDC with the primary objective of supplying yarn to the handloom sector at reasonable prices.

Resources to States

7993. SHRI BIMALKANTI GHOSH :
SHRI BHADRESWAR TANTI :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have devised any scheme to integrate flood and drought relief in the general transfer of resources from Centre to States to meet the grave situation arisen recently in the States, due to acute drought conditions;

(b) if so, the salient features thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). Central assistance to States for calamity relief expenditure is based on the recommendations of the Eighth Finance Commission. The Eighth Finance Commission provided for margin money to the tune of Rs. 240.75 crores in the forecasts of State Budgets, 50% of which would be met by the Central Government in the form of grant. Ceilings

of expenditure for calamity relief are determined on the recommendations of the High Level Committee on Relief, generally after the visit of a Central team to the State for assessing relief requirements. The excess of the ceiling over the margin money is treated as advance plan assistance in the case of drought, adjustable within 5 years of the end of the drought up to 5% of a State's Annual Plan outlay. Beyond this level, Central assistance for drought relief is fully met by the Central Government—50% as grant and 50% as loan. In the case of flood, 75% of the excess of the ceiling over the margin money is given to the State as non-Plan grant by the Central Government. Ceilings of assistance for calamity relief are determined after taking into account availability of resources under normal Plan schemes in the sectors concerned as well as normal provisions for maintenance of the assets which have been affected by the calamity.

Meeting of Indo-EEC Joint Commission

7994. SHRI P.M. SAYEED :

SHRI BANWARI LAL PUROHIT :

SHRI SHARAD DIGHE :

Will the Minister of COMMERCE be pleased to state :

(a) the main decisions taken in the joint session of Indo-European Economic Community (EEC) held in New Delhi in the third week of March, 1988;

(b) whether it would help reduce trade imbalance with the EEC; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Some of the main issues discussed at the Indo-EEC Joint Commission meeting held in March, 1988 pertained to India's persistent trade deficit *vis-a-vis* the EEC, for which improvements were sought in EEC's Generalised System of Preferences (GSP) for Indian products and their assistance for trade promotion. The Joint Commission also reviewed the programme for industrial cooperation as well as in science and technology.

(b) and (c). It is expected that measures like standardisation and quality control, technology data bank and integrated product development will help modernise Indian production processes in the selected sectors and promote Indian exports to EEC.

Bank Loans to Poor People in Maharashtra

7996. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) the names of banks operating in Maharashtra;

(b) the total number of branches of such banks in Ahmednagar district of Maharashtra;

(c) whether there is any scheme under which loans are given to poor sections of the society by these banks; and

(d) if so, the loans granted in Maharashtra particularly in Ahmednagar district to the poor people by these branches during 1986-87 and 1987-88 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Names of banks operating in Maharashtra and number of their branches in Ahmednagar District in the State as at the end of September, 1987, are given in the Statement below.

(c) and (d). The major schemes under which loans are provided by banks to weaker section of the society are Integrated Rural Development Programme, Differential Rate of Interest Scheme, Self Employment Programme for Urban Poor, scheme for improving production on the farm of small and marginal farmers and economic activities undertaken by the members of Scheduled Caste and Scheduled Tribe. According to available information, outstanding advances under priority sector in Maharashtra State as on the last Friday of December, 1986 was Rs. 3026.69 crores of which outstanding advances relating to weaker section was Rs. 457.67 crores. As regards weaker section advances in Ahmednagar District Reserve Bank of India has reported that the data reporting system does not generate district-wise information.

Statement			1	2	3
S. No.	Name of Bank	No. of branches in Ahmednagar District			
1	2	3			
1.	State Bank of India	27	30.	Algemene Bank of Nederland N.V.	—
2.	State Bank of Bikaner and Jaipur	—	31.	American Express Bank Ltd.	—
3.	State Bank of Hyderabad	1	32.	Bank of America NT and S.A.	—
4.	State Bank of Indore	—	33.	Bank of Bahrain and Kuwait B.S.C.	—
5.	State Bank of Mysore	—	34.	Bank of Credit and Commerce Ltd.	—
6.	State Bank of Patiala	—	35.	Bank of Oman Ltd.	—
7.	State Bank of Saurashtra	—	36.	Banque Indo Suez	—
8.	State Bank of Travancore	—	37.	Banque National De Paris	—
9.	Allahabad Bank	3	38.	British Bank of Middle East	—
10.	Andhra Bank	1	39.	Citi Bank	—
11.	Bank of Baroda	14	40.	European Asian Bank	—
12.	Bank of India	3	41.	Grindlays Bank PLC	—
13.	Bank of Maharashtra	29	42.	Hongkong and Shanghai Banking Corporation	—
14.	Canara Bank	3	43.	Oman International Bank	—
15.	Central Bank of India	53	44.	Societe Generale	—
16.	Corporation Bank	—	45.	Standard Chartered Bank	—
17.	Dena Bank	4	46.	The Bank of Nova Scotia	—
18.	Indian Bank	1	47.	The Bank of Tokyo Ltd.	—
19.	Indian Overseas Bank	8	48.	The Mitsui Bank Ltd.	—
20.	New Bank of India	1	49.	Akola Gramin Bank	—
21.	Oriental Bank of Commerce	—	50.	Aurangabad Daha Gramin Bank	—
22.	Punjab and Sind Bank	—	51.	Bhandara Gramin Bank	—
23.	Punjab National Bank	2	52.	Buldhana Gramin Bank	—
24.	Syndicate Bank	3	53.	Chandrapur Godch-ireli Gramin Bank	—
25.	UCO Bank	2	54.	Marathawada Gramin Bank	—
26.	Union Bank of India	19	55.	Ratnagiri Sindhudurg Gramin Bank	—
27.	United Bank of India	1	56.	Solapur Gramin Bank	—
28.	Vijaya Bank	1	57.	Thane Gramin Bank	—
29.	Abu Dhabi Commercial Bank	—			

1	2	3
58.	Yavatmal Gramin Bank	—
59.	Bank of Karad Ltd.	1
60.	Bank of Madura Ltd.	—
61.	Bank of Rajasthan Ltd.	—
62.	Bank of Tamilnad Ltd.	—
63.	Bank of Thanjavur Ltd.	—
64.	Benaras State Bank Ltd.	—
65.	Bharat Overseas Bank Ltd.	—
66.	Catholic Syrian Bank Ltd	—
67.	Federal Bank Ltd.	—
68.	Jammu and Kashmir Bank Ltd.	—
69.	Karnataka Bank Ltd.	—
70.	Karur Vysya Bank Ltd.	—
71.	Lakshmi Vilas Bank Ltd.	—
72.	Nedurgadi Bank Ltd.	—
73.	Ratnakar Bank Ltd.	—
74.	Sangli Bank Ltd.	2
75.	South Indian Bank Ltd.	—
76.	Tamilnad Mercantile Bank Ltd.	—
77.	United Industrial Bank Ltd.	—
78.	United Western Bank Ltd.	5
79.	Vysya Bank Ltd.	—
80.	Ganesh Bank of Kuranwad Ltd.	—
Total :		184

Flood Prone Rivers in Orissa

7997. DR. KRUPASINDHU BHOI :
Will the Minister of WATER RESOURCES be pleased to state :

- the names of flood prone rivers in Orissa;
- whether Government have taken steps to control flood into these rivers;

(c) if so, the steps taken in this regard :

(d) the flood control measures proposed to be taken during Seventh Plan; and

(e) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) The main rivers which cause flood and water-logging in Orissa are the Mahananda, Baitarni, Brahmani, Budhabalang, Rushikulya, Subarnarekha and Vamsadhara.

(b) and (c). The State Government had, till the end of the Sixth Plan, completed 997 km. of embankments and 103 km. of drainage channels, protected 13 towns, raised 29 villages at an investment of about Rs. 42 crores. Besides, an amount of Rs. 34.22 crores from Central loan assistance was spent on the flood control component of Rengali Dam.

(d) and (e). A provision of Rs. 17 crores has been approved in the Seventh Plan for the flood management sector of Orissa for construction of 500 km. of embankments and 100 km. of drainage channels. An amount of Rs. 8.23 crores was released during the Seventh Plan as Central loan assistance towards the flood control component of Rengali dam which is nearing completion.

Fish Export

7998. SHRI DAULATSINHJI JADEJA:
Will the Minister of COMMERCE be pleased to state :

(a) whether infrastructural facilities are being provided to the Marine Products Export Development Authority (MPEDA) to store fish for export;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) No, Sir.

(b) and (c). With the significant improvement in availability of shipping opportunities and the resultant lower level of utilisation of storage facilities of MPEDA by the Industry, even the existing frozen storage of the MPEDA at Cochin has become economically unviable.

[Translation]

Banking Facilities in Rural Areas of Rajasthan

7999. SHRI VIRDHI CHANDER JAIN : Will the Minister of FINANCE be pleased to state :

(a) whether all the rural areas in Rajasthan do not come under the jurisdiction of banks;

(b) if so, the reasons therefor;

(c) whether Union Government have taken a decision recently that every village must come under the jurisdiction of any of the banks; and

(d) if so, the details of the future programme in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d). Due to various factors such as remoteness of the areas, inaccessibility, lack of adequate infrastructural facilities, etc. some rural areas in the country, including Rajasthan, are not able to get adequate banking facilities. In order to fill in the gaps in the availability of banking facilities, a spatial norm of making available at least one bank branch within a distance of 10 kms. has been prescribed under the current Branch Licensing Policy. Government have also recently taken a decision that each village should be linked to a particular branch for availment of credit facilities. Reserve Bank of India has for this purpose issued detailed guidelines on 14.3.1988 to commercial banks including regional rural banks for implementing the 'Service Area Approach' under which each rural/semi-urban branch of commercial banks and

regional rural banks will be allotted 15 to 25 villages as its service area. The allottee branch will have the responsibility for meeting the credit requirements for productive purposes, of all the villages in its service area.

[English]

Frauds in Banks

8000. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that large number of cases of frauds in State Bank of Patiala, State Bank of Hyderabad, State Bank of Saurashtra, State Bank of Indore and State Bank of Bikaner and Jaipur, have come to the notice of Government during the last three years and these have been enquired into;

(b) if so, the number of fraud cases in each bank together with the amount involved in each of them, year-wise;

(c) the number of employees found guilty in such cases, bankwise, and the action taken against them; and

(d) the procedure being followed for disposal of such cases by each bank ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India has intimated that the information in respect of number of frauds and the amount involved therein, as reported to it by State Bank of Patiala, State Bank of Hyderabad, State Bank of Saurashtra, State Bank of Indore and State Bank of Bikaner and Jaipur, during the years 1985, 86 and 1987, irrespective of their date of occurrence, is given below:

(Rupees in lakhs)

Name of the Bank	1985		1986		1987	
	No. of frauds	Amount involved	No. of frauds	Amount involved	No. of frauds	Amount involved
1	2	3	4	5	6	7
State Bank of Patiala	34	28.35	15	15.09	19	423.48
State Bank of Hyderabad	15	42.79	26	96.68	25	87.30

1	2	3	4	5	6	7
State Bank of Saurashtra	8	25.34	14	46.06	8	41.63
State Bank of Indore	13	672.60	17	37.35	44	231.98
State Bank of Bikaner and Jaipur	24	95.01	23	250.44	28	72.92

(Data provisional)

(c) Reserve Bank of India has reported that the number of delinquent employees against whom action has been taken for

their involvement in cases of frauds as reported by banks for the year 1985, 1986 and 1987 is as under :

Name of the Bank	No. of employees given major/minor penalty		
	1985	1986	1987
State Bank of Patiala	11	5	6
State Bank of Hyderabad	7	5	17
			(position as on 30.9.87)
State Bank of Saurashtra	1	1	3
State Bank of Indore	7	3	3
State Bank of Bikaner and Jaipur	18	21	12
No. of employees convicted			
State Bank of Patiala	1	—	—
State Bank of Hyderabad	—	—	5
			(position as on 30.9.87)
State Bank of Saurashtra	—	—	—
State Bank of Indore	—	—	—
State Bank of Bikaner and Jaipur	1	—	1

(d) Reserve Bank of India has reported that whenever a fraud is detected by a bank or is brought to its notice, the bank takes up preliminary investigation or hands over the case to the local police or CBI and, based on the enquiry reports received from the CBI/police or internal inquiry, banks award punishment to their staff who are found to be responsible for the frauds or whose lapses or negligence facilitated the commission of frauds.

Will the Minister of FINANCE be pleased to state :

(a) whether an expert study of all the previous Finance Commission was conducted;

(b) if so, the recommendations made by this Study Group and the action taken thereon; and

(c) whether the terms of reference of the Ninth Finance Commission were formulated in view of the findings of this expert study ?

Study on Finance Commission

8001. SHRI K. RAMAMURTHY :

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). No expert study of the previous Finance Commission has been conducted. Following the practice adopted in the past, a group of officers including representatives of Planning Commission and certain State Governments—Tamil Nadu, Himachal Pradesh, Uttar Pradesh, Haryana, Tripura and Gujarat, considered the terms of reference to be given to the Ninth Finance Commission, taking into account the terms of reference of the earlier Finance Commissions. The terms of reference for the Ninth Finance Commission were finalised keeping in view the discussions held by the Group. There was no formal report of the Group.

Nagarjunasagar Dam in A.P.

8002. SHRI MANIK REDDY : Will the Minister of WATER RESOURCES be pleased to state :

(a) the details of facilities extended by Union Government by means of financial or otherwise in the development of the Nagarjunasagar Dam in Andhra Pradesh during the last three years;

(b) whether any proposal regarding the development of the above project is under consideration of Union Government; and

(c) if so, the details thereof and the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) An additional outlay of Rs. 3 crores under drought relief programme has been sanctioned for the year 1987-88.

(b) and (c). There is a proposal for an additional outlay of Rs. 6 crores for the year 1988-89 for increasing foodgrain production in the VIIth Plan.

Group Insurance Scheme for Self-Employed and Workers in Private Sector

8003. SHRI S.G. GHOLAP : Will the Minister of FINANCE be pleased to state :

(a) whether Government have decided to start Group Insurance Scheme for self-employed and workers in private sector; and

(b) if so, the details of this scheme and when it is likely to be started ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). As announced by the Finance Minister in his budget speech, schemes will be introduced by LIC for groups with regular incomes like schools teachers, milk producers, workers in shops and commercial establishments, as well as for groups like artisans, tailors, barbers, masons and carpenters. The details of these schemes for different groups will be formulated by the LIC during the course of the current financial year.

Achievements of UCO Bank

8004. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Reserve Bank of India has given two years action plan to the UCO Bank management to record the progress/improvement in the areas listed in the action plan; and

(b) if so, the details thereof stating the precise achievements made in the various areas listed in the RBI's action plan ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Reserve Bank of India has not prepared an Action Plan in the case of any Bank. However, each bank by itself has drawn up a comprehensive two Year Plan for improving its overall operation. Progress in the implementation of the Plan is monitored at the highest levels in the Bank and by the Reserve Bank of India every quarter. The UCO Bank has shown improvement in its supervision and control training, customer service, deposit mobilisation house keeping and has achieved the prescribed targets for lending to priority sectors. However, although the UCO Bank has intensified its

efforts in the recovery of dues, there is still scope for improvement in these area.

Credit Camp Held in Bangalore

8005. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) total number of beneficiaries in Women's credit camp held in December, 1987 at Bangalore city;

(b) total amount disbursed in the above credit camp; and

(c) amount spent by the nationalised banks on arrangements made for holding the credit camp ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). As per the information available from Syndicate Bank 1,06,183 women beneficiaries were sanctioned loan at a credit camp held in December 1987 at Bengalore. It is further reported that the amount disbursed at this camp was Rs. 29.8 crores and the banks incurred an expenditure of Rs. 6.7 lakhs on the arrangements for the camp.

[Translation]

Fall in Deposits of Nationalised Banks

8006. SHRI RAM DHAN :

SHRI BALWANT SINGH RAMOOWALIA :

Will the Minister of FINANCE be pleased to state :

(a) whether the amount of deposits in nationalised banks during the year 1987-88 has been less than the target fixed for the year;

(b) if so, the detailed information in this regard;

(c) whether it is a fact that one of the reasons for the same was the lower rate of interest of these banks;

(d) if so, the reasons for adopting the policy of the lower rate of interest; and

(e) whether Government have revised its policy in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). As per the information available from Reserve Bank of India the aggregate deposits of Scheduled Commercial Banks increased by Rs. 14850 crores during the financial year 1987-88 as against the working estimate of Rs. 18500 crores. The working estimate is used only as a broad indicator to enable the banks to plan their credit operation. The actual growth of deposits varies from year to year and the broad factors that affect deposit growth are the rate of growth of the economy, the growth of reserve money, the inflation rate and the relative attractiveness of other instruments of savings.

(c) to (e). Bank deposits are one among a number of instruments of saving oriented towards attracting deposits. Each saving instrument carries its own interest rate, maturity, liquidity and other attendant features. The interest rate for bank deposits and advances are prescribed by Reserve Bank of India taking into consideration the need to mobilise deposits, the cost of return on funds and the overall profitability of the banks.

[English]

Marine Products Exports

8007. SHRI RANJIT SINGH GAEKWAD : Will the Minister of COMMERCE be pleased to state :

(a) the target fixed for export of marine products for 1986-87 and 1987-88 and the achievement made in terms of quantity and value;

(b) whether Government has made any survey to examine the possibility to enhance export target from Gujarat coast on full fledged development of minor ports; and

(c) if so, the details of the ports which have capabilities to enhance export of marine products ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The target fixed for export of marine products for 1986-87 and 1987-88 and the achievement made in terms of quantity and value are as follows :

(Quantity : Tonre)
(Value : Rs. crores)

Year		Target	Achivements
1986-87	Qty.	111700	85843
	Value	428	460.67
1987-88	Qty.	117300	74211 (April 1987 to
	Value	470	410.44 Jan., 1988)

(Source : Marine Products Export Development Authority)

(b) No, Sir, coastwise export targets for marine products are not fixed.

(c) Does not arise.

[Translation]

Comprehensive Scheme on Control of Floods

8008. SHRI HARISH RAWAT : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Union Government are preparing a comprehensive scheme of Command Area Management and Micro Catchment Area Management in the hill areas of the country to control the floods;

(b) if so, the time by which the draft of the scheme will be prepared and the estimated amount to be spent on this work; and

(c) if not, the alternative steps being taken by his Ministry to control the floods in the hilly areas and also in North Bihar particularly in Kosi region ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) No, Sir. However, a Centrally sponsored Scheme of integrated watershed management in the 8 catchments of flood prone rivers of Indo-Gangetic basin was started in 1980-81. The scheme, *inter-alia* envisages reduction in peak flow and run-off from catchment by improving *in-situ* rain water infiltration and retention. Out of an area of 7.1 million ha. identified as needing treatment, an area of 1.6 lakh ha. was treated during the Sixth Plan with an expenditure of Rs. 33.50 crores. The scheme is being continued in the Seventh Plan with a provision of Rs. 36.7 crores.

(b) Does not arise.

(c) Storages in upper catchment in Nepal including the High Dam on the Kosi may also help mitigation of flood problem in the hilly areas for which the HMG Nepal has to agree to the proposals made by the Government of India.

[English]

Bachawat Award on Krishna Water Distribution

8009. SHRI D.K. NAIKAR : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Government are aware of the Bachawat Award passed in respect of Krishna water distribution between the States of Maharashtra, Karnataka and Andhra Pradesh;

(b) if so, whether this award would be in operation till 2000 A.D. and whether the terms of the award are binding on all the States till 2000 A.D.; and

(c) if so, the steps being taken to implement or enforce the award between the States ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c). The Final Order of the Tribunal which is binding on the party States has been notified by the Central Government in the Official Gazette in May, 1976.

World Bank Assistance for Petro-chemical Projects

8010. SHRI SHARAD DIGHE : Will the Minister of FINANCE be pleased to state :

(a) whether India is seeking World Bank assistance to meet the foreign exchange requirements for a number of petrochemical projects in the pipeline;

(b) if so, the details thereof;

(c) whether any discussions and evaluation of petrochemical projects have been done by a World Bank team; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE SHRI EDUARDO FALEIRO : (a) to (d) The World Bank is currently assisting the Maharashtra Petrochemicals Project being implemented by IPCL with a loan of \$ 300 million. Preliminary discussions were held recently with a World Bank mission for possible assistance for another Petrochemicals Project.

[Translation]

Exports of Goods to U.S.A.

8011 (H) SHRI KALI PRASAD PANDEY : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are contemplating to enhance export and capital investment in accordance with the increasing demand of Indian products in the United States of America;

(b) if so, the target set for export to USA during the next financial year along with the names of goods likely to be exported with value and the action taken by Government in this regard; and

(c) the details of goods which have been specially exported to USA hitherto and are likely to be exported on large scale in the current year and whether any modernisation project is proposed to be started in Bihar for their manufacture and production ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (c). A series of initiatives have been taken to promote exports which are designed to generate surpluses for exports, induce the production of goods contemporary in technology and

competitive in prices and to make the exports profitable. With particular reference to the USA steps taken to increase exports include market surveys, participation in trade fairs/exhibitions, Departmental Store Promotion, Buyer-Seller Meets and special publicity programmes.

No target has been drawn up for India's exports to USA. However, non-oil exports have gone up from Rs. 1765.83 crores in 1984-85 to Rs. 2357.26 crores in 1986-87. During April December 1987, the exports were Rs. 2023.37 crores as compared to Rs. 1686.91 crores during the corresponding period in the previous year. The trend of increase is likely to be maintained. Besides, traditional items like tea, coffee, cashew and spices etc. new items that India has been endeavouring to promote in the US market, include diamonds, jewellery, electronic products, including computer soft-ware, leather products, including leather goods, engineering products, ready-made garments and carpets.

Government have no information of any modernisation project proposed to be set up in Bihar for the manufacture of items exclusively for the US Market.

Tours by Officials of Central Water Commission

8012. SHRI YOGESHWAR PRASAD YOGESH : Will the Minister WATER RESOURCES be pleased to state :

(a) the number of tours made by the Chairman, Members and Chief Engineers of the Central Water Commission in the country and abroad during 1986-87 and the expenditure incurred thereon;

(c) the orders issued by Government to reduce the number of tours and effect economy in view of the drought situation in the country and the date from which these orders were enforced;

(c) the number of tours made by the Chairman, Members and Chief Engineers of the C.W.C. after the implementation of these orders and the amount spent on each such visits; and

(d) the steps proposed to be taken by Government to reduce such expenditure in the C.W.C. ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) 196 tours, including 25 abroad, at an expenditure of Rs. 6,58,051 were made by the Chairman, Members and Chief Engineer (Hqs), C.W.C. during 1986-87.

(b) Economy orders issued by Government were given effect to by Central Water Commission vide its orders dated 24.11.1987 and 8.12.1987.

(c) 93 tours, including 10 abroad, at an expenditure of Rs. 1,61,974 were made by Chairman, Members and Chief Engineer (Hqs), C.W.C. upto 31.3.1988.

(d) Tours undertaken by Chairman and other officers were absolutely essential and hence could not be curtailed. However, the orders issued by the Ministry of Finance from time to time are in force in the Central Water Commission.

[*English*]

Export to South-East Asian Countries

8013. PROF. P. J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether India's exports to the South-East Asian countries have gone up during past two years;

(b) if so, the names of countries as well as the volume of exports to each of them; and

(c) the future programme of exports to these countries ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) A statement is given below.

(c) The programme includes greater participation of Indian firms in projects abroad, exchange of trade delegations, participation in fairs/exhibitions and regular meetings of Joint Trade Committees etc.

Statement

Country-wise exports to South-East Asian countries during the last two years are given below :

(Value in Rs. Crores)

Name of the country	1985-86	1986-87 (P)
Singapore	141.50	220.81
Malaysia	70.99	104.85
Indonesia	14.85	22.33
Thailand	26.23	65.42
Philippines	4.92	6.87
Brunei	—	—
Laos	—	—
Vietnam	13.71	14.53
Kampuchea	—	—
Burma	0.84	0.73

(P) : Provisional

Source : DGCI and S, Calcutta.

Representation Against New Policy on Rubber and Coconut Oil

8014. SHRI P. A. ANTONY : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received any representation against the new policy on the import of rubber, coconut and coconut oil; and

(b) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) No representation has been received by Government against the new policy on the import of rubber, coconut and coconut oil. However, there has been press reports on this matter.

(b) The import of the items continue to be canalised under the new policy.

Resource Mobilization for Narmada Project

8015. SHRI NARSINH MAKWANA : Will the Minister of WATER RESOURCES be pleased to state :

(a) the expenditure so far incurred on Narmada project;

(b) the time schedule originally stipulated for completion of the project and when it is likely to be completed; and

(c) the arrangements being made to mobilise resources to meet the expenditure?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The likely expenditure on Sardar Sarovar Project on Narmada upto March, 1988 is Rs. 510 crores.

(b) and (c) 17 years. The completion, however, will depend upon the availability of funds under the State Plan resources.

Regional Rural Banks in Gujarat

8016. SHRI CHHITUBHAI GAMIT :
SHRI UTTAMBHAI H. PATEL :

**SHRIMATI PATEL
RAMABEN RAMJIBHAI
MAVANTI :**

Will the Minister of FINANCE be pleased to state :

(a) whether there is a demand to open more regional rural banks in Gujarat and other parts of the country;

(b) if so, the steps taken to open the same;

(c) the total number of regional rural banks as on 31 March, 1988 in Surat, Vadodara and other districts of Gujarat;

(d) the total deposits with each of the above banks as on 31 March, 1988;

(e) the amount of loans given by each of the above banks during 1985 to 1987, year-wise;

(f) the number of regional rural banks opened in Surat and other districts of Gujarat during 1985 to 1987; and

(g) the target fixed to open more regional rural banks during 1 April, 1988 to 31 December, 1989 in each district of Gujarat?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) Pursuant to the recommendation made by the Working Group on Regional Rural Banks, it has been decided that new RRBs should be established only on a very selective basis. The Group had recommended that while selecting districts for establishing new Regional Rural Banks, priority may be given to areas with preponderance of SC/ST population taking into account the existing banking facilities and credit gap both in qualitative and quantitative terms. Due to the above reasons the proposal of Government of Gujarat to establish RRBs in Ahmedabad and Kheda districts of Gujarat was not found feasible.

(c) to (e). The total number of Regional Rural Banks operating in Gujarat with the names of districts covered by them and their loans and deposits as on 30-6-1987, for which information is available, is given in the statement below.

(f) No new Regional Rural Bank was opened in Gujarat during the period from 1985 to 1987.

(g) No target has been fixed for opening new RRBs in Gujarat during 1988-89.

Statement***Regional Rural Banks in Gujarat***

(As on 30.6.87)

S. No.	Name of the RRB	Date of Estt.	District covered	Deposits	Loans Issued (AMT) in Lakhs	
				(as on 30.6.87 Amt. in Lakhs)	Jan.-Dec. 1986	Jan.-June 1987
1.	Jamnagar Gr. Bank	26.12.78	Jamnagar and Rajkot	539.80	139.25	36.76
2.	Kutch Gr. Bank	26.12.78	Kutch	522.91	133.43	71.00
3.	Banaskantha Mehsana Gramin Bank	29.11.81	Banaskantha and Mehsana	670.01	334.72	100.72
4.	Panchmahal Vadodara Gr. Bank	30.3.82	Panchmahal and Vadodara	417.30	216.20	67.57
5.	Surendranagar Bhavnagar Gr. Bank	15.12.83	Surendranagar and Bhavnagar	156.73	37.29	38.76
6.	Valsad-Dangs Gramin Bank	23.2.84	Valsad and Dangs	246.48	126.88	84.04
7.	Surat-Bharuch Gramin Bank	28.2.84	Surat and Broach	332.21	74.49	78.99
8.	Sabarkantha Gandhinagar Gr. Bank	9.8.84	Sabarkantha and Gandhinagar	41.60	38.73	15.90
9.	Junagarh Amreli Gramin Bank	2.11.84	Junagarh and Amreli	99.54	18.30	37.82
total :				3026.58	1119.29	531.56

Export of Leather Goods and Garments

8017. **SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI** : Will the Minister of COMMERCE be pleased to state :

(a) whether export of leather goods and garments have increased during 1987-88.

(b) if so, to what extent in comparison to 1986-87;

(c) the exports made during 1985 to 1987 and the foreign exchange earned therefrom;

(d) the names of countries to which exported; and

(e) the export target of these items during 1988-89 and 1990 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Yes, Sir, Exports of leather goods and garments (excluding leather footwear and components) during the period April-December 1987 are estimated to amount to about Rs. 161 crores, as compared to Rs. 108 crores in the corresponding period in 1986, according to provisional data compiled by Council for Leather Exports.

(c) Exports of leather garments and other similar goods during the period 1984-85 to 1986-87 were as under :

(FOB Value in Rs. crores)

1984-85	1985-86	1986-87
67	102	156

Source : Council for Leather Exports

(d) Main markets to which leather goods and leather garments are exported include Federal Republic of Germany, United Kingdom, France, and United States of America.

(e) Council for Leather Exports has proposed a tentative export target of Rs. 310 crores for leather goods and leather garments during 1988-89. Exports during 1989-90 are expected to reach a still higher level.

Trade with China

8018. SHRIMATI N. P. JHANIS LAKSHMI : Will the Minister of COMMERCE be pleased to state :

- (a) the salient features of the trade policy with China;
- (b) the details of exports and imports stating the quantities and value thereof, year-wise for last three years;
- (c) whether it is proposed to enhance trade with China; and
- (d) if so, the details thereof ?

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

(c) and (d). Yes, Sir, through bilateral trade talks, exchange of trade delegations, participation in Trade Fairs etc.

Statement

The signing of an MFN Trade Agreement with China on 15th August 1984 was a land mark in the history of Indo-China bilateral trade relations. In order to boost diversify and balance trade, the two countries have so far signed two

Trade Protocols, the first signed on 23rd November, 1985 which provided for exchange of goods worth US \$100-160 million during 1986. The second protocol signed on 27th May, 1987 envisages a higher level of bilateral trade at US \$ 150-200 million and covers a period 1st January, 1987 to 31st March, 1988. Items of export interest to both the countries are identified and listed in the trade protocol. Trade in items not covered in the protocol is however, not precluded.

Bilateral trade with China during the last three years was as under :

(Value in Rs. lakhs)

Year	Exports	Imports
1985-86	2920	14196
1986-87	1433	17334
1987-88	1315	10177

(April to December)

Figures are provisional.

Source : DGCI and S, Calcutta.

Pogla-Banslo River Basin Scheme

8019. SHRI ZAINAL ABEDIN : Will the Minister of WATER RESOURCES be pleased to state :

- (a) whether the executions of a scheme comprising construction of two regulators and drainage etc. to restore inundated area at the Pogla-Banslo river basin has remained postponed for a prolonged period;
- (b) if so, the reasons therefor;
- (c) the progress so far achieved towards the execution of the scheme;
- (d) when the execution of the scheme is likely to be resumed;
- (e) when it is likely to be completed;
- (f) the original estimated cost of the scheme; and
- (g) the amount which has to be incurred in addition to the original estimate for such inordinate delay in execution ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (g). The original estimated cost was Rs. 4.12 crores. Civil works have been completed. The revised cost is about Rs. 6 crores. The remaining works of installation of gates are likely to be completed by March, 1989.

[*Translation*]

Bank Computerisation

8020. SHRI MADAN PANDEY : Will the Minister of FINANCE be pleased to state :

- (a) whether computerisation in various banks in the country is being accelerated;
- (b) whether difficulty is being faced in carrying out the work through computers due to shortage of power;
- (c) whether difficulties are experienced when the work of clearing house of Reserve Bank of India comes to a halt due to power failure;
- (d) whether steps have been taken to deal with this problem; and
- (e) if so, the details therof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The programme for mechanisation/computerisation in banks had been drawn up on the basis of the recommendations of Rangarajan Committee constituted by Reserve Bank of India in 1983. The Committee had recommended installation of Advanced Ledger Posting Machines (ALPMs) at the Branch level, mini computer systems at Zonal/Regional Offices and main frame computers at the Head Offices of the commercial banks in a phased manner. The progress of implementation of the programme of mechanisation/computerisation in banks is closely monitored by Reserve Bank of India on a continual basis

(b) to (d). To prevent unscheduled interruption of work on account of irregular/inadequate power supply, the banks are installing uninterrupted Power Supply

Systems wherever necessary. Wherever Reserve Bank of India has computerised the clearing house settlement operations, arrangements have been made for back-up power supply to take care of eventualities of power failure.

[*English*]

Rubber Import

8021. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

- (a) the quantum of rubber imported during 1987-88; and
- (b) the quantum of rubber proposed to be imported during 1988-89 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) A quantity of approximately 40,291 tonnes of natural rubber has been imported by STC.

(b) The approximate gap between demand and supply of natural rubber for the year 1988-89 which would need to be bridged by imports is tentatively placed between 40 to 50 (thousand) tonnes.

Interest on the Loan under Jute Modernisation Fund Scheme

8022. SHRI TARIQ ANWAR : Will the Minister of TEXTILES be pleased to state :

- (a) whether it is a fact that Union Government are considering to reduce the interest on the loan given to Jute Mills under Jute Modernisation Fund Scheme;
- (b) if so, what will be the new rate of interest;
- (c) the amount disbursed under the said scheme till 31 January, 1987; and
- (d) the names of the Jute Mills which have received the loans so far ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) Does not arise.

(c) and (d) Till January, 1988 the financial institutions have sanctioned aggregate assistance of Rs. 21.69 crores to six jute mills viz.

1. Anglo India Jute Mill Co. Ltd.
2. Hastings Mills.
- 3 Kanoria Jute and Industries Ltd.
4. Kelvin Jute Co. Ltd.
5. Birla Jute and Industries Ltd.
6. Naihati Jute Mills Ltd.

Disbursement has commenced in the case of Anglo India Jute Mills Co. Ltd and Hasting Mills to the extent of Rs. 1.10 crore.

[Translation]

Upliftment of Persons below Poverty Line

8023. SHRI K. D. SULTANPURI :

Will the Minister of FINANCE be pleased to state :

(a) the target fixed by the banks in the country during 1987-88 for upliftment of the persons living below the poverty line; and

(b) the, State-wise, achievements in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Hon'ble Member is presumably referring to Integrated Rural Development Programme (IRDP) which has been designed for the upliftment of persons living below the poverty line. The State-wise/Union Territory-wise, details of physical targets and achievements and term credit disbursed under IRDP during the year 1987-88 (upto January 1988) are given in the statement below.

Statement

Sl. No.	Name of the States/UTs	Annual Target of families to be assisted in 1987-88	Total families assisted upto January, 1988	Terms credit disbursed
1	2	3	4	5
1.	Andhra Pradesh	273909	204795	6665.18
2.	Arunachal Pradesh	18860	3847	8.14
3.	Assam	81256	41120	1333.03*
4.	Bihar	536427	446570	11820.07
5.	Goa	5210	4000	147.53
6.	Gujarat	147421	115219	2386.29
7.	Haryana	49438	33463	1034.86
8.	Himachal Pradesh	27930	26162	622.32
9.	Jammu and Kashmir	37745	17002	602.66@
10.	Karnataka	161239	90747	2863.00
11.	Kerala	115419	81138	2524.21

1	2	3	4	5
12.	Madhya Pradesh	384078	286580	7765.67
13.	Maharashtra	276970	187733	5985.40
14.	Manipur	7741	4750	17.43
15.	Meghalaya	9718	1232	14.01*
16.	Mizoram	7368	2783	—
17.	Nagaland	10720	3724	82.47
18.	Orissa	208680	153025	2347.35
19.	Punjab	55158	55172	1665.07
20.	Rajasthan	198162	145614	2758.56
21.	Sikkim	2017	1526	44.99
22.	Tamil Nadu	269380	201356	5869.74
23.	Tripura	10662	14624	517.96
24.	Uttar Pradesh	766063	590084	15815.75
25.	West Bengal	239674	184623	5260.45
26.	A & N Islands	1640	1448	29.71@
27.	Chandigarh	60	12	0.05£
28.	D & N Haveli	445	366	12.53
29.	Delhi	3038	1920	73.34
30.	Daman and Diu	1042	405	16.04
31.	Lakshadweep	900	265	10.97
32.	Pondicherry	2280	1107	33.60
All India		3910650	2902412	78328.38

*Information till December, 1987

@Information till November, 1987

£ Information till October, 1987

[English]

Impact on Trade due to Fluctuations
in U.S. Dollar

8024. SHRI VIJAY N. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether Union Government have noted wide fluctuations in U.S. dollar during the last five months; and

(b) if so, its impact on exchange value and trade on India ?

THE MINISTER OF STATE IN THE
DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) The exchange value of the Rupee is fixed with reference to the exchange rate movements of a weighted basket of currencies mainly of countries which are India's major trading partners. In a regime of floating exchange rates, it is not possible to make any definite assessment of the impact of the movements of any one currency on the exchange value of the Rupee and on the country's trade.

Self Employment to Educated Unemployed Youth

8025. SHRI KAMLA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of educated unemployed persons provided financial help during 1987;

(b) the number of persons who misutilised the loans and how many used the loan for unproductive purposes; and

(c) the details of steps taken to tone up the scheme for providing self employment to educated unemployed youth ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Self Employment Scheme for Educated Unemployed Youth (SEEUY) is being implemented on financial year basis. Reserve Bank of India (RBI) have reported that during 1986-87 loan had been sanctioned to 2.10 lakhs beneficiaries under the scheme which is proposed to be continued till the end of the Seventh Five Year Plan.

(b) Reserve Bank of India have reported that the data reporting system under SEEUY Scheme does not generate information in the manner asked for. However, a study conducted in one selected district in each State/Union Territory in respect of SEEUY loans has revealed that 76% of the beneficiaries assisted in the year 1983-84 had set up their own ventures.

(c) Under SEEUY Scheme, the District Industries Centre Task Force constituted for the purpose selects the beneficiaries. The bank's branches are required to appraise

the applications and examine the viability of the proposed activity before sanctioning loans. The bank's are also required to supervise and monitor the end-use of funds advanced by them. In the case of misutilisation of funds, the bank may recall the entire amount of loan.

Irregularities in Appointments in Union Bank of India

8026. SHRI THAMPAN THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India had recently enquired into large-scale irregularities in the appointments to the Union Bank of India; and

(b) if so, the outcome of the enquiry and the action taken thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Reserve Bank of India has been asked to look into some allegations relating to appointments of officers in Union Bank of India in 1978 and their report is awaited.

Steps to Curb Government Expenditure

8027. DR. V. VENKATESH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken any steps to curb Government expenditure as a way of boosting public savings and generating resources of investment;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Government are taking all possible steps to reduce expenditure and improve revenues. Measures taken on expenditure side include the requirement that all expenditures should be reviewed adopting the zero base budgeting approach, instructions to control expenditure by observing economy in various items of

expenditure like travel, fuel consumption, office expenses, etc. On revenue side tax collection has been intensified and steps have been initiated to improve the returns from Public enterprises.

(c) Does not arise.

Computerisation of Banks

8028. SHRI HARIHAR SOREN : Will the Minister of FINANCE be pleased to state :

- (a) whether all the nationalised banks in the country have introduced computer;
- (b) if not, the banks which have been computerised so far;
- (c) the names of banks which are yet to be computerised; and
- (d) the steps taken to expedite introduction of computer system in all the banks ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). Reserve bank of India (RBI) has drawn up a programme of computerisation and mechanisation of the banking system in a phased manner. The programme envisages installation of Advanced Ledge Posting Machines (ALPMs) at branches, mini-computers at the Regional/Zonal Offices and main frame computers at Head offices of the banks. According to the information furnished by Reserve Bank of India, as at the end of March, 1988, 3388 ALPMs and 135 mini computers have been installed in the branches and Regional/Zonal Offices covering all the 28 public sector banks. Reserve Bank of India has also initiated steps for bench marking of main frame computers to be installed at Head offices of banks. In the meanwhile, the banks have been advised to initiate steps for site preparation, training of personnel, development of software, etc.

FERA Violation

8029. CH. RAM PRAKASH :

SHRI T. BALA GOUD :

Will the Minister of FINANCE be pleased to state :

(a) the amount of foreign exchange repatriated to India under the Foreign Exchange Regulation Act (FERA) during 1986-87 and 1987-88;

(b) the number of cases detected and amounts involved during the above periods wherein FERA regulations have been violated; and

(c) the action Government propose to take to recover the above amounts ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The details of non-export receipt of foreign exchange, Number of Show Cause Notices issued and amount involved thereto during 1986-87 and 1987-88 are given below :

	1986-87	1987-88
Non-export receipt of Foreign	Rs. 8513.81 Crores (Prov.)	Rs. 7775.57 Crores (Prov.) (upto Jan. 88)
No. of Show Cause Notices issued.	6.278	8,509
Amount involved in the Show Cause Notices.	Rs. 40.87 Crores	Rs. 203.48 Crores

(c) Provisions of FERA provides for adjudication proceedings as well as prosecution for violation of the Act. On completion of investigations, action, as warranted under law, is taken.

Coconut Oil Export

8030. SHRI K. MOHANDAS : Will the Minister of COMMERCE be pleased to state :

(a) whether any effort has been made to export coconut oil; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). As per provisions contained in the Import and Export Policy April, 1988-March, 1991, export of coconut oil is not allowed.

Problems of Silk Weavers

8031. SHRI BANWARI LAL PUROHIT : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that a committee comprising of weavers, representatives and Government officials has been constituted to suggest ways and means to solve the problems of weavers due to increase in the price of silk yarn;

(b) if so, whether Committee has submitted its report;

(c) the details of the recommendations made by the Committee; and

(d) the action Government propose to take thereon ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) to (d). Do not arise.

Irrigation Facilities in Kerala

8032. SHRI V.S. VIJAYARAGHAVAN :

SHRI K. KUNJAMBU :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether any fund has been granted by Union Government to Kerala for augmenting the irrigation facilities during 1988-89;

(b) if so, the details thereof and the details of new projects and ongoing project being taken up during 1988-89;

(c) whether any target of irrigation potential has been fixed during the current year; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). Irrigation projects are planned, funded and implemented by the State Governments and Central assistance is given in the form of block grants and loans. Work on the projects already taken up is expected to be continued during 1988-89. The approved outlay for major, medium and

minor projects for 1988-89 is Rs. 69 crores.

(c) and (d). The target for creation of additional irrigation potential for 1988-89 has not been fixed.

Flood Assistance to West Bengal

8033. SHRI GADADHAR SAHA : Will the Minister of FINANCE be pleased to state :

(a) the amount recommended by the first Central Study Team for restoration work in flood affected districts of West Bengal; and

(b) the amount actually released by Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Based on the report of the First Central Study Team, a ceiling of expenditure of Rs. 67.72 crores has been approved for the State of West Bengal for 1987-88 flood.

(b) Based on expenditure statement of the State Government, the Centre's share of margin money amounting to Rs. 11.875 crores and non-Plan grant of Rs. 24.95 crores have been released to the State Government.

Appointment of Members in Handloom, Textile and Khadi Boards

8034. SHRI C.K. KUPPUSWAMY : Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government have a proposal to appoint members of Handloom Board, Textile and Khadi Board amongst the persons engaged in the concerned industries;

(b) if so, the details thereof;

(c) the total expenditure incurred on the above boards, State-wise details; and

(d) the profit earned by each Board during the last three years, years-wise details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b).

The All India Handlooms and Handicrafts Board has some members drawn from persons engaged in Handlooms and Handicrafts. Members nominated to the All India Khadi and Village Industries Board are drawn from persons having experience in the development of Khadi and Village Industries. However, there is no immediate proposal to appoint new members on them from persons engaged in the concerned industries. There is no separate Textile Board.

(c) As both All India Handlooms and Handicrafts Board and All India Khadi and Village Industries Board are national level bodies, no state-wise expenditure is incurred on them.

(d) The All India Handlooms and Handicrafts Board is an Advisory Board to advise the Government in the formulation of the overall development programmes in the Handlooms and Handicrafts sectors, and so, the question of it earning profits does not arise. The Khadi and Village Industries Boards are development organisations to create employment opportunities in rural areas and are run on a no profit and no loss basis.

Badla Financing

8035. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether an innovative proposal to involve Financial Institutions and nationalised banks as active participants in badla (carryforward charges) financing has been put forward by a group of stockbrokers in Calcutta envisaging complete streamlining in the badla mechanism by fixing "realistic rates" and eliminating the "badlawallahas";

(b) if so, Government reaction to the entry of Financial Institutions as badla financiers; and

(c) how far it would go in granting official recognition to the badla mechanism ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) This Ministry has not received any such proposal.

