

**Stable Taxation and Pricing Policy**

2331. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether, welcoming the announcement of 'price freeze' by top industrial houses in the country, the Chambers of Commerce and Industries have urged the Central Government to frame a taxation policy which would stay in force for the next five years;

(b) whether Central and State Governments have been requested to come out with a policy of fixing prices of goods manufactured by the State owned industries; and

(c) if so, the reaction of Central Government thereto?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) A suggestion was made by one of the Chambers of Commerce that, except in exceptional circumstances where changes in rates may become necessary at short notice, there should be a certain amount of stability in tax policies at least over a period of five years.

(b) A request was made to the Central Government recently that State-owned industries may freeze prices in line with the price freeze announced by some of the top industrial houses in the country.

(c) As regards the suggestion mentioned in (a) above, as tax policy is framed according to the basic aims of the Government and the prevailing economic situation, changes in taxes become necessary from time to time. As for the suggestion at (b) above, the matter is under consideration.

**Goa Compensatory Allowance to Government Employees**

2332. SHRI EDUARDO FALEIRO: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether Goa Compensatory Allowance has been restored to Government employees in Goa; and

(b) if not, the reasons therefor?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b). No, Sir. The Goa Compensatory Allowance was granted in consideration of the difficult and unsettled conditions following liberation of Goa, Daman and Diu. This allowance was withdrawn in stages beginning with 1-4-1967, after restoration of normal conditions in the Union Territory.

**बैंक ग्राफ बढ़ावा की पुढाया शाखा में अहदाचार**

2333. श्री सुरेश चिन्मय : क्या वित्त तथा राजस्व और बैंकिंग मंत्री यह बताने की कृपा करेंगे कि क्या उन्हें उत्तर प्रदेश के शाहजहाँपुर में बैंक ग्राफ बढ़ावा की पुढाया शाखा में व्याप्त अहदाचार की जानकारी है, जिसके बारे में अनेक व्यक्तियों ने अधिकारियों से शिकायतें की हैं और यदि हाँ, तो उन पर क्या कार्यवाही की गई है ?

वित्त तथा राजस्व और बैंकिंग मंत्री (श्री एच० एम० पटेल) : बैंक ग्राफ बढ़ावा ने सूचित किया है कि छोटे ऋणकर्ताओं के ऋण मंजूर करने में देरी, कर्मचारियों के असह्य व्यवहार और ऐसे ऋण मंजूर करने के लिए कर्मचारियों द्वारा रिश्वत मागे जाने के बारे में, उत्तर प्रदेश की उसकी पुढाया शाखा के कर्मचारियों के विरुद्ध कुछ शिकायतें उभरे मिली हैं। बैंक से अनुरोध किया गया है कि इन शिकायतों की जांच

करे तथा बैंक में सुत्कापित सर्वकला प्रक्रिया के प्रन्सार सम्बद्ध कर्मचारियों के विरुद्ध यथोचित कार्यवाई करे।

**Violation of Foreign Exchange Regulations by Shri Subramaniam Swamy** ..

2334. SHRI K. LAKKAPPA: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state;

(a) whether Shri Subramaniam Swamy had violated the provisions of Foreign Exchange Regulation Act during 1975-76;

(b) if so, the action taken by Government against him; and

(c) whether Government would prosecute him?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) to (c). Shri Subramaniam Swamy was permitted by Reserve Bank of India to visit U.K. for three months in July, 1975. But Shri Swami had visited countries other than U.K. and had not returned to India at the end of the period prescribed by Reserve Bank of India. Hence the Directorate of Enforcement had issued a show cause notice for violation of the provisions of Section 32(9) of the Foreign Exchange Regulation Act, 1973. The case was departmentally adjudicated by which a penalty of Rs. 5000 was imposed on Shri Swamy.

The Directorate of Enforcement had also filed three prosecution complaints against Shri Subramaniam Swamy in the Court of the Chief Metropolitan Magistrate, New Delhi in October, 1976 for violation of Sections 32(9), 33(2) and 40 of the Foreign Exchange Regulation Act.

In March, 1977 after the formation of the new Government these cases were reviewed in the changed cir-

cumstances. It was observed that Shri Swamy had to go to foreign countries for political reasons necessitated by the arbitrary detention of thousands of persons. The contraventions of Foreign Exchange Regulation Act were only incidental. In these circumstances it was decided that the three prosecution cases should be withdrawn in the public interest and accordingly these cases were withdrawn on 28th March, 1977.

**Credit Policy**

2335. SHRI CHITTA BASU: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether Government contemplate to bring about any change in the existing credit policy; and

(b) the main features thereof?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b). The revised credit policy for 1977-78 was announced by the Reserve Bank of India on May 27, 1977. The policy lays emphasis on monetary restraint and at the same time recognises the need for stimulating long term investment and augmentation of supplies of essential consumer goods. The important changes made in the credit policy are briefly described below:

(1) The impounding of incremental 10 per cent of the deposits of commercial banks has been continued. The average cash reserve ratio of 6 per cent and the liquidity requirements (u/s 24 of the Banking Regulation Act) of 33 per cent have also been continued.

(2) Banks' resort to the Reserve Bank of India for refinancing and rediscount has been