

(b) A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue) Notification S.O. No. 279(E), dated the 31st March, 1994 publishing the Income-tax (First Amendment) Rules, 1994, under section 296 of the Income-tax Act, 1961 [Placed in Library. See No. LT-5763/94]

II. A copy each (in English and Hindi) of the following Notifications of the Allahabad Bank, Calcutta :—

(i) Notification No. HO/Legal/333/1137, dated the 8th May, 1993 publishing the Allahabad Bank Officer Employees' (Conduct) (Amendment) Regulations, 1992, under section 19(4) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

(ii) Notification No. HO/Legal/0814, dated the 13th November, 1993 publishing the corrigendum to the Notification No. HO/Legal/333/1137, dated the 8th May, 1993. [Placed in Library. See No. LT-5764/94]

III. A copy each (in English and Hindi) of the following Notifications of the Ministry of Finance (Department of Revenue), along with Explanatory Memoranda on the Notifications :—

(i) G.S.R. No. 118(E), dated the 28th February, 1994, publishing the corrigendum to the Notification G.S.R. No. 607(E), dated the 13th September, 1993.

(ii) G.S.R. No. 291(E), dated the 2nd March, 1994, publishing the corrigendum to the Notification G.S.R. No. 785(E), dated the 27th December, 1993. [Placed in Library. See No. LT-5668/94]

DISCUSSION ON THE WORKING OF THE MINISTRY OF DEFENCE—Contd.

उपसभापति : आप इंटरवीन करेंगे ?

रक्षा मंत्रालय में राज्यमंत्री (श्री मल्लिकार्जुन) :
अगर आप परमिशन दें तो।

उपसभापति : ठीक है, आप इंटरवीन करिये फिर प्रधान
मंत्री जी।

SHRI MALLIKARJUN : Madam Deputy Chairman, I am extremely thankful to all the hon. Members—14 hon. Members have participated in the debate—for their valuable suggestions and constructive approach, so far as the defence matters are concerned. All of them have referred to some common points of a vital nature and to the immediate pressing needs.

The first point referred to by them was the Budget. It was the contention of the hon. Members that the budgetary allocation was inadequate to meet the requirements of Defence, from the point of view of defence preparedness. Of course, with the resource crunch, whatever maximum could be made available, has been made available. The provision in the Budget Estimates is Rs. 23,000 crores. Last year, it was Rs. 19,180 crores. In the Revised Estimates, the figure went up to Rs. 21,960 crores. Therefore, comparatively, it is not very much higher. However, with whatever resources available at our disposal, we have to meet the needs.

Madam, we have taken certain steps to save some money through control over wasteful expenditure, better utilisation of the assets and inventory control and also by generating some resource. Normally, in Defence, we hardly generate any resource. But we have appointed a Committee, known as the Special Surplus Stores Disposal Committee, to dispose of obsolete stores which are lying. During the recent period, this Committee was able to secure Rs. 106 crores.

Apart from this, one of the major areas is fuel consumption. As you know, we have got a vast transport system. Therefore, the concentration is on the saving of fuel. Attempts are being made. Through these attempts, we will be able to save some money. Apart from that, in our training system itself we have now adopted training through simulators. As a result of that, a lot of wastage of ammunition, wear and tear of vehicles are being reduced, so much so that within a short period of two years we were able to reduce to the tune of Rs. 1,000 crores so far as this comparative expenditure is concerned.

SHRI G. SWAMINATHAN (Tamil Nadu) : Madam, I stand on a point of order. The point is, we have all been waiting for the Prime Minister to reply to the discussion. That point has been discussed and we were told the Prime Minister will come later on. Now we find that the hon. Minister is intervening. I don't know whether the Prime Minister will reply, because

we all came for the purpose of hearing him.

THE DEPUTY CHAIRMAN: The Prime Minister will reply. The Prime Minister is here. But it is our tradition that the Minister can intervene.

SHRI G. SWAMINATHAN: He can intervene. We only want to know whether only with the intervention it will stop or the hon. Prime Minister will reply, because we all made it a point to be here to hear him.

THE DEPUTY CHAIRMAN: It is not a point of order; it is a point of information. I inform you that the Minister is intervening and, after that, the Prime Minister will reply. The Prime Minister is already here.

SHRI G. SWAMINATHAN: Thank you, Madam.

AN HON. MEMBER: Have patience!

SHRI MALLIKARJUN: This is one aspect of it.

Quite a number of hon. Members laid emphasis on allocation of more money to the Defence Research and Development Organization. We do agree with it. Particularly, hon. Members, Shri Malkani, Shri Jaipal Reddy and some others had even gone to the extent of saying that Rs. 85 crores have been taken away from the capital expenditure of the DRDO and that is how its capital expenditure is reduced. But let me make it clear that the Rs. 85 crores which have been taken out of the capital expenditure have been reappropriated to revenue expenditure. So far as the DRDO is concerned, the projects are taken both under capital expenditure and revenue expenditure, and this amount, in fact, has been utilized for the progress and development of the LCA, which is another important area. So, so far as allocation for the DRDO is concerned, we are conscious of it.

Of course, some Members like Shri Malkani, Shri Jaipal Reddy and others have compared our budget with that of Pakistan, that Pakistan is providing seven per cent of its GDP for defence and India is not able to do so. But the allocation need not necessarily be on the basis of GDP. Our allocation is need-based. We cannot simply compare ourselves with Pakistan and waste our precious funds because of Pakis-

tan's acquiring F-16s or its spending seven per cent of its GDP on defence—I don't want to go into the details of it. So, this is the broad picture of the budgetary position.

Madam, with all this, now our emphasis is on self-reliance. When we talk about self-reliance, today, as it is, through our indigenous production we are able to meet our requirements to the extent of 30 per cent. For the remaining 70 per cent we are still depending upon imports. Therefore, a committee under the chairmanship of SA to RM has been constituted so that they can evaluate and draw their inferences as to how much time will be taken for attaining self-reliance by reducing the import content and increasing our indigenous production. So, the conclusions of the committee arrived at after deep deliberations were that by 2005 we would be able to reduce our imports to the extent of 30 per cent and that the indigenous production would go up to 70 per cent. Of course, when we are talking of the indigenous production, we are involving the public sector and even the private sector.