(b) and (c). In view of answer to (a) above, question do not arise.

Growth of Deposits of Nationalised Banks

8036. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether there has recently been a steep fall in the growth of deposits of the public sector banks;

(b) if so, the reasons therefor; and

(c) the steps being taken to attract bank deposits *vis-a-vis* other instruments as an avenue for holding one's savings ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The Reserve Bank of India has reported that lower growth of aggregated deposits in 1987-88 is mainly attributable to the large increase (around Rs. 1900 crores) in buy back arrangements in Government securities entered into by banks with non-bank clients. as also the unprecedented drought which has also caused a sharp decline in the rate of growth of real income thereby effecting people's capacity to save. As part of its credit policy announced for the first half of 1988-89 the Reserve bank of India has prohibited banks with effect from 4.4.1988 from entering into fresh buy-back arrangements in Government and other securities with non-bank clients. Banks have been asked to terminate such existing arrangements on the date they expire or on 1.7.88 whichever is earlier. The bank deposits are among a number of instruments of saving oriented for attracting deposits from various target groups. Each instrument carries its own interest rate, maturity, liquidity and other attendant features. The deposit growth of All Scheduled Commercial Banks has been reasonably satisfactory despite higher incentives being offered on deposits by private companies and public undertakings.

Depository Trust

8037. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal under consideration of Union Government to set up a Corporation similar to the Depository Trust Company (DTC) of the United states, for each of the Indian Stock Exchange which apart from functioning as a stock

bank would cater directly to individual investors; and

(b) if so, its broad features ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise in view of reply to (a) above.

Private Corporate Sector Investment

8038. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether despite various incentives given by Government, private corporate sector investment has lagged far below expectations during the first two years of the Seventh Five Year Plan as borne out by a study of the gross capital formations by non-financial private corporate sector at 1984-85 prices carried out by a group set up by the Industrial Development Bank of India;

(b) if so, the reasons for failure of these incentives to boost private sector investment; and

(c) the details of further measures Government propose to take in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). On the basis of trends in the first two years, it is not possible to conclude that gross capital formation in the private corporate sector will be far below the targets set for

the Seventh Plan Period. Nevertheless, Government has been taking necessary steps to strengthen the capital market so that adequate resources become available to the private corporate sector to fulfil the tasks assigned to it in the Seventh Plan. Licensing and other relevant policies have also been suitably rationalised to create a favourable investment climate.

Pending Irrigation Projects

8039. SHRI CHINTAMANI JENA : Will the Minister of WATER RESOURCES be pleased to state :

(a) the names of the irrigation projects under consideration of Union Government for clearance, State-wise;

(b) since when these projects are pending; and

(c) the steps being taken to clear them ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) 120 major/multipurpose projects and 107 medium projects received from State Governments for obtaining approval of Planning Commission are under examination, including correspondence with State Governments for clarifications on the projects. A statement indicating the State-wise break up is given below.

(b) and (c). These projects have been received from time to time. The State Governments are periodically reminded/ requested to comply with the outstanding comments/requirements of the Central appraising agencies to facilitate clearance.

Statement

Name of the State	Major and Multipurpose Projects	Medium Projects
1	2	3
Andhra Pradesh	8	7
Bihar	13	13
Gujarat	8	2
Haryana	5	2

1	2	3
Himachal Pradesh	1	1
Jammu and Kashmir	1	7
Karnataka	4	0
Kerala	2	0
Madhya Pradesh	8	6
Maharashtra	22	44
Manipur	0	2
Meghalaya	0	1
Orissa	5	13
Punjab	7	0
Rajasthan	11	6
Tamil Nadu	5	3
Uttar Pradesh	12	0
West Bengal	6	0
Arunachal Pradesh	2	0
Total :	120	107

Assistance Sought by Gujarat for Irrigation Project

**8040. SHRI AMARSINH RATHAWA :
SHRI MOHANBHAI PATEL :**

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the progress of construction of various irrigation projects in Gujarat is very slow due to lack of funds;

(b) if so, the details thereof including Saurashtra region and the amount allocated to Gujarat for irrigation purposes for the year 1988-89;.

(c) whether Government of Gujarat has requested to Union Government to increase the financial assistance;

(d) if so, the details thereof and the reaction of Government thereon; and

(e) the steps being taken to complete the irrigation projects in Gujarat within the time limit ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). The anticipated expenditure on major and medium irrigation sectors in the first three years is 40% of the approved outlay for the Seventh Plan for Gujarat. The approved outlay for 1988-89 is Rs. 304.70 crores.

(c) and (d). Irrigation projects are funded and implemented by the State Governments and Central assistance is given in the form of block grants and loans. The Plan outlays for different sectors are finalis-

ed after discussions between the Planning Commission and the State Governments.

(e) The steps include prioritisation of projects for completing those which are in an advanced stage by augmenting resources, arranging scarce construction material and external assistance, wherever feasible, by the Centre.

Closed Textile Mills

8041. SHRI MOHANBHAI PATEL : Will the Minister of TEXTILES be pleased to state :

(a) the number of textile mills closed in the country during the last three years, State-wise;

(b) the number of textile mills taken over by the N.T.C. during the said period;

(c) whether any survey has been conducted to know the causes of closing down such a large number of textile mills;

(d) if so, the details thereof;

(e) whether it is a fact that due to the closing of such a large number of textile mills the production of cloth has been affected which led to increase in the prices of cloth; and

(f) whether Union Government have any proposal to renovate these mills or

establish new textile mills on modern pattern in the country; if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) A statement is given below.

(b) No textile mill was taken over by N.T.C. in the last three years.

(c) and (d). A Nodal Agency was constituted by Government to examine sick/closed textile mills in order to ascertain whether they are potentially viable or not. The Nodal Agency evolves and manages rehabilitation packages in respect of mills found by it to be viable. It has examined 107 mills in 14 States. 51 of these were found to be viable, 47 non-viable and the cases of 9 mills were to be reviewed.

(e) Though there has been a declining trend in the production of cloth in the mill sector it is not correct to say that reduced production is due only to closure of mills and that it has led to increase in prices of cloth. Prices of cloth depend on various factors like prices of raw materials, other inputs, wages, etc.

(f) A Textile Modernisation Fund has been set up with a corpus of Rs. 750.00 crores to meet the modernisation needs of both healthy and weak but viable units. Setting up of new textile mills is guided by the existing industrial policy.

Statement

	1986	1987	1988
1	2	3	3
Andhra Pradesh	2	1	4
Bihar	1	1	1
Gujarat	20	23	322
Haryana	2	2	2
Karnataka	2	4	7
Kerala	2	3	2
Madhya Pradesh	—	—	4

1	2	3	4
Maharashtra	10	8	12
Orissa	1	—	—
Rajasthan	5	5	6
Tamil Nadu	20	20	37
Uttar Pradesh	3	4	8
West Bengal	4	3	10
Pondicherry	1	—	—
	73	74	125

**Shifting of Central Excise Collectorate,
Bolpur**

8042. KUMARI MAMATA BANERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Central Excise Collectorate, Bolpur is being shifted to Durgapur; and

(b) if so, the reasons thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). Government is considering temporarily shifting the Headquarters of the Central Excise Collectorate, Bolpur to Durgapur to enable construction of office and residential quarters for the staff at Bolpur. Once the construction work is completed, the office will be shifted back to Bolpur.

Proposal to Abolish Import Duty on Life Saving Medical Equipments

8043. SHRI R. M. BHOYE : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to abolish import duty on life saving medical requirement such as endoscope to provide medical facilities at reasonable cost; and

(b) if so, the details regarding the Procedure adopted in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) : and (b). Specified life saving medical equipments have been totally exempted from import duty in terms of notification No. 208-Customs dated the 22nd September, 1981. In the case of any other life saving medical equipment not covered by the list of equipments exempted specifically, duty exemption is available in terms of the notification if empowered officials in the Directorate General of Health Services certify in each individual case that it is a life saving equipment and the certificate is produced to the customs authorities at the point of import.

Fake and Counterfeit Currency Notes

8045. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) whether Government have any information with regard to the existence of fake and counterfeit currency notes presently in circulation in the country;

(b) if so, what are the details thereof;

(c) what steps Government have taken or propose to take to curb their circulation;

(d) whether any raids for detecting the fake and counterfeit currency notes have been conducted during the last one year; and

(e) if so, the details thereof and the action taken thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Central Bureau of Investigation has reported the seizure of 42255 and 32832 pieces of fake notes during the years 1986 and 1987, respectively.

(c) In order to prevent counterfeiting, the Indian Currency and Bank notes are printed on special mould paper with special security inks and incorporate the following security features :

1. Water-mark of Ashoka Pillar design;
2. Multi-colour offset printing;
3. Security thread in the case of notes of Rs. 5 denomination and above;
4. Intaglio printing on higher denomination notes of Rs. 20 and above; and
5. In addition to the above, Rs. 500 note has a latent image and a portrait.

Besides, the Central Bureau of Investigation also consolidates and circulates to all State Governments and Union Territories information relating to counterfeit currencies to facilitate detection of forged currency notes.

(d) and (e). Counterfeiting of Indian currency/bank notes is an offence under Section 489E of Indian Penal Code. It has been reported by the Central Bureau of Investigation that during a search conducted by them in Bangalore on 14.1.88, 79 fake currency notes of Rs. 20 denomination were recovered and that a case has also been registered in this connection. The State Police authorities also conduct raids and take immediate action to arrest the culprits and confiscate the materials used by them whenever any counterfeiting case is detected. Such persons are also punished according to law.

ITDP Major and Medium Irrigation Projects of Orissa

8046. SHRI LAKSHMAN MALLICK : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether it is a fact that few major and medium irrigation projects are under erection by the Integrated Tribal Development Project (ITDP) of various States :

(b) if so, the names and other details of such projects that are under implementation by the I.T.D.P. of Orissa;

(c) the amount allocated for those major and medium irrigation projects; and

(d) the expected time of the completion of those projects ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHIL) : (a) Several major and medium irrigation projects are under implementation by Integrated Tribal Development Project (I.T.D.P.) in eleven States.

(b) to (d). Six major and seventeen medium irrigation projects are under implementation by the I.T.D.P. in Orissa for creating an irrigation potential of about 6.88 lakh ha. These are Upper Kolab, Upper Indravati, Subarnarekha, Potteru, Kanupur, Ib, Sarafgarh, Talasara, Remala, Pilasalki, Bondapipilli, Sunei, Kanjhari, Barsuan, Harbhangi, Badanala, Rukura, Deo, Kushi, Upper Samakoi, Bhaskal, Kansabahal and Bankabal. The amount allocated for these projects is approximately Rs. 308 crores during the Seventh Plan. Ten medium projects are proposed to be completed during the Seventh Plan period and the balance in the Eighth Plan period.

Reward to Customs Officials for Seizing Contraband Goods

8047. SHRI JAGANNATH PATNAIK: Will the Minister of FINANCE be pleased to state :

(a) whether rewards are given to the Customs Officials who seize contraband goods or money;

(b) whether similar rewards are also given to the Income Tax Officials who conduct raids and detect un-accounted money, gold and incriminating documents; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE

MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Ycs, Sir.

(b) Yes Sir.

(c) Under the existing Reward Scheme, rewards are paid to Customs Officials up to a maximum of 20% of the estimated market value of the contraband goods seized/duty evasion detected/realised under the Customs Act, Central Excise and Salt Act, Gold Control Act and FERA.

Rewards to Income Tax Officials for search and seizure work are sanctioned in cases where assets worth at least Rs. 10 lakhs (Rs. 25 lakhs in Metropolitan towns) are seized. Rewards are also given for quality scrutiny assessments. The quantum of rewards payable to Government Servants is subject to a cumulative maximum of 10% of additional income brought to tax in cases where there are no information and 5% in cases where reward is payable to informers.

Import of Cotton

8048. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have taken decision to allow import of cotton against fabrics export by extending advance licencing policy;

(b) if so, the number of licences granted to different textile mills against registration of their contracts for fabrics export; and

(c) the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) and (c). The information is being collected from the licensing authorities and will be laid on the Table of the House.

Sickness in Silk and Woollen Mills

8049. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR :

SHRI G.S. BASAVARAJU :

Will the Minister of TEXTILES be pleased to state :

(a) whether the sickness in the cotton textile industry has spread to the woollen and silk units in some parts of the country;

(b) if so, the details thereof; and

(c) whether Government are planning to remove the sickness of the silk and woollen industry in the country, particularly such mills in Karnataka and Maharashtra ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). As per the information available 27 woollen textile mills were lying closed as on 31.1.88. No mill using natural silk is reported to be closed.

(c) Government had constituted a Nodal Agency to examine sick textile mills to ascertain whether they are potentially viable or not. The Nodal Agency evolves and manages rehabilitation packages for mills found by it to be viable and a Board for Industrial and Financial Reconstruction has been set up to consider the cases of sick textile companies. A Textile Modernisation Fund has also been created to meet the modernisation needs of textile mills.

[Translation]

Issue of Fraudulent Personal Accident Policies

8050. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) the number of fraudulent personal accident policies issued by the subordinate offices of

(i) Regional Manager, National Insurance Company, 2, Fairly Place, Calcutta,

(ii) Regional Manager, New India Insurance Company, 4, Mangalore Street, Calcutta.

(iii) Regional Manager, United India Insurance Company, 38-B, Chaurangi, Himalaya House, Calcutta, during the year 1985 and the names of the persons who were issued these policies;

(b) the officers found responsible for issuing personal accident policies; and

(c) whether the concerned officers have been punished for issuing fraudulent personal accident policies?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No fraudulent personal accident policy has been issued by the Calcutta Regional Offices of National Insurance Co. Ltd, New India Assurance Co. Ltd. and the United India Insurance Co. Ltd. during the year 1985.

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

[*English*]

Reservation for SC/ST in GIC

8051. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to state:

(a) the total number of employees, category-wise, working in the General Insurance Corporation;

(b) the number of those belonging to SC/ST communities among them in each category of posts;

(c) whether quota reserved for SC/ST persons is complete in all categories of posts in the General Insurance Corporation; if not, the reasons therefor; and

(d) the specific measures taken or being taken to complete the backlog and fill up the reserved quota in each category of posts?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The table below indicates the position as on 31.12.1986, for which consolidated data is available in respect of GIC and its four subsidiaries, namely:

Category	Total number of employees	Of which, SC/ST employees
Class I	9227	473
Class II	12841	723
Class III	27464	3089
Class IV	6195	1788

(c) and (d). For fresh recruitment and for promotions to various cadres/posts, the Corporation follows Government instructions in regard to reservation of vacancies for Scheduled Castes/Scheduled Tribes. There is a shortfall in reserved vacancies in Class I, Class II and Class III posts. The Corporation is, however, making all efforts including special recruitment exercise exclusively for Scheduled Castes/Scheduled Tribes, to complete the backlog. The success of this process will naturally depend on the availability of suitable and sufficient number of candidates, particularly in the Specialists' disciplines like Marketing Trainees, Engineers, Chartered Accountants etc.

Expenditure Incurred on Foreign Tours

8052. SHRI BHATTAM SRIRAMA MURTY: Will the Minister of FINANCE be pleased to state:

(a) the expenditure incurred by Government on account of the foreign travels of the officers working in various Ministries during the last three years separately;

(b) whether any restrictions on foreign travels were imposed and if so, the details of the same; and

(c) the expenditure incurred on account of sending teams of officers and executives abroad for any refresher/training on orientation courses during the same period and the number of officers who attended the same?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) and (c). The information is not centrally available nor is it practicable to collect the same within a reasonable period of time. The actual expenditure is compiled taking into account returns from various embassies and takes considerable time for finalisation.

(b) Government have issued instructions from time to time advising the Ministries/Departments to restrict to the barest minimum, proposals for deputation abroad.

Proposals for deputation abroad are being cleared after strict scrutiny only in those cases where the visit is considered

inescapable and absolutely essential in public interest.

Devaluation of Rupee

8053. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the news item published in the 'Indian Post' dated 1 December, 1987 under the caption the rupee : 70 per cent devaluation since February, 1985;

(b) if so, the exact position in this regard as on date and as also on September 25, 1975 when the rupee was delinked from pound sterling;

(c) whether external parity of the rupee has also slided down in relation to German 'mark' and Japanese 'yen' and the actual devaluation since 1986 being of the order of 16.3 per cent and 18.3 per cent respectively; and

(d) if so, the steps taken/proposed to be taken to strengthen the rupee ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) to (d) The exchange rate of the rupee is fixed with reference to the exchange rate movement of a suitably weighted basket of currencies, mainly of countries which are India's major trading partners. In a regime of floating exchange rates, upward or downward movements of the value of rupee, which depends upon the fluctuations in the value of these currencies, is a normal phenomenon.

The exact position in this regard is that the value of the Rupee was pound-sterling 0.0719 on 27th February, 1985 and 0.0425 in November, 1987. The value of the Rupee on 25th September, 1975 was Pound-sterling 0.0546, The exchange value of rupee *vis-a-vis* German Mark and Japanese Yen as on 31st December, 1986 and 14th April, 1988 was as under :

(Rupee per unit of foreign currency)

Currency	31.12.86	14.4.18
German Mark	6.7289	7.8497
Japanese Yen	0.0820	0.1051

[*Translation*]

Expenditure Incurred on Calendars by State Bank of Indore

8054. SHRI C. JANGA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of Indore had been asked not to make any expenditure on the printing of new year calendars, V.I.P. and simple diaries and greeting cards;

(b) whether despite that instruction the bank had recently incurred expenditure on this item and if so, the details of action taken against the officers found guilty therefor; and

(c) whether any directions are proposed to be issued to stop such expenditure in future ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) In December 1987, Public Sector Banks were advised not to incur expenditure on printing of calendars, diaries, greeting cards, etc. for the new year. However, expenditure on such of the above items, orders for which had already been placed before the issue of the instructions, was allowed to be incurred.

(b) State Bank of Indore has reported that the expenditure on printing of diaries and greetings cards only was incurred as orders for their printing had been placed before the issue of Government's instructions. The Bank has further reported that calendars were not printed by it. Thus the bank has acted in accordance with Government's instructions.

(c) In view of the above, no further directions are contemplated.

[*English*]

CCS to 100 per cent EOUs

8055. SHRIMATI BASAVARAJES-WARI : Will the Minister of COMMERCE be pleased to state :

(a) whether Union Government have decided to give Cash Compensatory Support (CCS) to 100 per cent Export Oriented Industries and Units (EOUs) located in export processing zones to prop up their performance;

(b) if so, when will it come into effect;

(c) the facilities to be provided to such units;

(d) whether the facilities will be alternative to the present scheme; and

(e) the reasons for providing CCS to these units ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (e). Government have with effect from 1st April, 1988 decided to grant to 100% Export Oriented Units and units in Export Processing Zones (EPZs), Cash Compensatory Support (CCS) at the rate of 50% of the level applicable to the units in the Domestic Tariff Area (DTA) as an alternative to the present scheme of CCS on deemed exports to these units from the DTA which is available at a level of 75% of what is admissible on physical exports. Units may exercise a one time option for either of the two schemes.

The above decision has been taken with a view to improving the operational viability of the 100% EOUs and units in EPZs and strengthening their export capability.

Loans by Official Development Bank of West Bengal

8056. SHRI S.B. SIDNAL : Will the Minister of FINANCE be pleased to state :

(a) whether Official Development Bank of West Germany is examining the possibility of providing additional loans to the Small Scale Industries Corporation, the Industrial Development Bank of India and the Industrial Finance Corporation of India;

(b) if so, whether any agreement has been signed; and

(c) if so, the total loan proposed to be provided ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). During the Annual Indo-FRG Negotiations held in Germany recently, DM 10 million has been committed for 1988 for the National Small Industries Corporation Ltd. For the Industrial Finance Corporation of India, FRG Government had earlier made an advance allocation of DM 25 million and an agreement to this effect was also signed recently. However, no funds have been allocated by the FRG Government for utilisation by the Industrial Development Bank of India.

Anti-Smuggling Operation

8057. SHRI H.N. NANJE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to recruit more personnel to curb anti-smuggling operations;

(b) if so, the reasons therefor; and

(c) whether Government have issued fresh guidelines to the Customs Authorities to tackle such operations ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). It is the Government's firm resolve to combat smuggling. Personnel are recruited for this purpose as and when felt necessary.

(c) The Customs authorities enforce the law. This is a continuous process. However, anti smuggling drive has been intensified and the anti-smuggling machinery throughout the country particularly in the vulnerable areas of the land borders and the coastline and at the international airports and seaports has been geared up. Close co-ordination is maintained with all the agencies concerned in the prevention and detection of smuggling.

Contraband Gold Seized from Trivandrum Airport

8058. SHRI MULLAPPALLY RAMA-CHANDRAN : Will the Minister of FINANCE be pleased to state :

- (a) the details and value of contraband gold seized from Trivandrum Airport during 1987-88;
- (b) how many cases were charged during this period;
- (c) the stage/findings of the proceedings against the persons involved in the transport of such contraband gold; and
- (d) whether any foreign nationals have been apprehended in this connection; if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A K. PANJA) : (a) and (b). Approximately 127.3 Kgs. of gold worth approximately Rs. 3.86 crores was seized in 586 cases at Trivandrum airport during 1987-88.

(c) and (d). Out of 586 cases, 544 cases have already been adjudicated and the remaining cases are pending adjudication. Prosecutions have been launched in 10 cases and conviction ordered by the Court in 1 case. 54 persons including 4 foreign nationals found involved in the transporation of the gold were arrested during above period and 16 persons including 3 foreign nationals were detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act. 1974.

Compensatory Allowance to Employees Working in Tribal Areas

8059. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the fact that Compensatory Allowance is not paid to all the employees serving in tribal areas;

(b) the reasons that this allowance is paid only to a few employees who are better placed and getting more pay and not to class III and IV employees; and

(c) what steps Government propose to implement this scheme properly to pay this allowance to all employees in future ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) On the basis of the recommendations of the Fourth Pay Commission, Tribal Area Allowance has been extended to the Central Government employees in specified tribal areas in certain states where the State Governments have granted similar allowance. Tribal Area Allowance is admissible to all Central Government employees posted in specified tribal areas, subject to certain conditions for grant of the Allowance.

(b) There is no discrimination towards any particular Grade/Class of employees.

(c) Does not arise. .

Financial Assistance to Small Scale Industries in Andhra Pradesh

8060. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state :

(a) whether a large number of small scale industries in Andhra Pradesh having outstanding credit of huge amounts with the State Bank of India and other banks have been declared sick and a large number of them are on the way of sickness;

(b) if so, the details and factual position of such units;

(c) whether Government of Andhra Pradesh has furnished a report in this regard to Union Government for necessary financial assistance; if so, the details thereof; and

(d) the steps being taken by Union Government to improve their position by providing necessary financial help to the small scale industries in the state ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a), (b) and (d). Reserve Bank of India (RBI) has reported that the number of small scale industrial units identified as sick and the bank credit

outstanding against them as at the end of December, 1986 in Andhra Pradesh are as under :

Bank	(Rs. crores)	
	No. of units	Amount outstanding
State Bank of India	11,502	35.55
All Scheduled Commercial Banks	13,004	84.17

RBI has issued detailed guidelines to banks for revival of potentially viable sick SSI units emphasising *inter alia* need for detection of incipient sickness, for providing reliefs/concessions to potentially viable sick units taken up for rehabilitation, etc. Industrial Development Bank of India (IDBI) has also a refinance scheme for extending rehabilitation assistance to sick small scale industrial units through banks and state level financial institutions. IDBI has also set up National Equity Fund for providing equity type of support for rehabilitation of potentially viable sick SSI units under the scheme.

(c) The information is being collected and to the extent available will be laid on the Table of the House.

Kandi Area Integrated Flood Control Scheme

8061. SHRI SYED MASUDAL HOSSAIN : Will the Minister of WATER RESOURCES be pleased to state :

(a) what is the fate on Kandi Area Integrated Flood Control Scheme; and

(b) when it is likely to be cleared ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI RKISHNA SAHI) : (a) and (b). The Kandi Area Integrated Flood Control Scheme prepared by the Government of West Bengal at an estimated cost of Rs. 51.5 crores was received in the Ganga Flood Control Commission in 1979 for appraisal. The comments of the Ganga Flood Control Commission were communicated to the State Government; their compliance is awaited.

Revival of Sick Shipping Companies

8062. SHRI SUBHASH YADAV :

SHRI SRIHARI RAO :

SHRI PRAKASH CHANDRA :

SHRI MANIK REDDY :

SHRI M. RAGHUMA REDDY:

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the news item captioned 'Seven Shipping Companies beyond revival' appearing in the "Economic Times" dated 24th March, 1988;

(b) if so, the particulars of such shipping companies;

(c) the nature of difficulties faced by Government in this regard; and

(d) the amount of loan outstanding against these companies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) to (d). The Shipping Credit and Investment Company of India Limited has reported that the general recession in the shipping industry prevailing up to 1986, as also overaged tonnage, management weaknesses etc. have contributed to making some private sector shipping companies non-viable. These companies have incurred cash losses continuously and have accumulated huge carried-forward losses. They have as a consequence not paid instalments of interest and principal in respect of loans raised from or guarantees by erstwhile Shipping Development Fund Committee. The total amount outstanding on account of loans, guarantees/counter-guarantees etc. of these private sector shipping companies is approximately Rs. 292 crores as reported by SCICI.

Duty Payable for each Brand of Cigarette

8063. SHRI B.B. RAMAIAH : Will the Minister of FINANCE be pleased to state :

(a) the details of duty payable for each brand as per the New Policy on Cigarettes

and the duty paid previously for each brand, manufacturer-wise;

(b) whether any manufacturer is paying less duty as compared to the previous year;

(c) if so, whether the retail price of that brand of cigarettes has come down; and

(d) in case the reduction is not given, whether Government have got the benefit of additional income-tax remittance ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) The excise duty structure on

cigarettes was changed with effect from the 1st March, 1987. Under the revised structure, the excise duty is based on the lenght of the cigarettes. After the 1st March, 1987, while some of the brands of cigarettes were retained, some were discontinued and some new brands introduced. The length of the cigarette was changed in the case of some brands. It is, therefore not possible to compare the duty payable for each brand of cigarettes before and after the change in the rate structure. However, details of the duty payable in respect of some of the popular brands of cigarettes before and after the 1st March, 1987 are given below :

S. Brand No.	Duty per packet of 10 cigarettes before the 1st March, 1987	Duty per packet of 10 cigarettes after the 1st March, 1987
1. Scissors	1.25	1.25
2. Panama Virginia	1.25	1.50
3. Red and White	1.25	1.50
4. Charminar	1.25	1.50
5. No. 10 Virginia	1.25	1.50
6. Golcanda	0.42	1.50
7. No. 10 FT	1.25	2.00
8. Four Square Premium	2.25	2.00
9. Four Square Kings	4.00	4.00
10. Charminar Gold F.T.	1.25	2.00
11. Gold Flake Honey Dew	2.25	3.00
12. Wills Filter	4.00	3.00
13. Classic FTK	6.00	4.00
14. Panama Filter Delite	1.25	2.00
15. Chancellor Exclusive	6.00	4.00

(b) and (c). While in respect of some brands of cigarettes the duty incidence had come down after the 1st March, 1987, the reduction in duty was not reflected in the retail prices in all cases.

(d) Under Section 43 B of the Income-Tax Act, 1961, the excise duty actually paid by an assessee is allowable as a deduction from the total income. If the excise duty on an article is reduced, then only the reduced excise duty actually paid by the assessee would be allowed as a deduction. If the benefit of the reduced excise duty is not passed on to the consumers, the other things remaining equal, it would result in higher profit to the manufacturers which would, in turn, mean higher income-tax payable thereon.

Seizure of Gold in Bembay

8064. SHRI SUBHASH YADAV :
SHRI M. RAGHUMA
REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether gold worth Rs. 24 lakhs has been seized in Bombay in three different cases at Terminal-II recently;

(b) if so, the details thereof;

(c) whether any arrest has been made in this regard;

(d) whether any inquiry has since been made; and

(e) the action taken by Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) and (b). On 10th April, 1988, gold worth Rs. 26 lakhs approximately was seized in three different cases in Module-II at Sahar International Airport, Bombay. The gold which was concealed in specially made cavities of the heels of the shoes worn by three persons of Iranian nationality who had arrived from Dubai by Air India Flight No. AI. 910 was recovered after personal search.

(c) to (e). The three persons have been arrested. Arrested persons are prosecuted

in Courts of Law after completion of investigations.

Complaints against Reliance Group of Industries

8065. SHRI SUBHASH YADAV :
SHRI PRAKASH CHANDRA :
SHRI SRI HARI RAO :
SHRI M. RAGHUMA
REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether there are a number of complaints against Reliance Group of Industries owned by Dhirubhai Ambani:

(b) if so, the number and nature of the complaints received during the past one year;

(c) whether any inquiry has since been made in this regard and if so, the outcome thereof; and

(d) the action taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (d). Complaints received against Reliance Group of Companies primarily relate to non-receipt of refund orders in respect of the G Series debentures. The matter has been gone into. 14,20,023 applications were received by the Reliance Group for this series. Against this, the Company received back 7460 certificates which were returned undelivered by the Postal authorities. Of these, 4563 certificates have been despatched. On the whole, there are 3270 complaints for non-receipt of refund orders. Out of these about 1800 complaints are pending for issue of fresh refund orders. The company has since issued duplicate certificates wherever applicable.

In regard to certain Central Excise matters and Customs duties, cases are pending adjudication before the adjudicating authorities and suitable action in the matter will be taken as per provisions of law.

Re-Issuance of Rs. 1000 Denomination Note

8066. **SHRI SUBHASH YADAV :**
SHRI PRAKASH CHANDRA :
SHRI SRI HARI RAO :
SHRI M. RAGHUMA REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to re-issue 1,000 rupee denomination note; and
 (b) if so, the time by which it is likely to be issued ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise.

[Translation]

Loans Advanced by State Bank of Indore in Rural Areas

8067. **SHRI C. JANGA REDDY :**
 Will the Minister of FINANCE be pleased to state :

(a) whether Government have made any review with regard to loans being provided by the State Bank of Indore in rural areas of the country;
 (b) if so, whether any lapses have been found in the present policy regarding the progress of agricultural loans;
 (c) if so, whether any investigation has been conducted by any agency to rectify them;
 (d) if so, the details thereto; and
 (e) whether any directives have been issued to the bank by the Reserve Bank of India to liberalise the loan policy in future ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (e). Reserve Bank of India (RBI) has reported that it has not conducted any review as such regarding the various loans that are being provided by State Bank of Indore in the rural areas of the country. However, the performance of all the public sector banks

in all the areas of their activities are reviewed every quarter by the Reserve Bank of India and specific areas of deficiency identified at the review are taken up for proper corrective action by the bank. The Board of the State Bank of Indore also periodically reviews the performance of the bank with reference to the various schemes under the priority sector, such as IRDP, SEEUY, SEPUP, direct agricultural advances etc. Reserve Bank of India instructions under priority sector are applicable to all the banks including State Bank of Indore. Recently, Reserve Bank of India has advised all the banks to step up their direct agricultural advances to 17% of their total advances by March 1989. These instructions are applicable to State Bank of Indore also.

State Bank of Indore

8068. **SHRI C. JANGA REDDY :**
 Will the Minister of FINANCE be pleased to state :

(a) the total number of urban and rural branches of the State Bank of Indore in the country;
 (b) the number of branches of the bank earning profits and of those running in losses, separately;
 (c) the reasons for their running in loss;
 (d) the total amount of loss suffered by these branches during the year 1987; and
 (e) the measures taken by Government to bring about improvement in their working and to reduce their losses ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a). State Bank of Indore has reported that as at the end of December, 1987, it had 66 Urban branches and 114 Rural branches out of the total number of 284 branches of the bank in the country.

(b) to (e). The public sector banks including State Bank of Indore prepare their Profit and Loss Account and Balance Sheet in the forms set out in the Third Schedule of the Banking Regulation Act, 1949. Only the profit/loss position of the bank as a

whole during the year is required to be incorporated in the Profit and Loss Account and the Balance Sheet. Branchwise Profit and Loss position is not published. The published profit of State Bank of Indore for the year 1987 was Rs. 77.50 lakhs. The performance of the public sector banks is monitored on a continual basis by Government and Reserve Bank of India. All the banks had drawn up action plans for their all round improvement in the quality of services and operations and also for improving their profitability. The banks have been advised to identify operational deficiencies and take such corrective action to rectify the same. A number of measures in the form of tax concession, augmentation of share capital, increase in the interest rate on food credit and cash balances maintained with Reserve Bank of India, etc. have been taken by Government and Reserve Bank of India to improve the profit position of the public sector banks.

English]

Constitution of Spices Board

8069. SHRIMATI D.K. BHANDARI : Will the Minister of COMMERCE be pleased to state :

- (a) whether Government have constituted a Spices Board;
- (b) if so, the details thereof with its location;
- (c) whether the Spices Board have undertaken certain activities during 1986-87;
- (d) if so, the details thereof; and
- (e) the activities of this Board during 1987-88 and 1988-89 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) The Spices Board Act, '86 provides for constitution of the Spices Board to look after development of cardamom and export promotion of Spices. The Spices Boards Rules, '87 made under the Spices Board Act lays down broadly the following composition of the Spices Board :

1. Chairman.
2. Three members of Parliament.

3. Three members to represent Ministries of Commerce, Agriculture and Finance.
4. Seven members to represent growers.
5. Ten members to represent exporter of spices.
6. Three members to represent major spices producing states.
7. Four members to represent Technical Directorates, Institutes.
8. One member to represent labour interests.

In pursuance of these rules, the Spices Board has been constituted w.e.f. 26.2.87 with Headquarters at Cochin. The new Board replaced the erstwhile Cardamom Board and the Spices Export Promotion Council.

(c) to (e). The Spices Board undertook during 1986-87 and 1987-88 activities to develop cardamom which includes :

- (i) Extension services to farmers.
- (ii) Subsidy for replantation.
- (iii) Production and supply of quality planting material.
- (iv) Subsidy for developing infrastructure for water resources.
- (v) Subsidies for soil conservation, plant protection etc. etc.

For marketing of cardamom and export promotion of spices, the Board conducted auctions, provided assistance for quality improvement, participated in Trade Fairs abroad, deputed sales-cum-study delegations abroad, launched market promotion and publicity programmes in West Asia, North Africa, USA, Canada and certain other West European countries.

The above development, marketing and export promotion activities are proposed to be continued during 1988-89 also. In addition to the existing activities, the Board proposes to set up a quality control laboratory also during 1988-89.

Soft Drinks Bottling Plant in the Soviet Union

8070. SHRI G.S. BASAVARAJU : Will the Minister of COMMERCE be pleased to state :

(a) whether it is proposed to set up a soft drinks bottling plant in the Soviet Union on turnkey basis;

(b) if so, whether any agreement in this regard has been signed; and

(c) if so, the details thereof and whether a Soviet Union delegation has visited the research development centre of the Indian party at Bombay ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). Government is aware that M/s. Parle (Exports) Pvt. Ltd., Bombay is negotiating with M/s. GOSA-GROPOM, a Soviet organisation, for setting up a soft drinks bottling plant in the USSR on turnkey basis. In terms of the prescribed procedures governing such projects abroad, the Indian party is required to obtain the approval of the Government and at the negotiation stage, the Government does not come into the picture. No application for grant of approval in the prescribed form has yet been received from the Indian Company.

Scheme of Financial Institutions to Provide cover to Foreign Exchange Fluctuation Risks

8071. SHRI G.S. BASAVARAJU : Will the Minister of FINANCE be pleased to state :

(a) whether Government were actively considering a scheme for financial institutions to provide a cover for foreign exchange fluctuation risks;

(b) if so, when meeting with the Members of Federation of Indian Chambers of Commerce and industry and Financial Institutions was held for the first time in this regard; and

(c) if so, the time by which the scheme is likely to be introduced ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO EALEIRO) : (a) and (c). In pursuance of the announcement made by the Finance Minister in his Budget Speech on 29-2-1988, the financial institutions are evolving a scheme for providing protection from exchange rate fluctuations.

(b) The Industrial Development Bank of India has reported that no such meeting has been held so far.

Conference on Industrialisation

8072. SHRIMATI MADHUREE SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to hold a conference on the Industrialisation of north Bihar, east Uttar Pradesh and north Bengal;

(b) the likely date and venue of the proposed conference; and

(c) whether the proposed conference will also cover the infrastructural inadequacies in the above regions ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). There is a proposal to hold a conference on industrial rejuvenation of north Bihar, eastern Uttar Pradesh and north Bengal. The date and venue are not yet finalized.

Assistance to Handloom Agencies

8073. SHRI G.S. BASAVARAJU :

SHRI S.M. GURADDI :

SHRI KAMAL NATH :

SHRIMATI MADHUREE SINGH :

SHRI BANWARI LAL PUROHIT :

SHRI RAM DHAN :

SHRI BALWANT SINGH RAMOOWALIA :

SHRI VAKKOM PURUSHOTHAMAN :

Will the Minister of TEXTILES be pleased to state :

(a) whether Union Government have recently decided to provided assistance to the State handloom agencies to help hand-

loom weavers in the fifteen drought affected States;

(b) if so, the names of the States and the details of handloom agencies to which the assistance is to be provided;

(c) the amount of assistance to be given to each handloom agency; and

(d) to what extent the handloom weavers will get relief as a result of this assistance ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) and (c). A statement giving the names of the States and the amounts of margin money proposed to be released to them is given below. 75% of the funds are proposed to be released in the first instance. The details of the handloom agencies to be assisted will be finalised by the States.

(d) The State handloom agencies are expected to provide employment for 150 days to 2.6 lakh drought affected weavers with this assistance.

Statement

(Rs. in lakhs)

Sl. No.	Name of the State	Margin money
1.	Haryana	36.00
2.	Himachal Pradesh	36.00
3.	Karnataka	36.00
4.	Madhya Pradesh	64.00
5.	Maharashtra	54.00
6.	Punjab	1.08
7.	Orissa	1,26.00
8.	Rajasthan	54.00
9.	Kerala	43.20
10.	Andhra Pradesh	1,08.20
11.	Gujarat	43.20
12.	Uttar Pradesh	1,62.00
13.	Tamil Nadu	1,80.00
14.	Nagaland	3.60
15.	Jammu and Kashmir	18.00
Total :		9,36.00

Advantages to Polyester Industry

8074. DR. G.S. RAJHANS : Will the Minister of FINANCE be pleased to state :

(a) whether the advantages given to the polyester industry are proposed to be extended to the nylon industry particularly with respect to the Handloom sector; and

(b) if so, whether Government propose to rectifying this imbalance so that the advantages can be extended to cover the entire man-made fibre industry as a whole ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). In this year's Budget, the excise duty was reduced not only in respect of polyester fibre and yarn but also in respect of nylon filament yarn. In additions, a concessional rate of excise duty of Rs. 10 per kg. was provided in respect of polyester filament yarn, when used by the handloom sector subject to certain conditions. A similar concession was not given in the case of nylon filament yarn. The handloom sector uses mostly cotton, viscose staple fibre, viscose filament yarn, polyester staple fibre and polyester filament yarn in the manufacture of handloom fabrics. The use of nylon filament yarn by the handloom sector has not been significant.

Evaluation of Gains from Large vis-a-vis Small and Medium Irrigation Projects

8075. DR. G.S. RAJHANS : SHRIMATI MADHUREE SINGH :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether it is a fact that owing to poor water management, the gains from large investments in irrigation have been very partial;

(b) if so, whether any evaluation been made of interse investment priorities in large vis-a-vis small and medium schemes to maximise such gains; and

(c) the details of improvement in planning and design which is visualised to optimise returns from investments in irrigation ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The gains from large projects have not been optimum. There is scope for increasing productivity under irrigated conditions and the command area development programme, *inter-alia*, is aimed at achieving this object.

(b) The selection of schemes is dependent on a number of factors like hydrology, topography, geological conditions, farmers' needs, environmental considerations and economic viability of the project.

(c) The recently adopted National Water Policy lays down guidelines for efficient use and optimum development of water resources.

New Round of GATT Trade Talks

8076. DR. G.S. RAJHANS : Will the Minister of COMMERCE be pleased to state :

(a) the progress made so far in working out the modalities for the new round of the General Agreement on Tariffs and Trade (GATT) negotiations;

(b) the consensus so far on the inclusion of services in the new negotiations; and

(c) in what manner the proposed talks are expected to be more vigorously implemented than the earlier rounds

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The new round of Multilateral Trade Negotiations, known as the Uruguay Round was launched in September, 1986. Two separate Groups—Group of Negotiations on Goods (GNG) and Group of Negotiations on Services (GNS)—have been set up. Under the Group of Negotiations on Goods, 14 Negotiating Groups have been established for undertaking negotiations on 14 identified subjects. A Trade Negotiations Committee oversees the entire negotiations. A large number of proposals reflecting varying interests have been given in the various Negotiating Groups. Consensus is yet to be reached on individual subjects identified for negotiations. A mid-term review of the progress of the Negotiations is scheduled to be undertaken in December 1988.

(b) The Punta del Este Declaration, which launched the Uruguay Round of Multilateral Trade Negotiations (MTNs) is in two parts. Part I relates to negotiations on trade in goods and Part II relates to negotiations on trade in services. Whereas the first part was adopted by the Minister's meeting as CONTRACTING PARTIES to GATT, the second part was adopted by Ministers Meeting as representatives of Governments. The negotiations on services is thus being held on a separate tracks outside the framework of GATT.

(c) The past Round of Multilateral Trade Negotiations covered mainly reduction of tariff and non-tariff barriers. In the Uruguay Round the negotiations are focussed on broader systemic issues in order to preserve and strengthen the multilateral trading system which has been weakened by circumventions and violations. Further, disciplines are being sought to be developed in such new areas as trade in services. The negotiations are thus much wider in scope.

Revival of Policies by Life Insurance Corporation

8077. SHRI C. SAMBU : Will the Minister of FINANCE be pleased to state :

(a) whether any facility exists presently with the Life Insurance Corporation of India to help the policy-holders who could not continue the payment of premium for more than five years;

(b) if so, the details thereof; and

(c) the details of Loan-cum-Revival scheme of LIC ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Yes, Sir. A policy of LIC discontinued after payment of premium for more than five years thereunder can be revived after submitting the evidence of continued good health, where necessary, (i) under ordinary revival scheme on payment of arrears of premiums with interest thereon, or (ii) under Loan cum-revival Scheme by raising loan under the policy.

(c) The facility of Loan-cum-Revival is allowed to all lapsed policies whereunder loan can be granted as per policy conditions

and the entire amount required for revival will be appropriated from the loan amount on the assumption of payment of all premiums due upto the date of revival. If the loan amount falls short of the amount required for revival, the policy-holder is required to pay the balance amount separately. The evidence of good health is also required to be submitted by the policy-holder, where necessary.

Destruction of Ganja Plants by Central Excise Department

8078. DR. PHULRENU GUHA : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Excise Department has destroyed ganja plants in various parts of the country; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) and (b). In a joint operation conducted from 10th to 12th November, 1987 by the Central and State enforcement agencies (including Central Excise), ganja cultivation in about 300 acres, consisting of 7.50 lac plants, was destroyed in Idukki district of Kerala. Three persons had been arrested for initiating appropriate action under the law.

In another joint operation conducted by the Central Excise Department at Madurai on 1st and 2nd February, 1988, ganja plants in about 15 acres, off the hills of Theni, were destroyed besides effecting a seizure of 1.5 tonnes of dry ganja. One person, who was apprehended in this connection, was released on bail by the court.

In yet another operation conducted by the Madurai Central Excise Collectorate on 14.2.1988 in Agamalai forest area, 504 kgs. of ganja were seized besides destruction of ganja plants in 15 acres. No person was apprehended in this operation.

