

[Dr. Datta Samant]

Rs. 70/- only. Majority of the people have got only this much of benefit. The maximum ratio comes to 1 : 12.

Then, Sir, I am asking you a categorical question, as to why, in these 14 years, the inflation rate was much more than what you have given? Your DA has not compensated the same. The attitude of the Government is highly deplorable. Every Government servant is dissatisfied. As and when they agitate, you call some people and give Rs. 5 or Rs. 10 as their increase and settle with them. I want to ask why the same attitude is not applied to businessmen? In the first one year, you have given them more than Rs. 200 crores as concessions in various forms. I am referring to big business houses.

I want to ask you another question, Rs. 600 crores is meant for paying bonus to the Central Government employees. Last year also, it was paid to them. Then why did you not keep a provision this year? When then agitate, you give it to them. You pretended in this way that you are only for their welfare. You have increased the freight rates in the Railway Budget by Rs. 320 crores for four months. But, next year—1987-88—you are going to get Rs. 1000 crores more; then you will say that in 1987-88 Budget you are not going to charge anything more. You bring Supplementary Demands in this way and subsequently increase the rates. Next year, you boast, that you are not going to increase the fair. Such type of things will not be tolerated by the people. There is going to be a lot of confusion.

Now, I come to the Food Corporation of India. It is a big giant. Rs. 8,000 crores are accumulated as loss by this FCI. This year also, you are following the same system.

Last year, the wheat crop was good. Last year, Government purchased at Re. 1—57, and rice for Re. 1—52. There was a big procurement of 30 lakh tonnes; and the transport and procurement charges came to Re. 1—04. The farmer got Re. 1—57, and the procurement and

preserving charges of FCI were Re. 1—04, i.e. 70%; and on that, 60% is the subsidy. You have sold a major part of it to the private traders who bring it to Bombay and are selling at Rs. 3% or Rs. 4/-. This is the socialism in this country: Farmers get Re. 1—57; your FCI swallows a lot of money, and finally the average man or the public purchases it for Rs. 3/- or Rs. 4/-. Even the rate for rationing is Rs. 3/- to Rs. 4/.

A provision of Rs. 500 crores has been made for the public sector. The Minister of Energy is saying that it is so because labour is surplus, and they are not working. I do not want such types of statement. Let us discuss the public sector, in this House. Who is responsible for the public sector? The owners of 130 textile mills had literally sucked those mills, made them sick. They would never modernize them. They then just handed them over to your public sector NTC. You have got a total loss of Rs. 1500 crores on them. You want to modernize such sick mills.

When the Minister of Energy was the Minister for Steel, why did he not improve the public sector units? Whatever suggestions he is giving now, he should have implemented during his tenure then. So, the time has come when the whole economy is geared towards privatization etc. This is literally going to increase the profits of private people. About black money, you know how much is there in the Swiss banks—Rs. 1300 crores. This is so on the one side, and on the other workers and poor people of this country are going to suffer because of such economic policies of the Government.

17.53 hrs.

#### HALF-AN-HOUR DISCUSSION

**China's upgrading of Karakoram Highway**

[English]

**MR. DEPUTY-SPEAKER :** Now the

House will take up Half-an-Hour Discussion.

Dr. G. S. Rajhans.

[Translation]

DR. G.S. RAJHANS (Jhanjharpur) : Mr. Deputy Speaker, a very serious situation has developed. I wanted Shri Natwar Singh to be here since he had replied to the main question. I will read out the question from the beginning because it has national and international implications. If Natwar Singh Ji is not here, Faleiro Sahib can reply. The question was :

[English]

"Whether the attention of Government has been drawn to the Press report that China has started work on a 185-million Yuan Project to upgrade the 420 Km. section of Karakoram highway linking with Pak-occupied Kashmir through the Khunjerab Pass..."

Government's reply was this :

"Yes, Sir.

The Chinese News Agency, *Xinhua*, reported on October 9th, 1986, that more than 2200 workers have begun improvements on the road from Kashi in Xinjiang Uygur Autonomous Region to the Khunjerab.

Pass on 'the Sino-Pakistan Border'. The report stated that the investment of US \$ 50 million on the 420 km. Project would, after its completion in 1988, boost trade and friendly contacts between China, Pakistan and Middle East countries.