Even the Prime Minister was very keen that we must encourage young entrepreneurs in this. We have taken up that programme also so that young entrepreneurs who have talent and who possess professional degrees in mechanical engineering or electronics, can choose the items. We have taken up this programme. Already at three locations we have demonstrated about a thousand items to young entrepreneurs to choose from them. So, this is how we are planning for self-reliance. Dependence of foreign support for spares and other things is okay, but for all times it is not possible. A developing country like India must think of indigenous production of each and every thing.

When we are talking about the DRDO, it is working on a number of projects, raising the country's strategic and technical capabilities. Here, a special mention may be made of the guided-missile programme which has placed India amongst the foremost countries in the world. The Prithvi missile is under trial. I do not want to go much into it because you want to listen to the Prime Minister who will answer all your questions about it.

About the MBT, Arjun, the hard work of our scientists and others has resulted in building the MBT successfully. Mr. Suresh Kalmadi, Mr.

Malkani. Mr. Das Gupta and others have urged the other day during the discussion that we should go in for its production. We are planning for its production. The trials have been quite successful. The planning for its production, engineering and other things have already been taken into account. So far as the MBT, Arjun, is concerned, it is one of the best tanks which can be compared with the world famous tanks, the Leopard of Germany, the Leclerc of France or even the Abraham of America.

There is the special armour, Kanchan. A friend like Jaswant Singhji himself has praised how the armour, Kanchan, is made.

So, these are our indigenous achievements. These efforts are being made by the DRDO.

Another important thing is the Light Combat Aircraft. Our friend, Mr. Kalmadi, was saying that we should stop thinking about it because it was beyond the capability of the Indian scientists to successfully bring out the aircraft. But, it is not true. We have made a very good progress. It is quite encouraging. Next year it will come out. By mid-1996 the prototype will be ready. However, we will be able to start the final production in 2003 AD. This is one of the very accepted Light Combat Aircraft. Even the other countries are now planning to have. So, it will be a feather in the cap of the DRDO, which is making an all out efforts. As such that programme cannot be stopped.

Another important thing which our scientists have developed is the pilotless target aircraft, *Lakshya*. Only four countries have developed it till now. This is one of the very important thing in training the air defence.

We now come to the production units. Production and the DRDO go together. Turning to our defence production capability, the production facilities under the Department are ready and we are able to productionise new technologies and equipment, be they from DRDO laboratories or establishments or other indigenous sources or are obtained from overseas by way of transfer of technology. They are producing such complex equipment as aircraft, ships, tanks, guns, radars, communication equipment etc. They are not merely producing equipment for defence. They are producing the equipment worth RS. 2,000 crores for the civil sector. Besides arms and ammunition for police and para-military forces, they are producing a variety of products from oil platforms to elec-

tronic equipment for purely civilian purposes. A welcome spin off has been the increase in the exports made by the defence production organisation. Direct exports in 1991-92 were worth Rs. 46 crores, in 1992-93 Rs. 72 crores and in 1993-94 within nine months it was worth Rs. 68 crores. All types of things are being exported. It is just a starting point.

SHRI INDER KUMAR GUJRAL (Bihar): What do you mean by 'all types'?

SHRI MALLIKARJUN: All types means ammunition, anti-tank small missiles like *Milan*. Not big missiles.

DR. BIPLAB DASGUPTA (West Bengal): Is Ajit a trainer version?

THE DEPUTY CHAIRMAN: I will request the Members if they can listen to the Minister in peace.

SHRI MALLIKARJUN: Just wait. I am just dealing with the production side. When I speak about Army, Navy, Air Force, I will come to Ajit aircraft.

This is the kind of diversification step which has been taken with the purpose of maximising the utilisation of installed capacity and also utilising the workmen's skills so that it will not go waste.

There are some more points so far as the Defence production is concerned. The Defence production units have taken up the challenge of responding to the new requirements of our Armed Forces. The production of 5.56 m.m. weapons for infantry and heavy artillery ammunition has been successfully established. Our units are now poised to undertake the bulk production of complex systems such as MBT *Arjun* and the advanced light helicopter which have been indigenously developed with years of hard work. Work has been steadily in progress to indigenously manufacture the spare parts, the supply of which has been obtained. In that endeavour the private sector firms are being actively involved, particularly the entrepreneurs who are qualified enough to assure the technical standards of defence equipment.

Now, let us see what is modernisation—modernisation in relation to Army, Navy and Air Force.

So far as the Army is concerned, we have T-72 tanks which are being produced indigenously. Now we are planning to upgrade it with the state-of-the-art technology and other things will also be the latest so much so that they will be fit enough to face the enemy.

SHRI INDER KUMAR GUJRAL : Does it mean, you have sorted out the problem of the gun to be mounted on this tank ? . . . (*Interruptions*). . . Have you sorted out the gun to be mounted on the tank ? The gun to be mounted on the tank, is it indigenous or is it imported ?

SHRI MALLIKARJUN : Madam, as I have already submitted, so far as production of T-72 tanks is concerned, it is purely indigenous. Every part in it is indigenous. So far as upgradation of this tank is concerned, if any sophistication or the state-of-the-art technology is required, we can think about it, we can produce it and we can upgrade it.

Shri Kalmadi, Shri Birla, Shri Kishore Chandra Deo, Shri Malkani, Shri Jaipal Reddy, Shri Swell and others spoke about the need to strengthen the Navy. It is true that we have to strengthen our Navy. It doesn't mean that we do not have a proper, efficient, competent Navy, at the moment. But we need to strengthen it. Already indigenously built ships have been commissioned. In the next two or three years, we are going to commission half-a-dozen destroyers, frigates and also 1241 patrol vessels. All these are being built by the Mazagon Dock and the Goa Shipyard. These are being produced indigenously. The design and everything is of our own. As hon. Members are aware, shipbuilding takes a little time. Apart from that, recently it has been sanctioned that the third and the fourth line major repairs and overhauling of CRES will be done in our country; otherwise we have had to send CRES abroad for major repairs and overhauling.

We have some ambitious programmes of our own infrastructure building like Karwar project. Then, we have a Naval Academy. The Government is paying adequate attention to see how best and in the shortest time we can bring them up because they are utmost essential. It is a question of time factor. To build such a big infrastructure, it takes sometime also.

We are now coming to a point when we need to plan for the Navy of the future. Shipbuilding is an activity, which takes a long time. So far our

shipyards have been busy with the orders which they have had. Now is the ripe time to finalise the shipbuilding programme so that they can engage themselves with the ships in hand which are going to be commissioned. The Government is committed to strengthening the Navy commensurate with our maritime zones, the protection of our off-shore assets and safeguarding our sea lanes of communication.

