

(d) whether in view of the many findings of the above Institute, and the Wanchoo Commission about the generation of black money, Government propose to revise Income-Tax and Wealth-Tax to plug the loopholes?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). The suggestions of the National Institute of Public Finance and Policy in its report titled 'Aspects of Black Economy in India' have been examined by the Finance Ministry and the suggestions relating to the other Ministries and State Governments were forwarded to them for taking appropriate action. The Central Board of Direct Taxes is primarily concerned with the major problem of tax evasion for which several far reaching effective steps, like rationalization in tax rates, simplification and rationalisation of tax laws and procedures & stepping up of deterrent measures, have been undertaken.

(c) Transfer of ownership of flats in metropolitan cities without the statutory requirement of registration under the Indian Registration Act was identified as one of the sectors generating black money in the report of the Wanchoo Committee.

(d) The provisions of the Income-tax Act and the Wealth-tax Act have already been amended through the enactment of the Direct Tax Laws (Amendment) Act, 1987 after taking into consideration the various recommendations of the National Institute of Public Finance and Policy relating to evasion and avoidance of taxes. The Finance Act, 1987 has introduced provisions with effect from 1.4.1988 whereby any person having possession of any building or part thereof on 'Power of Attorney' basis will be deemed to be the owner of that property for the purposes of the Income-tax Act and the Wealth-tax Act. The Central Government has also been empowered with certain pre-emptive rights to purchase the immovable property in metropolitan cities of Delhi, Calcutta, Bombay, Madras, Bangalore and

Ahmedabad with a view to curb under-statement of value of real estate.

#### **Export of De-oiled Cakes to Europe**

2720. SHRI SATYENDRA NARAYAN SINHA: Will the Minister of COMMERCE be pleased to state:

(a) whether India is exporting de-oiled cakes to Europe;

(b) if so, whether these cakes are used as cattle feed;

(c) whether India is also importing butter and milk products from Europe; and

(d) if so, whether it would not be advisable to use de-oiled cake as cattle feed here itself and get the butter from our cattle?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (d). De-oiled cakes are used in the manufacture of compound cattle feed. Their exports are allowed to all permitted destinations including Europe after an assessment of exportable surpluses available in the country.

The National Dairy Development Board is importing Skim milk powder, butter oil and butter from European Economic Community as gift under Operation Flood Programme. However, in view of the acute drought situation in the country during 1987, some quantity of Skim milk powder and butter oil had to be imported under commercial quota during 1987-88 to tide over the domestic shortages.

#### **Buying of Indian Goods by China from Third Parties**

2721. SHRI SATYENDRA NARAYAN SINHA: Will the Minister of COMMERCE be pleased to state:

(a) whether China prefers to buy Indian goods from third parties due to their availability at lower price than offered by India as reported in the 'Economic Times' of June 15,

1988;

(b) if so, whether steps have been taken to see that such switch trade does not flourish at our cost;

(c) whether Hong Kong traders have offered to provide Chinese orders for Indian goods; and

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

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) to (d). It is a fact that a significant share of China's trade is conducted through Hong Kong. There are a number of trading organisations, particularly run by overseas Chinese which have been trading with China for many years and have established themselves in China's overseas trade. This is true not only with regard to Indian goods but China's trade with other countries as well. It appears that Commerce Secretary's general remark in this regard has been taken to relate specifically to Indian goods only, which is not correct.

Any sovereign country is free to decide its methods for conducting trade depending upon its assessment of the comparative advantages to be gained therefrom. While

we are making efforts to promote direct trade with China, we cannot insist upon China or any other country, that it must buy directly from India. Import of Indian goods through a third country cannot per se be objectionable since it results in gaining market access, which may otherwise be difficult, and consequent increase in our exports.

#### Export of Cashew Kernels

2722. SHRI SYED SHAHABUDDIN: Will the Minister of COMMERCE be pleased to state:

(a) the quantity and volume of export of cashew kernels during 1986-87 and 1987-88;

(b) whether the export is showing downward trend;

(c) the export target set by the Export Promotion Council for 1988-89; and

(d) the steps taken by Government and the Council for meeting the target?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) Exports of cashew kernels from India in the last two years have been as follows:—

<i>Year</i>	<i>Qty (Mts)</i>	<i>Val: (Rs. crores)</i>
<i>1</i>	<i>2</i>	<i>3</i>
1986-87*	41759	334.10
1987-88*	36937	322.7
		(*Provisional)

(b) Exports of cashew kernels during 1987-88 showed a marginal fall as against the record export during 1986-87.

(c) An export target of Rs. 300 crores has been set for export of cashew kernels (incl. CNSL). However, the international market for cashew has been fluctuating and

the prices are yet to stabilise.

(d) To step up export of cashew, Government has been granting CCS @ 8% on export of cashew kernels in consumer packs of 1 kg. or less. Import replenishment @ 10% on exports of cashew kernels is also being granted. Besides this the cashew