Export of Coffee and Tea

8079. DR. PHULRENU GUHA : Will the Minister of COMMERCE be pleased to state :

(a) the quantum of coffee and tea exported in 1987; and

(b) whether there has been increase or decrease in these exports as compared to 1985 and 1986 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). The details of coffee and tea exported during the last 3 years has been as under :

(Quantity in Million Kgs.)		
Year	Coffee	Tea
1987	09.02	209.15 (P)
1986	89.37	204.29
1985	95.53	215.94

(P) Provisional

NRI Deposits

8080. SHRI H.N. NANJE GOWDA : Will the Minister of FINANCE be pleased to state the position of Bank of Baroda *vis-a-vis* other nationalised banks in mobilisation of deposits from non resident Indians ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : As per information available from Reserve Bank of India Foreign Currency (Non-Resident) Account and Non-Resident (External) Rupee Account deposits with Bank of Baroda and Public Sector Banks as a whole as on 25th December, 1987 is as under :

(Amt. Rs. in crores)	
Public Sector Banks	8014.41
Bank of Baroda	789.37

Loans Scheme of Bank of Baroda for Weaker Sections

8081. SHRI H.N. NANJE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) the various schemes under which the Bank of Baroda gives loans to poor people, especially backward classes;

(b) the number of such persons benefited; and

(c) the number of such applications pending?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). All

Public Sector Banks including Bank of Baroda have been asked to ensure that at least 10 per cent of the total bank credit is in favour of weaker sections.

The present data reporting system does not generate separate information for backward classes. However, the performance of Bank of Baroda in lending to weaker sections have been as follows:

(No. of Accounts in lakhs)
(Amount in Rs. crores)

As on the last Friday of	Advances to Weaker Sections	
	No. of Accounts	Balance Outstanding
December 1985	8.10	250.00
December 1986	10.77	328.61
December 1987	10.54	387.45

Bank Loans in Andhra Pradesh

8082. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state:

(a) the number of applications for bank loans received during the last three years, year-wise, in banks (nationalised and others) from the unemployed graduates, Scheduled Castes and Scheduled Tribes, persons belonging to backward classes, minority communities and general category in Andhra Pradesh;

(b) the number of applications sanctioned, rejected and pending, year-wise, with full details;

(c) the total amount of loans given; and

(d) when the remaining applications will be sanctioned loans?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). The present data reporting system from banks does not generate information in the manner asked for. However, details regarding the target, number of applications received by District Industries Centres (DICs), number of applications sponsored to banks, number of applications sanctioned and amount of loans sanctioned under the Self Employment Scheme for Educated Unemployed Youth (SEEUY) in Andhra Pradesh during the last three years are set out below:

	1984-85	1985-86	1986-87
1. Target	15,100	17,300	17,300
2. No. of applications received by DICs	82,447	76,930	1,06,577
3. No. of applications sponsored to banks	28,401	20,815	21,404
4. No. of applications sanctioned	13,084	16,518	14,219
5. Amount of loans sanctioned (Rs. in lakhs)	2733.92	3474.22	3225.60

Reserve Bank of India have also reported that until 1986-87, banks were not required to submit information regarding applications rejected and pending with them. The information reporting system was subsequently modified and the information relating to number of applications rejected and pending would be available from the financial year 1987-88.

From the year 1986-87 minimum of 30% the number of sanctions have been reserved for Scheduled Caste/Scheduled Tribes beneficiaries. In Andhra Pradesh during 1986-87 assistance under the Scheme was provided to 2006 Scheduled Caste/Scheduled Tribe persons against the sub-target of 5190. There is no separate sub-target for persons belonging to backward classes and minority communities under SEEUY Scheme.

Banks have been advised to dispose of the applications within 14 days from the date of their receipt from District Industries Centres (DICs).

Opening of Bank Branches in Andhra Pradesh

8083. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state :

(a) whether Union Government have formulated any scheme for opening new branches of nationalised banks in Andhra Pradesh during 1988 and 1989;

(b) if so, whether the facility of expansion of banking will be provided in the backward and deficit areas of the State;

(c) whether Government propose to open banks branches in the rural and backward areas of Mahboob Nagar and Ranga Reddy districts in the State; and

(d) if so, the details together with location thereof and when such branches are expected to be opened ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Reserve Bank of India (RBI) has formulated the Branch Licensing Policy for the period 1.4.1985 to 31.3.1990. The objective of the policy is to achieve a coverage ratio of 1 branch for 17,000 population in the rural and semi-urban areas of each

development block and making available at least one bank offices within a distance of 10 kms. from every village. In the urban and metropolitan centres opening of branches would be need-based. On the basis of list of identified centres received from the State Government of Andhra Pradesh, RBI has allotted 369 eligible rural and semi-urban centres to banks for opening branches in Andhra Pradesh during the current Branch Licing Policy period upto March, 1990. In addition, on the basis of applications made by individual banks, RBI has allotted 50 centres to banks for opening branches in urban and metropolitan areas.

(c) and (d). RBI has allotted 40 centres to various banks for opening branches in Mahaboobnagar and Ranga Reddy Districts under the current Branch Licensing Policy as per details given in the statement below. According to information available with RBI branches have been opened at 4 centres in Mahboobnagar District and at 19 centres in Ranga Reddy District. RBI has advised the banks that the branches at the allotted centres should be opened in a phased manner during the remaining current policy period. As such, it is not possible at this stage to indicate the expected date of opening of the branches at the remaining 17 centres.

Statement

Name of District	Name of Centre
1	2
<i>Mahboobnagar</i>	1. Siddapur
	2. Lalkota
	3. Ithola
	4. Gorita
	5. Husnabad*
	6. Yoptla
	7. Paddamanur
	8. Kanukurthy
	9. Hunwada*
	10. Sugoor
	11. Jinnaram*
	12. Bijjawaram

1	2
	13. Kalwakola*
	14. Dharmavaram
	15. Karvangai
	16. Narva
<i>Rangareddy</i>	17. Maharajpet*
	18. Tadlapalli village*
	19. Sardarnagar
	20. Eliminedu*
	21. Dandu Mailaram*
	22. Bodakonda*
	23. Dubbacherla*
	24. Nagaram*
	25. Velchal*
	26. Barwad Mothukpalli*
	27. Komattypalli*
	28. Mujahidpur*
	29. Dadapur*
	30. Chowdapur*
	31. Ghatsingpur*
	32. Aziz Nagar*
	33. Mailwar*
	34. Gingurthy*
	35. Reddy Ghanpur*
	36. Mambapur
	37. Indur
	38. Siddalur*
	39. Moinabad
	40. Kessara

*Denotes centres where branches have been opened.

Clearance to Yarn Mills of Andhra Pradesh

8084. SHRI V. TULSIRAM : Will the Minister of TEXTILES be pleased to state :

(a) whether the recommendations made by the State Government of Andhra Pradesh for clearance of yarn mills is still pending with Union Government;

(b) if so, the details of the yarn mills which are awaiting clearance for the last two years; and

(c) whether Union Government propose to issue early clearance in the interest of export of yarn ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Only one case (The Chilakaluripet Cotton Growers Cooperative Spinning Mills Ltd. District Guntur for which application was received in April, 1988) recommended by the State Government of Andhra Pradesh for yarn mills is pending.

(c) Such applications are considered within the existing industrial policy guidelines and it is not possible to indicate the time span required for their disposal.

[Translation]

Central Excise Collectorate in Bihar

8085. PROF. CHANDRA BHANU DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether Bihar's contribution to Central Excise Revenue is more than that of many other States ;

(b) if so, whether there is any proposal to open more Central Excise Collectortates; and

(c) if not, the reasons therefor ?

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

(b) No, Sir.

(c) The opening of a new Collectortate depends upon various factors such as work load, revenue, industrial growth, etc. Having regard to these factors, the need has not so far been felt for more Central Excise Collectortates in Bihar.

[*English*]

Tube Money from Abroad

8086. PROF. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether money from abroad reached India by illegal ways called 'tube money';

(b) the amount of money that is passed on through tube money;

(c) what action is taken to persuade Indians abroad to send the money through legal ways; and

(d) whether incentives will be given to Indians abroad in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The Government is aware that certain persons send money from abroad through illegal channels but it is not possible to give a precise estimate of such illegal remittances.

(c) and (d). The Government is aware of the problem and has already given various incentives to attract non-resident Indians to remit their money to India through legal channels.

Incentives to Companies to Encourage Modernisation

8087. SHRI BHATTAM SRIRAMA-MURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry propose to provide special incentive to the companies to encourage modernisation;

(b) if so, the details thereof;

(c) whether any suggestion has been received to allow profits to the extent of 20 per cent for investment for modernisation to be deducted from Taxable Profits; and

(d) whether the present assets limits will undergo upward revision for some items for small scale industries ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE

MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) No, Sir.

(b) Does not arise.

(c) Yes, Sir. The suggestion was examined in the various pre-budget meetings which were held in connection with the preparation of Finance Bill, 1988 and was found not acceptable.

(d) No, Sir. The Ministry of Finance is of the view that the present limit of Rs. 35.00 lakhs in respect of the aggregate value of Plant and Machinery in Order that an industrial undertaking qualifies as a small Scale Industrial Undertaking, prescribed in clause (b) to Explanation to Section 80HHA of Income-tax Act, 1961 is adequate.

[*Translation*]

Loans Advanced in Azamgarh and Ballia Districts of Uttar Pradesh

8088. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) the amount of loans sanctioned by the nationalised banks to the people of weaker sections of society in Azamgarh and Ballia Districts of Uttar Pradesh during the last three years;

(b) the percentage of loans realised by these banks; and

(c) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). The present data reporting system does not generate information in the manner asked for. However, as per the information available from Reserve Bank of India Gross Bank Credit given by all Scheduled Commercial Banks in the Districts of Ballia and Azamgarh of Uttar Pradesh as at the end of December 1985, December 1986 and September 1987 was as under :

(Amount in Rs. crores)

District	December 1985	December 1986	September 1987
Ballia	36.14	40.75	42.62
Azamgarh	58.00	72.24	75.30

[*English*]

Reported Raids on the Premises and Offices of Directors and Executive of Goenka Group

8089. **SHRI S. M. GURADDI :**

SHRI V. KRISHNA RAO :

SHRI PRAKASH CHANDRA :

SHRI MANIK REDDY :

SHRI MANIK RAO HODLYA GAVIT :

SHRI SITARAM J. GAVALI :

Will the Minister of FINANCE be pleased to state :

(a) whether raids on the premises and offices of Goenka Group of Companies including its Directors and Executives have been conducted recently by the Income Tax and other authorities throughout the country;

(b) if so, the outcome thereof; and

(c) the action taken or proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) Yes, Sir, searches were conducted by different enforcement agencies.

(b) and (c). Unaccounted assets worth Rs. 471.17 lakhs were seized under the Income Tax Act and estimated evasion of Central excise duty to the tune of Rs. 73 lakhs was also detected. Actual extent of evasion of different taxes can be quantified and appropriate actions can be taken only on completion of investigation.

Purchase of Shares of Public Sector Companies

8090. **DR. D. N. REDDY :** Will the Minister of FINANCE be pleased to state :

(a) whether non-Government public limited companies registered under section 26 of the MRTP Act purchased bonds issued by public sector companies;

(b) if so, the names of the companies and the amount they have invested in public sector bonds during last three years; and

(c) whether these companies were given any loans at concessional rates of interest by (i) banks, (ii) public financial institutions (iii) Exim bank, (iv) Government and semi-Government bodies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE : (SHRI EDUARDO FALEIRO) : (a) to (c). The information is being collected and will be laid on the Table of the House.

EEC to Import Cotton from India

8091. **SHRIMATI BASAVA-RAJESWARI :** Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that European Economic Community has agreed to import cotton from India;

(b) if so, the details thereof; and

(c) the amount of foreign exchange expected to be earned ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) During the current cotton year, exports of Indian staple cotton have been suspended.

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

Trade Deficit with EEC

8092. **SHRIMATI BASAVA-RAJESWARI :** Will the Minister of COMMERCE be pleased to state :

(a) the trade deficit during 1987-88 with the European Economic Community (EEC); and

(b) whether Government propose to bridge the trade gap between the EEC during 1988-89?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) According to the provisional data available in respect of Indo-EEC trade for the period April-December 1987, the trade deficit was Rs. 2641.28 crores as indicated below :

(Rs. crores)		
Exports	Imports	Deficit
2721.63	5362.91	— 2641.28

(b) Endeavour will continue to be made by Government to make all possible efforts to bridge the trade gap.

Visit of Singapore Trade Deligation

8093. SHRIMATI BASAVARAJE-SWARI : Will the Minister of COMMERCE be please to state :

(a) whether a trade delegation from Singapore visited India in March, 1988;

(b) if so, the main topics discussed;

(c) whether any concrete agreement has been reached; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir, a 19-member trade delegation led by Chairman, Singapore Trade Development Board, visited India during 13 to 22 March, 1988.

(b) The main topics discussed were boosting, diversifying and balancing Indo-Singapore trade.

(c) No, Sir.

(d) Does not arise.

[Translation]

Opening of Foreign Banks

8094. SHRI RAM PUJAN PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether Government had granted permission for opening foreign banks in India during the period from January, 1985 to January, 1987;

(b) if so, the number of such banks opened and the names of the places where these banks have been opened; and

(c) whether the country has been benefitted by opening of such banks ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Reserve Bank of India (RBI) has reported that it had not issued licence to any foreign bank for opening of branches in India during the period January, 1985 to January, 1987. However, some foreign banks, who were issued licences by RBI prior to January, 1985, opened branches in India during the period January, 1985 to January, 1987 as per details below :

Name of the Bank	Date of orginal licence issued by RBI	Date of opening of the branch	Location of the branch
Oman International Bank SAO	April, 1983	4.10.1985	Bombay
Societe Generale	September, 1984	1.11.1985	Bombay
Bank of Bahrain and Kuwait	July, 1984	26.6.1986	Bombay

(c) It is not possible to quantify the benefits. The policy generally adopted by the RBI in allowing foreign banks to open branches in India is selective. The principles of reciprocity with the country of origin of the applicant bank and the economic and trade relationship between India and the country of origin of the foreign bank, etc. are some of the factors which are kept in view while considering the applications of the foreign banks for opening of branches in India.

Levies on Stock Exchanges

8095. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to State :

(a) whether it a fact that there are already adequate levies imposed on the Stock Exchanges both by Union and the concerned State Governments;

(b) if so, the details of the levies as they exist on date on the stock exchanges in various States, Statewise; and

(c) the steps taken by Government to ensure that the Stock Exchanges become a vital instrument by mobilisation of resources during the Sixth and Seventh Five Year Plans, alongwith the names of the stock exchanges benefiting from these steps in each State ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :

(a) and (b). The details of existing Central/ State levies on Stock Exchanges are being collected and will be laid on the Table of the House.

(c) Efficient functioning of Exchanges, *inter alia*, helps in the process of resource mobilisation by Companies. The development of Stock Exchanges is a continuous process. Some of the important steps taken by the Government in this regard are briefly indicated below :

(i) The Budget for 1988-89 contains positive measures for long term growth for capital markets, which include :

(A) Concession now available for direct investment in equity shares of new industrial undertakings will also be available for investment in special units of mutual funds where the resources are earmarked for investment in new projects;

(B) Proposal to provide an exclusive exemption upto Rs. 3000 for income from dividends under Section 80L of the Income Tax Act, which will be in addition existing concessions available under Section 80L.

(C) A scheme under which approved venture capital companies funds will be enabled to invest in new companies and be eligible for the concessional treatment of capital gains available to non-corporate entities.

(ii) Government have constituted a non-statutory Board called Securities and Exchange Board of India for the regulation and development of securities market.

(iii) Mutual Funds were allowed to be established by the State Bank of India and Canara Bank. These Funds would provide valuable investment services to the public.

(iv) The High Powered Committee on Stock Exchanges was constituted by the Government in May, 1984 which submitted its report in December, 1985. Various relating to the functioning of Stock Exchanges were initiated on the recommendations made by the Committee.

The above steps will help to bring order into the functioning of the stock Exchanges in general. The names of the Stock Exchanges in the country and their location are given in the statement below.

Statement***Statement showing Name and Location of Stock Exchanges***

Sl. No.	Name	Location
1.	The stock Exchange	Bombay, Maharashtra
2.	The Stock Exchange	Ahmedabad, Gujarat
3.	The Calcutta Stock Exchange Association Limited	Calcutta, West Bengal
4.	Madras Stock Exchange Ltd.	Madras, Tamil Nadu
5.	The Delhi Stock Exchange Association Ltd.	New Delhi
6.	The Hyderabad Stock Exchange Limited.	Hyderabad, Andhra Pradesh
7.	Madhya Pradesh Stock Exchange Limited	Indore, Madhya Pradesh
8.	Bangalore Stock Exchange Ltd.	Bangalore, Karnataka
9.	Cochin Stock Exchange Ltd.	Cochin, Kerala
10.	The Uttar Pradesh Stock Exchange Association Ltd.	Kanpur, Utter Pradesh
11.	Pune Stock Exchange Ltd.	Pune, Maharashtra
12.	The Ludhiana Stock Exchange Association Limited	Ludhiana, Punjab
13.	The Gauhati Stock Exchange Limited	Gauhati, Assam
14.	Kanara Stock Exchange Ltd.	Mangalore, Karnataka
15.	Magadh Stock Exchange Association	Patna, Bihar.

Opening of Bank Branches

8096. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether Government would ensure that there is no over-lapping in the areas covering the villages around bank branches in the case of regional rural banks and the nationalised banks especially when (i) there are no branches of the lead banks of a district at each of the Block Headquarters for coordination (ii) there are more than one branches of the commercial banks at the Block Headquarters and few such branches in the interior of the Blocks; and

(b) if so, the clear guidelines issued by the Government to Reserve Bank of India and the National Bank for Agriculture and Rural Development to these banks in this regard and also for coordination with the cooperative banks belonging to the Various States ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Reserve Bank of India (RBI) has issued detailed guidelines dated 14.3.1988 to commercial banks, including the Regional Rural Banks (RRBs), for implementing the 'Service Area Approach' under which each

rural and semi-urban branch of commercial banks and RRBs will be allotted 15 to 25 villages as its service area. The allottee branch will have the responsibility for meeting the credit requirements for productive purpose, of all the villages in its service area.

RRBs, under the charter given to them, finance only the target group which includes the small and marginal farmers, agricultural labourers, rural artisans, small entrepreneurs, etc. In terms of the guidelines dated 14.3.1988 issued by RBI, in the service area of a branch of an RRB, the branch of its sponsor bank or if it is too far away, the nearest designated branch of any other commercial bank, will finance the non-target group beneficiaries. In view of the restricted clientele of the RRBs, there is no proposal to ensure that there would be no overlapping between the service areas of the branches of RRBs and commercial banks. These guidelines of RBI also envisage the setting up of a suitable forum for coordination among the banks and the block officials and the involvement of the District Central Cooperative Bank in such a forum.

Losses Suffered by Regional Rural Banks

8097. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that 40 out of the 190 regional rural banks are in the red;

(b) if so, the names of the regional rural banks which are in the red at the end of the financial year 1987-88;

(c) the steps taken by Government, the Reserve Bank of India and the National Bank for Agricultural and Rural Development to improve the conditions in such banks and also to bring down the credit deposit ratio from 200-300 per cent to 100 per cent by the end of 1990; and

(d) whether in view of the high Credit Deposit ratio, the 3000 branches of these 40 regional rural banks would be able to cater to the needs of 15-25 villages around each of them as stipulated in the Union Budget for 1988-89 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir,

(b) The names of 148 Regional Rural Banks out of 194 such banks which had incurred loss during the accounting year ending December, 1986, according to the latest available information, is given in the statement below.

(c) and (d). Pursuant to the recommendations made by the Working Group on RRBs, a number of steps have been taken for improving the performance of regional rural banks and reducing their losses. These are (i) release of additional share capital to RRBs with satisfactory track record; (ii) enlarging the scope of their lending by allowing them to lend to public bodies/village Panchayats etc. (iii) lowering of interest rate on refinance provided by the sponsoring banks and (iv) investment of their SLR funds directly in Government Securities of better yield. The Government has also asked the sponsoring banks to play a more active role in fund management, staff training and internal audit of RRBs.

NABARD has reported that it has not imposed any upper ceiling on C.D. Ratio for RRBs and a flexible view is being taken so as to ensure that any limits on CD ratio do not stand in the way of flow of funds to the weaker sections. Since the present C.D. Ratio is 101% and the NABARD does not insist on bringing it down to 100% there is no question of C.D. Ratio coming in the way of fulfilling the needs of adopted villages as stipulated in the Union Budget for 1988-89.

Statement

(Amount in lakhs of Rs.)

Sl. No. Name of the RRBs.		Loss
1	2	3
1. Haryana Kshetriya Gramin Bank		25.34
2. Hissar-Sirsia Kshetriya Gramin Bank		2.95

1	2	3
3.	Ambala-Kurukshtera Gramin Bank	2.17
4.	Himachal Gramin Bank	13.93
5.	Jammu Rural Bank	19.60
6.	Ellaquai-Dehati Bank	39.88
7.	Kamraz Rural Bank	8.83
8.	Shivalik Kshetriya Gramin Bank	3.57
9.	Kapurthala-Ferozpur Ksh. Gramin Bank	6.20
10.	Gurdaspur-Amritsar Ksh. Gramin Bank	16.18
11.	Jaipur-Nagaur Anchalik Gramin Bank	10.34
12.	Marwar Gramin Bank	97.02
13.	Shekhawati Gramin Bank	35.01
14.	Marudhar Kshetriya Gramin Bank	31.60
15.	Alwar-Bharatpur Anch. Gramin Bank	42.44
16.	Aravali-Kshetriya Gramin Bank	32.91
17.	Hadoti Kshetriya Gramin Bank	44.03
18.	Mewar Anchalik Gramin Bank	21.99
19.	Dhar Anchalik Gramin Bank	29.73
20.	Bundi-Chittorgarh Ksh. Gramin Bank	34.89
21.	Bhilwara-Ajmer Ksh. Gramin Bank	8.34
22.	Dungarpur-Banswara Ksh. Gramin Bank	8.07
23.	Sriganganagar Kshetriya Gramin Bank	29.34
24.	Arunachal Pradesh Rural Bank	4.75
25.	Lakhimi Gaonlia Rural Bank	25.80
26.	Cachar Gramin Bank	10.09
27.	Langpi-Dehangi Rural Bank	13.56
28.	Subansiri-Gaonlia Bank	16.41
29.	Manipur Rural Bank	12.13
30.	Khasi Jaintia Rural (Ka Bank)	18.03
31.	Mizoram Rural Bank	20.01
32.	Nagaland Rural Bank	5.10
33.	Champanar Kshetriya Gramin Bank	40.38

1	2	3
34.	Koshi Kshetriya Gramin Bank	44.78
35.	Vaishali Kshetriya Gramin Bank	16.37
36.	Santhal Parganas Gramin Bank	37.64
37.	Nalanda Gramin Bank	9.72
38.	Singhbhum Kshetriya Gramin Bank	25.33
39.	Samastipur Kshetriya Gramin Bank	27.50
40.	Ranchi Kshetriya Gramin Bank	25.26
41.	Gopalganj Kshetriya Gramin Bank	12.11
42.	Saran Kshetriya Gramin Bank	11.54
43.	Giridh Kshetriya Gramin Bank	2.55
44.	Hazaribagh Kshetriya Gramin Bank	4.82
45.	Puri Gramin Bank	58.54
46.	Bolangir Anchalik Gramin Bank	40.39
47.	Cuttack Gramin Bank	19.28
48.	Kalahandi Anchalik Gramin Bank	16.66
49.	Baitarani Gramin Bank	33.50
50.	Balasore Gramin Bank	48.93
51.	Rushikulya Gramin Bank	28.14
52.	Dhenkanal Gramin Bank	26.18
53.	Gaur Gramin Bank	73.47
54.	Mallabhum Gramin Bank	53.21
55.	Mayurakshi Gramin Bank	85.26
56.	Nadia Gramin Bank	16.25
57.	Bardhaman Gramin Bank	29.31
58	Howrah Gramin Bank	13.68
59.	Kshetriya Gramin Bank, Hoshangabad	41.90
60.	Bilaspur-Raipur Ksh. Gramin Bank	100.53
61.	Bundelkhand Kshetriya Gramin Bank	30.87
62.	Sharda Gramin Bank	24.60
63.	Surguja Kshetriya Gramin Bank	30.00
64.	Bastar Kshetriya Gramin Bank	28.94

1	2	3
65.	Durg-Rajanandgaon Gramin Bank	22.97
66.	Jhabua-Dhar Kshetriya Gramin Bank	15.39
67.	Raigarh Kshetriya Gramin Bank	30.00
68.	Shivpuri-Guna Kshetriya Gramin Bank	16.66
69.	Damoh-Panna-Sagar Ksh. Gramin Bank	42.78
70.	Dewas-Shajapur Kshetriya Gramin Bank	18.86
71	Nimar Kshetriya Gramin Bank	16.37
72.	Mandla-Balaghat Kshetriya Gramin Bank	16.39
73.	Chhindwara-Seoni Kshetriya Gramin Bank	7.47
74.	Rajgarh Kshetriya Gramin Bank	15.48
75.	Shahdol Kshetriya Gramin Bank	10.37
76.	Ratlam-Mandsaur Kshetriya Gramin Bank	6.49
77.	Chambal Kshetriya Gramin Bank	10.89
78.	Mahakaushal Kshetriya Gramin Bank	8.22
79.	Bhagirath Gramin Bank	29.00
80.	Ballia Kshetriya Gramin Bank	14.08
81.	Hardoi-Unnao Gramin Bank	31.07
82.	Kanpur Kshetriya Gramin Bank	19.00
83.	Sravasti Kshetriya Gramin Bank	7.79
84.	Etawah Gramin Bank	17.46
85.	Kisan Gramin Bank	22.46
86.	Kshetriya Kisan Gramin Bank	23.15
87.	Kashi Gramin Bank	9.99
88.	Allahabad Kshetriya Gramin Bank	25.51
89.	Pratapgarh Kshetriya Gramin Bank	23.10
90.	Faizabad Kshetriya Gramin Bank	28.68
91.	Fatehpur Kshetriya Gramin Bank	26.31
92.	Bareilly Kshetriya Gramin Bank	30.79
93.	Devi Pattan Kshetriya Gramin Bank	25.74
94.	Aligarh Kshetriya Gramin Bank	12.92
95.	Tulsi Gramin Bank	34.51

1	2	3
96.	Etah Gramin Bank	19.81
97.	Gomti Gramin Bank	7.28
98.	Chhatrasal Gramin Bank	22.77
99.	Rani Lakshmi Bai Ksh. Gramin Bank	24.41
100.	Vidur Gramin Bank	10.55
101.	Shahjahanpur Kshetriya Gramin Bank	15.01
102.	Nainital Almora Kshetriya Gramin Bank	14.02
103.	Vindhya vasini Gramin Bank	12.08
104.	Sarayu Gramin Bank	14.03
105.	Jamuna Gramin Bank	4.93
107.	Muzaffarnagar Kshetriya Gramin Bank	3.45
107.	Pithoragarh Kshetriya Gramin Bank	0.60
108.	Ganga-Yamuna Gramin Bank	4.73
109.	Alaknanda Gramin Bank	1.21
110.	Kutch Gramin Bank	25.08
111.	Jamnagar Gramin Bank	21.43
112.	Banaskantha-Mehsana Gramin Bank	39.86
113.	Panchmahal Gramin Bank	34.00
114.	Surendranagar-Bhavnagar Gramin Bank	14.11
115.	Valsad-Dangs Bank	4.99
116.	Surat-Bharuch Gramin Bank	5.00
117.	Sabarkantha-Gandhingar Gramin Bank	3.12
118.	Junagadh-Amreli Gramin Bank	2.46
119.	Marathwada Gramin Bank	31.89
120.	Aurangabad-Jalna Gramin Bank	18.86
121.	Chandrapur-Gadchiroli Gramin Bank	18.37
122.	Akola Gramin Bank	8.17
123.	Ratnagiri-Sindhudurg Gramin Bank	16.13
124.	Solapur Gramin Bank	14.20

1	2	3
125.	Bhandara Gramin Bank	14.56
126.	Nagarjuna Gramin Bank	122.64
127.	Rayalseema Gramin Bank	15.26
128.	Sri Visakha Gramin Bank	41.81
129.	Sree Anantha Gramin Bank	14.32
130.	Shri Venkateswara Gramin Bank	16.26
131.	Sti Saraswathi Gramin Bank	11.14
132.	Sangameswara Gramin Bank	8.00
133.	Pinakini Gramin Bank	23.01
134.	Kakathiya Gramin Bank	33.97
135.	Chaitanya Gramin Bank	12.99
136.	Shri Sathavahana Gramin Bank	4.79
137.	Golconda Gramin Bank	0.38
138.	Srirama Gramin Bank	0.46
139.	Cauvery Gramin Bank	50.67
140.	Krishna Gramin Bank	67.26
141.	Chitradurga Gramin Bank	3.11
142.	Kalpatharu Gramin Bank	35.19
143.	Kolar Gramin Bank	24.14
144.	Bijapur Gramin Bank	26.19
145.	Chickmagalur-Kodagu Gramin Bank	11.43
146.	Sahyadri Gramin Bank	11.05
147.	Netravati Gramin Bank	7.80
148.	Varda Gramin Bank	10.37

Separate Cell for Services Sector

8098. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether it is proposed to set up a separate cell in his Ministry for the services sector; and

(b) if so, the details thereof and the objective in view ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). A Division already exists in the Ministry, which handles all aspects pertaining to expansion and diversification of exports of projects and services.

Fall in Deposits of Nationalised Banks

8099. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to state :

(a) the total aggregate deposits of twenty nationalised banks as on 30 September 1987, 31 December, 1987 and 29 January, 1988;

(b) whether Government have noticed the trend of steep fall in deposits of nationalised banks in the first week of year in every year;

(c) the reasons for fall in deposits as on 29 January, 1988 and whether some nationalised banks have been found to be indulged in window-dressing to make up the yearly targets; and

(d) the steps taken by Government to remedy the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The aggregate deposits (other than from banks) of 20 nationalised banks as on the last Friday of September 1987, December 1987 and January 1988 are as under :

(Amt. in Rs. crores)

Period	Deposit
29.9.1987	67894.56
25.12.1987	74135.80
29.1.1988	72585.54

(b) and (c). It has been observed during the last three years that large variations, if any, in the deposit figures of banks are mainly due to normal banking transactions such as, interest accrued on deposits, deposits/withdrawals of large funds in the accounts of public sector undertakings etc.

However, so far, Reserve Bank of India has no information of any bank having resorted to window-dressing of its deposits as at the year ending December 1987 to make up the yearly targets.

(d) Reserve Bank of India has advised banks to indicate average growth of deposits in the annual report and other publications whenever performance is judged as on various dates and also issued instruction to banks to impress upon their Branch Managers not to adopt undesirable methods to inflate the figures of deposits and also to take action against erring officials.

Reservation for SC/ST in Indian Overseas Bank

8100. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to state :

(a) the eligibility criteria and zone of consideration for promotion from clerical to junior management grade being adopted in Indian Overseas Bank for general employees and for SC/ST employees;

(b) the total number of employees working in Indian Overseas Bank in Delhi/New Delhi, post-wise and category-wise;

(c) the number of those belonging to SC/ST communities among them, post-wise and category-wise, separately;

(d) whether quota reserved for SC/ST employees in all categories of posts, particularly in junior management grade is complete;

(e) if not, the reasons for not completing the reserved quota, particularly in junior management scale; and

(f) the specific measure taken or being taken to complete the backlog and fill up the post reserved for SC/ST communities in all categories of posts and particularly the junior management scale posts ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Indian Overseas Bank has reported that according to the existing promotion policy it has two channels viz. channel (A) and

channel (B) for promotion from the clerical to officers cadre. 50% of the vacancies are filled by channel (A) which involves a written test. In the eligibility criteria of 10 years service, a relaxation of 1 year and 2 years service is allowed for SC and ST respectively. Channel (B) also involves written test but all candidates with 3 to 7 years of service depending upon their educational and other qualifications are eligible. SC/ST candidates are allowed relaxation by 1 year subject to a minimum of three years actual service.

Cadre	General	SC	ST	Total
Officers	384	51	15	450
Clerical staff	754	217	24	995
Sub-staff	135	105	14	254
	1273	273	53	1699

(d) and (c). Reservations in the Officers cadre of the bank are calculated and maintained at All India level and not State/Region-wise. The backlog in the reservations for SC/ST in the officers cadre in direct recruitment of Indian Overseas Bank as on 31.12.1987 was 1 for SC and 12 for ST. The reasons for the backlog are, *inter-alia*, non-availability of suitable candidates from BSRBs.

(f) The Government has advised various measures to public sector banks including Indian Overseas Bank for clearing backlog in reserved vacancies for Scheduled Castes and Scheduled Tribes which, *inter-alia*, include;

- (i) conducting pre-recruitment and pre-promotion training programmes.
- (ii) relaxation in educational qualifications and standards of fitness.
- (iii) inclusion of a member belonging to Scheduled Caste/Scheduled Tribes in the Selection Committee/Departmental Promotion Committee etc.
- (iv) conducting special recruitment tests exclusively for Scheduled Castes and Scheduled Tribes, whenever necessary.

Indian Overseas Bank has also advised that the SC/ST candidates are adjudged against relaxed standard and their qualifying marks are 25 against 35 for general candidates in channel (A) and 25 against 40 for channel (B).

(b) and (c). The total number of employees working in Delhi Region of Indian Overseas Bank, as reported by it, in the officers, clerical and sub-staff cadre as on 31.12.1987 is as under :

(v) opening of examination Centres nearer to the places of concentration of Scheduled Castes and Scheduled Tribes;

(vi) placing of indents after including total backlog for Scheduled Castes and Scheduled Tribes subject to maximum reservation to the extent of 50% of the total vacancies in any recruitment year.

Fall of Ground Water Levels in Karnataka

8101. SHRI H.B. PATIL : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether it is a fact that permanent recession of ground water levels has been observed in some districts of Karnataka;

(b) if so, the details thereof;

(c) whether any report has been sought by Union Government from the State of Karnataka in this regard; and

(d) if so, the details thereof and the reaction of Union Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and

(b). Fall in ground water levels ranging from 0.15 to 10.99 metres has been recorded in parts of all the districts of Karnataka State.

(c) and (d). No, Sir.

Export of Production of Drugs

8102. SHRI BALASAHEB VIKHE PATIL :

DR. V. VENKATESH :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have decided to allow export production of drugs not yet approved in the country;

(b) whether only those drugs which have been tested and approved by the competent authorities abroad would be considered for export production; and

(c) if so, whether Government propose to amend the existing law to accommodate new drug in the overall policy ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Yes, Sir. Government have decided to grant approval for production of drugs, not yet approved in the country, on case by case basis provided the drug is not banned in India and the firm has a letter from the importing country indicating that the drug has been cleared for use in that country and is already in use in a number of developed countries. Production is to be undertaken by manufacturers of repute for export only against valid export orders.

(c) No, Sir.

Growth of Economy

8103. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has projected a slower growth for Indian economy in 1987-88;

(b) if so, whether the decline in industrial and agricultural production are the major factors for this slow growth;

(c) if so, whether the Reserve Bank of India has advised Government to implement policy measures to raise the agricultural and industrial production and to bridge the galloping rise in inflation; and

(d) if so, the measures taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). The RBI report has noted that the severe drought of 1987-88 is likely to have adverse impact on the production, prices and other sectors of the economy. The Government has taken a series of measures to raise agricultural and industrial production and to maintain a check on the rise in prices. These include a new action plan for agriculture with emphasis on irrigation; provision of fiscal reliefs to industries to boost demand which was adversely affected by drought; further liberalisation of capacity reendorsement to encourage higher production and maintenance of higher level of public investment in infrastructure sectors. The anti-inflationary measures includes strengthening of the Public Distribution System, imports of essential items like sugar, edible oils and pulses to augment domestic availability, mopping up of excess liquidity in the system and strict action against hoarders and blackmarketeers.

LIC Building in Connaught Place

8104. SHRI DAULATSINHJI JADEJA: Will the Minister of FINANCE be pleased to state :

(a) the cost of the recently constructed Jeevan Bharati building of the Life Insurance Corporation in Connaught Place, New Delhi;

(b) the original cost estimate;

(c) whether Government are aware of the dislocation in traffic and pollution created by such an edifice in middle of Delhi;

(d) the particulars of the architect of this building and commission paid to him; and

(e) the particulars of the contractor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) About Rs. 18.67 crores.

(b) Rs. 14.97 crores.

(c) The building has been constructed as per approved plan and after obtaining clearances from the concerned authorities. LIC has not received any report of dislocation in traffic and pollution.

(d) Shri Charles Correa, Consulting Architect, Mathew Road, Bombay. The professional fees amount to Rs. 23 lakhs.

(e) The main building contractors were M/s. Shapoorji Pallonji & Co., Pvt. Ltd., Bombay.

Frauds in State Bank of Indore Branches in Kanpur

8105. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether cases of bunglings/frauds have been detected in the matter of bogus cheque discounts and overdrafts facilities given during the period January, 1979 to December, 1984 in the branches of State Bank of Indore in Kanpur (Uttar Pradesh);

(b) if so, the branch-wise, details thereof;

(c) the total amount involved in each case and the number of officials found involved therein; and

(d) the present position of each such cases ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). State Bank of Indore has reported that one case of fraud was detected in June 1980 at its Gumti No. 5 branch, Kanpur involving discounting of bogus cheque, leading to an overdraft of Rs. 69,500. The Bank has further reported that in connection with this case while one officer has been dismissed from the Bank's service, punishment of

stoppage of one increment without cumulative effect has been awarded to another official. The Bank has also filed civil suit against the party for the recovery of its dues and has also lodged claim with the insurance company.

Loans Advanced by State Bank of Indore

8106. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) the amount of loans sanctioned and disbursed under letter of credit/foreign trade business by the State Bank of Indore during the last year;

(b) the number of companies/export units/woollen hosiery mills etc. to which it has been advanced; and

(c) the number of persons/companies/factories to which loans worth more than Rs. 10 lakhs each has been sanctioned and the total money sanctioned to them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The State Bank of Indore has reported that the limits sanctioned by it to 45 companies/export units under letter of credit/foreign trade (export finance) during January-December 1987 was Rs. 44.83 crores (approx.). Against these, the outstandings were Rs. 34.54 crores (approx.).

(c) The bank has also reported that it had sanctioned limits of more than Rs. 10 lakhs each to 30 companies involving total amount of Rs. 44.34 crores (approx.) during last year.

Writing off of Bank Loans to Cotton Growers in Andhra Pradesh

8107. SHRI SRI HARI RAO :

SHRI MANIK REDDY :

SHRI SITARAM J. GAVALI :

SHRI V. SOBHNADREESWARA RAO :

Will the Minister of FINANCE be pleased to state :

(a) whether Government of Andhra Pradesh has recently approached the Union

Government for writing off the crop loans given by the nationalised commercial banks to cotton growers in Guntur, Prakasam and other districts of Andhra Pradesh in view of the failure of cotton crops and subsequent suicides by farmers;

(b) if so, whether this proposal has since been examined by the Union Government; and

(c) if so, the nature of decision taken by the Union Government?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A letter dated 24.2.1988 has been received from the Department of Agriculture of the State Government of Andhra Pradesh indicating, *inter alia*, that the cotton grower-farmers in Prakasam District want loans given by the banks to be written off or atleast interest to be waived and loans rescheduled. The consistent stand of Government of India and Reserve Bank of India has been that generalised waiver or write off of loans affects the requisite financial discipline of the borrowers and vitiates they recovery climate. Such measures also build up expectations on the part of the borrowers that the loan instalments due for repayment in future could also be similarly waived and consequently their inclination to repay the loans gets weakened. However, Reserve Bank of India has issued detailed guidelines to the banks for providing suitable relief to borrowers in the case of natural calamities or other adverse exigencies resulting in failure of crops. These guidelines, *inter alia*, envisage conversion of short-term loans into medium-term loans, reschedule of existing term loans, providing fresh crop loans, etc. Subject to these guidelines, credit institutions can remit or reschedule loans on the merits of each case, if such action is warranted according to their commercial judgement.

Projects Proposed for Yen Credit Assistance

8108. SHRIMATI MADHUREE SINGH : Will the Minister of FINANCE be pleased to state :

(a) the likely projects proposed to be posed for next years Yen credit assistance;

(b) the proportion of the assistance proposed for ongoing projects as compared to the new projects; and

(c) how do Government propose to ensure that the projects are evenly spread among various parts of the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Negotiations with the Government of Japan and the Overseas Economic Cooperation Fund of Japan (which is the official funding agency) are underway to finalise the project proposals for Japanese assistance in 1988. The list of projects will be finalised by the time of the Aid India Consortium Meeting in Paris in the month of June, 1988.

(c) Projects are posed for external financing depending upon their feasibility, priority, maturity for implementation, resources position of the implementing agencies and the lending criteria of the donor agency.

Projects Pending with Ganga Flood Control Commission

8109. SHRIMATI BIBHA GHOSH GOSWAMI : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether several projects are still pending with the Ganga Flood Control Commission;

(b) if so, the details thereof;

(c) when these projects were received by Government;

(c) the reasons for delay to clear these projects; and

(e) the time by which these projects are likely to be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHIL) : (a) to (c). A statement is given below.

(d) The principal reasons for the delay in clearance of the projects are :

(i) The Schemes are not prepared after adequate investigations and studies as per the prescribed guidelines;

ii) There is delay in compliance with the comments of the Ganga Flood Control Commission;

(iii) Sometimes encroachment on forest area is involved and so, such schemes are required to be cleared under the Forest (Conservation) Act, 1980.

(e) The time by which these projects are likely to be cleared depends upon the keenness and promptness of the State Governments in complying with the comments of the Ganga Flood Control Commission.

Statement

Statement showing the Position of schemes under process in GFCC as on 24th March '88

Sl. No.	Name of State	Name of Scheme	Date of receipt of new/modified/revised/ scheme. Replies to GFCC observations
1	2	3	4
1.	Uttar Pradesh	1. P/E for marginal embankment on river Rapti from Dumeriaganj to Bangi in distt. Basti. Estd. cst Rs. 799.64 lakhs. 2. Flood Protection work on Vikram Jot Dhuswa Bund in Tehsil Harraiya in distt. Basti. Estd cost Rs. 117.22 lakhs. 3. Portection of Madarha Behra Dandi Bund on left bank of river Ghaghra distt. Basti. Estd. cost Rs. 84.65 lakhs. 4. Rai Bareli Town Flood Protection Scheme Estd. cost Rs. 96.70 lakhs.	October '87 March '88 March '88 February '88
2.	Bihar	1. Chakia-Ramdiri Embankment Scheme Estd. cost Rs. 194.75 lakhs. 2 Strengthening and modernisation of Bagdole-Jhawa Mahananda left embankment Estd. cost Rs. 84.28 lakhs 3. Adhwara Flood Control Scheme Phase-III Estd. cost Rs. 584.52 lakhs. 4. Adhwara Flood Control Scheme, Phase-II Estd. cost Rs. 592.93 lakhs.	March '88 March '88 February '88 October '87

1 2

3

4

5. Second revised estimate of Sone river embankment (left bank only) Estd. cost Rs. 473.38 lakhs.	June '87
6. Piprasi-Pipraghat Protection Scheme Estd. cost Rs. 1453.45 lakhs.	December '87
7. Master estimate for protection works of Kosi embankment Estd. cost Rs. 3227.91 lakhs.	January '88
8. Ganga-Gumani Flood Control Scheme Estd. cost. Rs. 195.43 lakhs.	January '88
3. West Bengal.	
1. Kunur river embankment scheme in distt. Burdwan Estd. cost Rs. 1402.18 lakhs.	June '87
2. Beel Balli Drainage Scheme in distt. 24-Parganas Estd. cost Rs. 206.20 lakhs.	October '87
3. Modified Flood Protection Scheme for the Nabadwip area in distt. Nadia Estd. cost Rs. 386.30 lakhs.	November '87
4. Re-excavation of river Baramasia including Sarju and More-Mahananda for improvement of drainage congestion for Harish Chandrapur Kharba-Ratua in the distt. of Malda Estd. cost Rs. 490.50 lakhs.	December '87

Loan Applications under Self Employment Scheme in Kerala

8110. SHRI T. BASHEER : Will the Minister of FINANCE be pleased to state :

(a) the number of applications received during 1986 and 1987 by different banks in Kerala from unemployed youth under self employment scheme;

(b) the number of applications sanctioned, rejected and pending; and

(c) the time by which decision is likely to be taken on pending applications ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The targets under the Self Employment Scheme for Educated Unemployed Youth (SEEUY) are fixed financial year-wise. Reserve Bank of India have reported that as against the target of 20,000 beneficiaries to be covered under the SEEUY Scheme in Kerala during 1986-87 the number of applications received by District Industries Centre (DICs) were 87156. The DICs sponsored 27096 applications to banks, which sanctioned loans in 19015 cases during the year 1986-87.

