

RAJYA SABHA

Tuesday, the 11th February, 1974. (11th SOH Magha, 1895 (Saka))

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Strike and lock-out in L.I.C.

*1. SHRI KALI MUKHERJEE: SHRI M.

K. MOHTA: DR. Z. A. AHMED: SHRI
YOGENDRA SHARMA: SHRI BHUPESH
GUPTA: SHRI S. G. SARDESAI: SHRI
GURMUKH SINGH ML'SA-

FIR: SHRI CHANDRA

SHEKHAR: SHRI A. G.

KULKARNI: SHRI SYED HUSSAIN:

SHRI V. B. RAJU: SHRI

SAWAISINGH SISODIA: DR. BHAI

MAHAVIR:

SHRIMATI LAKSHMI KUMARI
CHUNDAWAT:

SHRI MAHENDRA BAHADUR
SINGH:

SHRI J. G. TILAK: SHRI KRISHNAN KANT:

SHRI J. V. ANAXDAN: Will the Minister
of FINANCE be pleased to state:

(a) whether there was a strike and lock-out
in the Life Insurance Corporation recently;

(In if so, what was the number of employees
affected by the lock-out and the amount of loss
suffered by Government as a result thereof; and

(c) whether the lock-out has been lifted and the
dispute resolved?

The MINISTER OF FINANCE (SHRI Y. B.
CHAVAN): (a) Yes, Sir. Partial lockout was
declared by the Corporation affecting six of its
divisions.

(b) Nearly 4800 employees were affected
by a partial lock-out. It is difficult to
quantify the loss.

(d) The lock-out was lifted on 24th January, 1974
after a settlement was arrived at by the
management with the Employees' Associations,

(e) The question was actually asked on the door of
the House by Shri Kali Mukherjee.

SHRI KALI MUKHERJEE: Sir, I like
to have an idea that in the matter of conciliation
why that lock-out was necessary. Is it the practice of
the Government, while discussing with the
recognised trade unions, to pressurise the
employees? And you are using the instrument of
lock-out as the private sector does.

SHRI Y. B. CHAVAN: No, Sir We do not
believe in lock-outs. We do not believe in lockouts
as a tool to pressurise or use it against the trade
union movement. But it became necessary when the
trade union tried to pressurise the Corporation,
while the negotiations were on, by starting 'work-to-
rule' and by making the work impossible; and out of
39 divisions only six divisions were affected.

SHRI NIREN GHOSH: Is 'work-to-rule'
pressurising?

SHRI Y. B. CHAVAN: It is not merely 'work-to-
rule'. It is question of holding demonstrations in the
office, shouting slogans, not giving cooperation,
making life impossible for the other people who
wanted to work in a normal manner.

* These are entirely matters of the past. Now
because we have come to an amicable settlement
with the employees; we do not want to create an
feeling in the minds of the employees.

SHRI KALI MUKHERJEE: I would like to
know, since Life Insurance was taken over by the
Government, what has been the wage increase or
wage differential in comparison with the other
sectors of the employees in the public sector.
When you took over, what was the structure of wage
for the Class 4, Class 1 or Class 2 grades, the
minimum? And with the index number as it is today,
how does it compare with the Central Government
services and the public sector services? That can
give us an impression how you are treating the
employees. And what is this disturbance—as you
have stated, why this indiscipline? Is it—higher the
wages more the indiscipline and lower the wages
less the indiscipline? We are to go and research that
part of it. So I would like to know what is the wage
structure. When you took over, what were the
wages? In between how have they increased? And
what is the behaviour pattern of the employees after
the wage increase? I would like to have an idea how
the country is moving with the wages and the
behaviour pattern of the employees particularly the
white-collar employees.

SHRI Y. B. CHAVAN: Sir it is difficult for
me to answer this . . .

SHRI KALI MUKHLRJLE: And what is the increase in business and also (lie efficiency of the workmen?

"SHRI Y. TV CHAVAN: It all requires a study in depth. It you want an answer to a supplementary as this, i. is rather a difficult task to perform. The hon. Member ran write to me; I will in reply give him all Uje details iLiat he wants. It is very difficult for me to make a statement here.

SHRI BHUPESH GUPTA: Ihe hon. Minister has said that we should not go into (he past. Well, I accept it; it is the best way of avoiding the answer. I welcome the agreement that has been arrived at; it is very good that you lu.ve arrived at it.

May I know whether, before declaring Ihe loxtk-out, the Minister himself was personally consulted by the L.IC authorities and whether it is not a fact that nowadays a tendency in some of these public sector undertakings is growing on the part of the management-as it is pointed out—to pressurise and intimidate the employees and' workers by declaring lock-outs recklessly? May I know whether he was gone into this question and whether he has considered Hie advisability of giving directions to the units that arc under him that no such sups should be taken without the personal appioval of the Minister himself?

SHRI Y. B. CHAVAN: To be lair lo ihe Corporation office beaiers, I must say that ihev kept me informed of the decisions laken. In those circumstances I had satisfied myself thai it was absolutely essential for ihem lo lake action because the negotiations had reached a certain stale of advanced conciliation. At that lime in some of the offices it was absolutelv impossible for them lo function. It was not the intention to use lock-out lo put pressure, during the negotiations. I can say that this is one thing which as a measure. But this was an emergency situation.

SHRI BHUPESH GUPTA: Mr. Chavan, I did hoi ask you whe her you were informed) Obviously you must have been informed. I want lo know whether your prior (onsen! or approval was laken b> ihe L.I.C. authorities before declaring lock-out.

SHRI Y. B. CHAVAN: They take their own decisions. There is no question of my consent or no consent.

श्री गुरुमुख सिंह मुसाफिर : मैं सिर्फ यह जानना चाहता हूँ कि यह जो तालाबन्दी खत्म हुई है, मेरा ब्याल है यह आपस में कम्प्रोमाइज करके हुई है।

ले किन मेरी जानकारी यह है कि एल० आई० सी में पांच यूनियन बनी हुई हैं, तो क्या किसी ए-यूनियन के साथ समझौता हुआ है या पांचों यूनियनों के साथ हुआ है? मैं यह जानना चाहता हूँ।

श्री य० ब० चव्हाण : पांचों के साथ हुआ है।

SHRI SAWAISINGH SISODIA: Looking to the inconvenience caused to the millions of policy holders due lo llie agnation and the expendilue of Rs. b crores as addition to the existing wage bill, may I know whe-ither the management have considered ihe question regarding efficiency, productivity and profiabiliiv of the Life Insurance Corporation?

SHRI Y. B. CHAVAN: I am sorry I have not got ihe exacl lext of ihe agreement with me. About the points that the hon'ble Member has mentioned, certainly the ques-tion oi co-operation in order lo work the Corpoiation well was taken into considera-tion.

श्रीमती लक्ष्मी कुमारी चूडावत : क्या यह सही है कि पिछले 8-10 महीनों में जिन लाखों पालिसी हॉल्डरों ने प्रीमियम दिया था, उनको अभी तक समुचित ग्रेच्युटी नहीं मिली है? क्या यह भी सही है कि एल० आई० सी० को जो अक्लीकेणन्स लोन के लिए दी गई थी, उनका उप्रतिगत भी डिस्पोजल नहीं हुआ है?

MIRI Y. B. CHAVAN: Weil, Sir, I have not got any information but certainly it is a matter which will be looked into. a

SHRI J. s. TILAK: Sir strikes in the L.I.C. and ihe nationalised banks point out tq the group dummies in the organised sec-, lor much (joint out lo the lopsided, irrational, anomalous salary structure. May I i now, Sir, whether the hon'ble Minister does not feel thai it is necessary to have a coherent national policy on wages, in-and prices?

MIRI V. U. CHAVAN: Thai there is re-jquirent and necessity of a clear-cut, precise national policy is an undisputed ques-entireiv agiee wiith ihe hon'ble iwember that such a policy should be worked out.

SHRI THILLAI VILLALAN: My question i:. regarding sub-division, B. May I kno>y fro'ii the hon'bie Minister whether an) account has been taken of the lapsed policies which wcie i)mi; lo non-issue of proper iniin.iiion lo Ihe policy holders due lo lock cut?

SHRI Y. B. CHAVAN: Well, Sir, I do not think I have got any information about this, but I am sure the Corporation must be looking into this matter. If any specific cases are brought to our notice, we can certainly look into them.

SHRI MONORANJAN ROY: Since 31-3-1973, after the expiry of the old agreement, the employees' associations placed a charter of demands and the management took a long time in discussion and coming to an agreement ultimately after the lock-out. Now, due to the lock-out, there are pending files of policy-holders. Twenty-five thousand cases are there in Delhi alone. Now I would like to know whether the Government is prepared or the LIC is prepared to get that work done through the employees by paying them either the wages for the lock-out period or overtime. Otherwise how will these pending cases be dealt with? Apart from that, 22 cases of suspension are still pending. What are you going to do with those cases?

SHRI Y. B. CHAVAN: Well, those who are under suspension will have to be kept under suspension and certain departmental proceedings will be taken against them. What else can I do? Some way is also being found out, in the case of those who agree to go on leave for the period of absence till the agreement. If these people do not want to do it, what can be done? Naturally they will have to make one choice.

SHRI MONORANJAN ROY: My question was, there are 25,000 cases pending disposed in Delhi alone. That work shall have to be done. But why should the employees do it unless they are paid wages for the lock-out period or they are paid overtime?

SHRI Y. B. CHAVAN: What are you suggesting? The pending cases will have to be done by the employees.

SHRI MONORANJAN ROY: How can they?

SHRI Y. B. CHAVAN: They can.

SHRI MONORANJAN ROY: For the "work-to-rule" period, there is an agreement that they will do it. But for this period of lock-out, why should they do it?

MR. CHAIRMAN: Yes, Mr. Kalyan Roy.

SHRI KALYAN ROY: Assuming that there was some slogan-shouting in the offices, will the Minister agree with me that this discontent of the employees, including the officers, was brought about by a policy of the LIC whereby 42 per cent of the total financial assistance has gone to the monopoly houses and an investment of Rs. 89.42 crores has gone to the monopoly houses and

the 1200 were sanctioned the maximum amount of assistance of Rs. 89.79 crores? Is it not a fact that this brotherly, friendly attitude towards the monopolists of the present management of the LIC, which declared a war against its employees, is also responsible for the discontent and inefficiency in the LIC?

SHRI Y. B. CHAVAN: This is a matter of making an assessment of the situation. Possibly I may not share his view.

SHRIMATI SUMITRA G. FULKARNI: The main dispute in the LIC was regarding the calculation of bonus. The management wanted to calculate the bonus on the basis of the employees' annual average income, while the unions wanted to be calculated on the basis of the employees' March salary. Will the Finance Minister be kind enough to tell us how this issue was resolved?

SHRI Y. B. CHAVAN: I do not know exactly how this issue was argued about. I can only say that both sides have now come to an agreement. So I think they must have solved it.

श्री इन सिंह साँ : प्रायः यह देखा गया है कि जब तक स्ट्राइक, हड़ताल, प्रदर्शन आदि के तरीके अपनाए न जायें तब तक सरकार सम्झौते पर नहीं आती। तो मैं यह जानना चाहता हूँ माननीय मंत्री जी से कि क्या सरकार की यह नीति है कि जब तक डिस्टर्बेन्स नहीं हों तब तक बातों पर विचार ही न किया जाय, क्या सरकार 'प्रिवेशन इज बेटर देन क्वोर' के सिद्धान्त से विश्वास नहीं करती ?

श्री ब० ट० इ० शर्मा : इस सिद्धान्त में विश्वास अवश्य करती है, इसमें कोई शक नहीं है, लेकिन यह भी नहीं है कि जिस वक्त एग्जीटिभन चलता है उसके साथ कालबीत नहीं करती है, बहू-बीएटी द्यूट नहीं है। बातें चल रही थीं, जब एग्जीटिभन चल रहा था तो प्रिवेटिव एग्जीभन भी चल रहा।

Uniform Pay Scales for Government and Public Undertakings Employees

*2. SHRI SAIL KUMAR GANGULI:

SHRI SUHRID MULLICK CHOU
DHURY:

SHRI SASANKASEKHAR SANYAL
SHRI DHARAMCHAND JAIN:

Will the Minister of FINANCE be pleased to state:

The question was actually asked on the floor of the House by Shri. Sali Kumar Ganguli.

(a) whether Government have any scheme under consideration for introducing uniform pay-scales (including allowances and other amenities) for all categories of staff working in Government Offices, Public Undertakings and Banks; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) No, Sir.

(b) Does not arise.

SHRI SALIL KUMAR GANGULI: Is it a fact that the officers and staff in the Ministries and Directorates which control the public undertakings get less salary than the staff and officers of those public undertakings? If so, it is not possibly an anomaly? Why is it that the Government does nothing about it?

SHRI K. R. GANESH: Sir, the hon. Member's question is very short but it is a part of the general question of the difference between the wages and salaries of the employees of the public sector undertakings and employees of the Government. The Third Pay Commission has gone into this question because the employees had raised this question before the Pay Commission. And, Sir, it is also known that in the public sector undertakings, as a result of awards and various other bilateral negotiations and agreements a certain salary structure has developed and it is different as far as the Government sector is concerned because it is based on the recommendations of the Pay Commission.

SHRI DHARAMCHAND JAIN: Is the hon. Minister aware that as a result of this difference in salaries and allowances between the public sector employees and employees of the Government, a lot of Government officers are trying to go to the public sector undertakings because of better facilities and salaries there? How is the Government going to check this?

SHRI K. R. GANESH: Sir, I had already indicated that the salary structure and other amenities of the governmental sector are decided by the Pay Commission which is appointed from time to time. The salaries and wages and other amenities in the private sector as well as in the public sector undertakings have developed under different historical conditions, and certain disparities do exist. But as far as the Government sector is concerned, apart from wages and salaries, there is security of employment, there is time-scale, which is a larger

scale, and other amenities available to the Government sector.

SHRI K. CHANDRASEKHARAN: May I know from the hon. Minister whether the Government would consider the principle of payment of bonus, now accepted for the public sector undertakings employees and private sector employees, to the Government employees also, and particularly, in the first instance, to the employees of commercial undertakings run departmentally by the Government like the Railways, and if not, why?

SHRI K. R. GANESH: These matters are under consideration of the Bonus Review Committee.

DR. K. MATHEW KURIAN: Sir, I would like to know whether the Government would consider to accept as a method of bringing uniformity of pay-scale at the lower strata of employees the need-based minimum wages, at least on the basis of the calculation of Dr. Aykroyd, which has put it at a minimum of Rs. 340 and accepted in the Third Pay Commission's Report. I would like to know whether the Government will accept this as a principle to be implemented and not as a principle to be kept on paper.

SHRI K. R. GANESH: The hon. Member himself is aware that it is for the first time that the Third Pay Commission has accepted the need-based minimum wage. Whatever be the difference in the quantum, this is the quantum that has been worked out by the Third Pay Commission and implemented for the first time by the Government. We have a need-based minimum wage.

DR. K. MATHEW KURIAN: No, Sir. Dr. Aykroyd's calculation is based on 2,700 calories consumption and the Pay Commission has given Rs. 196 which is based on vegetarian diet. Under the Pay Commission's recommendations, all Government employees should be bachelors for five years and they should consume vegetarian food only.

SHRI K. R. GANESH: These points have been taken into consideration when the Government took the decision to accept the Pay Commission's recommendations as well as when bringing about certain changes after discussion with the employees.

SHRI G. A. APPAN: Mr. Chairman, Sir, it is really very surprising that even the Members of Parliament should go on asking for more salaries and more benefits. It is also a pity that most of the people do not take into consideration the value of social costs. 'Social cost' is a very highly technical term. I really wonder whether many of the people who want more pay have understood the value of the social cost.

The social cost theory is a very advanced theory. The employees get not only pay, but also allowances, bonus, and things like that. The social cost runs into at least 50 per cent of the salaries and allowances. Under these circumstances, may I know from the hon. Minister whether he will appoint a joint select-committee of both the Houses of Parliament to study the question of salaries, allowances and bonus coupled with the social costs for each of the categories, from the lowest to the highest, in various sectors of Government institutions. Will he also examine the feasibility of introducing social insurance for everybody without exception because this will support them and in that case they need not unduly and parasitically depend on salaries and allowances? Will he also take into consideration the need end necessity—this is indispensable to restrict the indiscriminate issue of paper currency unless it is supported by metallic reserves, as is the practice in the economic circles all over the world? It will not be possible for the Government to please these thirsty, hungry people unless the purchasing power of the money is maintained. I do not think the idea of social cost has been raised by anybody so far.

SHRI K. R. GANESH: Social costs and the various things mentioned by the hon. Member have been gone into by the Pay Commission very extensively before coming to their conclusions on the wage structure.

DR. R. K. CHAKRABARTI: When a white-collar worker in some of the public undertakings like I.I.C. and banks gets a minimum of Rs. 514 per month, we find that the non-teaching staff of a university placed in a similar position, such as junior assistants, get only Rs. 200 per month. In today's paper we found that the DGHS has announced the pay-scales of interns, house surgeons, etc. Why this piecemeal business is going on? Why can't you formulate a uniform pay policy for similar jobs in similar organisations throughout the country so that we are not to be disturbed every time some sections of employees come up with certain demands. In some cases the demands are acceded to and they get more pay and allowances and amenities. But some other sections of employees doing similar jobs do not get these increased pay and allowances. Why not have a uniform pay policy?

SHRI MONORANTAN ROY: He is wrong. In the I.I.C. no one is getting Rs. 514.

DR. K. MATHEW KURIAN: You are misled by the I.I.C. management.

SHRI K. R. GANESH: The hon. Member will realise that the Finance Minister has already explained the manner in which the I

salaries and wages of the employees in I.I.C. and banks are decided. They are decided by agreements because they were formerly in the private sector. There are certain awards by tribunals on their wage structure. It is not possible to deviate from these awards. But I agree there is disparity. There is no doubt about that.

The Pay Commission has extensively gone into this question and it has suggested certain things. Sir, even in the public sector undertakings there are disparities and there is disparity between the Central Government and the State Governments and there are disparities even amongst the various categories of the State Government employees. Sir, it is a very laudable suggestion that the Government should work out an integrated policy. But, Sir, it is a large question and it requires many things. The whole economy has to be taken into account and various other things have to be considered and these things are continuously under our examination.

DR. R.K. CHAKRABARTI: Then how are you going to solve the problem? Today, the doctors are getting different things in different areas. The doctors in Delhi are getting something and in Calcutta and Madras they are getting something different. So, how are you going to solve this problem?

MR. CHAIRMAN: All right. Next question.

Profits in the textile industry

- *S. SHRI VITHAL GADGIL: SHRI N. R. CHAUDHURY: SHRI SARDAR AMJAD ALI: MISS SAROJ PURUSHOTTAM KHAPARDE: SHRI HARSH DEO MALAVIYA: SHRI K. B. CHETTRI: SHRI IBRAHIM KALANIYA

Will the Minister of COMMERCE be pleased to state:

(a) whether Government have made any study about the increasing profits in the textile industry; and

(b) if so, what are the details thereof?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): (a) and (b) A study of profitability figures of 228 cotton textile mill companies reveals that gross profit (after depreciation but before interest, development rebate and taxation) as percentage of sales in 1972-73 was 7.5 as compared to 5.07 in 1971-72.

The question was actually asked on the floor of the House by Miss Saroj Purshot-tarn Khaparde.

MISS SAROJ PURUSHOTTAM KHAPARDE: Sir, I would like to know whether it is a fact that the textile mills are being looked after by two Ministries, that is, one is the Ministry of Industrial Development through the NTC which is in the public sector and the mills under the NTC are sick and the other one is the Ministry of Commerce which is looking after the healthy units? I would also like to know whether the policies pursued contradict each other with the result that the textile magnate, in the name of exports, are exploiting the Government and the people and the nation as a whole.

PROF. D. P. CHATTOPADHYAYA: Sir, it is a fact that the NTC mills are being looked after by the Industrial Development Ministry. But all these mills are not sick as the honourable Member has suggested. Some of these mills are making profits. The other mills are being looked after by the Commerce Ministry.

SHRI BHUPESH GUPTA: You mean sick mills?

PROF. D. P. CHATTOPADHYAYA: No, the other ones.

SHRI BHUPESH GUPTA: But sickness is there?

PROF. D. P. CHATTOPADHYAYA: No, I mean the non-NTC mills.

SHRI BHUPESH GUPTA: Sir, I want to know whether Mr. Subramaniam is sick or the Commerce Minister.

MR. CHAIRMAN: The Minister is not sick; he is very healthy.

PROF. D. P. CHATTOPADHYAYA: Sir, even the NTC mills which are supposed to be the sick mills are not all sick; some of them are in very good shape and health. I am speaking of the non-NTC mills which are under the administrative control of the Commerce Ministry and now the figures of profit quoted by me are for the non-NTC mills and they do not suggest that they are making a huge profit.

MR. CHAIRMAN: Miss Khaparde, any other question? No. All right, Mr. Malaviya.

SHRI HARSH DEO MALAVIYA: Sir, is it a fact that the cotton mills' profits in 1972 were higher by 100 to 200% than in 1971 and that the Vikram Mill's profits increased in 1972 by 1500% over 1971 profits and instead of being satisfied with these huge profits, many mills have jacked up the prices of several varieties of fabrics by 25% to 30% between December 1972 and June 1973? Furthermore, Sir, despite production in 1972 being a record one, there was a shortfall of 25 million sq. metres of controlled cloth.

They were supposed to supply 400 million metres but they supplied 25 million metres less.

PROF. D. P. CHATTOPADHYAYA: I have already quoted the percentage of the profits made by 228 mills which are not under NTC. I have already quoted that in 1971-72 their figure of profitability was 5.07% and in 1972-73 . . . (Interruptions).

SHRI HARSH DEO MALAVIYA: What is the source of your figures?

PROF. D. P. CHATTOPADHYAYA: The source is the Textile Commissioner's investigation of 228 mills. Out of 693 mills . . .

DR. K. MATHEW KURIAN: But the 'Economic Times' . . .

MR. CHAIRMAN: Dr. Kurian, please don't interrupt . . . (Interruptions).

SHRI HARSH DEO MALAVIYA: He is quoting very low figures . . . (Interruptions).

PROF. D. P. CHATTOPADHYAYA: I am giving the figures. I am answering the question. Let me finish my answer and then you raise further points and I would be very glad to answer them with the permission of the Chairman . . .

MR. CHAIRMAN: He is very active these days . . . (Interruptions).

PROF. D. P. CHATTOPADHYAYA: Out of 693 mills, the figures in respect of 228 mills have been given. These 228 mills account for 75% of the production. So whatever figure I am quoting represents 75% of production . . . (Interruptions).

SHRI HARSH DEO MALAVIYA: Sir, my question has not been answered. I wanted to know whether it is a fact that the profits of Vikram Mills in 1972-73 were 1500 per cent over those for 1971. This is one question. My second question in this connection is that they had a target of supplying 400 million metres in 1972 but they supplied less quota fixed by the Government. They supplied 25 million metres less even though there was big production. Is it a fact? If so, what is he going to do about it to stop the thing?

PROF. D. P. CHATTOPADHYAYA: Sir, about one or two mills it is true that they had made more profits. But suppose one mill makes one lakh profit in one year and in the next year it makes 3 lakhs profit — it will be three hundred per cent — but that does not mean that this represents the figures of the industry as a whole. Then, it is true that there were some arrears, but that backlog is now being cleared gradually, and the backlog has been substantially cleared. Even then, we have decided Sir, that the quantum of the controlled cloth

will be substantially increased—if possible, 100 per cent.

SHRI K. B. CHETTRI: Sir, is it a fact that the Government is giving subsidies to textile industries in the prices of cotton and others, while the Government is not considering freight equalisation in cotton to save the textile industry in West Bengal?

PROF. D. P. CHATTOPADHYAYA: Sir, the subsidy has been considerably reduced. Now, the question of equalization is under the consideration of the Planning Commission. It has been referred by the Commerce Ministry, after a thorough study, to the Planning Commission.

SHRI K. B. CHETTRI: How long will it take?

MR. CHAIRMAN: Mr. Chinnai.

SHRI BABUBHAI M. CHINAI: Sir, the hon. Minister has been very kind and charitable, at the risk and at the cost of the consumers, by saying that the profitability of the textile industry has not been very much higher during the year 1972-73. If it is so, may I know from him why the textile policy which he was supposed to announce in September has been postponed month after month till today? It is February now. Will he be able to enlighten us as to when this policy is going to be announced so that we may know whether such profit, which he thinks is not much, is going to stop at that or is going to increase?

PROF. D. P. CHATTOPADHYAYA: Sir, it is a fact that some unavoidable delay has taken place in announcing our textile policy. The main reason is that there are different aspects. The N.T.C. mills have some difficulties. We in the Commerce Ministry who are primarily in charge of the non-N.T.C. mills, have to take care of the N.T.C. mills' problems also. Therefore, we could not announce an integrated policy. We hope to declare it very soon and if possible within this month.

श्रीमती लक्ष्मी कुमारी चंडावत : क्या यह सही है कि ये जो मिल-मालिक हैं, एक निर्धारित कोर्स कपड़ा बनाने के बाद—जो सरकार की आज्ञा है उसको टाल कर—सुपरफाइन क्लॉथ बनाते हैं, उससे ज़ीयुना-यंचगुना मृनाफा कमाते हैं, और सरकार केवल निर्धारित कोटा न बनाने पर एक छोटा सा जुर्माना कर देती है लेकिन मिल-मालिकों को जितना नफा होता है उसमें वे जुर्माना दे देना उचित समझते हैं और उतना कोर्स कपड़ा नहीं बनाते, तो उसको रोकने के लिए आप क्या कदम उठाना चाहते हैं?

PROF. D. P. CHATTOPADHYAYA: Sir, it is a fact that the penalty which we have been imposing all these years is inadequate. So, we propose to increase the penalty cent per cent and, if possible, more than cent per cent.

SHRI N. K. SHEJWALKAR: May I tell the hon. Minister that more profits are due to two reasons? One reason is the price rise and the second reason is the lesser price which you are giving to the cotton growers. If it is a fact, then what benefit does the Government propose to give to the cotton growers and also to the consumers in order to lessen the price?

PROF. D. P. CHATTOPADHYAYA: As I said, we are looking at the different aspects of the textile industry. We have to look at it from the cotton growers' point of view and also from the consumers' point of view. As you will appreciate, all the points of view are not easily reconcilable. So, giving higher price to the cotton growers will entail higher price for the consumers' goods at the consumers' level. We are trying to reconcile it in a very reasonable way.

DR. V. A. SEYID MUHAMMAD: The published figures show that smaller mills are making higher profits. The Surat Cotton Mills is making a profit of 863 per cent whereas the mill belonging to the larger houses like Arvind Mills and the Tata Mills are making smaller profits. Kindly explain the reason for this disparity.

PROF. D. P. CHATTOPADHYAYA: I do not know the details. The most plausible hypothesis would be that different mills differ in cost efficiency.

SHRI S. G. SARDESAI: The Maharashtra Government had a scheme for monopoly procurement of cotton. The growers demanded an increase in prices and instead of giving them a reasonable increase in price, the Maharashtra Government has totally abolished the monopoly procurement scheme. The growers did not ask for the abolition of the scheme. They only asked for increase in price. Therefore, the small cotton producer is once again at the mercy of the big traders who have not increased the price substantially. They have gone back to their old ways and have made huge profits subsequently. Now, I understand that there is a strong demand for the reintroduction of the monopoly cotton purchase in the Maharashtra Pradesh Congress Committee. Will the Centre take this into consideration seriously?

PROF. D. P. CHATTOPADHYAYA: Sir, I am aware of the problem referred to by the hon. Member. The question under consideration is specifically about the textile industry.

Of course, cotton price is a very important part of it. But I can only say that the mono-poly purchase of cotton or jute in a particular State cannot be successful unless it is (Migrated with some other agency controlling the purchase in some other adjoining States. So the problem has resulted from the non-operation of monopoly purchase in some adjoining States. We are looking into this matter. That is what I can say at the moment.

DR. K. MATHEW KURIAN: Sir, the statement made by the hon. Minister is being very seriously questioned by an elaborate economic study made by the Economic Times of Bombay, which was cotton textile industry had virtually a boom published on 10th September, 1973. According to them, and I just quote. "The in profits and profitability during the year 1972-73". They had given a figure of 12.6 per cent to be the gross profits on total capital employed. This is the figure given by an impartial study. And in this context, I would like to know why the Government is giving a boost to big business houses. According to the Economic Times of 12th January, 1974, the Government is considering further tax reliefs and liberalization of licensing policy in respect of textile mills belonging to larger business houses.

PROF. D. P. CHATTOPADHYAYA: Sir, I have already said that 75 per cent of the production of textiles, that too in the private sector excluding the N.T.C. mills which are in a bad shape, gave only the profit figure of 5.07 per cent in 1971-72 and 7.5 per cent in 1972-73. Sir, the hon. Members must kindly bear in mind that the N.T.C. mills, which are under the Government control and towards which we have special responsibility, are in a very bad shape.

DR. K. MATHEW KURIAN: Why?

PROF. D. P. CHATTOPADHYAYA: Because they have been badly managed.

DR. K. MATHEW KURIAN: The monopoly houses are allowed to expand . . .

MR. CHAIRMAN: Dr. Kurian, I should not have allowed you to put the question because you have already put a question earlier . . .

SHRI KALI MUKHERJEE: The N.T.C. is being killed by the monopoly houses.

PROF. D. P. CHATTOPADHYAYA: They are not being killed; they are very badly affected. We will see what "affection" is controlled . . .

SHRI BHUPESH GUPTA: Is it the affection of the ruling party? Are you controlling that affection?

PROF. D. P. CHATTOPADHYAYA: It is only 'affection' for our N.T.C. Therefore, I want to control the influence of the big private textile mills on the N.T.C. mills. But I would like to say that the profitability rate of the textile industry, if we look into it as a whole, is much more dismal. And I would like to mention that the profit figure of all companies in 1971-72 was 9 per cent whereas the textile industry had only 7.5 per cent. The engineering industries in the same year had a profit of 10.7 per cent. It was 17 per cent in the paper industry. When compared to all those industries together the profit figure in the textile industry is much less. But even then, I admit that . . .

SHRI MONORANJAN ROY: All those figures are compared to the sales or capital . . .

PROF. D. P. CHATTOPADHYAYA: If you allow me, Sir, I can also say . . .

MR. CHAIRMAN: No, no. Mr. Roy's question is not allowed.

SHRI MONORANJAN ROY: That was only a clarification.

MR. CHAIRMAN: Next Question—Shri-mati Sita Devi.

Tourist Traffic to India

*4. SHRIMATI SITA DEVI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the number of tourists who have visited India so far during the current financial year;

(b) the amount of foreign exchange earned as a result of such visits; and

(c) what is the expected volume of tourist traffic during the current year?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. (SMT.) SAROJINI MAHISHI): (a) The total number of tourists who have visited India so far during the current financial year i.e. April to December, 1973 is 302,067.

(b) The foreign exchange earnings from tourism are computed on an annual basis. However, it is estimated that foreign exchange earnings from tourism during April to December, 1973 were about Rs. 50 crores.

(c) During the calendar year 1973 the tourist arrivals recorded the high figure of 409,895 which exceeded the target of 400,000 fixed for the Year. On the basis of the target fixed for 1974, tourist traffic to this country may be of the order of 417,000 by the end of the current financial year.