Now I will come to the Air Force.

SHRI G. G. SWELL (Meghalaya) : Madam, regarding the Navy, I had drawn the attention of the House to a brewing danger in the Eastern seaboard.

SHRI MALLIKARJUN : Madam, so far as Mr. Swell's question is concerned, we do not have any such information. I do remember that he had mentioned about it.

SHRI INDER KUMAR GUJARAL : It was a published information.

SHRI G.G. SWELL : If you do not know about it, I regret.

SHRI MALLIKARJUN : You have mentioned that China was trying to build three bases in Coco Islands in Myanmar. If that is the case, always there will be an alert study. But what exactly is the way one country should approach the other diplomatically is a different factor.

SHRI SOMAPPA R. BOMMAI (Orissa) : The Karwar Project which was inaugurated by the then Prime Minister Rajiv Gandhi is completely stopped now. The Karnataka Government has acquired the land.

THE DEPUTY CHAIRMAN : I request Members. You have already spoken. He is still replying. He has not finished.

SHRI SOMAPPA R. BOMMAI : He is coming to Air Force. On Navy, he has answered.

THE DEPUTY CHAIRMAN : I do not know whether he was coming to that.

SHRI SOMAPPA R. BOMMAI : Yes. That is what he said. I would like to know the position regarding this Project.

THE DEPUTY CHAIRMAN : If you keep on having the question-answer session, we will

never finish the reply. And, we have the Prime Minister also here awaiting to reply.

SHRI MALLIKARJUN : Madam, I have emphatically said that the Government is concentrating on building the infrastructure at the earliest possible time. We are conscious of the fact that it should come up. But it is not that easy a project as to come up within a year or so, as you are well aware.

Now I will take up the Air Force, Madam. We have a good and sound fleet of aircraft. With the likely induction of the additional F-16s by Pakistan, we are reassessing the prevailing balance and we shall take all the necessary measures to upgrade the Air Force to the extent necessary to have a clearly deterrent capability.

SHRI SIKANDAR BAKHT (LEADER OF THE OPPOSITION) : Madam, I do not want to interrupt. But the intervention may not be longer than the actual reply.

SHRI MALLIKARJUN : I am finishing. I will not come in your way.

THE DEPUTY CHAIRMAN : He has spoken only for 25 minutes.

SHRI MALLIKARJUN : For this reason, I am not reading my prepared speech even.

SHRI G. SWAMINATHAN : We want the Prime Minister to speak for a longer time than that of the intervention.

SHRI MALLIKARJUN : The most important thing, restlessly raised just now, is about the AJT, Advance Jet Trainer.

श्री जनार्दन यादव (बिहार) : नागपुर में जो कवि-कली है, वादिम जति है उनको बसाने के लिए..... व्यवधान)

उपसमापति : पहले मंत्री जी को समाप्त करने देंजिए ! उसके बाद अगर आपको कुछ बहसत ही आवश्यक बात पूछनी है तो पूछें। रिप्लाय में इंटरप्ट करना अच्छा नहीं होता है।

SHRI MAJ. LIKARJUN : Madam, about the AJT, Shri K. R. Malkani, Shri Jaipal Reddy, Shri

Biplab Dasgupta, Shri G. G. Swell and others spoke. The Air Force felt the need for the Advance Jet Trainer. So, in 1985 December, they evaluated all the Jet Trainers available in the world market. They had taken the Spanish one, the German one, then the American one, later the Italian one and still later, in January 1986, the L-39.

SHRI INDER KUMAR GUJRAL : What about the Russian ?

SHRI MALLIKARJUN : Russia was not in the picture at all. Now they are coming into the picture. Russia, in fact, was taking the L-39 Jet for training. In Russia, only the basic training is given. The pilot is put in the MiG-29 or whatever it is. He will go at a supersonic speed. In my country, I have three phases; the basic training, the second phase and the third face. Only then, he will become fit to sit in the combat aircraft to go into the field.

After evaluating, they had come to the conclusion that whatever aircraft requirements, parameters, were there, were not fulfilled. None of them fulfilled the requirements. I have got all the details. But I do not want to take your time by going into them. Some of them could not be Jet Trainers. Anyway, they came to be shortlisted to two, the French Alpha Jet and the British Hawk. (Interruption) I myself will speak. Have patience. They were shortlisted to these two.

But, in 1990, again a Committee was constituted under the chairmanship of Shri R. N. Cherry, to go into this question in depth. They have also concluded that these are the two aircraft which fulfil all the parameters of air staff requirements. Then you see, both the bidders; tenders were called and on 31st March, 1992, fresh tenders were invited. These are not seven-years-old tenders as the impression has been created, on which the negotiations have started. In fact, the date is 31st of March, 1992. Then, some hon. Members have made a reference to the AJT-2. I would like to inform that they are not of 1960 vintage. We are not so blind that we will take the jet trainers of 1960 vintage. In fact, in 1960, there was no jet trainer. This trainer has become necessary so that it would be on par with the latest technology in this field and it would facilitate the functioning of a pilot. Otherwise, there are many problems which the pilot faces. Then some hon. Members have asked why we are going in for this and why not for the Russian MiG-80. MiG-80 is still on the drawing board

today. They say that it will come out in 1995. We wish it were true. But we do not know as to what would be the gestation period for its production. We also do not know as to what would be its capability. Here are the jet trainers whose capability is proven. They are being utilised in other countries—both Alpha Jets and British Hawk. So, this is the position. So far as the question of higher price is concerned, it is the duty of the negotiating Committee to see to it, to what extent, it can bring down the price in our own interest. Then, we can come to a certain conclusion subject to final clearance. But, unfortunately, Madam, a very learned friend, Mr. G. G. Swell, has made allegations that a bribery of 1,000 crores of rupees is involved in this deal. I do not know what the source of his information is. But, anyway, I do not want to go into it.

SHRI G. G. SWELL : It is true that. . . .

SHRI MALLIKARJUN : You please listen to me first and then you can speak. In both Houses of Parliament, earlier, I had heard Members saying that some kickbacks were taken; there were some, underhand dealings and a bribery has been alleged to have been there in this deal. I totally disagree with him. He is a respectable hon. Member of Parliament. I will mention only one important thing. There are many other things. But I have already taken much more time. Now, there is another important programme with the Air Force, that is, the upgradation of MiG-21. The negotiations with the Russians have been completed. The letter of intent has also been given. The upgradation of Avionics, then equipment and other things, will be of great value which can be compared with that of any other fighter aircraft. This is another programme so far as the Air Force is concerned. I do not want to refer to the human resources. Then, there is one important point about the ex-servicemen. Shri Jagesh Desai and some other hon. Members have referred to it. I would like to deal with the OTI. See, recently, we have included 19 categories which benefit the ex-Servicemen to the tune of two lakhs who retired on 1-1-1986. This is one of the things.

