

(b) whether the jute mill owners intend to wage cut to overcome the crisis ; and

(c) the steps, the Union Government propose to take in this respect to save the jute industry ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P.A. SANGMA):

(a) As a result of four successive short jute crops beginning from 1981-82 (July-June) there is shortage of raw jute in the market.

(b) The Indian Jute Mills Association has submitted a proposal suggesting production control.

(c) The Government have regulated the stock holdings of jute mills under the jute (Licensing and Control) Order, 1961 to bring about more equitable distribution of raw jute. The Government have also arranged import of raw jute from abroad.

[Translation]

Reorganisation of Existing Tax Structure

278. SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether there is a proposal to reorganise the existing tax structure ;

(b) if so, whether any high-powered committee would be set up for necessary advice for the purpose ; and

(c) if so, the time by which this work is likely to be completed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) The process of reorganisation and rationalisation of the tax structure is a continuing one. Various measures in this regard have been introduced through the Annual Finance Bills in the past ; and a few such measures have been taken through specific acts like Taxation Laws Amendment Act, 1984.

(b) and (c) Does not arise.

Opening of Branches of Nationalised Banks in Districts of Almora and Pithoragarh

279 SHRI HARISH RAWAT : Will the Minister of FINANCE be pleased to state ;

(a) the number and names of branches opened by the State Bank of India during 1984-85 in the districts of Almora and Pithoragarh in Uttar Pradesh and the number of branches proposed to be opened there in the near future indicating the locations thereof ; and

(b) the reasons for opening less number of branches in the above districts during this year by this bank and also by other banks and the action proposed to be taken to open more branches in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) During the period April to December 1984, the State Bank of India has not opened any branches in Almora and Pithoragarh Districts. The bank is, however, holding licences for opening branches at the following centres :—

District	Centre
Almora	Daulaghat
Pithoragarh	Nakote
	Pankhoo
	Pokhari.

It has been advised to utilise the pending licences before 31.3.1985.

(b) During the current branch licensing policy period April 1982 to March 1985, the districts Almora and Pithoragarh required only 8 and 4 additional bank offices respectively. The number of bank offices opened between April 1982 and December 1984 was 20 in Almora District and 5 in Pithoragarh District.

Further expansion of branches in these districts would be considered

under the next branch expansion policy period.

[English]

Restructuring of Public Sector Banks

280. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether the 1970 Banking Commission, 1976 Manubhai Shah Commission and the 1978 James Raj Commission have unanimously rejected the concept that the principle of competition would be sacrificed if the public sector banks are restructured to form a single monolithic corporation on the pattern of LIC ;

(b) if so, the steps being taken to restructure the 28 public sector banks which account for over 90 per cent of banking operations in the country ;

(c) whether the State Governments are showing their clear preference for commercial banks in rural areas despite the Reserve Bank of India's branch expansion policy under which the further expansion into rural areas is to be restricted to regional banks ; and

(d) if so, the details of the steps being taken to extend banking in the rural areas ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDAHNA POOJARY) :

(a) and (b) : While the Banking Commission under the Chairmanship of Shri Manubhai Shah did not submit any report, neither the Banking Commission of 1970 nor the James Raj Committee had recommended restructuring of public sector banks into a monolithic single organisation. However, various aspects of the operations of the public sector banks, including that of the appropriateness of their structure, are kept by the Government under continual review with a view to bringing about an improvement in their functioning.

(c) and (d) : The branch licensing policy of Reserve Bank of India for the period ending March, 1985 envisaged

providing a bank office for every 17,000 population in rural/semi-urban areas. In the districts covered/proposed to be covered by Regional Rural Banks, preference has been given to the Regional Rural Banks in opening branches in rural areas. It is not correct that State Governments have been preference to commercial banks for opening bank offices at rural centres.

West Bengal State's Share as Recommended by Eighth Finance Commission Question

281 : SHRI AMAR ROY-PRADHAN
SHRI ANAND PATHAK
SHRI HANNAN MOLLAH

Will the Minister of FINANCE be pleased to state ;

(a) whether a Left front MPs delegation had met the Prime Minister regarding West Bengal State's share of Rs. 300 crores of additional fund as recommended by the Eighth Finance Commission and

(b) if so, the details in this regard and decision taken so far in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDAHNA POOJARY) :
(a) : Yes, Sir.

(b) In a memorandum dated 30th January, 1985 addressed to the Prime Minister, a delegation of MPs from West Bengal asked for the implementation of the final recommendations of the Eighth Finance Commission from 1984-85. They have stated that as a result of Government's decision to implement the final report of the Commission from 1985-86 (instead of 1984-85), the West Bengal Government suffered a loss of Rs. 300 crores.

The memorandum was examined but it was not considered necessary to review the earlier decision of the Government in this regard.