Reserve Bank of India have also reported that as per the data reporting system until 1986-87, banks were not required to submit

information regarding applications rejected and pending with them. During October, 1987 information reporting system has been modified and this information will also be collected from the financial year 1987-88.

(c) As the scheme is implemented on financial year basis, loans for achieving physical target for a particular year are to be sanctioned before the end of the financial year only. Banks have been advised by Reserve Bank of India to dispose of the applications within 14 days from the date of their receipt from District Industries Centres (DICs).

Supply of Dhotis and Sarees

8111. SHRI MANIK REDDY: Will the Minister of TEXTILES be pleased to state :

(a) the amount of dhotis, sarees and other cloth supplied to the States during the last three years which was to be distributed among the common people through the public distribution system, State-wise figures;

(b) whether Union Government met the demand of the States fully;

(c) if so, the details thereof; and

(d) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Controlled/Janata cloth is distributed in various States through the public distribution system as well as other outlets. Separate figures of dhotis, sarees and other cloth supplied to the States for distribution to the common people through the public distribution system are not maintained by the Central Government.

(b) to (d). Supply production of dhotis, sarees and other cloth under the controlled/Janta cloth scheme in States is determined on a pro-rata basis taking into account total population and population below the poverty line. Their supply/production is not determined on the basis of demand for these products in the States.

Non-Availability of Yarn in Kerala

8113. SHRI MULLAPPALLY RAMA-CHANDRAN: Will the Minister of TEXTILES be pleased to state :

(a) whether any representation has been received by Union Government from the District of Cannanore, Kerala, regarding the plight of thousands of handloom workers due to rise in price and non-availability of yarn in the market;

(b) whether the Ministry intend to open a yarn Bank at Cannanore; and

(c) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) and (c). No, Sir. However, National Handloom Development Corporation, which was set up with the primary objective of ensuring regular supply of inputs to the handloom sector at reasonable prices, is supplying bank yarn to handloom agencies in the southern states, including Kerala, through its regional office at Coimbatore.

Bank Loans for Housing

8114. SHRI MULLAPPALLY RAMA-CHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether any directives have been issued to the nationalised banks to increase the quota of housing loan during the current year;

(b) if so, the details thereof;

(c) whether all the banks had achieved the targets fixed for granting of housing loans during 1987; and

(d) the details of banks that have not achieved the target ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Reserve Bank of India (RBI) have reported that the banks were not allocated any amounts individually to be provided by them towards housing finance in the past. RBI in March, 1988 issued instructions to all scheduled commercial banks advising enhancement in the total allocation for housing finance from Rs. 150 crores to Rs. 225 crores for the year 1988 and to Rs. 300 crores for the year 1989. RBI have also reported that the allocations of housing finance for the year 1988 have been

made bank-wise and they have also been advised individually in this regard.

(c) and (d). While the stipulated target on an aggregate basis for housing finance was exceeded by banks in 1986, complete data for 1987 has not yet become available.

UCO Bank

8115. SHRI MOHD. MAHFOOZ ALI KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that UCO Bank has the lowest productivity and highest expenditure per employee as compared to the other nationalised banks in the country;

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

(c) the remedial measures contemplated by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). UCO Bank has reported that its business per employee was lowest in the year 1986 but the expenditure per employee was about the industry average. The low business per employee was due to lower business growth coupled with a high staff expansion during the period 1980-1985. With the strategy of restricted growth in man-power and a sustained higher average growth in business, the bank is endeavouring to improve the situation.

Gold Import for Export Production

8116. SHRI V.S. KRISHNA IYER : Will the Minister of COMMERCE be pleased to state :

(a) the reasons for decline in gold jewellery export; and

(b) whether Government propose to allow gold import for export oriented production ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The marginal decline in gold jewellery exports during 1987-88 as compared to those in 1986-87 is attri-

butable mainly to the subdued Middle East market which has been the major buying segment of Indian gold jewellery.

(b) The current import-export policy provides for import of all raw materials, including gold, for export oriented production.

Direct Recruitment to Grade 'A' Services in Central Excise Department

8117. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether direct recruitment is made to Grade 'A' services in the Central Excise Department;

(b) if so, whether it will not affect the inservice employees; and

(c) whether Government propose to stop direct recruitment to Grade 'A' Service in Central Excise Department to provide promotional opportunities to the stagnated inservice employees ?

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

(b) No, Sir. Direct recruitment is made only to the extent of 50% of the vacancies in the grade of Assistant Collector/Sr. Supdt. of Customs and Central Excise Service Group 'A'. The remaining 50% vacancies are filled by promotion.

(c) No, Sir.

Reward/Incentives to Income Tax Officers

8118. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether there is any scheme to give reward or incentive to Income Tax Officers for clearing more cases;

(b) if so, the details thereof;

(c) whether Government are aware that the proceedings before the ITO is only quasi-judicial and it could be reserved by the appellate authority; and

(d) the steps proposed to be taken to ensure the impartial decisions by Income Tax Officers ?

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

(b) With a view to encourage maximisation of disposal of summary assessments, rewards are given to three best Summary assessment Units in each Commissioner of Income-tax's charge whose disposal is the highest for a financial year. The rewards are given to each of the officers and staff working in the unit at the rate of one month's emoluments for the highest disposal, at the rate of 2/3rd of a month's emoluments for the second highest disposal and at the rate of 1/3rd of month's emoluments for the third highest disposal.

The Summary assessment Unit having maximum disposal in the country is eligible for additional reward of Rs. 20,000.

(c) Yes, Sir.

(d) The orders passed by Income Tax Officers are presently subject to :

- (i) Inspection by Senior Officers;
- (ii) Internal as well as Revenue Audit; and
- (iii) Appeals and Revisions.

In view of the above, no further steps are considered necessary.

Recruitment in Central Excise Department

8119. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) the total number of posts in all categories recruited in 1987 in the Central Excise Department for posting to various parts of the country;

(b) whether most of the posts in the Central Excise Department are special type of posts for which a separate recruitment agency is required; and

(c) whether there is any proposal before Government to create a separate Board for

recruitment of various posts in the Central Excise Department ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) The information is being collected and will be laid on the Table of the House.

(b) No, Sir.

(c) No, Sir.

[*Translation*]

Payment of D.A.

8120. SHRI RAM DHAN :

SHRI BALWANT SINGH RAMOOWALIA :

Will the Minister of FINANCE be pleased to state :

(a) whether it has become obligatory for Government to make an increase in the dearness allowance of Central Government employees due to recent rise in the price index;

(b) whether a talk was held recently with the representatives of the employees unions to consider the matter; and

(c) if so, the details thereof and the results achieved ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). Dearness Allowance at the revised rates has become due to Central Government employees w.e. from 1.1.1988 on the basis of percentage increase in whole numbers in the twelve monthly average of the All India Consumer Price Index Numbers for Industrial Workers (General) (Base 1960=100) for the month ending 31.12.1987, over the index average 608. The discussions are going on and the final decision is expected to be taken as early as possible.

Relief given to Textile Mills Extended to the Consumers

8121. SHRI RAM DHAN :

SHRI BALWANT SINGH RAMOOWALIA :

Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that Government feel that benefit of the relief given in textile duty in the current year's budget should reach to the consumers;

(b) if so, whether Government have made request to this effect to the textile mills in private sector;

(c) if so, the details thereof;

(d) whether textile mills in public sectors have taken certain steps in this direction; and

(e) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (e). Government have indicated that the benefit of excise duty concessions announced in the recent budget should be passed on down the line to the consumer in the form of lower prices. This would apply equally to units in the private and public sector as production of fabric is increasingly undertaken with raw materials which have enjoyed the said duty concessions.

Deposits of Nationalised Banks

8122. SHRI RAM DHAN : SHRI BALWANT SINGH RAMOOWALIA :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the amount of money deposited in the nationalised banks during the last year *i.e.* 1987-88 was less than the preceding year 1986-87; and

(b) if so, the total amount of deposits of these banks as on 23 December, 1987, 31 December, 1987 and 7 January, 1988, respectively ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The figures for the growth of deposits of the Public Sector Banks for the year 1987-88 are not yet available. However, the annual growth of deposits (excluding interbank deposits) of public sector banks during 1986 and 1987 was 19.6% and 15.6% respectively.

(b) Reserve Bank of India has informed that 23rd December, 1987, 31st December, 1987 and 7th January, 1988 are non-reporting dates for submission of returns furnishing deposits figures by banks, hence figures as on these dates are not available.

Pending Proposal of Cotton Mills in U.P.

8123. SHRI HARISH RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether there is a proposal pending in regard to the approval for setting up some new cotton mills in Uttar Pradesh; and

(b) if so, since when this proposal is pending and the time by which necessary approval will be accorded in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). An application has been received by Government for setting up a 100% Export Oriented cotton spinning unit in Uttar Pradesh on 6.4.1988. Another application for setting up a medium scale cotton spinning unit received by the Textile Commissioner on 11.2.1988 is pending for want of necessary clarification from the applicant. It is not possible to indicate at this stage by when the proposal are likely to be disposed of.

Promotion of Handicraft in Uttar Pradesh

8124. SHRI HARISH RAWAT : Will the Minister of TEXTILES be pleased to state :

(a) whether any special scheme has been prepared by the Ministry to promote handicraft industry in Uttar Pradesh;

(b) if so, the details in this regard;

(c) whether there is any proposal to create any special funds for the welfare of handicraft workers in this State; and

(d) if so, the time by which this fund will be set up ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). No, Sir. There is no special scheme in Uttar Pradesh. However, the following important schemes are being undertaken for promo-

tion of handicrafts in different States of the country including Uttar Pradesh.

1. Training

Institutional training is imparted in major crafts like carpet weaving, artmetalwares, hand printed textiles, cane and bamboo and woodwares for upgradation of skill. Besides, training is also imparted under apprenticeship training scheme in crafts which are either languishing or required specialised skill.

2. Marketing Assistance

The Office of the Development Commissioner (Handicrafts) have set up 47 Marketing and Service Extension Centres throughout the country with a view to generate self employment among the artisans, to increase their earnings by way various sales promotion programmes. The M and SECs are rendering package of services to the craftsmen like assistance in getting credit facilities, raw materials, improved tools and techniques etc. The centres are also organising various sales promotion programmes, like Product Promotion Programmes, Market Meet Programmes, Fairs and Festivals etc.

3. Design Development

Four Regional and Technical Development Centres located at Bombay, Calcutta, Bangalore and New Delhi continued to provide technical guidance, training facilities and demonstration in different crafts to craftsmen all over the country. A National Craft Institute for Hand-printed textiles has been set up at Jaipur to train craftsmen in textile designing, processing and refresher courses in improved technology.

4. Raw Material and Common Facility Centres

A scheme to assist the Central/State Handicrafts Corporations and Apex Cooperative Societies financially has been initiated to enable them to set up raw material depots and common facility centres in crafts concentration areas, sales outlets and for holding of exhibitions of handicrafts. Financial assistance to the tune of Rs. 3.53 lakhs was provided to U.P. State Handicrafts Corporation during 1987-88 for setting up of raw material depots, sales

outlets, 'holding of exhibitions' of handicrafts, common facility centres etc.

5. Export Training

Ten Training Programmes in Business Enterprises and Export Management for Educated Sons and Daughter of craftsmen were conducted during 1986-87 by the specialised agencies. Five demonstration-cum-Training Programmes in packaging of Handicrafts were conducted during 1986-87 by the Indian Institute of Packaging.

(c) No, Sir. There is no such proposal.

(d) Does not arise.

Assistance to sick Units in Uttar Pradesh

8125. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the total number of sick industrial units in Uttar Pradesh and the number of units, out of these, which have been provided the financial assistance admissible to the sick units; and

(b) the amount provided by the various financial institutions to these units ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Reserve Bank of India has reported that in Uttar Pradesh, as at the end of December, 1986, there were 15,815 sick units in the SSI sector and 68 units in the large scale sector (large units are those which are enjoying aggregate credit limit of Rs. 1 crore or more from the banking system) with outstanding of Rs. 101.38 crores and Rs. 251.08 crores respectively. Out of 68 large sick units, 34 were viable units, 27 were non-viable units and the viability of 7 units had not been decided. Out of 34 viable units, 16 units had been put under nursing programme with an amount outstanding of Rs. 129.04 crores.

(b) Industrial Development Bank of India (IDBI) has reported that assistance sanctioned to the sick industrial units in Uttar Pradesh by IDBI, IFCI and ICICI as on June 30, 1987 is as given below :

(in Rs. crores)

Name of Institution	No. of Units	Assistance Sanctioned
IDBI	32	80.01
IFCI	48	65.59
ICICI	21	18.18

Export of Si'k

8126. SHRI KALI PRASAD PANDEY : Will the Minister of TEXTILES be pleased to state :

- (a) the quantity of silk exported during the last three years;
- (b) the foreign exchange earned thereon during the above period;
- (c) the target fixed to export the silk cloths during the current year; and
- (d) the estimated foreign exchange likely to be earned ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). India does not encourage export of raw silk and there have been no exports of this item during the last three years. However, there have been substantial exports of value-added natural silk goods and the quantum of foreign exchange earnings on this account were as under :

(in Rs. crores)

Year	Value
1985-86	159.82
1986-87	201.42
1987-88	233.48

(April '87 to Feb., '88)

(c) and (d) The target fixed for exports of natural silk goods during the year 1988-89 is Rs. 270 crores, which is likely to be achieved.

[English]**Poor Quality Export to Europe**

8127. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government's attention has been drawn to the news-items captioned "Poor quality hits exports to Europe" appearing in the Times of India dated 2 April, 1988;

(b) if so, whether complaints are being received from importing countries; and

(c) the steps being taken to prevent such complaints ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) Complaints are sometimes received against poor quality of Indian products.

(c) Complaints from importers are enquired into by the Regional Standing Committees on Quality Complaints which are functioning at Bombay, Calcutta, Cochin, Delhi and Madras. Appropriate action is taken on the recommendations of the Committees to avoid recurrence of complaints.

In order to ensure the requisite standards of quality in export goods, a number of items have been notified for compulsory quality control and preshipment inspection under Export (Quality Control and Inspection) Act, 1963. The scheme of inspection under the Act includes preshipment inspection by notified agencies, super-checks by Technical Audit Cells, surveillance at manufacturing points and training of workers, etc.

[Translation]**Trade Deficit with Malaysia**

8128. SHRI KALI PRASAD PANDEY : Will the Minister of COMMERCE be pleased to state :

(a) the figures of trade with Malaysia for last three years;

(b) the position of trade deficit with Malaysia; and

(c) the steps being taken to bridge the trade gap ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). As per

DGCI and S, figures of Indo-Malaysia trade for the last three years are as under :

Year	Export	Import	Trade Turn-over	(Rs. in lakhs)
				Balance of Trade
1985-86	7099	40765	47864	—33666
1986-87	10485	55214	65699	—44729
1987-88	6331	58376	64707	—52045

(April-Dec., 87)

(Figures for 1986-87 and 1987-88 are provisional)

(c) The steps to bridge the trade gap include identification of thrust commodities for active promotion in the Malaysian markets, Indian participation in the Malaysian projects in the infrastructural sector on negotiated basis, holding of exclusive Indian trade exhibition in January, 1988, exchange of trade delegations and setting up of an Indo-Malaysia Joint Business Committee,

grade domestic technologies apart from resulting in sizeable business for the participating companies.

The estimated expenditure incurred on the fair by Trade Fair Authority of India was about Rs. 32.46 lakhs.

Statement

Details of participants from abroad in the India International Leather Fair, Madras, January 31—February 6, 1988

S. No. Name of the Participant

1

India International Leather Fair at Madras

8129. SHRI KALI PRASAD PANDEY : Will the Minister of COMMERCE be pleased to state :

(a) whether an India International Leather Fair was organised in Madras from January 31 to February 6, 1988;

(b) if so, the names of the countries, business organisation/leather industry institutes of which participated in this leather fair and the names of the countries which had maximum participation therein; and

(c) the main achievements of this fair and the estimated expenditure incurred thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Ycs, Sir.

(b) A statement is given below.

(c) Nearly 160 participants from India and abroad took part in the fair covering over 4,500 sq. m. of covered space displaying a variety of leather, leather manufactures and new machineries/technologies. The fair facilitated efforts to promote exports, diversify export markets, and up-

1. Aletti Giovanni and Figli SAS Italy
2. Anzani S.P.A. Italy
3. Bauce Attilio Di Francesco Italy
4. F. LLI Alberti S.R.L. Italy
5. Fipi S.P.A. Italy
6. Hausch West Germany
7. International Shoe Machine Corp. U.S.A.
8. Italian Trade Commission New Delhi
9. Lampomachine di venturini Osvaldo Italy
10. Mercier Freres France

1

2

11. Sieck Gmbh and Co.
Industries maschinen
West Germany
12. Textile Tapes Co. Ltd.,
Ireland
13. GE. MA. TA .S.P.A. Italy
14. Eicini Rino S.a.S. Industries
Italy
15. Europlastica Italy
16. Fiscagomma, S.P.A. Italy
17. VBP Soulificie Italy
18. Strojimport Foreign Trade Co.,
Czechoslovakia
19. Calzaturificio Eiffel S.R.L.
Italy
20. AR. TE. CA. SPA Italy
21. Prime Tanning Co. Inc. U.S.A.
22. Doeflex Industries Ltd., U.K.
23. British United Shoe Machinery
Ltd., England
24. Emhart Materials UK Ltd.,
England
25. Mosconi E.C SPA Verona,
Italy
26. Irving Tranning Co. U.S A.
27. Furpile International Italy
28. S.I.O., Belgium
29. Coherma S.A. France
30. Granucci SRL Italy
31. Forestalli Italy

*[English]***Export of Jute and Jute Products to Zambia**

8130. DR. KRUPASINDHU BHOI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are exporting jute and jute products to Zambia;

(b) whether the State Trading Corporation has been entrusted with this responsibility;

(c) if so, the total amount worth jute and jute products proposed to be exported to Zambia in 1988-89; and

(d) the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Jute goods are exported all over the world depending on demand. In a recent tender floated by the National Agricultural Marketing Board of Zambia for supply of B. Twills State Trading Corporation participated as a nodal agency.

(c) and (d). The target for the export of jute goods for the year 1988-89 has been fixed at Rs. 300 crores. However no specific target has been fixed for Zambia.

Appointment of Directors in Nationalised Banks

8131. PROF. K.V THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether the decision for nomination of directors in the nationalised banks has been postponed;

(b) if so, the reasons therefor; and

(c) if not, the time by which the directors are likely to be nominated ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise.

(c) The process of nomination of non-official directors on the boards of nationalised banks is already under way.

Outstanding Bank Loans

8132. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to refer to reply given on 25 March, 1988 to Unstarted Question No. 4778 regarding recovery of bank loans and state :

(a) the break up of the outstanding loans and over-dues at the end of 1985 and 1986, bank-wise;

(b) whether each bank maintains account of outstanding loans and over-dues by schemes; and

(c) if not, whether it is proposed to advise the banks to maintain separate account for each scheme so that the recovery of the loans by each bank under a particular scheme can be monitored?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The bank-

wise outstanding advances of each of 28 Public Sector Banks and overdues as at the end of 1985 and 1986 are given in the statement below.

(b) and (c). Public Sector Banks are maintaining sector-wise information relating to overdues in different sectors viz. Industry, Agriculture and other sectors etc. and it may not be practicable for the banks to maintain separate scheme-wise data in respect of all the schemes in view of the number of schemes in operation at present.

Statement

(Rs. in lakhs)

Name of the Bank	Overdues		Outstandings	
	1985*	1986	1985*	1986
1	2	3	4	5
1. State Bank of India	188292.57	234517.81	1308114.48	1457003.05
2. State Bank of Bikaner and Jaipur	5420.20	6481.66	62725.57	69971.57
3. State Bank of Hyderabad	14135.65	14926.20	53924.00	64809.00
4. State Bank of Indore	4286.53	4887.07	29161.27	38685.81
5. State Bank of Mysore	9905.00	7810.00	49335.00	54739.93
6. State Bank of Patiala	5210.48	6300.57	56480.28	71048.00
7. State Bank of Saurashtra	3835.42	4672.53	35430.00	38971.00
8. State Bank of Travancore	4674.01	7057.51	62137.00	74891.60
9. Allahabad Bank	8812.00	8611.00	100408.00	115563.00
10. Andhra Bank	10187.00	11905.00	89706.00	113377.00
11. Bank of Baroda	3600.00	37450.00	276120.00	317550.00
12. Bank of India	43425.75	55421.95	295474.28	356539.55
13. Bank of Maharashtra	21344.00	25538.00	97995.00	114560.00
14. Canara Bank	43640.00	45869.00	379200.00	438404.00
15. Central Bank of India	57054.88	66510.69	333735.00	373313.00

1	2	3	4	5
16. Corporation Bank	3445.94	6123.00	44773.85	51246.00
17. Dena Bank	13795.58	16481.00	100044.00	107457.00
18. Indian Bank	23368.00	27880.00	133722.00	15371.00
19. Indian Overseas Bank	28232.39	38820.41	157700.00	173026.00
20. New Bank of India	8869.22	10029.20	58247.00	69534.00
21. Oriental Bank of Commerce	3676.00	7644.00	52800.00	61100.00
22. Punjab National Bank	44820.00	54863.71	306504.00	365673.00
23. Punjab and Sind Bank	17239.38	23620.15	69095.73	76690.65
24. Syndicate Bank	40936.71	45934.79	228420.77	248953.00
25. Union Bank of India	30212.00	36251.00	183069.00	199866.00
26. United Bank of India	21784.67	45831.20	153800.00	160464.00
27. UCO Bank	18972.00	19050.00	155071.00	175625.00
28. Vijaya Bank	9825.97	11898.00	61761.00	77129.00
	721401.35	882385.45	4934950.23	5621991.66

*Data since revised by R.B.I.

Selection of Beneficiaries of IRDP and SEEUY

8133. SHRI NARSING SURYAVANSI : Will the Minister of FINANCE be pleased to state :

(a) whether a special study by the Reserve Bank of India on rural banking has revealed that the selection of beneficiaries for the Integrated Rural Development Programme, Self-Employment to Educated Unemployed Youth etc. should be delinked from District Rural Development Agency and district Industries Centre respectively and left to a committee of bankers at block level;

(b) if so, the details thereof; and

(c) the reaction of Government there-to ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reserve Bank of India (RBI) had asked the senior executives., including the chief executives of the public sector banks, to carry out a study of rural lending in some branches of their banks to make a qualitative assecesment of the credit delivery system in relation to objectives of rural lending. After carrying out the studies, some of the banks had made a suggestions that the selection of beneficiaries under Government-sponsored schemes should be delinked from the District Rural Development Agencies/ District Industries Centres and left to a Committee of Bankers at the block-level. RBI is of the view that suggestion is not feasible for implementation in view of the large number of beneficiaries involved in certain Government-sponsored schemes.

Production and Export of FCV Tobacco

8134. SHRI C. K. KUPPUSWAMY : Will the Minister of COMMERCE be pleased to state :

(a) the production and export of flue cured virginia tobacco since 1984, year-wise;

(b) whether production and export have registered decline; and

(c) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a)

Year	Production in farm wt. (in M. Kgs.)	Export in packed wt. (in Tons)
1983-84	116.93	72.30
1984-85	107.69	58.20
1985-86	98.12	50.60
1986-87	113.66	51.70
1987-88	59.2	49.0
(Provisional)		

(b) and (c). The production of virginia tobacco is regulated by the Board, according to the anticipated demand. Due to world-wide slowing down of demand and particularly reduced off-take by USSR, the exports have declined.

Visit of a Delegation Abroad for Export Promotion of Tobacco

8135. SHRI C. K. KUPPUSWAMY : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received a request for sending a delegation of the tobacco grower members of the Tobacco Board abroad for export promotion of flue cured virginia tobacco; and

(b) if so, the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) Views of all concerned have been sought and a meeting has been convened to discuss the proposal.

Loans Outstanding against Private Sector

8136. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) the outstanding amount, principal and interest, separately, of loans advanced by the nationalised banks to the private sector, as on 31 March, 1986, 1987 and 1988; and

(b) the total outstanding amount receivable by public financial institutions other than the banks from the private sector on the same dates ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The present data reporting system does not generate information in the manner asked for. However, outstanding credit by Scheduled Commercial Banks to private sector separately as on June 1983 as published in Reserve Bank of India's Report entitled 'Basic Statistical Returns' stood at Rs 17438.23 crores.

(b) The total loan amount outstanding in respect of private sector by IDBI, IFCI and ICICI as on 31st March of year 1986, 1987 and 1988 is as under :

(Amount in Rs. crores)	
Year	Outstanding
31st March, 1986	4500.98
31st March, 1987	5671.46
31st March, 1988*	7188.35

*Data are provisional.

Export of Engineering Goods to USA

8137. SHRIMATI JAYANTI PATAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether any target has been set for the export of engineering goods to the United States by 1990-91;

(b) if so, the details thereof and the value of engineering goods to be exported; and

(c) the strategy adopted by Government to achieve the target?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) and (b). Engineering Export Promotion Council has set a target of Rs. 250 crores for export of engineering goods excluding electronics and computer software to USA by 1990-91.

(c) The main features of the strategy to increase engineering exports to USA include concentration of efforts for identified engineering items, undertaking of specific product surveys and promotional campaigns through distribution of attractive product literature and catalogues, participation in specialised commodity fairs, product adoption etc.

Loan Agreements with Hard Currency

8138. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state:

(a) brief particulars of loan agreements with hard currency during the last three years; year-wise and country-wise;

(b) the extent of utilisation of these loans at the end of 1987;

(c) the reasons for partial utilisation of these loans; and

(d) whether the interest under these agreements is payable only on the amount drawn and not on the amount earmarked for the agreement?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b) The information regarding brief particulars of the country-wise loan agreements signed during the last three financial years *i.e.* 1984-85, 1985-86 and 1986-87 and the extent of utilisation of these loans at the end of 1986-87 is contained in the External Assistance Brochure for 1986-87, a copy of which has been placed in the Library of the House. The loan commitments entered into with hard currency countries during 1984-85

1985-86 and 1986-87, converted into rupees at the average rate of exchange for the respective years, amounted to Rs. 1010 crores, Rs. 783 crores and Rs. 1025 crores respectively. The total utilisation against these loans upto the end of 1986-87 was Rs. 1146 crores.

(c) Most of the loans are tied to specific projects and the disbursements are linked to the project implementation schedule and the pace of actual implementation varies from project to project. However the loan amount not utilised during a particular financial year does not normally lapse and would be carried forward and utilised in the subsequent years.

(d) Yes, Sir.

Closed Textile/Woollen Mills in Punjab

8139. SHRI KAMAL CHAUDHRY : Will the Minister of TEXTILES be pleased to state:

(a) the number of textile/woollen mills in Punjab and how many of them are sick or closed at present; and

(b) the loss suffered by each of the sick or closed mills till 31 January, 1988?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The number of licensed cotton/man-made fibre textile mills in Punjab (as on 31.3.87) was 28. The number of licensed wool units as on 31.1.88 was 32. Of these as on 31.1.88 there was no licensed closed cotton/man-made fibres or woollen textile mills in Punjab nor was any case registered by the Board for Industrial and Financial Reconstruction under Sick Industrial Companies Act.

(b) The Union Government do not maintain profit and loss accounts of textile mills in the private sector.

India's Share in World Trade

8140. SHRI SYED SHAHABUDDIN : Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that according to the General Agreement on Tariffs and Trade (GATT) figures, world trade has gone by 4% by volume in 1987 and by above 15% in value;

(b) the corresponding figures for our country;

(c) the names of countries whose trade has gone up in 1987 by a percentage higher than the world average either by volume or by value;

(d) the current position of India in world trade with the percentage share of total world trade by volume and by value during 1987; and

(e) whether the position has improved or gone down during the last 3 years ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) According to the Press Communique, dated 29th February, 1988 issued by GATT, the volume of World Merchandise trade is estimated to have grown by 4 per cent and the value in terms of US dollar is estimated to have risen by 15.5 per cent during 1987.

(b) According to the provisional figures provided by DGCI and S, India's exports during first 11 months of fiscal year 1987-88 (i.e. April-February) have registered an increase of 24.8 per cent in Dollar terms as compared to the corresponding period of previous year. Aggregate volume figures of growth are not available for 1987-88.

(c) The details of world trade in respect of all the countries for 1987 are not available.

(d) and (e). The figures of India's share in world trade in volume are not available. According to UN Monthly Bulletin of Statistics (January, 1988), India's share in world trade in value terms declined from 0.62 per cent in 1985 to 0.56 per cent in 1986 and remained at the same level during January-June, 1987.

Allotment of Imported Silk to Handloom Weavers

8141. SHRI YASHWANT RAO GADAKH PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether silk consignments have recently been received from China;

(b) if so, the details thereof; and

(c) the quality thereof allotted to the handloom weavers ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (c). Government have permitted Central Silk Board to import 100 tonne of raw silk from China as a price stabilisation measure. 400 bales of raw silk weighing approximately 24 tonnes have been received recently in March, 1988. Denier-wise details of imported bales are as under :

19/21 — 4A — 150 BALES

10/21 — 3A — 50 BALES

20/22 — 2A — 200 BALES

This silk has been allocated to identified handloom weaver's organisations for distribution to actual users.

Fund for Land Erosion in Punjab

8142. SHRI KAMAL CHAUDHRY : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Union Government have provided any funds to check land erosion in the border districts of Punjab; and

(b) if so, the details thereof;

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The Union Government has provided funds to the Government of Punjab only for taking counter-protective measures in the border districts along the international rivers to prevent the erosion of the river bank and also diversion of flood towards India.

(b) The details are given below :

Year	Central loan Assistance (Rs. in lakhs)	Grant-in-aid (Rs. in lakhs)
1983-84	153.50	—
1984-85	136.67	—
1985-86	—	100.00
1986-87	250.00	—
1987-88	100.00	440.84

Foreigners Employed in Indian Companies

8143. SHRIMATI N. P. JHANSI LAKSHMI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are maintaining particulars of all foreigners employed in FERA and Indian-owned companies;

(b) if so, the details thereof; and

(c) the criteria applied before granting permission to foreigners to take or continue employment in FERA/Indian-owned companies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Under Foreign Exchange Regulation Act, 1973, permission to take up employment in India by foreigners is required only if such persons seek remittance facilities out of the remunerations received by them in India. All such applications are considered in the RBI and the administrative Union Ministries/Departments, depending upon the duration of employment, subject to the following guidelines:

- (i) That it is essential to engage foreign national.
- (ii) That the relevant technical skills are not adequately available in India.
- (iii) That the terms and conditions of engagement of foreign nationals are reasonable.

The particulars of all foreigners employed in India are not readily available and the efforts involved in compiling the information would not commensurate with the results to be achieved.

Customs Duty Exemption on Imports of Scientific Equipments

8144. SHRIMATI N. P. JHANSI LAKSHMI : Will the Minister of FINANCE be pleased to state :

(a) whether any customs import duty exemption is granted to any Government and private institutions involved wholly in scientific research;

(b) if so, the names of all those scientific institutions who have been granted customs duty exemption on imports of scientific equipments exclusively for research; and

(c) the detailed procedure to apply for exemption of customs duty on imports of scientific equipments by scientific research based establishments ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) to (c). All scientific and technical instruments, apparatus and equipments imported by research institutions, whether Government or private, are totally exempt from customs duties provided such equipment, etc. is not manufactured in India, is essential for research purposes and the importing institution is not engaged in any commercial activity. The number of research institutions which have availed of this exemption is very large and it is not practicable to furnish the names of all these institutions. The detailed procedure for availing of the exemption is given in Notification No. 70 Customs dated the 26th March, 1981. as amended, a copy of which is laid on the table of the House.

[Placed in Library. See No. LT-6036/88]

[Translation]

Loan from Japan

8145. SHRI MADAN PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether India is making efforts to obtain loan from Japan for agriculture;

(b) if so, whether Indian officers were sent to Japan to have talks in this regard; and

(c) if so, the details of the progress, made so far in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) No. Sir.

(b) and (c). These questions do not arise.

[*English*]**Replacement of Soiled Currency Notes**

8146. PROF. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) how much spoiled and damaged currency notes are replaced every year;

(b) how much currency notes of different denominations are printed every year; and

(c) the cost of printing these currency noted ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) It has been reported by Reserve Bank of India that around 25 million pieces of soiled and damaged (defective) currency notes are replaced every year.

(b) The details of the currency/bank notes production during the last 3 year are as under :

(Figures in million pieces)

Denomination	1985-86	1986-87	1987-88
Re. 1	775	1002	700
Rs. 2	1220	1208	1555
Rs. 5	1178	1215	1210
Rs. 10	1007	1400	1400
Rs. 20	494	529	640
Rs. 50	422	684	836
Rs. 100	566	648	582
Rs. 500	—	—	5
Total :	5662	6686	6928

(c) The cost of printing of these notes (per 1000 pieces) is as indicated below :

Denomination	In Rs. per 1000 Pieces
Re. 1	83.00
Rs. 2	161.00
Rs. 5	206.00
Rs. 10	250.00
Rs. 20	242.14
Rs. 50	259.33
Rs. 100	320.36
Rs. 500	371.30

[*Translation*]

Training to Staff of State Bank of Indore for Proper Utilisation of Loans Advanced

8147. SHRI C. JANGA REDDY : Will the Minister of FINANCE be pleased to state :

(a) the role being played by State Bank of Indore in imparting training to the staff to ensure that the loans given are properly utilised; and

(b) the details in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI

EDUARDO FALEIRO : (a) and (b). State Bank of Indore has reported that it has training centres to cater to the training needs of its staff. The Bank conducts programmes on general banking; credit appraisal; agricultural finance; small scale industries; small business finance and special programmes on such Government sponsored schemes as SEEUY and SEPUP at these centres. The Bank has also reported that besides other aspects of lending, necessary emphasis is placed on the need for pre-sanc-tion scrutiny and post-disbursement inspection and direct payment to suppliers of the goods ensure proper utilisation of the bank's finance. The majority of the administrative officers, Branch Managers, Field Officers, Rural Development Officers etc. are trained at the various centres of the bank. The bank has further reported that its officers are also deputed for liaisoning programmes on priority sector advances at such institution as the State Bank Staff College, Bankers Training College of the Reserve Bank of India and the National Institute of Bank Management.

[*English*]

Amalgamation of Bank of Cochin with State Bank of India

8148. PROF. K. V. THOMAS : Will the Minister of FINANCE be pleased to state :

- (a) whether any loss was made by the erstwhile Bank of Cochin, which was amalgamated with the State Bank of India;
- (b) if so, the details thereof;
- (c) whether depositors were given back their amount;
- (d) whether shareholders will also be paid their share money;
- (e) whether the employees and officers of Bank of Cochin will be given their service weightage and other benefits in the State Bank of India;
- (f) whether organisations representing employees and officers of the erstwhile Bank of Cochin have given any representation in this regard; and
- (g) if so, the action taken thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). As per the valuation by the auditors appointed by the Reserve Bank of India, the erstwhile Bank of Cochin Ltd. had incurred an accumulated losses of Rs. 13.26 crores as on the date of amalgamation *viz.* 25th August, 1985.

(c) State Bank of India had agreed to meet the depositors' liabilities in full as on the date of amalgamation. The accounts of the depositors of the erstwhile Bank of Cochin Ltd. were accordingly credited in full including up-to-date interest on the date of amalgamation.

(d) As provided in the scheme of amalgamation of Bank of Cochin Ltd. with State Bank of India, if on realisation of the not readily realisable assets any surplus over and above the shortfall between the assets and liabilities taken over is left, the same will be paid to the share-holders of the Bank of Cochin Ltd. after realising the cost of collection.

(e) According to the scheme of amalgamation, State Bank of India was required to extend the service conditions as applicable to State Bank of India of employees to the employees and officers of Bank of Cochin Ltd. within a period of three years from the date the scheme was sanctioned *i.e.* by 25th August, 1988. State Bank of India has reported that officers and employees have been extended the service conditions of State Bank of India with effect from 1.9.1985.

(f) and (g). The Bank of Cochin Ltd. (SBI) Officers Forum, Cochin, have submitted a representation to Governor, Reserve Bank of India regarding fixation/absorption etc. which is receiving the attention of Reserve Bank of India.

Loans Advanced by SBI to SSI Units in Orissa

8149. DR. KRUPASINDHU BHOI : Will the Minister of FINANCE be pleased to state :

- (a) whether the State Bank of India has given loan to some small scale units in Orissa;

- (b) if so, the number of small scale units financed by State Bank of India;
- (c) the amount of loan involved in these units; and
- (d) the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). State Bank of India (SBI) have reported that they have until end June, 1987, given loans in Orissa to 50,322 small scale units and the balance outstanding was Rs. 64.60 crores consisting of working capital loans, term loans and composite loans to Artisans and Village and Cottage industries.

[Translation]

NTC Showroom in Ram Nagar

8150. SHRI HARISH RAWAT : Will the Minister of TEXTILES be pleased to state :

- (a) whether Government have received representations in regard to opening of NTC showroom in Ram Nagar in district Nainital, Uttar Pradesh;
- (b) if so, the details thereof; and
- (c) the reaction of Government there-to ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) No. Sir.

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

[English]

Fourth International Food Exhibition

8151. SHRI SOMNATH RATH : Will the Minister of COMMERCE be pleased to state :

(a) whether the 10-day long Ahar '88, the Fourth International Exhibition organised in January, 1988 by the Trade Fair Authority of India has generated any business; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) According to reports received from participants, the details of business generated in the fair are as follows :

(Rs. in crores)

(i) Orders booked	8.97
(ii) Spot sales	0.81
(iii) Business under negotiation	43.00
(iv) Business trade enquiries	4.20

Trade with North Korea

8152. SHRI SRIBALLAV PANIGRAHI :

SHRI CHINTAMANI JENA :

Will the Minister of COMMERCE be pleased to state :

(a) whether North Korea has shown keenness to increase trade with India and a trade pact has recently been signed by two countries;

(b) if so, the items of export identified by both the countries;

(c) whether the proposed Indo-North Korea export included counterdeals; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). His Excellency Li Song Rok, Vice-Minister of Foreign Trade, Democratic People's Republic of Korea led an advance team to India prior to the visit of DRRK Prime Minister in February, 1988.

Both sides signed "Agreed Minutes" under which both sides agreed to take effective steps including counter-trade to further increase the level of bilateral trade in a more balanced manner and expand economic co-operation.

Lists of items identified by each side for exports are given in the statement below.

Statement**3. Leather and Leather Products***Items of Export Interest to the Democratic People's Republic of Korea :*

1. Cement
2. Magnesia Clinker
3. Refractory Bricks
4. Steel Plates
5. Electrolytic Zinc
6. Amorphous Graphite
7. Talc
8. Sulphur
9. Urea
10. PVC
11. High Voltage Insulators
12. Machine Tools
13. Alloy Steel
14. Silk Products and Yarn
15. Viscose Rayon Yarn
16. Arsenic Acid
17. Machineries
18. Railway axles
19. Wheels
20. Railway steel sleepers
21. Fishing Trawlers (Capacity : 450T)
22. Anchor Chains
23. HDPE
24. LDPE
25. Methanol
26. Acetic Acid

3. Leather and Leather Products
4. Manganese ore
5. Chrome Ore
6. Iron Ore (Concentrates, pellets and fines)
7. HDPE woven sacks
8. Salt
9. Grey cotton fabrics
10. Jute Products
11. MICA and MICA products
12. Building and mining machinery
13. Textile machinery
14. Sugar
15. Plastics products
16. Alumina
17. Agro-chemicals
18. Drugs and Pharmaceuticals
19. Dyes and intermediates
20. Paints
21. Agricultural machinery/implements
22. Transport Vehicles (2 wheelers and 4 wheelers)
23. Graphite electrodes
24. Wire ropes
25. Automobile tyres
26. Polyester staple fibre

Joint Ventures in Mining Machinery

8153. SHRI SRIBALLAV PANIGRAHI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have made agreement with some foreign firms for technology transfers and joint ventures in the field of mining machinery;

Items of Export Interest to India

1. Wheat
2. Cotton

(b) if so, the details of such foreign firms; and

(c) the details of the technology transfer and joint ventures proposed to be made with these foreign firms?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). The question essentially pertains to the Ministry of Industry. However, information is being collected and will be laid on the Table of the House.

IDBI Packages for Small and Medium Industries

8154. SHRI S.M. GURADDI : Will the Minister of FINANCE be pleased to state:

(a) whether various packages evolved by the Industrial Development Bank of India under the Small Industries Development Fund in the setting up of small and medium industries and their modernisation and rehabilitation are failing to evoke in the country's eastern region;

(b) if so, the main reasons therefor;

(c) the extent to which this scheme has been helpful in other parts of the country;

(d) whether any new schemes or incentives are being provided by the Industrial Development Bank of India in this regard; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (e). The Small Industries Development Fund (SIDF) set up in the Industrial Development Bank of India (IDBI) on 20th May, 1986 caters to the Small Scale Sector. IDBI has reported that since inception upto end January 1988, aggregate assistance under SIDF was of the order of Rs. 1,953 crores to 1,37,252 SSI units. Of this, assistance to Small Scale Sector in the Eastern Region amounted to Rs. 234 crores in respect of 11,410 units. This constitutes 12% of aggregate assistance on All India basis.

IDBI has taken a variety of measures to increase the quantum assistance to the Small Scale Sector which *Inter-alia*, includes liberalisation of terms of existing Schemes, introduction of new Schemes in favour of such special categories as women entrepreneurs, ex-servicemen and for purposes like financing of quality testing facilities.

[Translation]

Opening of Canara Bank Branches in Gopalganj in Bihar

8155. SHRI KALI PRASAD PANDEY: Will the Minister of FINANCE be pleased to state:

(a) whether some social workers had made a demand to Government for opening branches of Canara Bank in some blocks and in some rural areas of Gopalganj in Bihar;

(b) whether it is a fact that after that demand in 1984 a survey had been conducted in Kataian and some other places in this regard, Reserve Bank of India had given its sanction for some places; and

(c) if so, the details thereof and the reasons for not opening the branches of Canara Bank in Kataian and other places so far and the names of the places where the branches of the above bank are proposed to be opened upto December, 1988?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). Reserve Bank of India (RBI) has reported that a representation was received by it in the year 1987 for opening a branch of Canara Bank at Kateya, District Gopalganj, Bihar. Since a branch of State Bank of India and also of Gopalganj Kshetriya Gramin Bank were already functioning at Kateya, RBI did not consider it for allotment to any bank keeping in view the level of business of the existing branches at the centre. In addition, a representation was also received by RBI in February, 1988 for opening a branch of Canara Bank at one of the three centres namely Kateya, Khudipur and Dhanouti. RBI has not allotted these centres to Canara Bank for opening its branches as none of these three centres have

been identified by the State Government of Bihar for opening bank branches during the period of the current Branch Licensing Policy. Canara Bank, which has been allotted 98 centres in the State of Bihar under the current Branch Licensing Policy for opening branches in rural and semi-urban centres is expected to open the branches during the current Policy period i.e. by March 1990, in a phased manner.

[*English*]

Production and Export of Raw Silk

8156. SHRI SOMNATH RATH : Will the Minister of TEXTILES be pleased to state :

- (a) the quantum of raw silk produced in the country during the last three years;
- (b) the quantum of raw silk exported during these years alongwith the names of countries to which it was exported;
- (c) the amount of foreign exchange earned on this account; and
- (d) the value of raw silk imported during the above period ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The production of raw silk during the last 3 years was as under :

Year	Production (in tonnes)
1985-86	7897
1986-87	8787
1987-88	9420 (Provisional)

(b) and (c). India does not encourage export of raw silk and there have been no exports of this item during the last three years. However, there have been substantial exports of value-added natural silk goods and the quantum of foreign exchange earnings on this account were as under :

Year	Value (in Rs. crores)
1985-86	159.82
1986-87	201.42
1987-88	233.48 (April, '88 to Feb., '88)

(d) The value of raw silk imported during the years 1983-84 to 1985-86 was as under :

Year	(Rs. in crores)
1983-84	34.58
1984-85	29.71
1985-86	43.21

The figures for the year 1986-87 are yet to be compiled by DGCI and S, Calcutta.