Then, another thing which the Prime Minister has granted is Field Service Allowances because our troops are posted in hard places, in difficult places and so on and so forth. So, these are the things we have done. So far as the welfare is concerned, we are doing all kinds of necessary things for the welfare of the Armed Forces personnel. We are conscious of these things.

Lastly, I have only to say that India is capable enough to neutralise any external aggression or attack, in whichever form and shape it may be, from all angles, and I am thankful not only to the hon. Members of both the Houses who have extended their unequivocal support to the Defence, but also the people of this country who have always stood by the nation when the need of defending the territorial integrity and sovereignty arose. We do not have any territorial ambition, but we all know that mutual respect for each other's territorial integrity and sovereignty, non-interference in other's internal affairs, peaceful co-existence—these are all the doctrines. So, I do not take much of your time Madam. Our Armed Forces are well prepared and I hope you will join me in paying tribute to the Armed Forces of India. Thank you.

THE PRIME MINISTER (SHRI P. V. NARASIMHA RAO) : Madam, I am particularly grateful to this august House for having shown great sympathy and understanding when I found myself unable to participate in the discussion earlier. Even today, I am glad that my colleague has gone into great detail about the factual situation in the Defence Ministry, DRDO, all the wings of the Defence, etc. I am grateful to him because, otherwise, I would have had to repeat all those things. Facts are there for anyone to see. The Standing Committee on Defence has come out with its second Report which has been presented to the House. Many facts have been mentioned. I am grateful to the Committee also for having brought out certain important needs of Defence and also placed on record where some good work has been done by the Defence Forces and the DRDO.

In the first place, I would like to set the minds of the hon. Members at rest on certain policy-matters which, for some reason or the other, have been figuring in the Press, in the debates here, and in the minds of the people generally. I was very restless that these things should be clarified at the earliest, but, as I said, because of my indisposition it could not be done. Let me, therefore, start with these three or four specific points and go on to a more general resume to the extent I can.

It has always been the policy of India that a universal, non-discriminatory and comprehensive test ban treaty, accompanied by a universal cut-off of production of missile materials as part of a time-bound programme would be the correct approach to adopt.

There has been no resiling from this position. Members are well aware of the Indian initiative of 1988 at the SSOD-2, the Special Session on Disarmament-2, where an action plan was presented on behalf of India. It is not a new thing. But for the first time something which gives certain stages of disarmament and the matching stages of certain other actions to be taken on the other side has been clearly spelt out. The policy of disarmament is as old as Pandit Jawaharlal Nehru. So, there is nothing new. Even before the country became free the policy of nuclear weapons was adumbrated very clearly by the Indian National Congress. So, I don't find any need to reiterate all those things except to say that we stand by the same position, we stand by the same policy. There is no change in the policy at all. Therefore, as a corollary of that, when you take it globally, it means that any other approach falls short of our stand. I would like to clearly assure this House that it is the policy of my Government that India will not accept any regional NPT arrangement. The reason is simple because I am aiming at something which envelops the whole world. I cannot guarantee that if a particular region is for the time being cleared of all nuclear weapons they will not flow from outside tomorrow. So, who is going to guarantee? I said in the Security Council in the clearest of terms that in the absence of that guarantee, in the absence of a global approach being accepted, there was no real validity or no meaning in having a regional approach. This is what I had stated two years back. Since I have stated it many times, I am now stating it once again if that is going to set at rest the controversy or the doubt arising in the minds of the Members or the people in general.

Now I am happy that there is a total national consensus on this vital issue. I have said so. We have a national position. There is no question of our resiling from the national position. Imagine two officers sitting and having talks, two disarmament experts sitting and having talks and we are shivering they will change the policy of India. How that happens, I do not know. Everybody is restless. What is happening in London? What is happening here? What is happening there? Nothing is happening anywhere. It is strictly our policy. We do not refuse to talk. This is the post-cold war era in which talk is important. Convincing each other is important. No confrontation is practicable. It is only talking to each other, convincing each other, trying to find a meeting ground and that has to go on and on for ever. But the point is that we have a

position and no change is going to be there in that position.

Madam, I have recently stated in this House, while responding to a Starred Question, that when Mr. Talbott called on me recently, no pressure had been brought for signing on the NPT or on the missile programme of this country. I again wish to make this position abundantly clear and the American side also categorically denied that there had been any type of pressure whatsoever on India during the recent bilateral discussions, either for capping the nuclear programme or for signing the NPT.

The fact of the matter is, if we are not accepting any pressure, no one will exert any pressure on us. On both sides, it is very clear. Why would they do something totally futile when it is not going to work? We think of other areas of cooperation. That is what we did with China. That is what we want to do with Pakistan, if they agree. That is what we do with America. That is what we do with any other country. There are areas of disagreement. There is hardly any example of two countries agreeing to everything hundred per cent. The approach is this. So, there is nothing to be either hidden or obfuscated. This is a very clear thing. In fact, I am sorry to say the whole thing has been so misinterpreted. There was not even a word about capping. How do you cap an experiment? If you cap the production programme, that is a different matter. We are experimenting things. An experiment is something which is done just because we want to be ahead, we want to be abreast of times. That is the important thing for any country to deal with. There is no question of capping. They did not ask us. They did not ask us to sign the NPT. The days have gone. They have now given up the idea of asking India to sign the NPT which is itself on its way out. I have explained this. The NPT is now for a review. Yes, if there is a review, I would like to go and participate in the review. I would like to see that the NPT changes its shape, changes whatever content there is, so that it comes in line with our own policy. Is it wrong? Should I not do it?

SHRI INDER KUMAR GUJRAL: You would not be invited. (interruptions.)

SHRI P.V. NARASIMHA RAO: That is right. (interruptions.)

THE DEPUTY CHAIRMAN: Please sit down. (interruptions.)

