

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Yes, Sir. At the conclusion of the annual bilateral negotiations between the Governments of India and the Federal Republic of Germany for assistance in the current year, an agreement was signed in New Delhi between the two Governments on 14th October, 1977

(b) The Federal Republic of Germany has committed an amount of DM 360 million (Rs. 135.72 crores) as a loan to India for the current year which has the following composition:

	Rs Crores	DM Million
Projects	88 595	235
Development Banks (ICICI and IIC)	3 147	11
Capital Goods	3 393	9
Commodities	28 275	75
Debt Relief	11 310	30
	<u>135 720</u>	<u>360</u>

(c) Apart from the purposes indicated above, the project tranche of DM 235 million will be utilised for the following projects viz: (i) The Neyveli Lignite Corporation (DM 60 Million), (ii) The Gujarat Narmada Valley Fertilizers Company (DM 55 million), (iii) The Trombay Thermal Power Station (DM 85 million) and (iv) Acquisition of an Oceanographic Research Ship from the Federal Republic of Germany (DM 35 Million).

Terms and conditions of committee to formulate Approach to Foreign and Domestic Tourism

**985 SHRI RAJ KESHAR SINGH:
SHRI VASANT SATHE:**

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

(a) whether Government have set up high level Committee to formulate the Government approach to foreign and domestic tourism;

(b) whether the Committee has been set up; if so, the terms of reference and its constitution; and

(c) if not, the reasons for the delay?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) to (c) Government propose to set up a high level Committee to formulate a National Policy on Tourism in respect of foreign and domestic tourism. The terms of reference, and the composition of this Committee are under consideration and the decisions in this regard will be announced shortly.

Steps to ensure Price Stability

986 SHRI RAJ KESHAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) how far the problem of power shortage and high rate of interest and depreciation on the Capital outlay have affected prices of various items in the country; and

(b) the steps being taken to tackle the above problems and to ensure price stability?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b) It is not possible to isolate the impact of any particular factor on the prices of commodities. It is, however, possible that power cuts, leading to curtailment of production, may have a tendency to produce temporary shortages in the market, and hence, a rise in prices. The problem of power shortage is being tackled through creation of additional generating capacity, improving the performance of the existing power stations and reducing transmission and distribution losses.

In so far as interest and depreciation are concerned, their incidence on the cost of production is fairly small. Even so, interest rate levels are being kept under regular review and modifications are being made as and when the situation warrants. For example, in May 1977 the Reserve Bank directed the commercial banks to reduce the interest rate on term loans for periods not less than three years from the then existing ceiling level of 14-15 per cent to 12.5 per cent. Rationalisation was also introduced in the deposit rate structure, and the banks were advised to pass on to borrowers the benefits of interest savings on deposits.

Dearness Allowance to Central Government Employees

987. SHRIMATI PARVATHI KRISHNAN:
 SHRI DINEN BHATTACHARYA:
 SHRI K. A. RAJAN:
 SHRI S. R. DAMANI:
 SHRI M. RAM GOPAL REDDY:
 SHRI KACHARULAL HEMRAJ JAIN:
 SHRI MANI RAM BAGRI:
 SHRI YASHWANT BOROLE:
 SHRI SUKHDEO PRASAD VERMA:
 DR. HENRY AUSTIN:
 SHRI AHMED M. PATEL:
 SHRI ARJUN SINGH BHADORIA:
 SHRI G. Y. KRISHNAN:
 SHRI VASANT SATHE:
 SHRI SAMAR MUKHERJEE:
 SHRI MADHAVRAO SCINDIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Govern-

ment of Dearness Allowance to their employees from August with the rise in the consumer price index for the period of 12 months going upto 312.50 in August, 1977;

(b) whether Central Government Employees Organisations have approached the Government for immediate grant of dearness allowance; and

(d) if so, the details thereof and Government's decision thereon?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (c). Consequent on the 12-monthly average of the consumer price index crossing 312 points at the end of August, 1977, the Government have decided to grant an instalment of additional dearness allowance to the Central Government employees with effect from 1-9-1977.

(b) Yes, Sir

Token Strike by Officers and Employees of Commercial Banks and Reserve Bank of India

988. SHRIMATI PARVATHI KRISHNAN:
 SHRI SUKHDEO PRASAD VERMA:
 SHRI K. RAMAMURTHY:

Will the Minister of FINANCE be pleased to state:

(a) whether the officers and employees of the commercial banks and Reserve Bank of India went on a token strike all over the country during September, 1977 to press their demands including revision of wages, restoration of trade union rights and of the right to bonus; and

(b) if so, the details thereof and steps taken by Government to settle their demands?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI