

manufacture and a glasshouse of indigenous manufacture. Would he at least take steps to see that donations from foreign sources are made impossible because they are destined to alter the political pattern of this country and to interfere with the independence of the political parties? Assuming that he takes no steps to prevent donations from indigenous sources, I would like to know whether he is prepared to take steps to prevent money from foreign sources coming to pervert the political parties of this country.

**SHRI Y. B. CHAVAN:** This is exactly our purpose and aim. I quite agree with the purpose and aim. The inquiry was undertaken with a view to finding out the role of foreign money. Whether we can remove this corroding influence in our political life and how to do it is the main question. I entirely agree that this should be done.

REVOLVING TOWER OF ASHOKA HOTEL

+

\*784. **SHRI D. N. DEB:**

**SHRI S. P. RAMAMOORTHY:**

**SHRI J. MOHAMED IMAM:**

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

(a) whether it is a fact that foreign experts will be consulted about the further construction of the Revolving Tower at the Ashoka Hotel;

(b) if so, the reasons why necessity for such consultation has arisen; and

(c) the extra cost on such consultation and on further extension of construction?

**THE DEPUTY MINISTER IN THE MINISTRY OF TOURISM AND CIVIL AVIATION: (SHRI-MATI JAHANARA JAIPAL SINGH):** (a) and (b). The revolving mechanism which is being purchased from Japan is proposed to be installed

with the help of Engineers of the Supplying firm.

(c) Does not arise, as this is part of the contract with the Japanese firm.

**SHRI D. N. DEB:** It was indicated before the last economic conference of Asia and the Far East in New Delhi that the revolving tower would be completed much before the conference but it could not be completed. There was a lot of criticism inside and outside the House about the enormous cost involved and the way the decision had been taken to construct the tower. May I know as to what impelled the Government of India to consult foreign experts at this stage and why this could not be anticipated when the plans for the revolving tower were finalised?

**THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH):** As has been stated in the reply, no new foreign experts are being consulted. The Japanese firm which is going to supply the revolving mechanism will send their engineers when we are ready to instal it here. No new consultation with any foreign firm has been undertaken.

**SHRI S. K. TAPURIAH:** We are having a revolving tower of Babel.

**SHRI D. N. DEB:** What is the total amount which will be involved in having these consultants from Japan and this new construction?

**DR. KARAN SINGH:** The total foreign exchange component of the revolving tower is Rs. 2.27 lakhs and that will include the expenditure upon the Japanese experts who will come here because the order has been placed with them. The equipment, in fact, has been built by them and it is now to be brought to India and installed.

**SHRI J. MOHAMED IMAM:** When this idea of providing a Revolving Tower to Ashoka Hotel was conceived, was it investigated as to what would be the total capital required for constructing this Tower and whether

it would attract more foreign visitors, what would be its potential and what would be the return that it would bring to this concern?

DR. KARAN SINGH: As the House will recall, this Revolving Tower was a part of the new Ashoka Annexe project before the UNCTAD Conference which was held here last year. It was considered that the accommodation was very inadequate and therefore, a new Annexe was built at a cost of over Rs. 2 crores and this Revolving Tower was conceived as a part of this new project. As you all know, the Annexe has 150 rooms; it has a very large Convention Hall which can seat 2,500 people and which I think, is the largest in India. The Revolving Tower was also conceived at that time as part of this new project. The idea was this. In many foreign countries they have these Revolving Towers and we thought that this being a public sector hotel, it would be a good thing if a Revolving Tower was also built.

The Hon. Member has raised the question of profitability also. It is difficult to work out the profitability on each separate item—on the Convention Hall, on the Tower and so on; but the overall picture of profitability was certainly kept in mind when this project was undertaken.

SHRI JOYTIRMOY BASU: May I ask the Hon. Minister: (a) whether he has any suggestion or proposal under consideration to hand over the management of the Ashoka Hotel to foreign operators in the United States; and (b) how much money has been spent to construct this new Conference Hall and what is the return that has been received out of it so far?

DR. KARAN SINGH: There is no question, whatsoever, of handing over the management to any foreign company or foreign collaborator. As I had mentioned last time, we are exploring the possibility of getting some foreign consultancy not only for this Hotel but for the other hotels also in

the public sector because, as the Hon. Member knows, several important private sector hotels have had the facility of getting foreign experts, not as a collaboration, not as management contract but purely as management consultancy, and we felt why should the public sector be deprived of a facility which is available to the private sector because our whole intention is that the public sector should really do as well as, if not better than, the private sector. We are examining the possibility of foreign consultancy. That is still at a very embryonic stage. But there is no question, whatsoever, of handing over the management of this Hotel to any foreign firm or any foreign company.

As I have mentioned, the total cost of the new Annexe, including the Convention Hall, was over Rs. 2 crores. I think, it is too early for us to say how much specifically we have got back from that.

SHRI JOYTIRMOY BASU: How much have you got so far? How many times you have let it out?

DR. KARAN SINGH: I do not have the information. There was a *kavali* programme the other night. I do not know whether the Hon. Member was there or not. So, it is very popular.

SHRIMATI SUSHILA ROHATGI: Is the Government aware that, in U.K., they were able to recover the money spent on the Revolving Tower in London within a span of a year? I would like to know whether the Government is in a position to assess precisely how much is going to be spent on the Revolving Tower at Ashoka Hotel and in what span of time we would be in a position to recover that amount.

DR. KARAN SINGH: The tragedy is that the Revolving Tower has not yet begun to revolve. It is only when the Tower revolves that the question of recovery or profitability will arise.