SHRI P.V. NARASIMHA RAO : So, if there is a review, we will say, "We suggest, we demand, that there should be a review in which there should be a radical change and we should bring about a radical change in the content of the NPT." Some others are saying that the NPT will be simply extended in its present form. Then it makes no difference to us because there is no question of signing it. If we did not sign the present NPT, we will not sign the carbon copy of the NPT tomorrow. What is the worry? So, what we really are trying to do is we are not only trying to enunciate our policy again and again and again but also trying to convert others, as many as possible, to our line. That is what we should do. That is what India should do. That is what India always has done. (*interruptions*).

THE DEPUTY CHAIRMAN : Please listen peacefully so that you can get the reply from the Prime Minister without any (*interruptions*).

SHRI P.V. NARASIMHA RAO : Madam, the second point is about Agni which needs to be explained properly. In 1983, what was the decision? The decision on the programme of 1983 was in regard to experimenting the re-entry test vehicle as conceived in 1983. Now, this is a particular technology which India, our DRDO, wanted to take up and experiment. What has happened during these 11 years is after a lot of trials as far as the re-entry test vehicle programme which was later christened as Agni is concerned, the intention was to develop the re-entry test vehicle to specifications leading to the establishment of re-entry technology. Hon. Members know that the most difficult part of the missile technology is the re-entry phase.

Where so much heat is generated, we do not know how to control it; we do not know how to bring it back. We are finding all these things as real problems in space programmes and so on. So, we started this programme. It so happens that recently they completed this experiment and they say, "Now, we have found that we are in a position to get this re-entry successfully done." What does it signify? It is an experiment. It is a vehicle. It is not a missile. What does it signify? It signifies certain additional capabilities in the upgrading of our missile technology. That is what it signifies. Now the Government will have to go into further details of this successful experiment. I was talking to my S.A. only this morning; I have been talking to him all the time. I asked him, "Is the experiment over?" He said, "Yes, one phase of it is

over." There are many variations of this experiment. He knows it and I know it. It should be obvious to anyone that with one experimental flight being successful, you cannot really think that that is final. But what is not final? The experimentation is not final. First, you will have to get all the data. Now, the flight data is all right. But there is so much of other data which need to be documented, which has been done but it has to be analysed; it has to be defined. Certain right conclusions have been drawn from it. So, this process is a long process. I don't say that it will take years and years but it will take some months or a year or a little more than a year. But, at the same time, you can't be doing programmes like this like a leap in the dark. It has to be properly analysed. This is what we are going to do. Some analysis has started. It has not yet come to me. I have to decide, as Defence Minister and as Prime Minister, what exactly the implication of all these things which are brought before me is. So, it is in that stage. I would like to assure the Members that there is no capping of anything at this stage. Where is the capping? There is nothing of that sort. It is an experiment. This experiment will, certainly, be taken up in all its variations according to whatever stages they want or whatever phases they want. . . . (*interruptions*).

SHRI INDER KUMAR GUJRAL : And no denial of funds.

SHRI P.V. NARASIMHA RAO : No. That is, again, another fabrication. I don't know where it came from. To say that the Government of India has stopped the programme because it didn't want to give Rs. 50 crores, anybody can say that. But, at least, those who want to believe it, उनकी तरफ़ करना है। (*interruptions*).

SHRI K.R. MALKANI (Delhi) : Why not contradict such reports?

SHRI P.V. NARASIMHA RAO : It has been contradicted, very strongly contradicted. But I am saying, in this country, for heaven's sake, don't believe things like that. Such an absurd thing that a programme which is otherwise important from the DRDO's point of view would be stopped because I don't have Rs. 50 crores!

Madam, one very important suggestion has been made by the hon. Members and that is about the National Security Council. Last year, I had occasion to say that I was veering round to

the view that in view of the extreme complexities of the situation, we should have a National Security Council in India. Since then, I have got this matter examined in great detail. Hon. Members will appreciate that national security does not mean national defence only but it is much wider than that and the entire concept has to be brought into the ambit of the National Security Council. We have come to the conclusion that it has to be set up in this variegated form; in this form, it takes into account all elements which impinge on our national security. And we are going to set up. . . . (interruptions)

SHRI INDER KUMAR GUJRAL : I hope the hon. Prime Minister would see that in 1990 we had set up a National Security Council which was abolished subsequently. I would like to be assured in the House that your idea will not meet the same fate again.

SHRI P.V. NARASIMHA RAO : I have not gone into what was done in 1990, why it was stopped and who stopped it. But the only thing I would say is that the concept of 1990 has undergone a very big change. What we consider national security today, the concept today, is much wider. This is what I was trying to explain.

SHRI INDER KUMAR GUJRAL : It is the same as in 1990.

SHRI P.V. NARASIMHA RAO : I have seen it. In 1990, it was for integrating Defence, Finance, Home and Foreign Affairs. This is only our CCPA.

SHRI INDER KUMAR GUJRAL : Pardon me, I don't wish to debate on this. But I think we should discuss this.

SHRI P.V. NARASIMHA RAO : I did not refer it to Gujralji. I did not want to refer it to you. Ultimately, if CCPA is what all is being talked about, I am sorry to say that it is much wider than that. Therefore, you will see, the House will see. We will come before the House. Please appreciate whether it is enough, adequate, not adequate. If it is exactly the same as it was in 1990, there is the Copyright Act and I am prepared to accept it.

SHRI INDER KUMAR GUJRAL : It is not a question of copyright. But I am only saying that for God's sake, take a final decision before it is too late.

SHRI S.S. AHLUWALIA (Bihar) : He is interested in the royalty.

SHRI P.V. NARASIMHA RAO : It will not be very long before in its first outline, it will come. These 4-5 points which I have just dealt with gave some misgiving to the Members and I hope I have succeeded in removing that misgiving.

Madam, I will not go into any of the factual details. Mr. Mallikarjun has already given the factual details and he can give more. If any details are needed, there is no problem about that. But I would like, in a very brief time, to dwell on the general situation of the world as you find it today and after the Cold War. We have been saying for the last 5-6 years that the Cold War has ended. This is an obvious truth which has been repeated times without number. But today we have to pause a little and ask ourselves whether we understand or the world understands or all the world powers understand perfectly what the implication of the end of the Cold War is. If the Cold War has ended and our business is as usual, then it means that we have not understood the end of the Cold War, the implication of the Cold War. And I am also in a position to say, to the extent of my own knowledge and thinking, that I don't think that the entire gamut of changes that constitute the end of the Cold War that will certainly follow the Cold War, that are again following, even now, the end of the Cold War, have unfolded themselves. They will unfold in course of time and we will have to be pragmatic enough. We have to be alert enough to go on taking note of what all changes come and how we react to those changes. Therefore, the end of the Cold War is not just the end of the Cold War. It is something else. It requires a much greater vigilance on the part of the countries, all the countries, and particularly India because India has a particular role, has had a particular role, to play while the Cold War was on and we cannot be abandoning the goal while the Cold War has ended. In reality, what do we mean by the end of the Cold War? By Cold War itself, let me in my own humble way try to explain.

