

because it was only later that a decision had been taken about these other categories.

I may mention that this new scale is an improvement over the original scale which was prescribed in the light of the recommendations of the Central Pay Commission. The then scale was Rs. 55—130, but the revised scale goes beyond that, and it prescribes Rs. 60—130

Deferred Payment Exchange Guarantee Scheme

Mr. Speaker: Next question. Q No. 702.

Shrimati Tarkeshwari Sinha: May I request that Q. No. 729 also may be taken up along with this, since both the questions relate to the same subject, namely deferred payments?

Mr. Speaker: Is the Minister willing to answer both together?

The Minister of Finance (Shri T. T. Krishnamachari): Yes, Sir

*702. Shrimati Tarkeshwari Sinha: Will the Minister of Finance be pleased to state—

(a) the progress made in the Deferred Payments Exchange Guarantee Scheme, and

(b) the estimate of increase in the price of machinery and other capital goods as a result of deferred payments?

Shri T. T. Krishnamachari: (a) and (b) Since deferred payment terms for a number of projects are still under discussion, it is not possible now either to indicate the extent of progress made in this scheme or to calculate the increase in price due to such arrangements; it is however expected to be of the order of 6 per cent on average

The answer to Question No. 729, stands in the name of hon. colleague, Shri B R Bhagat. With your permission I would like to read out that answer.

Imports on Deferred Payments

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Shrimati Tarkeshwari Sinha:
*729. { Shri Raghunath Singh:
 { Shri Nagi Reddy:

Will the Minister of Finance be pleased to state:

(a) the progress made so far in achieving facilities for deferred payments in the matter of imports;

(b) the names of the countries that have agreed to help India; and

(c) the countries with whom negotiations are in progress?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Government have under consideration various measures for facilitating import of capital goods on deferred payment basis, including exemption from income-tax, in approved cases, on interest payments on the credits.

(b) and (c). No negotiations are being carried on with the Government of any foreign country other than France for the supply of capital goods on long-term credit. The discussions with the French Government are still in progress

Shrimati Tarkeshwari Sinha: Some time back, in reply to one of my supplementary questions, Government announced that for standing guarantee for these deferred payments, the institution of a foreign exchange fund under that scheme was under consideration. May I know what progress has been made in regard to that, and if there has been a delay, the main reasons for the delay?

Shri T. T. Krishnamachari: I think our preparations in that regard are almost complete. But that does not mean the fund will be constituted, because the money for the fund will have to be subscribed to by those people who require guarantees; I do not know how many people would require guarantees, and even so, how many such people would be prepared to put down the cash for the purpose of obtaining the guarantee.