

abnormal increase in price of silk in the local market in April-May, 1985. The position was examined by the Government and it was found that prices of silk had gone up in April-May, 1985 mainly due to temporary drop in arrival of Silk in the market as a result of poor rainfall in Karnataka, during the period. To meet the situation, the Government directed Central Silk Board to take necessary steps for import of silk as part of its price stabilization scheme for silk in the country. In the meantime, prices of silk in the local market have come down and now the availability of silk in the local market has also improved. However, no import of silk has actually been made by the Central Silk Board so far during the year.

Jewellery Project at Salt Lake in West Bengal

2747. SHRI R. P. DAS : Will the Minister of COMMERCE be pleased to state :

(a) whether Government of West Bengal informed the Centre about the State Governments willingness to set up a Jewellery Project at Salt Lake for 100 per cent export oriented jewellery complex;

(b) if so, when and the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) and (b). Government of West Bengal in their letter dated 1st August, 1985, has informed that the State Government has decided to earmark one acre plot of land in Salt Lake area, within the 93 acre Electron Complex close to the Calcutta Airport, for setting up a 100 per cent Export Oriented Jewellery Complex.

Removal of restriction on free export of Cotton Yarn

2748. SHRI HARIHAR SOREN : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether Government have taken steps to remove the restriction on free export of cotton yarn;

(b) if not, whether Government propose to take immediate steps to remove the restriction; and

(c) the alternative steps likely to be taken to raise the cotton yarn export ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :

(a) to (c). After the announcement of the New Textile Policy, the Government have removed the ban on export of yarn in the count groups is to 40s and have permitted its exports within a ceiling of 6 m. kgs. during 1985. Export of cotton yarn of counts 41s to 60s is allowed within a ceiling of additional 6 m. kgs. and there is no quantitative restriction on the export of cotton yarn of counts 61s and above during 1985.

[Translation]

Bank Credit locked up in Foodgrains Stock

2749. DR. A. K. PATEL :
SHRI C. JANGA REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to the news item appearing in "The Times of India" dated 27th June, 1985 to the effect that the bank credit of about Rs. 8000 crores has locked up in 3 crore tonne of foodgrains stock which has become a formidable burden on the economy and it is difficult to realise even a part of this cash either through public distribution system or through exports whereas annual interest on this money works out to about Rs. 1,000 crores and it is also feared that it will result in the rise in prices;

(b) if so, the facts in this regard and the measures to be taken to solve this problem; and

(c) the amount of the bank credit locked up in it during the past three years, year-wise ?

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

The scheduled commercial banks food credit outstandings to public sector agencies viz., Food Corporation of India and State Governments/their agencies during the last three years as follows :

(Rs. in crores)

As on last Friday of	Amount outstanding
June, 1983	3,589
June, 1984	5,238
June, 1985	6,754

The increase in food credit in recent years is broadly commensurate with the increase in the value of foodgrains stocks. The rising trend of food credit is not a source of problem for the banks since the advances are secured and they also earn interest income.

[English]

Merger of Laxmi Commercial Bank

2750. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Indian National Bank Officers Congress has strongly opposed the proposal to merge the Laxmi Commercial Bank with Canara Bank on the ground that the notice issued to the effect by the Reserve Bank of India is not in conformity with the provision of the Banking Regulation Act and is not within the ambit of the provisions of the Reserve Bank of India Act for permitting the amendment of the original decision of merger;

(b) if so, Government's response to this opposition to the merger with Canara Bank and the reaction to the proposal to merge it with the Punjab National Bank; and

(c) the reasons for changing the decision to merge the Laxmi Commercial Bank with Canara Bank instead of merging it with Punjab National Bank ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Government had received representations, including one from the Indian National Bank Officers' Association, pleading for the merger of the Lakshmi Commercial Bank Ltd. with Punjab National Bank instead of with Canara Bank.

No decision was taken by the Government to merge Lakshmi Commercial Bank Ltd. with Punjab National Bank, although such a proposal was considered by the Government and the Reserve Bank of India. Weighing all relevant factors, it has been decided to merge the Lakshmi Commercial Bank Ltd. with Canara Bank.

The draft scheme for amalgamation has been issued. Suggestions/objections from the transferor bank as well as from the depositors/creditors and the public have been invited. These will be considered by the RBI while finalising the scheme of amalgamation.

Shortfall in export of Tea

2751. SHRI CHINTAMANI JENA : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact there is a shortfall in regard to the export of tea during the year 1984-85;

(b) what are the reasons therefor;

(c) whether it is also a fact that the price of Indian tea in foreign market has come down and that there is also little demand for Indian tea, and if not, the main reasons therefor; and

(d) what measures are being taken to capture the tea market in foreign countries and increase out export ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) No, Sir.

(b) Does not arise.

(c) and (d). Prices of tea the world over have fallen in 1985 mainly on account of over supply of poorer quality teas. In spite of this, the value of India's exports from January to June, 1985 is estimated to be higher than in the corresponding period of last year.

Production of Cotton

2752. SHRI SAIFUDDIN CHOWDHARY : Will the Minister of SUPPLY AND TEXTILES be pleased to state :