1.00 P.M.

The cold war is a very short interval in the history of the world. There was something before the cold war started. There is now going to be something very different after the cold war has ended, except that the cold war itself was conditioned by certain things happening

before, and the cold war itself is going to influence the events after it has ended. So, it is a continuum. We cannot take the cold war as a separate entity for all purposes, historical purposes. And a certain political analysis has to be dependent on the cold war situation. But there is a continuum. This continuum also has to be understood. For instance, if there have been some disputes exacerbated by the cold war era, the disputes were there, most of them, even before the cold war. At least, the seeds of the disputes were there. It is possible that because of the cold war, it suited the actors in the cold war to take advantage of them. So, to expect that the end of the cold war would end those problems is not realistic. You have to still work for it. What has happened is, working for peace, working for the resolution of those problems has become easier as a result of the end of the cold war. That is all one can say. It has facilitated our efforts to end the conflicts. Have they ended? Somewhere they are on the point of ending, on the way of ending; somewhere they have not ended. In fact, after the cold war, something has started. In Yugoslavia, for instance, it was not the result of the cold war. It did not burn as it is burning today. It started after the cold war. Therefore, cold war has a particular connotation in the history of the world, and that particular connotation is limited. Today, we have to think of what is to be done in the next century and the century after that, which means that cold war will be forgotten. But that will not usher in total peace by itself. We have to work for it. This is what I am trying to say. It is becoming easier for us to work for peace. But we have to work. There is no question of anybody else working for us and bringing peace for us. There is a register on the disarmament side. There have, however, been some positive development like the conclusion of the Chemical Weapons Convention which is a universal, non-discriminatory, and equitable regime. This is what we want. Some have been accepted, some are being accepted. We are saying, accept everything, and accept it within a time frame. Don't accept tomorrow if it is not possible. We also know that it is not possible to end everything in one day. Yes, Rajiv Gandhi's 1988 Programme had put it at 2010. You can make it 2015 or 2005. In fact, I thought that since the cold war has gone, it could be by the end of the century. All these are flexible. But the point is the principle that we must have peace, we must have disarmament, we must not have the arms of destruction any more in the world. This is important. This decision is important. This determination is important. Once that is

assured, then the programme will follow. You can always change the programme here and there, you can reorient the programme. But the principle needs to be accepted. That is what we have to fight for. That is what India has been fighting for. So, there is no alternative but to make our peaceful efforts, cold war or no cold war. Today there is only one Super Power. It is said that there is only one Super Power and, therefore, there can be no non-alignment. I would like to say—of course, this would go into the domain of External Affairs—I would certainly like to say that the scenario as we find it is fraught with so many dangers for the developing world that it is just not possible for us to close our eyes and think that since there is no cold war today, all our problems have come to an end.

The developing countries have to become more vocal. They have to be united. The G-15 is the symbol of that unity. We have been trying to keep it as active as it can and we shall certainly continue those efforts. At the same time, we have to co-operate on the economic side. This is the most important thing. No country which continues to be weak, no country which continues to be dependent for even small things on other countries, will ever be able to stand and say: 'I am independent'. Yes, that may have the trappings of independence but real independence that country will never have. And for India, particularly, it is important that our economic sinews are strong. If we cannot make them strong, all our rhetorics will be just wasted. No one is going to take it seriously. This is where the policies that we have been following, according to our likes become important. Not all will agree; not everyone will agree, naturally. These policies are meant to make India strong so that there is a complementarity between your political clout, or clout as a country with a message, Political clout—what for? What is it meant for? It is meant for bringing in something which you consider good for the world. If you are weak, no one is going to listen. If you are strong, if you are self-reliant if the sinews of the economy are good, then they will say: 'Yes, here is a country which is doing business with us, at the same time influencing us.' The stronger India is, the more will be the influence of India. Indian Politicians, Indian Prime Ministers, Indian Ministers, Indian Members of Parliament, in changing the course of events. This is how I equate things. It is a rather short kind of equation. There may be so many other niceties in it but the point is this. And this is where the

entire policy framework of the Government of India, as we are following it today, makes a sensible whole. It is not a policy of disoriented or completely separated parts; it is a whole, and that is how we have conceived it. So, I want the hon. House to appreciate that there is this unity about the policy and as a result of this unity, we would like to forge ahead. We want our neighbours to co-operate because if it is a region, it is the whole region that counts. If it is a particular part of the world, say, Orient, the whole Orient counts. If it is the whole globe, the whole globe counts. But the point is that there has to be a certain amount of self-reliance and working together in a region, in a bigger region, in a sub-region. What we are really facing is in our neighbourhood itself. All our sights are global but when you are being embarrassed from your neighbourhood, you cannot possibly forget it. You will have to talk about it. You will have to think about it. You will have to see something to be done to sort it out through friends, through direct negotiations, through pressures-friendly pressures. All this will have to be done. At so many levels, we will have to be acting. At the level of defence preparedness—that, of course, is something which you can never dilute. That I have assured this House several times and I would like to assure once again that it is a part of the entire activity of a nation. The most important part is your preparedness. Ensuring that, then comes your efforts at diplomacy, your efforts at making friends, your efforts at giving this message to people because you have had this message for thousands of years. It is not as if you have to take a message from someone and relay it to someone else. The message is there in our own society, in our own traditions for thousands of years. Therefore, it is our capability of being the harbingers of this message, the carriers of this message.

If we are weak, we cannot carry this message. This is what I would like to say.

In this context, defence preparedness has its own very, very important place. I would like to assure the House that it will be ensured. To the extent we can, it will be ensured. It is for us to decide as to what are our needs. Nobody need tell us our needs. Our needs may vary from time to time, but it is for us to decide.

On the Chinese question, if we succeed in deciding the border or settling the border, the scenario becomes totally different. On the other

hand, if the North-Eastern States become more and more violent and more and more problems are there, then, nobody is a permanent friend. One should understand that. I think we all understand this perfectly well.

Base behaviour is today's behaviour. We would like to see that this behaviour is improved on all sides. If we are right, if we are good, if we are having a stand which is not full of duplicity, the others also may reciprocate, will reciprocate. We are honest. We do not want anybody's territory and nobody can have an evil eye on our territory. This is very clear.

