

Loss to Air India due to Prime Minister's visit to Moscow in October, 1977

3233. SHRI O. V. ALAGESAN:
SHRI M. RAM GOPAL
REDDY:
DR. HENRY AUSTIN:
SHRI ARJUN SINGH
BHADORIA:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Air India suffered a loss of Rs. 4 lakhs due to the Prime Minister's visit to Russia in October, 1977; and

(b) if so, the details of the same?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTAM KAUSHIK): (a) No, Sir.

(b) Does not arise.

A, B and C Class Cities in the Country

3234. SHRI RAMANAND TIWARY: Will the Minister of FINANCE be pleased to state the number of A, B and C class cities in the country?

THE MINISTER OF FINANCE AND REVENUE & BANKING (SHRI H. M. PATEL): For the purpose of payment of House Rent Allowance and Compensatory (City) Allowance to the Central Government employees, cities have been separately classified into A, B-1, B-2 and C, on the basis of population. The number of different classes of cities in the country is as follows:—

Classification of cities	Number of cities
<i>(i) For the purpose of House Rent Allowance.</i>	
A	5
B-1	6
B-2	18
C	277

1	2
<i>(ii) For the purpose of Compensatory [(City) Allowance</i>	
A	7
B-1	4
B-2	21

Agreement with U.S.A. for Repayment of PL-480 Funds in Commodity Terms

3235. SHRIMATI PARVATHI KRISHNAN: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Government had made an agreement with U.S.A. in 1974 for the repayment of PL-480 funds in commodity terms;

(b) if so, the details of that agreement;

(c) whether the exports under the agreement have come to a virtual stoppage after export of goods worth only Rs. 13 lakhs so far; and

(d) if so, the details thereof and how it is going to be a concern to the Union Government?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) and (b). It is not correct that an agreement was signed between the Government of India and the Government of U.S.A. in 1974 for payment of PL-480 Funds in Commodity terms. Actually, Part I of the said Agreement provides that all the PL-480 Rupees accumulated by the Government of India up to that time, would be made over as grant to the Government of India and, accordingly, a sum of Rs. 1664 crores was received to be used for development projects in certain specified fields. Exports relate to part II of the said agreement payments for which are to be made out of non-PL-480 funds and not PL-480 funds. As per para 10(C) of the Agreement, exports of goods and services totalling upto \$ 100 million over a period of 5

years are to be made to U.S. Government Agencies with 75 per cent payment in dollars and 25 per cent from non-PL-480 funds.

(c) Yes, Sir, Up to June, 30, 1977, purchase by U. S. Government have only amounted to Rs. 13,24,330/-.

(d) Slow progress in these purposes is a matter of concern to the Government of India because more purchases would result in additionality of our exports to USA and would result in a draw-down on US held non-PL-480 funds in India. Steps are being taken to increase the exports under this Agreement.

Complaints about under invoicing of Export or Overbilling of Imports indulged in by Indian Companies in Foreign Countries

3236. SHRI KANWAR LAL GUPTA: Will the Minister of FINANCE be pleased to state:

(a) has Government received some complaints in the last five years about the underinvoicing of exports or overbilling of imports of the purchases made by some Indians and the Indian companies in foreign countries, particularly U.S.A., U.K., West Germany and Switzerland, if the total export or import exceeds Rupees Five lakhs;

(b) if so, the details thereof and the action taken by the Government thereon;

(c) whether Government have made any arrangements with the respective Governments of those countries to find out the truth about the purchase price or sale price from the foreign buyers; and

(d) if so, the reaction of those Governments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) and (b). The Government have received some com-

plaints about invoice manipulation in regard to import and export goods. However, as the information required relates to 5 years it will take some time to collect. It is being collected and will be laid on the Table of the House.

(c) and (d). The Government do not have any standing arrangement with foreign Governments for verification of the actual value of the goods. However, in appropriate cases, necessary enquiries are made and the co-operation of national administration of the concerned country is also sought for.

Reported Statement by a Defence Minister at Chandigarh

3237. SHRI EDUARDO FALEIRO: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether attention of Government has been drawn to the reported statement made by Defence Minister at Chandigarh on 11th September, 1977 that the biggest failure of the Government was to check the prices of some of the essential commodities; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI KRISHNA KUMAR GOYAL): (a) and (b). During a Press Conference at Chandigarh on 11-9-1977 the Defence Minister while referring to the general criticism against the performance of the Janata Government had asked as to how much could any Government do in three months and elaborated that the restoration of all the freedoms and civil liberties which the people of the country enjoyed before the Emergency was a major achievement of the Janata Government. He, however, conceded in reply to a question that the Janata Government had failed to some extent