

(b) if so, what is Government's decision in this regard?

**The Deputy Minister of Commerce and Industry (Shri Satish Chandra):**

(a) A U.S. firm has offered to set up fertilizer plants in India utilising liquid ammonia to be produced in the Persian Gulf area from the gases available there.

(b) The matter is under consideration.

#### Pondicherry

\*1853. **Shri Hem Barua:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that the State of Pondicherry is at present experiencing a lot of administrative difficulties due to its constitutional position being not decided;

(b) if so, what are these administrative difficulties and how do Government propose to meet the situation;

(c) whether any demand has been received from the people of Pondicherry to the effect that pending the *de jure* transfer of the State the constitutional provisions of India be extended to that area immediately; and

(d) if so, the reaction of Government thereto?

**The Deputy Minister of External Affairs (Shrimati Lakshmi Menon):**

(a) Government are not aware of administrative difficulties in the State of Pondicherry except for certain minor problems.

(b) These problems arise mainly from the existence of ex-French and post-merger employees having different conditions of service; the French judicial system being different from the Indian judicial system and the non-applicability of Indian laws except when specifically applied to Pondicherry. While Government have these problems under constant review, certain anomalies are bound to exist till the *de jure* transfer of Pondicherry takes place.

(c) Yes.

(d) Government are unable to extend the constitutional provisions of India to the State of Pondicherry till *de jure* transfer.

#### Allocation of Foreign Exchange for Imports

\*1854. { **Shri D. C. Sharma:**  
**Shri P. C. Borooah:**  
**Shri Khushwaqt Rai:**

Will the Minister of Commerce and Industry be pleased to state:

(a) whether a further cut of Rs. 30 crores in the allocation of foreign exchange for imports over the last year's allocation, has been made by Government for the ensuing year;

(b) if so, the reasons therefor;

(c) how this reduction will be spread over the different classes of items of imports; and

(d) the effect of this reduction on the current development works in the country?

**The Minister of Industry (Shri Manubhai Shah):** (a) to (d). No, Sir. It will be difficult to make any estimate of the amount of allocation of foreign exchange as it will relate to and will depend upon the licensing to be done to the actual users on an industry-wise basis.

#### Working Group on Textile Industry

\*1855. { **Shri Ram Krishan Gupta:**  
**Shri Kodiyan:**  
**Shri Pangarkar:**  
**Shri S. M. Banerjee:**

Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 688 on the 5th December, 1960 and state:

(a) whether Government have considered the recommendations of the working group on textile industry regarding modernisation of textile mills; and