Therefore, within these parameters, the defence policy of India will be pursued relentlessly; the foreign policy of India will be pursued. Both will be merged into an overall policy which projects India's image, India's message and India's vision.

Thank you very much.

श्री शिकन्दर बख्त : सदर साहिब, जब प्राइम मिनिस्टर साहब तशरीफ लाए तो उन्होंने अपनी तबियत नासाझ छेने का जिक्र किया था। मुझे खुशी है कि प्राइम मिनिस्टर साहब सेहतयाफी के बाद यहां तशरीफ लाए। मैं उनको शुशामन्वी कहता हूँ।

خبری سکندر تخت: صدرِ صابر۔ جب
پرائم منسٹر کشریف لائے تو انھوں نے اپنی
طبیعت ناسازِ محمدؐ نے کا ذکر کیا تھا۔ مجھے
خوشی ہے کہ پرائم منسٹر صاحب صحت یابی
کے بعد یہاں کشریف لائے میں انکو خوش آمدید
کہتا ہوں۔

उपसमाप्ति : यही बात खत्म कर दें तो अच्छा है।

श्री शिवन्दर बरहस : प्राइम मिनिस्टर साहब ने जो अपनी गवर्नमेन्ट की एक बहुत अनर्हवीगुजस स्टेटमेंट दी,

شری اسکندر تخت: براہ منظر صاحب
نے جو اپنی گورنمنٹ کی ایک بہت "ان-
امیگا اس" اسٹیشنٹ دی۔

With regard to the regional NPT, I welcome that. It was really unambiguous that they are not going to submit to any pressures with regard to the regional NPT. But I am sorry to say that his reply, his statement, with regard to the new missile programme was not as convincing as it should be. It did not dispel our misgivings at all. (Interruptions) It did not dispel our misgivings at all. (Interruptions)

बेखिए, मेरी गुजारिश सुन लीजिए, दो लफ्ज कहकर बैठ रहा हूँ।
... (व्यवधान) ...

دیسے میری گزارش سن لیجیے۔ دو لفظ کہہ کر
بیٹھ رہا ہوں... "مداخلت"

श्री लख पिय मोतम (उत्तर प्रदेश) : मैडम, इनको चुप कराइए। ... (व्यवधान) ...

श्री शिकन्दर बाख्त : आप तशरीफ रलिये, बैठ जाइए। मेरा कहना सिर्फ यह है, सदर साहिबा, सवाल के पिंग का या किसी लफ्ज के इस्तेमाल करने का नहीं था।

شری سکندر باخت : آپ تشریف رکھیے۔
بیٹھ جائیے۔ میرا کہنا صرف یہ ہے کہ سوال کا
سوال کیپنگ کا یا کسی لفظ کے استعمال کا نہیں تھا۔

The question is, there has been a situation of discontinuity in the missile programme.

SHRI P.V. NARASIMHA RAO : No.

श्री शिकन्दर बाख्त : खरिनि प्रोग्राम में दिसकटीन्युटि का एलीमेंट कहा से लाया ? सवाल यह है। ... (व्यवधान) ...
... यह है, ऐसा करने का आपको अस्तिथार हो न हो। ... (व्यवधान) ...

شری سکندر باخت : انہی پروگرام میں ڈس۔
کنٹینیوٹی کا ایلیمنٹ کہاں سے آیا۔ سوال یہ
ہے۔ ... "مداخلت"۔ یہ ہے۔ ایسا کرنے
کا آپ کو اختیار ہوتا ہے۔ ... "مداخلت"۔

Why am I raising all these questions? It is because we are afraid that we are responding to American pressures in a multidimensional manner. (Interruptions) Yes. This is what I say. The hon. Prime Minister mentioned a number of things. Madam, America has been bringing multidimensional pressure on India. They have also been demanding the withdrawal of Prithvi. This is an attempt to interfere in our missile programme.

The other areas of pressurising are : non-proliferation treaty; human rights and the social clause in the G.A.T.T. There was a hint about the G.A.T.T. also in the Prime Minister's speech.

In this background, we were expecting that the hon. Prime Minister would justify his decision to visit America. We were also expecting that the Prime Minister would make a statement with regard to the secret talks which were held in London recently. (Interruptions) The Prime Minister mentioned about it. My question is : Why were the secret talks held and why, of all the countries in the world, the U.K. was chosen for such secret talks? (Interruptions) The secret talks were held in London. Why were the secret talks held in London? (Interruptions) I would like to know Why, of all the places, London was chosen? (Interruptions).

This speaks volumes of the multidimensional pressures that America is seeking to bring on India.

THE DEPUTY CHAIRMAN : After the Prime Minister's reply, what is this?

SHRI SIKANDER BAKHT : In this background, will it be proper for the Prime Minister of the country to visit America? Is he going to call off his visit to America in the background of the American pressure that is being brought and the challenges that are being thrown, in all our areas of the missile development programme? I am sorry that the Prime Minister was not as unambiguous about the missile development programme as he was with regard to the regional NPT. I demand a statement from the Prime Minister. ... (Interruptions) ...

THE DEPUTY CHAIRMAN : Please sit down. We had a long, long discussion on the working of the Defence Ministry. We had the intervention of the Minister of State for Defence. On your demand, the Prime Minister came and replied. Now that matter is over. We are taking up the railway budget.

SHRI SIKANDER BAKHT: I am demanding that the Prime Minister give up his programme of going to America. Madam, I am demanding, with regard to the development of our missile programme, what is the straightforward and unambiguous reply of the Prime Minister? (Interruptions)..

श्री सिकन्दर बख्त : उस सदन में उठते जो ने क्या कहा, वह उठा पद लीजिए, फिर बोलिए।

श्री सिकन्दर बख्त : सदन साहिबा, मैं प्राइम मिनिस्टर साहब से दरखास्त कर रहा हूँ, मुझे प्राइम मिनिस्टर साहब का कोई रिप्लायन पता नहीं चल रहा है। . . . (व्यवधान)
अमरीकी प्रेशर जगह-जगह से . . . (व्यवधान)
प्राइम मिनिस्टर ने "नोट" का भी जिक्र किया (व्यवधान) आज तक अमरीकी प्रेशर जारी है। स्पेशल क्लास के लिए अमरीका ने (व्यवधान)

श्री सिकन्दर बख्त : صدر صاحبہ - میں پرائم منسٹر سے درخواست کر رہا ہوں۔ مجھے پرائم منسٹر صاحب کا کوئی ری ایکشن پتہ نہیں چل رہا ہے۔ . . "مداخلت"۔ . . امریکی پریشر جگہ جگہ سے . . . "مداخلت"۔ . . پرائم منسٹر نے "مداخلت" کا بھی ذکر کیا . . . "مداخلت" آج تک امریکی پریشر جاری ہے۔ آپیشل کلاس کے لیے امریکہ نے . . . "مداخلت"۔ . .