श्रीमती सीता देवी : क्या मिनिस्टर साहब यह बताएंगी कि आयाल की जो क्राइसिस हमारे देश में है और जो मंहगाई है क्या उसका आने वाले वर्षों जो पर्यटक आएंगे उनकी संख्या पर असर पड़ेगा ? क्या वे यह भी बताएंगी कि जो रिच आयाल कन्ट्रीज हैं, जैसे ईराक और ईरान वगैरह वहां पर हमारे यहां से ज्यादा पर्यटक जाय और वहां से हमारे देश में अधिक पर्यटक आए ताकि वे हमारे देश में जो आयाल से उत्पन्न हुई स्थिति है उसका अध्ययन कर सकें और उसका असर हमारे देश के हित में हो, क्या इस बात का प्रयत्न किया जा रहा है ?

DR. (SMT.) SAROJINI MAHISHI: It is too early to say as to what the impact of the oil crisis on tourism would be. It is, however, hoped that by and large there will not be any impact on tourism during the current year.

श्रीमती सीता देवी : आपने मेरे इस प्रश्न का उत्तर नहीं दिया कि हमारे देश में जो प्रैट्रोल की क्राइसिस है, मंहगाई है, कमी है, उसका प्रभाव क्या वहां से आने वाले पर्यटकों की संख्या पर पड़ेगा ?

श्री सभापती : उन्होंने जवाब दे दिया कि अभी नहीं कहा जा सकता ।

SHRI SALIL KUMAR GANGULI: Sir although Darjeeling provides the best view in the snow-clad peaks in the whole world, it has been closed to foreign tourists since 1962. Kashmir has been the scene of hostile activities since 1948 with the result that for the last 24 years there is a hostile border. But, foreign tourists are not prevented from getting into Kashmir. Sir, I want to know when this Government will abandon the policy of depriving West Bengal from getting foreign tourists.

DR. (SMT.) SAROJINI MAHISHI: Sir there are areas in which entry of foreign tourists is prohibited. Darjeeling town is open to foreign tourists but the adjoining areas are not. We are taking up this matter with the Ministry of Home Affairs. I want to state for the information of the hon. Member that the tourist traffic to Darjeeling has arisen from 1.3 in 1968-69 to 2.4 in 1972-73.

श्री हर्षदेव मालवीय : मान्यवर, मुझे एक बड़ा अचरज है, उसका मैं समाधान चाहता हूँ ।

श्री सभापति : आप प्रश्न पूछिए ।

श्री हर्षदेव मालवीय : श्रीमन् प्रश्न ही कर रहा हूँ । आजकल दिल्ली में और प्रयाग में पीला कुर्ता पहने, खोपड़ी घुटाए, चूटइया बढ़ाये, कम्बल हाथ में लिए कुछ मोरट्टे बहुत घूमते हैं । आप हरिद्वार में जाइए ।

श्री सभापती : प्रश्न पूछिए ।

श्री हर्षदेव मालवीय : प्रश्न पूछ रहा हूँ । आप प्रयाग में जाइए, वे बाकायदा घन्टा हिलाते हैं और कीर्तन करते हैं । मैं जानना चाहता हूँ कि यह कौन हैं, क्या ये टूरिस्ट है, इनसे कितना पैसा मिलता है, क्या ये सी० आई० ए० वाले हैं, ये क्या चीज है, इनको आप क्यों आज्ञा देते हैं ?

श्री काली मुखर्जी : ये के० बी० वाले हैं ।

श्री हर्षदेव मालवीय : हो सकता है ।

श्री राज बहादुर : मान्यवर, जहां तक इन कथित मोरट्टों का सम्बन्ध है, हमारे यहां जो भी पर्यटक बाहर से आते हैं हम उनको मेहमान मानते हैं । अगर वे आते हैं और हमारी व्यवस्था को भंग नहीं करते या हमारी फारेन एक्सचेंज की आय को बढ़ाते हैं तो हम उनका स्वागत ही करते हैं । हम हर बात को मेरिट्स पर लेंगे । इसके अलावा मैं और कुछ नहीं कहूंगा ।

SHRI KALYAN ROY: Sir, the hon. Minister, Shri Raj Bahadur, has agreed that during the last two years that the Congress Party is in power in West Bengal . . .

MR. CHAIRMAN: Shri Kalyan Roy, put your question.

SHRI KALYAN ROY: Would the hon. Minister kindly explain as to why in spite of the Congress Party being in power in West Bengal, the number of foreign passengers to Calcutta is sharply declining in relation to those disembarking at Bombay and Delhi? Calcutta is handling 2.15 lakh passengers while as Bombay is handling 9.70 lakh passengers. There was a restaurant lit in"; run at the Calcutta airport and even that has been closed. Is it because of the decline in investment in Calcutta airport or for some other reason that the number of passengers at Calcutta is declining?

DR. (SMT.) SAROJINI MAHISHI: Apart from decline in investment in West Bengal, he knows that the Calcutta airport is one of the biggest airports in the country.

SHRI BHUPESH GUPTA: And the most deserted one in the world.

DR. (SMT.) SAROJINI MAHISHI: The question of less investment does not arise at all. Secondly, as the hon. Members themselves know, for quite some time there prevailed instability in the eastern region of the country and West Bengal contributed a lot towards that.

SHRI NIREN GHOSH: The question of 400 . . .

DR. (SMT.) SAROJINI MAHISHI: Let me complete my answer.

SHRI NIREN GHOSH: It is from Bombay to Delhi. It is not there.

MR. CHAIRMAN: May I ask hon. Members to let the Minister complete the answer?

DR. R. K. CHAKRABARTI: From Delhi they are flown to Bombay. How can you expect passengers when it is not permitted?

(Interruptions)

MR. CHAIRMAN: I rule it out of order.

DR. (SMT.) SAROJINI MAHISHI: The investments have not declined at all, Sir. That is the first thing. Due to the instability prevailing in the eastern region there was some decline in the tourist population, as the hon. Members know. *(Interruption)*. I think hon. Members will please listen. In 1971 also, due to the conditions prevailing in the eastern region there was some decline but gradually it is picking up.

It is wrong to say that there is decline in the investment because a lot of investment is made. A 5-star hotel also is coming up near Calcutta and I think that is in order to give better facilities to the tourists who go to that area.

Secondly, in order to build up the infrastructure in that area, the accommodation in Darjeeling has been increased, and in Jaldapara also the accommodation is being increased. And I would like the hon. Members to take up with the West Bengal Government also to expedite the projects which are under construction and also to implement those which are being proposed.

SHRI KALYAN ROY: She did not reply my point. Under Mr. Siddhartha Shankar Ray the entire State is peaceful. I said that Bombay is clearing 9.70 lakh passengers while Calcutta is clearing only 2.15 lakhs. Why close the restaurant where the tourists go? You did not answer that question.

DR. (SMT.) SAROJINI MAHISHI: The momentum is gathered after a period

of years. The moment the Congress Government comes in the wants momentum to be picked up immediately.

SHRI BHUPESH GUPTA: The hon. lady Minister is becoming expert in momentum!

Trade Agreement with EEC

*5. SHRI GURMUKH SINGH MUSAFIR†

DR. Z. A. AHMAD:

SHRI K. C. PANDA:

SHRI J. S. TILAK:

SHRI A. G. KULKARNI:

SHRI LOKANATH MISRA:

SHRI V. B. RAJU:

SHRI CHANDRA SHEKHAR:

SHRI K. P. SINGH DEO:

SHRI KALI MUKHARJEE:

SHRI SANT KUMAR RAHA:

SHRI KRISHAN KANT:

Will the Minister of COMMERCE be pleased to state:

(a) whether any final agreement has been reached between India and European Economic Community regarding export and import trade; and

(b) if so, the salient features of this agreement and the extent to which India's export trade will be boosted as a result thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) and (b) A statement is laid on the Table of the House.

Statement

A copy of the text of the Commercial Co-operation Agreement signed between India and the European Communities was laid on the Table of the House on 20th December, 1973.

The salient features of the Agreement are however given below:

(a) The Agreement aims at development of mutual trade exchanges on the basis of comparative advantage and mutual benefit.

(b) Under the Agreement both sides shall grant each other the highest degree of liberalisation in respect of exports and imports which they generally apply to third countries.

†The question was actually asked on the floor of the House by Shri Gurmukh Singh Musafir.

(c) The Agreement envisages cooperation between the concerned organisations of the two sides in the field of exports to and economic relations with third countries, especially developing countries.

(d) The Community has declared its intentions to bind the tariff suspensions in respect of tea, pepper (for industrial use), cardamom and East India Kips. The suspended tariff for the last three products is zero. In regard to tea in bulk and tea in packets the suspended rates are zero and 5% respectively.

(e) A Joint Commission would be established to examine any difficulties likely to hinder the development and diversification of the mutual trade exchanges. The Joint Commission would not only deal with tariff and non-tariff barriers to trade but would also examine and recommend ways and means for the progressive adaptation of mutual trade pattern and marketing structures with a view to promote mutual commercial and economic relations.

The gains to India's trade from the Agreement cannot be quantified.

श्री गुरुमुख सिंह मुसाफिर : जो स्टेटमेंट दिया गया है इस संबंध में जवाब में उसमें कहा गया है कि इस करार से भारत के व्यापार को होने वाले लाभों का प्रमाण नहीं माँगा जा सकता। जहाँ तक एक्सपोर्ट्स का सम्बन्ध है, उस ही सम्बन्ध में जो के अधिभाषण में इसका जिक्र आया है। उन्होंने कुछ आंकड़े भी दिये हैं, हायद, 20 परसेंट उन्होंने कहा है कि पिछले दो सालों में इन चीजें हुआ है। तो जो एक्सपोर्ट ने मुँहपा कि है कि यह लाभ इस करार से हुआ। तो मैं यह जानना चाहता हूँ कि किस किस इलाक़े में किस किस तरीके से यह लाभ हुआ है। यह कौन-कौन से जिलों में है। तो मैं यह पूछना चाहता हूँ कि इसकी डिटेल्स क्या

SHRI A. C. GEORGE: Sir, in the statement the point that has been made in paragraph A is only that the gains to India's trade from the Agreement cannot be quantified. The Agreement was signed only on 15th of December and obviously cannot show the gains in a fully quantified form. That is the only point that we have said in that. But regarding increase in trade with EEC countries, it is steadily increasing. In 1971-72 it was Rs. 503 crores and in 1972-73 it has gone up to Rs. 407 crores, and due to this particular Agreement, with

special reference to coir and jute we were able to reduce the tariff over a period of two years by 60%. And measures taken about cardamom, pepper and East India Kips are also of definite advantage to our country in the matter of export to the EEC countries.

श्री गुरुमुख सिंह मुसाफिर : दूसरा सवाल यह है कि जिन जिन आइटम्स में फायदा हुआ है उनमें जब तक गवर्नमेंट सारे घन्टों को अपने हाथ में नहीं लेती है जो लोग एक्सपोर्ट का काम करते हैं, उनको क्या गवर्नमेंट खास तौर से ज्यादा मदद देने की तरफ ध्यान दे रही है।

SHRI A. C. GEORGE: There is no proposal now to take over the export trade to these countries but over a period we are giving all facilities so that export to this vital sector is increased and so that our balance of payments situation will be more favourable to us.

SHRI J. S. TILAK: India has a large adverse balance of trade with EEC countries. For this the Deputy Director-General of External Relations has suggested that a joint trade promotion agency of EEC and India be constituted. Did Government move in this matter?

SHRI A. C. GEORGE: Sir, I am not aware of this particular suggestion or recommendation, what the hon. Member is referring, but along with this Agreement we have set up a Joint Commission to work out the details and identify each and every product where potentiality and rate of growth is high. Over and above that we have got a commercial development programme under which within three years the intention is to increase the exports to West European countries by Rs. 200 crores. At present in 1972-73 as I pointed out in an earlier reply our export is to the tune of Rs. 407 crores; within the next three years our intention is to take it to Rs. 600 crores.

SHRI V. B. RAJU: Will the hon. Minister be pleased to state how is the balance of trade between the countries of EEC and India in 1972; that is up to December 1972? Here under item (e) it has been said that a Joint Commission would be established to examine any difficulties likely to hinder the development etc. etc. What has been said here is more in general terms. Are there any specific matters that will be placed before the proposed Commission so as to have a balance of trade favourable to India?

SHRI A. C. GEORGE: The position regarding export and import in 1972-73...

SHRI V. B. RAJU: I want for 1973 only.

SHRI A. C. GEORGE: I am coming to that. The export is Rs. 407 crores and import Rs. 545 crores. So far as latest figures are concerned I am not in a position to give now. Only after computing the entire list I will be able to give it. So far as the Joint Commission is concerned, in the West European market there is a tendency to give up labour-intensive items of production and they are going in for more and more sophisticated items. This gives India an advantage and opportunity to enter the European markets with more and more of our industrial and engineering items.

SHRI KALI MUKHERJEE: Sugar is being sold to EEC at 94 paise per kg. May I know from the Minister whether it is not better that we send this cheap sugar which is heavily subsidised to the oil producing Arab countries to get oil instead of obliging the EEC countries at this particular moment when we are suffering terribly from oil shortage?

SHRI A. C. GEORGE: We do concede that the oil producing Arab countries constitute a vital, potential and important market and this particular suggestion also is under consideration.

SHRI SANAT KUMAR RAHA: In reply to (b) it is stated that under the Agreement both sides shall grant each other the highest degree of liberalisation in respect of exports and imports. I want to know what sort of liberalisation we on our part have shown to those countries of the EEC. Imports will be made by India from those countries but what liberalisation have we shown to them?

SHRI A. C. GEORGE: Sir, in any agreement of this sort between countries or group of countries in the international market situation there must be a mutuality of agreement. When they are making some concessions to us naturally we also have to give some concessions and that alone will pave the way for better trade promotion between countries.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS Punishment for misuse of import licences

*6. SHRI SAWAISINGH SISODIA :

SHRIMATI LAESHMI KUMAR!
CHUNDAWAT :

SHRI MAHENDRA BAHADUR
SINGH :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to amend the law providing punishment for offences connected with misuse of import licences; and

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

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): (a) and (b) There is a proposal that in addition to the existing penal provisions in the Imports and Exports (Control) Act and the Orders issued thereunder, the Import Control authorities may be vested with powers for adjudication where misuse of import licence has been proved. The proposal is under consideration.

Complaints Regarding Unsatisfactory working of the Central Bank of India

*7. SHRI KRISHAN KANT :

SHRI GURMUKH SINGH MUSA-

Fir: SHRI KALI MUKHERJEE :

SHRI CHANDRA SHEKHAR: DR.

Z. A. AHMAD : SHRI A. G.

KULKARNI : SHRI V. B. RAJU :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have recently received complaints regarding unsatisfactory working of the Central Bank of India;

(b) whether a study was made by a team of Consultants to streamline procedures in the Branches and the Head Office of the Bank; and

(c) if so, what action has been taken to improve the working of the Bank?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) Yes, Sir.

(b) and (c) The Board of Directors of Central Bank of India has appointed a Committee to review all aspects of the working of the bank. The Committee has not yet completed its study.

Recruitment to class III and Class IV posts in International Terminal and associated Offices of Calcutta Airport

*8. SHRI SARDAR AMJAD ALI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that recruitment to Class III and Class IV categories of posts in the Calcutta International Airport and associated offices, is being made through the International Airports Authority, Delhi and

(b) if so, what are the details in this regard?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR): (a) and (b) No direct recruitment has been made to any Class IV post by the Head office of the International Airports Authority of India. Recruitment to Class III posts also is generally made locally. However, in respect of certain newly created cadres which are common to the Head Office and the four international airports, direct recruitment is being made by the Head Office in the interest of uniform standards of efficiency and suitability.

Opening of Accounts in Indian Banks by Indians living abroad

*9. SHRIMATI LAKSHMI KUMARI CHUNDAWAT:
SHRI MAHENDRA BAHADUR SINGH: SHRI SAWAISINGH SISODIA:

Will the Minister of FINANCE be pleased to State:

(a) whether Government are considering any proposal to allow persons of Indian origin living abroad, to open accounts in banks in India in foreign exchange; and

(b) if so, what are the details in this regard?

THE MINISTER OF FINANCE (SHRI V. B. CMAVAN): (a) and (b) The matter is under consideration.

Evasion of Sales-tax

*10. SHRIMATI RATHNABAI SRE-ENIVASA RAO.
SHRI M. S. ABDUL KHADER:
SHRIMATI SUMITRA G. KULKARNI: SHRIMATI SUSHILA SHANKAR
ADIVAREKAR:

Will the MINISTER OF FINANCE be pleased to state:

(a) whether a meeting of Finance Secretaries of States and Commissioners of Sales Tax of the Union Territories was held in January 1974;

(b) if so, what are their recommendations made for checking evasion of sales tax; and

(c) the action proposed to be taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir. A joint meeting of the four Regional Councils for Sales-tax set up under Article 263 of the Constitution was held on 1st and 2nd January, 1974.

(b) and (c) It was noted at the above meeting that the question regarding setting up of check posts with a view to check inter-state transactions and other incidental matters connected therewith is being examined by the Law Commission; the following recommendations were also made with a view to curb evasion of sales tax:—

(i) There should be proper exchange of information between officers of the Sales-tax Department and the Central Government tax agencies; for this purpose the State sales-tax authorities should be represented on the zonal co-ordination Committees that have been set up. The Central Board of Direct Taxes has been requested to take suitable action in this regard.

(ii) A Committee of officers of the Railway Administration, Finance Ministry and some of the State Governments should examine how maximum co-ordination could be achieved between the Railway authorities and the sales-tax authorities to enable the latter to realise their tax dues; steps are being taken to set up such a Committee.

(iii) As far as possible there should be a common approach amongst States in regard to levy of sales-tax and the tax difference should not be more than 2% or 1% depending upon the commodities taxed at the higher rates of tax and lower rates of tax respectively. The Central Government should try to draw in consultation with the Planning Commission list of commodities which might be considered by the State Governments for having a uniform rate subject to the marginal differential referred to above which is under consideration.

Decline in profits 2 Nationalised Banks

*11. SHRI LOKANATH MISRA:

SHRI K. C. PANDA:

SHRI DEBANANDA AMAT:

SHRI SUNDAR MANI PATEL:

Will the Minister of FINANCE be pleased to state:

(a) the total profits of nationalised banks at the end of 1973;

(b) whether profitability of the nationalised banks has fallen considerably during the last year; and

(c) if so, to what extent and the reasons therefor?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) to (c) The total net profits of nationalised banks for the year 1973 can be determined only after the accounts of these banks for the calendar year 1973, are audited by the statutory auditors and the usual and necessary provisions are made, and the accounts are adopted by their respective Boards of Directors. So far, the audit of the accounts of any bank has not been completed. In view of this, at this stage, it is difficult to indicate the effect of the year's operations on the profitability of Nationalised Banks for the year 1973.

Indo-Soviet trade Agreement

*12. SHRIMATI PRATIBHA SINGH:

Will the Minister of COMMERCE be pleased to state:

(a) whether a high-powered Soviet Trade Delegation visited India in January this year to finalise a trade plan for 1974; and

(b) if so, the outcome of the talks held with the delegation, indicating the terms of the agreement, if any, reached as a result thereof?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): (a) and (b) A statement is laid on the Table of the House.

Statement

The Soviet trade delegation led by Mr. I. L. Gishin, Deputy Minister of Foreign Trade, visited India in January, 1974. As a result of the negotiations between the Soviet and Indian trade delegations, the Trade Protocol for 1974 was prepared. It envisages a trade turnover of Rs. 670 crores between the two countries during 1974.

According to the trade plan, India will export several non-traditional items such as engineering goods, cotton textiles, ready made garments, garage equipments, storage batteries, detergents, footwear, surgical instruments, woollen knitwear, and traditional commodities like de-oiled cakes, cashew kernels, tea, coffee, spices, tobacco, jute manufactures, handicrafts, etc.

Principal items of imports from USSR are kerosene, fertilizers, zinc, copper, nickel, palladium, asbestos, newsprint, rolled steel products, sulphur, sun-flower-seed oil, components and spare parts for Soviet assisted projects, machinery and equipment, etc.

Withdrawal of Control over distribution and prices of yarn

*13. SHRI IBRAHIM KALANIYA:

SHRI HARSH DEO MALAVIYA:

SHRI SARDAR AMJAD ALI:

SHRI VITHAL GADGIL:

SHRI SURAJ PRASAD:

SHRI S. G. SARDESAI:

SHRI N. R. CHOUDHURY:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government have taken a decision to withdraw control over the distribution and price of yarn upto 80 counts;

(b) if so, the reasons therefor; and

(c) the date from which the control has been withdrawn?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) to (c) The production of cotton yarn has been picking up progressively as a result of the restoration of power cuts and prospects of adequate cotton crop, and is now generally above normal levels. Control on distribution of cotton yarn upto 80s counts was, therefore, lifted by stages by the 21st October, 1973. Price control was also withdrawn with effect from 14th January, 1974.

Yen credit to set up fertiliser projects

*14. SHRI ROSHAN LAL:

SHRI JANARDHANA REDDY:

SHRI N. R. CHOUDHURY:

MISS SAROJ PURUSHOTTAM

KHAPARDE'S

SHRI VITHAL GADGIL:

Will the Minister of FINANCE be pleased to state:

(a) whether any agreement has been entered into with the Japanese Government for a Yen Credit for setting up of fertiliser projects in the country; and

(b) if so, what are the details in this regard?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) and (b) The Japanese Government have agreed to finance the foreign exchange cost up to the extent of Yen 32.9 billion (equivalent to Rs. 98.7 crores at the current exchange rate) of three fertiliser plants to be set up in the public sector in the Fifth Plan period. While the Japanese Government would make a firm commitment in the current fiscal year 1974-75 to finance plants, they would make similar commitments for one plant each in the subsequent two fiscal years 1974-75 and 1975-76.

I IK loan agreement for the first plant specifying the quantum and the terms and conditions is expected to be signed during the current fiscal year. The Japanese Gov-ernm-ciii have indicated that the terms of lending, for this loan would be : repayment over a period of 25 years inclusive of a grace period of 7 rears and payment of interest at the rate of 4% per annum.

पांचवीं पंचवर्षीय योजना की अवधि के दौरान विदेशी पर्यटकों की संख्या

15. श्री ओस प्रकाश त्यागी : क्या पर्यटन और नागर विमानन मंत्री यह बताने की कृपा करेंगे कि :

(क) गत पांच वर्षों के दौरान प्रत्येक वर्ष में कुल कितने-कितने विदेशी पर्यटक भारत आये थे ;

(ख) इस अवधि के दौरान विदेशी पर्यटकों से कितनी विदेशी मुद्रा अर्जित हुई ; और

(ग) पांचवीं पंचवर्षीय योजना की अवधि में कितने विदेशी पर्यटकों के आने और उनसे कितनी विदेशी मुद्रा के अर्जित होने का अनुमान है ?

Number of foreign tourists during the Fifth Five Year Plan period

SHRI O. P. TYAGI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) The number of foreign tourists who visited India during the last five years, year-wise;

(b) the amount of foreign exchange earned from the foreign tourists during the same period; and

(c) the estimated number of foreign tourists and the foreign exchange earnings from them as envisaged during the Fifth Five Year plan period?

पर्यटन और नागर विमानन मंत्रालय में राज्य मंत्री (डा० श्रीमती) सरोजिनी महिषी :

(क) और (ख) पिछले पांच वर्षों के दौरान भारत में आए विदेशी पर्यटकों की संख्या तथा उनसे अर्जित अनुमानित विदेशी मुद्रा इस प्रकार है :

(करोड़ रूपयों में)

वर्ष	भारत आने वाले पर्यटकों की संख्या	विदेशी मुद्रा की अनुमानित आय
1969	244,724	33.1
1970	280,821	38.0
1971	300,995	40.4
1972	342,950	48.3
1973	409,895	67.5

(ग) पांचवीं पंचवर्षीय योजनावधि में भारत आने वाले विदेशी पर्यटकों की संख्या तथा उनसे अर्जित होने वाली प्रत्याशित विदेशी मुद्रा का अनुमान इस प्रकार है : —

(करोड़ रूपयों में)

वर्ष	भारत आने वाले पर्यटकों की प्रत्याशित संख्या	विदेशी मुद्रा की अनुमानित आय
1974	460,000	75.7
1975	529,000	87.1
1976	608,000	100.1
1977	700,000	115.2
1978	800,000	131.7

[THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. (SMT.) SAROJINI MAHISHI) : (a) and (b) The number of foreign tourists who visited India during the last five years together with estimated foreign exchange earnings therefrom are as follows ;—

(c) The estimated number of foreign tourists and

Year	Tourist Arrivals	Estimated foreign exchange earnings (Rs. in crores)]
1969	244,724	33.1
1970	280,921	38.0
1971	300,995	40.4
1972	342,950	48.3
1973	409,895	67.5

the foreign exchange earnings from them as envisaged in the Fifth Five Year Plan period are as under :—

Year	Projected Tourist Arrivals	Estimated foreign exchange earnings (Rs. in crores)
1974	460,000	75.7
1975	529,000	87.1
1976	608,000	100.1
1977	700,000	115.2
1978	800,000	131.7

पांचवीं पंचवर्षीय योजना के दौरान पर्यटन का विकास

16. श्री जगन्मोहि प्रसाद यादव : क्या पर्यटन और नागर विमानन मंत्री यह बताने की कृपा करेंगे कि अन्तर्देशीय पर्यटन के विकास और विस्तार से संबंधित योजनाओं के लिये पांचवीं पंचवर्षीय योजना में कितना आवंटन किया गया है और बिहार

के कितने स्थानों को इन योजनाओं में सम्मिलित किया गया है

Development of tourism during the Fifth Five-year Plan

*16. SHRI J. P. YADAV : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state the allocation made in the Fifth-Five Year Plan on schemes for development and promotion of tourism within the country and the number of places in Bihar which have been included in these schemes?]

[THE MINISTER OF STATE IN THE

पर्यटन और नागर विमानन मंत्रालय में राज्य मंत्री (डा० (श्रीमती) सरोजिनी महिषी) : पांचवीं योजना में केन्द्रीय क्षेत्र में पर्यटन योजनाओं के लिये 78 करोड़ रुपये के परिव्यय की व्यवस्था की गई है। केन्द्रीय पर्यटन योजना के अन्तर्गत बिहार में पर्यटन आकर्षण के जिन स्थानों पर पूंजी-निवेश किया जायेगा उनमें बोधगया, राजगिर, नालन्दा पटना और रांची सम्मिलित हैं।

MINISTRY OF TOURISM AND CIVIL AVIATION' (DR. (SMT.) SAROJINI MAHESHI) : An outlay of Rs. 78 crores has been made for tourism schemes to be taken up in the Central Sector in the Fifth Plan Places of tourist interest in Bihar included for investment in the Central Tourism Plan are Bodhgaya, Rajgir, Nalanda, Patna and Rani hi.]

Increase of Fares by Air-India

*17. SHRI K. P. SINGH DEO : SHRI K. C. PANDA: SHRI DEBANANDA AMAT : SHRI SUNDAR MANI PATEL: SHRI LOKANATH MISRA : SHRI M. K. MOHTA: SHRIMATI SAVITA BEHEN :

Will die Minister of TOURISM AND CIVIL AVIATION be pleased to state:

CO whether it is a fact that Air India has increased its air fares by 6 per cent;

(l>) if so_ the reasons therefor; and

(c) the additional yearly revenue which is likely to accrue as a result of the increase in fares?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR):

(a) and (b) Yes, Sir. As a result of the steep rise in the cost of aviation fuel an agreement was reached in the International Air Transport Association of which Air-IndU is a member to increase the worldwide fares and rates by 6% with effect from 1st January 1974.

(c) Additional revenue likely to accrue as a result of the increase in fares and rates by 6%, is estimated at Rs. (5.90 crores which would be set off* against increased cost of aviation fuel.

Purchase of jute from Bangladesh at high prices

*18. SHRI BABUBHAI M. CHINAI : SHRI MONORANJAN ROY : SHRI M. K. MOHTA :

Will the Minister of COMMERCE be pleased to state :

fa) whether Government have agreed to purchase jute from Bangladesh at a higher price than that prevailing in the market;

(In if so, the reasons therefor; and

(c) the likely effect of such a step on Indian jute industry?

THE MINISTER OF COMMERCE (PROF. D. P. CHATFOOD) : (a) A contract for purchase of 2 lakh bales of raw jute at international prices which are somewhat above the prices in India, has recently been concluded.

(b) In consideration of the special circumstances put forth by Bangladesh and taking into account the vital role of raw jute exports in the bilateral trade, and its significance to Bangladesh economy, it was decided to pay international price for the imports.

(c) These imports will be utilised for building up of a buffer stock to be drawn from by the industry at an appropriate time, and over the years at prices consistent with the market conditions, and hence no adverse effects are likely to result.

Funds for Modernisation of textile mills

*19. SHRI KALYAN ROY : Will the Minister of COMMERCE be pleased to state:

(a) whether Government have made any assessment of the funds required for modernisation of textile mills;

(b) if so, the estimated amount involved;

(c) whether the Indian Cotton Mills Federation has approached Government for any financial assistance; and LP(D)16RSS—3

(d) if so, what action Government propose to take in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A.C. GEORGE): (a) to (d) A statement is laid on the Table of the House.

Statement

The Indian Cotton Mills' Federation has asked the cotton textile mills to formulate proposals for modernisation for the next five years. Once the proposals are available from the industry, Government will take a view regarding the nature and size of the modernisation programme for this sector of the textile industry. The Indian Woollen Mills' federation and the Association of Man-made Fibre Industry have also been asked to obtain similar proposals from their constituent units.

While the above proposals from the industry are awaited, according to the estimates framed by the Task Force on Textile Industries set up by the Planning Commission, it has been estimated that the replacement programme of cotton spindle and looms during Fifth Five Year Plan should cover 3.5 million spindles and 52,000 looms at a cost of about Rs. 450 crores. A final view on the extent and cost of modernisation/replacement will be available when the fifth plan is finalised.

Volume of Black Money in Circulation

*20. SHRI SYED HISSAIN : SHRI N. G. GORAY : SHRI MREN GHOSH:

Will the Minister of FINANCE be pleased to state the amount of black money estimated by Government to be in circulation at present in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): The Direct Taxes Enquiry Committee (Wanchoo Committee) has estimated the income on which tax was evaded for the period 1968-69 at a figure of Rs. 1,400 crores.

Applications for Self-Employment Schemes Cleared by Nationalised Banks in West Bengal

*21. DR. R. K. CHAKRABARTI. SHRI HARSH DEO MAIAVIYA:

Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that the West Bengal Finance Minister has expressed the view that very few applications for assistance for self-employment schemes have been

cleared b) the nationalised banks in that State, and

(1) it so, what steps have been taken by the Central Government to speed up clearance of such applications in West Bengal?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) and (b) A statement is placed on the Table of the House.

Statement

(a) The West Bengal Finance Minister had in a communication addressed to the Union Minister of State for Planning, underlined the need for creating a greater awareness in bank offices about the role of financial institutions in extending credit support to self-employment schemes sponsored in State Government under the Half-a-Million Jobs Programme.

(b) The measures taken by Government in stepping up flow of bank funds for self-employment programmes are briefly set out below:

(i) The progress achieved by banks in extending support to Half-a-Million Jobs Programme was reviewed at a meeting taken by the Union Finance Minister with the Chief Executives of public sector banks in November, 1971. Necessary guidelines setting out the precise role of the banks in this programme were issued to 10 branches. The banks were asked to ensure that guidelines have reached all the branches and that they start implementing the same without delay. Pursuant to this decision, public sector banks have issued detailed instructions to their branches outlining the significance of the self-employment schemes and indicating the specific measures to be taken by the branches in extending support for such schemes.

(ii) The banks have also been requested to ensure that all applications for loan assistance under self-employment programme are disposed of within two months of receipt of application.

(iii) Government of West Bengal have set up a State Level Co-ordination Committee to consider the measures taken by public sector banks for extending financial support for self-employment programmes. Apart from the representatives of the various public sector banks, a senior official of the Department of Banking of the Ministry of Finance, Government of India also attended the first meeting of the Co-ordination Committee held in November, 1971.

