

(a) the amount of arrears of Income tax to be paid by the Madras Aluminium Company;

(b) the reasons for delay in prompt collection; and

(c) the steps proposed to take suitable action in respect of default?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULIFIQUARULLAH): (a) No income tax was outstanding from the said company as on 31st January, 1978.

(b) and (c). Do not arise.

Expenditure by I.A.C. on Staff Cars

554. SHRI DAYA RAM SHAKYA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state the annual expenditure incurred by the Indian Airlines on petrol etc. consumed by the staff cars for officers and vehicles used for the transport of other staff?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): Annual expenditure incurred on fuel and oil towards providing staff cars and vehicles used for transport of other staff, is approximately Rs. 26.38 lakhs.

Release of L-Base to Industry

555. SHRI SURENDRA BIKRAM: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION be pleased to state:

(a) whether it is a fact that L-Base has not been regularly released to the industry by the canalising agency, the State Chemicals & Pharmaceuticals Corporation of India Ltd., during 1977-78 against allotments to actual users for 1977-78; and

(b) if so, the detailed reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE

AND CIVIL SUPPLIES AND CO-OPERATION (SHRI ARIF BEG): (a) and (b). No, Sir. The CPC has released L-Base to the industry during 1977-78 against allotments to the Actual Users for this period according to the phased delivered schedule received from the Actual Users.

Foreign Travel Tax

556. SHRI C. K. JAFFER SHERIEF: Will the Minister of FINANCE be pleased to state:

(a) whether Mr. John Gorman Chairman of the Board of Airlines Representatives in India has said that the Foreign Travel Tax of 12½ per cent of the total fare paid in rupees is a very expensive tax; and

(b) if so, the clarification from Indian Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) Government of India have not received any communication to this effect from the Chairman of the Board of Airlines Representatives.

(b) Does not arise.

Study of Incidence of Indirect Taxes on Rural and Urban Households

557. SHRI PARMANAND GOVINDJIWALA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to undertake a systematic study of the incidence of indirect taxes on rural and urban households;

(b) whether Government propose to accept the report of Indirect Taxation Enquiry Committee; and

(c) whether Government have completed the consideration of the report of the above Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGRAWAL): (a) The question of incidence of indirect taxation on rural and urban households has been examined by the Jha Committee, whose report has been submitted to Government.

(b) and (c) Part II of the Report was received in mid-January, 1978. It is too early to indicate Government's acceptance or otherwise of the various recommendations of the Committee.

Spurt in India's Foreign Exchange

558. SHRI DHARMAVIR VASISHT: Will the Minister of FINANCE be pleased to state:

(a) the precise spurt in India's foreign exchange during the period 1st April, 1977 to 31st December, 1977 in comparison with the foreign exchange earned during the same period last year;

(b) reasons for the same; and

(c) whether liberalisation of imports has had an adverse or favourable effect on the exports?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL) (a) During the period 1st April 1977 to 31st December 1977, India's foreign exchange reserves recorded an increase of Rs. 1135.3 crores as compared to an increase of Rs. 806.8 crores during the same period in the previous year.

(b) Changes in foreign exchange reserves represent the net outcome of the external transactions of the country. With liberalisation of the import policy and with provision of substantially enhanced levels of foreign exchange for imports of mass consumption items such as edible oils, raw cotton, other textile fibres, aluminium, cement etc., the non-food imports of the country recorded a

large increase during the current year. However, the increased draft on foreign exchange reserves on this account was more than offset by favourable factors such as a reduction in food imports, an increase in exports and the sustained inflow of inward remittances.

(c) Liberalisation of imports has had a favourable effect on exports both through provision of adequate imported inputs and through maintenance of relative price stability facilitated by imports of sensitive items of mass consumption.

U.S. Economic Assistance to India

559. SHRI SUKHENDRA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there has been a meeting of officials of US agency for International Development with Senior officials of the Economic Ministries to discuss areas where U.S. economic assistance could be availed of; and

(b) if so, the details regarding the talks and the amount of aid which Mr. John Gilligan, head of the U.S. Agency for International Development has offered to India under current foreign aid policy to the sectors like agriculture, rural development, education and health?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b). Mr. John J. Gilligan, Administrator of the USAID visited India between 23rd and 25th January, 1978. Mr. Gilligan had not come to negotiate any particular development projects for assistance. The purpose of his visit was to get an idea of the developmental activities in this country and to discuss the areas in which U.S. assistance could possibly be used. Mr. Gilligan had a joint meeting with Secretaries of some of the