THE DEPUTY CHAIRMAN: Sinkander Bakht Sahab, you are the Leader of the Opposition. That is why I allowed you to speak. But, after the reply, there is no discussion. That matter is over. Let us go ahead with the railway budget. We have got a lot of work to do.

SHRI SIKANDER BAKHT: Let the Prime Minister accede to my request.

श्री सिकन्दर बख्त : (अंतर) : क्या आप हैं लीडर ऑफ दि ओपोजिशन . . . (व्यवधान)

THE DEPUTY CHAIRMAN: I have announced other business. Please take your seat. The Railway Minister is here. . . (Interruptions)

श्री सिकन्दर बख्त : सदन साहिबा, मेरी दरखास्त का कोई उत्तर ही नहीं है। प्राइम मिनिस्टर को कोई जवाब देना चाहिए। (व्यवधान)

श्री सिकन्दर बख्त : صدر صاحبہ - میں پرائم منسٹر سے درخواست کر رہا ہوں۔ میں اس کا کوئی اثر ہی نہیں ہے۔ پرائم منسٹر کو کوئی جواب دینا چاہیے۔ . . "مداخلت"۔ . .

श्री शंकर दयाल सिंह : राज्य सभा के लीडर आफ दि ओपोजीशन ने कुछ पूछा है (व्यवधान) लोक सभा में लीडर आफ दि ओपोजीशन यहाँ बैठे हैं, वे क्या सोचेंगे ? (व्यवधान) क्या उत्तर पड़ेगा हमारे मुक्त में। . . . (व्यवधान)

SHRI SIKANDER BAKHT: I am sorry, Madam, this is very unfair.

THE DEPUTY CHAIRMAN: I announce again that the reply is over. No more questions. The Railway Minister is here. Let us discuss the railways. There are other issues. . . (Interruptions) . . . I am not allowing anything.

श्री सिकन्दर बख्त : सदन साहिबा, कोई चारा नहीं रहा इसके अलावा कि हम हाउस में वाक काउंट करें।

श्री सिकन्दर बख्त : صدر صاحبہ کوئی چارہ نہیں رہا اس کے علاوہ کہ ہم ہاؤس سے واک آؤٹ کریں۔

(At this stage, some hon. Members left the Chamber)

SHRI GURUDAS DAS GUPTA: Madam, . . . (Interruptions)

THE DEPUTY CHAIRMAN: You may say whatever you like. — I have allowed the railway business. Nothing will go on record if you are not speaking on railways. Please help the House.

SHRI GURUDAS DAS GUPTA: Madam, . . . (Interruptions)

[[Transliteration in Arabic script]]

THE DEPUTY CHAIRMAN : No permission is given. Only on railways!

That matter is over. आप बैठ जाइए... (व्यवधान)

DR. BIPLAB DASGUPTA : We protest and we walk out.

(At this stage, some hon. Members left the Chamber)

1. THE BUDGET (RAILWAYS), 1994-95.
2. RESOLUTION APPROVING RECOMMENDATIONS IN PARAS 27, 28, 29, 30, 31 AND 34 OF FIFTH REPORT OF RAILWAY CONVENTION COMMITTEE, 1991.
3. THE APPROPRIATION (RAILWAYS) NO. 2 BILL, 1994

AND

4. THE APPROPRIATION (RAILWAYS) NO. 3 BILL, 1994.

THE DEPUTY CHAIRMAN : Now we are discussing the Railways. Will everybody sit down, please?

श्री सुन्दर सिंह भण्डारी (राजस्थान) : सरकार की तरफ से जो स्टेटमेंट आना चाहिए।... (व्यवधान)

उपसभानपति : कोसिए मंत्री जी। आप नहीं से इसलिये मंत्री जी को लोक कर रहा है।... (व्यवधान)

THE MINISTER OF RAILWAYS (SHRI C. JAFFER SHARIEF) : Madam, the Railway Budget and the Demand for Grants of the Ministry of Railway for 1994-95 are already before the House.

Now I would like to move the following Resolution... (Interruptions)

SHRI SUNDER SINGH BHANDARI : Madam, there should be order in the House.

THE DEPUTY CHAIRMAN : It was started by you by walking out. The disorder is spilling

over here also.

... (Interruptions)

SHRI SUNDER SINGH BHANDARI : I must know what he is speaking.

श्री जगदीश प्रसाद माथुर (उत्तर प्रदेश) : यह क्या फतिहा पढ़ रहे हैं, कुछ समझ में नहीं आ रहा है। कृपया माहक में बोलें।

SHRI C.K. JAFFER SHARIEF : Madam, I beg to move:

"That this House approves the recommendations made in paragraphs 27, 28, 29, 30, 31 and 34 contained in the Fifth Report of Railway Convention Committee, 1991, appointed to review the rate of dividend payable by the Railway Undertaking to general Revenues etc., which was laid on the Table of the Rajya Sabha on 23.2.1994".

Madam, by a resolution adopted in the Lok Sabha on 16th September, 1991 and concurred in by Rajya Sabha on 17th September, 1991, the Railway Convention Committee, 1991 was constituted on 25th November, 1991. The Committee was appointed "to review the rate of dividend which is at present payable by the Railway Undertaking to General Revenues as well as other Ancillary Matters in connection with the Railway Finance vis-a-vis the General Finance and make recommendations thereon".

The Ministry of Railways submitted an interim Memorandum requesting the Committee to permit the rate of dividend of 7%, as recommended by Committee in their Third Report, being reduced in the year 1993-94 to the same rates as obtaining in 1992-93, duly continuing the existing concessions, and the Railway finances being exempted from payment of any dividend in 1994-95 keeping in view the financial health of the Railways, pending final recommendations for the VIII Plan for which Memorandum to the Committee has also been submitted.

The Committee have, however, reiterated their previous recommendation for payment of dividend at the rate of 7% for the year 1993-94 on the entire Capital invested on the Railways and have recommended the same basis for the year 1994-95 as an interim measure. In making this