Details of the credit support extended by the public sector banks under the Half-

a-Million Jobs Programme sponsored by the Government of West Bengal are yet to be received from all public sector banks. The reports received so far from three public sector banks, indicate that banks have sanctioned 372 applications out of 499 received by them. While eight applications have been rejected, the remaining are under consideration.

Sale of Coarse cloth in black market

*22. SHRIMATI SUMITRA G. KULKARNI:

SHRI GANESH LAL MAUI:

SHRI YOCENDRA SHARMA:

SHRI S. G. SARDKSAI:

SHRI K. H. CHETTRI:

SHRI SANDA NARAYANAPPA:

DR. R. K. CHAKRABARTI:

SHRIMATI SITA DEVI:

SHRI ROSHAN LAL:

SHRIMATI SAVITA BEHEN:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact between 400 and 500 million metres of coarse cloth, meant for distribution through fair price shops has been clandestinely sold at prices three times higher than those actually marked on the doth; and

(b) if so, the action taken or proposed to be taken in the matter?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): (a) No such allegation has come to the notice of the Government.

(b) Does not arise.

Issue of Currency Notes of Fifty Rupee Denomination

*23. SHRIMATI SUSHILA SHANKAR ADIVAREKAR:

SHRIMATI RATHNABAI SREENIVASA RAO:

SHRI M. S. ABDUL KHADFER:

SHRIMATI SUMITRA G. KULKARNI:

SHRIMATI KIJMUDBEN MANISANKAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to issue currency notes of the denomination of Rs. 50.

(b) if so, what are the reasons therefor;

(c) by when these notes are likely to be in circulation; and

(d) the details about their design?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH):

(a) Yes, Sir.

(b) Fifty rupee notes were issued for circulation when paper currency was first introduced in India in 1862 and were discontinued only some time before the Reserve Bank was established in 1935. In view of the need for reducing the number of notes in the lower denominations which are physically required to be handled, the reintroduction of the fifty rupee note, in addition to all the other denominations is considered necessary.

(c) and (d) The design and form of the fifty rupee note are still under consideration and a recommendation from the Reserve Bank of India is awaited.

India's trade with Soviet Union

*24. DR. K. MATHEW KURIAN: SHRI P. K. KUNJACHANDRAN: SHRI MONORWAN ROY:

Will the Minister of COMMERCE be pleased to state:

(a) the value of India's exports to the Soviet Union during the last three years;

(b) Whether it is a fact that India's exports to the Soviet Union are expected to increase by Rs. 100 crores during this year; and

(c) if so, the traditional and non-traditional items which are likely to be imported by Soviet Union from India?

THE DEPUTY MINISTER OF THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) The value of India's exports to USSR during the last three years was as follows:

Year	Actual exports
1970-71	Rs. 209.85 crores
1971-72	Rs. 208.70
1972-73	Rs. 304.82

(b) India's exports to USSR during 1973-74 and 1974-75 are expected to grow

progressively. At this stage, however, it cannot be stated what the precise extent of increase will be.

(c) Major items of traditional and non-traditional exports to USSR are: Jute goods, tea, cotton textiles, tobacco, cashew kernels, hides and skins, coffee, castor oil, spices, mica, de-oiled cakes, HPS Groundnuts etc. and garage equipment, storage batteries, cables, readymade garments, woollen knitwear, leather shoes, paints, enamels and varnishes, spectacle frames, dye-stuffs and intermediates etc.

Use of Paper Currencies to replace Gold

*25. SHRI K. P. SUBRAMANIAM

MENON: OR. K. MAHESHWARI: SHRI P. K. KUNJACHANDRAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that financial experts from the major trading nations have proposed use of fourteen key paper currencies to replace gold for commercial purposes:

(b) whether the proposal has been accepted in the International Monetary Fund; and

(c) what is the reaction of Government to the above proposal?

THE MINISTER OF FINANCE (SHRI Y. R. CHAVAN): (a) to (c) A statement is laid on the Table of the House.

Statement

When the Special Drawing Rights were created as a new international reserve unit in 1969, their value was defined in terms of gold. Since the U. S. dollar was also defined in terms of gold, the transaction value in terms of other currencies was derived by multiplying the SDR = dollar parity by the market rate of exchange of the relevant currency in terms of the dollar. However, with the suspension of the convertibility of dollar into gold in August 1971 and widespread floating of currencies since then, the above mentioned arrangement has been found to be increasingly unsatisfactory. In particular when major currencies are floating, the transaction value of the SDR is likely to vary from day to day depending on fluctuations in exchange rate of a currency vis-à-vis the dollar. This has affected the use of SDR in settlement of international payments. In recognition of this fact, the Managing Director of the IMF has proposed the valuation of SDR in terms of a standard basket of currencies during the

transitional period, prior to the reform of the international monetary system. This proposal was considered by the Committee of Twenty at its fifth meeting held, in Rome on January 17-18, 1974. The Committee has endorsed the idea of linking the transaction value of SDR to a basket of currencies in the transitional period. However, much work remains to be done before the proposal can be given an operational form. There are still many unsettled issues regarding the composition of the basket of currencies as well as the interest rate on the SDR. The Committee of Twenty has asked the Executive Directors of the IMF to expedite their studies of these matters with a view to early adoption by the Fund of this method of valuation. India is in favour of defending the value of Special Drawing Rights in terms of a standard basket of world currencies provided the rate of interest on Special Drawing Rights is kept at a low level.

Countries participating in India Trade Fair

*1>6. SHRIMATI AZIZA IMAM : Will the Minister of COMMERCE be pleased to state the names of the countries which are expected to participate in the India International Trade Fair to be held in New Delhi in November-December, 1974?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA) : Imitations have been extended to all the countries of the World with whom India has diplomatic relations. Bulgaria, German Democratic Republic Hungary, Iraq, Italy and Poland have so far conveyed their decision to participate in the Fair. Czechoslovakia, USSR, Algeria and Japan are in active touch with the Fair organisation regarding their participation. Replies from other countries are awaited.

*27. [Translated to the 28th February, 1974.]

Effect of Price Hike of Petrol on Balance of Payments Position

*28. SHRI SITARAM KESRI :
SHRI GURCHARAN SINGH
TOHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that balance of payments position has been adversely affected due to price hike of petrol by the oil producing countries;

(b) if so, the details thereof and its impact on the country's economy; and

(c) what are the steps taken by Government in the matter?

1111. MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) to (c) It is true that increase in the price of petroleum and petroleum products affects our balance of payments to the extent that at given levels of consumption of these items the import payments go up. The impact on the country's economy of such a development would depend on the level at which oil prices stabilise over a long period and the extent to which adjustments can be made to economise on the consumption of petroleum and petroleum products, the benefit could derive in our export earnings from consequent changes in the market situation. At present there is considerable uncertainty regarding the various aspects. Government is keeping the situation under constant review and suitable measures will be taken as necessary.

Allocation of Foreign Exchange to Industries

*29. SHRI SASANKASEKHAR SAN-YAL :

SHRI SALIL KUMAR GANGULI :

Will the Minister of FINANCE be pleased to state the amount of foreign exchange allocations to different industries during 1972-73 and the first 6 months of 1973-74?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : No foreign exchange ceiling is prescribed for meeting the requirement of industries. Import licences are issued to industrial units to terms of the Import Policy announced on the 31st March each year. For 59 priority industries a need-based policy is followed and the imports of raw materials and components are licensed by way of replenishment of past consumption. For other industrial units, the licences are issued on the basis of entitlement which is determined by past consumption or value of licences issued in the previous period. Licensing to industrial units and state trading agencies (which import various types of raw materials etc. primarily for the use of industrial units) was about Rs. 1060 crores in 1972-73 and about Rs. 665 crores in April—Sept. 1973.

Public Sector Hotels and their Location in the Country

*30. MISS SAROJ PURUSHOTTAM KHAPARDE:

SHRI K. B. CHETTRI :

SHRI IBRAHIM KALANIVA :

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the number of Public Sector hotels in the country with their locations and yearly expenditure on such hotels for the last 2 years;

(b) the number of employees therein; and

(c) the number of inland and foreign tourists accommodated in these hotels during the same period?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. (SMT.) SAROJINI MAHISHI): (a) to (c) A statement giving the required information in respect of hotels owned by the India Tourism Development Corporation is laid on the Table of the House. [See Appendix LXXXVII, Annexure No. 1.]

बिहार राज्य में पर्यटन केन्द्र

1. श्री जगदम्बी प्रसाद यादव : क्या पर्यटन और नागर विमानन मंत्री यह बताने की कृपा करेंगे कि :

(क) पांचवीं पंचवर्षीय योजनावधि में बिहार राज्य में किन-किन स्थानों को पर्यटन केन्द्र, तीर्थस्थल और मेलों के स्थल के रूप में विकसित करने का विचार है ;

(ख) क्या उसमें ऋषिकुण्ड, सीता कुण्ड तथा खड़गपुर झील के विकास की योजनाएं सम्मिलित की गई हैं; और

(ग) यदि उपरोक्त भाग (ख) का उत्तर 'ना' हो तो उसके क्या कारण हैं ?

Tourist Centres in Bihar State

1. SHRI J. P. YADAV: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the names of the places in the State of Bihar which are proposed to be developed as tourist centres, pilgrimage centres and sites for *melas* during the Fifth Five Year Plan period;

(b) whether schemes for the development of Rishi Kund, Sita Kund, Kharag-pur lake have been included; and

(c) if the reply to part (b) above be in the negative the reasons therefor?]

पर्यटन और नागर विमानन मंत्रालय में राज्य मंत्री (डा० श्रीमती) सरोजिनी महिषी) (क) से (ग) तीर्थ-यात्रियों और अन्य देशीय पर्यटकों की दृष्टि से ऋषिकुण्ड सीताकुण्ड और खड़गपुर झील के महत्व में कोई संदेह नहीं है तथापि केन्द्रीय क्षेत्र में पर्यटन कार्यक्रमों में प्रमुख रूप से उन केन्द्रों के विकास की व्यवस्था है जो अन्तर्राष्ट्रीय पर्यटन की दृष्टि से महत्वपूर्ण हैं। अतः पांचवीं योजनावधि के दौरान बिहार में केन्द्रीय क्षेत्र में बौध गया, राजगीर, नालन्दा, पटना और रांची में पर्यटन सुविधाओं के विकास का प्रस्ताव है।

[THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. (SMT.) SAROJ IN I MAHISHI): (a) to (c) While the importance of Rishi Kund, Sita Kund and Kha-ragpur lake to pilgrims and other domestic tourists is appreciated, the tourism programme in the Central Sector mainly provides for the development of centres which are important from the point of view of international tourism. Accordingly it is proposed to take up the development of facilities at Bodhgaya, Rajgir, Nalanda, Patna and Ranchi in Bihar in the Central Sector during the Fifth Plan.]

Textile Policy

2. SHRI KALI MUKHERJEE:
SHRI GURMUKH SINGH MUSA-
FIR: SHRI KRISHAN KANT:
SHRI CHANDRA SHEKHAR:
DR. Z. A. AHMAD: SHRI A. G.
KULKARNI: SHRI V. B. RAJU:
SHRI J. S. TILAK:

Will the Minister of COMMERCE be pleased to state:

(a) whether any final decision has been taken by Government as regards integrated Textile Policy; if so, what are the details thereof; and

[] English translation.

(b) whether any assessment has been made as regards availability of adequate finance to the industry?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) and (b) No, Sir.

Import of Machinery from U.S.S.R.

3. SHRI SARDAR AMJAD ALI:

MISS SAROJ PURUSHOTTAM KHAPARDE:

SHRI K. B. CHETTRI: SHRI N. R. CHOUDHURY: SHRI HARSH DEO MALAVIYA: SHRI VITHAL GADGIL:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government of India have indicated to U.S.S.R. the type of machinery to be imported by India under the recent trade agreement; and

(b) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) Yes, Sir.

(b) The following machinery is likely to be imported from USSR during 1974:—

Machine Tools and Metal Working equipment, Power and Electro-technical equipment, Mining, prospecting and Oil-drilling equipment, Lifting and handling equipment, Steel Mill Rolls and partially msdined rolls, Hall and roller bearings, Textile equipment, Printing Machines and equipment, Abrasive grains and metal cut-ling and measuring tools, Laboratory and Scientific equipment, Construction and earthmoving equipment, Cinematographic and studio equipment, Miscellaneous agricultural machinery. Ships, Spare parts and components for Soviet Assisted projects, Equipment for Chemical industry, food processing industry, machinery for making Thermos flasks, crushing, grinding and dressing equipment, pumps, compressors and equipment for electronic industry and computers etc.

Import of cotton bales

4. SHRI SYED HUSSAIN:

SHRI MAHENDRA BAHADUR SINGH:

SHRIMATI LAKSHMI KUMARI CHUNDAWAT:

SHRI SAWAISINGH SISODIA:

Will the Minister of COMMERCE be pleased to state:

(a) the details of the cotton bales imported during the year 1972-73 and for the period April—December, 1973; and

(b) the amount of foreign exchange involved therein?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) and (b) The information is being collected and will be laid on the Table of the House.

Financial Assistance to Doctors In Nationalised Banks

5. SHRI SYED HUSSAIN: SHRIMATI LAKSHMI KUMARI CHUNDAWAT: SHRI SAWAISINGH SISODIA:

Will the Minister of FINANCE be pleased to state:

(a) the amount of financial assistance given by the nationalised banks to doctors for starting medical clinics in (lie villages during the year 1973; and

(b) what are the Statewise details in this regard?

THE MINISTER OF FINANCE (SHRI Y..B. CHAVAN): (a) and (b) The present arrangements for flow of data in the various banks do not provide food category-wise compilation, on an overall basis, of advances to borrowers belonging to different professional groups such as doc- tors, lawyers, engineers etc. Howsver, the available data in regard to advances by public sector banks to the category 'professional and self-employed"', which includes doctors too. are set out below.

	As at the end of June, 1973
No. of Borrowal Accounts ..	1,07,582
Amount Outstanding (Rs. in crores)	21.63

The State-wise break-up is indicated in the statement enclosed.

Statement

State-wise advances of public sector banks to the category of 'Professional and Self-employed' in the Priority Sector outstanding as at the end of June, 1973
(Rs. in lakhs)

Name of State/Union Territories	No. of Borrowal Accounts	Amount Outstanding
1	2	3
1. Andhra Pradesh ..	8,880	115.98
2. Assam	405	16.00
3. Bihar	2,588	55.09

1	2	3
4. Gujarat	14,240	170.29
5. Haryana	606	12.65
6. Himachal Pradesh	174	1.29
7. Jammu & Kash- mir	259	6.59
8. Kerala	9,190	159.98
9. Karnataka	17,538	301.55
10. Madhya Pradesh	3,518	68.90
11. Maharashtra	22,870	536.24
12. Manipur	60	3.85
13. Meghalaya	35	0.53
14. Nagaland
15. Orissa	977	14.11
16. Punjab	1,298	28.51
17. Rajasthan	2,872	26.86
18. Tamil Nadu	9,077	308.05
19. Tripura	19	1.04
20. Uttar Pradesh	7,556	113.84
21. West Bengal	3,339	118.08
<i>Union Territories</i>		
22. Andaman and Ni- cobar Islands	48	0.84
23. Arunachal Pra- desh
24. Chandigarh	19	0.64
25. Dadra and Nagar Haveli	178	0.27
26. Delhi	777	75.82
27. Goa, Daman and Diu	849	20.37
28. Lakshadweep	3	0.01
29. Mizoram
30. Pondicherry	54	2.73
31. Union Territories ..	153	3.13
TOTAL	107,582	2,163.24

NOTE—Figures given at S. Nos. 22 to 31 under "Union Territories" relate to Public Sector Banks excluding the Allahabad Bank. Figures shown at S. No. 31 relate to the assistance given by the Allahabad Bank in Union Territories as a whole.

Data is provisional.

trade Development Authority

6. SHRI SARDAR AMJAD ALI: Will the Minister of COMMERCE be pleased to refer to answer to Starred Question No. 183 given in the Rajya Sabha on the 20th November, 1973 and state:

(a) whether Government have taken a final decision in regard to opening of free trade zones at Haldia and Dum Dum; and

(b) if so, the details of the decision taken?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) A final decision about the location of free trade zone in the Eastern Region has not yet been taken.

(b) Does not arise.

Increase in prices of controlled cloth

7. SHRI SYED HUSSAIN:
SHRI G. S. TILAK:
SHRI KRISHAN KANT:
SHRI SITARAM KESRI:
SHRI SANAT KUMAR RAHA: SHRI
MAHENDRA BAHADUR SINGH:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government have recently increased the prices of controlled cloth in the country;

(b) if so, the reasons therefore; and

(c) whether Government propose to streamline the production pattern of textile industry with a view to increasing the production of cloth needed by the weaker sections of the society?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) No, Sir.

(b) Does not arise.

(c) The quantum of cloth production to be brought under control for meeting the needs of the weaker sections of society is under consideration.

Seminar on Tea

8. SHRIMATI SUSHILA SHANKAR
ADIVAREKAR: SHRIMATI
SUMITRA G. KUL-
KARNI: SHRIMATI RATHNABAI
SREE-
NIVASA RAO: SHRI M. S.
ABDUL KHADER.

Will the Minister of COMMERCE be pleased to state:

(a) whether a seminar on tea sponsored by the consultative Committee of Plantation Association was held in New Delhi in December, 1973;

(b) if so, the recommendations made in the seminar for the development of the tea industry; and

(c) the action proposed to be taken by Government thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) Yes, Sir.

(b) Proceedings of the seminar have not yet been received.

(c) Does not arise.

Credits to big business houses by Nationalised Banks

9. MISS SAROJ PURUSHOTTAM KHAPARDE: SHRI K. B. CHETTRI: SHRI KALYAN ROY: SHRI IBRAHIM KALANIYA: SHRI J. S. TILAK: SHRI VITHAL GADGIL: SHRI N. R. CHOUDHURY:

SHRI BHOLA PRASAD:

SHRI S. G. SARDESAI:

SHRI K. L. N. PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that credits to big business houses have gone up recently in spite of Reserve Bank's directive for credit squeeze;

(b) if so, what are the reasons therefor and what steps have been taken by Government to check this trend; and

(c) what was the amount of bank credit made available to the big industries as well as public sector industries during 1971, 1972 and 1973?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) to (c) On the basis of information supplied by the Reserve Bank of India, the latest available data in respect of the nationalised banks are as follows:

(Rs. in crores)

	As on 18th	As on the last Friday of March		
	July '69	1971	1972	1973
Advances to 75 houses/groups as per the report of the Monopolies Inquiry Commission	440.3	491.7	526.4	583.4
Aggregate advances (excluding dues from banks)	1839.4	2579.9	2930.4	3308.3
Percentage	23.9	19.1	18.0	17.6

Advances by scheduled banks to the public sector (Central and State Government owned undertakings) as on the last Friday of December, 1972 stood at Rs. 503.53 crores.

Information regarding bank advances to 75 Houses/Groups is collected specially at periodical intervals and is not generally available on the same basis as other banking statistics. However, in view of the large number of steps taken by the Reserve Bank of India to regulate credit between March, 1973 and December, 1973 it is reasonable to expect that there would not have been any significant change in the above proportion.

The Reserve Bank of India has recently advised the banks to undertake, on an emergent basis, a careful review of all recent drawing of substantial amounts, particularly in respect of bigger limits of Rs. 25 lakhs and over.

At the same time it may be clarified that there is no intention to deny institutional credit to productive enterprises so long as the credit requirements are need-based.

World Bank loan for development of Calcutta

10. SHRI MONORANJAN ROY: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank team which visited India in October, 1973 has given clearance to the drawal of a loan of about Rs. 25 crores from the World Bank for the development projects of the Calcutta Metropolitan Development Authority;

(b) whether the financial participation in the Calcutta Metropolitan Development Authority projects by the Central Government is a prerequisite for the sanctioning of the loan by the World Bank; and

(c) if so, whether the Central Government have taken any decision in this respect?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) Government of India have signed an agreement with the International Development Association, the soft lending affiliate of the World Bank, on September 12, 1973 for a credit of US Dollars 35 million (about Rs. 26.25 crores) for Calcutta Urban Development Project to be executed through Calcutta Metropolitan Development Authority.

(b) No, Sir.

(c) Does not arise.

Independent Air Safety Body

11. SHRI KALYAN ROY: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that an independent Air Safety Body has been set up; and

(b) if so, the details thereof?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR): (a) and (b) The question of setting up a body of experts outside the D.G.C.A. (Directorate General of Civil Aviation) to advise Government is under the active consideration of the Government.

12. [Transferred to the 28th February, 1974.]

Financial assistance given to monopoly houses

13. SHRI SANAT KUMAR RAHA : Will the Minister of FINANCE be pleased to state:

(a) the total financial assistance given by the public financial institutions to the monopoly houses as mentioned in the industrial Policy Licensing Committee report during the last three years; and

(b) the total financial assistance given to industrial units other than the monopoly houses during the above period?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) and (b) Total financial assistance sanctioned and disbursed by the all-India long term public financial institutions, namely, the Industrial Development Bank of India, the Industrial Finance Corporation of India, the Life Insurance Corporation of India and the Industrial Credit and Investment Corporation of India during the last three financial years, 1970-71, 1971-72 and

1972-73 and the Unit Trust of India during the three financial years, 1971-72, 1972-73 and 1973-74 (April to December, 1973) to (i) the industrial concerns belonging to the larger and larger industrial houses listed in the Report of the Industrial Licensing Policy inquiry Committee and (ii) the industrial concerns other than belonging to the larger and larger industrial houses are given below :—

(Rs. in crores)

	Financial Assistance	
	Sanctioned	Disbursed
(i) Industrial concerns belonging to larger and larger industrial houses	239.18	165.21
(ii) Other industrial concerns	506.90	311.71

NOTE— Disbursements include disbursements in respect of earlier sanctions also.

Deficit Financing

14. DR. BHAI MAHAVIR: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of deficit financing resorted to in the current financial year so far;

(b) whether any decision has been taken to take firm steps to curb inflation; and

(c) if so, what precise steps are proposed to be taken in this regard?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) to (c) There is no month to month synchronisation in the receipts and expenditure of Government and therefore month-wise figures would not be a correct indicator of the likely year-end deficit.

The steps taken to keep down the deficit this year include larger market borrowing, increased small savings, improvement in collection of tax arrears and economy in Plan and non-Plan expenditures. Simultaneously the Reserve Bank has taken a series of restrictive control measures to reduce inflationary pressure on the economy.

Misuse of Staff Cars

15. SHRI SASANKASEKHAR SAN-YAL : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the staff cars in different Ministries /Departments are often used for domestic and private purposes by the family members of the Ministers and Senior Officers; and

b if so, the details of expenditure involved on such private journeys in each Ministry/Department during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) and (W No, Sir. The use of staff cars is regulated by Staff Car Rules which do not permit their use for non-duty purposes, except in certain specified circumstances, provided official requirements are not interfered with. For such non-duty journeys, recovery is made from the person concerned at rates prescribed in the Rules. Journeys for purposes of shopping etc. are prohibited under Staff Car Rules.

Government Tourist Offices in various States

16. SHRIMATI AZIZA IMAM : Will the Minister of TOURISM and CIVIL AVIATION be pleased to state :

(a) the number of Government tourist offices at different places in the country State-wise;

(b) whether there is any proposal under Government's consideration to open new tourist offices during the year 1974-75; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. (SMT.) SAROJINI MAHISHI) : (a) Eleven offices as per details given in the list attached (Statement).

(b) No, Sir.

(c) Does not arise.

Statement

Name of the State	No. of Govt. of India Tourist Offices	Location
1. Jammu & Kashmir	1	Jammu
2. Kerala	1	Cochin
3. Madhya Pradesh ..	1	Khajuraho
4. Maharashtra ..	2	Aurangabad and Bombay
5. Rajasthan ..	1	Jaipur
6. Tamil Nadu ..	1	Madras
7. Uttar Pradesh ..	2	Agra and Varanasi
8. West Bengal ..	1	Calcutta
9. Union Territory of Delhi	1	New Delhi

11

Expenditure on Petrol

17. SHRI SHYAMLAL GUPTA: Will the Minister of FINANCE be pleased to state .

(a) the total expenditure incurred by the various Ministries/Departments on petrol for the staff cars maintained by them during the years 1971, 1972 and 1973, year-wise;

(b) whether any directive has been issued to the Ministries/Departments to curtail expenditure on petrol in view of its shortage; and

(c) if so, to what extent the expenditure has been reduced by the Ministries/Departments so far in 1974?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) The information is being collected and will be placed on the Table of the House as soon as possible. According to readily available information, however, in respect of Ministries/Departments, except seven, the expenditure was as under;—

1971-72	Rs. 10,97,477
1972-73	Rs. 12,29,347

(b) Yes, Sir. Instructions have been issued in August, 1973 to restrict the consumption of petrol to 75 per cent of the quantity consumed in 1972-73, except during 1973-74 when the consumption is to be restricted to 85 per cent as the restriction is to apply only to a part of the year.

(c) For a meaningful comparison, the expenditure in the year as a whole may have to be taken. It is, however, not possible at this stage to make a realistic assessment of the results achieved so far in the absence of the verified expenditure figures for the relevant period which can become available only after the close of the current financial year.

Financing of powerlooms in Kerala

18. DR. K. MATHEW KURIAN : Will the Minister of COMMERCE be pleased to state :

(a) whether Kerala Government has approached the Central Government for allowing interest subsidy for the financing of powerlooms in the cooperative sector so as to enable the societies to get assistance at the concessional rate of interest of 4¹/₂ per cent; and

lb) if so, what decision has been taken by the Central Government in this regard?

The DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) The Kerala Government have asked for the extension of the Reserve Bank of India Scheme of Haridfeorh Finance to the Powerloom Cooperatives.

(b) The matter is still under consideration in consultation with the Ministry of Finance and a decision is expected shortly.

Techiiio-ecomomit survey of Ten Industry

19. SHRI K. P. SUBRVMANIA MENON :
SHRI NIREN GHOSH :
SHRI MANORANJAN ROY ;
DR. K. MATHEW KURIAN :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the lea Board has decided to conduct a techno-economic survey of the tea industry in the various regions of the country; and

(b) if so, the agency which has been entrusted with the above work.

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) Yes, Sir.

(b) A techno-economic survey of tea industry in Darjeeling during 1973-74 has been entrusted by the Tea Board to the National Council of Applied Economic Research, New Delhi.

Lufthansa Boring mishap at Delhi Airport

20. SHRIMATI SUMITRA K. KIM-KARNI:
SHRI M. S. ABDUL RHADER
SHRIMATI SUSHILA SHANKAR ADIVAREKAR:
SHRIMATI RATHNABAI SKEE-NIVASA RAO:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the judicial inquiry into the causes of the Lufthansa boeing 707 crash at Delhi Airport on December 20, 1973 has been completed;

(b) if so, the findings thereof; and

(c) the action taken by Government thereon!'

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR)

DUR): (a) No, Sir. The inquiry is still in progress.

(b) and (c) Do not arise for the present.

Lock-out by Indian Airlines

21. SHRIMATI LAKSHMI KUMARI CHUNDAWAT:
SHRI M. K. MOHT A
SHRI SHYAMLAL GUPTA:
SARDAR GURCHARAN SINGH TOHRA:
SHRI YOGENDRA SHARMA:
SHRI BHUPESH GUPTA :
SHRI BHOLA PRASAD:
SHRI J. P. YADAV :
SHRI SANAT KUMAR RAHA :
SHRI DWIJENDRAI AL SEN GUPTA:
SHRI T. V. ANANDAN :
SHRI U. K. LAKSILMANA GOWDA:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) the number of days the Indian Airlines remained under lock-out recently:

(b) the total loss suffered by the Indian Airlines during the lock-out period; and

(c) the total amount saved by the Corporation as a result of non-payment of salaries to its employees during this period?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR) : (a) The lock-out declared in Indian Airlines on 24th November, 1973 had been partially lifted in favour of employees represented by the Indian Aircraft Technicians' Association, Airlines Ground Instructors' Association, All India Aircraft Engineers' Association and Indian Flight Engineers' Association as well as individual employees on their agreeing to work according to the revised shift system whenever applicable and co-operate with the Management in eliminating wasteful work practices. The number of employees in position as on 14-2-74 was 15,504 against the total strength of 15,977.

(b) The loss to the Corporation on account of the lock-out from 24-11-73 to 31-1-74 has been estimated at Rs. 276 lakhs.

(c) The amount saved by the Corporation by way of non-payment of salaries and allowances to the employees for the period they were locked out from 24-11-73 to 31-1-74 worked out approximately; to Rs. 205 lakhs.

'लघु व्यवसाय' वित्तव्यवस्था योजना के अन्तर्गत स्टेट बैंक आफ इण्डिया, जहानाबाद द्वारा स्वीकृत ऋण

22. श्री प्रेम मनोहर :

सरदार कुशर स० च० अंग्रे :

श्री ना० कृ० शंजवलकर :

श्री ओडम प्रकाश त्यागी :

श्री जगदीश प्रसाद माथुर :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) लघु व्यवसाय वित्त व्यवस्था योजना के अन्तर्गत जहानाबाद (गया) स्थित स्टेट बैंक आफ इण्डिया द्वारा गत 3 वर्षों में प्रतिवर्ष कितने आवेदन पत्र प्राप्त किए गए तथा स्वीकृत ऋण की राशियां कितनी हैं एवं जिन आवेदनों के आवेदन पत्र स्वीकृत कर लिए गए हैं उनके नाम क्या हैं ;

(ख) क्या सरकार को, आवेदनों के ऋण स्वीकार करने में की गई अनियमितताओं के संबंध में कोई शिकायतें मिली हैं; और

(ग) यदि हां, तो सरकार ने सम्बद्ध अधिकारियों के विरुद्ध क्या कार्यवाही की है ?

Loans sanctioned under "the scheme for financing the small trade" by State Bank of India, Jahanabad

22. SHRI PREM MANOHAR :

SHRI S. C. ANGRE :

SHRI N. K. SHEIWALKAR :

SHRI O. P. TYAGI :

SHRI IAGDISH PRASAD
MATHUR :

Will the Minister of FINANCE be phased to state :

(a) the number of applications received by the State Bank of India, Jahanabad (Gaya) under "the scheme for financing the small trade" yearwise during the last three years alongwith the amount of loans sanctioned and the names of the applicants whose applications have been sanctioned;

(b) whether Government have received any complaints regarding illegibilities in the sanction of loans to applicants; and

(c) if so, the action taken by Government against the concerned officials?]

वित्त मंत्री (श्री य० ब० चव्हाण) : (क) स्टेट बैंक आफ इण्डिया जहानाबाद (गया) स्थित शाखा ने लघु व्यवसाय की वित्त व्यवस्था के लिए 1970 में 17 आवेदन पत्र और 1971 में 3 आवेदन पत्र प्राप्त किये थे सभी आवेदन वीकार पत्र किये गये और 1970 में 99,500 रुपये और 1971 में 9000 रुपये की राशि दी गयी। 1972 और 1973 में लघु व्यवसाय की वित्त व्यवस्था के लिए बैंक की शाखा को कोई आवेदन-पत्र प्राप्त नहीं हुआ। बैंक ने सूचना दी है कि जहानाबाद में लघु व्यवसाय की वित्त व्यवस्था करने की क्षमता कुछ सीमित है।

बैंक व्यवसायियों में प्रचलित प्रथा और व्यवहार के अनुसार तथा स्टेट बैंक आफ इण्डिया अधिनियम 1955 के उपबन्धों के अंतर्गत बैंक के निजी खाते-दारों के ब्यारे प्रकट नहीं किये जा सकते।

(ख) और (ग) मांगी गयी पूरी रकम स्वीकृत न किये जाने के सम्बन्ध में एक शिकायत मिली थी। स्टेट बैंक आफ इण्डिया ने शिकायत की जांच की और इसे निराधार पाया।

if THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) State Bank of India, Jahanabad (Gaya) branch received 17 applications in 1970 and 3 applications in 1971 for financing small trade. All the applications were sanctioned, the amount advanced being Rs. 99,500 in 1970 and Rs. 9,000 in 1971. No applications were received by the branch for financing small trade during 1972 and 1973. The bank has reported that the potential for financing small trade at Jahanabad is somewhat limited.