**SHRI GIRRAJ SARAN SINGH:** The Hon. Minister combines in himself both the Hotel side and the Civil Aviation side. Has he from the Civil Aviation side complained to the Hotel side that the Revolving Tower is in direct line with the runway of Palam Airport and, therefore, will be a hazard to civil aviation and civil aircraft? What action has been taken in this regard? (*Interruptions*).

**DR. KARAN SINGH:** This Tower project was first conceived when it was in a different Ministry, and they did consult the Civil Aviation Department. In fact, that was one of the reasons why the whole thing got delayed because originally they had planned the Tower. . . . (*Interruptions*).

**SHRI M. L. SONDHI:** That was on account of the contractors.

**DR. KARAN SINGH:** This is a valuable point that the Hon. Member, Shri Girraj Saran Singh, has raised. Originally the height was about 150 ft. Then when the plans were given, it was felt that it was rather stumpy, and from the architectural point of view there would be some advantage in raising it higher and also when the thing at 150 ft. revolves we would see only the chimney of the Ashoka Hotel. Therefore, it was thought that it should be a little higher so that we can have a better view. When the question of height arose, the problem of Safdarjang also arose because this was a hazard. There was some prolonged correspondence between the Ministry of Works, Housing and Supply and the Department of Civil Aviation. Finally, in agreement it was decided to put it up to 227 feet. So, whatever plans have now been prepared have been done with the full approval of the Civil Aviation Department.

**SHRI P. G. SEN:** The Hon. Minister has said that the revolving tower has not begun to revolve yet. Can he tell us when the work will be undertaken and the tower will start revolving?

**DR. KARAN SINGH:** I am very anxious that the tower should revolve as early as possible. But there is a little background about this also. As the House would recall, the Public Undertakings Committee had made some comments about the new annexe project and as a result of those comments, inquiry committee has been set up; that report is due on the 11th September. Meanwhile we are getting this whole tower project also looked into afresh and when those two reports are with us, we should then be in a position to take a decision. I am hopeful that it will begin to revolve in 1969.

**SHRI S. S. KOTHARI:** Would the Hon. Minister ensure that no payment is made to the Japanese technicians and the technical people till the tower actually begins to revolve and the project proves to be a success, for normally what we find is that payments are made first and then the machinery does not work satisfactorily?

**DR. KARAN SINGH:** It would be extremely unfair to the Japanese firm. After all, we asked them to prepare this mechanism for us. The profitability is our responsibility and not of the Japanese.

**SHRI S. S. KOTHARI:** I am talking about the technical feasibility.

**DR. KARAN SINGH:** Certainly, but they have got to manufacture the equipment they have got to fabricate it; they have got to send it. We can hardly withhold payment and expect them to make all these equipment worth lakhs and lakhs of rupees at their own cost and then send it here, and then have our contractors get ready to build it; at that rate it would take many years for the thing to revolve. So withholding payments is absolutely impossible.

**SHRI S. S. KOTHARI:** What we find is that most of the agreements which are made are faulty agreements, and after the payment is made, the machinery does not work properly.

**SHRI CHENGALRAYA NAIDU:** Already, Government have spent lakhs or rupees in constructing the revolving tower. If they delay I think that this amount will be wasted. Instead of that let them take some technical assistance from Indian engineers so that they can build it soon. The other thing is in regard to taking foreign technical assistance. When it is completed and when the tower goes revolving, I hope it might not go on revolving in the Russian way as the communist people are doing here.

**SHRI NAMBIAR:** Have Government taken into consideration the possibility or probability of hastening the process of bringing in a revolution after the revolving tower begins to function? What is the purpose for which it is intended, whether it is mainly intended to attract foreign visitors or whether to attract a revolution in the near future?

**DR. KARAN SINGH:** The Hon. Member is an expert in revolution and therefore he should really be able to advise us on this matter. But the real thing is that the revolving tower is supposed to be a sort of tourist attraction not only for foreigners but for our own people also. I am sure many of my hon. friends would like to revolve with me over a cup of tea after the thing is ready.

**MR. DEPUTY-SPEAKER:** Let us come down to the earth from the tower now. Next question.

#### SALES TAX STRUCTURE IN DELHI

+

\*785. **SHRI S. K. TAPURIAH:**  
**SHRI GADILINGANA**  
**GOWD:**

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether the Delhi Administration has proposed a change in the present system of sales tax in the Union Territory at the ultimate point of sale, to replace it with a new system of im-

posing such tax at the first point of sale;

(b) if so, whether Government have approved the scheme; and

(c) whether Government propose to evolve a uniform sales tax system on the said lines for enforcement throughout the country and if not, the reasons therefor?

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI VIDYA CHARAN SHUKLA):** (a) Under Section 5A of the Bengal Finance (Sales Tax) Act, 1941, as extended to the Union Territory of Delhi, the Lt. Governor is empowered to specify the point at which the sale of goods may be subjected to sales tax. The Delhi Administration have reported that they are making a detailed study of the impact of shifting sales tax to the first point, on the revenue receipts of the Union Territory.

(b) Does not arise.

(c) Sales Tax is a State subject of taxation. The question of evolving a uniform sales tax system throughout the country by the Central Government, therefore, does not arise.

**SHRI S. K. TAPURIAH:** It has been felt by taxation experts and economists that if we have sales tax imposed at the first point it is easy procedurally and it also gives a chance for better collection and the chances for avoidance of tax are reduced considerably. As the hon. Minister has said, the Lt. Governor has the powers to do so and the Delhi Administration has been considering this. Since the area here is small, possibly an experiment can be made in the Delhi Administration area and if it works well it can possibly be extended. Can the Hon. Minister give us an idea as to the time by which the Delhi Administration might take a decision or whether Government can help in making them come to a decision quickly?

**SHRI VIDYA CHARAN SHUKLA:** The Delhi Administration ac-