Financial Assistance under Drought Relief Scheme

8157. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

- (a) whether commercial banks have provided financial assistance under the drought relief scheme;
- (b) if so, the amount of relief and the number of beneficiaries, State-wise, by the end of January; and
- (c) the amount advanced under the Annual Action Plan (AAP), 1987 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Yes, Sir.

(b) Latest available details of Statewise drought relief assistance provided by the 28 public sector banks as at the end of October 1987 are given in the statement below.

(c) Details of achievements under Annual Action Plan (AAP), 1987, are being collected and would be laid to the extent available, on the Table of the House.

Statement

S. No. Name of the State/ Union Territory	No. of Accounts	Amount (Rs. in lakhs)
1. Andhra Pradesh	193704	6165.63
2. Assam	—	—
3. Bihar	1112	55.16
4. Gujarat	82777	5139.77
5. Haryana	18014	856.70
6. Himachal Pradesh	1876	85.99
7. Jammu and Kashmir	34	1.19
8. Karnataka	167596	6787.19
9. Kerala	31685	1533.55
10. Madhya Pradesh	28356	1360.60
11. Maharashtra	21134	1478.43
12. Orissa	22575	464.82
13. Punjab	21382	1415.17
14. Rajasthan	51163	1987.95
15. Tamil Nadu	177113	6778.79
16. West Bengal	14	1.13
17. Uttar Pradesh	119536	3954.67
18. Delhi	117	13.36
19. Chandigarh	104	6.36
20. Pondicherry	3394	159.98
Total :	941706	38246.44

Creation of Customs Marine Organisation

8158. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have created a new customs marine organisation for curbing smuggling activities within India's territorial waters;

(b) if so, the details in this regard; and

(c) the results achieved by this new organisation so far ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) to (c). Yes, Sir. A Customs Marine Organisation to be composed of suitable personnel for manning and maintaining the sea-going vessels at the disposal of Customs department, is being established in phases. The details of all the three phases in which the personnel of various categories are required, given here in below :

S. Particulars No.	Development phase			Total
	I 85-86	II 86-89	III 89-92	
1. Professional Managerial	29	23	25	77
2. Technical Industrial and Non-Industrial	10	54	29	93
3. Accounts, Ministerial and Establishment	19	40	21	80
Total No. of posts	58	117	75	250

Since the Customs Marine Organisation is in the process of being set up, results are yet to be achieved by it.

Loans Advanced by State Bank of Indore in Madhya Pradesh, Uttar Pradesh and Maharashtra

8159. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) the total number of branches of the State Bank of Indore;

(b) the loans advanced by each of the branch to the weaker sections in Madhya Pradesh, Uttar Pradesh and Maharashtra;

(c) the schemes under which these advances have been made;

(d) whether the bankers in these States have come to conclusion that the people in Madhya Pradesh, Uttar Pradesh and Maharashtra do not come forward to obtain loans; and

(e) if so, the efforts made by the bank to encourage people to obtain loans for their betterment ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) State Bank of Indore has reported that as at the end of December, 1987, 284 branches of their bank were functioning in the country of which 248 branches were in Madhya Pradesh, 6 in Uttar Pradesh and 9 in Maharashtra.

(b) The present data reporting system does not generate branchwise details of advances made to weaker sections. However, outstanding advances of State Bank of Indore to weaker sections as on 31.12.1987 in the States of Madhya Pradesh, Uttar Pradesh and Maharashtra are indicated below :

	(Rs. in lakhs)
Madhya Pradesh	4787
Uttar Pradesh	8
Maharashtra	11

(c) The weaker section advances include advances to small/marginal farmers, landless labourers, tenant farmers, share croppers, artisans village/cottage industries, beneficiaries under the Differential Rate of Interest Scheme, Integrated Rural Development Programme and Self Employment Programme for the urban poor and Scheduled Caste/Scheduled Tribe beneficiaries.

(d) No, Sir.

(e) Banks, in the normal course, give publicity to their lending operations under various schemes by issuing booklets/pamphlets etc. The Branch Managers of rural branches have been advised to meet their existing and potential clientele for providing suitable guidance on one day in a week observed as the non public business working day.

[*Translation*]

Fraud in Chandi Chowk Branch of State Bank of Indore

8160. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to refer to the reply given on 29 July, 1987 to Unstarred Question No. 610 about forgeries in the State Bank of Indore, Delhi Branch and state :

(a) whether enquiry into the clarifications given about bogus payment of Rs. 52,000 has been completed;

(b) if so, the nature of punishment given to the guilty officers so far;

(c) if not, the reasons therefor; and

(d) whether any of the officers involved in said case has been prosecuted and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). State Bank of Indore has reported that replies to the explanations called for from the concerned officials have been received and charge-sheet to one of them has also since been issued.

(d) State Bank of Indore has reported that no official connected with the fraud which took place on 7.3.87 through payment of a forged cheque of Rs. 52,000 at its Chandni Chowk Branch, Delhi, has been prosecuted as investigation by the police, with whom a complaint had been lodged by the bank, has not so far been concluded.

[*English*]

Raids on the Premises of M/s. Dunlop India and M/s. Philips Carbon Limited

8161. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that premises of M/s. Dunlop India and Philips Carbon Limited, all over the country were raided on 17 March, 1988 by the officers of Revenue Intelligence Department and Income Tax Department as reported in the "Jansatta" dated 18 March, 1988; and

(b) if so, the details of the incriminating documents seized from the premises of the aforesaid companies ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) Yes, Sir, Income Tax authorities supported by officers from Central Excise Department searched the premises of M/s. Dunlop (India) Limited and Philips Carban Limited on 17.3.1988.

(b) Voluminous documents indicating *prima facie* tax evasion were seized, hence it is not practicable to give details.

Development of Internal Market for Cardamom

8162. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government share the feeling that the domestic market for cardamom should be developed fully as a measure to provide a cushion to the uncertainties of export trade;

(b) if so, the steps taken during 1987 in this regard; and

(c) the result thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). The price of Indian cardamom are very high and therefore uncompetitive in the International Market. More domestic demand would lead to further rise in prices. The ultimate solution to provide a cushion to the uncertainties of export trade is to increase the productivity in cardamom to reduce cost of its production and to make our product competitive in the International market. The Spices Board is accordingly undertaking various activities to increase productivity of cardamom.

CCS for Cardamom Export

8163. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are considering the proposal to raise the Cash Compensatory Support (CCS) for cardamom export to non-traditional markets; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) No, Sir.

(b) Does not arise.

Extension of Rubber Cultivation

8164. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether the Rubber Board is implementing schemes for extending rubber cultivation in more States;

(b) if so, the details thereof;

(c) the total amount likely to be required for fully implementing this scheme;

(d) the total amount allotted;

(e) whether more amount will be allotted for achieving self-sufficiency in the production of natural rubber; and

(f) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (f). The targets proposed by the 'Sub-Group on Rubber' of the 'Working Group on Plantation Crops' had to be pruned down due to severe financial constraints. The present target envisages extension of Rubber Cultivation in 30,000 hectares during the 7th Plan period (22,000 hectares in Non-traditional Areas and 8,000 hectares in traditional States). Against this the estimated achievement during the first 3 years is 23,000 hectares. The fund requirement under approved plan schemes is Rs. 53.43 crores and this sum has already been allotted. However, for extending rubber cultivation to more areas the Rubber Board needs more funds to the tune of approximately Rs. 32.88 crores. The Planning Commission has already been approached for granting this additional amount.

Problems of 100 per cent EOU's

8165. SHRI S.B. SIDNAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have decided to review the difficulties of the 100 per cent Export-Oriented-Units (EOUs) in their production and marketing :

(b) if so, the main difficulties faced by these units;

(c) whether all the problems faced by them have been agreed to be solved by Government; and

(d) if so, to what extent their performance will be improved ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). Government have reviewed the difficulties faced under the scheme of 100% Export Oriented Units which chiefly relate to competitive export production and marketing. The following measures have been announced by the Government towards resolving the critical problems and improving the operational viability of the units besides strengthening the export capability.

(i) Sale of the production in the Domestic Tariff Area upto 15% or 25% depending upon the indigenous content in manufacture subject to the payment of applicable duties and to the exclusion of specific sensitive items that are notified.

(ii) Extension of tax holiday for any continuous block of 5 years within 8 years of the commencement of production;

(iii) Permission to sub-contract production for job work to units in the Domestic Tariff Area on a case by case basis;

(iv) Reduction of bonding charges to actuals for individual units having bonding arrangements.

(v) Exemption from the operation of Export Control Order on a case by case basis.

(vi) Grant of Cash Compensatory Support at the rate of 50% of the level applicable to the units in the Domestic Tariff Area on the final output as an alternative to the

present scheme of CCS on deemed exports to these units from DTA on the basis of a one time option.

Target for Silk Export

8166. SHRI S.B. SIDNAL :

SHRI V. KRISHNA RAO :

Will the Minister of TEXTILES be pleased to state :

(a) the target fixed for export of silk for current financial year; and

(b) to what extent is has been achieved ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The target fixed for export of natural silk goods for the financial year 1988-89 is Rs. 270 crores. The data of exports effected during the first 3 weeks of April, 1988 has not yet been compiled.

Commercial Banks Deposits

8167. SHRI H.N. NANJE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether aggregate deposits in commercial banks showed an all time record increase of 20.3 per cent and rose by Rs. 17,340 crores during the financial year 1986-87;

(b) the increase in commercial banks deposits during 1987-88; and

(c) the number of incentive schemes introduced by the banks during the year to attract more people ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). As per the information available from Reserve Bank of India the aggregate deposits of Scheduled Commercial Banks increased by Rs. 14850 crores during 1987-88 as against Rs. 17320 crores during 1986-87. The percentage growth of deposits during these years was 14.5% and 20.3% respectively.

(c) Public Sector Banks have designed a number of different schemes for mobilisation of deposits/reserves and savings from public to suit varying categories of

investors in tune with their different needs/demands within the frame work of interest rate structure prescribed by Reserve Bank of India, these schemes include schemes for recurring deposits, reinvestment deposits, loan linked deposits etc.

Closure of Mills due to Textile Policy

8168. SHRI BALASAHEB VIKHE PATIL : Will the Minister of TEXTILES be pleased to state :

(a) whether the amended textile policy has resulted in the closure of many mills;

(b) whether a number of powerlooms have also been closed down;

(c) whether a number of handloom weavers have remained unemployed;

(d) if so, the details thereof; and

(e) the measures taken/proposed to be taken to revive handloom sector ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (e). The closure of many mills is not the result of Textile Policy announced in June, 1985. The textile industry, as a whole, is faced with the problems of demand recession and high cotton prices. The profitability of weaving operations has been affected by the rise in prices of cotton yarn and poor off-take of cloth due to erosion of purchasing power in rural and urban areas mostly due to drought conditions and floods. This has resulted in reduction in levels of weaving activity in some areas. Because of the decentralised nature of the industry, it is not possible to give any precise estimate about the number of the Powerlooms and Handlooms which may have stopped weaving activity. However, the available figures of yarn deliveries to the powerloom and handloom sector, for the country as a whole, indicate that the production of cloth in the powerloom and handloom sectors has been maintained during the first nine months of the current financial year. In order to develop the handloom industry and improve the socio-economic and living conditions of handloom weavers, Central Government is implementing the following schemes :

1. Share capital assistance to handloom weavers to enrol themselves

as members of cooperative societies;

2. Share capital assistance to handloom weavers primary apex cooperative societies and State Handloom Corporations;
3. Assistance for modernisation of looms;
4. Managerial subsidy to handloom weavers' primary societies;
5. Financial assistance to State Handloom Development Corporations and Handloom Cooperative Societies for setting up pre-loom and post-loom processing facilities;
6. Special rebate at the rate of 20% on sale on handloom products;
7. Janata Cloth Scheme;
8. Thrift Fund Scheme;
9. Workshed-cum-Housing Scheme;
10. Reservation of 22 items for exclusive production in the handloom sector through the handloom (Reservation of Articles for production) Act, 1985.

Price Paid for Imported Cotton

8169. SHRI BALASAHEB VIKHE PATIL : Will the Minister of TEXTILES be pleased to state :

(a) the quantity of cotton imported in the year 1987-88; and

(b) at what price it is being imported ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) and

(b). The information is being collected and will be laid on the Table of the House.

Flood and Drought Situation in Eastern U.P.

8170. SHRI KAMLA PRASAD SINGH : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether floods are a curse in Azamgarh, Mirzapur, Ghazipur and Jaunpur districts of eastern Uttar Pradesh;

(b) if so, whether the above districts are drought prone too;

(c) if so, the details of improvements brought about in the irrigation facilities to save the withering crops;

(d) whether the area brought under irrigation through tubewells and canals is very small; and

(e) if so, the steps taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) These districts are flood-prone.

(b) Only Mirzapur has been identified as a drought-prone district.

(c) to (e). Several major, medium and minor irrigation schemes have been taken up in these districts and they are in various stages of construction.

The district-wise details of area brought under irrigation through canals and State tubewells so far, as reported by the State Government, are as under :

(thousand ha.)

S. No.	District	Cultivated Area	Potential created upto 86-87	Potential created as %age of cultivated area
1.	Ghazipur	288	237.16	82
2.	Jaunpur	343	313.54	91
3.	Azamgarh	480	284.94	60
4.	Mirzapur	567	197.83	35

The percentage of cultivated area covered with irrigation facility is thus significant.

[*Translation*]

Increase in Excise Duty on Man-made Textiles

8171. SHRI SHANTI DHARIWAL : Will the Minister of TEXTILES be pleased to state :

(a) whether the increase in the excise duty in the recent past has adversely affected the financial condition of man-made textile units;

(b) if so, whether it is a fact that due to their miserable financial condition, industrial units set up in Rajasthan are on the verge of closure;

(c) the steps taken by Government in this regard; and

(d) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) There has been no such general increase in excise duty in the recent past.

(b) to (d). Do not arise.

Availability of Imported Cotton to Textile Mills

8172. SHRI SHANTI DHARIWAL : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have received any proposal from textile mills for import of cotton;

(b) if so, whether textile mills have sent their proposal to Government apprehending the low production of cotton in the year 1987-88;

(c) if so, whether it is a fact that the textile mills have expressed the apprehension that due to its increasing prices their competitive prices will become higher in the export market which will adversely affect the export of the country;

(d) if so, the steps taken by Government to make the imported cotton available to the textile mills; and

(e) if not, the reasons therefor ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (c). Yes, Sir.

(d) and (e). Government have permitted import of cotton against export of cotton yarn, cotton fabrics and made-ups on Advance Licensing Basis. Government are keeping a constant watch on the cotton situation and do not rule out the possibility of import of cotton if the situation so warrants.

Disbursement of Money from Counters of RBI

8173. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to state :

(a) whether it has been brought to the notice of Government that while disbursing money from Government offices from the counters of the Reserve Bank of India the incidents of getting lesser number of currency notes than the prescribed number are increasing;

(b) if so, the number of such incidents occurred in big cities like Delhi, Calcutta, Madras, Jaipur, Bombay alongwith the names of departments brought to the notice of Government;

(c) whether Government have taken any action on these incidents; and

(d) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). Reserve Bank of India (RBI) have reported that sometimes complaints are received by their offices about the discrepancies particularly of shortages in the note packets. These complaints are thoroughly investigated by RBI and whenever the discrepancies are established to have taken place before the note packets left the counters, the shortages are made good. However, complaints about shortages in the packets cannot be conclusively established if these are made by drawers after leaving RBI counters.

RBI have provided separate enclosures for the benefit of the institutions drawing large cash from their counters so that they can receive the note packets in a secure place and count them in the presence of RBI officials and satisfy themselves that the number of pieces in the note packet is correct before leaving the counters.

Since disbursements take place all over the country, there is no system of compilation of information on such instances at a Central Point in the Government of India.

[*English*]

Decline in Seafood Export

8174. SHRI THAMPAN THOMAS : Will the Minister of COMMERCE be pleased to state :

- (a) whether exports of seafood has fallen during 1987;
- (b) if so, the main reasons for this fall in export;
- (c) whether exports have fallen due to high duties over 140 per cent; and
- (d) if so, whether Government propose to reduce the duties ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). In quantitative terms there was a marginal fall of 158 tonnes in the export of seafood in 1987 compared to 1986. This was mainly due to poor marine fish landings. However, in terms of value there was an increase of about Rs. 26.87 crores during the same period.

- (c) Export of marine products does not attract any duty.
- (d) Does not arise.

Central Aid to States

8175. SHRI THAMPAN THOMAS : Will the Minister of FINANCE be pleased to state :

- (a) the financial aid given to various State Governments by Union Government for the financial year 1987-88; and

(b) the criteria adopted for extending the financial aid ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Statement I showing financial assistance given to various State Governments by the Ministry of Finance during the financial year 1987-88 is given below.

(b) Shares in Central taxes grants-in-aid in lieu of tax on railway passenger fares, net interest liability grants, ungraduation grants, revenue gap grants, committed liability grants and Central assistance for calamity relief are given to State Governments on the basis of the recommendations of the Eighth Finance Commission. Central assistance for State Plans is given to States on the basis of the modified Gadgil formula approved by the National Development Council. Loans against small savings collections are given to States to the extent of 75% of the net small savings collections made in each State. Statement-II indicating the detailed criteria applied for releases made by Finance Ministry to State Governments is given below.

Statement I

Financial assistance given to various State Governments by the Ministry of Finance during the financial year 1987-88

States	Amount of financial assistance (Rs. in crores)		
		1	2
1. Andhra Pradesh	1273.50		
2. Arunachal Pradesh	.231.38		
3. Assam	1124.76		
4. Bihar	1848.32		
5. Gujarat	1286.75		
6. Haryana	312.75		
7. Himachal Pradesh	507.79		
8. Jammu and Kashmir	802.06		

1	2	1	2
9. Karnataka	810.50	18. Punjab	1095.60
10. Kerala	695.26	19. Rajasthan	1272.95
11. Madhya Pradesh	1405.31	20. Sikkim	91.37
12. Maharashtra	1635.77	21. Tamil Nadu	1158.05
13. Manipur	240.30	22. Tripura	267.25
14. Meghalaya	208.33	23. Uttar Pradesh	3178.22
15. Mizoram	156.91	24. West Bengal	1551.97
16. Nagaland	300.68	25. Goa	179.30
17. Orissa	868.42	Total :	22500.50

Statement-II

Criteria determining transfer of Financial aid to States by Finance Ministry

Transfers	Criteria
1	2
I. Central Assistance for State Plans	Central assistance for the State Plan is allocated on the basis of the modified Gadgil Formula. Under this formula, a lumpsum amount is set apart for meeting the requirements of 10 special category States which include Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Nagaland, Sikkim, Mizoram, Arunachal Pradesh and Tripura. The balance of the Central assistance is distributed among the remaining 15 States in the following manner : (i) 60% on the basis of population. (ii) 20% on the basis of per capita income only to States having per capita income below the national average. (iii) 10% on the basis of tax effort. (iv) 10% for special problems of States.
II. Loans against small savings collections	3/4ths of the small Savings collection made by States.
III. Transfers made on Finance Commission's recommendations	On the proportion of the average of the non-suburban passenger earnings in each State in the years 1978-79 to 1981-82 to the average of aggregate non-suburban passenger earnings of all States in those years.
(i) Grant in lieu of tax on Railway passenger fares	

1

2

(ii) Income tax	10% on the basis of contribution, and 90% allocated by giving a weightage of 25% to population, 25% to the inverse of per capita income multiplied by population, and 50% to the distance of per capita income.
(iii) Share in basic excises	40% of the net proceeds of shareable excise duties including that on electricity, is distributed in the following manner : 25% on the basis of population, 25% on the basis of inverse of per capita income, and 50% on the basis of the distance of per capita income.
	The remaining 5% is distributed to States which have deficits after taking into account their shares from the devolution of all taxes and duties, including their shares of excise duties, and grants in lieu of the repealed tax on railway passenger fares, but excluding their shares of estate duty and grants on account of wealth tax on agricultural property in the proportion of the deficit of each State to the total of the deficits of all States as estimated by the 8th Finance Commission worked out separately for each year of the forecast.
iv) Share in additional excises	On the basis of State Domestic Product.
(v) Upgradation grants	To upgrade standards of administration to desired levels.
(vi) Revenue gap grants	To cover estimated non-Plan revenue deficits in State budgets.
(vii) Net interest liability grants	To meet the gap between interest receipts and interest liabilities of States.
(viii) Margin money grants	Average of non-plan expenditure on calamity relief during 1978-83 limited to 3 times of the amount recommended by the 7th Finance Commission.
(ix) Committed liability grants	To meet committed liability on the increase in maintenance costs of Plan schemes in deficit States.
(x) Central assistance for calamity relief	75% of ceiling in excess of margin money recommended by 8th Finance Commission as grant, for calamities other than drought. For drought, ceiling in excess of margin money treated as advance plan assistance up to 5% of the State's Plan outlay and beyond this limit fully met by the Centre as 50 : 50 grant-loan.

[Translation]

Seizure of Narcotics

8176. SHRI MAHENDRA SINGH† :
SHRIMATI D.K. BHANDARI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that charas/ganja/heroin/smack and other such evil drugs are caught in the country very frequently;

(b) if so, the details of drugs seized, State-wise, during 1986-87 and 1987-88 (till January, 1988) together with the value thereof;

(c) total quantity of each such drugs accumulated in the Government custody as on 31 December, 1987;

(d) the quantity of each drug disposed of and how it was disposed of and at what cost: and

(e) the amount including foreign exchange, if any, earned by Government as a result of sale of such drugs, if any ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The fight against drug trafficking is a continuous process. As a result of various measures taken by the Government, significant quantities of drugs have been seized by the drug law enforcement agencies.

The quantities of various drugs seized during 1986, 1987 and 1988 (upto 31.3.1988) are as under :

		Quantity seized (in kgs.) during				
		1986		1987		1988
Name of drug	No. of cases	Quantity	No. of cases	Quantity	No. of cases	Qty.
Opium	1,692	8,789	404	2,859	38	691
Morphine	45	207	30	90	2	½*
Heroin	405	2,621	332	2,780	72	782
Ganja	684	60,620	616	53,307	97	10,081
Charas	374	18,909	294	14,792	64	11,140
Cocaine	9	26	6	5	—	—
Methaqualone	19	1,485	59	1,500	9	308

(N.B : All figures rounded off to the nearest kilogram excepting morphine*).

No precise value of the drugs seized can be determined as this is dependent upon various factors like purity of the drugs, place of origin, local demand and supply, etc.

(c) and (d). Most of the quantities indicated above are lying in Government custody pending out-come of legal proceedings. As and when they become ripe for disposal, they are to be destroyed by burning. However, opium and morphine are

required to be sent to the government factories for processing/destruction, as the case may be, depending upon their quality.

It will be difficult to assess the cost of destruction of each drug.

(e) The confiscated drugs are not sold either in the domestic or international markets. As such, the question does not arise.

Raids Conducted by Income Tax

8177. **SHRI KUNWAR RAM** : Will the Minister of FINANCE be pleased to state :

(a) whether the raids have been conducted by Income Tax Inspection Directorate on Government/non-Government establishments located in several major cities/towns in northern States and in the capitals of the States and also on the premises of the persons evading income tax and unaccounted assets have been seized in large quantity, during the period from July, 1987 to date;

(b) if so, the details thereof and the month-wise details in respect of each State, major city-wise; and

(c) the details of the raids conducted in Patna, Jamshedpur, Saran, Chapra, Gopalganj, Betia, Barauni and Darbhanga and other places in Bihar during the aforesaid period and the details of the unaccounted assets seized therein and the details of the firms involved therein ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). Yes, Sir. The Income-tax Department conducted 7130 searches resulting in the seizure of *prima facie* unaccounted assets worth approx. Rs. 116.42 crores throughout India on various persons/establishments during the period July, 1987 to March, 1988. The month-wise details are as under :

(Rupees in lakhs)

Month	No. of searches	Approx. value of assets seized
1.	2.	3.
July, 87	1135	429.11
August, 87	1001	1024.51
September, 87	797	675.13
October, 87	1000	1646.90
November, 87	469	1085.98

1	2	3
December, 87	606	1124.27
January, 88	573	1414.19
February, 88	852	2184.64
March, 88	697	2057.56

It is not practicable to give further details sought in these parts of the question. During the course of searches in the financial year 1987-88, the persons searched have admitted concealment of income of Rs. 147.49 crores as against the total seizure of assets worth Rs. 145.02 crores.

(c) Searches were conducted by the Income-tax Department in Bihar at places such as Biharshariff, Dhanbad, Gaya, Gopalganj, Hazaribagh, Jamshedpur, Lakhisarai, Patna and Ramgarh, in the above period. These resulted in the seizure of *prima facie* unaccounted assets worth approximately Rs. 126.32 lacs. It is not practicable to furnish further details.

[*English*]

Loss of Revenue due to Reduction in Excise Duty

8178. **SHRI MOHANBHAI PATEL** : Will the Minister of FINANCE be pleased to refer to the Budget proposals for 1988-89, Chapter 20, regarding reduction in Excise from 10 per cent to 5 per cent ad valorem, resulting in a net revenue loss of Rs. 300 lakhs, whereas in "Receipts" statement net revenue in 1988-89 (revised) is also shown as Rs. 300 lakhs and state :

(a) the basis on which a net revenue of Rs 330 lakhs arrived at, noting reduction of rate of excise duty;

(b) what items are estimated to grow in sales and by how much; and

(c) whether there will be any excise payable after deducting Modvat credit, if not, what explains the continuance of the excise duty ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The Budget for

1988-89 in the case of preparations of vegetables, fruits, nuts or other parts of plants covered by Chapter 20 of the Central Excise Tariff has been estimated on the basis of the pre-budget rate of duty and assuming an average growth rate of 10% over the revised estimate for 1987-88 for such products. This does not take into account the effect of the changes proposed in the Budget for 1988-89.

(c) Even after adjustment of MODVAT credit, it is estimated that there will be some net collection of excise duty from the goods covered by Chapter 20 of the Central Excise Tariff.

Irrigation Projects of Kerala

8179. SHRI K. KUNJAMBU: Will the Minister of WATER RESOURCES be pleased to state :

(a) the names of irrigation projects in Quilon district of Kerala are pending for approval by Union Government;

(b) the total amount involved in these projects;

(c) at what stage of consideration these projects are at present; and

(d) the time by which they are likely to be completed ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) Nil,

(b) to (d). Do not arise.

Statement

Designation of Posts	Date of appointment	Academic Qualification of the incumbent	Professional Qualification of the incumbent
1	2	3	4
<i>Hindi Officer</i>			
1. Sh. R.D. Attrey	21.11.81	M.A. Hindi	—

1

2

3

4

Senior Hindi Translators

1. Sh. Bhupinder Singh	30.7.84	M.A.	Attended Translation course and proof-reading from Oct. 83 to Dec. 1983.
2. Sh. Om Prakash	25.4.85	B.Com (pass)	—
3. Sh. R.K. Kulshreshtha	19.6.85	M.A. (Eng.) LL.B. Sahitya Visharad (Madhyam)	One year Diploma course in Translation in English/Hindi

Junior Hindi Translators

1. Sh. V.K. Sharma	11.3.80	B.A.	—
2. Sh. D.K. Satyawali	18.4.86	B.A.	—
3. Smt. Janaki Bhandari	18.4.86	B.A.	Attended Translation Training Scheme conducted by Translation Bureau from Oct. 87 to Dec. 1987
4. Smt. Usha Sharma	24. 4.87	M.A.	—

[English]**Nationalisation of Drug, Cigarette, Wine and other Industrial Units**

8181. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to nationalise all those drug, cigarette, wine and other industrial units against whom more than two hundred crore excise, customs and other Government dues are pending realisation; and

(b) if not, the reasons therefor ?

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

(b) Legal and administrative measures are available and taken for enforcing recovery of Government dues.

Flood Control Programme

8182. SHRI SRIBALLAV PANIGRAHI : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether Government have made any estimate of the damage caused by flood in different States in 1987;

(b) if so, the details thereof, State-wise;

(c) whether Government have any proposal to implement any flood control programme in the country during 1988; and

(d) if so, the perspective plan drawn up in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) and (b). A statement is given below :

(c) Various State Governments and Union Territories propose to construct flood management works like embankments, drainage works etc. with an outlay of about Rs. 160 crores during 1988-89.

(d) The Government of India have set up two Committees, one for the States of

Uttar Pradesh, Bihar, Orissa and West Bengal and another for the States in the North-eastern region to review the flood management works so far executed in these States and to suggest appropriate strategies to afford long term protection from floods to the flood prone areas.

Statement

State-wise tentative estimated damages caused by Floods in the year 1987

(Rs. crores)

Sl. No.	Name of the State	Estimated damages caused by floods during 1987	Remarks
1	2	3	4
1.	Andhra Pradesh	Neg.	
2.	Arunachal Pradesh	N.R.	
3.	Assam	338.71	
4.	Bihar	1433.74	
5.	Goa	N.R.	
6.	Gujarat	0.215	
7.	Haryana	Nil	
8.	Himachal Pradesh	113.57	Neg. Negligible
9.	Jammu and Kashmir	171.75	N.R. : Not reported
10.	Karnataka	.083	
11.	Kerala	N.R.	
12.	Madhya Pradesh	0.03	
13.	Maharashtra	N.R.	
14.	Manipur	34.85	
15.	Meghalaya	N.R.	
16.	Mizoram	Nil	
17.	Nagaland	N.R.	
18.	Orissa	N.R.	
19.	Punjab	N.R.	
20.	Rajasthan	N.R.	

1	2	3	4
21. Sikkim		13.57	
22. Tamil Nadu		0.003	
23. Tripura		N.R.	
24. Uttar Pradesh		288.25	
25. West Bengal		491.17	
26. Andaman and Nicobar Islands		Nil	
27. Chandigarh		Nil	
28. Dadar and Nagar Haveli		N.R.	
29. Daman and Diu		Nil	
30. Delhi		N.R.	
31. Lakshadweep		N.R.	
32. Pondicherry		N.R.	
Total (India)		2885.941	

Damage Suffered due to Flood

8183. DR. G. S. RAJHANS : Will the Minister of WATER RESOURCES be pleased to state :

(a) the cumulative total value of damages suffered from flood by various States, particularly, by Bihar, West Bengal and Assam during last three years;

(b) the recommendations of the National Flood Commission that were commended to the States in 1981 by Union Government for consideration and implementation and with what results; and

(c) the names of the States which have not yet enacted a legislation of Flood Prone Zones to minimise flood losses ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) The cumulative total value of flood damage suffered by the various States and Union Territories during the last 3 years (1985 to 1987) in about Rs. 10,693.7 crores of which the damages pertaining to the States of Bihar, West Bengal and Assam are Rs. 1778.3 crores, Rs. 858.2 crores and Rs. 598 crores respectively.

(b) the National Flood Commission made 207 recommendations which were commended to the States and Union Territories for implementation in 1981. These *inter-alia* cover the past approach for flood management and achievements, effect of developmental activities and encroachments, methodology of flood damage assessment, areas needing urgent attention, land-use regulation, cost and benefit analysis and future approach for flood management.

(c) Only Manipur has enacted a legislation for flood plain zoning.

International Gene Bank for Silk-worms

8184. SHRI V. S. KRISHNA IYER : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to set up an International Gene Bank for mulberry and silkworms in Bangalore;

(b) if so, whether land for the purpose has been acquired;

(c) the time by which the institute is likely to be established;

(d) whether modalities for international funding have been worked out; and

(e) whether technical and financial assistance from International Sericulture Commission has also been sought, if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) to (e). At the end of the International Congress on Tropical Sericulture Practices held at Bangalore between 18-23rd February, 1988, it was recommended that an International Gene pool for Mulberry and Silkworms should be located in India. The details of establishing such a Gene pool are required to be worked out through consultations with the participating countries/international sericulture organisations.

Agreement with Russia on Food Packaging Industry

8185. SHRIMATI BASAVA RAJESWARI : Will the Minister of COMMERCE be pleased to state :

(a) whether the Soviet Union has shown interest in joint ventures and production cooperation in material equipment for several items of the food packaging industries;

(b) whether a high level committee of experts from Russia had visited India and offered to buy or jointly produce such material with guarantee of buy back items;

(c) whether any agreement has been reached in this regard; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) to (d). Yes, Sir. Government is aware that preliminary discussions are in progress between Soviet and Indian organisations for cooperation and joint production in the area of food packaging industry. Government, however, does not come into the picture at the stage of negotiations at the level of entrepreneurs and comes to know the details only when applications are submitted for approval by the Indian parties. No application for grant of approval by Government, as per prescribed procedures, has so far

been received for setting up of joint ventures or production cooperation facilities with the USSR in the field of food packaging industry.

12.00 hrs.

[*English*]

(*Interruptions*)

MR. SPEAKER : Not allowed. I have not allowed anybody.

(*Interruptions*)*

MR. SPEAKER : I have not allowed anybody.

(*Interruptions*)

[*Translation*]

MR. SPEAKER : Kindly sit down.

(*Interruptions*)

MR. SPEAKER : What are you doing ?

(*Interruptions*)

MR. SPEAKER : Order order. Why are you quarrelling among yourselves ?

(*Interruptions*)

[*English*]

MR. SPEAKER : I have not allowed anybody.

(*Interruptions*)

[*Translation*]

MR. SPEAKER : Why don't you stop it ? (*Interruptions*). Listen, the House will function according to the rules. I am neither afraid of privilege motion nor of adjournment motion.

[*English*]

I have to go according to the rules laid down by you. So simple it is.

[*Translation*]

I will allow it only if it is a fit case.

[English]

SHRI BASUDEB ACHARIA (Bankura): It is a fit case for an Adjournment Motion.

SHRI S. JAIPAL REDDY (Mahbubnagar) : Eminently fit case.

PROF. MADHU DANDAVATE (Rajapur) : Please accept either Adjournment Motion or Privilege Motion.

[Translation]

MR. SPEAKER : Sir, what can I do if you do not listen to me? Kindly tell me what should I do if you interrupt me and start arguing? Both are the same for me whether it is "Hindu" or "Indian Express". I want to say only one thing that the case is now before the Joint Parliamentary Committee after which it may be referred to Privilege Committee or other Committee . . .

(Interruptions)

MR. SPEAKER : Now why don't you sit down please?

[English]

What is this? I cannot transgress the limits. So simple it is.

[Translation]

Kindly listen to me.

[English]

I am on my legs. Mr. Raj Kumar Rai, I cannot transgress the limits laid down by you. I am bound by your rules. So simple it is. I cannot take up a case which is under the scrutiny of the Joint Parliamentary Committee, I have to wait for their Report. After that, you can take up this case, whatever it is.

(Interruptions)

[Translation]

MR. SPEAKER : Nothing is audible to me. How can I listen when 50 Members are speaking at one time?

[English]

PROF. MADHU DANDAVATE : Sir, we listened to you in pin-drop silence,

Please try to understand what we want to convey to you. Ultimately the ruling is in your hands and we will abide by the ruling. All that we have to say is that on 20th April, 1988 . . .

MR. SPEAKER : No, no; I cannot allow.

(Interruptions)

MR. SPEAKER : As long as the Joint Parliamentary Committee is seized of it, I cannot allow here. First, it has to go through it.

(Interruptions)

MR. SPEAKER : After the JPC Report, I will allow.

(Interruptions)

MR. SPEAKER : I haven't closed the doors. Let the Joint Parliamentary Committee submit the Report and then you come to me. Then I will see.

(Interruptions)

MR. SPEAKER : You can come after the JPC submits its Report. Then I will consider it.

(Interruptions)

MR. SPEAKER : After the JPC Report, I will consider it.

(Interruptions) .

PROF. MADHU DANDAVATE : I am on a point of order.

MR. SPEAKER : What is your point of order?

PROF. MADHU DANDAVATE : I will formulate my point of order, Sir. (Interruptions)

[Translation]

MR. SPEAKER : Why are you interrupting. You create trouble.

[English]

PROF. MADHU DANDAVATE : You have said just now that. . . (Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SONTOSH MOHAN DEV) : Under what rule ?

PROF. MADHU DANDAVATE : Rule 376 provided you know what Rule 376 is (*Interruptions*)

MR. SPEAKER : What is the business before the House ?

PROF. MADHU DANDAVATE : Just now, you were making some observations on the question of the notice which we have given. I will pick up to the observations that you have made. You have said : "the matter is before the Parliamentary Committee." We are raising only a procedural point that in this House on 20th April, 1988...

MR. SPEAKER : Overruled. No. After the Report.

(*Interruptions*)

PAPERS LAID ON THE TABLE

12.12 hrs.

[*English*]

A statement explaining reasons for not laying the Annual Report etc. of All India Handloom Fabrics Marketing Cooperative Societies Ltd. for 1986-87 within stipulated Period

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) On behalf of Shri Ram Niwas Mirdha, I beg to lay on the Table a statement (Hindi and English versions) explaining the reasons for not laying the Annual Report and Audited Accounts of the All India Handloom Fabrics Marketing Cooperative Society Limited, Bombay for the year 1986-87 within the stipulated period of nine months after the close of the Accounting year.

[Placed in library. See No. LT-5962/88]

Annual Report and Review on the Working of the Sports Goods Export Promotion Council for 1986-87 etc.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY

AFFAIRS (SHRIMATI SHEILA DIKSHIT) : On behalf of Shri Priya Ranjan Das Munsi I beg to lay on the Table :

1. A copy of the Notification No. S. O. 278 (E) (Hindi and English versions) published in Gazette of India dated the 23rd March, 1988 making certain amendments in the Open General Licences Nos. 1/87 to 18/87 dated the 1st April, 1987 issued under section 3 of the Imports and Exports (Control) Act, 1947.

[Placed in Library. See No. LT-5963/88]

2. (i) A copy of the Annual Report (Hindi and English versions) of the Sports Goods Export Promotion Council, New Delhi, for the year 1986-87 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the Working of the Sports Goods Export Promotion Council, New Delhi, for the year 1986-87.

3. A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above.

[Placed in Library. See No. LT-5964/88]

4. (i) A copy of the Annual Report (Hindi and English versions) of the Tea Board, Calcutta, for the year 1986-87.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Tea Board, Calcutta, for the year 1986-87 together with Audit Report thereon.
- (iii) A copy of the Review (Hindi and English versions) by the Government on the working of the Tea Board, Calcutta, for the year 1986-87.

5. A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (4) above.

[Placed in Library. See No. LT-5965/88]

12.13 hrs.

ASSENT TO BILLS

[*English*]

SECRETARY-GENERAL : Sir, I lay on the Table the following seventeen Bills passed by the Houses of Parliament during the current session and assented to since a report was last made to the House on the 23rd February, 1888 :

1. The Appropriation (Vote on Account) Bill, 1988
2. The Appropriation Bill, 1988
3. The Punjab Appropriation (Vote on Account) Bill, 1988
4. The Punjab Appropriation Bills, 1988
5. The Delhi Administration (Amendment) Bill, 1988
6. The Delhi Municipal Corporation (Amendment) Bill, 1988
7. The Major Port Trusts (Amendment) Bill, 1988
8. The Constitution (Fifty-ninth Amendment) Bill, 1988
9. The Tamil Nadu Appropriation (Vote on Account) Bill, 1988
10. The Tamil Nadu Appropriation Bill, 1988
11. The Appropriation (Railway) Bill, 1988
12. The Appropriation (Railway) No. 2 Bill, 1988
13. The Appropriation (Railway) No. 3 Bill, 1988

14. The High Court and Supreme Court Judges (Conditions of Service) Amendment Bill, 1988
15. The Tamil Nadu State Legislature (Delegation of Powers) Bill, 1988
16. The Tamil Nadu Agricultural Service Co-operative Societies (Appointment of Special Officers) Amendment Bill, 1988
17. The Tamil Nadu Co-operative Societies (Appointment of Special Officers) Bill, 1988.

12.14 hrs.

ESTIMATES COMMITTEE Sixty-third Report and Minutes

[*English*]

SHRI HUSSAIN DALWAI (Ratnagiri): I beg to present the Sixty-third Report (Hindi and English versions) of the Estimates Committee on the Ministry of Tourism—Development of Major Buddhist Pilgrimage Centres and Minutes of the sittings of the Committee relating thereto.

PUBLIC ACCOUNTS COMMITTEE

Hundred and Twenty-seventh and Hundred and Twenty-ninth Report

[*English*]

SHRI AMAL DATTA (Diamond Harbour) : I beg to present the following Reports (Hindi and English versions) of the Public Accounts Committee :

1. Hundred and Twenty-seventh Report on Induction of an aircraft in the Indian Air Force.
2. Hundred and Twenty-ninth Report on (i) Kharagpur-Madras wideband microwave scheme (ii) Calcutta-North Bengal-Assam wideband microwave scheme (iii) Nagpur-Bangalore wideband microwave scheme.

12.15 hrs.

BUSINESS ADVISORY COMMITTEE
Fifty third Report

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : I beg to move :

"That this House do agree with the Fifty-third Report of the Business Advisory Committee presented to the House on the 21st April, 1988."

MR. SPEAKER : The question is :

"That this House do agree with the Fifty-third Report of the Business Advisory Committee presented to the House on 21st April, 1988"

The motion was adopted

(*Interruptions*)

[*English*]

PROF. MADHU DANDAVATE (Rajapur) : You are [not listening to us even on procedural matters. (*Interruptions*)

MR. SPEAKER : After the Report.

At this stage Prof. Madhu Dandavate and some other Hon. Members left the House

MR. SPEAKER : Now, matters under Rule 377 Shri Yashwantrao Gadakh Patil.

SHRI YASHWANTRAO GADAKH PATIL (Ahmednagar) : Sir, I want to raise the following urgent matter under Rule 377.

SHRI N.V.N SOMU (Madras North) : Sir, I am on another important matter.

MR. SPEAKER : Now it is not allowed. Nothing doing.

(*Interruptions*)*

MR. SPEAKER : I have called Mr. Patil. The Hon. Member is on his legs.

(*Interruptions*)*

SHRI N.V.N. SOMU : We are walking out.

At this stage Shri N.V.N. Somu and other Hon. Members left the House

12.16 hrs.

MATTERS UNDER RULE 377

[*English*]

(i) Need to declare the Ahmednagar Fort as a National Monument

SHRI YASHWANTRAO GADAKH PATIL (Ahmednagar) : Ahmednagar Fort is of historical importance in our freedom struggle. During the period 1942 to 1945 our great national leaders including Pandit Jawaharlal Nehru, Maulana Abul Kalam Azad, Dr. Rajendra Prasad, Acharya Narendra Deo, Barrister Asaf Ali, Sardar Vallabhbhai Patel, Pt. Govind Ballabh Pant, Acharya Kripalani, Pattabhi Sitaramayya, P.C. Ghosh, Shankarrao Deo, Harekrishna Mehtab were imprisoned in this fort. Recently the Defence authorities have changed the form of the barracks in which the above mentioned leaders were kept in imprisonment. Only the outer original form of walls is kept intact. The roof of the barracks has been demolished and concrete slabs have been put on the old walls. Only the name plates of the concerned national leaders have been kept in each room of the renovated barracks and the rooms are being used as the offices of the Defence Department.

The room in which Pandit Jawaharlal Nehru was imprisoned has been completely changed and it has been converted into a big hall in which all the photos of National Leaders who were imprisoned there are kept. This creates the impression as if

all these leaders were imprisoned in one room only.

The people of Ahmednagar district have expressed great displeasure in this regard, I reiterate the suggestion made by me earlier that the Ahmednagar Fort may be declared as a 'National Monument'. It may also be developed as tourist centre.

[*Translation*]

(ii) **Need to provide more financial assistance to the Government of Rajasthan to meet the situation caused by drought in the State**

SHRI SHANTI DHARIWAL (Kota) : Mr. Speaker, Sir, the Central Government had given 5 lakh metric tonnes of wheat for wage payments last year free as a special assistance to combat drought situation in Rajasthan. But this year it has not given free wheat. That is why the State Government is not being able to provide employment to even one person in every family. 50 lakh families have been affected by the drought. The Rajasthan Government is in a position to provide employment only to 10 lakh people, whereas the Gujarat Government is providing employment to 2 persons in each family. The Centre has fixed the daily wages of a worker at Rs. 7 while the State Government is paying Rs. 10.50. The Central Government is not giving assistance for expenditure on other items. The State Government has to provide employment to the families alternatively due to limited employment potential available in the State. Therefore, one family gets employment only for 15 days in a month. According to the recommendations of the Eighth Finance Commission it is the duty of the Central Government to provide entire expenditure on commodities. The Centre has sizably cut down the assistance proposed by the Central study group for the first time. The supply of wheat to the fair price shops is inadequate. Drought affected people are getting 5 kgs. wheat per person whereas it should be 10 kgs. per individual. The situation may aggravate in the coming months of April, May and June. Therefore, more financial assistance should be urgently provided for this period by the Central Government.