In accordance with the practice and usage among the bankers and also in conformity with the provision of State Bank of India Act, 1955, particulars relating to individual constituents of the Bank cannot be divulged.

(b) and (c) One complaint was received regarding non-sanctioning in full of the amount asked for. State Bank of India has investigated the complaint and found it to be baseless.]

Reduction in foreign exchange reserves

23. SHRI SITARAM KESRI: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the foreign exchange reserves of the country have been reduced to a considerable extent during the past six months;

(b) if so, the reasons therefor; and

(c) the steps taken by Government in this regard?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) and (b) The Reserve Bank of India's foreign balances on July 27, 1973 and February 27, 1974 amounted to Rs. 476.36 crores and Rs. 356.15 crores respectively. This means a fall of Rs. 120.15 crores since July 27, 1973. The depletion in the reserves, is not wholly unexpected and reflects primarily the payments for imports of foodgrains and increased payments for petroleum and petroleum products.

(c) Government is making constant efforts to strengthen the country's balance of payments. Export promotion and import substitution play a major role in this.

Loans to Durgapur Projects Ltd.

24. SHRI KALYAN ROY: Will the Minister of FINANCE be pleased to state :

(a) whether Government and various public financial institutions have given massive financial assistance to the Durgapur Projects Ltd., West Bengal in 1972 and 1973;

(b) if so, what was the amount given and the reasons therefor?

(c) whether Government propose to enquire into the performance of these Projects and utilisation of the fund; and

(d) if the answer to part (c) above be in the negative the reasons thereof?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) None of all-India long term financial institutions viz., the Industrial Development Bank of India, the Industrial Finance Corporation of India, the Life Insurance Corporation, the Unit Trust of India, the Industrial Credit and Investment Corporation of India and the Industrial Reconstruction Corporation of India Ltd. has given any financial assistance to the Durgapur Projects Ltd. Financial assistance has also not been provided to Durgapur Projects Ltd. by the Govt. of India.

(b) to (d) Do not arise.

Confiscation of bales of woollen rags

25. SHRI K. C. PANDA

SHRI LOKANATH MISRA :

SHRI CHANDRAMOULI JAG-GARLAMUDI :

Will the Minister of FINANCE be pleased to state :

(a) whether the customs authorities have again confiscated a large number of bales of woollen rags as these predominantly contained items other than woollen rags;

(b) if so, the details of the items contained in these bales; and

(c) whether Government have taken any action against the importers of these bales for violation of rules?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) The Customs authorities at Bombay have detained some consignments of woollen rags, containing a percentage of serviceable garments, since these have been imported against licence issued in terms of the revised import policy which requires the rags to be rendered unusable abroad before shipment.

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

(c) The action to be taken against the importers is being examined.

Export of ready made garments

26. SHRI DEBANANDA AMAT : SHRI K. P. SINGH DEO : SHRI LOKANATH MISRA : SHRI SUNDAR MANI PATIL :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that there has been a considerable decline in the exports of ready-made garments;

(b) whether Government have examined various factors responsible for this decline; and

(c) if so, the steps being taken to arrest this trend?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) No, Sir.

(b) and (c) Do not arise.

हथकरघा के माल का निर्यात

27. श्री चेम्पू हाश रयागी : क्या वाणिज्य मंत्री यह बताने की कृपा करेंगे कि :

(क) वर्ष 1972-73 के दौरान हथकरघा का कितना माल निर्यात किया गया ; और

(ख) हथकरघा के माल की विदेशों में बढ़ रही मांग को ध्यान में रखते हुए सरकार पांचवीं पंचवर्षीय योजना की अवधि में इस उद्योग के सम्बर्द्धन के लिए क्या कदम उठा रही है ?

Handloom exports

27. SHRI O. P. TYAGI: Will the Minister of COMMERCE be pleased to state:

(a) the quantity of handloom goods exported during the year 1972-73; and

(b) English translation.

(b) the steps proposed to be taken by Government during the Fifth Five Year Plan period for the promotion of handloom industry in view of the increasing demands of handlooms goods in foreign countries?]

वाणिज्य मंत्रालय में उपमन्त्री (श्री ए. सी. जार्ज) : (क) तथा (ख) एक विवरण संलग्न है।

विवरण

1972-73 के दौरान निर्यात किए गए हथकरघा माल की मात्रा तथा मूल्य नीचे दिया गया है :-

क्रमांक	किस्म	मात्रा (हजार मीटर)	मूल्य (हजार रु० में)
1.	मूती		
(1)	वस्त्र	47,359	166311
(2)	चादरें	(उपलब्ध नहीं)	31377
(3)	कालीन तथा दरियाँ	(उपलब्ध नहीं)	10953
(4)	अन्य प्रकार का मूती माल	(उपलब्ध नहीं)	27895
(5)	सिले मिलाए परिधान	(उपलब्ध नहीं)	160088
		मूती माल का योग	396622
2.	रेशम		
(1)	शहतूती वस्त्र	(उपलब्ध नहीं)	68195
(2)	टसर वस्त्र	(उपलब्ध नहीं)	14768
		रेशमी वस्त्र का योग	82963
3.	अन्य	(उपलब्ध नहीं)	5048
		कुल योग	484633

2. हथकरघा वस्त्र तथा परिधानों के निर्यात बढ़ाने के लिए पांचवीं योजना के दौरान निम्नोक्त महत्वपूर्ण कदम उठाने का विचार है :-

- (1) अन्तराष्ट्रीय मेलों तथा प्रदर्शनियों में भाग लेना ;
- (2) प्रमुख पत्र तथा पत्रिकाओं के जरिए नियमित तथा प्रभावशाली प्रचार करना ;
- (3) बाजार का अध्ययन करने, पता लगाने और बाजार बनाने के लिए प्रतिनिधि मंडलों और अध्ययन दलों को भेजना ;

- (4) आयात नीति के अधीन रजकां और रासायनिक पदार्थों तथा सिले सिलाए परिधानों की मशीनों आदि का आयात करने के लिए प्रतिपूर्ति लाइसेंसों की मंजूरी ;
- (5) नई मदों को आरम्भ करने के लिए प्रोत्साहन ;
- (6) व्यापार करारों, समझौतों आदि के अंतर्गत विदेशी सरकारों से जब कभी भी संभव हो टेरिफ रियायतें प्राप्त करने का प्रयास करना और उनका उपयोग करना ;
- (7) बाजार जानकारी देकर तथा प्रतियोगी दरों आदि पर कच्चे माल को सप्लाई करके निर्यातकों को सहायता ;
- (8) निरीक्षण सम्बन्धी क्रियाविधि और कतिपय देशों को निर्यातों के लिए अशिक्षित प्रमाणन का सरलीकरण ;
- (9) नए डिजाइन तैयार करने तथा हथकरवा माल के उत्पादन में तकनीकी सुधार लाने के लिए हथकरवा बुनकरों को सहायता देने हेतु और अधिक बुनकर सेवा केन्द्र स्थापित करना ताकि घरेलू और विदेशी बाजारों में बिक्री बढ़े और ;
- (10) अखिल भारतीय हथकरवा वस्त्र विपणन सहकारी समिति और हस्तशिल्प तथा हथकरवा निर्यात निगम द्वारा विदेशी कार्यालयों का खोला जाना ।

†[THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) and (b) A statement is attached.

Statement

Quantity and value of handloom goods exported during 1972-73 are given below:—

Variety	Quantity	Value
	('000 metres)	(In Rs. '000)
1. Cotton		
(i) Fabrics ..	47,350	166,311
(ii) Bedsheets ..	N.A.	31,377
(iii) Carpets & Durries	N.A.	10,953
(iv) Other cotton varieties ..	N.A.	27,893
(v) Ready-made garments ..	N.A.	160,088
COTTON TOTAL ..		396,622
2. Silk		
(i) Mulberry Fabrics ..	N.A.	68,195
(ii) Tassar Fabrics ..	N.A.	14,768
SILK TOTAL ..		82,963
3. Others	N.A.	5,048
GRAND TOTAL ..		484,633

†[] English translation.

2. The following are the important steps contemplated during the Fifth Plan for increasing exports of handloom cloth and garments :

(i) participation in international fairs and exhibitions;

(ii) regular and effective publicity through advertisement in leading journals and magazines;

(iii) sending delegations and study teams to study, explore and create markets;

(iv) grant of replenishment licences for import of dyes and chemicals and ready-made garment machinery items under the Import Policy;

(v) encouragement for introducing new items;

(vi) efforts to obtain and avail of tariff concessions whenever possible, from foreign governments under trade arrangements, negotiations, etc.;

(vii) assistance to exporters in the form of supply of market information, supply of raw materials at competitive rates etc.;

(viii) simplification of inspection procedures and certification required for exports to certain countries;

(ix) setting up of more Weavers Service Centres to assist the handloom weavers in producing new designs and to bring

about technical improvement in production of handloom so that sales will increase in the local and foreign markets; and

(x) opening of foreign offices by the All India Handloom Fabrics Marketing Cooperative Society and the Handicrafts and Handlooms Export Corporation.]

Joint ventures abroad

28. SHRIMATI SUA DEVI : Will the Minister of COMMERCE be pleased to state:

(a) the details of the Joint ventures already set up and their progress;

(b) what are the difficulties being faced by Indian entrepreneurs in setting up joint ventures abroad; and

(c) what remedies are suggested to overcome these difficulties?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) A statement is enclosed. [See Appendix LXXXVII, Annexure No. 2.1

(b) and (c) The difficulties generally faced by Indian entrepreneurs in setting up joint ventures in some of the countries abroad are of the following nature :

(i) finding a suitable local collaborator, specially when the original one backs out;

(ii) raising working capital in adequate measures;

(iii) unfavourable political and economic developments;

(iv) unforeseen changes in the taxation laws of the host countries.

Indian participants in the joint ventures are always advised to keep our Missions in the countries concerned fully acquainted with the problems right from the initial stages. Indian Missions abroad are rendering all possible assistance to our entrepreneurs in setting up industrial joint ventures. In the finalisation of the details of the project and also in implementation after approval has been granted.

Cotton import and textile export

29. SHRI M. K. MOHTA : Will the Minister of COMMERCE be pleased to state:

(a) the quantity and value of cotton imported during the year 1972-73 and likely to be imported during the year 1973-74;

(b) the quantity and value of textiles likely to be exported during the same period; and

(c) the quantum of cash subsidy and the amount paid therefor during the aforesaid two years?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) The quantity and value of cotton imported during the year 1972-73 and likely to be imported during the year 1973-74, is as under:—

Year	Quantity (Lakh bales of 180 kgs. each)	Value (Rs. Crores)
1972-73	3.30	48.08
1973-74	1.00	45.00

(b) Total exports of mill-made cotton textiles from India during the year 1972-73 amounted to Rs. 160.51 crores. In 1973-74 these have been worth Rs. 148.60 crores upto 31st December, 1973.

(c) Government do not give any cash assistance on cotton textile exports. They, however, give a suitable grant to Indian Cotton Mills' Federation for meeting the non-refundable internal taxes borne by exported textile goods. ICMF gives cash assistance on cotton textile exports from their collections from the trade and industry.

Mathrani Committee Report on Pay scales of Staff of General Insurance Corporation

30. SHRI SHYAMLAL GUPTA:
SHRI PREM MANOHAR : SHRI
J. P. YADAV : SHRI N. K.
SHEJWALKAR : SHRI S. C.
ANGRE : DR. BHAI MAHAVIR :

Will the Minister of FINANCE be pleased to refer to the answer to U.Q. No. 459 given in the Rajya Sabha on the 20th November, 1973 and state:

(a) whether the recommendations of the Mathrani Committee regarding the pay scales and service conditions of the staff of the General Insurance Corporation has been since implemented:

(b) if the answer to part (a) above be in the negative what are the reasons therefor;

(c) whether any changes have been effected in the report as a result of the negotiations held with the representatives of employees; and

(d) if so, what are the details thereof?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) No.

(b) and (c) The report is still under consideration, as negotiations are under way with the employees unions.

(d) Does not arise.

Increase in exports to oil producing countries

31. DR. R. K. CHAKRAUARTI :

SHRI MULKA GOVIND REDDY :

SHRI N. G. GORAY :

SHRI K. L. N. PRASAD :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Trade are considering proposals for substantially augmenting exports to the oil producing countries as well as other countries;

(b) if so, the details in this regard, and

(c) the names of the items being considered for increasing exports?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) to (c) Although it is the Government's constant endeavour to increase exports from the country, the need to achieve a substantial expansion in exports has now become imperative in view of the increase in oil prices. The Government is, therefore, considering various ways and means to augment exports to all countries including the oil producing countries.

Commerce Minister had convened a Conference of the Indian Commercial Representatives stationed in West Asian countries in Kuwait on 11-12 February, 1974 to evolve the required export strategy for the oil producing countries. While planning larger exports to the oil producing countries, emphasis is being placed both on traditional and non-traditional items which include textile manufactures, spices, engineering goods, vegetables and fruits, tea, tobacco, gems and jewellery textiles etc.

Hotels at major Airports

i?.. SHRIMATT SITA DEVI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state ; MP<I>16RSS—4

(a) what is the progress of Airport Hotel at Dum Dum (Calcutta);

(b) whether there is any proposal under Government's consideration to set up similar hotels at other major airports in the country; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. SMT.) SAROJINI MAHISHI) :

(a) The civil works on the India Tourism Development Corporation's 156-room Airport Hotel at Dum Dum (Calcutta) have been completed and the work on the installation of air-conditioning and other electrical equipment and furnishing of the hotel is in progress. Two floors of the hotel are expected to be ready in the first quarter of the year 1974-75 and the remaining floors during the course of that year.

(b) and (c) The India Tourism Development Corporation has no proposal to set up similar hotels at other major airports in the country. However, Air India is putting up a 300-room Transit Hotel at Bombay Airport.

Review of export performance

33. SHRI SURAJ PRASAD : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Trade Advisory Board met recently to review the programme and performance of exports;

(b) if so, the details thereof; and

(c) what are the suggestions made by the committee to expand trade?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) to (c) There is no Body by the name of Trade Advisory Board. However, a meeting of the Advisory Council on Trade was held on 2nd January 1974 which discussed, *inter alia*, the problems relating to expansion of exports.

A copy of the Minutes of the meeting are available in the Parliament Library.

Archaeological complex of tourist

34. SHRIMATI AZIZA IMAM : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to refer to the answer to Unstarred Question No. 474 given in the Rajya Sabha on the 20th November, 1973 and state:

(a) whether the details, of the themes for preservation of the ancient archaeological

complexes of tourists interest have been worked out; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION • (DR. (SMT.) SAROJINI MAHISHI) : (a) and (b) Ten archaeological complexes have been selected for development and facilities to be provided at these centres have also been identified. Details of the schemes will be worked out in accordance with the master plans of these centres which are being prepared. These will include physical planning of the areas of development, location of the tourist facilities to be provided in these areas, and landscaping, and environmental improvement of the monuments and the areas around them. At the same time a study would be undertaken to assess the requirements of accommodation, water and electricity supply, transportation facilities, etc. to be provided for the convenience of tourists visiting these centres. The Central Town and Country Planning Organisation will undertake the preparation of master plans of 16 archaeological centres; those for the remaining archaeological centres will be prepared by the State Town and Country Planning Organisations or other agencies. This work will be taken up in the Fifth Plan.

Sale of Avro-748

35. SHRI BHUPESH GUPTA :
SHRI YOGENDRA SHARMA :

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether it is a fact that the Indian Airlines has decided to sell or lease out 15 aircraft of Avro-748 fleet; and

(b) if so, the details thereof?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR): (a) No, Sir.

(b) Does not arise.

Contraband articles seized at different sea ports

36. SHRI KAIYAN ROY: Will the Minister of FINANCE be pleased to *suite* :

(a) the value of contraband articles seized at different seaports during the last two years;

(b) the proportion to the total of such articles sold in auction during the same period; and

(c) the total amount of sale proceed received in auctions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) and (c) The information is being collected and will be laid on the Table of the Sabha.

(b) Seizures made in a particular year may be sold in that year or in subsequent years after investigation, adjudication and appellate remedies. While figures of total disposals in a year are being collected and will be given, it will be very difficult and time-consuming to relate these to hundreds of individual seizures at the sea-ports in a particular year.

Settlement with employees of Indian Airlines

37. SHRI SIT ARAM KESRI :
SHRI K. L. N. PRASAD :

Will the Minister of TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR):

(a) whether any settlement with the employees of Indian Airlines with regard to their scales of pay and service conditions has been arrived at;

(b) if so, the details thereof; and

(c) if the answer to part (a) above be in the negative, the points of difference?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR): (a) to (c) Interim relief of Rs. 50 per month has been granted with effect from 1st April, 1973 to employees drawing a pay (including allowances counted as pay for purposes of provident fund) not exceeding Rs. 1,000 per mensem pending conclusion of fresh agreements with the unions.

38 [Transferred to the 28/1 February, 1974]

Voluntary income disclosure scheme for un-accounted money

39 SHRI DHARAMCHAND JAIN :
Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to introduce a Voluntary Income Disclosure Scheme for allowing un-accounted money to come out in the market; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) No, Sir.

(b) Does not arise.

Setting up of a branch of Bank of India at Gua (Singhbhum)

40. SHRI DHARAMCHAND JAIH : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to open a new branch of the Bank of India at Gua (Singhbhum). Bihar; and

(b) if so, by when the branch is likely to be opened?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) and (b) Bank of India holds a licence for opening an office at Gua (Singhbhum) in Bihar State. The bank has reported that the opening of the office is held up for want of suitable premises and that efforts for securing suitable premises are being continued.

Construction of Staff Quarters at Ranchi and Patna

41. SHRI DHARAMCHAND JAIN: Will the Minister of FINANCE be pleased to state the progress made so far in the construction of the Income-tax Department Staff Quarters at Ranchi and Patna

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): Against the Background of the present financial stringency, there is a general ban imposed by the Government of India on constructions which have not yet started or proceeded beyond the plinth level due to which it has not been possible to process the construction programme at Ranchi. As regards Patna the Income tax Department owns no land there at present. Efforts are being made to secure some land. However, no construction will be possible till the economy ban referred to above is lifted.

Financial assistance given by nationalised Banks for Banana plantations

42. SHRI DHARAMCHAND JAIN : Will the Minister of FINANCE be pleased to state the financial assistance given by the Nationalised Banks during the year 1972-73 for Banana plantations in Bihar, Orissa, Andhra Pradesh, Tamil Nadu, Karnataka and Kerala?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): Separate figures of financial assistance given by the nationalised banks to banana plantations are not readily available, as the banks do not maintain and compile particulars of advances relating to various kinds of crops,

Retirement age of Indian Airlines Staff

43. SHRI K. CHANDRASEKHARAN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state whether there is any proposal under Government's consideration to fix the age of superannuation at 55 years for the employees of the Indian Airlines Corporation and as a result thereof to retire all such employees in the Corporation who have already attained the age of 55 years?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR): The Indian Airlines have no proposal under consideration for revision of their existing rules relating to the age of superannuation of the various categories of the employees.

Extension of Boeing Service to Cochin

44. SHRI K. CHANDRASEKHARAN : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the Boeing Service has been extended to Cochin; and

(b) if not, the reasons therefor?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR): (a) No, Sir.

(b) The airfield at Cochin is not suitable for Boeing 737 operations.

Cochin Airport

45. SHRI K. CHANDRASEKHARAN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether there is any proposal under Government's consideration to expand the Cochin airport into an International or a major airport; and

(b) if so, what are the details in this regard?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR) : (a) and (b) The existing aerodrome at Cochin, which belongs to the Navy, is not considered suitable for expansion. Some sites have been surveyed and are being evaluated, for possible development of a new civil aerodrome. There is however no proposal at present to make Cochin an international airport.

List of V.I.Ps. at Airport

46. SHRI K. S. MALIE GOWDA : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to lay on the Table

of the House the list of dignitaries/V.I.Ps. who are entitled to use the V.I.P. lounges at the various airports in the country?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR) : The lists of dignitaries/V.I.Ps. who are entitled to the use of reserved lounges at airport/aerodromes are attached herewith. (Statements I and II).

Statement—I

List of dignitaries/VIPs who are entitled to the use of VIP lounges at international airports at Delhi, Calcutta, Bombay and Madras

1. President.
2. Vice President.
3. Prime Minister.
4. Heads of foreign States.
5. Heads of foreign Governments.
6. Chief Justice of India and Judges of the Supreme Court.
7. Speaker of the Lok Sabha.
8. Union Cabinet Ministers and Deputy Chairman of the Planning Commission.
9. Ministers of State (Union Government).
10. Deputy Ministers (Union Government).
11. Governors.
12. Lieutenant Governors/Chief Commissioners.
13. Chief Ministers.
14. Ministers/Speakers (State Governments)/Members of Planning Commission.
15. Deputy Ministers (State Governments).
16. Members of Parliament.
17. Ambassadors and High Commissioners accredited to India.
18. Heads of delegations of foreign countries.
19. Foreign Ministers
20. Official delegations visiting India as State Guests.
21. Former Presidents, Vice Presidents, Former Governor General.
22. Mayors of the Metropolitan Cities at their respective Stations.
23. Three Service Chiefs viz., Chief of Army Staff, Chief of Air Staff, Chief of Naval Staff.
24. The Chief Justices and Judges of High Courts in States.
25. Secretaries to the Government of India.
26. Members of State Legislatures.

27. Any person to whom Government desires to accord V.I.P. treatment.

Dignitaries who are entitled to the use of the Ceremonial Lounge in Delhi Airport:

1. President.
2. Vice President.
3. Prime Minister.
4. Heads of foreign States.
5. Heads of foreign Governments.
6. Any other foreign dignitary to whom the Protocol Division of the Ministry of External Affairs would like to accord this courtesy.

Statement—II

List of dignitaries/VIPs who are entitled to the use of VIP lounges at the domestic aerodromes, i.e., other than the four international airports at Delhi, Calcutta, Bombay and Madras

1. President.
2. Vice President.
3. Prime Minister.
4. Heads of foreign States.
5. Heads of foreign Governments.
6. Chief Justice of India and Judges of the Supreme Court.
7. Speaker of the Lok Sabha.
8. Union Cabinet Ministers and Deputy Chairman of the Planning Commission.
9. Ministers of State (Union Government).
10. Deputy Ministers (Union Government).
11. Governors.
12. Lieutenant Governors/Chief Commissioners.
13. Chief Ministers.
14. Ministers/Speakers (State Governments)/Members of the Planning Commission.
15. Deputy Ministers (State Governments).
16. Members of Parliament.
17. Ambassadors and High Commissioners accredited to India.
18. Heads of delegations of foreign countries.
19. Foreign Ministers.
20. Official delegations visiting India as State Guests.
21. Former Presidents, Vice Presidents, Former Governor General.
22. Mayors of the Metropolitan Cities at their respective Stations.

23. Three Service Chiefs *viz.*, Chief of Army Staff, Chief of Air Staff, Chief of Naval Staff.
24. The Chief Justices and Judges of High Courts in States.
25. Secretaries to the Government of India.
26. Members of State Legislatures.
27. Any person to whom Government desires to accord V.I.P. treatment.

Increase of fare by Indian Airlines

47. SHRI GURCHARAN SINGH TOHRA:
SHRI N. G. GORAY:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is fact that the Indian Airlines have recently increased the air fare; and

(b) if so the details of the fare increased?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR):
(a) Yes, Sir.

(b) The fares have been increased by 25% from 1.2.1974.

Purchase of Boeing 737 aircraft by Indian Airlines

48. SHRIMATI PRATIBHA SINGH:
Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the Indian Airlines have entered into an agreement for the purchase of three Boeing 737 air-crafts for their fleet;

(b) if so, the details of the deal and its foreign exchange content; and

(c) the routes on which these aircrafts are proposed to be put into operation?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR):
(a) Yes, Sir.

(b) The broad details of the agreement are as under:—

(i) The basic price of the Boeings is US \$5,473,551 each.

(ii) One aircraft each will be delivered in the months of September, October and November, 1974.

(iii) The agreement is subject to Government's approval and to suitable financing arrangements being made to cover

the foreign exchange cost of the project.

(c) The additional Boeings are meant essentially to augment services on trunk and some regional routes where traffic density warrants the use of these aircrafts.

Rise in Cost of Living Index

49. SHRI GANESH LAL MALI: Will the Minister of FINANCE be pleased to state:

(a) what was the cost of living index in November and December 1973 and January 1974 and what was the average for preceding twelve months in respect of this index in each of these months; and

(b) whether according to the formula laid down by the Third Pay Commission, further instalments of increase in the D.A. payable to Central Government employees have fallen due and if so, what steps have been taken to pay such increased D.A. to them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) The All-India Working Class Consumer Price Index figures for November and December 1973, taking base year 1960 = 100, are 259 and 260 respectively and the 12-monthly average is 231.83 and 236 respectively. The index figures for January 1974 is not yet available.

(b) In terms of the formula of the Third Pay Commission, a further instalment of dearness allowance would be due to the Central Government employees drawing pay upto Rs. 900 in the revised scales of pay, with effect from 1st January, 1974. The matter is receiving attention.

Development of Tourism Centre in Tamil Nadu

50. SHRI THILLAI VILLALAN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the Central Government propose to give financial aid to the Tamil Nadu Government for the development of tourist centre at 'Kaveri Poom pattinam'; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. (SMT.) SAROJINI MAHISHI): (a) No proposal has been

received from the State Government for providing financial assistance for the development of 'Kaveri Poom |

(b) Does not arise.

Private American Investments in India

51. SHRI SANAT KUMAR RAHA: Will the Minister of FINANCE be pleased - to state:

(a) whether Government have agreed to invite private American investments in India on the basis of a reasonable return; and

(b) if so, what are the details thereof?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) All foreign private investment proposals including those from American parties will be considered in accordance with Government's foreign investment policy.

(b) Does not arise.

Engineering goods export

52. SHRI K. L. N. PRASAD: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that export of engineering goods have fallen in the year 1973-74;

(b) whether India has not been able to achieve the target of Rs. 200 crores in the export of engineering goods;

(c) if so, what are the reasons for the shortfall; and

(d) what steps are being taken to improve the export of engineering goods?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) No, Sir. Exports of engineering goods during April—October, 1973, have been of the order of Rs. 82.65 crores (provisional) as against Rs. 74.09 crores during the corresponding period of 1972.

(b) Exports during the remaining five months, are expected to pick up. Whether the target fixed for 1973-74 could be achieved or not can be slated definitely only after the completion of the year.

(c) and (d) The main difficulties faced by exporters during the current year have been:

(i) shortage of basic raw materials like steel and aluminium.

(ii) Shipping difficulties which have become acute due to oil crisis.

(iii) Power shortage resulting in curtailment of production.

Following steps have been taken to improve exports of engineering goods:—

(i) Arrangements have been made to supply scarce categories of steel through bulk imports by Public Sector Undertakings for export fabrication.

(ii) A Task Force consisting of Senior Officers in the Ministry of Commerce, the Engineering Export Promotion Council and the Shipping Corporation of India, has been set up to keep a continuous watch on shipping position and help easing of the situation.

(iii) State Government authorities concerned are approached for mitigating the difficulties arising due to the severe power cuts.

Development of Tourism Centre in Kerala State

53. SHRI G. GOPINATHAN NAIR: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the Central Government have received any proposals from the Kerala Government for the development of any new centres of tourist importance; and

(b) if so, the details of the proposals?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR.) (SMT.) SAROJINI MAHISHI): (a) No, Sir.

(b) Does not arise.

Decisions on Pending Recommendations of Third Pay Commission Report

54. SHRI VENIGALLA SATYANARAYANA:

SHRI U. K. LAKSHMANA GOWDA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have since taken decisions on the pending recommendations of the Third Pay Commission on different categories of the Central Government employees; and

(b) if so, what are the details thereof?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) and (b) The decisions of Government on the recommendations of the Third Pay Commission relating to revised scales of pay of the common categories of the Central Government

employees in Classes II, III and IV were notified on 13-11-1973. Thereafter the decisions on revised scales or pay in respect of different categories of employees belonging to the following Ministries/Departments and the Indian Audit and Accounts Department have been notified so far:—

1. Ministry of Agriculture (Department of Agriculture)
2. Ministry of Agriculture (Department of Community Development)
3. Ministry of Communications (including Posts and Telegraphs Department)
4. Ministry of Defence (Civilians in Defence Services)
5. Ministry of Education and Social Welfare
6. Ministry of External Affairs
7. Ministry of Finance
8. Ministry of Home Affairs
9. Ministry of Industrial Development
10. Ministry of Irrigation and Power
11. Ministry of Labour
12. Ministry of Law, Justice and Company Affairs
13. Ministry of Petroleum and Chemicals
14. Ministry of Planning (including Planning Commission)
15. Ministry of Railways
16. Ministry of Shipping and Transport
17. Ministry of Steel and Mines (Department of Steel)
18. Ministry of Supply and Rehabilitation
19. Ministry of Tourism and Civil Aviation
20. Ministry of Works and Housing
21. Department of Culture
22. Department of Parliamentary Affairs
23. Cabinet Secretariat
24. President's Secretariat
25. Prime Minister's Secretariat
26. Vice President's Secretariat

The recommendations relating to the remaining categories of employees of various Ministries/Departments are being processed and notifications in regard to them are expected to issue shortly. The recommendations of the Commission relating to Class I Services/posts are under consideration.

Permission to Companies for Raising Capital

55. SHRI VENIGALLA SATYANARAYANA: Will (he Minister of FINANCE be pleased to state:

(a) whether Government have given permission to some companies to raise capital from the market; and

(b) if so what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) and (b) According to the Press Release issued by the Office of the Controller of Capital Issues on 1st February, 1974, the following 12 companies were given permission to raise capital amounting to Rs. 748.70 lakhs under the Capital Issues (Control) Act, 1947.

Name of the Company	Amount approved (Rs. in lakhs)
1. M/s. Duncan Bros. & Co. Ltd.	30.20
2. „ Colour-Chem Ltd.	137.50
3. „ Bharat Bijlee Ltd.	20.00
4. „ Podar Mills Ltd.	33.00
5. „ Groz Beekert Saboo Ltd.	20.00
6. „ Anna Transport Corp. Ltd.	7.00
7. „ Industrial Credit & Development Syndicate Ltd.	282.00
8. „ Rallis India Ltd.	93.00
9. „ Fort William Co. Ltd.	15.00
10. „ H.E.S. Ltd.	37.00
11. „ Allied Steels Ltd.	55.00
12. „ Cholau Roadways Corp. Ltd.	10.00
TOTAL	748.70

12 NOON

PAPERS LAID ON THE TABLE

I. Statement indicating the result of Market Borrowings (December, 1973) of the Central Government

II. Report (November 22, 1972 to December 31, 1972) of the General Insurance Corporation of India and Related Papers.

111. Final Report of the Direct Taxes Enquiry Committee.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): Sir, I beg to lay on the Table:

I. A statement (in English and Hindi) indicating the result of market borrowings of the Central Government in December, 1973. [Placed in Library. See No. LT-6145/74].

