

(a) whether the foreign exchange reserves have declined during the first quarter of 1987-88;

(b) if so, the details thereof and the reasons therefore; and

(c) measures taken, to arrest the decline?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) and (b). The foreign exchange reserves (excluding Gold and Special Drawing Rights) which stood at Rs. 7645.17 crores on 31.3.87 declined to Rs. 7276.44 crores on the 30th June, 1987. The Balance of Payments data, with the details of the individual factors affecting movements in foreign exchange assets during this period, are not yet available.

(c) The level of reserves is continuously kept under review with a view to ensuring that the country's commitments with regard to debt service and requirement of goods and services are met.

#### Forest Cover In Kerala

483. SHRI V.S. VIJAYARAGHAVAN: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) the percentage of forests being added every year in Kerala; and

(b) the specific programme being implemented in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT & FORESTS: (SHRI Z.R. ANSARI) : (a) No survey has been undertaken to assess the percentage of forests being added every year in Kerala.

(b) Apart from State Sector Schemes of afforestation, a Centrally sponsored scheme namely, "Rural Fuelwood Plantation and afforestation of Eco-Sensitive Non-Himalayan Areas" is being implemented in the State. In addition, Social forestry schemes are

taken up under the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP).

#### Demand for Hike In Foreign Equity Participation

484. SHRI P.R. KUMARAMANGALAM: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a demand for a blanket hike in the level of foreign equity participation by foreign companies to enable them to qualify as Indian; and

(b) if so, Government's reaction thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). There has been a demand in some Forums for raising the current 40% limit for foreign equity participation. In this regard Government Policy towards foreign investment continues to be selective and this was reiterated in the Technology Policy Statement of 1983. Under this policy, our preference is for minority foreign participation not exceeding 40%. However, this policy is flexible and higher foreign equity participation can be permitted in high-technology projects and where the project is highly Export-Oriented.

#### Writing off of Loans

485. DR.G. VIJAYA RAMA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Eighth Finance Commission had recommended writing off of loans amounting to over Rs. 400 crores in respect of certain State Governments where these loans could not be recovered from the borrowers belonging to weaker sections of society;

(b) whether Eighth Finance Commission had also recommended rescheduling of several loans on the lines of similar rescheduling by World Bank and if so, details thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) As part of the measures for providing debt relief to States, the Eighth Finance Commission had recommended write-off of Rs. 405.20 crores in respect of repayments of loans to be made to the Centre by 12 States (Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Nagaland, Orissa, Rajasthan, Sikkim, Tripura and West Bengal) during 1984-89.

(b) The Commission also recommended consolidation and rescheduling or pre-1979 loans consolidated on the recommendations of the Seventh Finance Commission and outstanding as on 31.3.1984, in the case of 11 States (Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Orissa, Rajasthan, Sikkim and Uttar Pradesh). In respect of outstandings as on 31st March, 1984, of all other Central loans received by State Governments during 1979-84 (other than loans for relief and rehabilitation of displaced Persons, repatriates etc., loans given under National Loans Scholarship Schemes, loans given to clear over-drafts in 1982-83 and 1983-84, loans against small savings collections and loans to Orissa for Hirakud Stage-I), the Commission recommended consolidation and rescheduling for all the States. The repayment of the consolidated loans was to commence from 1984-85.

(c) Consequent on the decision of the Government of India to implement the recommendations of the Eighth Finance Commission for the period 1985-86 to 1988-89, write-off of repayment of loans amounting to Rs. 324.16 crores @ Rs. 81.04 crores in each year during 1985-89 has been sanctioned. Similarly, consolidation and rescheduling of Central loans mentioned in (b) above outstanding as on 31.3.1985 on the lines recommended by the Commission have been sanctioned from 1985-86.

### **Thakkar-Natarajan Enquiry Commission on Fairfax**

486. SHRI K.P. UNNIKRISHAN: Will the Minister of FINANCE be pleased to state:

(a) Whether Thakkar - Natarajan Enquiry Commission on Fairfax has been further extended; and

(b) if so, till what date?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DUTT TIWARI): (a) Yes, Sir.

(b) The term of the Commission has been extended till October 5, 1987.

### **Exports of Rare Earths**

487. SHRI SOMNATH RATH: Will the PRIME MINISTER be pleased to state:

(a) the projected and the actual exports of rare earths through Gopalpur Port, Orissa; and

(b) the reasons for the shortfall, if any?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K.R. NARAYANAN). (a) and (b). Gopalpur, a seasonal port in Orissa, operating between October and March, was commissioned on 22nd February, 1987. Since then a quantity of 2800 Mts. of products was exported through this port. During the shipping season of 1987-88 approximately 20,000 MTs of products are expected to be exported through Gopalpur, which is likely to pick up when the Orissa Sands Complex Plant of Indian Rare Earths Ltd. starts operating at full capacity.