

IRBI) for assistance and was reopened in 1977 through a Memorandum of Understanding reached among the various financial institutions, banks and Government of Tamil Nadu. The BHEL provided management support to the Company by deputing some of its executives. Out of 20 Officers on the roll of the Company, at present 5 belong to the BHEL. The BHEL, however, did not contribute to the equity capital of the Company. The IRBI had sanctioned Rs. 64.64 lakhs for rehabilitation of the Company in 1976 and also contributed Rs. 9 lakhs towards equity capital. The Company is a Broad-managed Company with representatives of financial institutions, Government of Tamil Nadu and BHEL etc. Efforts were made to induct a resourceful entrepreneur into the Company and various public sector and private sector companies were contacted. These efforts, however, did not succeed. Finally, two professional non-resident Indians were sounded for taking over the management. They also agreed to bring in Rs. 25 lakhs as equity. They were appointed as nominees of IRBI on the Board of the Company. Only one of them has, however, joined the Board after complying with the formalities.

Racist policies of South Africa

806. SHRI KALPNATH RAI: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether any plan of action has been suggested by the Commonwealth group set up at the last Commonwealth Heads of Governments and States Conference to put an end to the racist policies of South Africa;

(b) if so, what are the details thereof; and

(c) what initiatives Government have taken in the matter during the last few months?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO): (a) and (b) The findings of the

Commonwealth Eminent Persons Group in pursuance of its mandate from the Commonwealth Accord on Southern Africa are summarised in a Statement placed on the Table of the House. (See below)

(c) The report of the EPG and recent developments in South Africa would be considered at the forthcoming Mini-Summit of Commonwealth countries in London from 3-5 August, 1986 which would review progress in the achievement of Commonwealth objectives with regard to South Africa.

Statement

The Commonwealth Accord on Southern Africa adopted by Commonwealth leaders at their meeting in Nassau in October, 1985 had, *inter alia*, called upon the Government of South Africa to take the following five steps "in a genuine manner and as a matter of urgency":

(i) Declare that the system of apartheid will be dismantled and specific and meaningful action taken in fulfilment of the intent.

(ii) Terminate the existing state of emergency.

(iii) Release immediately and unconditionally Nelson Mandela and all others imprisoned and detained for their opposition to apartheid.

(iv) Establish political freedom and specifically lift the existing ban on the African National Congress and other political parties.

(v) Initiate, in the context of a suspension of violence on all sides, a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government.

2. The conclusions of the Eminent Persons Group in respect of each of these steps, in the words of its report submitted to Commonwealth leaders in June 1986, are as follows:—

(i) We have examined the Government's 'programme of reform' and

have forced to conclude that at present there is no genuine intention on the part of the South African Government to dismantle apartheid

(ii) Although the state of emergency was technically lifted, the substantive powers remain broadly in forms under the ordinary laws of the land which, even now, are being further strengthened in this direction.

(iii) Nelson Mandela and other political leaders remain in prison.

(iv) Political freedom is far from being established; if anything, it is being more rigorously curtailed. The ANC and other political parties remain banned.

(v) The cycle of violence and counter-violence has spiralled and there is no present prospect of a process of dialogue leading to the establishment of non-racial and representative government.

Overall, the concrete and adequate progress looked for in the Nassau Accord towards the objectives of 'dismantling apartheid and erecting the structures of democracy in South Africa' has not materialised.

3. While the EPG report does not go into the question of the nature or extent of measures that might be adopted by the international community against South Africa, it points out that the South Africa Government is concerned about the adoption of effective economic measures against it and has itself taken such action against neighbouring African countries. Their absence hampers the forces of change in South Africa and can only lead to increased violence. The report expresses the fear that if sufficient effective pressure is not exercised by the world community, the black leadership will be left with only one option, that of ever increasing violence. Finally, it warns that concerted action of an effective kind from the Commonwealth may be the last opportunity to avert what could be the worst blood-bath since the Second World War.

Prime Minister's visit to African States

807. SHRI KALPNATH RAI: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the Prime Minister visited some Frontline African States during May, 1986;

(b) if so, what are the names of the countries visited by him and the subjects discussed with the leaders of those countries; and

(c) what was the outcome of such talks?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) Prime Minister visited four Frontline African States, namely, Tanzania, Zambia, Zimbabwe and Angola during May, 1986. A wide range of subjects covering bilateral, international and problems pertaining to South Africa were discussed with the leaders of these countries.

(c) Apart from giving an impetus to the struggle against apartheid and illegal occupation of Namibia, the visit is expected to strengthen political, economic, cultural links between India and the countries visited.

Loans from foreign agencies for industrial units

808. SHRI KALPNATH RAI:
SHRIMATI SUDHA VIJAY
JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether private industrial units are allowed to receive loans from foreign agencies directly;

(b) whether the sanction of the Central Government is needed for such purposes; and