II. A copy (in English and Hindi) of the Report of the General Insurance Corporation of India for the period from November 22, 1972 to December 31, 1972, together with the Auditors' Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon, under sub-section (1) of section 619A of the Companies Act, 1956. [Placed in Library. See No. LT-6239/74].

III. A copy (in Hindi) of the Final Report of the Direct Taxes Enquiry Committee. [Placed in Library. See No. LT-6183/74].

I. The Nationalised Banks (Management and Miscellaneous Provisions) (Fifth Amendment) Scheme, 1973.

II. The Delhi Sales Tax (6th Amendment) Rules, 1973.

III. The Central Sales Tax (Registration and Turnover) (Second Amendment) Rules, 1973.

SHRI K. R. GANESH: Sir, I also beg to lay on the Table:

I. A copy (in English and Hindi) of the Ministry of Finance (Department of Banking) Notification S.O. No. 3467, dated the 19th November, 1973, publishing the Nationalised Banks (Management and Miscellaneous Provisions) (Fifth Amendment) Scheme, 1973, under sub-section (5) of section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. [Placed in Library. See No. LT-6176/74.]

II. A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue and Insurance). Notification No. F. 4(18)/73-Fin.(G), dated the 6th December 1973, publishing the Delhi Sales Tax (6th Amendment) Rules, 1973, under sub-section (4) of section 26 of the Bengal Finance Sales Tax Act, 1941 as in force in the Union Territory of Delhi. [Placed in Library. See No. LT-6178/74].

III. A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue and Insurance), Notification G.S.R. No. 519(E), dated the 13th December, 1973, publishing the Central Sales Tax (Registration and Turnover) (Second Amendment) Rules, 1973, under sub-section (2) of section 13 of the Central Sales Tax Act, 1956. [Placed in Library. See No. LT-6177/74].

I. Notifications under the Central Excises and Salt Act, 1944.

II. Notifications under the Customs Act, 1962.

SHRI K. R. GANESH: Sir, I also beg to lay on the Table:

I. A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue and Insurance) under section 38 of the Central Excises and Salt Act, 1944:—

(i) Notification G.S.R. No. 1359 dated the 15th December, 1973, publishing the Central Excise (Thirteenth Amendment) Rules, 1973.

(ii) Notification G.S.R. No. 1360, dated the 15th December, 1973, publishing the Central Excise (Fourteenth Amendment) Rules, 1973. [Placed in Library. See No. LT-6171/74 for (i) and (ii)].

II. A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue and Insurance), under section 159 of the Customs Act, 1962:—

(i) Notification G.S.R. No. 1361, dated the 15th December, 1973 together with an Explanatory Memorandum thereon.

(ii) Notification G.S.R. No. 1383, dated the 22nd December, 1973 together with an Explanatory Memorandum thereon.

(iii) Notification G.S.R. No. 541(E), dated the 29th December, 1973 toge-

ther with an Explanatory Memorandum thereon.

(iv) Notification G.S.R. No. 1410, dated the 29th December, 1973 together with an Explanatory Memorandum thereon.

(v) Notification S.O. No. &10(E), dated the 31st December, 1973, together with an Explanatory Memorandum thereon.

(vi) Notification G.S.R. No. 19iE), dated the 24th January, 1974 together with an Explanatory Memorandum thereon. [Placed in Library. See No. LT-6181/74 for (i) to (vi).]

I. The Gold Control (Licensing of Dealers) Amendment Rules, 1973.

11. Notifications under the General Insurance Business (Nationalisation) Act, 1972.

SHRI K. R. GANESH: Sir, I also beg to lay on the Table:

I. A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue and Insurance) Notification S.O. No. 790(E), dated the 21st December, 1973, publishing the Gold Control (Licensing of Dealers) Amendment Rules, 1973, under sub-section (3) of section 114 of the Gold (Control) Act, 1968. [Placed in Library. See No. LT-6175/

II. A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue and Insurance), under section 17 of the General Insurance Business (Nationalisation) Act, 1972:—

(i) Notification S.O. No. 803(E), dated the 31st December, 1973, publishing the New India Assurance Company Limited (Merger) Scheme, 1973.

(ii) Notification S.O. No. 804(E), dated the 31st December, 1973, publishing the United India Fire and General Insurance Company Limited (Merger) Scheme, 1973.

(iii) Notification S.O. No. 805(E), dated the 31st December, 1973, publishing the Oriental Fire and General Insurance Company Limited (Merger) Scheme, 1973.

(iv) Notification S.O. No. 806(E), dated the 31st December*, 1973, publishing the National Insurance Company Limited (Merger) Scheme, 1973. [Placed in Library. See No. LT-6180/ 74 for (i) to (iv)].

XJ. A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue and Insurance):—

(i) Notification G.S.R. No. 520(E), dated the 13th December, 1973 together with an Explanatory Memorandum thereon. [Placed in Library. See i. LI-6182/74].

(ii) Notification S.O. Mo. 8, dated the 5th January, 1974, publishing a Corrigendum to Government Notification S.O. No. 765(E), dated the 27th December, 1973. [Placed in Library. See No. LT-6175/74.]

(iii) Notification G.S.R. No. 21(E), dated the 25th January, 1974 together with an Explanatory Memorandum thereon.

(iv) Notification G.S.R. No. 82, dated the 26th January 1974, together with an Explanatory Memorandum thereon. [Placed in Library. See No. I.T-61 82/74 for (iii) and (iv)].

STATEMENT BY MINISTER ON THE DISPOSITION OF RUPEE ACCUMULATION IN INDIA BY THE U.S. GOVERNMENT

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): Sir, I beg to lay on the Table a statement (in English and Hindi) on the disposition of rupee accumulation in India by the U.S. Government. [Placed in Library. See No. LT-6143/73].

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

U.K.-U.S. Accord on Establishment of Diego Garcia Military Base in Indian Ocean.

SHRI K. L. N. PRASAD (Andhra Pradesh): Sir, I beg to call the attention of the Minister of External Affairs to the agreement between the U.K. and U.S.A. for the establishment of a full-fledged strategic naval and air base in the island of Diego Garcia in the Indian Ocean and the reaction of the Government of India thereto.

[Mr. Deputy Chairman in the Chair]

THE MINISTER OF EXTERNAL AFFAIRS (SARDAR SWARAN SINGH): Sir, Government of India have consistently supported efforts for maintaining the Indian Ocean as a Zone of Peace, free from Great Power rivalry and military escalation. We have appreciated the initia-

[Sardar Swaran Singh]

tives taken in this regard by Sri Lanka and have supported the UN Resolutions on this important matter. We are a Member of the Ad Hoc Committee of 15 Nations, appointed by the United Nations General Assembly, for studying measures in furtherance of the objectives of the UN Resolution. The UN Secretary-General is at the moment engaged, with the assistance of experts, in a study of the military presence and deployment of the great powers in the Indian Ocean in all its aspects.

With this background, the announcement that the military facilities in Diego Garcia, a British Indian Ocean Territory, are now to be further expanded by the United States, has deeply disturbed all the countries of the region. We have conveyed our grave concern to the representatives of the UK and the US when at the beginning of this month they informed us of these plans. Other countries in the region such as Australia, Bangladesh, Indonesia, Malaysia, Thailand, New Zealand and Sri Lanka have also voiced their opposition to this development. We shall coordinate our efforts with such countries in order to mobilise international support for the objectives of the United Nations General Assembly Resolution with which this expansion of military facilities in Diego Garcia is manifestly inconsistent.

SHRI K. L. N. PRASAD: There is an impression created that the Government of India has entered into a sort of agreement or pact with Russia to allow them to conduct nuclear tests from time to time, frequently, and if that is ...

SHRI KALI MUKHERJEE (West Bengal): That is his opinion.

SHRI K. L. N. PRASAD: That is an impression created from press reports. Bind all that, and if so,...

SARDAR SWARAN SINGH: Testing what?

SHRI KALI MUKHERJEE: Testing nuclear weapons, nuclear tests.

MR. DEPUTY CHAIRMAN: Let him have his say.

SHRI K. L. N. PRASAD: The impression is there, and what would the Governments, amongst the non-aligned countries, impression? And what are the steps that the Government of India would like to take further to see that the United States and the United Kingdom do not establish any military base in the Indian Ocean which will certainly affect all the countries?

SARDAR SWARAN SINGH: About the first part, I must say that it is news to

importance

me because I think even our worst critics have not ever accused us that we have entered into any arrangement or ...

SHRI BHUPESH GUPTA (West Bengal): It is news to Mr. Pilo Mody whom the hon. Member has quoted.

SARDAR SWARAN SINGH: ... agreement with the USSR to enable them to carry out nuclear tests. The hon. Member must know that the Soviet Union is a signatory to the Test Ban Treaty and as such overground tests are not held by any of the nuclear powers except France, the only country which has not subscribed to the Nuclear Test Ban Treaty. So, I do not think that there is any such impression, as the hon. Member has said, in any part of the world, and this, on the face of it, is ridiculous. We ourselves are totally opposed to holding any nuclear tests. .:/_sf

SHRI BHUPESH GUPTA: You look after your party member. Mr. Mukherjee.

SHRI KALI MUKHERJEE: Are underground tests permissible?

SARDAR SWARAN SINGH: Underground tests are no doubt being held because the Moscow Test Ban Treaty does not cover underground tests. We ourselves have always advocated at the UN. that the ban on nuclear tests should also cover underground testing of nuclear weapons.

SHRI KALI MUKHERJEE: But the Soviet Union has done it.

SARDAR SWARAN SINGH: Will you please listen? In this background, to suggest even remotely that we could be a party to any agreement with any country which might enable it to carry on the test, overground or underground, is absolutely unjustified, there is no justification whatsoever for it. I do not see what is the connection of the nuclear tests with the establishment of this base in Diego Garcia—it is an absolutely unconnected matter, if I may say so.

Then the second question is important: what should we do to see that such bases are not established by the United States or by the United Kingdom or by any other big Naval Power. Action has to be continued to be taken vigorously in the international forums, at the United Nations, amongst the non-aligned countries, amongst all the littoral countries, and this international pressure will be continued to ensure that such bases are not established in this region.

SHRI NIREN GHOSH (West Bengal): Sir, as far as I remember, this question

was raised many a time in the House previously. When it was raised, the Prime Minister assured us that there is no use of making a formal protest to Washington or London...

She said it was simply a communication facility or something like that India being the biggest and directly affected country, may I know why this posture was adopted at all?

Secondly, Sir, the British Foreign Minister, Sir Alec Douglas Home, referred insultingly and in a vulgar language saying that when the Soviet ships are already in the Indian Oceans, there is no "squeak" but now when the U.S.A. wants to set up a base there is a "squeal". Sir, there is a vast difference between the two positions. The Soviets have declared that they also want the Indian Ocean to be a "zone of Peace". So may I know why you did not take note of this insulting language by the British Foreign Minister and take proper action instead of submitting meekly to this insult which encouraged them to proceed further?

Lastly, Diego Garcia is only one thousand miles from Cochin and B-54 planes can come from Diego Garcia and easily bombard Cochin and go back safely, not to talk of I.C.B.M. or middle ballistic missiles. Therefore, the establishment of this island as a base for the U.K. and the U.S.A. is a serious threat to our ports. As I said, there is a vast difference between the position of U.K. and U.S.A. vis-a-vis the Soviet Union. In any case, India should not allow this zone to be affected in any way. Now a base is going to be set up. Therefore, I would ask you that in a special emergency session of the U.N. a resolution should be passed asking these governments to discontinue it, and in the event of the U.S.A. and U.K. not agreeing, whether the Government or the entire non-aligned countries together could not declare that the U.S.A. and U.K. have done an unfriendly act, a hostile act to all the non-aligned countries bordering on the shores of the Indian Ocean.

SARDAR SWARAN SINGH: With regard to the first point made by the hon'ble Member I do not remember having seen any statement made by our Prime Minister where she might have said that there is no use making a formal protest as it is merely a communication centre. I do not remember having seen any such statement. It may have been said that this is a matter on which a large number of countries are concerned and, therefore, to make a formal protest by one country is not as effective as taking a multi-lateral and multi-national action as has been done by

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our subscribing to the resolution in the United Nations and also in the non-aligned meetings. On this arrangement in Diego Garcia starting with a communication centre, I myself remember having said nearly that this may be only a euphemistic expression and such communication centres always end up as a regular base. In fact, from the very beginning we had taken a very clear attitude and we reiterated our opposition to the establishment of such facilities whether those who establish such facilities call them a Communication centre or a regular base.

About his second point, I agree with the hon. Member with regard to his comment on the statement made by the Foreign Secretary of the U.K. This was certainly uncalled for and it shows the peevishness of the British; instead of trying to answer squarely ...

SHRI BHUPESH GUPTA: Meanm.

SARDAR SWARAN SINGH: The manner in which he reacted, if the press reports are correct, ...

SHRI NIREN GHOSH: It is an insult to us.

SARDAR SWARAN SINGH: ... is very unbecoming. The third point that he raised is that Diego Garcia is within bombing range from India. That is correct.

SHRI NIREN GHOSH: I said, India is within bombing range from Diego Garcia by B-54 bombers.

SARDAR SWARAN SINGH: Of course when I say within homing range, it will work both ways.

SHRI BHUPESH GUPTA: But you do not have B-52 bombers.

SHRI NIREN GHOSH: You do not have such bombers.

SARDAR SWARAN SINGH: I am grateful as I have the good wishes of such energetic Members. Sir, it is for this reason that we have taken the view that this activity does pose a threat to us and certainly this is a development which is almost universally opposed by the littoral countries in the region. That is the reason why there is such a great opposition to the establishment of the base in Diego Garcia.

The last question that he has raised is about a special session of the U.N. General Assembly to take up this matter. If the present U.N. General Assembly session is in the mind of the hon. Member, I do not think that this matter will be taken up there as this particular session of the U.N. General Assembly is being convened for

[Sardar Waran Singh] a specific purpose on the initiative of the President of Algeria. As is, I am sure, known to all hon. Members, the U.N. General Assembly works on an agenda and I am doubtful if this item will specifically be included in the special General Assembly session which is likely to be convened sometime in the month of March-April. Anyhow, as I have said in my main statement, there is a group presided over by Sri Lanka which is going into this entire question, and I have no doubt that this matter will be raised in the U.N. forum. The exact place and the manner in which it is raised should be left to experts and I cannot hold out any special line of action because this will depend on reactions from other countries.

MR. DEPUTY CHAIRMAN: Mr. Bhupesh Gupta.

SHRI NIREN GHOSH: One point. I also asked whether it would be advisable to group together all the non-aligned countries, or short of that, all the countries bordering this region on the Indian Ocean and declare together that this military base of Diego Garcia is an unfriendly and hostile act. Are you thinking of taking certain steps in that direction?

SARDAR SWARAN SINGH: The two non-aligned conferences in Lusaka and Algiers have passed clear resolutions declaring that every effort should be made to ensure that the Indian Ocean remains an area of peace. In any gathering, what type of resolution is likely to emerge. I cannot foretell.

SHRI BHUPESH GUPTA: Sir, before I ask questions, I would make a request. This is a serious matter, as is clear from the statement he has made. I would like a resolution of the House to be adopted condemning this action and calling upon the nations of the world to ensure that it is dismantled, it is not proceeded with. I have tabled a resolution and I hope hon. Members will agree that this step we must take here.

By and large, I must say the Government has come out with a correct statement, namely, they have condemned it and they have called upon the nations of the world to ensure the implementation of the UN Resolution which declared the Indian Ocean a zone of peace. Now, what strikes me after that is why the Indian Ambassador, Mr. T. N. Kaul, is not talking about it but is indulging in all kinds of loose talk about the so-called economic cooperation, growing economic cooperation, between us and the United States of America, when actually the United States of America has confronted

importance

us with a situation in the Indian Ocean which would imply, if anything, added military expenditure on our part, thereby setting off whatever assistance it gives us. Why is Mr. T. N. Kaul not being pulled up? His job is not to do such kind of things—act as an economic broker—but on such issues to mobilise right public opinion in the United States against the step which the United States Government along with Britain is taking in the Indian Ocean. Has any instruction been given to this gentleman? This gentleman nowadays is not talking at all about such things. This again is not an isolated base. This is a big major link in the chain of bases in that region which have been established already and are being equipped with a view to threatening our country and other newly freed countries. This is what we find today. Now the Americans have stepped up this effort along with Britain, especially after they have suffered defeat in Vietnam and the liberation of Bangladesh; they are trying to direct this attack against us in order to pressurise us, blackmail us, hold a sword over our head, and then dictate terms if they can. This is the purpose behind their action. In this connection I would like to know whether the honourable Minister has taken note of the fact that, apart from the most insulting and impudent statement by Alec Douglas Home, the British Foreign Secretary, against our country, the American Defence Secretary made a statement on January 6 in which he virtually used this word—he issued threats—and he issued threats against the Arab countries saying that force might be used against them on their own soil. That has been stated.

This base, therefore, will be utilised not only against us, but also against our other friendly Arab countries. The Smithsonian agreement is there offering a base. Now other bases are coming. That base is being equipped now by spending 30 million dollars as a naval and air-force base for nuclear purposes. I should like to know, in view of all this, what the Government is proposing to do apart from expressing its protests and condemnation. May I know whether the Government is considering the advisability of reviving this issue in an active manner in the United Nations calling upon the appropriate bodies of the United Nations to condemn this action and call upon the guilty ones, that is to say, the USA and the UK, to stop these activities in this base? I should also like to know whether the Government is considering the advisability of starting some sanctions against the United States and against the U.K. in view of the fact that they have taken this step which is contrary to the Resolution of the United Na-

tions and also is plainly and blatantly directed against us and other peace-loving and newly freed nations. I would like to know why this step is not being contemplated. Do I understand that merely by opposing by protests they will withdraw from this area? The Americans have made it known that they are not going to listen to us. The British have insulted us. What direction has been given to our High Commission in London when we are a part of the Secretariat of the so-called Commonwealth to take up this matter and tell them, "If you do not stop this thing, we shall also take our own unilateral step within our reach"? In fact, we should give up this business of Commonwealth. This is what I would like to say here.

Therefore, I would like to hear from the Government not merely expression of indignation and condemnation which they have done, but I should like to get from them some idea of what practical steps they propose to take, especially when we have so many friends today. Even Australia under the Labour Government is opposing it. Everything is in our favour. Not only the littoral countries, but the world public opinion is in our favour today. Here is the time for us to take very bold initiative and bold action in order to silence the Americans and see that these bases are dismantled. We have friends in this region. We must proceed now and take concrete steps to really make the Indian Ocean a peace zone. Action can be political as well as economic; for instance there should be economic sanctions against both United States and U.K. They have enough financial stakes in our country. This is an attempt to browbeat us when we are passing through a very critical, economic situation. Everybody knows that when arms are supplied to Pakistan we have to divert our resources for military purposes. They are giving arms to Iran. They are equipping every base in that region. Therefore, Government should take integrated and vigorous initiative in the matter with a view to meeting this challenge.

SARDAR SWARAN SINGH: I would like to say that the essence of what my dear friend Shri Bhuprsh Gupta has said consists of two points. One is that he has mentioned that several other countries also have opposed this. This is a welcome development. Even countries like Australia and New Zealand which formerly were not in support of the general line taken by the littoral countries, are now supporting the concept that Indian Ocean should be kept as a zone of *peace* free from Hg power naval rivalry. The hon. Member has also mentioned about threat to the

Arab countries. I would like to add that reactions from African countries, notably Tanzania, are also in the same direction. Therefore, here is a situation where there is this large volume of opinion representing littoral countries which are opposed to the establishment of this base. Obviously we should *try* to encourage the mobilisation of opinion against establishment of this base on a multilateral basis, rather than that we treat it as our attitude and then seek support from others. That, I believe, is not the best way of handling it. When so many countries in the region are taking this attitude, the best approach would be to mobilise this opinion and direct it against the countries which are going ahead with their plans to establish this base. This is precisely what is being done, in the United Nations and in the various capitals. For instance, when Mrs. Indira Gandhi visited India, this matter finds a place in the joint communique. When I visited Dacca, this finds a place in the joint communique. These are the places where this matter has to be tackled and international opinion mobilised in that direction. I have already mentioned about action in the United Nations. In fact it is contained in my opening statement and also in my replies to the supplementaries. I have said that this action will be taken in the United Nations and in order that it is more effective, it is better that we involve large number of countries as we are already doing. This is the best way to resolve this problem. Of course, we are in the neighbourhood and we are a large country. And our earlier experiences also are unpleasant and it is quite natural that there should be reaction in this country and we are trying to interpret that to other countries and also to U.K. and the United States.

To end, I would say that the mobilisation of international opinion is the best way to deal with this problem and we should mobilise enough of...

SHRI BHUPESH GUPTA: What about your Ambassador? I said something concretely.

SARDAR SWARAN SINGH: I am coming to that. We must try to mobilise enough of international pressure to ensure that this programme by the USA and the UK is abandoned.

Then, Sir, the honourable Member has, I think, unnecessarily dragged in our Ambassador.

SHRI BHUPESH GUPTA: Sir, on a point of order.

MR. DEPUTY CHAIRMAN: What is the point of order?

SHRI BHUPESH GUPTA: Sir, he has said that I have brought in the name of our Ambassador "unnecessarily". It is unparliamentary.

MR. DEPUTY CHAIRMAN: How!'

SHRI BHUPESH GUPTA: He has used the word "unnecessarily". But very necessarily I have done it and it is very reasonable. I have been following the speeches of our Ambassador. Never has he tried to litter a word on this subject. Does he belong to his Ministry, the External Affairs Ministry, the Finance Ministry? I say this because he has been coming here over the PL-180 issue and other economic questions and many other things. But never has he had the guts to say a word against this because he knows the results. Therefore, Sir- it is very necessary that he goes on in this manner he should be recalled.

SARDAR SWARAN SINGH: Putting up a base in Diego Garcia has little connection with whatever may be our bilateral economic relations with the USA and it would be wrong far me to give an impression that we have no economic relations with the USA. We are purchasing

SHRI BHUPESH GUPTA: That is not the point.

MR. DEPUTY CHAIRMAN: Mr. Bhupesh Gupta, you must listen first to his reply and then speak.

SARDAR SWARAN SINGH: We are purchasing a number of things from the USA and we are also selling fairly large quantities of our goods and commodities to the USA. So, the question of our economic relations has to be dealt with in accordance with our general economic policy and I do not think that we should say that the establishment of a base in the Indian Ocean area by the US would really move us to snap our economic relations with the USA. Hint is not our attitude.

SHRI BHUPESH GUPTA: Sir, that is not what I have said. All that I have said is that he has been saying about our economic relations with the USA and he has been saying something on the economic questions. I would have quoted his statement. But I did not do that. Now, this unfriendly act, in fact, a hostile and bellicose and war-like act is being indulged in by the USA, directed at all the countries, particularly our country because of our situation, it is that this have economic relations with them with a

import.

view to strengthening our friendly relations with that country? Is this the concept of building up friendly relations in the international arena?

SHRI ABU ABRAHAM (Nominated): Sir, the honourable Minister has said in an article recently in the Round Table that India should strengthen its navy. Would he care to explain it further? Would he also say whether any practical discussions have taken place between India and the other Indian Ocean countries on strengthening their respective navies also, what steps have been taken so far by them to see that our existing Navy makes its presence felt in the Indian Ocean?

SARDAR SWARAN SINGH: With regard to the first question, Sir, apart from the bilateral discussions with the several littoral countries, this matter is at the present stage being mentioned also in the UN circles informally and our permanent Mission is in constant touch with the other like-minded countries.

With regard to the second part of his question, I would request the honourable Member to address this question to the Defence Minister for further details about strengthening our Navy.

श्री भूपेश नारायण मंडल (बिहार) : मैं मंत्री जी से जानना चाहता हूँ कि इंडियन ओशन में जो एक मिलिटरी का अड्डा कायम किया गया है उस का कुछ न कुछ रिपेक्शन जितने कोस्टल कंट्रीज हैं उन सब पर पड़ता है । मैं जानना चाहता हूँ कि इस बारे में ईरान का क्या रिपेक्शन है ?

सरदार स्वर्ण सिंह : ईरान की तरफ से जो बयान जारी हुआ है उस के अनुसार वह भी इस बात के हक में हैं कि इंडियन ओशन को एक पीस एरिया बनाये रखा जाय और उस में चाहर की ताकतों, बड़ी बड़ी नैवल ताकतों, अपने अड्डे कायम न करें । वह भी इस हक में है ।

SHRI HARSH DEO MALAVIYA (Uttar Pradesh): Sir, first I would say that as always, our able Foreign Minister has acted in right time and in his strongly worded note he has already protested about our attitude to the creation of this base by Britain and the United States. He has sent a note to them. But, Sir, what I would like to point out is that this is nothing very new. The establishment of the base as such may be an event today, but there is a

policy of the United States of America to extend its network. There are actually 13 military alliances ANZUS, CENTO, CEATO and so many others; I have got a list but I won't take the lime of the House.

Furthermore, the United States has already a vast network of military and naval bases, in Simonstown in South Africa, in Eritrea (Asmara Kagnew) and the Seychelles Islands in the Indian Ocean. Now, Sir, this is obviously a very dangerous thing. This, if I may say so, is again a repetition of the old United States gun-boat diplomacy in the nuclear era. They are going to establish polarise missiles, which can shoot more than 2,000 miles. Diego Garcia is about 1,000 miles south of Colombo. So even Delhi, our capital, is already a target of that missile. This is a very serious situation.

I would like to point out again something very ominous. We have had recently a threat in the Paracel Island off South Vietnam of the Chinese using force. Sir, I have got here the information that Admiral J. Mac-Caine, Commander of the U.S. Navy in the Pacific Ocean, before his retirement clearly stated that he did not rule out US-Chinese military cooperation in that area in the future. There is already evidence of possible US-Chinese agreement, some kind of a collusion between them, of going ahead with these planned bases in the Indian Ocean.

Furthermore, as has been pointed out by other friends, so many Indian Ocean littoral countries and other countries also—those who are not in the littoral stage of the Indian Ocean—have all protested against this. They have all opposed the creation of a base in the Indian Ocean. There is a United Nations Resolution also. So far as official level is concerned, we are confident that our Government is very alert and very active. But will the Government welcome any non-official move? Supposing some party, some group, some organization takes the initiative of calling a conference, a non-official conference, of littoral States and others interested to protest against this, will such move have the approval or the support or sympathy of the Government? That is my second question.

Then, I would also like to know from the hon. Minister as to what he thinks about what was said in a seminar which was held yesterday in the Jawaharlal Nehru University, in which Admiral Nanda and Admiral Chatterjee also spoke. Adm. Chatterjee said:

"By setting up a chain of naval and air bases on a number of small islands and

atolls from the Cape of Good Hope to the northern coast of Australia, the United States was extending the East-West conflict to the Indian Ocean ...".

Same fears were expressed by Admr. Nanda and other retired Navy Commanders. These Admirals and other speakers in the seminar suggested that India should take adequate steps to increase its maritime strength. So, may I know whether the Government will consider taking adequate steps to strengthen its naval power?

Then, Mr. Moynihan yesterday signed the PL-480 Agreement. He gave a cheque of rupees one thousand, six hundred and seventy-four crores to our Finance Secretary as settlement of PL-480 funds. A sum of Rs. 800 crores or something like that is still with the United States Embassy, which they can spend as they like and our Government cannot make any enquiries about that. Now, obviously there is a certain fond love that India developed with the United States. I would request the Government to be very cautious and careful.

I won't say that we should have nothing to do with the U.S.A. But we should be very cautious in dealing with the U.S.A. because all their designs are anti-Indian. They arm in Pakistan and Iran. They create Diego Garcia and they send their Seventh Fleet to the Bay of Bengal. All these things are very dangerous.

Lastly, I would like to point out that our respected Prime Minister, Mrs. Indira Gandhi, in the course of her various speeches, and last year in Gauhati, said that certain countries and certain section of the people in India were not very happy with the growing socialistic trends in our country and with the growing power of India and they were trying to damage us. In the light of this, will the Government take a second look at the projected U.S. Indian Economic Cooperation which is likely to prove harmful for our country?

SARDAR SWARAN SINGH: Sir, the hon. Member has given his analysis of the situation and I do not want to comment on that. He has also asked me some specific points and I will try to confine myself to touching upon those matters only.

I do not think that there is any U.S.-Chinese collusion in the matter of the establishment of the Diego Garcia base. We may have our differences with China. But I must say that China has supported the concept of Indian Ocean remaining as an area of peace free from big power rivalry and the Chinese have not supported the establishment of any foreign base in the Indian Ocean or in any other part of the world.

[Sardar Swaran Singh].

His second point upon which he asked for my reaction is about the non-official move to call a conference to express views with regard to this matter. The non-officials are perfectly at liberty to convene any conference and they are entitled to express their views. In a matter like this, it appears that the non-official view is identical to the official view. So, I am not opposed to any non-official conference being convened to consider this matter. In fact, it will be a good thing if at peoples' level, the awareness of what is being done is brought home to a large cross section of the people in all countries.

The third point on which I would like to comment upon is the likelihood of East-West tensions being projected into the Indian Ocean. I agree with that view. Unfortunately, whereas winds of *detente* appear to be sweeping Europe, the projection of these tensions in the Indian Ocean from the point of view of the Asians, the Africans and also ...

SHRI BHUPESH GUPTA: Only Americans and the Britishers are doing it.

SARDAR SWARAN SINGH: We are talking about them here. That will definitely not be consistent with the general atmosphere of *detente* and relaxation of tensions in Europe and in other parts of the world. It is all the greater reason that we can call upon the United States and the U.K. to desist from going ahead with schemes which might import these tensions into the Indian Ocean. About our own action in the naval field, I am sure that the security of our country will be the prime consideration of all of us and the Defence Minister will take note of the observations made by the hon. Member.

Already they are fully aware of their responsibilities. That is all. The test were only comments.

SHRI S. G. SARDESAI (Maharashtra): Certain reports have appeared in the Western press and they keep on appearing, suggesting and, in fact, stating that the reason why the American and the Britishers have had to go in for a naval base in Diego Garcia is this that in fact it is India and probably some Arab States who are responsible for it. For instance, reports appear that we have given similar kind of naval facilities to the Soviet Union in Visakhapatnam. Reports appear that they have got some sort of a base near Aden, in South Yemen. This kind of reports very often suggest or hint that they have got their information from some very reliable sources. This kind of a propaganda is constantly going on. We would, therefore, like a clear statement by the Government of India in respect of these reports.

SARDAR SWARAN SINGH: I have stated more than once and I would like to restate with all the emphasis at my command that India is totally opposed to the presence of any foreign troops or any foreign military presence on the Indian soil and we are totally opposed to giving such facilities to any country howsoever friendly that country may be to us. Therefore, I would like to say that all this is absolutely unfounded propaganda that India has given any facilities to the USSR different from the normal facilities that we give to all countries who are friendly to us. We have not given any base at all to the Soviet Union. I would like to add that the Soviet Union has publicly indicated their willingness to discuss the situation in the Indian Ocean with the countries concerned to ensure that the Indian Ocean remains as an area of peace free from big power rivalry. So, the attitude of the Soviet Union, if I may say so, in this respect, is friendly and positive.

SHRI S. G. SARDESAI: Soviet base near Aden—that kind of propaganda is also there.

SARDAR SWARAN SINGH: That propaganda is there. But the South Yemen Government has categorically denied that it has given any facilities to the Soviet Union of the type that is mentioned in the Western press.