[*English*]

(iii) **Need to take steps to check prices of drugs**

SHRI MANVENDRA SINGH

(Mathura) : Pricing policy announced by the Government recently and exemption which has been granted from price control to SSI units of category II formulations recently has resulted in steep increases in prices varying from 40% to 200% causing misery to the poor. There are increased sales of spurious and substandard drugs induced by the Pricing Policy. There is a hue and cry all around. For instance one injection of Mitomycin (anti-cancer) which was earlier sold for Rs. 49 is now sold at Rs. 230. One bottle of Phosfomycin which was earlier available for Rs. 14.40 is now sold for Rs. 26. One bottle of Dilosyn (cough syrup) is sold for Rs. 9.53 while earlier it was sold at Rs. 5.03 and so on. Government have also announced increases in prices merely by adjusting mark up and without verifying the purchase prices of raw materials, dispensing with submission of applications by the producers and following the provisions of paragraph 6 of DPCO, 1987. There appears to be no justification for such sharp increase.

The drug companies have been given free hand under the Pricing Policy to exploit poor consumers.

I, therefore, request the Government to take necessary steps to check prices of drugs to safeguard the interests of consumers.

12.20 hrs.

[**MR. DEPUTY SPEAKER** *in the Chair*]

[*Translation*]

(iv) **Need to provide adequate facilities and concessions to spastics**

***SHRI RANJIT SINGH GAEKWAD** (Baroda) : Mr. Deputy Speaker, Sir, I want to raise through you, a matter of urgent public importance under Rule 377 in the House.

*Translation of the matter originally raised in Gujarati.

The Government has formulated many schemes for Harijans, Adivasis, Backward classes, minorities, freedom fighters, weaker sections and handicapped persons like blind, deaf, dumb, lame and also provided relief to them. These steps undertaken by the Government are praiseworthy and commendable. But the Government has paid little attention to spastics. Children usually fall prey to this disease. Although spastics have good mental balance and they can do work but sometime they fail to maintain their balance because of convulsions of limbs.

Parents or relatives of spastics have to many difficulties while travelling by plane, train or bus when they accompany them for treatment.

I request the Government to treat spastic persons as handicapped, and I demand to provide them maximum possible facilities so that they may have a place in the society.

[English]

(v) Need to ensure proper distribution of potassium chloride to the small match manufacturers of Sivakasi in Tamil Nadu

SHRI N. SOUNDARARAJAN (Sivakasi) : There are more than 5000 small match units in my Sivakasi parliamentary constituency in Tamil Nadu. For the past three months there is severe shortage of potassium chloride which is one of the main raw materials for the production of matches. Due to the shortage of potassium chloride these match units are under threat of closure. Thousands of workers would become jobless.

The authorised dealers of potassium chloride in my area are charging more money from these tiny match units. The Small Industries Development Corporation, which is also supplying potassium chloride through its depots to these tiny match units is not doing proper distribution.

So, I urge upon the Government to take immediate steps to ensure the proper supply of potassium chloride to the tiny match units in Sivakasi and probe into the mal-distribution of potassium chloride by the Small Industries Development Corporation, Sattur.

[English]

(vi) Need to take steps to ensure proper working of the Hindustan Teleprinters, Madras

DR. A. KALANIDHI (Madras Central) : The Hindustan Teleprinters at Madras which was founded by late Pt. Jawaharlal Nehru, is on the road to closure. Nearly, 2000 employees of the concern fear losing their jobs due to problems in managements. While there are no buyers for the products of Hindustan Teleprinters, lakhs of rupees are being spent on TV advertisements.

The former Prime Minister, Shrimati Indira Gandhi had taken great care to see that the Hindustan Electric Typewriter Project goes well on the road to progress. It is understood that nearly 1000 electric typewriters are lying in store without any orders and the amount involved is estimated to be Rs. 500 lakhs. Machines worth Rs. 300 lakhs bought under world Bank Loan Scheme during 1980-83 are still gathering dust. The total loss expected is about Rs. 1757 lakhs. It is high time that the Government should take adequate interest in the working of Hindustan Teleprinters, particularly in Hindustan Electric Typewriter Project and save this institution on which India had high hopes.

[Translation]

(vii) Need to check the use of tobacco Products

SHRI RAJ KUMAR RAI (Ghosi) : Hon. Sir, any type of addiction is the root cause of vices. It not only weakens a man economically but also physically and mentally. According to available statistics 35 lakh people in the world and 8 lakhs in our our own country die due to addiction to cigarette smoking annually. The Central Government did not implement policy of prohibition because it was afraid of being deprived of revenue. Besides it thinks that merely by writing 'Smoking is injurious to health on cigarette packets the responsibility is over. Even this is not written on Pan Masala, Zarda, Bidipackets etc. The popularity of Pan Masala in the country is on the increase. Smoking and use of Pan Masala not only adversely affects digestive system but also creates coronary

disease, blood pressure and cancer and also pollutes environment.

I, therefore, demand that the Government should impose ban on cigarette, Bidi, tobacco, Pan Masala, Zerda, *Ganja*, *Charas* etc. The ban may be gradual starting from a week to a month and then a total ban.

[*English*]

(viii) **Demand to take up immediately repairs of the railway bridge on Kamla Balan river at Jhanjharpur in Bihar**

DR. G.S. RAJHANS (Jhanjharpur) : 1987 floods were the worst in the living memory for the people of Mithila region of north Bihar. Population in and around Jhanjharpur were worst affected by the fury of Kamla Balan which originates in Nepal and runs through a major portion of Mithila.

Kamla Balan had badly affected the railway bridge near Jhanjharpur. Although rail lines were promptly restored on the intervention of the Prime Minister and the Railway Minister, the railway bridge over Kamla Balan at Jhanjharpur remains depleted even today. Twelve out of sixteen spans of the above railway bridge are lying silted up since the last flood and have not been cleaned as yet. The choked vent is bound to create further devastation in and around Jhanjharpur during the coming rainy season. In this connection, it is necessary to point out that rains usually start in Nepal in the latter half of May.

It is, therefore, earnestly requested that the bridge on Kamla Balan at Jhanjharpur be repaired immediately. Besides, in order to avoid the recurrence of last year's devastation, it is suggested that the widening of the above railway bridge be taken up in right earnest. That apart, Jhanjharpur railway platform and the rail lines there have to be raised by at least seven to eight feet higher.

The Railway Ministry is requested to take up the above work without any further loss of time.

12.29 hrs.

**DEMANDS FOR GRANTS, 1988-89—
Contd.**

Ministry of Defence—Contd.

[*English*]

MR. DEPUTY SPEAKER : The House will now take up further discussion and voting on the Demands for Grants under the control of the Ministry of Defence. Shri Sparrow...

SHRI SOMNATH CHATTERJEE : (Bolpur) : Has item No. 8 on the agenda been taken up ?

MR. DEPUTY SPEAKER : Yes.

SARI R.S. SPARROW (Jullundur) : Hon. Mr. Deputy Speaker, Sir, the defence of Mother India is an intimate concern of all the hon. Members of this august House irrespective of party affiliations. And to see, in this manner, practically the House deserted by a majority of Members shows what interest we have for the defence of Mother India.

In that context, to start with, adequate defence preparedness acts as a solid root and that offers stability to any country. This is the importance of this particular subject as also the defence measures and armed forces of our Mother country.

Keeping this all important notions in view, I would like to lay before you Sir, my today's presentation, in a dispassionate manner, as steadily and cogently as possible. Before I start laying bare the main facts and factors that are cogently relevant to today's debate, I might mention, that fiscally, the proportionate allocation of funds under different heads, as is laid down in the Defence Budget Demands, is very well conceived. And I feel privileged to support the same.

However, Sir, in my view, to fully meet the sudden, over-riding and big time defence requirements apropos of the explosively charged geo-political and geo-strategical situation that obtains globally today, one has to think very carefully whether more funds for defence preparedness would be necessary as time comes by. This is a notable question. This has to be kept in

[Shri R.S. Sparrow]

view here. It does not finish here. There is some big problem attached to it. The modern day sophisticated weaponry is revolutionising with a galloping speed and not to match up with our defence potential and the cumulative requirements of our Armed Forces accordingly, would simply not suit India's stature especially where the guarding of its National Security is concerned. So, this is the base on which we have to formulate our future thinking and planning in so far as the defence of India is concerned. So, the military planning and preparation should, therefore, have to be based on the good old dictum, *i.e.* 'A stitch in time saves nine'. It is not good running arround in circles at a time when something falls on your head. It is a question of meticulous planning, stage-wise planning, taking all aspects into consideration.

Incidentally, Sir, our Armed Forces, if built strongly, will also act as a deterrent against any possible aggression which collusively or singly may be inflicted by any potential enemy against Mother India. That is the requirement which has to be kept in view the whole time. The holding of a high worth power base, by India, in South Asia will further help in keeping the balance of world powers at peace-ensuring level. At that level, it does help. It is a big time consideration which geo-politically, geo-strategically, internationally, one has to keep in view because you can serve with Indian brains, I rate them as being top in the world. If we do not perceive the situations correctly, tell me, who is going to suffer? Any of our next door neighbour? Any of those flaunting big people with money around them? No. It is India. Now our aim has been set. It know that the whole House will agree that our aims are Self-reliance, no-c-alignment. We have to be promotor of peace, amity and good will amongst the commity of world nations. We are the supporters of nuclear freeze. On all these accounts, I heartily congratulate our Prime Minister and the Government of India for following this line and thought in its proper form. And that will successfully run to the advantage of India in the larger sense of the word. I have no doubt about it that all parties also will

subscribe to this idea except there may be a few quislings who may wish to do something funny with our stability, with our homogeneity and our coming up high type of stature. Always there are black sheep here and there. Nevertheless, for all this setting that we have before us, we have to watch our front against the aggression— seeking countries who want to down India. So these exigencies shall have to be kept in view. Incidentally if I may point out what possibilities are there for aggression against India, let us have a look at it.

One of our neighbours time and again, as an example, has been dragging us into wars. These are historical things. Take for example the Jammu and Kashmir operation in 1947-49; the RANN of Kutchh aggression of 1951 at such places as Kanjar Kot, Khawda, Pachham, Gadra and so on and so forth. We all know that, and with Pakistan bases established at Nagar Parker and beyond, and in this way putting us in a quandary.

In 1965 a war was again inflicted on us and would you recall, Sir that at that time there was a stage when even the BBC, London started announcing that Delhi itself was in the process of being encircled and it could possibly collapse. But it did not happen that way. In fact, militarily the tables were turned against Pakistan itself in those 17 days' of battle. I had a major share in it at that time. Over 300 Pakistani villages right up to the base of Sialkot were taken over by the Indian troops at the time of ceasefire. Such was the situation which our neighbour did create at one time previously. Not only that, Sir, the beauty of it is the time had not forget the past. In 1971 once again Yahya Khan and some other persons once again did it and you will recall those days when Mr. Bhutto used to pronounce that "we will keep fighting for 1000 years and down India and put it in its place" and so on and so forth. It all came to your notice also that how in an aggressive and abrasive way they attacked. The beauty of it is, Sir, that from India's side after the enemy had been defeated, every single bit of the territory, every inch of it was handed back. This is the first example of magnanimity in the history of warefare; first time in the history

a country whose thousands of troops were captured with General Niazi and 95000 troops living at our mercy for one year. We were spending at least Rs. 5 to 10 per head every day on them. It means about a lakh of rupees a day and if you multiply it one year then the exact figure will be known. One knows what we were doing. The beauty of it was that not a single penny was demanded in the way of retribution or reparation. India did that first time in the history of world. We still remember the Berlin Wall episode where the people are still paying through their noses. People are paying back in one form or the other but not in the case of India. Whether it is Bangladesh or Pakistan, they may take everything back but not India. The beauty of it is that we did not retain anything with us. That showed as to where our destiny or the future lies; as to where we stand. No war indemnity was charged from Pakistan.

We have to be very proud about what we and our armed forces can do. What is the situation now ? I think must summarise for your kind information. Some powers are adroitly preparing and showing consistent and aggressive process of posture. They want us to be engaged in, shall I say, some kind of a conventional warfare like that of Iran-Iraq. They want to bring about such a situation so that our inner power, the homogenous power of India from Kanya Kumari to the Great Himalaya is somehow disrupted and there is destabilisation in the country. Otherwise, why should there be a 3 billion dollar aid from the USA to Pakistan ? For what purpose ? Why Pakistan is updating arms with China's help ? All these things that arise here are frantically happening everywhere around us. Also, why is Pakistan deploying more troops in Pakistani occupied India's territories ? Why is a secret Pakistan-Turkish nuclear axis is being built up ? Why does a New York paper say that Pak can make the nuclear bomb ? All these things are there and we too have seen them. We know it because nothing is secret these days, as to where they (Pakistan) stand on this matter. Worst of all, I must say, is the psyche and the attitude of the Pakistani adventurist regime which is rather disturbing. Allow me to quote just these few lines from Prof. Arun Pratap Singh and Prof. Kailash Patti Singh :

"Pakistan is always trying for military superiority *vis-a-vis* India. Even after its dismemberment and severe defeat caused by India in 1971, she still hopes for superiority over India so that India can be dictated to on Pakistani terms through nuclear blackmail. 'Some methodology has to be worked out to put India in a quandary' is their primary objective behind the programme. It is a sheer lie on the part of Pakistan to assure the world that her programme is a peaceful one."

There is much more in their writing which was very cogently put. So, this is what is happening from the side of one of our neighbours.

Then military also, I must bring out the picture as to where my dear friendly neighbour stands. Before I touch upon the big time danger of catastrophic war, I just want to send a friendly word from the side of India to Pakistan. Our Government is also trying to do its best diplomatically. My word of friendship to Pakistan is this. If we two nations work together, our people can form the strongest super power bloc of South Asian Sub-continent. It can help the world to move on to the way of peace. Our economy, our technological knowhow and our progress rests in the hands of the finest and hard working manpower and they can prove instrumental in bringing about peace, amity and goodwill all around the globe. This is what we both can achieve if we work together. So Sir, through you, I offer this to Mr. Zia-ul-Haq and I ask him to observe and analyse this. It will help him and it will help everybody. Old days are gone and the concept of capturing this country or that country, howsoever tough you may think you are, is no more valid.

Now a word about yet another neighbour of ours. I cannot help it, because you have to be geo-militarily alert. We do not know when a wrong switch be put on. We have to decide about it and of course, diplomatically we do our best. But the same analogy should apply to our neighbour China. What business has she to construct the Karakoram Road for Pakistan inclusive of an 'A' class string of Air Fields where even jet planes can land and take off ? It

[Shri R.S. Sparrow]

may be at Skardu or at three or four other strategic places also. They did it. They have the manpower. They have the backing of technology also. This is to hang Democles sword on the head of India. Coming from China, it is not fair; it is not correct. Our give and take policies should have been different. Not only that. Why are modern weapons supplied to Pakistan ? It is all given in various newspapers and books. There is nothing to hide about it. Why is sophisticated training being given to Pakistan at Kahuta and also at so many other spots which I know myself. It starts even from Malakand Chitral, Dargai and so on and so forth. They are being trained in a proper manner, Small units and the top grade strategic type of personnel are being trained there. Why ? Not only that. They (China) have captured our large territory. And you must kindly watch this. It starts from Wakhan/Badakshan area on to Daulet Begoldy-Aksai Chin, running right upto Walong, 25,000 kms. area. Lo and behold, this done just with the force of power. I can see that. Is that fair ? No, it is not fair. We used to discuss things across the table sometime, but everytime, slyly and cleverly, you (China) used that to your advantage. Not only that. Even you have pushed your China into Arunachal Pradesh, only a few days ago. Why all this ? For what purpose ? May I know whether this has been done to put us in an unstable position ? This is something which we have to very carefully watch. I have no doubt that our High Command are looking deep into this thing. The whole nation is interested in it.

One word I must say in relation to the big time possibility of trouble—catastrophe. It could be dangerous enough if one local war erupts. You see Iran and Iraq war. I have tried to explain that because whenever a war occurs, it would lead to all types of ramifications. They (Iran-Iraq) are facing some sort of difficult situation. Even shall I say—a chemical warfare came into play. In one Kurd village even cyanide. Mustard and some other gases were thrown. Many hapless civilian people were killed. The nuclear war if brass-Buttended may also add to the destruction of various countries.

Now, coming to the big time war—which could be a possibility—it may damage the whole (Indian sub-Continent) region because of the involvement of super powers. Everybody have signed certain agreements—nuclear proliferation treaties, and so on and so forth. I accept it. It is very good. It is being done. This is People's finest and hardworking qualities as is seen here. But one has to watch whether they are going to be like this in future also. The nature of man does not give you all this. It does not work that way at all. What can happen suddenly because of this nuclear type of warfare ? I went and saw Hiroshima when it was destroyed I also saw Nagasaki. Five lakh people perished there with one single bomb. Today the hydrogen bomb is thousand times stronger than that one bomb and fifty thousand warheads of this type (bomb) are floating around the world Stock pile. Now, if you press a single button wrongly, what will happen ? So we have also to think in those terms and for that I would be suggesting certain things to you for your kind consideration, later on. In fact, I might straightway say that we have to have our plans. Even, we have to have our plans for the peace loving civilians, what you can call the offsetting type of plans in a manner that they get a chance of looking after themselves living peacefully and keep on doing their little work. So, certain anti-nuclear measures will have to be taken for the public, for the armed forces, for working out different types of passive acts which we have at that time to keep on making use of. So, all these things will have to be taken care of by us through the process of planning.

Anyway, the best course open for us to follow, taking all these things into account, is to watch our own front, prepare our armed forces and our mass population of 800 million people adequately. In that, we have to defend India against any combination, whatever it may be : our first line forces, our second-line reserve defence, our NCC trainees, our Guides and besides them, para-military forces and what not—all have to be toned up in a proper, planned manner. Over and above that, passive atomic defence measures have also to be adopted. We have to be ready for them. Not that at that time you start scurrying

around. It is not to be accepted that way. Protective anti-radiation measures, both for the soldiers as also for civilians, phased-out plans for all of them—and that will give you self-reliance. Diplomatically, of course whatever is best shall have to be tried, and we have to see that such a thing does not happen, I accept. I concede that.

I have a few words to say about what we are doing. In that context, I shall have to give you our own achievements; shall I say, in brief? On that, if I may say so, I will speak about major achievements. I have myself lately visited various outfit where you produce your weapons, munitions of all kinds, and equipment output. It may be at Avadi, HAL, BEL, Ichhapur, Kirkae, Jabalpur, Banaras, so on and so forth. I have been to these places, even to Aravankadu. I must say that I felt really exhilarated after noticing as to what is being done, the speed and alacrity with which the modern-most weaponry is being produced for our armed forces. That is something very encouraging.

The R and D, coupled with the user-specialists of the armed forces, are doing a good job of work where high quality, indigenous production is concerned. Modernization of the armed forces is being worked out and augmented with means and material of warfare, to be second to none; and whatever lacunae or weak points crop up, are being put right at the speediest. It is not that there are no weaknesses. Yes; there some loopholes, and they are to be plugged soon enough. That is also being done, and one felt quite encouraged in that you will notice that for the infantry side of it, we have BMP-2 infantry combatant vehicle straddled on a T-72 tank. Something new, very new indeed. Then, of course, it is a modernized way of having to move out artillery, the queen of the battle, and with safety ensured. Artillery, as you know, 155 mm Howitzer, surface-to-surface and other missiles, communication, low-level doppler radar providing communication system to all services. It is a new thing.

I will take only another 2, 3 or 4 minutes. Kindly allow me, Mr. Deputy Speaker, because it is of some advantage. I am sorry I am taking the time of the House. But it is of some value.

MR. DEPUTY SPEAKER : Today, we are finishing the discussion. The Minister will reply on Monday; because two more departments' Demands are there.

SHRI R.S. SPARROW : My humble recommendation is that for this subject, five more days are required.

Kindly allow me to say a few more words. Low Level Doppler Radar providing sophisticated command, control, communication and intelligence system to all the services. This is not easy, if I may quote something from out of the old couplet, one of the couplets.

“Aina-e-Sikander,
Jame Mein Aast Bingar,
Ta Barto Arza Darad
Ahwale Mulke Dara”

meaning Alexander got full information of the enemy where it was as quickly as the other could not. It was a question of know-how, intelligence set up and so on and so forth; and he managed to defeat that great Emperor Darius without any difficulty:

“Aina-e-Sikander,
Jame Mein Aast Bingar,
Ta Barto Arza Darad
Ahwale Mulke Dara”

It is information, collection, collation and distribution of correct information timely, not otherwise, you win battle; and incidentally, very humbly, believe me, I have a record, a world record of having fought the maximum number of battles in different ranks and one each one of them; and the secret of it I may reveal today to you, is the same. Keep your plan in hand. Don't divulge and know about the enemy and then surprise the enemy and he does not know what the hell to do. I remember twice the forces of the enemy destroyed—1 to 2—with their superior weapons—1 to 2 because of this dictum put into play; and sometimes they were even with their *lottas* in their hands and they were surrounded and the battle was won. So, this is something which you are giving us and our State Minister is personally interested in

[Shri R.S. Sparrow]

this one and giving us. I commend them. I say, it is laudable. Yes, I say, dedication to duty. And on the Air side also, Navy side also, INS Vikrant and recent additions of nuclear propelled submarines which is going to be the queen of our fighting around this 15,000 kms. of our naval border which never used to be the case before. It was only North West frontier; now it is naval border. Alround you are really to be the top-most country in the world to watch what is happening around in the South Pacific and Indian Ocean far behind you; and it is a good step forward. Same is the Air Combat Fleet augmented with MIG 27 and MIG 29. It is noble of Russia to come to the assistance of India in this dignified manner based on give and take, friendly give and take. Along this we have with first rate surface to air guided weapon system for Armour, Tanks etc. Well, I am very glad to say that because I had a hand in that, in the setting up of Avadi Factory when I was the Director, Armed Crops myself; and having had a hand in it, I feel proud that we are improving things every day. You are even seeing the display during the last Parade, Independence Day Parade of our very fine type of a tank that is what you call Arjuna, second to none in the world; it may be M50 of America; it may be Paton class such and such; it may be any other for that matter Arjun is second to none; and the credit goes to our production people. Well done; that is very nicely done; and besides that, of course, surface to air missile—Trishul; then service-to service missile—Prithvi; and so the progress that is being—made with all my little reservations, slip or mistake—yes, we have to watch it carefully. We have to plug the hole where it is necessary to do so with our own alacrity and the right type of people positioned at the right place so that they produce goods to India's advantage.

Now, finally, I have a word in relation to the ex-servicemen. Allow me to say a few words about ex-servicement

13.00 hrs.

Servicemen, in my view, the Armed Forces

Ex-Servicemen, form one of the best sections of the society in India today, humbly. I say, humbly. Why? They are well disciplined. They are beautifully trained, actively fit and principally secular minded, besides being lovers of Mother India. No one loves more Bharat Mata than the ex-Servicemen and the servicemen of the Armed forces. Because they stake their lives for Mother India. What other proof does one want? No other proof is needed. And secular minded to the utmost! What should we do? We should look after their interests.

Now I have a few points to be noted down. Their pension benefits should be such that they are justifiably satisfied. No good going round this way or that way. Money has to come, Ho Gaya Jee Ho Gaya. No. The new category only takes that. This category takes that. My God! In some cases anyone who was released, say before 1965 will get less and the one who comes after, will get more.

As one old Subedar Major he told me this. He saw all the battles fought up to today; all the wars he was there present fighting. And the new man who may come and hold the same rank may not even go to one battle. And yet, he will get one and a half, times more pension than the first one. It is not correct. So, I simply put down that the pension benefits should be such that they are justifiably satisfying and are reasonable. If it stands to reason no manoeuvring. No question of taking the case to the High Court, and the Supreme Court and then sanction later on. That is not fair. We have to be fair with everybody. In that if there comes a case of the benefit of doubt, I recommend to the august House that the same should go in favour of the ex-servicemen. If there be the question of any benefit of doubt then it should be in that line.

Further to this, every single ex-serviceman must be re-employed in public or private sector and or in para-military forces because the majority of them retire so young and they are a first class stock. Why should not we make use of them?

At one time I had to urge upon an industrial centre that "Why do you not

take ex-servicemen ?" and they promised to me, saying. "General Sahib, from this month we will start taking ten per cent of our employees from ex-servicemen in various fields. It may be labour, it may be an electrician, or it may be something else for that." I thanked them because till today, for 15 years in the past they have kept their word. Once in six months, totally in all their factories small, big, mini, medium, whatever it is, they are employing them. For public sector and Private sector, Central Government can make some kind of an understanding with the States of India or the States that there should be one yardstick, for all of us. Because from Kerala right up to Himalayas, it may be Kumaoni, Garhwali, it may be Sikh Sardar, it may be anybody else, to us it does not mean any differentiation. We are Indians first and Indians last. Financially let us exist that way. For that matter it is all up to you now to very kindly work on that. These Armed Forces, personnel who lose their limbs must be adequately compensated and also re-employed on any job that they can take on with any of their living limbs, something one can always do. Do not miss anyone of them. Do not let them rot at all. It should be our principal duty to thank them for their sacrificial services. Those servicemen, who get killed, or die there, their widows or their dependants must be given suitable employment through the intervention of the Central Government besides their pensionary benefits. This is another point.

A large number of senior officers, ex-officers, Generals, Brigadiers, Colonels and their equivalent rank officers of all Armed Forces should be absorbed to hold high posts and appointments at the top level in Central Government, or the States, with the coordinated initiative of the Central Government. They will accept it. I am certain, because anything that is reasonable, everybody wants to accept it.

Then, Sir, a specific percentage of such Ex-Armed Forces Officers should be nominated as Members of Parliament and Legislatures, Legislative Councils, etc. They will do well. This is to coordinate with the States also. I am quite certain that no State will run away from that. If

you would give me an opportunity, I will come and make an appeal at the Co-ordinating Conference. So, this is something which we have to do. They do the best for you. Sir, you have sent Ex-servicemen to Glaciers—it may be Siachen Glacier belt; it may be Indian Peace Keeping Force in Sri Lanka; they do not spare themselves.

I would say one word about Indian Peace Keeping Force in Sri Lanka. You did very well for having made use of them. I will tell you why ? I look at it militarily and strategically; by doing so, you did not leave any vacuum there, otherwise some other force would have filled that vacuum and your neighbour waters, your inland seas, what not and what not, would have wrongly targeted and wrongly sabotaged at any time since then. You must play fair with our sister Sri Lanka. We do not want to demand anything from them. We want to help them as our sister nation. They are part and parcel of your thinking; old traditions are the same; old culture is the same. Why should not you help them ? When Armed forces are needed, you have sent them. I will give you full credit and applaud. For strategic and humanitarian reasons, you have done well and should keep it up till the accord that had been signed between you both works smoothly and everybody feels satisfied.

SHRI E. AYYAPU REDDY (Kurnool):
Mr. Deputy-Speaker Sir, let me at the outset, pay our contribute to the Jawans and Officers who have laid their lives in IPKF operations and also in Siachen Glacier and other places.

Sir, contrary to our expectations, the National Security Environment has become more sensitive today than it was during the last year or the previous year. It is contrary to expectations, because we expected that after the signing of the INF Treaty and also after the allowed statement of Mr. Gorbachev, that they would be withdrawing the forces unilaterally from Afghanistan, every one of us expected the de-escalation of tensions, but on the other hand, very unfortunately that is not the result. The confrontation at the Siachin Glacier recently has clearly indicated that Pakistan is not

[Shri E. Ayyappu Reddy]

reconciled to India's occupation of Siachin. It is undoubtedly getting sophisticated weapons from America and also from China, almost free of cost. Pakistan is strategic allies of both America and China. Therefore, it pays Pakistan to be anti-Indian and to prevent India from becoming a super power in the South East Asia. Apart from that, China and Pakistan have got a common objective so far as India is concerned. Both of them have got territorial ambitions on India. This Afghanistan agreement at Geneva very strangely has added to our problems. Military experts are saying that Pakistan will be able to deploy two or three more divisions from that border to Indian border because the confrontation in Afghanistan no longer exists. That is the scenario with regard to Pakistan.

With regard to China last year the position was very hot. In fact, the hon. Minister for Defence, Mr. K.C. Pant, had just made a visit. Chinese had occupied Sumdorong valley in Arunachal Pradesh. Subsequently, there were some attempts made by the Indian Army to re-take the occupied territory. But unfortunately, there was no such military action. In fact, one of the cut motions relates to that—failure of the Government in redeeming our occupied territories from Chinese. Subsequently, Chinese have further strengthened their position. They have built up a pipeline which is capable of giving Lhasa 1400 tonnes of oil. They have increased their divisions. Previously there were seven divisions and now there are 15 divisions. They have built up the infrastructure. New helipads have come up. The infrastructure is capable of taking 20 divisions. We must not forget the fact that China's policy on occupying the Indian territory is a very deep laid policy. The Chinese dragon swallows a big chunk and then keeps quiet for a long time. We must not forget that China has not recognised Macmahon Line. On the other hand, it has claimed the area upto the foothills of the Brahmaputra valley. They have squarely stated that they are not recognising even the accession of Arunachal Pradesh to India. We cannot take it light-heartedly because their policy

is to wait for hundred years, yet to recover back all the territories that belonged to them even during the Ming dynasty. Therefore, Chinese dragon is the real threat. Very quietly they have been strengthening their position in Lhasa and Tibet. Therefore, the threat from China in the north is very real though apparently we are again designed into this because there are talks and there are trade exchanges. It has been their policy. They have said that they will wait for years and they will recover back their entire territory. So keeping that in view it is absolutely essential that we have to strengthen our mountain divisions in the Himachal border.

About Indian Ocean, the warships of super powers have been there in the Gulf. The Gulf has enhanced the tension even in the Indian Ocean. So the position today is that in spite of the fact that there was an understanding between two super powers and followed by INF treaty and also going to be followed by another similar treaty of removing the long range missiles, in Moscow recently, unfortunately, it is not helping India to improve its security environment. So, this is the scenario and though apparently the world super powers are coming to an agreement with regard to the nuclear weapons, the build up in other areas has not stopped. The programme of America for militarising the outer space is going ahead. The shift has now shifted to a new technology altogether that of militarising the outer space. The laser beams, the particle beams and the kinetic energy, of which we in India, or at least our Research and Development or our experts do not have any grasp, have now become the new technological weapons for military purposes. It is an accepted fact that fifty billion dollars are being spent by the super powers and the industrialised nations for defence research alone, and at least 50 per cent of the best brains are engaged in this defence research. Therefore, the problem of Indian security and the Indian defence is really a very complicated and complex problem. But nonetheless, we cannot be out of the race. In spite of this, our defence budget as well as our defence plans and all those things have to be updated and brought into modernity with regard to the changing scenario of the military science and the

military art. Unfortunately, we do not seem to have been anywhere near these.

One question which we have been debating for the last three or four years is whether India must acquire nuclear capability. We have been debating on this issue. Most of our military experts have opted out for our acquiring nuclear capability, except our policy that we must not go in for nuclear weapons because we are the protagonists of disarmament and we are the protagonists of nuclear non-proliferation. Except for that principle; there is no other option left to India except to acquire nuclear capability. The experts have given three reasons as to why we must go in for nuclear capability, and I fully agree with them. First, it is cost-efficient—we can cut upon conventional weapons; secondly, it is a deterrent; and thirdly, the very fact that we have got nuclear weapons will create an atmosphere of security, build up high morale and, at the same time, we will be in a position to have a foreign policy which will be respected. Our now promoting or propagating or advocating nuclear-free world has no meaning. If we have got the capability also and if we still say that we are for nuclear-free world, it will have greater respectability. In fact, Russia is a nuclear power, China is a nuclear power, but both of them have subscribed to the U.S. General Resolution that nuclear weapons must be banned. Therefore, looked at from every point of view, especially from the point of view of the cost-benefit ratio, we do not have any option except to acquire nuclear capability. We do not have any options excepting acquire nuclear capability. It is well known that China is a nuclear power. Pakistan has already become a nuclear power or at least as one of the experts has stated, it is only two screw-drives away from having nuclear weapons. Therefore, when Pakistan and China have nuclear powers, what is the option left for India? There is no other option left for India. So, my submission is that our defence requirements, our defence planning has to take a decision immediately or at least now and not go on sitting on the fence thinking that options are still open, the options are still open. There will not be option any longer if we do not take a decision right now. As a matter of fact, the

previous speaker, General Sparrow said "stitch in time saves time" and postponing this will not be to national interest.

Sir, next is our defence investments and expenses have been totally unproductive. In fact, I will be able to give statistics and figures. We have not entered the world's arms market. India has to enter the world's arms market if it has to retain itself as one of the military powers. This is again a policy matter.

Now, Sir, we have got 35 Ordnance Factories. They have been established since a long time and we have got 8 public sector undertakings under Defence Ministry, with huge investments. But what is the return we are having from these 35 Ordnance factories and 8 public sector undertakings which have been involving a lot of investment? We have been saying that we are supplying Ordnance materials. That is also estimated and it is given here that about Rs. 1066 crores worth of ordnance materials have been subscribed to the military. This year, of course, from the Defence Supplies Department, the accounting system has been shifted to Army. But the Defence Supply Department shows that is taking only 3.3% of it. In fact, that only shows that at least Rs. 450 crores are being invested to produce additionally, for our army.

Now, so far as the expert is concerned I have gone through the entire report carefully. It only shows that the Ordnance factories have been able to export Rs. 6.25 crores worth of materials and HAL has exported Rs. 1.25 crores worth of material. The total material exported or the total foreign exchange earned by these Ordnance Factories and the public sector undertakings of Defence is a pittance of Rs. 7.50 crores. The loss in Garden Reach itself is more than 11 crores compared. Now, compare it with Pakistan and China. So far as China is concerned China, entered the world arms market just four years ago. It started with a very little and today its income is of the order of 2 billion. Now with this amount, it is able to update its military machinery, and go ahead with other military projects. Even North Korea and South Korea, Brazil, and Egypt

[Shri E. Ayyapu Reddy]

have entered the world market. So far as the Pakistan is concerned, no doubt it is not selling arms, it is not earning any foreign exchange by selling arms, by exporting arms.

MR. DEPUTY SPEAKER : Mr. Reddy, you may please wind up.

SHRI E. AYYAPU REDDY : Sir, I have more points to highlight during this debate.

SHRI S. JAIPAL REDDY (Mehboob-nagar) : Since there are not many speakers, you may allow him to speak, Sir.

MR. DEPUTY SPEAKER : There are many speakers. So, you take two or three minutes more.

(*Interruptions*)

SHRI E. AYYAPU REDDY : So far as Pakistan is concerned, no doubt it is not exporting the arms, but it is exporting armed personnel. It has got about 50,000 personnel engaged in Gulf countries, 10,000 are said to have returned from Saudi Arabia. Whether they are exporting arms—China has been exporting arms and earning, Pakistan is exporting armed personnel and is earning. Where are we compared to these two countries who are our neighbours? The foreign exchange earned by Pakistan by exporting these armed personnel or trained personnel to Saudi Arabia and other countries is much more damaging to India because they may be readily available and they have got the expertise and everything. In fact, last month about 10,000 people returned from Saudi Arabia and it was reported in the press that this is going to be an additional thing. So, the performance and investments on the ordnance factories and the public sector undertakings has not been paying dividends and it is time again for India to take a policy decision. The R and D, the public sector and the ordnance factories have to be attuned for the purpose of exporting. As a matter of fact, one of the critics has written that military imports have to be supported and equated by civilian exports. What we earn by exporting on the civilian side has to be spent for the

purpose of military import, weaponry updating and all those things and every year we have been going for shopping abroad, to world markets and other places. Even for Bofors guns we alone are paying Rs. 1400 crores. So, on this important aspect it is necessary to take a policy decision on the acquisition of nuclear capability and also about our right to or option to enter the world's arms market. These are two compulsions and India, if it wants to stay on, has to adhere to these principles.

In regard to the funds that have been allocated, of course there has been an increase of funds in Research and Development. Unfortunately, the Research and Development Wing has picked up only very recently and it is able to produce some results—the Prithvi, Nag, the Akash and Trishul and other things, and even with regard to radar and electronic and other technological sectors, the R and D has been able to pick up. But it is necessary for me to point out that there has been a very harsh criticism of the performance of the R and D. One of the critics has gone to the extent of saying that R and D is a sacred cow. Let me narrate it by quoting :

"The second holy cow is the defence R and D. Now everybody talks of spending more and more on R and D in the name of self-reliance, and of the wonderful things it is doing for defence. The allocation has risen from a mere Rs. 40 crore ten years back to over Rs. 650 crore and will be raised further. Despite tall claims, the money sunk in most of the DRDO's 45 odd laboratories is a dead waste. Some items developed by it are obsolete by the time they go into production. Its 'contemporary' achievement is finding vegetables and broilers that survive at high attitudes! Major programmes like the LCA and the MBI Arjun are a disaster. The LCA prototype will have an imported engine, imported avionics, and an airframe designed by foreign consultants. The GTX engine for it has been over 15 years in the developing. The MBT for the eighties is already for the nineties, and they cannot develop a diesel engine to power it. To be worth its salt, the

R and D should be able to catch up with technological advances in the west— involving quantum jumps—and then stay abreast. That will need truly massive outlays and a different breed of scientist. We do not have either. At the risk of being dubbed anti-national, one would say that all the R and D we need at present is in house R and D for defence production factories, for help in indigenising components and for improvement and upgradation of existing equipment. To build competence, they can take up not more than one project at a time, and avail of all the foreign help they want.

Though this may be a severe criticism, but one thing has to be noted. The R and D together with our Supply Departments were established fairly long ago, they have not been in a position to cope up or compete with even an Asiatic nation like China or South Korea or North Korea. So, something has to be done for us by the R and D personnel. So, I congratulate the R and D personnel for successfully bringing the Prithvi project. Yet, there is a lot to be done and they have got a long way to go because military science and technological advancement in foreign countries is changing quickly.

The, Sir, I have to say that the investments made by us in the various Defence deals and Defence projects very rarely are examined or scrutinised critically because the criticism of a Defence deal is likely to be dubbed as an anti-national attitude. This is being taken advantage of by many crooks for self-aggrandisement and self-enrichment. I do not want to go into details of all those things, but I will quote the Comptroller and Auditor General on this aspect in a very small para. This is about Store losses, i.e. para 8 of this Report given on 8th May 1987. It only reflects a tip of the iceberg :

“Mention was made in paragraph 9 of the Report of the Comptroller and Auditor General of India for the year 1984-85, Union Government (Defence Services) of stores losses of Rs. 1110.01 lakhs written off during that year. Total stores losses written off during the year 1985-86, amounted to Rs. 1656.77 lakhs. Of these, losses written off due to theft, fraud or gross neglect amounted to Rs. 1019.24 lakhs.”

Stores losses written off on account of theft, gross negligence and fraud are Rs. 10 crores. This is on a 5 per cent test check. As I said, it is only the tip of an iceberg and because most of these investments in various different projects do not get a thorough scrutiny, it has been quite possible for unscrupulous fellows to cheat and the cheating takes place usually in the military stores. We have ourselves visited the Collectorate of Procurement at Bombay. It is a vast sprawling organisation and lakhs of items are there. Though, of course, there is an attempt made to computerise all these things, and bringing the material management up-to-date, yet the losses are enormous. You have to read the items on which the Comptroller and Auditor General has reported. The various items shown, for instance, acceptance of defect stores involving losses, avoidable expenditure in the purchase of stores, all these things are very sad stories. You have got a Financial Adviser and internal auditing and accounting wing. But still what is the action taken against these persons ? Have you prosecuted any one of these people who are responsible for the fraud, losses and all these things ? No action has been taken. So to say, everybody thinks, he can help himself with the military stores. This type of looting has to be stopped.

I am concluding. Today what has been published in *the Hindu* is really disturbing. The National ethos and consensus that were existing with reference to Defence matters and Defence deals have received a rude shock. Defence deals must be above suspicion; Ceaser's wife must be above suspicion. It is not enough for the Government to say, prove the case beyond reasonable doubt. It is the other way. Wherever doubt is raised, with regard to genuineness and virtuosity of Defence deal, the burden of proving that it is *bona-fide* and genuine, is on the Government. If you do not do it, if you simply ignore and if you simply dub it as Opposition propaganda, you will be imperilling the security of India.

MR. DEPUTY SPEAKER : Shri Ajay Mushran. Please be brief.

SHRI AJAY MUSHRAN (Jabalpur) : Mr. Deputy-Speaker, Sir, thank you for warning me to be brief.

[Shri Ajay Mushran]

I rise to support the Demands for Grants of the Ministry of Defence. The Government definitely deserves congratulation on the savings done in the last year Budget, whereas from the allocation of Rs. 12,512 crores, the revised estimate was reduced to Rs 12,000 crores Of course, the allocations have been increasing year to year. Compared to 1984-85, the allocations for the following year were doubled and for 1988-89, the allocations were even more than doubled. Now, the revised estimate for 1987-88 has been achieved in spite of certain factors like inflation which is 9.8%, substantial increases in the pay and allowances and the subsequent burden on the budget, and the additional expenditure due to the IPKF operations. Obviously, what savings done in 1987-88 must have been done in the areas of capital expenditure, particularly those which are non-manpower and which do not adversely affect our training. I hope the aspect of denial of adverse effect on training will be maintained this year, because in terms of money, Rs. 13,000 crores may sound an increase by nearly Rs. 500 crores but you will have to pay for the additional purchases which you may be doing in view of the Defence scenario in the country and around the country.

We are all aware that not only our enemy now has been identified as Pakistan but it is probably one of our most eminent opponents and probably the most irrigating one. It is because not only it will be in case the balloon goes up, we will have to face it, but even before that, by their clandestine operations through the borders, they are already affecting our Defence potential. The sealing of the border, the handing over of some strip of Punjab border to army, is probably under consideration. I do not know. This has been doubled as political or law and order problem but I consider today Punjab as a military problem, for the mere fact that it has not only the trained terrorists but also teachers for terrorists, arms and ammunition for terrorists and money for terrorists is being slipped through. Even trained army personnel are being smuggled into India for the purpose of intelligence. That possibility

cannot be ruled out. I request through you the hon. Minister of Defence to look into this aspect and not leave the Punjab problem only to the Ministry of Home Affairs or to the Ministry of External Affairs. The military aspect of the situation should also be seen in this light.

Government has taken one of the most historical decisions by sending IPKF in Sri Lanka, militarily speaking, and the performance of the IPKF personnel in Sri Lanka will be not only written in gold but in spite of the fact that they were denied the use of their major fire power, they have performed better than any other force in the world. There is no parallel and I am sure there will be no parallel to our army in the world All credit should go to the Government for the decision and all credit should go to the troops for their performance. The situation is under control. I wish and hope that our men will return home soon but, at the sametime, the rehabilitation of those people who have lost their limbs and those widows who lost their husbands in war in operations in Sri Lanka will be given some benefits other than the benefits which are already accruing to such casualties by the Ministry of Defence and other Ministries.

So far as Siachin is concerned, we are not only having bush fires every day with Pakistan but we are even fighting the climate and weather which is as inclement as our imagination cannot think of. Due to lack of communication and due to restricted supply channels, the casualty rates have been high. The Pakistani superiority, technically speaking, so far as operation on ground is concerned, is to be considered. All these factors have put a very heavy load on the morale of our fighting troops but as the hon. Minister of Defence has seen himself and as we read in the newspapers every day, every single attack by Pakistani troops is repulsed with heavy casualties to the enemy. This is a very clear example and illustration of the highest morale which is being maintained by Indian troops at Siachin. No troops have ever operated at that height with so many difficulties for so long.

