

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) The Government has so far invested Rs. 227.76 crores towards the polyester X-ray Film project.

(b) The plant has been commissioned on 31.3.1997.

(c) The time and cost over runs were 5½ years and Rs. 510.84 crores respectively. The factors responsible for the time and cost overrun are as follows:-

(i) Faulty initial feasibility report and non preparation of project report.

(ii) Delays in :-

(a) Award of civil contract.

(b) Construction and other works by the contractors

(iii) Availability of power from Tamil Nadu Electricity Board

(iv) Funds crunch

(v) Cost escalation

(vi) Exchange rate/Duty Variation.

(d) Government released Rs. 26.16 crore in 1996-97 to Hindustan Photo Films towards working capital for the existing plant and the polyester X-ray project.

(e) The capacity utilisation in the Polyester X-ray plant during the first quarter of 1997-98 is 3.4%. The capacity utilisation planned for 1997-98 and 1998-99 is 22%.

Market Development Assistance

1730. SHRI SANDIPAN THORAT : Will the Minister of TEXTILES be pleased to state :

(a) the number of appeals for Marketing Development Assistance to the Handloom Societies have been preferred to the Handloom Development Commissioner by the Handloom Societies in Maharashtra, Andhra Pradesh and Tamilnadu during the last three years alongwith list of societies;

(b) the number of appeals allowed by Appellate Authority;

(c) the amount involved in these appeals, with the list of societies State-wise, year-wise; and

(d) the reasons for delay in disbursing the funds under Marketing Development Assistance Scheme?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The number of appeals preferred to the Handloom Development Commissioner by the Societies of the States of Maharashtra, Andhra Pradesh and Tamilnadu is "NIL".

(b) to (d) Do not arise.

Pace of Reforms

1731. SHRI SONTOSH MOHAN DEV : Will the Minister of FINANCE be pleased to state :

(a) whether the International Monetary Fund has warned the Government about slow pace of reforms; and

(b) if so, the steps taken by the Government to increase the pace of economic development of the country and to what extent the steps taken have improved the position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) No, Sir.

(b) As part of the Article IV consultation exercise, the IMF Board recognised the potential of India. They felt that the recent slow down in industrial production and exports was, to a considerable extent, a consequence of the partial nature of the reforms which had contributed to infrastructure bottlenecks and continuing constraints in the financial sector. They expressed the need for the authorities to be more vigilant and monitor closely the macro-economic developments. The IMF has not warned the Government about slow pace of reforms.

The Government is taking all measures to increase the pace of economic development.

Import of Natural Rubber

1732. SHRI RAMESH CHENNITHALA : Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to import natural rubber during the current financial year; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) No, Sir.

(b) Does not arise.

Indo-US Economic/Commercial Sub-Commission

1733. SHRI YELLAIAH NANDI : Will the Minister of FINANCE be pleased to state :

(a) whether Indo-US economic/commercial sub-commission had meeting in December, 1996;

(b) if so, the details of the discussions held and the outcome thereof;

(c) whether the US has agreed to invest more and also increase trade between the two countries;

(d) If so, the extent to which US investment has been more in 1997 in comparison with 1996;

(e) the projects in which the US has made more investment; and

(f) the extent to which the trade between the two countries has improved/likely to improve?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (f) The second meeting of the Indo-US Economic and Commercial Sub-Commission was held on 17th December, 1996 at Washington, USA. The meeting provided an opportunity to both Indian and US sides of the Sub-Commission to discuss and review the existing linkages between the economies of the two countries with a view to identify the areas of Indo-US cooperation. At this meeting, it was agreed to create fora for exchange of experiences in regulation of the provision of infrastructure services and to encourage agency to agency technical cooperation and assistance in power and surface transport sectors. The Sub-Commission also recommended to explore possibility of creation of a mechanism for capital market development which would encourage conferences and meetings for discussing relevant issues.

Approvals of Foreign Direct Investment proposals from USA amounted to Rs. 100558.70 million in the year 1996 as compared to Rs. 45743.64 million in the year 1997 (January-April). India's trade with USA has been increasing every year at an impressive rate, and was US \$ 9.917 billion in 1996-97 as compared to US \$ 9.381 billion in 1995-96. The exports to USA during 1996-97 have shown a growth of over 18.55% in US dollar terms and imports have registered fall by nearly 12.62% in US dollar terms. Growth in exports to USA of 18.55% in US dollar terms is higher than India's overall export growth rate i.e. 6.57% in US \$ terms.

Small Scale Industries

1734. PROF. PREM SINGH CHANDUMAJRA :

SHRI NAWAL KISHORE RAI :

Will the Minister of INDUSTRY be pleased to state :

(a) whether a Committee of small scale industries named Laghu-Udyog Bharati, Delhi has submitted any memorandum to the Government last month regarding problems being faced by the small scale industries;

(b) if so, the details thereof; and

(c) the action taken by the Government there-on?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) The memorandum submitted by Laghu Udyog Bharati, dated 23rd June, 1997 refers to news item published in the Pioneer on 14th June, 1997 regarding "hinting at dereservation of 80 SSI items" and requests the Government to invite them for such a meeting if any, to express their views.

(c) An appropriate reply has already been sent to Laghu Udyog Bharati, Delhi.

DA/Wages of Kanpur Mill

1735. SHRI JAGAT VIR SINGH DRONA : Will the Minister of TEXTILES be pleased to state :

(a) the annual supervisory expenditure of Mills under N.T.C. B.I.C., TAPCO and Vegetable Oil Corporation in Kanpur at present

(b) whether the pay scales and other allowances of textile mill employees in Kanpur have not been revised since 1985 where the pay-scales of supervisors and officers of these mills are being amended as per rules;

(c) if so, the reasons for this discrimination; and

(d) the steps taken by the Government to revise the pay and allowances of the employees of these mills ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The annual supervisory expenditure of mills under NTC, BIC, TAFCO, and HVOC located in Kanpur is as follows:-

		Rs. in crore
1.	NTC	1.19
2.	BIC	4.51
3.	TAFCO	2.19
4.	HVOC	0.35

(b) to (d) The monthly paid clerical and other staff of the textile mills of NTC in Kanpur have claimed parity of their pay scales with the staff of the head office. They have filed writ petitions in the courts and their case is sub-judice before the Supreme Court.

As far as the mills of BIC and its subsidiaries in Kanpur are concerned, on submission by the petitioners of these mills that they had no surviving grievance, their writ petitions were dismissed as withdrawn by the Supreme Court.

The pay scale of supervisors and officers of the mills located at Kanpur are revised from time to time as per the orders of the Department of Public Enterprises.

Income Tax Law

1736. SHRI BANWARI LAL PUROHIT : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to rectify the infrastructural weaknesses of Income Tax and Excise departments to motivate recovery of taxes;

(b) if so, the details of the concrete steps Government propose to take in this regard;

(c) whether the Government thinks lacunae in the existing Income Tax and other taxes laws; and