

SHRI S. B. CHAVAN: Yesterday in the Business Advisory Committee we had taken a decision that even in Zero Hour in extraordinary circumstances one or two matters can be allowed.

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): Now it is not a Zero Hour.

SHRI S. B. CHAVAN: This is what was discussed in the Business Advisory Committee and it was unanimously decided that this power will be sparingly used.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): He says that he has been permitted by the Chair. We will see to it.

SPECIAL MENTIONS—contd.

Non-supply of Gold to jewellery exporters resulting in loss of Foreign Exchange

SHRI SOM PAL (Uttar Pradesh): Mr. Vice-Chairman, Sir, I wish to draw the attention of the Government to a news item that has appeared in the *Economic Times* of 31st July, 1991. It says that State Bank of India has suddenly stopped supplying gold to exporters of gold jewellery.

In this context, Sir, the facts which I have collected are worth notice.

The total jewellery exports during the last year, i.e. 1990-91, were worth Rs. 351 crores as against only Rs. 89 crores in the year 1987-88. This means that within three years the exports have registered a growth of about 300 per cent and the target set by the Commerce Ministry for the current year, 1991-92, is Rs. 650 crores.

Sir, the minimum net value addition through export of gold jewellery is 15 per cent. Thus by exporting jewellery worth Rs. 650 crores, we will earn approximately Rs. 100 crores worth of

foreign exchange during the current year.

The second important factor about this activity is that about one million artisans all over the country are employed in the manufacture of ethnic jewellery which is in high demand in international market. After the promulgation of the Gold Control Order, these traditional artisans were thrown out of employment. They were all starving. After a long time, with the advent of ethnic jewellery export there was a ray of hope for these craftsmen to get into their vocation once again. Now they are again unemployed and are starving.

Over and above that, it is resulting in serious derailment of our export effort also. We are losing foreign exchange worth about Rs. 9 to 10 crores per month. Since May last we have lost about Rs. 25 to 27 crores of foreign exchange. I have my own apprehension whether we shall be able to achieve our ambitious target of Rs. 650 crores set for this year.

Apart from this, we are losing the export market also to countries like Singapore, Thailand and Pakistan, because importers abroad find these countries as more dependable suppliers in comparison to India. Because in our case this phenomenon of erratic supply of gold has become a permanent feature, every year it so happens that gold supplies are suddenly stopped without any reason and without taking the exporters into confidence, and for several months in a year gold is not made available.

In this context I must also mention that two governmental agencies are involved in the supply of gold. One is the MMTC which supplies gold to the export-oriented units, that is 100 per cent export units, and the other is the State Bank of India, which supplies gold to the domestic tariff area exporters. If we look at the figures of last year, the share of the domestic tariff area exporters was Rs. 325 crores as compared to a mere Rs. 25 crores contributed by the EOUs, that is, 100 per cent exporting units. This was Rs. 25 crores only and

[Shri Som Pal]

MMTC is still supplying gold to the EOUs, that is, 100 per cent exporting units. But the State Bank of India has stopped supplies since the 29th of May last. The total quantity of gold needed to carry on this activity is only four tonnes—two in the supply line and two as a buffer stock. And the total value, if we take at the current market price of Rs. 3,200 per 10 grammes, comes to hardly Rs. 120 crores. So, with an investment of Rs. 120 crores we can earn Rs. 100 crores of foreign exchange in a year. Losing this is not at all wise on the part of the Government. Interestingly, MMTC is getting a loan in the international market, from international financial institutions, at the rate of 4 per cent, which is a very small rate of interest. So, my suggestion to the Government is that only one agency should be made responsible, either the State Bank of India or the MMTC, preferably the MMTC, so that the supply of gold is maintained to the exporting units.

Secondly, Sir, a very surprising thing has come to my notice, that when Mr. P. Chidambaram, the Commerce Minister, visited Bombay last week, he pleaded ignorance as to what were the reasons for stopping the supply to these units. So, firstly these supplies should be immediately resumed and, secondly, a consistent policy should be drawn up to make the supplies regular every year.

Thank you, Sir.

SHRI KAPIL VERMA (Uttar Pradesh): I think the Government should tell us what is the exact position about this.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The Leader of the House is here. He will take care of it.

THE LEADER OF THE HOUSE (SHRI S. B. CHAVAN): Sir, I will inform the concerned Ministry.

SLOW PROGRESS IN THE INVESTIGATION OF SHRI RAJIV GANDHI CASE ASSASSINATION

SHRI TINDIVANAM G. VENKATRAMAN (Tamil Nadu): Mr. Vice-Chairman, Sir....

SHRI V. NARAYANASAMY (Pondicherry): Speak in Tamil.

SHRI TINDIVANAM G. VENKATRAMAN: I will speak... (Interruptions)...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You address the Chair, not Mr. Narayanasamy.

SHRI TINDIVANAM G. VENKATRAMAN: Because he has always been interrupting, it has become a general feature. Today he has been trading charges and even at the beginning he started this focus.

Mr. Vice-Chairman, Sir, I want to make this Special Mention regarding the retrograde steps in the investigation of the former Prime Minister, Shri Rajiv Gandhi's assassination.

Sir, last week we had a discussion on the floor of this House regarding an important witness-cum-accused accomplice, one Shanmugam, committing suicide and, as it stands today, he even wanted to become an approver in the Rajiv Gandhi assassination case. The important witness as well as accomplice and approver's evidence has almost come to a close after his death.

Again, on the 29th of July there was a news report from Coimbatore which says:

"In a startling revelation, the city police, aided by the Special Investigation Team officials probing Rajiv Gandhi's killing, today identified one of the two LTTE militants who killed themselves here yesterday as Dixon, a Sri Lankan Tamil wanted in connection with this case."