

drought hit districts of the country to provide easy term loans to the farmers;

(b) if so, the details of the decisions taken in this regard; and

(c) if not, the details of the other types of assistance Government propose to give to these farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) The Reserve Bank of India have issued guidelines to various banks for providing relief measures in areas affected by natural calamities like drought, floods, cyclones, etc. These guidelines, among other things, provide for extension of diverse type of loan facilities for developmental purposes, reschedulement of loan instalments, waiver of shortfall in margins and relaxation in security criteria. The banks have been further advised to take a sympathetic view of the difficulties of borrowers and to extend concessional treatment to drought affected farmers.

Decline in opium cultivation in Uttar Pradesh

*73 SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) whether there has been a sharp decline in the opium cultivation in Uttar Pradesh during the last two or three years (1983-85);

(b) if so, the reasons therefor; and

(c) whether Government propose to consider introduction of rotation cultivation in the opium growing areas?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The area under opium-poppy cultivation in Uttar Pradesh declined from 7,206.50 hectares in 1982-83 to 5,742.69 hectares in 1983-84 and 5,668.45 hectares in 1984-85.

(b) The production of opium in India is essentially export-oriented. Due

to global over-supply of opiate raw materials, Indian opium has been facing increasing competition from alternate raw materials, particularly, the concentrate of poppy straw. This has resulted in the accumulation of large stocks in the Government factories. The Government have, therefore, been constrained to reduce the area for poppy cultivation in a phased manner in the last few years in the three opium-poppy growing States including Uttar Pradesh.

(c) There is no such proposal with the Government.

[English]

Customs seizure of ready-made textile garments for Illegal Export to USA

*74. SHRI V. TULSIRAM : Will the Minister of FINANCE be pleased to state ;

(a) whether the Customs authorities at Delhi airport have seized ready-made textile garments worth lakhs of rupees to be illegally exported to USA ;

(b) whether some arrests have been made in this regard ;

(c) if so, the details of the case ; and

(d) the items involved ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) The Customs authorities have seized 73 consignments of ready-made garments, such as skirts, blouses, tops and other ladies and gents apparel, totally valued at Rs. 78.94 lakhs at the Cargo Warehouse at Delhi Airport during April, 1985 on the ground of contravention of the Exports (Control) Order, 1977 and misdeclaration under the Customs Act, 1962. No arrests have been made in these cases.

Nationalisation of banks running under private sector

*75 SHRI H.N. NANJE GOWDA :
SHRI G.S. BASAVARAJU :

Will the Minister of FINANCE be pleased to state ;

(a) whether there is a proposal under the consideration of Government to nationalise some more banks which are presently running under private sector ; and

(b) if so, the details thereof ?

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

(b) Does not arise.

Interest rates for short term deposits

*76. SHRI KAMLA PRASAD SINGH :

SHRI B. B. RAMAIAH :

Will the Minister of FINANCE be pleased to state ;

(a) whether it is a fact that the Reserve Bank of India has issued a directive to the banks to raise interest rates for short-term deposits ignoring the objections of the banks ;

(b) the likely additional cost burden on the banks owing to this increase ;

(c) whether his Ministry has gone into the pros and cons of increasing interest rates ;

(d) whether the scheme was meant to give a boost to foreign banking operations in the country ; and

(e) the reasons for withdrawing the scheme suddenly within almost a month of its introduction ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b), (c) and (e) As per the provisions contained in the Banking Regulations Act, 1949, the power to determine interest rates on bank deposits vests with Reserve Bank of India. As and when necessary the Governor, RBI, convenes meetings of Chief Executives of banks to discuss various proposals relating to credit and interest rate policies. The RBI announced

the credit policy measures for the first half of 1985-86 after the meeting of Chief Executives of major scheduled commercial banks held on 6.4.85. As a result of these measures, with effect from April 8, 1985, individual banks were given freedom to fix interest rates within the prescribed ceiling of 8% for deposits of maturities of more than 15 days but of less than one year.

The total cost of funds mainly depends upon maturity structure of new deposits, shift from long term to short term deposits and vice-versa, interest rate on various maturities, etc. It is therefore not feasible to estimate the additional cost, if any, resulting from the measures announced on 6.4.85.

After the introduction of these measures it was noticed by RBI that the above scheme, which was designed to bring in untapped resources into the banking system and also to impart a certain degree of flexibility to banks for better management of deposit portfolio, was not proceeding on the lines envisaged. Some banks started offering a rate of 8% even for maturities of 15 days and the other banks simply followed suit. After a review the Reserve Bank, therefore, decided to withdraw the discretion bestowed on banks and fixed specific interest rates for five maturity intervals below one year within the ceiling of eight per cent fixed earlier.

On monetary and credit policy matters, including matters pertaining to interest rate structure, consultations are held between the Government and Reserve Bank of India as and when required.

(d) No, Sir.

Agreement with Japan for transfer of high technology

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

(a) whether any agreement is under negotiation with Japan for transfer of high technology and whether it includes