Since you asked me to be very brief, I hope you will not give me more than half-

an-hour.' I only wish to dwell on a couple of points which were made by Shri Amal Datta yesterday. He made a point about the style and procurement of armaments in the last three or four years. I am sure he is aware of the fact that we had been quite complacent with our Defence preparedness and technologically speaking, the weapons which we provide for the fighting troops were outdated and it was realised that if we do not go in immediately for purchases and if we do not provide to our troops the most modern and technical arms superior to the enemies, the problem will be immense and may be uncontrollable. That is why, in the last three or four years, the purchases have been heavy. It is not this style of the purchases which has changed in the last three or four years but it is the style of spread of rumours which has changed probably in the last there or four years. Previously the technical competence of a weapon was left to the user or the researcher or the Ministry but today I am very surprised to hear that even people who do not know from which side of the gun it is fired talk about the technical superiority of the guns. These rumours and scandalous propaganda about the technical incompetence and fighting incompetence of the weapon, performance capability of the weapon is very dangerous for the national security and morale of the troops. I would request our friends on the other side that they must desist from such remarks and such statements which give a very wrong impression.

(Interruptions)

Sir, I am not yielding. There have been certain elections in States where it has been propagated that the Bofors guns which were bought have been like toy guns, they are made of plastic, they do not fire, they backfire but when they inflict casualties on the Pakistani troops in Siachin then no performance comments are made by some of my friends. This is the point that I am trying to make. Please for God sake desist from making statements which create unnecessary doubts.

SHRI S. JAIPAL REDDY: It is relative merits of a gun with reference to the cost. One does not condemn any gun completely.

SHRI AJAY MUSHRAN: The factor

of cost has not invariably been brought. It is only technical incompetence which is being talked when you talk of the sale and purchase of military hardware. I personally feel that it is not in the national interest.

The second point which he has made is very valid. He has said that we are having a large standing Army and since the electronics advancement has brought more power in the hands of one soldier than it had to be distributed in five soldiers in the days gone by there is need for conscription or there is need for having people doing other business but being trained for fighting. I fully subscribe to and support this idea. Actually there was an idea mooted from the Territorial Army side, Home Guards side or NCC side that there should be some military compulsory training to be imparted to people before they are given 12th class certificate or their degrees.

Sir, Mr. Ayyappu Reddy made a point. I do not know if I understood him clearly when he said that our scientists do not understand the highest and the latest technological advancements. I hope I heard it wrong but if he has said and I have heard it right them, I think, nothing can be far from truth. The finest scientists are the Indians. There is the finest performance of scientists in India whether it is on the Defence or Civil side. Internationally speaking the performance of the Indian scientists has been the highest.

Regarding his point about as to why India is not joining the world arms market I would like to say that it is against our policy of non-alignment; co-existence and peace. Moreover we are not a military power. We do not enter the military powers who are in the world arms market because this is a very double edged weapon. I hope and I am sure that the Government is not thinking in these terms because entering world arms market would result in our meagre productive capabilities to be used for earning some money at the cost of national preparedness. As it is today the factories or the public sector undertakings of the Ministry of Defence are not able to produce what the Indian troops want. Regarding nuclear capability many time Government have made it clear—even the Prime Minister has given a statement in

[Shri Ajay Mushran]

this House – that in case Pakistan becomes nuclear India will have to revise its policy. Is it very necessary for the Government, according Shri E. Ayyappu Reddy ? (*Interruptions*)

I wish to make just 3-4 points on the Annual Report. On page 11, there is a para on military Farms and it has been said here that "Military Farms are going in for afforestation.. Military Farms are primarily responsible for supply of milk . " I don't think their primary job is going in for afforestation. The country is producing today about 12 crore kilograms of milk. Defence requirement is 3 lakh kg of milk. In previous days, the Military Farms used to give milk to the civilians also. They used to produce enough milk for the Services. But today, I do not know why we are taking milk through National Dairy Development Board. And this contains Irish butter which is radio-active. It has been proved. Other countries, which got that butter, have rejected it. I do not know whether it is given to the civilians because it is within the permissible limits of the radio-activity. But for God's sake, don't accept it for Army, Navy and Air Force. I would like the hon. Minister to go into this matter. We should stop taking any milk or milk powder from the local milk schemes under the National Dairy Development Board.

Now I come to the Ordnance Factories. It has been mentioned on page 33, sub-para 16.2 :

Shri B.K. Ghai, Member, Ordnance Factory Board has been awarded the Shantanu Sahaney Memorial Shield and prize in recognition of his outstanding contribution in the field of production.

I think nothing can be far from truth. Even the hon. Minister of State has seen the performance of this officer. I am naming because he is named in the performance report and you give him an award. He is person who does not accept, does not recognise the participation of labour union, the workers union, in the performance of the factory which he was commanding. The Minister had seen what a useless purchase

was done in his days. The stores are lying purchased for 25 years. They have not been used. Shri Sukh Ram has seen it. I had shown it to him when he went to see the factory. Instead of taking any action against Shri Ghai, you give him the award. This is your sense of increasing productivity. I am surprised at this para. I will urge the hon. Minister to kindly go into this. Even some of the officers in the Ministry are aware of his doings. I don't want to extend my time.

SHRI S. JAIPAL REDDY : Whom are you referring to ?

SHRI AJAY MUSHRAN : They know it.

SHRI S. JAIPAL REDDY : Let us also know.

SHRI AJAY MUSHRAN : They know. Then, this gentleman is changed. The new General Manager comes. There is no labour problem. There is no opposition and he has always blamed labour organisation. The trouble in the factories is, they don't recognise the unions in the proper way. The unions have not been allowed to identify their sufferings. When it comes to taking work, in times of emergency, these very labourers had produced things round-the-clock for weeks. But when it comes associating the labourers and unions in the day-to-day management and their pay and allowances and working conditions are involved, no action is taken. Only a line is written here that residential accommodation is being made for them. I don't think there is one per cent residential accommodation for the workers. I personally hope that, in future, people who really deserve the award do get and people who don't deserve the award, will not get the award, if not the punishment.

We are talking of the industrial relations. This is on page 38 :

"Industrial relations in the Defence PSUs generally remained cordial during 1986-87".

I would like to know from the hon. Minister in his reply. Can he name two public sector undertakings under his Ministry where the relations have been cordial during

1986-87 and 1987-88 ? Not a single factory is having cordial relations and not a single public sector undertaking is having cordial relations because the unions are treated as a compulsory evil. I personally feel this element of allergy towards unions must be stopped. I do not blame the Ministry. I do not blame the Government. It is the officers who are heading these institutions. After all, it is written in the Confidential Report of Mr. Ghai that his performance was magnificent and his public relations with labourers was very good and that is why you gave him an award.

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : That is not in his name.

SHRI AJAY MUSHRAN : The name is here. I would have never named him OK. I don't name him. The officers get promotion on the CR in which it is mandatory to write for the superior that his relations with the labourers and the workers was good. If that be good, it should be reflected in the performance and the working atmosphere of that public sector undertaking. There should be no strikes and the production should be up to the level. There should be no demand for over-time. But if you are giving over-time, for God's sake, if you are giving it to five lakhs workers, give it to 10000 workers also in the factories and depots. After all, factories and depots are located side by side. You said that you are giving over-time to factories. 10,000 people are there in depots also. They are also working. They have also got their unions. Associate unions. Kindly give directions to your commanding officers of these factories and workshops and depots that they must have proper recognition given to the unions and they must respect unions. They should work hand in hand and not against each other.

Now, I come to the DRDO. It is a great credit to the Government and I congratulate the Government. For the first time, they have allotted more than 5 per cent to the DRDO and I am sure that DRDO will understand that their responsibility has increased with the increase in the allotment. In 1987-88, the R and D

allocation comes to Rs. 536 crores and in 1988-89, it is Rs. 670 crores. About Rs. 124 crores increase is there, inspite of the fact that we are tightening our belts because of various resources constraints and because of the drought and all that in the country. Mr. Ayyappu Reddy gave a very black picture of the DRDO. I cannot assure you that it is white however. It is definitely great. There has not been a single project in which there has not been delay, any complaint. There is no single project in which they have not overspent the money allotted for the project. On the contrary, the overruns in cost have been fantastic. I would request you that even the reports given by various PACs, may be this year, last year, every time it is brought out that the performance must be improved. Here they have mentioned that 'A significant number of INDRA-I and INDRA-II is being produced by BEL'. I am quoting from page 63. I will be very happy if this is a fact that INDRA-II is being produced. 'Being produced' is imperfect future tense, But if it is being produced today, I will give unconditional congratulations [to the DRDO but you may check this point whether it is being produced or not.

They are talking of the human resources development. In page 67, para 13.0, it is given as 'Twenty-seven DRDO scientists availed study leave for further study/ academic research. Sixty-eight scientists from different Laboratories/Establishments were deputed for M. Tech. course. One hundred and eighty six scientists and engineers were sent abroad for technical discussions and trading. Now, is this trading and discussions or is this a holiday trip ? Every project is getting delayed. Every project costs us more. Whether the people sent out on study leave come out with substantial knowledge ? Their tenure of tour is not more than a week or ten days. I do not know what knowledge they bring in.

14.00 hrs.

Sir, I now, come to the ex-servicemen. I will take about 5 minutes.

SHRI INDRAJIT GUPTA (Basirhat) : Speak about yourself.

SHRI AJAY MUSHRAN : I am not speaking about myself. When I am talking

[Shri Ajay Mushran]

about the ex-servicemen I exclude officers. I am talking of the JCOs and NCOs.

The high level Committee's recommendations, I would like to say that out of 68 recommendations, 49 were accepted. I would like to draw your attention towards the performance of the Ministry. It is not criticism. I am just trying to bring it to your notice. It was a high powered committee. One of the recommendations was that a Parliamentary Committee out of us will be made to go into the welfare of the ex-servicemen. In this Committee's report it is mentioned that out of 68 recommendations, 49 have been accepted. I would like to give the break-down of these 49 recommendations which have been accepted by the Committee. It says, implemented-10, not implemented-15, implemented partially-16 and being implemented-8. This is the break-down of those recommendations which have been accepted. All I want to say, Sir, is that please withdraw all your concessions and all your recommendations. You just give us an extract in your reply. The recommendation No. 15.37 talks about same rank and same pension. I will give you a very interesting example.

MR. DEPUTY SPEAKER : I do not want. You please wind up.

SHRI AJAY MUSHRAN : I am giving the facts, Sir.

MR. DEPUTY SPEAKER : I am not saying that you are not giving the facts. I accept that you are giving the facts and I have no doubts about it.

SHRI AJAY MUSHRAN : Sir, do not you have any sympathy for the ex-servicemen ?

MR. DEPUTY SPEAKER : I have enough sympathy.

SHRI AJAY MUSHRAN : I wish, Sir, your son enters the Army and after his retirement he will curse you if you will not look to their cause.

Sir, today a sweeper who retires from the Army gets the same pension as a Subedar Major who has retired about 15 years ago, i.e. Rs. 375. All I am trying

to say is, what you are doing according to the new pay-scales of the Subedar major, please give the same thing to the Subedar major who has retired some 15 years ago.

There are some self-employment schemes which the Government has started. They are very good schemes. Government deserves full congratulations for that. U.P. and Bihar has already started these schemes. The other States will be starting them soon. I would like to say that the benefits which should be given, they should be adopted with one window concept.

In the end I would like to say about the pension. The case is pending in the Supreme Court. Sir, the K.P. Singh Deo high powered Committee has recommended that we should have 38 to 50 per cent of the last pay drawn. In America the ex-servicemen get to 50 to 75 per cent and while the civilian gets only 33 to 75 per cent, of the last pay drawn. In Nigeria they get 80 per cent. In Australia, Japan, West Germany and Yugoslavia, they get 70 to 85 per cent of the last pay drawn. All I am trying to say is that please do not divide the ex-servicemen for the purpose of pension into 4 categories. They have been categorised in the four categories. This strikes at the basic root of the structure on which this edifice of disciplined force is built.

In the end I will only request you that the same rank and same pension principle should be adopted, and taken over. They can be given to jawans, JCOs. The officers can be given later on. Thank you, Sir.

SHRI INDRAJIT GUPTA (Basirhat) : Mr. Deputy Speaker, the eloquence of the speakers who preceded me puts me at a bit of handicap because I know that we are hard-pressed for time. I also have many many things to say, but I know, I will not be able to say all of them

There is no doubt in anybody's mind that the security environment of our country has deteriorated considerably and that naturally calls for some urgent measures to be taken in the interest of our security and defence. I would just like to briefly touch on some aspects of this deteriorating security environment, though the full im-

plications of these aspects, I think, require to be studied carefully by the Government and at some stage, if not in this debate, the House should be told as to what countervailing measures are sought to be taken.

14.06 hrs.

[SHRI SHARAD DIGHE in the Chair]

I have already referred to this in the debate on the Ministry of External Affairs' grants. But it is vitally concerned with defence also. I am talking about the fact that we are allowing the penetration of our defence system by the USA for the first time in the name of cooperation in defence matters. You may or may not have read a book which has been recently published, the author being none other than the former president of the USA, Richard Nixon. The title of the book is 'Victory without Arms' and in that book, he has referred to the fact that during the 1971 war, India was trying to gobble up Pakistan! The expression used is 'gobble up'. When the Americans realised that if they did not act, then Pakistan might be gobbled, up, Mr. Nixon writes, "We pulled in the reins. We reined India". What it means exactly, I do not know but the mentality and the outlook of the Americans is very clear from this. And these are the people whom in the name of cooperation in defence matters, we are allowing to give us certain equipment and certain technology which will necessarily entail their being able to get vital information on many aspects of our defence system. I consider this to be a very serious security hazard and I would like to warn the Government once again that they should not make this kind of a deviation from our time-tested defence policy, a deviation which was never countenanced by Pandit Jawaharlal Nehru or Prime Minister Indira Gandhi in the past. This is a new thing, a departure and that is why I am emphasising it. It was never done before.

THE MINISTER OF DEFENCE (SHRI K.C. PANT) : What ?

SHRI INDRAJIT GUPTA : What ? What I have been saying for the last five minutes. I am talking about opening our defence system to penetration by American

technical people. It was never done in the past for very good reasons which I do not want to elaborate again.

Since last year we find and in my opinion quite correctly, that a great deal of emphasis is being placed on developing what we should call a 'Blue Water Navy', while some countries and powers which are not too friendly to us would like us to be restricted to what is called a 'Brown Water Navy'. It is quite obvious that we are going in for a Blue Water Navy because we have already got two aircraft carriers, we are now talking of building or acquiring a third aircraft carrier, we have got the submarines which are being talked about in this House so often and we have acquired a nuclear-powered sub-marine for training purposes. We have also acquired TU-142 anti-submarine heavy aircraft from the USSR. All these things point to the fact that we are intending to go in for a Blue Water Navy. And that may be quite correct, though it does, to my mind, also reflect the perception of the Government that perhaps all our visions and hopes of having a zone of peace, a demilitarised India Ocean have, more or less, been given up because of the attitude of the Americans and the British who are refusing to have a discussion or a conference on this question; although it was prescribed by the United Nations itself. They have been cutting it consistently. Therefore, perhaps the Government feels that now with all other Navies and Naval bases and so on proliferating in the Indian Ocean, we should also not be left lagging behind. So we are going in for this Blue Water Navy, at considerable expense. No doubt about it. But I would like to point out that all these efforts by us may be very largely, substantially negated by the fact that at the same time—I am sure hon. Minister has got this report—the Australians and the Americans in collusion with each other are setting up a secret intelligence base in Australia capable of monitoring military communications over the Indian Ocean. This has appeared in *Jane's Weekly* which is world wide considered to be a most authoritative journal on defence matters. It had appeared recently, that this new Australian Defence Intelligence Station, which will be located at a place called

[Shri Indrajit Gupta]

Gereldton in West Australia would be a part of the reciprocal exchange with the United States. They would share the military data that they get, with the United States. They will all be monitored by a very sophisticated and latest technology communication system operating over the Indian Ocean from which they would be able to collect all the information—no doubt for passing it on to their own friends and allies also. So what kind of measures can we take to counteract this I do not know. We should be told something about it. Otherwise this huge expenditure which we are incurring on developing our Blue Water Navy may be frustrated to a large extent by this type of operation which is being carried out by countries which are technologically far in advance of us. The USA is involved also. The same USA to whom we are going now for getting equipment and technology for our own defence, I think this is a policy which is self-contradictory in terms. We cannot behave like this. The same USA which we know is behind Pakistan, which is building up Pakistan by giving them so many weapons, the same USA is to be brought into our defence system and structure is the contradictory policy which I am not able to understand. Moreover it is fraught with the most serious implications for our future security.

Then, Sir, there is the question of the Soviet withdrawal from Afghanistan. I do not know what will be its implications. It may of course release a substantial number of Pakistani troops from that border on to our border. For that reason, I don't suggest that the Soviet Union should not withdraw. They must withdraw. But the point is we should also calculate whether it will release a considerable number of Pakistani troops to be mobilised on the Indo-Pak border in addition to the 10,000 Pakistani troops who had been all this time in Saudi Arabia. You know a contingent of 10,000 Pakistani troops were sent to Saudi Arabia at the request of that Government and they have also been now sent back. So on land also, we should carefully calculate the balance of forces. As far as land forces are concerned which we have to take into reckoning in case of any serious

critical situation which may develop on our borders with Pakistan.

Yesterday, though I myself was not present in the House, the Defence Minister made a statement, I have seen the statement on the Submarine deal. Now I am not going into any other aspect of it at the moment. But there have been widespread reports and allegations that designs of the same model of submarine for which we have contracted have been passed on by this company—this German company HDW—to the racist regime in South Africa. I want to know whether in the course of the Inquiry which was carried out this aspect of it was inquired into and, if so, whether the Government has been able to or not been able to find out the truth in this matter because this has been widely commented upon in the Press? Obviously it could not have been done with our approval. This company could not have consulted us before passing on these designs to the South-African regime because we would certainly never have agreed to it. What is the truth, I would like to know.

Then there is a reference, also, that the Defence Secretary had been entrusted, in a committee, to enquire into the wider question of various modalities and methods by which the commission agents who are employed for foreign contracts operate, the devious methods by which they operate. What has happened to that enquiry? Is any report, likely to be submitted, or to be made available to anybody, because it is very important not for the past alone it is very essential for future purchases of equipment also?

As a lay man, I should say that I take with a pinch of salt Mr. Win Chadha's statement which has been widely reported, that he got Rs. 2 lakhs per month only for the purpose of things like booking hotel accommodation, engaging taxis and so on, for his employers. I find it a bit difficult to swallow. Obviously, Mr. Win Chadha with his long stay in India and his record here, must have got any number of contacts in important circles. One imagines that he must have been functioning as a contact man of Bofors also, in addition to being merely a person who was required for booking hotel accommodation, and being

paid Rs. 2 lakhs per month for that. That is why I am saying that the enquiry into the modalities of how these commission agents function, is very important for the future also. We will no doubt be entering into contracts again and, therefore, we should have a thorough knowledge and understanding of how these people operate.

Then there is the question of nuclear armed vessels coming to Indian ports. It has not been made clear in this House yet, beyond any shadow of doubt, whether in respect of these vessels which have been coming, naval vessels of other Powers we satisfy ourselves or verify whether actually they are armed with nuclear weapons or not, or they have the capability of carrying nuclear weapons. We do not know. We were told here one day in this House by the Minister of External Affairs that as soon as we come to know that particular vessels are coming, there is some printed proforma which is sent to the respective embassies; and they are supposed to fill it up and return it to us, saying yes or no. To the question whether it carries nuclear weapons, or not, they can write 'No', Finished. Have we any further means of verifying ? I do not know. I find it difficult to believe it. The French aircraft carrier "Clemenceau" was in the Bombay harbour not so long ago, and the French sailors from that ship were reaming all over Bombay city. I find it difficult to believe that in the modern age, an aircraft carrier like "Clemenceau" is either not carrying any nuclear weapons, or has no nuclear weapons capability. The point is that nowadays, especially in our region, the Indian Ocean area, most countries are very vigilant to see that this type of vessels are not allowed to come into their ports and harbours. Have we any water-tight method of verifying whether these ships are of that nature, or not; or, do we simply depend on this proforma which is filled in by some embassy and sent to us ? This is a serious matter. It is a matter on which a small country like New Zealand broke with the United States by telling them that they refuse to allow such type of vessels to come to the ports of New Zealand. They went to that extent. They were formerly a member of the ANZUS Pact, but they broke out of that

in the interest of safeguarding their own security.

Now about the IPKF—I do not want to say very much. I do not want to raise political questions now, because they can be discussed later on. I am sure that our jawans and men in the IPKF have been asked to perform under very difficult circumstances, limitations and restraints, as they had to do during the Operation Bluestar also. Certainly, I would be the last man to decry their performance in any way. But they were let down. I repeat that they were let down in the opening stages, by the poor intelligence information and data which were made available to them. They did not know what type of equipment and training LTTE had; they did not know what type of training they had in this type of warfare; they did not know the extent of sympathy and support which the local Tamil population has for them, for LTTE. Later on, our people may have been in a better position to adapt themselves to these circumstances but I am quite sure that in the beginning they were taken by surprise, and there were considerable casualties and losses for the IPKF, because of the failure of this military intelligence to do its job properly; or may be there was complacency; I do not know.

So, I would say that we all hope very much; of course, I hope anyway, that sooner or later, and sooner rather than later, some agreement is about to come about again in Sri Lanka, some negotiations leading to a settlement, so that the fighting may stop, and the way may be paved, the road may be prepared for an eventual withdrawal of the IPKF. Nobody relishes the prospect of our Army staying in another foreign country for too long a period of time. It is a counter-productive thing, as many other countries round about us are seeing, to their cost. No foreign army is ever welcome in another country for too long, and certainly the sooner we can get out after a reasonable settlement is reached, the better it will be for our men.

Another thing I would like to touch upon briefly is the attitude of the officers in our Army—I hope I am not treading on dangerous grounds—the attitude of the

[Shri Indrajit Gupta]

officers, or the relationship of the officers with the jawans, with the other ranks. This is an area which is vital for the morale and the fighting efficiency of any Army.

There is a journal, supposed to be a prestigious journal, called the Indian Defence Review. It is available here in the Library. It was brought into the Library on my recommendation. It is published only twice a year. It is prestigious to this extent that it carries long articles; detailed articles by the Chief of the Army Staff also. Very interesting Mr. Tiwari, I would recommend to you to read it. In that journal *viz.* Indian Defence Review, there is an article by some high-ranking Indian Army officer, may be retired, who has written on this subject of the behaviour and attitude of officers—not all officers, naturally; there are always exceptions—many officers of the Indian Army today towards the men serving under them. I do not want to go into the details of this, because it is not a very savoury subject.

There was a time when the Indian Army could really be proud of the fact that the relations between the officers and the men, particularly in the field, particularly during times of action, was something which was really something to be proud about. Everybody knows that unless the men feel that the officers are really caring for them, and are prepared even to sacrifice themselves for the safety and welfare of their men, the morale of that Army can never be very high. There was a time like that. I do not even hesitate to say that in the days of the British—may be I am speaking heresy here, the British trained our Army originally in the days of their regime, the Army which we inherited and Pakistan also inherited from the British—this was a positive factor, the relationship between the officers and the men, particularly in the field of battle.

In that article which I am referring to, there is a story told about Gen. Ridgeway of the United States Army during the Korean War, when a Private, an equivalent of our jawan, a Private of the American Army which was marching through torrential rain, slush and all that and carrying a

big pack on his back, the laces of his boots came undone; he could not put down his kit-bag and bend down and tie the laces of his boots. He said: "I say, is there any guy who will do up my laces?" And according to this article, Gen. Ridgeway who was the Commander of that U.S. Force in Korea, came forward and he himself knelt down and tied the laces of that Private, who never knew that it was the General who was doing it. I do not know whether this story is true or not. Whatever it is, the fact of the matter is that this article has some very critical things to say about the way in which nowadays many officers in the Indian Army look upon their jawans as some kind of menial servants who are serving under them.

So, I hope this matter will be looked into carefully. If it is an exaggerated report, I will be very happy. But we should be very careful about it because on this depends to a large extent the morale of the Army specially on the battle field.

Finally, I am fully in agreement of course with what Gen. Sparrow has said and what my friend Shri Ajay Mushran has also said about the ex-servicemen and all that. We go on talking about them every time but the grievances of the ex-servicemen are legion. There is no time for me to go into detail, but it must be looked into again in depth.

Then what about disabled war veterans? I am horrified to read a report. People in the Army have been disabled in action, lost legs or arms or both legs or lost their eyes or something like that. Are they being looked after properly? There are reports appearing that upto 1971 there were a number of schemes for the welfare of these physically disabled veterans; they may be veterans in name; actually, they may be very young people. All those schemes have been withdrawn after the 1971 war like free education for their children, interest free loan for housing and so on and so forth, reserved quota for jobs and so on. It is a serious matter and it should be looked into.

A pension of Rs. 260 per month—I do not know any human being can subsist on this money—was being paid in the case of

Lance Naik Chhatar Singh of Bulandshehar district who lost both his limbs, eyes and an arm in the war. He was given a pension of Rs. 260 per month. How he is expected to survive, nobody knows?

The artificial limb centre, you know, is located in a good place like Patna. But there is only one centre for the whole country; and the crippled jawans from all over the country are supposed to go to Poona to get artificial limbs from there. So, I hope the Ministry will take into this question of increasing the number of artificial limb centres. Ideally there should be one centre under each of the command; but if that is not possible straightway, at least the number of centres should be increased.

There are cases where wife and children of war disabled man after his death have to run from pillar to post and are not being able to get pension which was due to them. These things all require to be looked into because there are separate categories. The people who have sacrificed for the country during war and have become disabled, permanently disable for life still at a young age, they should be specially looked after and not to do that is something which certainly goes against our whole concept of treating these people.

Finally, I would say one thing only that in this Report for the first time on pages 27, 29 and so on, there are references to the extent of off loading of production from our defence factories and ordnance factories to the private sector, the civil sector. I am quite aware of the fact that there may be items required in small numbers and it is not possible to set up a new factory in the public sector just to make those few items. I understand that in no country in the world everything is manufactured in the defence factory. I also understand that if such things are given to the civilian sector to manufacture which are not lethal, not anything connected with lethal equipment or crucial equipment--may be you can say clothing or something like that or boots or shoes or something like that--need not be made in the public sector, I agree. But this is not what this Report says. This is why I am worried because there is much talk afloat in the air

about privatisation, about the need to privatise; and here I find that there are references now being made to the fact, the decision to liberalise sanction of development advance to manufacturers undertaking development of complex systems and sub-systems for defence where dedicated capacity has to be set up for them. And then again it says about 50 per cent of the systems and sub-systems required, for the manufacture of T 72 tank and BMP projects have been earmarked for development and production by the civil sector industry. Then a list of some of those items is given here. The total value in 1986-87 of the orders of supply from the private sector has gone up to Rs. 277.41 crores. So, I would say, that at a time when in many of our own factories, Defence factories, there is idle capacity, workers are sitting idle, machines are lying idle, in some cases workers are being declared surplus to requirement, at such a time from those places if production is off-loaded on the civilian sector, private sector, it is not a desirable way of getting things done. And, I can tell you, that the civilian workers in the Defence industry, Mr. Patil, you know them, they are very much perturbed and disturbed. They are planning to come to Delhi the All India Defence Employees Federation, early next month to make representations about this particular problem.

Today we have paid tributes rightly to the workers for the work that they have done, in all these factories. But the privatisation which has increased now in the name of privatisation the private sector industrialist should not be given too large a share of these and certainly these items which are critical items should in no case be off-loaded and handed over to the private sector and certainly not at the expense of our worker's jobs. So, I hope that the Government will look into these matters and take proper steps to regulate the whole thing, in such a way that the private sector is not allowed to penetrate unduly into this very vital sector on which our country's security depends.

MR. CHAIRMAN : Shri Shivraj V. Patil.

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUC-

TION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : Mr. Chairman, at the outset....
(Interruptions)

SHRI S. JAIPAL REDDY (Mahbub-nagar) : Mr. Chairman, I would only have one submission. This convention of Ministers of State intervening in one day and the Cabinet Ministers replying on the other day, should be put an end to. This is a designed, because what we contribute is really pushed out. *(Interruptions)*

MR. CHAIRMAN : It can be discussed only in the Business Advisory Committee. *(Interruptions)*

SHRI S. JAIPAL REDDY : This is not what can be discussed.

MR. CHAIRMAN : It is not a matter for the House to decide. The leaders can discuss it. *(Interruptions)*

SHRI S. JAIPAL REDDY : The scintillating comments of leaders like Guptaji will be pushed out and marginalised, and what the Minister says will take precedence. *(Interruptions)* The House is meant for the members not for the Government alone.

SHRI INDRAJIT GUPTA : Mr. Patil, I hope you do not mind. I have to go somewhere on some urgent work.

SHRI SHIVRAJ V. PATIL : Mr. Chairman, I would like to thank the Members who have shown great interest in the debate relating to the Defence Ministry. When Ministers speak they speak as representatives of the people as well as the Government. There is an opportunity available to the Ministers to explain the policy of the Government on certain of the important issues which are raised by the hon. Members over here.

I must say, that the debate has been very interesting and the points which have been made by the hon. Members have been of a very high order. We have noted the points. We will examine them very carefully and whenever it is possible for us to take action on them we will try to take action on them.

Some members have praised, some members have criticised, some members have given us advice and we want to make use of all the things that have been said over here.

Today, I would not like to respond to all the points that have been made by the members or all the points which are likely to be made by the members after I speak. I will try to confine only to the points which relate to the Defence production and supply. As to the security environment and many other important issues that have been raised by the Members, I am sure, the Defence Minister in his reply, will explain the position of the Government, when he speaks here.

Sir, this is an opportunity available to the Government to explain as to how the Defence Production units have done; to explain as to how we want to increase the efficiency and productivity in the Defence production unit; and as to how we would like to tackle some of the problems which have arisen or which are likely to arise. It is also an opportunity to explain and to dispel the misunderstanding which at times appear to have developed on certain of the points.

Naturally, while speaking on all these points, it will not be possible for me to go into great details and explain the totality of the policy of the Government on all these points.

Per force, I have to be very succinct and very brief. If there are any points which are not fully explained and if the hon. Member wants that there should be more discussion and exchange of views, then we, from the Defence Ministry, would be very happy to discuss these issues even outside this house at any convenient time to the Member at any place.

SHRI S. JAIPAL REDDY (Mahbub-nagar) : What is the forum ?

SHRI SHIVRAJ V. PATIL : Any place. We can meet in the Defence Ministry; we can meet here, outside the House; any place convenient to you and convenient to us or you can write and we can reply.

SHRI S. JAIPAL REDDY : That is too generous offer to be real.

SHRI SHIVRAJ V. PATIL : You try whether we respond to this properly or not.

SHRI C. MADHAV REDDY (Adilabad) : Generous and real.

SHRI SHIVRAJ V. PATIL : First of all, I would like to speak about the ordnance factories. We all know, there are 34 Ordnance factories and four are being established. The workforce in Ordnance factories in 1985-86 was 1,87,000 and in 1987-88, it continues to be 1,86,000. The value of production in all the Ordnance factories in 1985-86 was Rs. 1,356 crores and in 1987-88, it has gone upto Rs. 1,800 crores. The investment in Ordnance factories in 1985-86 was Rs. 573 crores and in 1987-88, it has gone up to Rs. 598 crores. This does not include the new factories which we are establishing. All these details are given in the Annual Report also and a reference can certainly be made by the Members to these facts, figures and statistics. But I have referred to these facts and figures, because they will come handy to support some of the points which I am trying to put before the hon. Members in this House.

Sir, the production has gone up; the work force is not reduced; and the investment also has not been very high in the existing factories. How could this be achieved ? This could be achieved by increasing the efficiency and productivity. We have very old factories. Kashipur factory was established in 1801. This is one of the oldest factories. And we have two or three factories also which are more than 100 years old. So the 34 factories which we have with us are using different kinds of technologies. Some of them are very old; some of them are not very old and some of them are new. Our intention is to see that the old factories are among the few best factories in the country. We want modernisation of administration. We want to use the new technologies. We want to generate new ethos in the new factories that we have established and make them capable of producing the items, the equipment, the things that they are producing

there which are acceptable to our defence forces. Qualitywise, they are so good that they can either be bought in the country or from outside, not from the defence factories but from others also. As far as not so old factories are concerned, we have taken steps to see that the administration is modernised, the technology is modernised and it has been possible for us to increase the efficiency and productivity in those factories also. But in the old factories also, the problem is there. A few of the old factories which are using very old technology and which are producing things which can be produced by other factories in the country, the problem is there. Now, should we continue producing buckles, belts, boots, laces and things like that by using the old technology ? Or if there is a technology available in the country, if there are factories in the country which can produce these things in a more cost effective manner, should we take these things from them or not ? The policy adopted by the Government of India in this respect is that we would like to make use of the capacity, the capability that is available in the civil sector. We are defining civil sector as a sector which consists of the public sector undertakings which are not with the Defence Ministry but which are run by other Ministries, public sector undertakings which are run by the State Governments, the joint sector factories, the cooperative sector and also the private sector. So we would like to make use of the capability, the capacity that is developed in all these sectors to meet our demand. Here it is decided that if there is a question of establishing a new capability, new capacity in a factory or that of making procurement from the civil sector we would not like to invest in the areas which do not require sophisticated technology but we would like to invest in the areas which require defence technology and which can give us the strength in areas which are not likely to be entered by the civil sector or any other sector. But in those areas we would like to offload to the civil sector and we are getting the things from them. This is the policy. This point I will touch upon a little later in some more details. I have mentioned these things because it would be easy for me to explain certain things while

[Shri Shivraj V. Patil]

explaining the policy about modernisation of the ordnance factories which we have with us.

Ordnance factories have been producing tanks, combat vehicles, vehicles, guns, arms, ammunition, explosives, electronics goods, uniforms and things like that. I am very happy to inform this august House that on 23rd of August 1987 the infantry combat vehicle which we call *Sharath* i.e. BMP II was handed over to the Chief of the Army Staff by our hon. Defence Minister. This combat vehicle is going to be with us and we are very happy that it is being produced in Medak. On 11th January, 1988, T-72 tank, named Ajay, was also handed over by our Defence Minister to the Chief of the Army Staff. Now, these are two very important achievements. With your permission, I would like to show to the Members the photographs of T-72 tanks and B.M.P II that this is the photograph of the T-72 tank and this is the photograph of BMP II. These two equipments are going to help us in modernising our army. We have tried to modernise our army by giving them the modern tank, modern armour, modern gun and so many such other things.

One of the things which I would like to mention is the supply of the propellant by the ordnance factories to the DRDO, which was used in making Prithvi missile. It is a very important item about which we can be legitimately proud of.

Then, one of the things which was developed by ordnance factories, of which a mention can be made, is the productionising of the colour and the smoke cell and artillery ammunition for the silica gun.

Very briefly I have outlined the performance of the ordnance factories and shown as to how we want to modernise them and increase their efficiency and what we have achieved in the last year.

Well, I would not like to deal with our existing ordnance factories any more, but I would like to mention here that we are establishing other ordnance factories. New ordnance factories are also coming up. One ordnance factory is coming up at

Medak, another at Avadi, the third one at Bolangir, and the fourth one is likely to come up at a place which will be selected by us to produce 155 mm gun. The investment in these ordnance factories is going to be quite huge. The investment in Medak, Avadi, Bolangir and the place where this 155 mm gun is to be produced is going to be in the vicinity of Rs. seven thousand crores. This is a very huge amount... *(Interruptions)*

SHRI AMAL DATTA (Diamond Harbour) : In how many years ?

SHRI SHIVRAJ V. PATIL : Well, we have already spent some money on Medak, Avadi and Bolangir. Bolangir is in the process of development. At Medak and Avadi, lot of work has been done. From Medak, this BMP-II has rolled out and from Avadi also the T-72 tank has rolled out... *(Interruptions)*

SHRI AMAL DATTA : For the past, present and future together you are giving the figure.

SHRI SHIVRAJ V. PATIL : No, these are the new factories which are coming up. Now, why I am telling you this is because in your speech yesterday, you made a good point. You said : "You are not spending enough and you are not establishing new factories, and if you are not establishing new factories, willy-nilly you will be required to off load these things to the private sector and that will affect your principle itself." Now, by giving these facts and figures, I am trying to say that while we are off loading in the low technology area, in the high technology area we are investing a lot. By investing a lot in the high technology area and making use of the capacity which is available in the private sector in other areas in which these people are not likely to enter, we are trying to create employment potential everywhere—in the private sector, in the cooperative sector, in the public sector and in the Defence public sector also. If we follow a policy of this kind, we are generating employment. We are not giving up our principle but we are making use of our national resources in the best possible manner.

So, to this approach, there cannot be any objection Shri Indrajit Gupta also

made a reference to this. Well, he would come to know what I have said on this point. But on this point, people have raised their doubts and they have been saying that privatisation is taking place, privatisation is being done by the Government. But I would state that not a single factory has been transferred by the Government from the public sector in Defence Ministry to the private sector. We are retaining all those factories with us. But even after spending Rs. 700 or Rs. 800 crores for building the Medak and Aviad factories, if we require to take the assistance from the private sector, their expertise and things like that, should we do it or not ? Sir, yesterday, Mr. Amal Dutta said that Rs. 13,000 crores were not enough for the defence Members. Though it looks big amount, it is not sufficient. That is the point you made yesterday. Now, if this is the position, certainly we would like to make use national capacity, national capability which is available. This is the principle. We are not reducing the importance of the public sector. But we are making use of the national sector. We are making use of our capability everywhere available in the country. That is the point I am trying to make.

SHRI S. JAIPAL REDDY : Why don't you prepare a list which can be reserved for civil sector ?

SHRI SHIVRAJ V. PATIL : We have exactly done that. It is not possible for me to read it out. That is exactly what we have done. I have said that for BMP and T-72 tanks, we have defined the codes, we have defined the items, we have defined the component systems and sub-systems which we would like to produce in the factory and we have defined other things also which we would take from the market, from the private sector or the public sector or the joint sector or from the cooperative sector or from the outside factory and those things are explained to the industry and they are asked to quote and competitively their quotation is judged and then orders are given.

SHRI S. JAIPAL REDDY : It is not made clear to the Parliament. You have told the industry. But you have not told the Parliament.

SHRI SHIVRAJ V. PATIL : We have mentioned it in the report itself. If you read the report. . .

SHRI SOMNATH CHATTERJEE (Bolpur) : Your national sector is different from Mr. Vasant Sathe's national sector.

SHRI SHIVRAJ V. PATIL : Now, I will not consume the time of the House on this point. But I will show it to you later on.

SHRI C MADHAV REDDI : Why don't you set up ancillaries for all these items just as you have done in the case of Praga Tools ?

SHRI SHIVRAJ V. PATIL : We should like to establish ancillaries also. But if we are required to invest in establishing ancillary units and if we don't have the money, what do we do ?

SHRI C. MADHAV REDDI : For ancillaries, you don't need to have money.

SHRI SHIVRAJ V. PATIL : We are helping in establishing the ancillaries also. Now, if you read the information under Supply Wing, you will be able to know.

I come to the public sector undertakings. Sir, we have about 8 public sector undertakings and 29 units are run by the public sector undertakings. Comparatively, the defence production units under the public sector undertakings are very modern and they have adopted modern methods of administration and the work ethos and everything there is a little different. They use the modern technology also and everything they do there is a little different. Broadly speaking, I can classify the Factories. Such factories which mainly meet the demands of the army have produced so many other things which are used by Navy and Airforce, which are used by DRDO and which are used by other departments also. But mainly what is produced in the Ordnance Factories is supplied to the Army. What is produced under the public sector undertakings is a little different. In public sector undertakings, in HAL, we produce aircrafts, helicopters and things like that. Now, in Ship-Yards, public sector undertakings, they have been manufacturing submarines, ships,

[Shri Shivraj V. Patil]

frigates and things like that. We have BEL which is developing electronic goods, electronic items, but BEL is a public sector undertaking which is not only meeting the demands of the Defence Forces, but it is meeting the demands which are projected by the Information and Broadcasting Ministry, Communications Ministry, Space Department and other Departments also. So, the area of activity of BEL is a little wider, the area of activity is not limited to the requirements of the Defence Forces. Why I am classifying this is, while trying to understand whether they have done well or they have not done well, it would be necessary for us to understand whether at a given time they were having enough of the orders with them or not, and if they are dedicated units, if they have to meet the demands of the Defence Forces, if the money is not available, if the demand is not there, if the orders are not given, the question is that of seeing whether they have used all that capacity which is available with them. If they are not dedicated, if they are not restricting to their activities to meeting the demands of the Defence Forces but they are catering to the demands of the other Departments also, the situation becomes a little different.

Sir, Midhani is one of the most important public sector undertakings. Of course, Midhani is not making profit. But the activity which is going on in Midhani is very important. In the present day world, the most sophisticated technology lies in producing the material, electronic goods, genetics, space activity and things like that. Midhani is one of the public sector undertakings which is making super alloys, alloys which are used by the Space Department, alloys which are used by the Defence Department, alloys which are used by other Departments also.

SHRI AMAL DATTA : You know that the main weakness of our Defence industries is the materials. We have not been able to produce the right kind of materials for the sophisticated requirements. So, what are you going to do about it ?

SHRI SHIVRAJ V. PATIL : I will speak on that a little later. Sir, the value

of production in our public sector undertaking in 1985-86 was Rs. 1,810.41 crores. The value of production in 1987-88 is Rs. 1,991.44 crores. All these public sector undertakings are not making losses, some of them are earning profits also.

SHRI E. AYYAPU REDDY : The Garden Reach is making losses.

SHRI SHIVRAJ V. PATIL : I am coming to that. I am coming to one after the other.

Sir, the profit made by the public sector undertakings in 1985-86 was to the tune of Rs. 74.56 crores. In 1987-88 the profit made by them is Rs. 79 crores. Now the work force has remained the same in all these public sector undertakings in the last three years.

Mr. Ayyapu Reddy wanted to know that Garden Reach is not making profit. The HAL has made profit, BEL has done well and BEML has done well.

SHRI E. AYYAPU REDDY : The Bharat Earth Movers is practically attending to non-Defence items. Its turn out is Rs. 424 crores...

15.00 hrs.

SHRI SHIVRAJ V. PATIL : I am analysing and coming to that. Having understood your point, I am putting forth the background under which you will be able to understand. The HAL has done well, BEML has done well and DEL has done well. If you analyse, BEL and BEML are meeting the demands which are projected to them by other Departments, by the people outside the Defence activities, and they are exporting to other countries also. BEML is one of the organisations which was given the President's award for exporting some of the items to other countries—Bulgaria and some other countries also. But MDL, Garden Reach and Goa Shipyard have not been able to earn profits. What is the difficulty ? As far as MDL are concerned, they are carrying on two kinds of activities—ship building activities and offshore activities. In ship building activities, they are doing very well but in offshore activities, there was a time, when they were earning some profit but now they are not earning profit. Why this has

happened. This has happened mainly not because, some defects have developed in the organisation. But one of the most important reasons why they are not able to earn profit is, the fluctuation in the price of the oil in international market and the prices of the rigs and other platforms in international market have come down.

GRSE is building ships, marking engines and road rollers also. In engines and road rollers areas, the Company is not earning any profit. In ship building also, they have built ships and the ships were not taken by the customers. They were lying with them. So, on that also it could not make the profit.

Goa Ship Yard also is not in a good position. But the activities of these ship yards depend on the orders given to them. If they get enough of orders, they are in a position to make use of the manpower and the machines which are available with them and they are in a position to earn some profit.

Now the ordnance factories are not earning profit. At the cost price, they are selling the items which they are producing for the Army. But the public sector undertakings are expected to earn profit. They are expected to run on commercial basis. But even when we say that they are expected to use the commercial principles for running the public sector undertakings there have been times when we ourselves have asked them not to attach too much of importance to the fact of earning profit alone. If they are created and if they are existing to meet the demands of our Defence forces, we would like them to produce things and give those things to our Defence forces so that they are well equipped and in the process, even if they do not make profit, we do not mind it. But the requirement of our Defence forces has to be met. So, they have to work under these two principles. On the one hand, they are expected to earn profit. On the other hand, they are expected to meet the demands of the Defence forces also. I for one would like to attach more importance to meeting the demand of our Defence forces because that is the primary purpose for which they have come into existence and we would like them to continue in existence.

There was a question of diversification. .

SHRI S. JAIPAL REDDY : You are putting it on reverse. When they have bonded buyers, they will never incur losses.

SHRI SHIVRAJ V. PATIL : No, it is not like that. Today it is haggling. Defence forces also enter into contract.

SHRI S. JAIPAL REDDY : Defence forces have no option but to buy from them.

