

States have shown commendable efforts in raising genuine resources for the Plan inasmuch as the measures undertaken by them in the first two years of the current Plan would yield an estimated Rs. 1012 crores next year. The scheme of financing their Plan next year envisages further additional resource mobilisation by them to the extent of about Rs. 250 crores. The Centre has also been helping the States to fund increasingly higher Plan outlays. The Central support, by way of Plan assistance and otherwise, to the States for their developmental efforts has been increased from Rs. 896 crores in 1974-75 to Rs. 1140 crores in 1975-76 (RE) and to Rs. 1276 crores in 1976-77 (BE). The open market borrowing of the States, as well as assistance to them from institutions, has also been stepped up for the coming year.

#### Opening of Regional Rural Banks in Orissa

1376. SHRI ARJUN SETHI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to open Regional Rural Banks in Orissa; and

(b) if so, when and locations thereof?

THE MINISTER OF STATE IN-CHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE): (a) and (b) . One Regional Rural Bank has already been established in Orissa at Pipli to cover Puri District. Further locations of Regional Rural Banks in the States including Orissa are under consideration of the Government.

#### Financial assistance to handloom industries of States

1377. SHRI SAROJ MUKHERJEE: Will the Minister of COMMERCE be pleased to state:

(a) the financial help rendered to handloom industries by his Ministry, State-wise during the last year;

(b) what exactly are the hurdles for cooperatives to get loans from the Reserve Bank of India in the light of observations by the Sivaraman Committee on Handloom Industry that the bank cannot be expected to fund the cooperatives unless they come up to the norms set by it; and

(c) the steps taken to remedy this weakness?

#### THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH):

(a) During the year 1975 a sum of Rs 4.70 crores has been distributed as loan assistance to the following States for clearance of accumulated handloom stocks:

States	Rs. in crores
Tamil Nadu . . . . .	1.80
Andhra Pradesh . . . . .	1.20
Karnataka . . . . .	0.70
Uttar Pradesh . . . . .	0.70
Kerala . . . . .	0.30

A number of Centrally assisted handloom development schemes are at present under consideration and are likely to be implemented during the year 1976-77. The assistance for these schemes will be on a reimbursement basis.

(b) The weakness of the primary societies which is due to a weak capital base and unsatisfactory recovery of dues from the members is the major hurdle because of which

they are unable to fulfil the norms laid down by the Reserve Bank of India.

(c) State Governments have been advised to regroup and revitalise the primaries into viable and strong ones after a proper census so as to enable them to fulfil the standards prescribed under the scheme

**Loss suffered by M.M.T.C due to export of Iron Ores through Paradeep Port**

1378 SHRI ANADI CHARAN DAS Will the Minister of COMMERCE be pleased to state

(a) whether export of iron ores through Paradeep Port has suffered serious set-back causing huge accumulation of ores in Paradeep Port and depletion in the activities of transport from mining area to the port,

(b) if so, the loss suffered by M.M.T.C on this account with reasons therefor, and

(c) what action Government have taken to boost up the export of ores?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH)

(a) No, Sir

(b) and (c) Do not arise

**Scheme for recovery of arrears of taxes**

1379 SHRI SHASHI BHUSHAN Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No 894 on the 27th July, 1973, regarding Introduction of American scheme for recovery of arrears of taxes and state

(a) the extent to which the implementation of this scheme has been helpful in liquidating the arrears of taxes; and

(b) the extent to which there has been increase in revenue after the implementation of the scheme?

THE MINISTER OF STATE IN CHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE):

(a) and (b) As was mentioned in the reply given on the 27th July, 1973, the Functional Scheme of work in the Income-tax Department was introduced in September, 1966, on a pilot basis and was extended from year to year till it covered about 50 per cent of the Income-tax offices. Thus, at no point of time, this Scheme covered the entire Department. Figures of collection/reduction/adjustment of arrear demand and of net budget collections during the years 1966-67 to 1974-75 are given in Table 'A' of the Statement. Since these figures are for the Department as a whole and collection/reduction/adjustment of arrear demand and net budget collections depend upon a large number of factors of which the system of work in the Department is only one, it would not be proper to correlate these figures with the Functional Scheme of work.

After a review of the working of the Functional Scheme, it was decided to revert, with effect from 1st April, 1975, to the earlier unitary system of work. Figures of collection/reduction/adjustment of arrear demand upto 31st December, 1975 and the figures of net budget collections upto the end of February, 1976, are given in Table 'B' of the Statement.