श्रीमती लक्ष्मी कुमारी चंडावत (राजस्थान) :
चूँकि इस मुद्दे के ऊपर, मामले के ऊपर, सारा का सारा हाऊस एक-मत है, जितनी हमारी पार्टीज हैं सभी ने इस बात की निंदा की है और चाहती हैं गवर्नमेंट कुछ न कुछ कदम उठाए, इसलिये मैं माननीय मंत्री जी से कहना चाहूँगी कि हमारी हाऊस की इस यूनेनिमस अपीनियन को आप य० एस० ए० और यू० के० की गवर्नमेंट के पास भेजे। बेहतर यह होगा कि अगर आप वाजिब समझें तो इस तरह का रिजोल्यूशन हाऊस में भी पास किया जाए।

SARDAR SWARAN SINGH: It is a good suggestion.

SHRI BHUPESH GUPTA: A good suggestion! Therefore, my resolution should be accepted. I would request that my resolution should be passed. If you do not like the wording of my resolution, I am prepared to change it.

SHRI JOACHIM ALVA (Nominated): Can you really rely on the word of the

USA? President Eisenhower said that the arms they were giving to Pakistan would not be allowed to be used against India. But they were heavily used against us. It was not the way of Roosevelt. Things became different. After their horrible, inhuman, unjust, bombing of Vietnam, can you depend on them? They have now transferred their area of offence into our area so that it can have a deadly effect on us. Is it not a fact that these 2800 million square miles are being scattered with garlands of deaths by USA unto the face of every country in the Indian Ocean? They have got the Seventh Fleet in the Pacific and Sixth Fleet in the Mediterranean. US Naval bases are there in Greece. Italy. Then they have got it in Portugal. Scotland, Italy, Greece and Turkey apart from Okinawa.

Apart from that, Okinawa is another mighty base of Americans. USSR has a few anchorages only and they are at Syria, Egypt and Jordan. Russian bases are too few as compared to the American bases. The USA in addition are now proceeding to Mozambique, a rotten Christian, Portuguese colony, which sucks the blood of blacks. The Portuguese in Angola and Mozambique have assaulted and killed pregnant black women, according to Bombay Catholic Weekly Examiner. They have now pointed their guns on them. All these things are happening. USA is flying money on Portugal.

Sir, the lion. Minister has been an experienced Defence Minister. He knows that our future, the future of the world, is going to be declared by the war of the nuclear submarines. The USA has come into our area because USSR has got 34 Yankee Delta Nuclear Submarines while USA has got 41. Now, the war of the future or our fate will depend on the way these submarines will act. It will depend upon the deadly effect they will have against each other, with missiles thrown at each other. Both the USA and the USSR have got the Inter-Continental Ballistic Missiles. USSR has again got a larger number. Even China has got about 25 of them. What are you going to do? Are you going to keep quiet? The hon. Minister has been the first Foreign Minister to go round in the Persian Gulf area and tell them of our problems. What are you going to do? Are you going to face another Hiroshima one day? Hiroshima enacted by the Americans was ghastly and dreadful. The Japanese have got a very silent memory in the sense that they have got an underground memory of vindictiveness against USA and they know everything that has been done against them in Hiroshima. Now the same Hiroshima will be repeated through Diego Garcia and many other areas. Britain is going

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to be a partner. We are very proud, we are very happy that Australia under Mr. Whillam has changed in a remarkable way. Australia was a place where only a white man could enter in the old days. They have a very brave Prime Minister who has changed the kinds of Prime Ministers of Australia of the past. New Zealand has protested against Indian Ocean being a military area. Malaya has done it. Thailand has done it and Singapore has done it. Bangladesh and Indonesia above all has done it. Above all, Ceylon, Sri Lanka, is also with us in the fight. All the Gulf areas have also done it. The hon. Minister knows that a Minister from Nigeria said on the radio three days ago, the Indian Radio, that there will be armed conflict in South Africa and around. Armed conflict or what? Will it be for rotten racial things that are being done in South Africa? These horrible things are being done with the connivance of the Americans with American arms and with American money. Well, can you keep quiet? Are you going to keep quiet? Call a conference of the Heads of States from Australia to India, India to Ceylon, and the countries in the Gulf Area and see that these things are not allowed to happen. Russia cannot afford to have a war. Russia lost 25 million people in the List war. Seven thousand towns were destroyed there. Can they have another war? Russia does not want to make India a guinea pig. Russia does not want any black country to be made a guinea pig. (*Time bi-ll rings*). Sir, when I take a little time, you interrupt me. Others get longer time.

Now, these are very important facts. You cannot put up with American imperialism. The days of Roosevelt are gone. America wants garlands of death around every country. Are you just going to watch? As my friend Shri Harsh Deo Malaviya said, we cannot just keep quiet and watch. We cannot keep quiet about this.

SARDAR SWARAN SINGH: Sir, I have noted the very interesting analysis.

श्री वीरेन्द्र कुमार सखलेचा (मध्य प्रदेश) :
जैसा कि माननीय मंत्री जी ने अभी बतलाया कि इन्टरनेशनल ऑपीनियन को इस सम्बन्ध में मौबिलाइज करने का प्रयत्न कर रहे हैं। लेकिन मेरा यह क्वाल है कि जिस प्रकार के समाचार हैं कि जहाँ पर सारे शत्रुतास्त्र और इसी तरह के इन्विपमेंट संग्रह किये जा रहे हैं, तो आप इस सम्बन्ध में कौन से स्टेप्स उठाने वाले हैं या इस प्रकार का कार्य करने वाले हैं ताकि वहाँ पर जो इस तरह का बेस बनने वाला है।

(श्री वीरेन्द्र कुमार सखलेचा)

उमसे अपने देश की सुरक्षा हो सके ? इस लिये मैं यह जानना चाहता हूँ कि सुरक्षा की दृष्टि से आप इस सम्बन्ध में कौन सा पोजिटिव स्टेप उठाने वाले हैं ?

दूसरा प्रश्न मेरा यह है कि यू० के० एशियमेट के अन्दर पार्टी है। क्या आप इस दिशा में विचार नहीं कर रहे हैं कि इसके बाद आपके कामनवेल्थ का सदस्य बने रहने का कोई अर्थ नहीं रह जाता। अगर भारत के हितों के विरुद्ध एशियमेट में वह पाटें खेता है तो क्या आप इस दिशा में विचार कर रहे हैं कि कामनवेल्थ से आप अपना रिश्ता समाप्त कर लें। दूसरा समाचार यह भी है कि हम अफ्रीका में किसी टापू पर इसी प्रकार का बेस बनाने जा रहा है। इस के इस कदम के बारे में आपको क्या कहना है ?

SARDAR SWARAN SINGH: Sir, with regard to the first question I have, while replying to several questions, indicated the various steps that we propose to take in cooperation with the other like-minded countries in (his region and even elsewhere in the U.N.), in the family of non-aligned countries and in several other multi-laterally ...

SHRI V. K. SAKHLECHA: It is only mobilising the international opinion. What else is being done?

SARDAR SWARAN SINGH: Could you suggest anything else? I am receptive to suggestions.

SHRI V. K. SAKHLECHA: We build up our strength to meet ...

SARDAR SWARAN SINGH: That is not inconsistent with international action for mobilising international opinion. Of course, when our security is in minimum that we should do, and I assure you that this is our duty to do. It is to see that our security is not impaired.

About the Commonwealth, it is a temptation to drag in Commonwealth whenever we do not happen to agree on any issue with the U.K. The two should be kept apart. The conflict is not the preserve of the U.K. The majority members in the Commonwealth today are the Asians, Africans and Caribbeans and that is a forum in which we can ...

SHRI BHUPESH GUPTA: Then expel the U.K.

SHRI NIREN GHOSH: I also support this demand of Mr. Gupta.

SARDAR SWARAN SINGH: I am glad that at least on one point you are supporting Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: Provided you move a resolution in the Commonwealth meeting that hereby the U.K. is expelled from the Commonwealth.

SARDAR SWARAN SINGH: Therefore, I am not going to accept the suggestion that if you do not agree on any issue with the U.K., you should leave the Commonwealth. There are other ways to impress upon the U.K. the futility of any policy that they might be pursuing.

Then about the USSR, it is not for me to defend the USSR but the countries concerned in Africa, in Asia and also the USSR have all said that they have no such bases and on the other hand the Americans and the British have made a joint statement that they want to go ahead with the building of bases. So, it is for the world to judge what should be done in a situation like this.

SHRI D. P. SINGH (Bihar): Sir, some of the dark clouds are gathering on the horizon after a short respite and (his latest also is a threat to the security of our country. In view of this there is a of intelligent public opinion in the United States which is not favourable to this stray adventurist action of the Administration, particularly of the Pentagon! Would it not be worthwhile still making a peaceful offensive also apart from you are doing to mobilise that public opinion which is a revulsion against this imperialism and which is contemptuous of imperialists and the Pentagon all nations for their various activities and various steps whereby they are jeopardising the peace efforts, outraging the work of world opinion and taking the United States into an arena of a struggle and a mood of bellicosity?

1 P.M.

SARDAR SWARAN SINGH: Sir, I do agree that voices have been raised by very sensible and enlightened persons in U.S. In the establishment of such bases and that is an encouraging sign and I am sure that as the international opinion gathers in favour of strong opposition to the building of such bases such opinion in the U.S. will assert itself more and more.

MR. DEPUTY CHAIRMAN: Statement by Minister of Health. Prof. Kisku will a statement.

**STATEMENT BY MINISTER
RE. JUNIOR DOCTORS' STRIKE IN"
DELHI HOSPITALS**

THE DEPUTY MINISTER IN THE MINISTRY OF HEALTH AND FAMILY PLANNING (PROF. A. K. KISKU): Sir, hon. Members are aware of the unfortunate situation that has developed as a result of the prolonged strike of Junior Doctors in Delhi, and the attempts by some misguided elements to pressurize Government by disrupting the process of medical education and medical care in the country. With your permission, Sir, I am laying on the Table of the House a detailed note which gives the background of the Junior Doctors' strike in Delhi and details the steps that Government have taken to meet their demands. [Placed in Library. See No. LT-6150/74]. Without taking much time of the House, I would like to point out that Government has made handsome increases in the emoluments of these Junior Doctors, going up to as much as 100 per cent in some categories over the last one year as shown in the attached statement, and has also made a number of other clarifications in their favour. It is a matter for deep regret that the Junior Doctors have not reciprocated this gesture and continue to be adamant.

I am sure the House will agree that while the lot of Junior Doctors needs to be improved, a concurrent responsibility devolves upon them to fulfil the pledges that they have taken when they graduated and to maintain the noble traditions of the medical profession. The present strike has caused a great deal of avoidable suffering to large sections of the population in and around Delhi, Chandigarh and Pondicherry, the burden of which has fallen particularly on the weaker and more vulnerable sections of society who can ill-afford the services of private medical practitioners. This has gone on far too long, and I would on the floor of this Hon. House repeat my appeal to the rank and file of the junior doctors to accept the offer made by Government and return to work immediately. A dialogue on their remaining problems can always continue.

May I, Sir, take this opportunity to place on record my deep appreciation of the services rendered by the Senior Doctors and the CGHS Doctors in very difficult circumstances. Without their untiring efforts the adverse impact upon the general public would have been much greater. They are rearing a very heavy burden, and Government has already taken steps to recruit some fresh doctors. If the striking doctors continue to default on their responsibilities, we will be left with no choice but to make permanent alternative arrangements so that the hospitals can be brought back to the normal level of functioning.

Apart from the problem in central institutions, I have been greatly perturbed at the continuing unrest among medical students and Junior Doctors in various parts of the country. Partly, of course, this is a reflection of the generational tensions that have become a world-wide phenomenon, and of the fact that in a developing society like ours social change and economic frustration combine to create explosive situations. But it is also clear that the whole system of medical education needs to be restructured, and streamlined in order to make it a more effective instrument for meeting the growing requirements of our people. Medical education must become an integral part of the health manpower development policy, so that the heavy investments made therein bring a commensurate return to society, specially to the weaker sections and those living in rural areas. With this intention, Government is actively considering the setting up of a high-powered Medical Education Commission which will look into the entire problem on a national basis and make a study in depth of the various aspects of restructuring medical education from the pre-medical right up to the post-graduate standard.

SHRI NIREN GHOSH (West Bengal): We would like this statement to be circulated so that we can seek some clarifications.

MR. DEPUTY CHAIRMAN: Actually the Government has agreed for a discussion next week.

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI OM MEHTA): If possible we will give a Short Duration Discussion.

SHRI BHUPESH GUPTA (West Bengal): My request is this. The discussion should not be delayed very much. There is no point in having a discussion after ...

SHRI NIREN GHOSH: We can have it tomorrow.

SHRI BHUPESH GUPTA: The President's rule ...

SHRI OM MEHTA: President's Address; not President's rule.

SHRI BHUPESH GUPTA: No doubt in the discussion on the President's Address we can bring in so many things but we must have ...

SHRI OM MEHTA: Immediately after President's Address we will have the discussion.

SHRI BHUPESH GUPTA: In fact, today it should have been taken up.

SHRI NIREN GHOSH: In the afternoon we can have it if it is circulated.

SHRI BHUPESH GUPTA: Not today; we cannot have it today. But the point is the President's Address will take up six days. The strike is on now.

MR. DEPUTY CHAIRMAN: We shall have the discussion as soon as we approve the President's Address.

SHRI V. K. SAKHLECHA (Madhya Pradesh): In the meantime will the Government negotiate with the doctors? If they are prepared to give them something they should do it. Some action should be taken for ending the strike.

SHRI BHUPESH GUPTA: Even in the statement made just now there is an element of threat - unless you do this we will recruit other people. This sort of threat should not be there.

SHRI OM MEHTA: I would like to say one thing about the discussion. We shall try to find out if we can have it earlier.

SHRI BHUPESH GUPTA: The President's Address can be taken up a day after and we will also have a little more time to give amendments to the Motion on the President's Address. Tomorrow is a holiday. I suggest that you can delay the President's Address by a day; nothing will be lost.

MR. DEPUTY CHAIRMAN: The Minister has agreed to see if he can find time.

REFERENCE TO ALLEGED POLICE ASSAULT ON M.P.

SHRI NIREN GHOSH (West Bengal): Sir, with your permission I would like to draw the attention of this House as well as of Parliament and the Government to the fact that during the jute strike when section 144 was imposed in vast areas of the industrial belt I was touring the residential areas of the workers because I could not hold public meetings. These residential quarters are private places. On 2nd February in such a residential quarter of Alliance Jute Mill when I was talking to the workers in their residential quarters suddenly the police swooped down on us. I told them who I was: they also knew who I was. [I told them I am Niren Ghosh, Member of Parliament; you can kill me, you can do anything to me but I am not going to budge an inch.

I stood stock still, but they hit] assaulted me with lathis. I would like to know whether they can do it and whether the privileges of Members of Parliament are not affected. I raise the question whether it is not the duty of the Chairman of

the House as well to secure an unconditional apology from the Government of West Bengal. A circle inspector of that area said to certain other arrested persons: If I can beat an MP, who are you? That is the attitude. What law provides for that? Yesterday I was surprised Mr. Shah Nawaz Khan pushed me in the Central Hall. Certain MPs pushed me and tried to crush and dash me ...

MR. DEPUTY CHAIRMAN: Do not raise this matter, Mr. Niren Ghosh.

SHRI NIREN GHOSH: I was pressed and this was their behaviour ...

MR. DEPUTY CHAIRMAN: You have already said what you wanted to say and for which you have taken permission.

SHRI BHUPESH GUPTA (West Bengal): On a point of privilege. You must consider the other thing for which he has taken permission: An hon. Member of the House, quite apart from other things, has alleged that he has been assaulted by the police in circumstances as described by Mr. Niren Ghosh. In the other House when the matter was brought to their notice, (the Chair also took interest in getting the thing proceeded with. I would request you, therefore, that on the basis of the allegation Mr. Niren Ghosh made in this House with regard to the police attack on him when he divulged his identity as a Member of Parliament and certainly he was doing his duty as a Member of Parliament, apart from being a trade union leader, how is it that the notice assaulted him? You should kindly take it up and ask an explanation from the West Bengal Government as to what they have to say. Mr. Niren Ghosh undoubtedly would be entitled to produce evidence and witnesses to your satisfaction. If that has happened it is a serious matter. I would ask the Members opposite not to take it as a party issue or an individual case. It is a question of our honour and we have to protect the honour of every single Member in circumstances such as these. Otherwise, it is insulting and defiling parliamentary privilege. I am a Member of the Privileges Committee. I would not say anything beyond that. You should consider whether this is a matter which should be referred to the Privileges Committee. A leading Member of the House has made an allegation. I demand, without giving any opinion at this stage, that the matter should be *SIO mom* taken up by the Chair and otherwise also. If you like, a motion can be tabled. It should go to the Privileges Committee, as has been done in other cases. You should take interest in it. I would appeal to Mr. Pathak, our Chairman, through you and to you also, Sir, that such matters should not be allowed to go by default. It

is too serious a matter when a Member solemnly in the House makes an allegation.

MR. DEPUTY CHAIRMAN: That v ill do now.

SHRI MONORANJAN ROY (West Bengal): I want to say ...

MR. DEPUTY CHAIRMAN: Mr. Monoranjan Roy, you cannot make it a discussion now.

SHRI MONORANJAN ROY: For your information ...

MR. DEPUTY CHAIRMAN: Information has been given by Mr. Niren Ghosh. We have already sent a telegram to the Government of West Bengal. From the Home Minister here we are getting information.

श्री सीताराम सिंह (बिहार) : श्रीमन्, मैं उत्तर प्रदेश के दौरे से अभी लौट कर आया हूँ और वहाँ पर . . .

MR. DEPUTY CHAIRMAN: You have not taken permission from the Chair, Mr. Sitaram Singh. The House stands adjourned till 2.15 P.M.

The House then adjourned for lunch at fifteen minutes past one of the clock.

The House reassembled after lunch at nineteen minutes past two of the clock, Mr. Deputy Chairman in the Chair.
Introduction "t N<> Ministers

MR. DEPUTY CHAIRMAN: The Leader of the House will introduce the new Ministers.

THE LEADER OF THE HOUSE (SHRI UMASHANKAR DIKSHIT): Mr. Deputy Chairman, with pleasure I beg to introduce to the House Shri K. D. Mala-viya, Minister of Steel and Mines.

Sir, I beg to introduce Shri K. Brahma-nanda Reddy, Minister of Communications.

SHRI S. S. MARISWAMY (Tamil Nadu): That is all?

MR. DEPUTY CHAIRMAN: There is one more, Shri B. P. Maurya. He is absent.

SHRI K. CHANDRASEKHARAN (Kerala): Already oil has been struck at Bombay High.

THE RESERVE BANK OF INDIA (SECOND AMENDMENT) BILL, 1973

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): Sir, I beg to move:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

This Bill seeks to amend certain provisions of the Reserve Bank of India Act, 1934. At this stage, while commending the Bill for consideration, I shall confine myself only to the relatively more important amendments.

One set of amendments is intended to extend the scope of refinance from the Reserve Bank primarily for agricultural operations. It is proposed to extend the facility of concessional refinance to apex cooperative banks in respect of loans given by them to cooperatives formed exclusively for activities allied to agriculture such as poultry farming pisciculture, etc.

There is also a proposal to permit the Reserve Bank to finance the development of fisheries through loans from the National Agricultural Credit (Long Term Operations) Fund. Certain procedural formalities for avilment of refinance from the Reserve Bank in respect of advances for agricultural operations or for marketing of crops or for *bona fide* commercial or trade transactions are proposed to be simplified.

A second set of amendment relates to collection and dissemination of credit information. Reserve Bank has a Credit Information Bureau which collects credit information from banks and financial institutions and also makes available such information as they may need. There are certain inhibitions which restrict free exchange of information among banks and financial institutions on the affairs of their customers. The amendments which are being proposed in keeping with the recommendations of the Banking Commission would give statutory protection to banks and financial institutions in case they choose to exchange in-lion mutually among themselves. We are also taking the opportunity of enlarging the definition of "credit information" so as to cover collection of information relating to means, antecedents, history of financial transactions and credit-worthiness of any borrower or class of borrowers.

The third set of amendments aim at tightening the regulatory provisions of the Reserve Bank in respect of deposit-taking non-banking institutions. The definitions of "deposit" and "financial institutions" are proposed to be made more comprehensive and precise. It is also proposed to arm the Reserve Bank with powers to inspect any non-banking institution whenever the Reserve Bank considers such inspection necessary and expedient. There is a proposal to make it compulsory not only for companies but also brokers to disclose full particulars and information regarding the companies before canvassing for deposits.

[Shri K. R. Ganesh]

Sir, there are certain other miscellaneous amendments in the Bill which are intended to rationalise or clarify existing provisions of the Act or are mainly of a procedural or consequential nature. These have been explained in detail in the notes on clauses. Sir, I move.

The question was proposed.

SHRI BABUBHAI M. CHINAI (Maharashtra): Mr. Deputy Chairman, Sir, before I comment on some of the specific clauses contained in the Reserve Bank of India Second Amendment Bill I would like to touch upon briefly some of the basic features of the Reserve Bank of India which are relevant to our present discussion. The main function of the Reserve Bank according to the original Act as well as the subsequent amendments has been to control money and credit in the economy with a view to maintain stability. Over the years the Reserve Bank have assumed a number of other functions, mainly in the field of development finance which seem to have belittled its role as the purveyor and controller of money and credit in the system. Consequently, the Reserve Bank's grip on the money supply position has considerably weakened. This has happened particularly after 1965. The results are quite well-known. Money supply has been rising at a fantastic rate and so also the general price level. The independence of the Reserve Bank as the custodian of money and credit in the system has almost disappeared. It is time that the purpose and functions of the Reserve Bank are more precisely defined. I would suggest that Government appoint a Commission to review the functioning of the Reserve Bank and in particular to make recommendations in respect of:

1. The relationship between the Reserve Bank and Government, and
2. The Reserve Bank and other financial institutions.

I find it difficult to accept that the development of fisheries could be financed through loans from the National Agricultural Credit (long-term operation fund), which clause 13 of the Bill seeks to do. It would be preferable in my opinion to have a separate financial institution which will look into and provide finance for development of fisheries.

More generally, I would suggest that for financing specific activities like industrial development, agriculture, etc. there should be separate organisations which can examine, understand and provide the type of finance which is necessary. I understand a decision has been taken to dissociate the Industrial Development Bank of India from the Reserve Bank. This is indeed a welcome

measure. Similar steps have to be taken in respect of the Agriculture Refinance Corporation which has to be considerably strengthened to see that it becomes the premier organisation for financing long-term capital needs of agriculture. Unless this is done neither the development will be healthy and high nor the institutional frame will be such as would fit in with the requirements. At present there is a crisscrossing of the short-term and long-term financial dimensions which has created a confused financial structure. Let me now go to more specific clauses of the Bill.

Clause 10 of the Second Amendment Bill seeks to enlarge the scope of the eligible assets which are held in the issue department of the Reserve Bank as backing for the note issue. In view of what I have said, I sincerely hope that this amendment will not lead to pumping into the economy additional money. If this happens, I fear our inflation will reach a bursting point which will not only disrupt the economic structure but create danger to political stability as things in Gujarat have already demonstrated.

I am also constrained to point out that any widening of the Reserve Bank powers in regard to non-banking institutions may not be quite desirable if this sector is to grow at all. The definition of financial institutions is so wide that it will include, I believe, any agency dealing in finance like indigenous bankers, money-lenders, brokers, etc. The Banking Commission had recommended, and for quite valid reasons, that inspection of such agencies should be done not by the Reserve Bank, but by Scheduled commercial banks which have close liaison with them. I think that suggestion was made after careful deliberation. The Reserve Bank will not only find it difficult to exercise the type of control that is necessary but also to understand the problems which arise in such type of business. The commercial banks which have extensive dealings with such financial agencies are in better knowledge and in an effective position to exercise control. I hope this suggestion will be acceptable to Government.

Clauses 13 and 14 of the present amendment seem to go against the very basis of the relationship between the bank and its clients. It has been an accepted practice not only in India but also in all other countries that dealings with banks and information to them by the client are treated on a very confidential basis. If there is free exchange of information between banks, there are good chances of its becoming public and the confidential nature of the transactions will be violated. Almost every business functions on trust in the banks. If the businessman feels that the information

is likely to be divulged, he may not give the full particulars which would have otherwise been given. The result would be that there would be suspicion all round and the bank will have to do with less "ill-ation which may sometimes lead to misguided decisions. I will urge the Government that the healthy practice of keeping information confidential should be continued and the information should be divulged only in very exceptional cases. Thank you.

DR. K. METHFW KURIAN (Kerala): Sir, I welcome many of the provisions of the Bill, but I would none the less like to bring to your notice certain inadequacies in the whole system of the functioning of the Reserve Bank in this respect. I would like to mention here that I am not questioning certain provisions of the Bill as such but the inadequacy of the whole mechanism of implementing even the provisions of the Act. I would have liked, for example, this Bill to be a little more specific on certain questions, but I understand that this will be taken care of in the administrative field. For instance, the amendment to enlarge the scope of the term "agricultural operations" so as to permit extension of concessional refinance facilities by the Reserve Bank to apex banks in respect of loans to co-operatives exclusively formed, for subsidiary activities and similarly clause 23 which seeks to amplify the scope of section 46A of the Act so as to permit the Reserve Bank to finance development of fisheries through loans from the National Agricultural Credit Fund and so on are measures which are obviously useful in the context of widening the operations in this field. None the less, we find loop-holes in the system. For instance, under section 7(2)(bb) which has not been amended, there is already a provision under the administrative decisions of the Reserve Bank for providing loans, financial assistance, through cooperatives in about 22 industries or industrial groups*. Originally only handlooms were getting these facilities. Later on 22 industries have been included. But we find that one of the traditional industries of Kerala—and it also affects Orissa, Mysore and other States—namely, coir, has not been included here. Therefore, I would have liked to include a product like coir in the concessional facility of the Reserve Bank. The Kerala Government had submitted a scheme of more than Rs. 15 crores to revitalise this traditional industry which provides crores of rupees of foreign exchange to the national exchequer. None the less, despite repeated requests to the Government of India and to the Reserve Bank, finances are not available for the State Government to revitalise this industry which employs more than ten lakhs of people in Kerala. Therefore, I would request the honourable

Minister to consider some of these suggestions even if it is not possible to include them explicitly in the statute book. Under Section 7(2)(b) where provision is made for certain groups of industries eligible for concessional financial assistance, the Government or the Reserve Bank would please consider additional industries, particularly traditional industries like coir which would require such assistance. I would like to bring to the attention of the honourable Minister on this occasion a few general points regarding the Reserve Bank's functioning in connection with financial assistance. The Reserve Bank Governor, according to a statement reported in the Economic Times, Bombay, dated 10th January 1973, had stated that as against an increase of Rs. 154 crores of total commercial bank credit to agriculture between June 1969 and June 1970, the increase in the following only Rs. 40 crores and in the next year Rs. 58 crores. According to the seasonal figures, direct credit to farmers increased fairly steeply from Rs. 54 crores in the first year to Rs. 267 crores in the third year. In other words, during this period of review, cooperative societies, which are expected to finance agricultural loans, have not been able to play vital role and the Reserve Bank rightly stated that there is need for revitalising the cooperative set-up. He also mentioned the lopsided distribution relating to infrastructure facilities and certain legislative constraints in respect of which the State Governments also have to make efforts. I would like to mention here that in the provisions now being amended I do not see evidence of a concept by Government of restructuring the total agricultural credit system so that cooperative societies are put on a viable basis and they can play an increasing role in the agricultural credit structure of our country. I also understand that several commercial banks have been sabotaging the Reserve Bank's policy of credit control. For instance, the Reserve Bank's policy is to hold credit on scheduled commercial banks on the lease and thus help contain the price line. But what we find is that credit on scheduled commercial banks continues to rise while the Reserve Bank of India made efforts to slow down credit expansion. I give here one interesting evidence. During the week ended September 29, 1973 banks' advances went up by Rs. 16.12 crores bringing the total credit expansion in the 1973 slack season—up to that period, that is, May to September 29—to Rs. 128.68 crores. This was as against the rise of only Rs. 28.45 crores in the corresponding period last year, that is 1972. The banks borrowed in excess of the concessional refinance facilities allowed to priority sector and for these borrowings penal rate of interest was charged

[Dr. K. Malhew Kurian]

from them. Many of the commercial banks are prepared to pay the penal rate because we find that during this period in Bombay the call rate was as high as 10 per cent. They continued to pay the penal rate because they could earn more. Like this the purpose for which the Reserve Bank was trying to control credit was defeated and their effort was sabotaged.

SHRI BABUBHAI M. CHINAI: Where has this money gone?

DR. K. MATHEW KURIAN: Of course, the Minister should tell us where this money has gone.

There are lots of frauds in the banking system. I understand that the Reserve Bank was making a study in order to eliminate these frauds in the banks. There are ways and ways in which frauds are committed by commercial banks. The Hindu of Madras dated 9-7-1973 gave a report in which the *modus operandi* of committing frauds was listed. There is increasing evidence of frauds committed on banks either by the clients or by their own employees in collusion with the former in the light of the findings already made by the study of the Reserve Bank. This study is still not complete. The Reserve Bank has advised the commercial banks on certain procedures to be followed and precautions to be taken relating to clearing of cheques, drafts, etc., balancing of transactions as well as reconciliation of bank accounts. I would like to know from the hon. Minister whether these problems have been taken into account when reform has been introduced in the Reserve Bank of India Act through this amendment Bill.

Recently a delinking scheme was proposed and in fact legislation has also been introduced in both Houses of Parliament for delinking IDBI and Unit Trust from the Reserve Bank of India by forming a separate holding company. These institutions were originally started under the care of the Reserve Bank of India on the basis of certain broad policy issues. It is highly important that in an under-developed country like India the long-term finances and short-term finances should be linked up. There should be some meaningful relationship between short-term and long-term finances. Unfortunately under the scheme of delinking IDBI and Unit Trust from the Reserve Bank by forming a separate holding company, this purpose will not be achieved. This would mean only introduction of a dichotomy between the long-term finances on the one hand and the short-term finances on the other. After all the total finances particularly the surpluses for public investment are created by deficit financing, by certain types of market borrowings and by foreign aid. Therefore, if the

total foreign aid and deficit financing constitute the major chunk of our surpluses in the prevailing governmental system, it is very artificial to make this distinction between short-term finances and long-term finances. Within limits, the distinction should be maintained. I consider that this kind of separation from the Reserve Bank functions in terms of monetary policies and credit control will be disastrous in the long run for under-developed countries like India. If our banking officials and officials in the banking department of Finance Ministry borrow monetary policies followed in Western countries and try to implement them here, the result will be disastrous. We should take into account the peculiarities of Indian economy and consider whether it is not proper to maintain the proper balance and relationship between short-term and long-term finances. In this country, I would oppose this type of delinking of these institutions from the Reserve Bank. After all, if the Reserve Bank wants to maintain this relationship, they should have proper monetary methods by which that can be properly maintained. In fact, Sir, according to "The Statesman" of Calcutta, dated 27-9-73, the Reserve Bank of India is against the formation of a holding company. I have got here the cutting which clearly indicates the position. The title of the cutting, the title of news item, is this. "The Reserve Bank of India is against the formation of a holding company" It says like (his:

"The Reserve Bank feels that this subsidiary is in a different category since, in addition to providing loans to strategic and priority sectors of industry, it co-ordinates and supplements the resources of the other financial institutions. In cases involving very large amounts of loans to the industrialists, the Bank also arranges consortium project finances with the other financial institutions and the commercial banks. This is essentially a co-ordinating function and would now be performed by the proposed holding company."

Therefore, Sir, I suggest that the Government, even at this last stage, should reconsider the proposal to have a dichotomy between long-term finance and short-term finance and should reconsider the manner in which these things are going to be incorporated in the proposal for the new holding company.