Government of India have repeatedly protested to the Government of China and Pakistan on the construction of the Kara-

koram Highway and the opening of the Khunjerab Pass, making very clear India's position on the question of Chinese assistance to Pakistan in constructing the highway in portions of Indian territory under the illegal occupation of Pakistan".

[Translation]

The more interesting thing is that in reply to Shri Manik Reddy's Supplementary question, the hon. Minister replied that a protest has been lodged in regard to the 420 km. long Karakoram Highway. I want to know what danger does he apprehend from this road to our country and what is the military intelligence report regarding this road? I want to know this from the hon. Minister. The hon. Minister's answer to this question is very interesting. The Ministries of External Affairs and Defence are aware of the activities regarding the repair work and they are also prepared for any such danger. They have built a road in our area, to which they do not have any right. This morning only, I have gone through the maps and the data and we are well aware of what is happening there. If there is any danger we would be able to take care of it. I want to know from the hon. Minister what is the danger and how he is going to tackle it? It is painful to say but I want to say in a forthright manner that the history of the relations of the India and China has been a history of unfortunate events. In 1949, when China attained independence, since then and even before that India wanted to have friendship with China. Pt. Nehru had also been trying continuously since the Communist regime took over in China to have friendship with China. He used to say that China like us had also been exploited by Western powers and colonial powers and we had friendly relations since the time of the Budha, therefore, Indians and Chinese were like brothers. By keeping Pt. Nehru always in the dark China also stated that whatever he said was true. On the one hand they were saying "Hindi Chini Bhai-Bhai"

[Dr. G. S. Rajhans]

and on the other they went on grabbing our territory. In fifties, when the Dalai Lama was subjected to atrocities, he fled from Tibet and migrated to India; then they started grabbing Indian territory rapidly. Then in the fifties, Pandit Nehru wrote a number of letters to Mr. Chonen-Lai. I am sorry to say that China did not have direct dealing with us. We did not inform our people about these things in the hope that China would change her attitude but instead they went on grabbing our area. Sometimes, China also objected to a discussion held on China in the Parliament of India. Pt. Nehru in his reply had stated that India was a democratic country and if any question was asked, we were bound to give its reply. Then there is press also in this country and if the press people wanted to know something how could we stop them. While these things were happening about which hon. Minister and other people also know, China was all along getting stronger. When things went out of control, then, being helpless Pt. Nehru ordered the troops to fight back and oust them. It was too late then and the entire nation knows what happened to us.

I also want to state that Karakoram Highway is of extreme strategic importance. Hon. Minister says that he came to know of this only after reading the newspaper of 8th October but it is not like that. This road was opened to traffic in 1982-83. In 1983-1984 a contingent of Pakistan army passed through this road to China to extend friendship with her. What suggestions was given to Pakistan by China can be easily understood by you and us.

I mean to say that when such incidents were taking place, Government cannot say that they did not know that Karakoram Highway was being constructed in 1982-83. It is very interesting to note that Pt. Nehru has written in "Glimpses of World History" that there was a silk road which passed through South-East Asia, China, Karakoram, Middle East upto Europe. China had stated mis-

chievously that they were re-constructing the same silk road.

I want to say specifically that the construction of this silk road shows only one thing that they have full control on our territory and we have become silent spectators.

I would like to say a thing pertaining to rural area. In Bihar, if any strong fellow beats a weak one, the latter says, "beat me once more and then I will see". Once again he is beaten and again he repeats the same thing. What I mean to say is that China is blatantly acquiring our area and we are able to do nothing. When we ask the Government in this regard, they say that they have already protested against it. What happened last summer is a matter of regret for all of us. China intruded into our territory in Arunachal Pradesh. They have crossed the Mac Mohan Line and are still in occupation there. They have also constructed a helipad there about which we are getting very confusing reports. Recently, it was in the international press that China is still there and is collecting taxes in that area. Our area in Aksai Chin has already been taken away from us. We do not have any authority there.

I want to state in this regard that this is a very serious matter. I want to know from the Government as to when did they come to know about the repair work on this road so that trucks of 30 tonnes could ply on this road? I also want to know whether Government is aware that China not only wants to have a direct link with Pakistan but also with the Middle East and Europe through this road and also wants to enter the Arabian sea and the Indian Ocean? Are Government aware that China has helped Pakistan in her nuclear attempts to a great extent which may completely destroy our security. A time might come when China or Pakistan may attack us through this Karakoram Highway within no time.