SHRI SHIVRAJ V. PATIL : I was trying to explain this aspect. You were talking to Mr. Amal Datta.

SHRI SOMNATH CHATTERJEE : I want to know, what is your diversification.

We are not afraid of the present situation. We will certainly come out of it. At times, we discuss whether we should allow these public sector undertakings to diversify. BEL is one of the public sector undertakings which has diversified. It has produced the transmitters, it has produced the communication equipment; it has produced the moveable studios to be used by the TV people and all those things. They have been producing so many components which are used by the electronic industry in the country and they have been earning profit.

SHRI C. MADHAV REDDI : What is your pricing system ? How do you work out profit and loss when whatever produced is taken by the department ?

SHRI SHIVRAJ V. PATIL : I explained. Probably you have not understood. I said, at the cost prices items are given to the Army by the ordnance.

SHRI C. MADHAV REDDI : Not cost plus ?

SHRI SHIVRAJ V. PATIL : Ordnance factory position is little different. But as far as the public sector undertakings are concerned, they are run on the principles on which other public sector undertakings are expected to carry on the business. They are expected to use the commercial trading principles. They are expected to earn profit. So, when there is a contract between the user and the public sector undertakings, well, they quote a certain price, and the

[Shri Shivraj V. Patil]

Defence forces also say "No. This price is not acceptable to us. You should try to reduce that price." This haggling and haggling goes on on the contract and on the basis of the contract which is entered into between the public sector undertakings and Defence forces, this is done. While fixing the price of a particular item or equipment or a particular thing which is purchased by the public sector undertakings, sometimes it is more than the international price and sometimes it is far less than international price. When the decision has to be taken, they understand each other. The Defence forces understand the difficulties of the public sector undertakings and the public sector undertakings also understand the difficulties of the Ministry of Defence as well as the Defence forces and so the prices of certain other things which are produced and given to the Defence forces is certainly much less than the prices of the same things purchased from the Western market.

SHRI C. MADHAV REDDI : Profit or loss is national.

SHRI SHIVRAJ V. PATIL : In certain respects, it is not notional. That is exactly the point I was trying to explain to you. Profit and loss in public sector undertakings which are controlled by the Defence forces, is something which is governed by the requirement of the Defence forces on the one hand as well as their efficiently using the capability which is developed over there as well as the present mechanism also. These are the factors which go to contribute. We are just asking the public sector undertakings controlled by the Department of Defence production and Supplies, to make profit where they can. They can say on certain items "You give us the prices, At which you will be able to purchase things from the Western markets and we they would certainly be able to show the profits." But we would not like them to do that. The money is not available and if the money is not available, then production has to be prolonged and delayed. That principle is not accepted. The profit and loss which is made by the public sector undertakings controlled by the Defence forces has to

be seen in a different light, in a different context. You cannot apply the same principle which you will be applying to other public sector units.

I would not take very long time. I would just say that HAL was able to produce Jaguar aircraft.

SHRI SOMNATH CHATTERJEE : Are you going to say something about diversification and other things ? You are diverted by diversification.

SHRI SHIVRAJ V. PATIL : Sometimes the question is whether we would allow the public sector undertakings under the Ministry of Defence to diversify into the areas which are not relevant to the Defence forces. If we diversify in that fashion, would we have enough of money to create the capacities required for this kind of diversification or, should we should ask them to confine their activities to meeting the demands of the Defence forces and if that is the position and if enough of the orders are not coming from the Defence forces, enough of money is not given by Parliament to the Ministry of Defence and for Defence forces, what happens ? That is the dilemma. That is the question which has to be answered. To some extent, there is no cut and dry rule or principle adopted which can be applied to this. We shall have to judge the activity of each of the public sector undertaking in a different fashion. For instance, HAL. If HAL is there, we would rather HAL to confine the activity of producing the aircraft, helicopters and things like that. If aircraft and helicopters are required by the civil sector also, we would like to give the same to them. As far as Mazagon Docks is concerned, ship-building, submarine building and frigates and things like that can be produced. But we would not like Mazagon Docks to carry on producing small things which may or may not ultimately prove to be profitable to Mazagon Docks. For instance, BEL is there. Now, the electronic industry is developing and BEL has been one of the pioneering Public Sector Undertakings in the electronic area. BEL is having the manpower. the human resources for producing so many things. So, if it is necessary to allow BEL to expand into other areas, we would like to do it. But this has to be examined in a

very careful manner and decisions have to be taken carefully with respect to the different aspects.

Sir, only one thing I would like to say about aircraft. Jaguar aircraft was produced by HAL from the raw-materials, stage and it was handed-over to the users. Then, the production of bi-metallic sector required for MIG-21 BIS Aircraft by the Foundry and Forge Division of HAL was also done. Koraput Division productionised air-cooled turbine blades. This is one of the high-technology areas and in that, Koraput Division has been successful in doing that.

SHRI S. JAIPAL REDDY : Are you thinking of retro-fitting of MIG-21 Aircraft ?

SHRI SHIVRAJ V. PATIL : I will come to it later on. I will just read out the highlights and then leave it there.

SHRI SOMNATH CHATTERJEE : Where is the other Minister of State for Defence, Shri Sontosh Mohan Dev ?

SHRI S. JAIPAL REDDY : He is in Madras reading *The Hindu* (*Interruptions*)

SHRI SOMNATH CHATTERJEE : Will the Minister of Parliamentary Affairs tell where the other Minister of State for Defence is ?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : I don't keep a track. Mr. Shivraj Patil will keep a track of him. (*Interruptions*)

SHRI SHIVRAJ V. PATIL : He will also come here. He will also. . .

SHRI SOMNATH CHATTERJEE : There should be coordination. They should know what one is speaking. (*Interruptions*)

SHRI SHIVRAJ V. PATIL : The Mazagon Docks has handed-over this Godavari Class of frigates—INS Gomti—on 16th of this month and the commissioning ceremony took place in Bombay. This has been handed-over by Mazagon Docks to the Navy also.

I would not like to read out all those things, I will just like to ask the hon.

Members to read the Annual Report and things have been mentioned in that Annual Report. It will not be necessary for me to read out the achievements as such which are mentioned in the Annual Report. But there are certain points which have been raised. I think there are certain interesting points which have been raised. On privatisation, to a great extent, I have replied and I am going to make the position of Government of India very clear on this point—crystal clear on this point—that Government of India will continue giving importance to the Public sector Undertakings as it did in the past.

SHRI S. JAIPAL REDDY : What is the policy of the Government ?

SHRI SHIVRAJ V. PATIL : We are not handing-over any of our Public Sector Undertakings to the Private Sector. But, at the same time, we would like to make use of the Private Sector, the Cooperative Sector, the Joint Sector and other Public Sector Undertakings also. If we are off-loading certain things to the Private Sector, it should not be treated as privatisation as such. Now, that is not reducing the employment potential. In fact, by allowing the Private Sector to produce certain things and saving the money on that and by investing it in other areas, we are doing that.

As to the R and D and other things, I am not going to speak. But one of the points which was made by Shri Ayyappu Reddy was about the export of the equipments, arms and ammunition produced in the Ordnance Factories. We have the opportunity of hearing Shri Ayyappu Reddy who was pleading that the Ordnance Factories and the Department of Defence Production and Supplies should export. We have heard Shri Ajay Mushran speaking here. He said that this does not fit in with the ethos that have been followed in India, we would not like to export. So, these are the two contradictory points and a decision has to be taken by the Government of India as to what kind of policy should be followed in this respect. At present we are trying to produce enough of what is required by our defence forces. We have exported also. But what we have exported is non-lethal equipments and non-lethal items. We have not generally exported lethal items as such,

[Shri Shivraj V. Patil]

The question has to be examined very carefully. There are so many other aspects which have to be understood. I had the opportunity of working in the Commerce Ministry and I know as to how the export is done and as to how the imports are controlled and things like that. Now, if you consider the export of military items, one thing which will be required is the credit. Are we in a position to provide credit to those people who want to import the military items from us? Another thing is, there has to be an organisation for this purpose. We cannot ask the Army or the Navy or the Air Force or the managers of the ordnance factories to carry on the exports. There has to be an organisation. . .

SHRI S. JAIPAL REDDY : Hindujas will help us. If you want, I can approach them on your behalf. There should be no problem.

SHRI SOMNATH CHATTERJEE : We have Win Chadha's expertise . . .
(Interruptions)

SHRI SHIVRAJ V. PATIL : So, this aspect has to be carefully looked into, and after formulating a policy on this, we would be in a position. . .

SHRI SOMNATH CHATTERJEE : It would be Win Chadha-Hindujas export organisation.

SHRI SHIVRAJ V. PATIL : I do not think it is necessary for me to go into details any more on this point.

SHRI S. JAIPAL REDDY : They can use them for export rather than for import.

SHRI SOMNATH CHATTERJEE : We can fix the amount of commission; we can put a ceiling on that.

SHRI SHIVRAJ V. PATIL : I would like to say that we are proud of our defence forces; and whenever there is a debate, the Defence Minister and all Members do pay tributes to their valour and sense of sacrifice. Mr. Ayyappu Reddy started by paying tributes to our defence forces in

Siachen, in Sri Lanka and in other places, and I would also like to join in saluting them. But at the same time I would like to say that those who are working in the defence production units are also doing equally important job. What is required to protect the sovereignty and the integrity of the nation, what is required to protect the honour of the nation, is the morale of our defence forces as well as the equipments, and the morale comes from their training and the ethos which is inculcated. The equipments have to come from the ordnance factories, from public sector undertakings and from other sources also. To that extent. . . .

SHRI S. JAIPAL REDDY : Morale comes from morality to.

SHRI SHIVRAJ V. PATIL : Upto this time what the Government of India is doing is modernising our defence forces, giving them hope, confidence and strength. But what you, friends from the other side, are doing is, criticising all the time and trying to destroy the confidence and the morale of our defence forces, not only the morale of our defence forces but the morale in the country also, because you think that you would be able to grow bigger by making others small. That should not be the principle which you have to follow. If you want to grow bigger, grow bigger yourselves, but not by making the others small or by attacking others. You do not talk about Plan, you do not also talk about principles, you do not also talk about policies; you only talk about small things, you talk about scandals. . . .

SHRI S. JAIPAL REDDY : Morality is a small thing for the Minister.

SHRI SHIVRAJ V. PATIL : Well, Sir, I would not like to end my speech on such a note. I would like to repeat. Well, Mr. Jaipal Reddy and our senior friends sitting over their intermittently pass on some remarks which are different. But generally, the standard of the debate. . . (Interruptions)

SHRI S. JAIPAL REDDY : We have great respect for the(Interruptions)

SHRI SOMNATH CHATTERJEE : We have nothing against Mr. Shivraj Patil or

against armed forces. We are against those who are mis-utilising the defence.

SHRI S. JAIPAL REDDY : We are sorry for the company he is keeping.

SHRI SHIVRAJ V. PATIL : I would like to say that the standard of the debate has been very good and we are thankful to them. At the same time, we would like to appreciate what is being done in our Defence Production Units—ordnance factories as well as public sector undertakings. We would like to congratulate the workers, officers in the factories as well as in the Department for all the good work they have done and appreciate the patience with which Mr. Jaipal Reddy and other friends heard me.

SHRI CHIRANJI LAL SHARMA (Karnal) : I wonder if it is possible to finished within five or seven minutes.

I am glad to have this opportunity of being called upon to participate in the debate on grants for the Ministry of Defence.

However, before I proceed to offer my views and express my observations, may I, at the outset, extend my heartiest compliments to our gallant armed forces for its continued exemplary performance in all the fields of its assigned role, be it in its difficult and delicate task as Peace-Keeping Force in Sri Lanka or in war-like combat in the hostile and inhospitable Siachen Glacier or in keeping watchful vigil in the mountainous and jungle terrain on our far-flung Western and Eastern borders.

The whole House and indeed the entire nation is justly proud of our men and officers in uniform. An epitome of national integration, our defence forces continue to be an abiding source of patriotic inspiration to our people. In all fairness, therefore, the country as a whole must acknowledge with gratitude the dedicated services of our Defence personnel and grant them willingly and gracefully what is their due in terms of pay and perks and also by granting them their rightful placement in official hierarchy *vis-a-vis* their civilian counterparts. It is preposterous to imagine that a servicing Brigadier with 30 to 32 years of service be-

ing placed junior to a Deputy Commissioner or a young IAS officer of just 8 to 9 years of service as is happening in some of the States. I will like to request the Ministries of Home and Defence to go into the whole gamut of the warrant of precedence and recast it, keeping in view the legitimate and just sensitivities of Defence Headquarters in the matter who if I am not wrong to say have been rather sore about it. While pay and perks are an important considerations for attracting the right type of material for any profession, the prestige and the status that go with it are to my mind even more motivating to compete for it.

Over a period of time there has been a certain erosion in the elitism, the honour and dignity that once used to be associated with the profession of Arms. We must strive to restore that, so as to regenerate the interest of our elite, I mean the young men of all round quality in the profession.

I believe, according to an opinion survey conducted by a professional agency sometime ago, career in the Defence forces was indicated by college going students as the 13th choice out of 15 offered *vis-a-vis* other professions. In this context, I would also like to draw the attention of the Hon. Minister for Defence to the rather lukewarm response of qualified engineers to a career in the Technical Arms in the Defence Force. If I am not wrong, the technical courses at the All India Military Academy, Dehradun have lately been helplessly underscribed. The Hon. Minister for Defence should instruct the Ministry of Defence to ponder over the reasons for it.

Proliferation of higher ranks which the two cadre reviews have brought about in the Defence Forces, nor for that matter, improved pay and perks in the wake of the 4th Pay Commission have helped improve matters.

15.27 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

As a matter of fact, many people feel that in a command oriented organisation like our Defence Forces, creation of disproportionate number of higher ranks will ultimately turn out to be rather counter-

[Shri Chiranjit Lal Sharma]

productive. Let there be therefore no more cadre-review. If possible we should progressively revert to the pre-cadre rank structure hierarchy. What is needed is the respect and genuine concern at all levels for our men and officers. And for this the initiative should come from the Government itself.

As a first step, the warrant of precedence should be revised to grant to our Defence officers their rightful gradation as per their rank and status.

The Government of India has taken a realistic and long term strategic view of our national interests while formulating the policy on Sri Lanka. The whole nation by and large has endorsed the Indo-Sri Lanka Accord. I wish our Defence Forces a speedy and smooth success in their on-going mission in Sri Lanka.

By virtue of our size and geographical location at the head of the Indian Ocean, we as a nation cannot abdicate our manifest role as the leading-most power of the region. By this, I certainly do not wish to suggest, not even by implication, that we adopt a big brother attitude towards our neighbours or look like hegemonic in our overall attitude or in any way appear to be chauvinistic because that will run counter to the basic tenets of our policy of peaceful co-existence which is the sheet anchor of our foreign policy.

But all the same we cannot shy away from our resultant responsibility as the pre-eminent nation of South Asia. And it is in this context that the role of our Defence Forces assume paramount importance. India must possess a first rate strike force, a fighting machine equipped with the modern weapon-system manned by fully trained matured men of high morale. It is then and then alone that we will be able to safeguard our maritime interests.

MR. DEPUTY SPEAKER : The Hon. Member may continue his speech on Monday.

15.30 hrs.

COMMITTEE ON PRIVATE MEMBERS BILLS AND RESOLUTIONS

Fifty First Report

[English]

SHRI C. JANGA REDDY : (Hanamkonda) Sir, on behalf of Shri Ram Awadh Prasad I beg to move the following :

"That this House do agree with the Fifty-first Report of the Committee on private Members' Bills and Resolutions presented to the House on the 20th April, 1988."

MR. DEPUTY SPEAKER : The question is :

"That this House do agree with the Fifty-first Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th April, 1988."

The motion was adopted

15.31 hrs.

REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL*

[English]

MR. DEPUTY SPEAKER : Now there are Bills for introduction. Shri Sharad Dighe ..

SHRI SHARAD DIGHE (Bombay North Central) : I beg to move for leave to introduce a Bill further to amend the Representation of the People Act, 1951.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1951."

The motion was adopted

SHRI SHARAD DIGHE : Sir, I introduce the Bill.

15.32 hrs.

CONSTITUTION (AMENDMENT) BILL

[*English*]

MR. DEPUTY SPEAKER : The House will take up further consideration of the following motion moved by Shri Thampan Thomas on the 5th December, 1987, namely :

"That the Bill further to amend the Constitution of India be taken into Consideration."

Shri Dharam Pal Singh Malik...Not present.
Shri Dinesh Goswami...

SHRI DINESH GOSWAMI (Guwahati): Mr. Deputy Speaker, Sir, I take my stand here to support the Constitution Amendment Bill moved by Shri Thampan Thomas. I think he has done a service to this House and to this country by drawing the attention of this country to the very important aspect that unless right to work is made a fundamental right in the Constitution and every young man and woman is guaranteed some job the very basic premise of our Constitution is going to flounder. Our Constitution in the Preamble guarantees justice social, economic and political. Article 19A of the fundamental rights guarantees freedom of speech and expression. Article 21 guarantees protection to life and Article 23 says that there will not be any traffic in human beings and beggary is prohibited. All these fundamental rights and the laudable principles laid down in the Preamble can have no effect if millions of unemployed men and women in this country move about in search of job and livelihood.

Today the unemployment register shows that there are millions of unemployed men and women. Even that, I think, is a tip of the ice-berg because a large section of our men and women do not register themselves either because facilities are not available or it is not known to them in many rural areas that they have to register themselves and also because of the indifference as they know even if they register themselves they are not going to get the job. I believe the greatest threat that this country is facing in all its aspects is from these unemployed young people. Every young unemployed man and woman in my view is

a potential bomb. We talk of very high principles, of democratic ways and about values. But what does it mean to a young man if he cannot sustain himself by two square meals a day if we talk to him that he has to maintain certain values in life because, after all, one cannot maintain values with an empty stomach ? Therefore, this State owes a duty to the country and to these young men and women that they must be given the minimum security of their life.

As I, said, Article 19(1)(a) guarantees freedom of speech and expression. But freedom of speech and expression to whom ? Freedom of speech and expression to those who have got sufficient means to exercise that freedom. That freedom is not available to the millions here. After all, a man who does not have a square meal a day, what freedom of speech and expression can he ever hope to aspire ? After all, he shall have to either beg, borrow or steal from somebody to maintain his livelihood.

Article 21 gives protection of life and personal liberty. The highest court of this land has given an extensive meaning to the words 'right to life'. But the right to life connotes, in my respectful submission, that he must have the means to maintain his life. When the State guarantees or when this Constitution guarantees right to life to an individual, automatically it follows that there must be a guarantee that he can maintain his life. If we cannot guarantee two square meals to him a day, if we cannot guarantee to him the subsistence level, what is the use of having Article 21 in the Constitution saying that you have the right to life ?

Traffic in human beings and beggary is prevented and prohibited. But what a man can do ? Either he shall have to go for illegal means or irregular means or even for trafficking in human beings or beggary.

In Article 39, which deals with the Directive Principles of State Policy, in part (a), it has been said :

"that the citizens, men and women equally, have the right to an adequate means of livelihood;"

In fact, when the Constitution was framed, a number of very eminent personalities spoke about the inherent rights of a man to maintain himself. At that time, it was

[Shri Dinesh Goswami]

thought that to make this right justiciable, to give a justiciable right would probably be a tremendous burden on the State. And the framers of the Constitution, at that point of time, decided not to introduce it in the Fundamental Rights. But we know this has been said not only from this side of the House but from the other side of the House and Mr. Bhardwaj has, on a number of times, said it that Directive Principles are the conscience of the Constitution. In fact, one can find the real fragrance of the Constitution not in the Fundamental Rights but in the Directive Principles. This House and the other House, on a number of occasions, had to go for constitutional amendments to give primacy to Directive Principles over Fundamental Rights. The framers of the Constitution, when the Directive Principles were being discussed, made it amply clear that though at that point of time, it was not possible to bring in certain rights, all the laudable provisions made in the Directive Principles within the scope of the Fundamental Rights, to make it justiciable. But even Dr. Ambedkar and some others said that the State will continue to endeavour and a time will come when all these things, that have been mentioned and the Directive Principles, will ultimately find a place in the rights of the citizens of this country. It is unfortunate that after 40 years of Independence, we have not been able to confer the first right that was guaranteed in the Constitution, the right of adequate means as a justiciable right. I believe, that from the point of view of social, political and economic point of view, it is essential that we give this guarantee to the young men and women and channelise their energies in the resources for productive purposes. If we do not do it, well, various kinds of tendencies will appear in various parts of this country. We see today different kinds of movements. We talk about indiscipline in the academic life. We talk about indiscipline in our daily life. Indisciplines are bound to occur when a man has no guarantee about his future. A man or a woman, who suffers in dignity because he or she is to put his hand forward to get something to maintain himself, cannot be expected to behave with dignity in this society. Therefore, in the interest of the nation and as this right has been conferred

in a number of other countries, not even in the welfare countries. I believe, to raise our own heads high and for the betterment of the society, the Amendment of Mr. Thomas should be accepted and the right to work should be made as a Fundamental Right so that one can go to the courts, if that right is violated. One can approach the court and say that he has got the right which must be enforced.

With these words, I support the Constitution (Amendment) Bill.

SHRI SURESH KURUP (Kottayam) : Sir, this issue has been repeatedly raised in this House in the form of Private Members Business and it has been the constant demand of the youth organisations in the country that the right to work should be included as a Fundamental Right in the Constitution. You know that about 30 million unemployed youths are registered in the Employment Exchanges in our country and there are so many others who have not yet registered in any of the Employment Exchanges. So, the situation is quite alarming and it is the duty of the Government to provide education and employment to all the citizens of this country. In the Constitution, the right to live is guaranteed and if you guarantee the life as Fundamental Right in the Constitution, you have to ensure that the citizen should have the means of livelihood. Otherwise, the whole thing will become false and that is what is happening in the country. To guarantee right to work as a Fundamental Right in the Constitution is not a new one or a new idea. As has already been pointed out by earlier speakers, the right to work is guaranteed as the Fundamental Right in the Constitution of every socialist country in the world and also the capitalist countries like Japan have provided this guarantee in their Constitution and so, to raise this demand in a country like India whose Government professes socialism as their objective, it is quite natural that this should be inserted in the Constitution as a Fundamental Right. When our Prime Minister took charge four years back, he definitely came to power with the votes of the millions of unemployed in the country and the expectations were sky-high because for the first time, a young Prime Minister is taking charge of the country and you know the first thing he did was that he declared his

intention that one of the main objectives of his Government is to computerise the vital sectors of our country. And computers are coming in Railways in P & T and in Banks. Now, the Central Government are not recruiting any new hands to their establishments and already banks are not recruiting anybody, the Railways are not recruiting. Postal Departments are not recruiting any new hands only because of this computerisation. So, already employment avenues are cut short and those who seek employment are increasing day by day. This creates so many social problems. Already we are aware of the fact that so many anti-national elements are working in different parts of the country. Sons of the soil slogans are being raised in other parts of the country by the secessionist elements and all these forces are utilising the unemployed youth power of our country. Why can they effectively utilise these unemployed youths ? It is because they are unemployed and because there is no guarantee for employment or Government are not paying any serious attention to give them unemployment allowance. So, these forces can effectively utilise our youth powers for the disintegration of our country. Take for example, Punjab. Almost all those who are doing these secessionist activities in Punjab are young people below the age of 35. If you can look at the bio-data of all these people, every terrorist who is active in Punjab belongs to the younger generation. In bombay, the Shiv Sena people are raising the slogans even the people who have not yet reached the age of 10 or 15 years are raising the slogans and they are effectively using the unemployed Maharashtra youth. So many other people from other States are coming over to Bombay and they are taking away the employment opportunity. So, if you will continue like this, the situation is going to be worse. If you consider the unity and integrity of our country as one of the main objectives, then you should attempt to the unemployment problem very seriously

According to the statistics provided by Government some 1 lakh, 30,000 industries are closed. In my State Kerala some of the major industries are lying closed. This issue was raised in the House also. Reliance Industry of Birlas is laying closed for the last 3 years, and also 13 workers have

committed suicide. The Kerala Government is helping in this regard to the best of their ability. They are mediating in this and are trying to solve the dispute between the workers and the management amicably. (Interruptions)

You, at least do not object to the fact that the industries are lying closed. At least on that point we agree.

MR. DEPUTY SPEAKER : Please address to the Chair.

SHRI SURESH KURUP : The Government of Kerala is doing its utmost to settle this dispute amicably but the Birla management is not ready to open the factory. According to the Industry Development and Regulation Act, the pulp and the synthetic fibre which are manufactured in this particular factory of Birla's, it comes exclusively under the Jurisdiction of the Government of India. So, it is impossible for the Government of Kerala even to take over the factory not even if the Government intends to do also. So, the only effective thing, the only possible thing the Government of Kerala can do in this matter is to mediate in this and that they are doing. But why the Birla management is not ready to open the factory ? Because the Government of India has allowed the import of synthetic fibre and pulp in large quantity from outside. They are not ready to open this factory. They are not interested in manufacturing the pulp and synthetic fibres in this particular factory. So, all these policies are increasing the unemployment problem in this country. All these policies of the Government of India are increasing the problem of unemployment and the Government of India is doing nothing to open this particular factory of Kerala.

Another important factory is the Paper factory in the Punnaloor. It is one of the most important industries in the Central Kerala and I think it belongs to Shri P. J. Kurien's constituency. That factory is also lying closed. I mentioned all these important facts relating to my State while taking part in this discussion because, the very policies of the Government of India with regard to trade and industry create unemployment problem in our country. In Mavoor alone, due to the closure of the factory, about

[Shri Suresh Kurup]

5,000 workers are unemployed and about 10,000 people who get indirect employment are also unemployed now. And this is the case all over the country.

Even some major public sector undertakings are lying closed. Government of India is not interested in running the public sector undertakings. For example, take the case of Scooters India. They are seriously contemplating to hand over this Scooters India Limited to private sector management because it is running at a loss. But do you know Sir, for the last four years, there is no proper authority to run Scooters India Limited? There is no Managing Director, there is no Personnel Management and the Government of India is least bothered to appoint any executive to manage this concern.

When the workers in a public sector undertaking go on strike, they immediately raise a hue and cry and talk about the unemployment problem and so on. They say that millions of our people are unemployed in the country and if employed persons agitate for better wages, what will be the condition of the unemployed people in our country. In the history of Independent India, the Government of India publicly recruited blacklegs right in the capital city to break the legitimate strike of the DTC employees. They have also dismissed some 3,000 employees just because they went on strike for their legitimate demands, misusing the unemployed persons and the severe problem of unemployment to their advantage. Otherwise, I am sure, no able-bodied youth will come forward to serve as a blackleg to help the Government in breaking a strike... The Government used this unemployment problem to break a legitimate strike of the employees in this country, who happen to be the employees of the Government of India itself. I am sure, ultimately all these things will boomerang on them. When the Government fails to take measures to solve this severe problem of unemployment, the youths of our country, whom the Government uses to break legitimate strikes and thinks that they can always use them effectively whenever an occasion arise, these very youths will one day unitedly turn

against the Government, fight against this Government and throw this Government out of power.

Sir, I congratulate my hon. colleague, Shri Thampan Thomas for bringing forward this Bill. This type of Bills were brought in this House earlier also. But the Government is not ready to support this type of Bills. They never bother to bring this type of a Bill as an official Bill. They find ample time and they even issue special whips to their members to pass Bills such as the Muslim Women's Bill. That Bill which was first introduced as a Private Member's Bill by a Muslim League member was passed as an Official Bill, in spite of protests from all women's organisations and progressive elements and even disregarding the protests from their own party. They brought this Bill as an Official Bill and passed the retrograde Bill in this House. But they do not find time to introduce this type of a Bill which helps millions of unemployed youth in our country because they are not bothered about this unemployment problem. I wish the Government will seriously ponder over this issue and will find time to include this right to work as a fundamental right in the Constitution of India.

[Translation]

SHRI RAM BAHADUR SINGH (Chapra) : Mr. Deputy Speaker, Sir I support the bill presented by Shri Thampan Thomas. I belong to the rural area and therefore, without going very deep into the Constitutional intricacies, I would like to cite an example which would make it very clear as to what will happen to the country if we do not pass this bill. If there are only 5 earning members in a family of 10 members and the other 5 are unemployed, it becomes impossible for the family to develop and it becomes weak from within and finally, it disintegrates. Similarly, in the case of a country if crores of people are unemployed it not only affects the overall production of the country, and reduces, the purchasing capacity of the people but also weakens the country. The most unfortunate thing is that it results in crisis of confidence and the people are disillusioned. And in the end, out of these evils anarchy is born. If I say that a similar situation prevails in the country

today, it will not be an exaggeration. In 1951, the number of unemployed people was about 51 or 52 lakhs. This figure increased to 279 lakhs in 1986-87 and at present it is 4 crores. And these figures are only of those who have registered themselves with the Employment Exchange. Apart from them, there are crores of educated and illiterate people who are unemployed. Even if they are employed, it is on a part time. And if they are engaged on full time job, they are under employed as a result of which considerable amount of labour potential is being wasted and consequently, our country is being weakened from within. We may have a shining exterior but the country is decaying from within. This is because only a handful of people have reaped the benefits of the Five Year Plans and the rest of the crores of people have been deprived of it. The fruits of independence have not reached the Harijans and other weaker sections of the society.

Even after 40 years of independence, there is an extra-ordinary gap between the rich and the poor in this country. We have on the one hand, a handful of people sitting in the lap of luxury and enjoying unlimited pleasures, and on the other, there are crores of people leading a life of poverty and deprivation. Neither freedom of speech nor independence carry any meaning for them. That is why the benefits of development have not reached them, and as a result of which even after 40 years of independence 42 per cent of people are living below the poverty line. The Government may define poverty line as it wishes, but the real meaning is one who is not able to afford two square meals a day when one is hungry, and this can be felt and understood if one has a close look at the people living below the poverty line.

16.00 hrs.

It means not being able to afford medicines or medical aid. Living below poverty line means to be born under the open sky and to die like a worm. This is the definition of those living below the poverty line. Even after 40 years of independence, India is a country which is divided into two separate classes. On the one hand there are a handful of people who are immersed in the life of unearthly

luxuries and on the other vast multitudes of people are leading a life of helplessness and deprivation. The Government may claim that many programmes have been implemented for their welfare like N.R.E.P., R.L.E.G.P., IRDP etc. and there are also programmes for providing self-employment to the educated youth. If all these programmes are evaluated, the conclusion is that the funds allotted for them are not utilised properly. You expect that a certain number of people would get employment opportunities by the aforesaid programmes but the results achieved are not to the desired extent. The funds are pocketed by those who are responsible for their implementation and the real beneficiaries are thus deprived of those funds. The schemes are not benefiting the poor people. But the irony is that if some individual organisation, group or a certain sections of society or community raises its voice in protest, you make allegations without giving a thought that these people are creating uproar everywhere. These people do not want the Government to function properly and they are playing with the unity and integrity of the country. We differ in our opinion on this point. You think protesting against evil is a threat to the unity and integrity of the country and on the contrary, we think that it protects the unity and the integrity. A country does not disintegrate when it struggles against evil but it disintegrates when it nourishes it. Hence, if evil is protected and nourished, it will certainly increase poverty and helplessness of the people and they will never be able to overcome their state of impoverishment and they will be disillusioned. And when people are in despair, no power in this world can save the country from disintegration. If you do accept my point, then I will most humbly put a question.

There are a law in our country that we can take up arms in self-defence and even murder is not an offence in such a case. Are the people of this country not entitled even to protest against a system under which the future is bleak and there is little hope of life itself? It is all right if you don't accept it. But the more you try to suppress it, the more will it create anarchy and disorder.

During the last session, an hon. Member stated that there are thousands of jobs

[Shri Ram Bahadur Singh]

which can be done but people are unwilling to do them. I want to ask that hon. Member whether there is any work which is more difficult than pulling a rickshaw? The rickshaw puller is doing the work of a horse. We fail to understand that in a country, where people work like a horse, can you blame them of being lazy and not willing to work? It is not good to allege that people of this country shirk work when not only a few persons but lakhs of people earn their living by pulling rikshaws and this allegation is particularly made against the people of Bihar. It is alleged that the people of Bihar in particular, are lazy and in Delhi, they are looked down upon, although, I know that the small units and factories in that city would cease to function without them. Besides, if the labour from Bihar does not go to Punjab and Haryana, the greenery you see will not be there anymore because they are engaged in all agricultural operations. In the small units of Delhi, the labour force mainly consists of the people of Bihar and it is on account of them that these factories are functioning but they are paid meagre wages and yet it is being alleged that they are indolent and do not like to work. Again, it is being said that the wages of the labourers from Bihar has been reduced. It means that due to the large-scale migration of people from Bihar to Delhi on account of the floods, their wages per day has been reduced from Rs. 16, 17 or 18 to Rs. 10 or 12. The people who are compelled to toil hard to earn their daily bread, are being branded as a lethargic. One fails to understand why this is being done. The people who are hurling such accusations are not being sincere.

In this connection, I want to mention the great personality Shri Ram Manohar Lohia. In July 1957, he launched an agitation in Uttar Pradesh to pressurise the Government to either provide employment or unemployment allowance. In that context, he had stated at that time in one of his speeches that Government had grasped only half of what he had said. He said that they never wanted that people should get a dole without doing any work. He further said that no honest person, no man with a conscience, no patriot would ever like to get a dole without doing any work. He

said that every person has a right to live and lead a respectable life. We are prepared to work hard for it. He had said we want employment and if employment is not provided, it is the duty of a civilised Government to provide facilities to every citizen to enable him to lead a respectable life and in this connection he had mentioned that there is no shortage of work in this country but it is the will we are lacking in and he had given 3-4 suggestions in this regard. He had suggested raising of a land army not for the purpose of tilling the same land again but to convert fallow land into cultivatable land. He had also demanded that the expenditure involved therein should be borne by the Government and he raised the slogan :

"Bhumi Sena ho Taiyaar,
Iiska Kharcha De Sarkar"

(Land army should be raised and the expenses should be met by the Government) He had calculated the total cost involved in it at that time.

DR. G. S. RAJHANS (Jhanjharpur) : The slogan of Land Army has brought lawlessness to Bihar.

SHRI RAM BAHADUR SINGH : I have not formed Land Army. The Government is the root of lawlessness. The way the country is being run, no power in the world can stop this anarchy. You are in politics not for the sake of politics but for the sake of power.

Dr. Ram Manohar Lohia had suggested the raising of a Land Army to cultivate fallow land so that people are able to work there and he had demanded that the Government must bear all costs. He had calculated that it will cost Rs. 200 crores in the first year, Rs. 150 crores in Second year and at no cost in the third year and probably profits could be gained in the fifth year. He had said that all those who work for the land army will be paid for food and clothing. According to the market price prevailing those days Rs. 25 were to be provided to each worker. Then he himself expressed doubt that people might ask as to why should they work on such meagre wages. He further added that they were right to ask such question but only, that Government can do it which is able to put a ceiling on income and expenditure in the country. It will not only result in reduction

of income of those getting that salaries but also encourage those getting less salaries to work. That is why he had advocated for putting ceiling on income and expenditure. This is very necessary.

He had advocated to reduce working hours. He suggested that instead of three shifts of eight hours each in a day there should be four shifts of six hours each. But doubts were expressed that it will reduce production and will increase the productive and unproductive expenditures. He further mentioned that it has been proved if the working hours are reduced and good facilities are provided, more work can be done in less time which will increase production. He had further stated that if working hours are increased there is a fall in productivity and mental and physical capacity.

He also suggested that small machines should be used because we have very little capital and more people. Therefore, employment oriented industries should be set up as it will provide more opportunities of employment by investing little capital. If we try to imitate other countries, we will not make any progress, only a handful of people in this country will progress.

He had also stated that it was as a consequence of the Government's schemes and policies that only a handful of people are enjoying the luxuries of life whereas crores of people are helpless and are living a life of poverty and deprivation. If things have to be improved the Government should change its way. Until the Government changes its way, the fortune of this country cannot be changed. What is most essential is that tax-evaders should be apprehended and blackmoney in this country should be unearthed. I want that the unaccounted money that has been deposited illegally in foreign banks abroad should be recovered.

He had further mentioned that ban will have to be imposed on the production of the goods meant for a certain class of people as there will be no use of imposing ban only on the use of goods. So long as these things are available in the market people will buy it because it is the nature of man to try and possess all those good things which he sees in the market.

Here, I would like to cite the example of Delhi. You go to any market place, meet a hundred people and note down their addresses. Go to their houses in the evening and you will find that not many families are able to afford even the basic necessities of life including ordinary food like pulses, chapatis (bread), rice and vegetables for their meals. It is a different thing that these are cooked on festivals. This means that the nature of man is such that he ignores all important activities and tries to show off by wearing good clothes and acquiring luxury items. Therefore, ban will have to be imposed on the production of wasteful luxurious items.

Crores of women in this country go to answer nature's call on roadsides because there is no arrangements for toilets. If you do not believe me you can drive during the night and see how women hide their nakedness when the headlights glare on them as they go to ease themselves in the open. We sign agreements with foreign companies for providing commodes to us. But how many houses will be provided with this facility? Only a handful of people will be benefited by it. Therefore, I would request the Government to impose ban on wasteful expenditures, on luxury items besides recovering taxes from tax-evaders, keeping a strong vigil on blackmoney and making efforts to get back the money deposited illegally in foreign banks abroad . . . (Interruption).

[English]

MR. DEPUTY SPEAKER : If you go on speaking, nothing will go on record. That is all.

SHRI RAM BAHADUR SINGH : Sir, I will take only two minutes.

[Translation]

Why does the Government not agree with this Bill. It is afraid that the Bill will be passed in the House. The country is being run in wrong direction. Consequently the opportunities of employment will not improve in this way and crores of people will remain unemployed. Only a handful of people will be provided jobs. When the Government fails in providing job-opportu-

[Shri Ram Bahadur Singh]

nities to the people, the only alternative left with them is to knock the doors of the courts and seek justice. They will demand from the Government either work or unemployment allowance. That is why the Government is afraid. Government should properly ponder over all this. It is the duty of a civilised Government to arrange employment for every citizen to enable him to lead a respectable life. I would like to urge upon the Government to drive the country into the right direction and thereby prove that they are a civilised Government. I support the Bill presented by Shri Thampan Thomas which seeks to amend the Constitution by including right to work as a fundamental right in it.

[English]

SHRI BHADRESWAR TANTI (Kaliabor) : Sir, before participating in the discussion on the present Bill, I must congratulate Mr. Thampan Thomas, the mover of the Bill—"Right to work under Article 15(A) of the Constitution".

Actually, this was the responsibility of the Government to bring this long back, but the Government has failed to do so. That is why, these type of Bills have been moved time and again. Because the people who are committed to the people of the country, they are moving it. The Government is not committed to the people. That is why, they have failed to shoulder the responsibility.

Kindly see the preamble of the Constitution. What is in it? It was very rightly incorporated in the preamble of the Constitution. It says :

"We the People of India, having solemnly resolved to constitute India into a Sovereign, Socialist Secular Democracy Republic and to secure to all its citizens :

Justice, social, economic and political;

Liberty of thought, expression, belief, faith and worship;

Equality of status and of opportunity; and to promote among them all

Fraternity assuring the dignity

of the individual and the unity and integrity of the Nation;

In our Constituent Assembly this twenty-sixth day of November, 1949, do hereby adopt, Enact and give to ourselves this Constitution".

This Constitution has been adopted by the people of India. We have not brought it from anybody else. We are not at the mercy of the Government. But the custodian of the Constitution has totally failed. While amending the Constitution to bring in duties under article 51A, why have you failed to bring right to work? A man who cannot survive because of unemployment, hardship, poverty, how can he shoulder his duties under the Constitution? Will the Government reply to it? I have no capacity to work and I am not employed, how can I shoulder the responsibility under article 51A? What you should do, you have not done. What you were not supposed to do, you have done.

Yesterday, I have said about equality before law i.e. article 14. Who are the persons who are getting equality before law?—Affluent class, rich men and not the poor, not the unemployed. Millions of people are without any employment. Those who have completed their college and university education, those who are the assets to the country, the illiterate young men and women, those who are able-bodied, they are ready to work but they do not get employment. Those who are Scheduled Castes and Tribes and backward classes, for them you have got only political propaganda of unity and integrity. You have become the prophet of unity and integrity for your political gain and not in its real sense. If you are committed to do so, then positive steps should be taken by the Government to employ the educated and illiterate young men and women because every one has a right to work. Is it not your duty to get them employed? Your policies are a total failure. The Law Minister is here. The other day, a judge of the Rajasthan High Court, who was to retire in another 15 days, was transferred to the Guwahati High Court as the Chief Justice? May I ask: if a man who is to retire in another 15 days, is transferred, will be able to do justice? These are your policies. That is why, you are sinking.

The Constitution is the Bible for the people of India. Nobody can deny that. But the promises made by you are absolutely false because of your wrong policies. Article 14 says equality before law. How many people are getting justice? You go to Malkhangiri in Korapur District where no civilisation has reached yet. Nothing of the sort is there. The tribal people are in the darkness. There are no hospitals, no medicines, nothing of the sort. If you go there, they will shoot you. You cannot talk to the people there. They are almost naked. We have gone there and seen all this. But what are you doing? All these forty years, you have made only promises. How long can you befool them? You can befool some people for some time but you cannot befool all the people for all the time. Mind it....(Interruptions).

Then there is article 15 which says: "The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex, place of birth or any of them." All these things are there. Can you prevent all these things? These things are going on. The high class people throughout the country are getting all the status, but if I am a Scheduled Caste or Scheduled Tribe, in one place I may be regarded as a Scheduled Caste, in another place I may be regarded as Backward, but in another place I may not be recognised at all. This is what is happening.

Then the Constitution says there should be equal opportunity for all citizens in matters relating to employment. Those who have got no backing, they do not get any employment. Those who are not related to MPs, MLAs or Ministers, they do not get employment. This is what is happening. This is a clear violation of article 16.

Then the Constitution provides for the protection of certain rights regarding freedom of speech, etc. This also has not at all been implemented or being properly looked into by the Government.

There is another article regarding protection in respect of conviction for offences. Also there is a provision regarding trafficking in human beings and also regarding forced labour. The bonded labour system has not been abolished as yet. Even in the cities, forced labour is still going on. Minor children are being engaged. Where

is your machinery? That is why I said yesterday that you must build a bridge between the labour and your machinery so that the people will get their right at least to live like human beings.

There is another provision regarding prohibition of employment of children in factories, etc. Article 24 of the Constitution says that children should be prohibited from employment. Last year we had passed a Bill in this House. It has become an Act by now. This Act provides that any man can engage a child below the age of fourteen years. Why are you violating all these Rights? The children, the blue-eyed babies have a right to live, have a right, under the Constitution, to get education. Why don't you frame such policies and schemes by which they are given proper education, instead of giving them employment? Ours is a welfare country. In a welfare country, the Government is committed to do this. Don't bring in the black laws. Particularly for the working class, this august House has passed so many laws. But those laws are nothing but a scrap of paper. They have not served anyone, particularly the working class. You cannot even implement those laws. Take the Plantations Labour Act, 1951 and the rules made thereunder. This Act was amended also in the year 1956. So far as the provisions regarding benefits like medicines, hospital, housing, accommodation, bonus, etc. are concerned, they are not implemented. The management does not care to implement them and the machinery keep silence. If you cannot implement all these laws, then why do you bring these laws? That means you are not committed to these....(Interruptions).

SHRI VAKKOM PURUSHOTHAMAN: Sir, we have spent nine hours just on the discussion of this Bill. You must give sufficient time to the Minister also. We have discussed this Bill for about nine hours now....(Interruptions).

SHRI BHADRESWAR TANTI: Why do you worry about this? Why are you sitting here? When your people have gone, you also go to Madras for attending Congress session....(Interruptions).

SHRI THAMPAN THOMAS: Sir, this is an important Bill. This is a Constitution

[Shri Thampan Thomas]

Amendment Bill and they are raising objection. Sir, there is no quorum in the House. I would request you to ensure quorum in the House. . .(Interruptions).

MR. DEPUTY SPEAKER : He has raised the quorum in the House. Please take your seat, Mr. Tanti.

Now, let the quorum bell be rung.

The House stands adjourned for want of quorum to reassemble on Monday, the 25th April 1988, at 11.00 A.M.

16.39 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday April 25, 1988/Vaisakha 5, 1910 (Saka)