I would also like to bring to the notice of the honourable Minister a very disturbing statement which appeared in "The Economic Times" of 19-8-72. Though the news is a little old, I think the validity of the news is still there because the Reserve Bank of India's banking data are, according to this statement, in a mess. This is so because the original scheme of collecting

banking data based on the Unified Balance Book. System was later on replaced by a new system. But even the new system has not been able to produce the right results. In fact, most of the relevant information which the original UBB system was able to provide is not being collected under the new system. Therefore, unless the Reserve Bank of India is in a position to collect up-to-date and reliable data, the objectives of the Bill introduced today cannot be achieved. I agree that credit information should be available to the various financial institutions and the banks. The banking institutions and the Reserve Bank should have adequate information regarding credit and credit worthiness and so on. But the RBI's system of banking data collection is in a mess.

Then, Sir, I would like to ask the honourable Minister how he proposes to administer and implement the Bill. If this Bill is accepted by the Parliament, then it has to be implemented at the appropriate administrative level. If the Reserve Bank's credit and monetary policy is to be administered properly, it is necessary that the Reserve Bank employees are given their right due. But what is happening today in Bombay? A large number of people coming from the various States and speaking different languages, these linguistic minorities working in the RBI in Bombay, are today living under a threat given by the Shiv Sena hoodlums. The Shiv Sena people are given additional Class III and Class IV posts and they are being screened in the Shiv Sena office. I have visited the Reserve Bank of India Office and I met the Governor and I appealed to him to prevent the atrocities committed on the linguistic minorities by the Shiv Sena goondas. I am sure even the Marathi-speaking people would stand unitedly on the side of the democratic opinion in this country and would be against this kind of violence that is prevailing there. Sir, I have made an allegation and I have tried to verify this also. More than 80% of the posts, a large number of posts, are being filled in on the basis of the concrete advice given by the Shiv Sena offices and then these cases are finalised. If this is the way a public financial institution has to function, then there is no hope. I am told that this is being done not only with the blessings, but also under the direction, of the greatest Shiv Sena leader, Shiv V. P. Naik, the Chief Minister of Maharashtra and possibly with the blessings from Delhi also. I do not know.

SHRI G. R. PATIL (Maharashtra): Sir, I object to his statement. Shri V. P. Naik is in no way concerned with this. I must make it clear to him here. So far as the Chief Minister of Maharashtra is concerned, he is not at all connected with this. Therefore, Dr. Kurian must confine his remarks to the

Shiv Sena only and should not bring in the name of the Chief Minister.

DR. K. MATHEW KURIAN: I can give you a number of Press cuttings which will show that the Congress members have openly defended the Shiv Sena. I can provide a number of Press cuttings.

SHRI G. R. PATIL: That is a different thing. But to say th.it Shri Naik is connected with this is wrong.

DR. K. MATHEW KURIAN: You have not only openly defended them, but you have also gone to the extent of giving them shelter.

DR. R. K. CHAKRABARTI (West Bengal): You see, it is the Government's policy decision that 80% of the posts should be given to the local people.

DR. K. MATHEW KURIAN: But the Government's policy decision should not be on the basis of the recommendation by the Shiv Sena.

If the Government has issued an order that this should be screened in the Shiv Sena office, let us know that. I am sure that many Congressmen and many democratic people in Maharashtra will stand with the democratic opinion in this country. Unless these questions are looked into and unless the Reserve Bank Central Office in Bombay can function in a normal atmosphere. I do not see how the laudable objectives listed in this Bill can, in fact, be implemented. When this Bill is being considered, I hope that this overall problem will be taken into account in addition to some of the good measures suggested in the Bill.

SHRI G. R. PATIL: I am here to support this amendment. In fact, a long-standing complaint of the fishermen has been removed by this amendment. As a person connected with the co-operative movement for a long time, I know that a long-standing demand of the fishermen community was that they should be given long-term finances. In fact, hitherto they were supplied with short-term loans for a period of 11 months and it was not at all possible for the fishermen to repay the loan within such a short time. It was insistently demanded by the fishermen community and particularly the co-operatives of the fishermen that mid-term loan should be made available to this community. Due to this hurdle which came in the way of the Reserve Bank, these loans could not be made available. I am also very happy to see that the Reserve Bank is coming forward to the help of the co-operative banks also which hitherto were financed by the Agricultural Finance Corporation.

My second point is this. I will appeal to the Minister of State for Finance to look into this. A short-term finance is being

provided to the cane growers in Maharashtra. What happens is this. The Atasi crop which is grown there stands on the land for a period of 16 months and the provision of the pronote is that the loan is only for a period of 11 months. Therefore, the farmers cannot take advantage of the loan because of this condition because as soon as the period of 11 months is over, they become defaulters and they have to repay that amount. But the crop is not taken to the Cooperative Sugar Factory for crushing because the crop takes of period of at least 16 months and they are unable to pay—Therefore, I would like to urge upon the hon. Minister to see that the provision which comes in the way of the cane growers, particularly the Assamese cane grower* in Maharashtra, should be removed so that they can get adequate finances. At least the difficulties which the cane growers in Maharashtra are facing because of this particular stipulation in the Reserve Bank of India Act should be removed. Otherwise, I am all for the amendments.

श्री वारुण कुमार सखलवाला (मध्य प्रदेश) : माननीय उपमहापति महोदय, जहां तक इस बिल का प्रश्न है और उस के द्वारा जो ऐग्रीकल्चर ऑपरेशन्स में परिवर्तन लाया जा रहा है वह बहुत उचित है और आवश्यक है। उमी और खास कर मैं मंत्री जी का ध्यान आकर्षित करना चाहता हूँ। जैसा कि इस के स्टेटमेंट आफ आब्जेक्ट्स एंड रीजन्स में लिखा है, यह बात सत्य है कि हमारे ऐग्रीकल्चरल सेक्टर में प्रापर फाइनेंस करने की बहुत बड़ी आवश्यकता है और हम जो आशाएँ लगाये हैं कि हम कृषि के क्षेत्र में उत्पादन में वृद्धि करेंगे उस के लिये जनता का जो सब से गरीब वर्ग है, जो गरीबी में सब से ज्यादा प्रभावित है, जिस को आज फाइनेंस की सबसे अधिक आवश्यकता है और देश की आर्थिक स्थिति में भी परिवर्तन लाने के लिये जो एक बहुत बड़ा कारण बन सकता है उस के लिये आवश्यक है कि आप ऐग्रीकल्चरल ऑपरेशन्स की डेफनीशन को वाइडेन करें। यह उचित होगा। लेकिन इस अवसर पर मैं जरूर कहना चाहूंगा कि रिजर्व बैंक के द्वारा जो कोऑपरेटिव बैंक को फाइनेंस किया जाता है और कोऑपरेटिव बैंक के माध्यम से ऐग्रीकल्चरल सेक्टर को फाइनेंस किया जाता है, उस के अन्दर आज एक बहुत बड़े परिवर्तन की आवश्यकता

है। आज भी रिजर्व बैंक के अधिकारी या बड़े बैंकों के अधिकारियों का जो उचित दृष्टिकोण होना चाहिये वह नहीं हो पाया है।

मैं उदाहरण के लिये इसी मीज़न की बात बताना हूँ। इस मीज़न के अन्दर मेरे अपने जिले के अन्दर हजारों किसान पम्पस लेना चाहते थे। पम्पस लेने के लिये उनको फाइनेंस प्रोवाइड करने में को-ऑपरेटिव बैंक मदद करते हैं जिसमें व डेरीगेशन करें। लेकिन इन को-ऑपरेटिव बैंक को भी फाइनेंस नहीं किया गया जिसके कारण मैंकड़ों किसान जो पम्प लगाकर कृषि की उन्नति करना चाहते थे, डेरीगेशन करना चाहते थे, जिसके कारण गेहूँ का रकबा बढ़ने वाला था वह कृषि न हो सका। मैंने इसको फाइनेंसिंग कमेटी में भी उठाया था। लेकिन उस सब के बावजूद भी इन को ऑपरेटिव बैंक को फाइनेंस उपलब्ध नहीं हो सका। वे अपने रिमोसिज से जो कुछ कर सकते थे वह किया उसके अलावा और कुछ उपलब्ध नहीं हुआ।

मेरा यह निवेदन है कि कृषि के क्षेत्र में 4 हजार, 5 हजार या 7 हजार रुपये का छोटा-छोटा फाइनेंस करके कृषक की आर्थिक स्थिति में परिवर्तन ला सकते हैं, उसके द्वारा पैदा किये जाने वाली पैदावार में परिवर्तन ला सकते हैं वह हमें लानी चाहिये। जो आपका आर्जेंटिव है गरीब लोगों को, गरीब किसानों को फाइनेंस उपलब्ध कराना, यह तभी पूरा होगा जब सही रूप में रिजर्व बैंक को-ऑपरेटिव बैंक को बराबर फाइनेंस उपलब्ध कराता रहे। आर्जेंटिव एंड रिजन्स में लिखा है कि किस आधार पर प्रमोडमेंट करें। प्रैक्टिकल रूप में इसमें कहां तक परिवर्तन ला सकते हैं इसकी ओर आपको विशेष रूप से देखना है। इसी की ओर आपका ध्यान आकर्षित करने के लिये मैं खड़ा हुआ था। इस बिल का समर्थन करते हुए मैं चाहूंगा मंत्री जी इसको पूरी तरह से देखें कि को-ऑपरेटिव बैंक ऐग्रीकल्चर सेक्टर में गरीब किसानों को फाइनेंस पहुंचाए।

SHRI K. R. GANESH: Mr. Deputy Chairman, Sir, I am thankful to the hon. Members who have taken part in this brief debate. As I had indicated, Sir, in my opening remarks, this is a very short Bill and is confined to enlarging the definition of agricultural operations, credit control by the Reserve Bank of the non-banking institutions, and also collecting at one place the regulatory as well as the penal provisions which are available with the Reserve Bank. Sir, there are two or three specific points which the hon. Members have raised to which I shall reply now.

Sir, Shri Babubhai M. Chinai has said that a separate Corporation should be set up for the development of fisheries. He is aware that the Agricultural Refinance Corporation is the apex body for financing development projects relating to agriculture and also fisheries. And the A.R.C. can draw funds from the long-term agricultural operations fund. Sir, he has raised a doubt about divulging of credit information. Sir, the provision to the Section itself indicates that these are to be exchanged mutually between banks and that these are not to be divulged outside except under the conventions and procedures that have been laid down in the banking system itself. Sir, I think, that is a very important provision that has been included in the Bill.

Sir, Dr. Kurian has referred to the greater flow of concessional finance to more cottage and small-scale industries. Under Section 17(ii)(b) of the R.B.I. Act, this is continuously under review by the Reserve Bank of India. A list of such industries eligible for concession is continuously being drawn. And his suggestion will be examined by the Reserve Bank.

Sir, apart from this there is no other point that I have to answer here. The hon. Member, however, has raised a point about the functioning of Shiv Sena in the Reserve Bank of India Office in Bombay. I do not know whether he is correct in saying that. I am sure the hon. Member will realise that as far as the Reserve Bank of India is concerned, it is just not possible. I do not have any facts. But, this is not possible. He knows that there is a very elaborate procedure set up by the Reserve Bank of India and most of the other institutions in which appointments are made. Sometimes one feels that these procedures are very cumbersome. For instance, in the matter of recruitment of Scheduled Castes various difficulties come but procedures, very elaborate procedures, are there and they have to be followed.

Sir, he has raised the general question of Shiv Sena. I think I am not required to answer it. He knows that the Shiv Sena activities in Bombay have been condemned by the highest quarter. Every democratic

person would like that the cosmopolitan character of Bombay, which has been built by all those who live in Bombay, has got to be maintained.

DR. K. MATHEW KURIAN: Home Minister also should echo this.

SHRI K. R. GANESH: With these remarks I commend this Bill for the acceptance of the House.

MR. DEPUTY CHAIRMAN: Now I will put the motion. The question is:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause by clause consideration of the Bill.

Clauses 2 to 23 were added to the Bill.

Clause 24 (Amendment of Section 5C).

SHRI K. R. GANESH: Sir, I move-

"That at page 10, lines 35-39, for the words 'Every regulation made under (his Act shall be laid, as soon as may be after it is made' the words 'Every regulation shall, as soon as may be after it is made by the Central Board, be forwarded to the Central Government and that Government shall cause a copy of the same to be laid' be substituted."

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: The question is:

"That Clause 24, as amended, stand part of the Bill."

The motion was adopted.

Clause 24, as amended, was added to the Bill.

Clauses 25 and 26 were added to the Bill.

Clause 1 (Short title)

SHRI K. R. GANESH: Sir, I move.

"That at page 1, lines 3-4, for the words, brackets and figures 'Reserve Bank of India (Second Amendment) Act, 1973' the words, brackets and figure 'Reserve Bank of India (Amendment) Act, 1974' be substituted."

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

SHRI K. R. GANESH: Sir, I move:

"That at page I, line 1, for the word 'Twenty-fourth' the word 'Twenty-fifth' be substituted."

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI K. R. GANESH: Sir, I move:

"That the Bill, as amended, be passed."

The question was put and the motion was adopted.

3 P.M.

**THE FOREIGN CONTRIBUTION
(SPECULATION) BILL**

(Motion for reference to Joint Committee)

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND IN THE DEPARTMENT OF PERSONNEL (SHRI RAM NIWAS MIRDHA). Sir, I beg to move:—

"That the Bill to regulate the acceptance and utilisation of foreign contribution or hospitality by certain persons or associations, and for matters connected therewith or incidental thereto be referred to a Joint Committee of the Houses consisting of 60 members; 20 members from this House, namely,

1. Shri D. D. Pun
2. Shri Chakrapani Shukla
3. Shri G. R. Patil
4. Shri Kali Mukherjee
5. Shri Harsh Deo Malaviva
6. Shri Ganesh Lai Mali
7. Shrimati Pratibha Singh
8. Shri Qasim Ali Abid
9. Shri Manubhai Shah
10. Shri Emonsing M. Sangma
11. Shri Shvamlal Gupta
12. Shri Omprakash Tyagi
13. Shri Kalvan Roy
14. Shri S. S. Mariswamy
15. Shri Sitaram Singh
16. Shri D. Y. Pawar

17. Shri Abu Abraham
18. Shri K. P. Subramania Menon
19. Shri Bhupinder Singh
20. Shri Ram Niwas Mirdha.

and 40 members from the Lok Sabha;

that in order to constitute a meeting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that in other respects, the Rules of Procedure of this House relating to Select Committees shall apply with such variations and modifications as the Chairman may make;

that the Committee shall make a report to this House by the last day of the first week of the next Session; and

that this House recommends to the Lok Sabha that the Lok Sabha do join in the said Joint Committee and communicate to this House the names of members to be appointed by the Lok Sabha to the Joint Committee."

Sir hon. Members would recall that following concern and apprehension expressed in Parliament and outside on the use of foreign money for subversion and for influencing internal developments and political and economic policies, Government undertook to make an inquiry into the matter through the Intelligence Bureau. The then Home Minister, in his statement made before both the Houses on May 14, 1969, acquainted the Parliament with the broad conclusions arrived at as a result of that inquiry. While doing so, he had also indicated clearly the limitations under which an Intelligence organisation has to function and, therefore, the reasons why it would not be fair to make the report of the Intelligence Bureau public. After referring to the issues that emerged from an examination of the reports which Government had, the Home Minister stated that the most important issue before the House was what should be done to ensure that our parliamentary institutions, political organisations, academic and other voluntary organisations working in important areas of national life are able to function in a manner consistent with the values of a sovereign democratic republic.

Sir, the Bill that is under the consideration of this House today is the result of Government's careful and detailed examination of the measures considered necessary and desirable for achieving the objective which I have briefly referred to earlier. Before proceeding further, I would like to indicate broadly the scheme of the proposed legislation. The Bill seeks to distinguish between foreign contribution and foreign

hospitality, both of which have been clearly defined along with foreign source. As far as foreign contributions are concerned, three kinds of control are contemplated, namely:

- (1) outright prohibition,
- (2) acceptance subject to prior permission of Government, and
- (3) acceptance subject to intimation being given to Government.

Candidates for elections, correspondents, columnists, editors, printers or publishers of registered newspapers. Government servants or employees of any Corporation. Members of legislatures and political parties or office-bearers, they are all covered by the first type of control. Organisations of a political nature, not being political parties, will not be able to accept foreign contribution, except with the prior permission of the Central Government. Other associations will be required to give intimation regarding foreign contributions received by them.

In respect of foreign hospitality it is proposed that Members of legislatures, office-bearers of political parties. Government servants or Corporation employees shall not accept such foreign hospitality except with the prior permission of the Central Government. The legislation also seeks to confer upon the Central Government enabling powers to require any other person or class of persons to furnish intimation regarding receipt of foreign hospitality. Penal provisions for the contravention of the requirements of legislation are also proposed.

Sir, in framing the proposals Government have kept in view the need to reconcile control on the inflow of foreign finances with the desirability of achieving administrative feasibility of the controls contemplated.

It is for this reason that only the persons or classes of persons constituting the sensitive sections of our national life have been brought within the purview of the Bill. Any extension of the legislation to other classes of persons would, it was feared, result in avoidable administrative cumbersomeness and imposition of irksome bureaucratic controls.

I would also like to inform the House that as far back as in 1971 a note prepared by Government setting out the principles on the basis of which it was proposed to draft the legislation. This note was circulated to 29 Members of Parliament many of whom were leaders of different political parties, both in the Rajya Sabha and Lok Sabha. Unfortunately, however, we received response only from 4 Members. This is one of the important reasons why Government decided to make

the motion to refer the proposed Bill to a Joint Select Committee with a view to eliciting the opinion of all the political parties and other interested persons.

Soon after the Bill was introduced in the Rajya Sabha, its provisions were commented upon by various responsible newspapers. The main criticism was that the findings of the inquiry, on the basis of which the proposals have been drafted, have not been made public despite repeated demands. Sir, I have already made a reference to the reasons explained in this House on May 14, 1969, regarding the desirability of preserving the secrecy of the inquiry Report.

Sir, the Government regard this as an important measure and I believe the deliberations in the Joint Committee of both the Houses would enable the formulation of a well-conceived Bill, on the basis of informed representative public opinion desirous of securing the objectives as stated.

Sir, I commend the motion for acceptance.

The question was proposed.

SHRI BHUPESH GUPTA (West Ben-gall) : Sir, at this stage I would not like to make very detailed observations but with regard to the principles and approach of the Bill I think something has got to be said and I hope the Joint Committee will give due thought and consideration to what may be said in this House. Sir, it is a fact that certain elements are trying to interfere in the internal affairs of our country and our political life. Only the other day in her speech Prime Minister Indira Gandhi herself said that not only some internal forces but some external forces were also interested in ousting her from power. Now this is a serious statement for any Prime Minister to make and I think what she has said is basically correct in the sense that there are forces inside the country as well as forces outside which are today making conjoint efforts in order to bring about a rightist shift in the political life of the country, especially of the Government. Unless this is kept in view we will not understand as to why some kind of restrictions are needed. But whether this type of restrictions will serve the purpose or not, it is for the Joint Committee to consider. My fear is that it will not meet the requirements of the situation.

It is well known from what had appeared earlier in the New York Times in the famous five articles as well as in the editorial that the United States were openly intervening in the internal affairs of a number of other countries. For example the Prime Minister of Singapore made the statement that he had been offered 3.3 million dollars by the United States of

(Shri Rhupesh Gupta) America to do something in favour of American imperialism. It was also revealed in the New York Times articles as to how President Nasser's regime was sought to be subverted by Americans through political bribery and political donations to certain elements within his party. As you know very well in Latin American countries Americans are using funds and even some of their institutions are carrying on all types of activities in order to weaken and if possible destroy the democratic forces. What has happened in Chile recently is a case in point where Americans interfered in the internal affairs and built up forces of subversion with a view to getting rid of Dr. Allende's Government and establish a Fascist dictatorship there, that has been condemned even by some sections of American public opinion.

Now, Sir, CIA, for example, is well known. It is stated in many documents coming from the United States of America as to how the CIA operates in some of these countries in order to push those political elements in the country which they think would be serving the American game and they do so with a view to weakening the position of the progressive anti-imperialist forces. Now, this is going on. Our country is not free from these operations at all. As is well known and now it is admitted also by the Prime Minister herself that she thinks that gonte external forces are working to oust her. Here is the Home Minister sitting. They should tell us which are these forces and which are these countries. May be, the Prime Minister may not like to name them, but everybody knows the countries which are interested or the powers which are interested in bringing about a rightist takeover in the country. It is well known.

In this House only in the last Session I exno'ed how, for example, the American Consulate in Calcutta was taking a great interest in the Orissa elections and how one or two of their representatives had visited Bhubneshwar and Cuttack. They had been closeted with the leaders of the Swatantra i party, some retired Judges and others also taking part in it. Well, these things have not been disputed. Everybody knows that it happened in the middle of last year. The Government knows and I know it for ■ t also that what I said is correct, but no'ing has been done. When, Sir, the Swatantra Government, for example was in p nver in Orissa, they issued a circular, a se-ret circular to the police saying that Americans should not be under their i>r>d vigilance activities were with- ,l, .. fir as ihe T nited States were Conorm * This was found out when the Con-

ss people went and took over the Government. It is well known in Orissa that such

an instruction was given by Mr. R. N. Singh Deo, Chief Minister, belonging to the Swatantra party at that time. Now, these are well-known facts in the country. Here you know very well how in Delhi and other places things are being manipulated and handled. Shri Shankar Dayal Sharma, President of the ruling party, repeatedly stated in the past —nowadays he does not say so much —that the CIA was interfering in the politics of our country. Now, these things are very common. In such a situation we are passing a BiH of this kind. Now, as far as American interference and the imperialist interference are concerned, they have got to be embed. Funds are being used. It is very well known how the Americans organise a whole number of people, reactionary people, to visit their country and get all kinds of things from them. I am not concerned with individual cases. It is a part of the plan. Now, as far as the elections and other things are concerned, we are told that nobody comes and gives money directly. Nobody will come. Does the Congress party even collect money from our own nationals by giving receipts and so on? Let liem say so. The Congress is fighting elections. They have collected money not by issuing public receipts to everybody. They have their own way of collecting money. I am not going into it. Now, surely nobody will go to the Americans to collect money that way. These things are done secretly and who are these people? First of all, in this connection I should like to know whether there are some journalists in the country who are financed by the Americans. Sir, I do not know all of them, but there is one journal called '■F'veryman'. Some of the known pro-Americans are associated with that journal. Many names appear, but I do not blame all of them. As far as the editor is concerned and some others are concerned, they have been exposed in this House as having very strong pro-American bias. They are very much against the progressive elements and on the side of reaction. Suddenly a journal appears here and it is distributed practically free in these days of very costly newspaper, costly printing and costly everything. It is done practically free.

Everybody knew how the Current, for example, was run. Now, it has been boualit by our Congress friend. But Mr. Karaka was running it. and, as you know, very many things Nehru had to say about that journal. Such things are happening in our country. A whole number of publications are being brought out in order to under-shaking our institution and democratic way of life. As we have been trying to ■ mine the integrity of India, with a view to

make out. it is happening. In this connection, one cannot but mention some facts. Some of the officers are responsible for it. Here, we have revealed in this House how the daughters and wives of the high officials including the Home Secretary of the time used to get benefit through some employment in some American establishment and others. We had exposed it in this House and had given the names and numbers of everything. Such things are happening. It is as if we are surrounded by them. I think Government should make up its mind where it should attack. If you want to protect our independence and integrity, you must discriminate between IricmK and foes. Those who are our friends will not be interested in undermining our integrity or threatening our security or disrupting our political life or helping the devisive forces, whether agitation or certain other things, in the country. They will not do such things. Those who are interested in the integrity and well being of the country will not plant men in the public sector units to sabotage them; those who are interested in helping our nation will not finance organisations and other institutions who are against all progressive measures and whose reactionary, anti-people, anti-democratic policies are very well known. Now, the Government should make up its mind as to how they want to proceed. Such things are well known. I am not saying that everything should be spelled out. I should like to know what are the implications of the Prime Minister's statement in terms of the measures prooosed to be taken by the Home Ministry when the Prime Minister says that there are external forces trying to oust her from power.

We would not like any Prime Minister of the country, whether Shrimali Indira Gandhi or somebody else, to be ousted by an external force, even if we think that one should be ousted. In this particular case, the Prime Minister is sought to be ousted by the right-wing forces. Well Sir, today we have a very wonderful spectacle. We had, for example, witnessed two days ago an interesting spectacle in Pondicherry when the giant and a would-be giant killer appeared together on the same platform to ask the voters to vote for their candidates, that is, the Syndicates candidate and the Congress candidates, do not know how you feel about it. Mr. Kamaraj has not left the Syndicate Congress*. He is still a member of the Syndicate Congress. But then, he has shared the platform with her. Well, it is politics, I am not talking about it. But everyhodv k< that it is the Syndicate Congress, the Swa-tantra Parf y •=" the Ian S,"ngh who combined from 19V7 to 1971. with almost a vow, to pet rid of her. Mr. KP-araj h.-s

changed his view and now he is asking. I hear, the people to strengthen her hands. Well, I do not know whether her hands will be strengthened or weakened from the point of view of the people. My fear is that her hands will be >veaKened from the point of view of the people. Mr. Kamaraja has shaken hands with her. There is a saying in our literature—'Dhrutharashtra alingan; you know it very well. I think Mr. kamraj has started' Dhrutharashtra alingan'. Well I could have understood it if he had crossed, over as some Syndicate people have done. But how would the people feel when she is there with Mr. aj and at the same time, very rightly so—I support the Congressman—when there is a swing against right reaction in U.P. to defeat the Cong. (O). the BKD. the Swatantra Party and others?

This is not dichotomy in politics. I his is opportunism. Shiva Sena has been financed by the CIA. Everybody knows it. The Shiva Sena has been encouraged and pol-stered in the American press and we find our friend. Mr. Rajni Patel. entering into the ualiest alliance with the Shiva Sena in order to defeat our candidate. \iho. fortunately for us and unfortunately for him. now sits in the Lok Sabha. I haw: in mind Mrs. Roza Deshpande who took oath only yesterday. How are you going to control? Make up your mind. See the *modus operandi* of foreign money in trying to curb our political life and so on. It is no use trying to do this thing in this way. What do you think will come out of it? I do not know. I fear. Sir. that genuine people will be subjected to harassment by the bureaucracy and other departments.

Sir, today I make it very clear and I make no appologies about it. You may sny lliat I also go abroad. Yes. I do go abroad. Many others go abroad. After all, we are in the World Peace Movement. We are in the Afro-Asian Solidarity Movement We are in the Organised Democratic Trade Union Movement. We are in many other movements which are serving the cause of peace, which are serving the cause of human kind in various ways, which are helping the struegle for national liberation and independence and all of which are committed to our friendship and to strengthen our independence and security. Why should we not have co-operation with them?' Why should we not go to these countries? And why should they not come to our country? International solidarity has to be built. My fear is that bureaucracy will begin to interfere through this Bill in the building of international si lldarivt at the mass level, at the non-official level. That would be a sad day for our country when

(Shri Bhupesh Gupta) such a thing begins to take place. Sir, I would not like to take a certificate from the Government of India or from some bureaucrat to go to attend a World Peace Conference as a guest of the World Peace Council. That is the position. Perhaps they are trying to do that. Therefore, this is not the way. You must know where you have to strike. If you declare the peace movement, or other movements as your enemy I can understand. But they are your friends and you are also a party to it. You are in the movement. Many of you, leaders and others, are in the movement. They come and present medals to Jawaharlal Nehru posthumously and also similar awards to others. Many leading Members are directly associated with it. It is good that they are so associated. Why should they be subjected to this kind of harassment? Is it because some Americans are giving money in order to subvert our politics and our Government, our Intelligence Department are not in a position to right them. Your Intelligence Department seems to be behaving in the air. Have you assigned to them the task of detecting as to how funds are going to the Orissa election? Everybody knows how Mr. Bijū Patnaik, who does not pay income tax and income tax arrears to the extent of rupees one crore because he says he has no money, is using helicopters and Dakota planes in competition with the Prime Minister of the country. The Prime Minister, for security reasons and others, is provided with planes by the State. This is what is happening. Where does the money come from? Have you made any investigation how this election in Orissa is being financed today? Therefore, it is no use trying to indulge in very great generalities. Therefore, I would suggest to the Select Committee that they must make up their mind as to whom they want to curb. There may be certain social organisations who may not be in politics. For them a social code has to be maintained in order to strengthen our position in the world to get help from the world. We have got UNO and other non-official organisations. These things should not be disturbed at all.

I am told that I cannot be a guest. Here the hon'ble Minister said that the Government shall have regulatory powers to ask any one for an explanation. The thing should be defined if you suspect that money is coming from some unfriendly power or from any foreign power. I do not like any politician to take any money from any foreign power; I entirely agree. It is not a question of merely that. It is a question of regulatory power, movement of the people from this side to other parts of the world.

You have got the P. Form. You would put people into other difficulties. Therefore, all these clauses should be very carefully gone into. Everybody knows how some of the newspaper editors who get Rs. 4,000 and Rs. 5,000 per month and even more, are cultivated by the Americans, how the funds available under P.L. 480, about which an agreement has been signed recently, have been utilised in order to finance them. And it is not accidental that Rs. 25 crores have been spent under the USIS in this country for their propaganda; and what type of propaganda? Those who are probing into this matter will tell you that these funds have been utilised for bribing people working in newspapers, in the literary field, in academic institutions and in other spheres of life in order to pollute and corrupt our polity and spread the vicious American influence. Sir, in the crucial years of 1969 and 1971 we saw how the monopoly press behaved, how some papers known for their support and sympathy for American capitalists behaved at that time in launching an attack against all the progressive forces who were fighting right reaction tooth and nail. And at that time, we saw how they were backing up those elements who were thinking of subverting our democratic institutions. Well, these are some of the matters which should be gone into. Sir, as far as this clause is concerned, it is very bad. Therefore, it should be scrutinised and properly defined. Whereas everything which is unpatriotic, which is undemocratic, which tarnishes our national honour and dignity and self-respect should be curbed, there should not be any restriction on contacts with outside world both at the official and at the non-official level. I am not talking for the official level. They can look after themselves. But about the non-official level, I must mention. Sir, our experience has been that the P. Form sometimes has been used as an instrument of harassment against people trying to go to attend some international conferences the objects of which are well known and are in full conformity with our national objectives. These people have been harassed by the authorities responsible for issuing the P. Form. I know, for example, how when Mr. Morarji Desai was Finance Minister of the country, he was objecting to people going to the Peace Congress, how he was objecting to people going to the Youth Conference or other conferences of that type, which always supported us and stood by us at very critical moments in our national life. Mr. Morarji Desai was grudging even to give them the P. Form in order that they could go there, and difficulties arose. Now, what is the guarantee that another Finance Minister of that kind will

him? What is the guarantee that the officials, some of whom are pro-West will not try to do such things? Therefore, one has to be extremely careful.

Sir, we have not got the report. Therefore, we do not know what the report has said. But the Bill indicates something which calls for very close scrutiny. As far as political parties are concerned, I make it absolutely clear that they must function on the patriotic plane; that is to say, they must not be in any manner involved with any foreign sources of this type, in the sense that they are backed by foreign funds and other things. I entirely agree that no political party in this country should run the election or function with foreign money and all that. I agree. But then when it comes to individuals and others in the country, what happens? Take our party, for instance. We run the Communist Party here but we are also part of the International Communist Movement and we are proud of it. Surely this is the biggest political movement in the world today—the International Communist Movement at the head of which stands the Communist Party of the Soviet Union. Now should the law be such that I cannot go to a conference called by the International Communist Movement or to an International Communist conference? Am I go to the authorities to get permission for going to the conference?

SHRI K. CHANDRASEKHARAN (Kerala): You have got to.

SHRI BHUPESH GUPTA: Why?