Finally, I would like to request Government that they should tell the whole truth about the Karakoram Highway and if possible, the House and the nation should

be told all the facts about the intrusion of China into Arunachal Pradesh.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO) : My friend, Dr. Rajhans, has made a very elaborate presentation expressing concern at the situation that has developed on the Karakoram Highway or Karakoram road. As the Member is aware and the House is aware, Karakoram Highway is a very long stretch of which begins in China, passes through Pakistan occupied Kashmir and it ends inside Pakistan, very close to Islamabad. It is about 300 kms of road. I will just systematise the facts so that we get them straight.

A road called "Karakoram Highway", linking Pakistan with China, and passing through Pakistan occupied Kashmir, was inaugurated on the 18th June, 1978 by Pakistan's Chief Martial Law Administrator, General Zia-ul-Haq and Chinese Vice-Premier, Keng Piao, at Thakot. Plans for this road were mooted some time around 1963, soon after China and Pakistan entered into an agreement in accordance with which 2100 square miles of Indian territory in Jammu & Kashmir, under Pakistan's illegal occupation, was handed over to China. Construction of the portion of the road between Gilgit and Mor Khun was undertaken in accordance with an agreement reached in 1966 and was completed in 1969. The portion of the Highway from Mor Khun to Khunjerab has been built following an agreement between the two countries which was signed on 21st October, 1969. The road became fully operative on 18th June, 1978.

According to reports, the 800 kms long Highway starts from Havelian Rail-head, 60 miles north of Islamabad and follows the general course of the River Indus from Thakot to Gilgit. From Gilgit onwards, it runs along the Gilgit, Hunza and Khunjerab rivers upto the Khunjerab Pass which is 15,800 feet above sea level. Beyond Khunjerab Pass this Highway is

connected with the Chinese road network in western Tibet which links with Kashgar in Sinkiang Province. The elevation of this Highway varies from 2000 ft. to about 15,000 ft. This is the position.

Let me immediately make it clear that the upgradation of the road to which the question refers has not been made in the portion of the road which is inside Pakistan. It has not been made in the portion of the road which is in Pakistan occupied Kashmir. But it has been made or restricted to the portion of the road which is inside China and it is undisputed Chinese territory. That is the position in short.

DR. G. S. RAJHANS : It has been made in Pak. occupied Kashmir ?

SHRI EDUARDO FALEIRO : No, I do not agree with the hon. Member because the reports are based on the Chinese news agency Xinhua report of 9th October, 1986. And the report was to this effect that 2200 workers had begun improvements on the road from Kashi in the Xinjiang Uygur Autonomous Region of China to the Khunjerab Pass—that is again in China on the Sino-Pakistan border. It is, however, actually the border of Kashmir which is illegally occupied by Pakistan. So, it does not come inside Pakistan occupied Kashmir. It is within the Chinese territory as per the reports on which the hon. Member has relied. I repeat that the Chinese portion of the Highway does not traverse that portion of Indian territory that was illegally ceded by Pakistan to China under the illegal Sin Pak "Boundary Agreement", of 1963.

The Member has expressed concern on our lack of activity on this matter. I must remind the Member that he is very well aware that in this House this matter has been raised from the very inception by us and we have continuously taken up this matter. Government of India's position on the illegal construction of the Karakoram Highway by Pakistan with Chinese assistance, as far as it concerns us in our territory i.e. in Pakistan occupied

[Shri Edurado Faleiro]

Kashmir has been unambiguously stated on many occasions. We protested to the Chinese and Pakistani Governments when construction of the Highway was undertaken in 1969, when the Highway was "opened" in 1978, when a Protocol was signed by China and Pakistan on the opening of the Khunjerab Pass in 1982, when the Khunjerab Pass was opened for traffic in 1983; and finally when it was opened to international tourists in May, 1986 we had protested to them.

