

(c) whether Government propose to pay the said project allowance retrospectively to the employees?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Yes, Sir. The P. & T. employees serving in Koyan Project Area in Maharashtra (i.e., at Alore, Pophali and Shirgaon) were being paid Compensatory (project) allowance on the same rates as applicable to State Government employees from 1955 onwards. The allowance was withdrawn with effect from 1st March, 1975.

(b) The project allowance is primarily intended to compensate the staff for lack of certain amenities such as housing, schools, markets and dispensaries etc. Since these amenities had become available at the project site the project allowance was withdrawn.

(c) In view of (b) above the question of payment of project allowance retrospectively does not arise.

Credit Policy

3657. SHRI DHARMA VIR VASISHT: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) the new credit policy announced by the Reserve Bank of India, and the extent to which credit constraints have been removed or eased;

(b) the lowering of the rate of interest if any to give stimulus to long term capital investment; and

(c) the results in terms of investment and monetary expansion with specific projects launched, if any?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The new credit policy announced by Reserve Bank of India seeks to contain monetary expansion to the maximum extent possible but at the same time it is oriented

towards promoting investment; aiding production and exports and augmenting supplies of essential consumer goods and industrial raw materials through imports. The new policy will not act as a constraint on genuine requirements of production, investment and export.

(b) With a view to stimulating long term capital investment, banks have been advised to charge a rate of interest of 12.5 per cent (inclusive of interest tax wherever applicable) on term loan extended by them for capital investment to industry granted for periods not less than three years as against the usual rate of 15 per cent (including interest tax) charged for term loans for periods over three years upto seven years.

(c) As the new policy was announced towards end of May, it is too early to assess its impact.

Export Council for Small Scale Sector

3658. SHRI DHARMA VIR VASISHT: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Government are considering setting up of an Export Council for small scale sector; and

(b) if so, the main features thereof?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): (a) No, Sir.

(b) Does not arise.

Tourism Industry

3659. SHRI SATISH AGARWAL: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government propose to formulate a time-bound effective plan to obtain maximum gains out of the tourism industry in India; and

(b) whether it is correct, that too much reliance on public sector in this regard has kept foreign tourists away from India?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) Yes, Sir.

(b) No, Sir. Too much reliance is not being placed on the public sector in this regard, inasmuch as adequate assistance and encouragement are being given to the private sector also for providing facilities for foreign tourists. In any case, the number of tourists visiting India has progressively increased as will be seen from the figures given below:—

Year	Tourist arrivals	% change
1974	423,161	..
1975	465,275	10.0
1976	533,951	14.8
1977 (Jan—June)	282,449 (over corresponding period 1976)	19.3

Foreign Tourists to India

3660. **SHRI SATISH AGARWAL** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government did not achieve the targets set for foreign tourists' arrival in India so far in the 5th Plan; and

(b) whether Government propose to hold officials responsible for this national loss and punish them?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) The Department of Tourism had set a target of 800,000 international tourists by the end of 1978 at a projected growth rate of 15 per cent per annum. This target was laid down when the Fifth Five Year Plan was being formulated in 1973 when there was no indication of the decline in international tourist traffic due to the oil crisis. The flow of international tourist traffic to India, therefore, received a set-back in 1974 the first year of the Fifth Plan, when an increase of only 3.2 per cent in international tourist arrivals was registered as against the projected growth rate of 15 per cent. As compared, however, to the world tourist figures, which declined by 2.8 per cent in 1974 even the marginal increase of 3.2 per cent in tourist arrivals was an achievement.

In subsequent years the flow of international tourist traffic to India has shown a progressive increase by registering a 10 per cent growth in 1975, 14.8 per cent in 1976, and 19.3 per cent in the first half of 1977. If the present encouraging trend in international tourist arrivals continues, and no political or economic crisis engulfs the world, it should be possible to reach the targetted figure of 800,000 international tourists by the end of 1978.

(b) Does not arise.

Steps to Receive Foreign Tourists

3661. **SHRI SATISH AGARWAL:** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state the steps that are being taken to receive one million foreign tourists, as was proposed earlier, by 1980 through private and public sector agencies?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): A Statement outlining the various measures