SHRI K. CHANDRASEKHARAN : You have got to.

SHRI BHUPESH GUPTA : No. That is what I am saying. Now, you will not go. I would very much like you to join its and go.

SHRI K. CHANDRASEKHARAN : Not now.

SHRI BHUPESH GUPTA : I do not know when you will go. What I say is the labour movement is there. Second International is there. So I am not saying about a particular movement as such. Suppose I want to go to the Second International called by the labour movement, nothing should come in my way. For that matter, if you want to go to other international organisations which are *bona fide* organisations, which are well known, whose objectives are well known, surely nothing should come in your way. If the organisation is one which believes in subversion of political independence and democracy, making the country a slave of imperialists and if it is an organisation of

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that sort of agents, then I can understand. That is why. I request you not to misunderstand me. I stand for the right thing. If you say it is a catholic organisation, then, by all means you should be able to go. There may be an academic organisation; there may be a cultural organisation; there may be other organisations—international organisations for cultural exchanges, they should not be hindered. That is my point of view. I am not speaking for any political party or any political force as such. I am speaking for all *bona fide* international organisations. But I am against those organisations which are absolutely meant for internal political subversion, which are there in order to strengthen the hands of reaction or which are seeking to interfere in the internal politics or internal cultural life of other countries. It is necessary for us to have cultural intercourse with other countries to get things from them, to give them what we have. That is how world civilization has developed. You cannot stop that. But what I am afraid of is harassment, pinpricks and other things which will take place and by which many will suffer: not merely the communists or others whom some of you may not like, many of you will suffer. Congressmen, non-Congressmen and others will suffer. I do not want to have such things at all happening in the country. We want absolute freedom in this matter. Naturally we want our freedom to be exercised in such manner which strengthens our independence, which raises our dignity, not only within our country but also abroad. I entirely agree with that approach. But where is it? I am afraid, this Bill is going to create bureaucratic red tape and bureaucratic interference with the rights of some of the citizens of (he country who are not interested in weakening the country or weakening democracy or weakening independence, but in strengthening and improving our culture, in broadening our culture; such citizens may be impeded by this unscientific measure. Therefore, I say that every clause, every definition, needs to be carefully examined. My friend, Mr. Chandrasekharan, wants to prevent me. He can do so. . .

SHRI K. CHANDRASEKHARAN : Not you.

SHRI BHUPESH GUPTA: He is an intelligent man. I do not know whether he is there on the Joint Committee. If not, I would ask them to put him on the Joint Committee so that he can go into that and find out whether there is danger of any undue bureaucratic interference.

Finally, before I sit down, that amount of Rs. 800 crores is still left in the hands

(Shri Bhupesh Gupta) of the Americans here under the so-called boosted PL-480 agreement. Do you think that the Americans are going to keep quiet? All the amount of Rs. 800 crores will be used for defeating the very purpose of this Bill. You have given them crores of rupees. You should not give them any fund at all. The whole debt should have been written off. We would have been fully justified in writing off this debt and we are in a position to do so today. But we have allowed our Rs. 800 crores in their hands to be utilised in the manner in which they have used other funds. Sir, I am surprised the Government does not even take due note of what the Americans themselves are writing. The American President is now guilty of indulging in spying on the other side. The Watergate scandal has come to light now. Many other things have come to light. You can understand what they are eking in our country. Nixon is shaking. People are demanding his impeachment for what he has done.

American Senators and Congressmen and others are demanding it today. When the American President . . .

DR. R. K. CHAKRABARTI (West Bengal): Similarly there is the Solzhenitsyn scandal also elsewhere.

SHRI BHUPESH GUPTA: I do not know what you are saying.

DR. R. K. CHAKRABARTI: You were citing some examples. I am giving you one more example.

SHRI BHUPESH GUPTA: I do not know that.

DR. R. K. CHAKRABARTI: You are citing some examples from the United States. I am citing another example where a poet and author is driven out of his motherland.

SHRI BHUPESH GUPTA: But Brezhnev is not shaking in his seat of power. But your Nixon is shaking. I am glad you have raised it. You are shedding tears for this author who has gone out of the country. He was presented the Nobel Prize for writing virulent anti-Soviet stuff. What would you have done? Have you got courage to write such things?

DR. R. K. CHAKRABARTI: Many people wrote against President Nixon. They were not driven out of America.

SHRI BHUPESH GUPTA : I know he was in the United States . . .

DR. R. K. CHAKRABARTI: Think of the journalist who wrote about Watergate. He was not driven out of his country. That much I know.

SHRI BHUPESH GUPTA: I congratulate that journalist. But I deplore your attitude in the matter. I congratulate the journalist because he wrote it. I deplore your attitude because you brought in something to malign the Soviet Union.

DR. R. K. CHAKRABARTI: I am citing one more example.

SHRI BHUPESH GUPTA: You are not an example-giver. You are a teacher.

DR. R. K. CHAKRABARTI: While teaching, I give examples.

SHRI BHUPESH GUPTA: You are a teacher and you should know what you are doing. Since it has been raised, I would like to ask you how many people in the Soviet Union are in favour of this so-called author that you are talking about. Yes, he is an author. He has written something against his people and against his country. It is not accidental. Western people are circulating his book, printing it. American papers and anti-Soviet and anti-India people are publishing it. Millions of copies are bought by the American and other imperialists who are establishing military bases in the Indian Ocean. You should know who is publicising it and who is circulating it. Our friend is a leaned man. Hut the trouble is you were educated in the United States . . .

DR. R. K. CHAKRABARTI: You were also educated in the United Kingdom.

SHRI BHUPESH GUPTA: Half of my higher education was in detention camps in India and part of it in England. But how many times have I spoken in this House in the course of the last 21 years of my life in favour of the British Government or British imperialism? And during the course of three years how many times have you spoken for Americans and American imperialism?

(Interruptions)

SHRI B. K. KAUL (Rajasthan): What was your attitude at the time of Second World War?

SHRI BHUPESH GUPTA: Our attitude was that Fascism must be defeated. And our attitude proved to be correct. Today we can think of this world because of the Red Army's victory over Hitler and emergence of the world socialist system. That was my attitude and I am proud of that attitude. We can say many things about that.

MR. DEPUTY CHAIRMAN: You have to conclude now. You should conclude in one sentence.

SHRI BHUPESH GUPTA: Sir, I will conclude in one sentence if you put me

there in the Chair. If you just descend and put me in the Chair, I will conclude in one sentence, asking you to speak.

MR. DEPUTY CHAIRMAN: I am not very sure about it.

SHRI BHUPESH GUPTA: I am sure about it. You can see the practical demonstration if you step down.

MR. DEPUTY CHAIRMAN: I am prepared to do it provided you finish in one sentence. All right. Please conclude quickly.

SHRI BHUPESH GUPTA: Now, Sir, every clause should be gone into carefully. As far as the rich people are concerned, I wanted to say before being interrupted by Dr. Chakrabarti, that they would not be affected by this at all. You will see that the Birlas and the Tatas and the other rich and big people will not be affected by this at all. They will always have their relatives and friends there and they will take these people as their guests and they have got enough of money to go there and you will sanction the funds. We disclosed in this House how the Birlas went with their barber at one time to the U.K. There was no difficulty in getting the foreign exchange for the Birlas or for their barbers as if the English people are unshaven. They will have no difficulty whatsoever and they will find the ways and means of going there. Some of them have business interests and they will go there with their friends and spend their money. Everybody knows that the Government will sanction only about two thousand or four thousand rupees in foreign exchange here. But when they go there and throw some parties, they spend about twelve thousand to fifteen thousand rupees just for one party in one night to their people there. When the "Ananda Bazar Patrika" Editor went to the UK once, he was given barely eight hundred or a thousand rupees in foreign exchange. But when he landed in London, he gave a party which cost several thousands, one party only, and he spent a lot of money and he has got money, well, accounted for or unaccounted, I do not know and nobody knows. He does it and these people do it and there will not be any difficulty for them. What I say is that these laws should be so formulated and safeguarded that genuine intercourse with the world, contacts with the world, political, cultural, economic, scientific and educational, do not suffer. This is what I should like to say and the bureaucratic interference and the red-tape should be eliminated and everybody should not be tarred with the same brush. We must know who really

are trying to intrude on our political life and interfere with it with a view to sub-veiling India's independence and democracy and our struggle for peace, progress and prosperity. This should be our aim.

STATEMENT BY MINISTER RE JUNIOR DOCTOR'S STRIKE IN DELHI HOSPITALS—contd.

SHRI OM MEHTA: Sir, during the Zero Hour, some honourable members of this House requested for a discussion on the Junior Doctors' strike and they wanted that the discussion on the President's Address should be postponed to the 25th. So, Sir, in deference to their wishes, we have decided that on the 21st inst. we will have a short-duration discussion on the doctors' strike and we will start the discussion on the President's Address on the 25th inst. I hope this will satisfy the honourable Members.

MR. DEPUTY CHAIRMAN: This will be done if the Members are agreeable.

SHRI BHUPESH GUPTA: Thank you, Mr. Om Mehta. At least once you have listened to us.

SHRI OM MEHTA: I have always listened to you.

MR. DEPUTY CHAIRMAN: Yes, this is agreeable to the Members. Now, Mr. Chandrasekharan.

THE FOREIGN CONTRIBUTION (REGULATION BILL), 1973

MOTION FOR REFERENCE TO JOINT COMMITTEE—contd.

SHRI K. CHANDRASEKHARAN : Sir, the honourable Member, Shri Bhupesh Gupta, in a rather long speech, I should think, has gone out of the track. He was rather too subjective and not objective. He was thinking of the present situation in terms of the present Bill which is to be permanently on the statute book.

[The Vice-Chairman (Shri V. P. Raju in the Chair)]

Sir, the honourable Member, Shri Bhupesh Gupta, even attempted to connect the provisions of this Bill and the necessity for this Bill with what I may respectfully say a stray statement or a part of an election speech made by the honourable Prime Minister.

[Shri K. Chandrasekharan]

The Prime Minister is reported to have stated that internal and external forces are attempting to oust her. The hon. Member added that these forces are conjointly trying to oust her, which means a step forward than what was said even by the Prime Minister herself. I should think that this statement of the hon. Prime Minister is just a mere political statement made on the eve of the U.P. elections and meant primarily for consumption by the electorate in U.P.

Sir, we are today in a very difficult economic situation and the Prime Minister and the Government have failed to avert the present economic crisis. I think that the hon. Prime Minister is trying to take refuge under a mirage and it has been properly given justification and support by the leader of the Communist Party of India which today plays a sort of second fiddle to the Prime Minister and the ruling Congress. Sir, the hon. Mr. Bhupesh Gupta even went to the extent of justifying the use of the Indian Air Force planes for election purposes in contrast with the use of planes by Mr. Biju Patnaik.

SHRI BHUPESH GUPTA: On a point of explanation. Sir, I never justified it. I say that Mr. Biju Patnaik is trying to compete with the Prime Minister and is using helicopter. In fact, I did not justify or decry the use of the plane by the Prime Minister. Personally, I would say that apart from security reasons, the Prime Minister of the country and everybody else should conduct the elections in the usual way.

SHRI K. CHANDRASEKHARAN: I think that the hon. Member justified it by inference. Now, as he is stating that he does not justify.

SHRI BHUPESH GUPTA: I did neither justify nor denounce such a thing. Sir, I make it very clear.

DR. K. MATHEW KURIAN (Kerala): Neutrality is also suspicious.

SHRI BHUPESH GUPTA: I would like the Prime Minister of the country or for that matter anybody else to conduct elections in the same way except when the security reasons demand something else.

SHRI K. CHANDRASEKHARAN: My hon. friend also referred to the rights of citizens in this country. I do not know what rights the citizens of this country have to receive foreign air or assistance apart from and independent of the Government of India. The provision that has been made in this Bill in the last of its clauses (Clause 33— "nothing contained in this Act shall apply to any transaction between the Government of India and the Government

of any foreign country or territory") is a salutary and a necessary provision and apart from that sort of dealing between Government and Government, I do not think that in a backward country like ours, politically, economically and socially backward country, a country which is still in a developing stage, and a country which has not reached maturity in many ways, there is any right for the citizen, whether in terms of the Constitution or in terms of morality, or it is proper to give any such right to the citizens of this country to have dealings with foreign countries in their own manner.

I should think, therefore, that the plea made by hon. Mr. Bhupesh Gupta that in at least some of the clauses of this Bill the restrictions imposed should be either withdrawn or weakened is a plea which will not serve the purposes for which this Bill is to be enacted. I am of the view, Sir, that the restrictions imposed by the provisions of this Bill should be more tightened and I would respectfully agree with Mr. Bhupesh Gupta that there should be certainly no red tape. Sir, there is no use of saying about red-tape, administrative delays and all that. Even in the best of legislations, for example, even in the case of the most important legislation that is being implemented in the States in the country in relation to land reforms, there is administrative delay, there is red-tape. If in the matter of implementation of land reforms which is crucial so far as the whole nation is concerned, there is avoidable red-tape and avoidable administrative delay, certainly, Sir, the question of red-tape and administrative delay cannot be posed for the purpose of weakening or in any way lessening the restrictions imposed on individuals, associations and political parties by the various provisions in this Bill.

Sir, hon. Mr. Bhupesh Gupta went at a tangent and criticized the role of American money in this country. I have absolutely no doubt to agree with him word for word in regard to the role of the C.I.A. not only in this country but in several other countries of the world, in regard to the role of money from the United States and the way in which the U.S.A. have been trying to politically and economically control the weaker nations and weaker sections of the world. But it cannot be forgotten, Sir, that during the last 25 years of this country's life after independence, not only the U.S.A. but various other countries in the world also have had their sports-field in regard to foreign assistance being conducted in many parts of this country and in many States of the country. And, Sir, whatever be our relationship with Soviet Russia,

whatever be my personal admiration apart from not being a Communist Party member—I am not a member of the Communist International and I am not a member of the ruling party of Soviet Russia—I have no doubt that Soviet Russia has been and continues to be one of the most progressive of nations in this world. I have absolutely no doubt that this country's relationship with Soviet Russia should be as close as possible. But I have also no doubt that money from Soviet Russia should not flow into the hands of citizens in this country or political parties in this country. And may I pose a question, Sir? Is it not a fact or truth that during the last 25 years, the Communist Party of India, on account of its being an associate of the Communist Party in Russia has had large-scale assistance of money from the Soviet Union . . .

SHRI BHUPESH GUPTA: I do not expect such a serious statement made by you. First of all you should know that there is no such thing as Communist International.

SHRI K. CHANDRASEKHARAN: You yourself said Communist International.

SHRI BHUPESH GUPTA: I never said it. You did not hear because in your enthusiasm for Soviet Russia, you say some thing . . .

SHRI K. CHANDRASEKHARAN: I have absolutely no enthusiasm.

SHRI BHUPESH GUPTA: I said International Communist Movement. You should know that there is a movement called International Communist Movement: the Communist International was dissolved in 1943.

This kind of a libellous allegation made by Shri Ashoka Mehta and other C.I.A. agents should not be repeated in this House. I would say that those men are having American money in their pockets.

(Interruptions).

SHRI K. CHANDRASEKHARAN: Sir This gentleman is having the largest Soviet money in his pocket and he is alleging that I am having the money. I have absolutely nothing. Sir, this gentleman is a puppet of Soviet Russia.

AN HON. MEMBER: There you are. There you are.

SHRI K. CHANDRASEKHARAN: He is an insult to this country. He is a humiliation to the independence of this country.

SHRI BHUPESH GUPTA: Hypocritical statements are being made. On the other hand

it is said that Soviet Union is our friend and on the other hand it is said that Soviet Union is destroying our independence here. This country is supposed to be the friend of Soviet Russia.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Should we discuss openly about other countries in our House?

SHRI K. CHANDRASEKHARAN: We have got to, Sir. It has already been brought on record.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Should we ourselves degrade ourselves and say that we are the puppets of other countries? Should that be the level of debate here?

SHRI BHUPESH GUPTA: Let him quote one Soviet paper which is against our country. (Interruptions.) I quoted on the basis of what the American themselves have said which has appeared in five editorial articles in the New York Times. Can you mention any Soviet papers writing such a thing?

SHRI K. CHANDRASEKHARAN: That is exactly why I said in the beginning that we have got to be objective so far as the provisions of this Bill are concerned. We are not concerned with what is happening in Soviet Russia today. We are not concerned with what the relationship of a particular country with this country is. What we are concerned here is whether on principles, on first principles, basic principles, we should allow the flow or assistance of foreign money into this country or into the affairs of our organisations. I should think, Sir, that we should not.

SHRI BHUPESH GUPTA: That is the difference.

SHRI K. CHANDRASEKHARAN: That is why I said, Sir, that irrespective of our relationship with countries we should see that in the provisions of this Bill an attempt is made—to that extent I welcome the provisions of this Bill because that attempt is a necessary attempt—which has got to be *bona fide* implemented. I, therefore, submit, Sir, that the provisions of this Bill have got to be tightened and not in any manner weakened.

Sir the further thing that I would like to submit is that in the Statement of Objects and Reasons of this Bill it has been stated that the Bill seeks to regulate the acceptance and utilisation of foreign contribution or hospitality. Sir, I would have been happy if the purpose of this Bill had been to wholly bar the acceptance and utilisation of foreign contribution or hospitality except on a Government to Government

[Shri K. Chandrasekharan]

basis; or on the basis of a clear previous concurrence having been given by the Government of this country.

Sir, then there are two or three clauses on which I would like to make my submissions. One is clause 5 and it attempts to make a distinction between a political party and an organisation of a political nature. So far as a political party is concerned, clause 4 bars any receipt of foreign assistance or aid but according to clause 5, an organisation of a political nature, not being a political party, can take foreign contribution with the previous permission of the Central Government.

4 P.M.

I put it to the consideration of the Select Committee as to whether this provision need be there at all. No distinction can be made in this country between an organisation of a political nature and a political party. Democracy is still in its early childhood stages, in its infancy stages and, therefore, Sir, many political parties are functioning as organisations of a political nature and these organisations are not registered with the Election Commission as political parties, but every one of us knows that it is these organisations that are active during elections and not political parties themselves. Some of these organisations of the local and State level control the political parties, and, therefore, no organisation of a political nature should be allowed to receive any foreign aid or assistance at all.

Then, Sir, in clause 12, with regard to the prohibiting of payment of currency received, in contravention of the Act to political parties, the power has been left with the Central Government. I should think, it is better that the power is vested with a statutory authority to be named in the provisions of this Bill itself so that the Central Government can retain to itself some appellate or revisionary power in the matter. That sort of approach has been made in clause 14 where there is an authorised officer coming in. I submit, Sir, that a statutory authority may be created for the purpose of exercising the functions by and large of the Central Government as per the provisions of this Bill so that that statutory authority can be in the nature of a quasi-judicial authority who will be able to go independently into all matters and decide rather quickly so that delay is avoided.

Then, Sir, I am completely opposed to clause 32 of the Bill. Clause 32 gives to the Central Government a power of exemption. It is not stated in clause 32 in what manner that power of exemption would be exercised by the Central Government. No guidelines are indicated in clause 32. I do

not know whether any guidelines would be indicated in any subordinate legislation when rules are framed, but whatever that be, I should think that there should not be any power left with any authority to exempt anybody or person from the provisions of this Act because the very purpose for which the Parliament is enacting this legislation would be destroyed if such a power of exemption is exercised.

श्री भूपेन्द्र नारायण मंडल (बिहार) : उप-सभाध्यक्ष महोदय, अभी जो सदन के सामने प्रस्ताव प्रस्तुत हुआ है, मैं उसका समर्थन करता हूँ। आज देश की जो हालत हो गई है उस हालत में हमें देखना है कि देश की स्वतंत्रता कैसे कायम रहे। आज के संसार में जो बड़े देश हैं, वे दूसरे देशों के ऊपर अपना प्रभाव जमाना चाहते हैं। प्रभाव जमाने के लिये कई तरीके होते हैं। उसमें एक तरीका रुपया भी है और रुपये के लिये यह रेजोलूशन आया है और फॉरेन कंट्रीव्यूशन, इस देश की जो पार्टियाँ हैं या व्यक्ति हैं, वे अगर इसे एक्सपैट करें तो उस पर नियंत्रण के लिये यह रेजोलूशन आया है। लेकिन हम समझते हैं कि देश में स्वतंत्रता कायम रखने के लिये ब्राडर प्राविजन आना चाहिये था। इस देश में किसी पार्टी के नेता या दूसरे लोग दूसरे देश के लोगों से, दूसरे देश की सरकार से सरोकार रखते हैं, उन पर भी निगरानी रखनी चाहिये, उनके ऊपर भी कंट्रोल होना चाहिये। वे क्या बातचीत करते हैं इन सारी बातों की जानकारी सरकार को रहनी चाहिये।

इसके लिये अगर कोई कानून अभी तक बना है तब तो ठीक है, अगर नहीं कानून बना है तो कोई कानून बनना चाहिये और इसके लिये भी बनना चाहिये कि इस देश के कुछ लोग फॉरेन कंट्री में जाकर वहाँ के लोगों से जो बात करते हैं वह क्या बता करते हैं उसकी जानकारी सरकार को हो जाए; क्योंकि हो सकता है आज हमारे लोगों से सांठ-गांठ करके वे किसी तरह का जाल रच सकते हैं। इसलिये जहाँ रुपए के द्वारे में कानून आया है वहाँ इस देश के सिटिजन का कंटेक्ट, जो दूसरे देश के या गवर्नमेन्ट के लोग हैं, उनके साथ कैसा होना चाहिये

उसके भी रेग्युलेशन के लिये एक कानून आना चाहिये ।

जो मंत्री जी ने शुरू में कहा उसके मिलसिले में उन्होंने यह नहीं बताया कि क्या उनके पास में तथ्य है, किस तथ्य को उन्होंने इक्ट्ठा किया है, क्या इनफार्मेशन उनकी है ? उसके बारे में उन्होंने कुछ नहीं कहा है । वह इनफार्मेशन भी दे देते तो अच्छा होता कि किस देश के बारे में उनको मालूम है कि उस देश की सरकार इस देश में रुपए का वितरण किया करती है । चूंकि उन्होंने वह इनफार्मेशन नहीं दिया, इसका नतीजा हुआ कि एक तरफ तो भूपेश गुप्त जी ने अमरीका को दोष देना शुरू किया, और हम समझते हैं, जो कुछ अमरीका को उन्होंने दोष साथ दिया है सो ठीक ही दिया है लेकिन साथ-साथ, जैसा कि श्री चन्द्रशेखरन ने कहा, रूस का भी दोष है । इस देश में, जैसा कि हम लोग सुना करते हैं—और कुछ शायद गवर्नमेंट के पास इस तरह की रिपोर्ट है—कि रूस की तरफ से भी रुपए का वितरण किया जाता है, इसलिये अगर उन सभी बातों के बारे में लोगों के सामने तथ्य आ जाते तो अच्छी बात होती, लोग इस बात से आगाह हो जाते कि कौन ऐसा देश है जिस देश की सरकार यहां पर रुपये खर्च किया करती है ।

जो इसमें प्राविजन अभी लाया गया है वह सेलेक्ट कमेटी में जाएगा । सेलेक्ट कमेटी में मरम्मत होकर जब वह यहां आएगा तो फिर उस पर बहस होगी । लेकिन हम सरकार को यह सजेसन देना चाहते हैं कि जिस तरह से रुपए के बारे में कानून बना है उसी तरह से जब इस देश के नागरिक का दूसरे देश के नागरिक के साथ सम्पर्क होता है उस सम्पर्क के मिलसिले में भी कुछ एक रेग्युलेट कराने के लिये अगर आप कानून लावें तो अच्छा हो—उनका जो सम्पर्क है उसके मिलसिले में क्या कुछ करते हैं या क्या कुछ नहीं करते हैं, उन सब बातों की जानकारी सब लोगों को होनी चाहिये, कम से कम सरकार को तो

तरफ़ूरी होनी चाहिये । अगर ऐसा होगा तो हम समझते हैं उससे बहुत कुछ मिलचीक खत्म हो सकता है ।

SHRI RAM NIWAS MIRDHA: Sir, in my remarks earlier, I had briefly mentioned the background under which this Bill has been brought here. There has been a feeling that some sort of check and regulation should be imposed on receiving foreign contributions or accepting foreign hospitality and things of that nature. Well, Sir, I do not think there has been any opposition to this idea that a regulation of this nature is necessary. Shri Bhupesh Gupta broadly agreed with the principles and objects of this Bill, but he wanted to know whether these restrictions will serve the purpose for which they have been framed. What he had in mind was that while imposing restrictions of the nature contemplated in the Bill, we should see that international contracts are not hindered or persons going abroad for legitimate activities should not be unduly harassed by bureaucrats and officers from whom permission will be sought.

Well, Sir, I need not refer to try to reply to the various points that he raised. Incidentally he whole debate turned into some sort of a slanging match between our two friends. What I would say is that while this type of restriction or regulation is necessary, at the same time it should not lead us to conclude that there is a vast problem of foreign influence or infiltration in our body politic. No alarmist view need be taken of the situation. I personally feel that by and large public men in our country or even ordinary persons, the citizens of this country, are resolute enough or patriotic enough to resist any advances of this nature by foreign powers and foreign sources. But we cannot be complacent in a matter like this, and that is why some form of regulation is necessary. It is certainly not our intention to cut out foreign contracts whether at the political level or social level or economic level, and there is no intention to debar persons from going abroad or even accepting foreign hospitality. The requirement would only be that one may have to ask for permission and in some instances one may just have to inform the Government. That is what we are going to do and these restrictions are necessary. A regulated scheme of contracts at the international level is sometimes much better than unregulated or indiscriminate foreign contracts. If I may use that term. So this Bill has a very limited and specific purpose. The purpose is not to stop spying in our country or to do things of that nature. That is a much wider thing and we

[Shri Ram Niwas Mirdha]

need not go into that here. Sir, Mr. Mandal even went to the extent of saying that we should not only regulate the flow of money but also regulate the contacts of our countrymen with foreigners. I think that is going to the other extreme and we certainly do not intend to impose any restrictions of that nature; nor is it necessary. As I have said earlier we have full faith in the basic integrity and honesty of our citizens and in their basic capacity to resist overtures and advances of this nature. Contracts with foreigners would not contaminate us and we do not want to shut ourselves in a cocoon so to say and debar all foreign contracts. Mahatma Gandhi used to say that we must keep the windows of our country open so that fresh wind may blow from all over the world; only we should not be swept away from our feet. He meant 'swept away' in the political sense, in the social sense, in the cultural sense. I believe we are sufficiently strong to resist all the influences, though sometimes they may be serious; we have the capacity to resist them and we would never agree to putting restrictions on our citizens meeting foreigners or even going abroad and having contacts.

SHRI S. S. MARISWAMY (Tamil Nadu): Mahatma Gandhi also said that we must not depend too much on any particular country.

SHRI RAM NIWAS MIRDHA: We are not depending too much on any country or any group of countries or even on foreign countries as a whole. Actually the present Government has, as one of its basic planning objectives, self-sufficiency in all matters. That is one thing we have followed all along; whether it is promotion of public enterprise or going in for heavy industries, I think we should be able to stand on our own feet. We even aimed at reaching the stage when there would be zero foreign aid. So, we are going much further than what the hon. Member wishes us to do. This is the basic tenet of our economic policy, to be self-reliant.

SHRI S. S. MARISWAMY: I do not want to interrupt you, but Mahatma Gandhi also said that we have to be self-sufficient. He said so far as food is concerned, India, Swaraj India must not look to having a single foodgrain from outside. He would rather like the people to starve and die than import foodgrains. Is it your policy?

SHRI RAM NIWAS MIRDHA: I do not think the hon. Member is quoting Gandhiji correctly.

SHRI S. S. MARISWAMY: I am correct, hundred per cent I can give you the paper tomorrow. It is a fact,

SHRI RAM NIWAS MIRDHA: Even so, as far as our foodgrains policy is concerned, we had adopted at a certain stage that we would not import foodgrains. Even when concessional food supplies were available, we did not avail of them, but when certain difficulties like droughts, floods and other calamities befell the country, it was our duty to feed the people, rather than let them starve, as the hon. Member suggested should be done. We are not depending on any country or any foreign source. Our attempt is to be self-reliant, to be strong enough to be able to stand on our own legs. We do not want that foreign contacts should be barred as such. In respect of certain individuals and areas which are of a sensitive nature—political parties, office-bearers of political parties, journalists who are leaders of public opinion—we feel that the type of foreign contribution that they receive from abroad should really be known—to us, so that sometimes we can prohibit them. For example, there should be no foreign contribution to any political party. There are no 'ifs' and 'bills' about it. Why should any foreign source contribute to any purely political party? We will completely stop that sort of contribution. In respect of certain areas in between, such as hospitality and going abroad for hospitality, we have not barred them. We have only said: Tell us from where you are getting it and have it cleared by the Government. The intention again would be not to hinder any legitimate foreign or international contacts. The idea is that there should be clearance from the Government as to the source from which it comes. Shri Chandrasekharan objected to clause 32 saying that the Government should not have any power to give exemption. In the clause itself we have said that political parties will not at all be exempted. We have said that in the clause itself. As regards laying guidelines it is not necessary because we have clearly said that political parties will not in any case receive any foreign contribution. The Government will not be and is not being empowered under this Bill to exempt political parties from receiving contributions. As regards one big source, the guideline is right there in the Bill and it is complete. It is mentioned that the Central Government will not permit this sort of exemption to be made. If there is any exemption there should be written orders about it. We will know who has been exempted and under what circumstances it has been exempted. The Government would be asked to explain in the House and outside why it has chosen to do so. I am sure this clause will not be used in a manner which will be objectionable or which hon. Members may have any difficulty in accepting it. Still, all these and other suggestions are there I do hope that

the Joint Select Committee will go into them. The idea is that the Bill should be thoroughly thrashed out. We want that this Bill and the basic ideas underlying it should have the widest possible popular and political support, so that a measure of this nature could be implemented in the proper spirit in which it has been framed.

THE VICE-CHAIRMAN (SHRI V. B. RAJU):
The question is:

"That the Bill to regulate the acceptance and utilisation of foreign contribution or hospitality by certain persons or associations, and for matters connected therewith or incidental thereto be referred to a Joint Committee of the Houses consisting of 60 members; 20 members from this House, namely: —

1. Shri D. D. Puri
2. Shri Chakrapani Shukla
3. Shri G. R. Patil
4. Shri Kali Mukherjee
5. Shri Harsh Deo Malaviya
6. Shri Ganesh Lai Mali
7. Shrimati Pratibha Singh
8. Shri Qasim Ali Abid
9. Shri Manubhai Shah
 - 1 Shri Emonsing M. Sangma
 - 1 Shri Shyamlal Gupta
 - 1 Shri Omparkash Tyagi
 - 1 Shri Kalyan Roy
 - 1 Shri S. S. Mariswamy
 - 1 Shri Sitaram Singh
- 5.

16 Shri D. Y. Pawar

17 Shri Abu Abraham

18 Shri K. P. Subramania Menon

19 Shri Bhupinder Singh

20 Shri Ram Niwas Mirdha,

and 40 members from the Lok Sabha;

that in order to constitute a meeting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that in other respects the Rules of Procedure of this House relating to Select Committees shall apply with such variations and modifications as the Chairman may make;

that the Committee shall make a report to this House by the last day of the first week of the next Session; and

that this House recommends to the Lok Sabha that the Lok Sabha do join in the said Joint Committee and communicate to this House the names of members to be appointed by the Lok Sabha to the Joint Committee."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI V. B. RAJU):
The House stands adjourned till 11 A.M. the day after tomorrow.

The House then adjourned at twenty minutes past four of the clock till eleven of the clock on Thursday, the 21st February, 1974.