The essence of our protests has been to state that neither China nor Pakistan have any *locus standi* in the matter and that whatever action taken singly or jointly by the two countries in regard to this territory i.e. Pakistan occupied Kashmir which is a part of the Indian territory, is illegal and unacceptable to us. The response received from the Chinese and Pakistan Governments has not been to our satisfaction.

The hon. Member has raised question of security implications of this accord. As I mentioned the question of security implication does not clearly and directly arise from the present upgradation, as present upgradation is inside Chinese territory. There I may say that we are continuously monitoring overall and generally speaking all developments impinging on our security in our neighbourhood and we do take all necessary precautions to ensure full defence preparedness. We have time and again expressed the hope that both our neighbours with whom we have been making sincere and unremitting efforts to normalise relations will ensure that this communication link is not used in a manner that runs counter to the search for good neighbourliness and stability in this area.

(Interruptions)

MR. DEPUTY-SPEAKER : I request other Members to be very brief instead of giving all descriptions and the whole history because Dr. Rajhans has expressed so many things. I request the hon. Members to put specific questions for

which information is required from the Minister. You can take maximum five minutes.

SHRI SOMNATH RATH : The hon. Minister in his reply has stated that in the Indian territory occupied by Pakistan in Kashmir a road is running. It is in collaboration with China and Pakistan. It is reported that road has also been widened.

There is an agreement between China and Pakistan about nuclear programme. There is fresh intrusion by the Chinese into the Indian territory. In the House once it has been replied that there is no intrusion. But after a few days it was admitted there was intrusion by the Chinese and helipad has been constructed. I want to know from the hon. Minister, is our intelligence failing to know as to in what portions of our country in that border area we are being invaded and the area is being unauthorisedly occupied by the Chinese as well as Pakistan? We had been to another border area Nath Ula. There we found the Morale of our jawans was very high. Will the hon. Minister clarify when we are having so many sittings, discussions, conference with China, what is the outcome of all that and when we want to restore the *status quo ante*. How long is the discussion to continue so that we can regain our territory illegally occupied by the neighbouring countries? How is it that China is again occupying further territory of India? Will we be a silent spectator or are we to continue only negotiations? Are we not strong enough to meet the situation? These are matters I want the hon. Minister to clarify specifically say what action our Government is taking to solve all these matters because in the past both the countries have assured many things but acted in reverse.

China has invaded our country and Pakistan invaded thrice. Under these circumstances, we must be very well aware of the situation, not to believe in what they say. But we must take into account what they do.

[Translation]

**SHRI HARISH RAWAT (Almora)**

Mr. Deputy Speaker, Sir, it is clear from the statement given by the hon. Minister that Karakoram Highway is of strategic importance not only for China and Pakistan but for India also. It assumes more importance because of the fact that it is very near. Siachin, over which Pakistan has been continuously provoking us. This Karakoram Highway extends upto Saichin-Aksaichin road. If China is upgrading this road in her territory, it is clear that she is not doing it for the benefit of the public or development but for military purposes. The present relations between China and Pakistan, the agreements and pacts between them under which China is supplying arms and ammunition to Pakistan clearly shows that in future if Pakistan attacks us, China would use this road for transporting arms and ammunition to Pakistan and thus use it to put pressure on us. Therefore, I would like to know from the Minister whether he would raise the matter regarding its upgradation in the next Ministerial level meeting since the Karakoram Highway has no use other than for military purposes. Although, one can not say for sure about the dates of the next meeting, yet would there be any talk with China in this regard?

Secondly, according to press reports, China, has changed its stand in the last Ministerial level meeting. Previously, China was ready for talks on our border dispute with her in Nefa area first and talks on the border dispute regarding Aksichin thereafter. Previously, they were ready for talks sector-wise but now they have changed their stand and the Chinese Government say that they would first deal with the border dispute as a whole and would go for sector-wise talks later. If so, I would like to know, whether Government of India contemplate any change in its stand or propose to take some other steps?

18.00 hrs.

[English]

**SHRI CHINTAMANI JENA (Bala-sore)** : Hon. Deputy-Speaker, Sir, I would

like to know from the hon. Minister whether his honourable colleague, Mr. Natwar Singh, while replying to the Supplementary of this Starred Question told what my hon. friend, Dr. Raj Hans has already said :

[Translation]

When there is any danger, we shall face it. Therefore,—

[English]

—I want to know from the hon. Minister what is the planning of the Government. If at all something goes wrong, or worst happens then what would be our stand?

Sir, the hon. Minister while replying to Dr. Raj Hans has told that 2100 sq. miles of Indian territory which is known as 'Occupied Kashmir' was handed over by Pakistan to China after signing an agreement in the year 1962 and they have started the construction of this road on 2nd March 1963, and completed in June, 1978 which was inaugurated by their Vice-Premier. So, is it a fact that a major portion of the Karakoram Highway has been constructed on the occupied Kashmir, which is our territory and that area which has been handed over by Pakistan to China? If so, what is the action taken by our Government, except lodging our protest, protesting through diplomatic channels? What other precautionary measures have been taken by our Government?

In this connection, may I know from the hon. Minister whether this issue was discussed by our diplomats and leaders with the Prime Minister of Pakistan when he visited India 2 or 3 days back to attend the SAARC conference? If so, what was the discussion and what was the net result of it?

**SHRI EDUARDO FALEIRO** : Sir hon. Members have raised very broad questions. Though they are very important, it would not be proper for me or for the House to debate in this particular half-an-hour discussion. It is because,

[Shri Eduardo Faleiro]

they do not pertain in any manner to the subject of discussion. Hon. Member Mr. Rath has raised the question of the intrusion on the Eastern sector which is nothing to do with this road, which is thousands of miles away.

SHRI SOMNATH RATA (Aska) : I mentioned about widening this road.

SHRI EDUARDO FALEIRO : No amount of widening this road can take us—from this point here to the extreme point of China, to this point. In no way, can it go there. It is entirely a separate issue and a different and distinct area.

Similarly, I am afraid Aksaichin is really not a subject matter of discussion because the road does not pass through. It is in a different area.

SHRI SOMNATH RATH : This is concerning the defence of the country. This is not concerning with the road.

SHRI EDUARDO FALEIRO : I will give to the hon. Member, a map, if need be, which I have in front of me.

SHRI P. NAMGYAL (Ladakh) : It means, you are giving away Aksaichin to China, the area of 35,500 sq. kilo. which is illegally occupied by China.

MR. DEPUTY-SPEAKER : Mr. Namgyal, you take your seat.

SHRI EDUARDO FALEIRO : Mr. Namgyal comes from near that area. We should appreciate his feeling. But the road does not pass through.

SHRI SOMNATH RATH : It is not concerning the road only. It is concerning the defence of the country. That is most important. It cannot be evaded by saying this is not concerned ; that is not concerned. It is concerning the defence of the country, which is very very vital. In that sense, the hon. Minister should tell us.

MR. DEPUTY-SPEAKER : He is telling ; he is replying.

SHRI SOMNATH RATH : How the Minister is only saying: this is not concerned ; that is not concerned.

SHRI EDUARDO FALEIRO : I appreciate the feelings, particularly of

Mr. Namgyal who comes from near Aksaichin but not from near the road. In response, I must respond differently to the hon. Members. In this context, without going to the actual geographical location of these areas which are in dispute between us and China, which do not form part of the discussion, I must say, yes, we are trying to establish friendship and cooperation with all our neighbours that include China. The question of settlement of boundary dispute is of paramount importance. It is necessary that while we are making efforts to establish friendly relations with our neighbours, our neighbours should reciprocate. As far as China is concerned, it is the policy of our Government to seek the normalisation of our bilateral relations with that country. Friendship between India and China is necessary for maintenance of peace and stability in Asia. We realise that pending a just and satisfactory settlement of boundary question—however, the Members have made a reference full normalisation of Indo-China relations cannot be achieved. However, we shall continue to strive for a peaceful settlement of the boundary question. It is our desire to maintain peace and tranquility all along the Indo-China border and to resolve problems which arise, through consultation and negotiations.

18.05 hrs.

BUSINESS ADVISORY COMMITTEE

[English]

### Thirtieth Report

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : Sir, I beg to present the Thirtieth Report of the Business Advisory Committee.

MR. DEPUTY-SPEAKER : The House stands adjourned to meet tomorrow at 11 A.M.

18.06 hrs.

*The Lok Sabha then adjourned till Eleven of the clock on Thursday, November 20, 1986/Kartika 29, 1908 (Saka)*