

from (Rs. 40.15 per Kg. to Rs. 26.61 per Kg) etc. and thereby reduction in export earnings.

(iv) Reduction in exportable surpluses have been caused by various domestic factors like—

(a) Increase in domestic demand in case of iron and steel, cement, etc.

(b) Shortage of power

(c) Transport bottlenecks

(d) Congestion at ports.

(e) Industrial unrest and strikes particularly at ports.

(f) Unprecedented floods in many States like UP, Bihar, West Bengal etc.

(g) Reduced availability of imported raw cashewnuts.

(h) Difficulties faced by exporters due to certain local policies like pricing of raw cashewnuts, restriction on movements of cashewnuts and husk (coir) and heavy sales tax on exportable commodities like pepper.

(v) Acquisition of new science and technology and new capabilities have created certain difficulties in having more exports to Rupee trade countries as imports from such countries have come down.

(vi) Deliberate policy of Government to restrict/control export of certain commodities to enable sufficient domestic availability at reasonable prices and to thus reduce the social cost of exports.

#### **Sale of Gold under Gold Jewellery Export Replenishment Scheme by S.B.I.**

932. SHRI M. V. CHANDRA SHEKHARA MURTHY: Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state :

(a) whether Government had authorised the State Bank of India to

sell pure gold at Rs. 580/- per ten grams to the holders of release order under the Gold Jewellery Export Replenishment Scheme which come in force on 21st August, 1978; and

(b) if so, how much gold was sold under this scheme?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) Yes, Sir. This price was announced under the Department of Commerce Public Notice No. 62-ITC(PN)/78, dated the 19th August, 1978. This selling price was raised to Rs. 645/- under Public Notice No. 79-ITC(PN)/78, dated the 3rd November, 1978.

(b) No sale of gold has so far taken place under the scheme.

#### **Setting up of Enquiry Committee to find out Areas of Corruption in Customs and Excise Department**

933. SHRI M. V. CHANDRA SHEKHARA MURTHY :  
SHRI R. V. SWAMINATHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have set up an enquiry committee to find out the areas and points of corruption in customs and excise department;

(b) if so, who are its members and what are the other points the committee has been asked to enquire into; and

(c) when the committee is likely to submit its report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGRAWAL): (a) and (b). In the course of a meeting with senior officers on the 1st and 2nd September, 1978, the Minister of State for Finance (Excise and Customs) desired that a small group of senior officers should, as part of vigilance work, spot out the areas, points, modes and

*modus operandi* of corruption with a view to remedial action. The object was not to enquire into any specific instances of corruption but essentially to review areas where there was scope for corrupt practices. The group would also indicate concrete measures to eradicate corruption in the departments under the Central Board of Excise and Customs. The working group consisted of the Director (Inspection and Audit), Director (O&M Services), and Director (Training), with the Chief Vigilance Officer as the convener.

(c) The group submitted its report on 21st November, 1978.

### **Guidelines Issued by Government in regard to Rural Development**

934. SHRI S. S. SOMANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made efforts through private banks to discharge their responsibilities in the task of rural development; and

(b) if so, the details regarding the guidelines issued by the Government to private banks, public sector and private sector banks and financial institutions?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). Government and the Reserve Bank of India have taken measures to encourage flow of credit for rural development from public sector and private sector commercial banks.

Detailed guidelines for making agricultural advances were issued by the Reserve Bank in 1970. Some of the other important steps taken by Government/Reserve Bank are indicated below:

(i) Banks in the public and private sector are encouraged to open more branches in rural and semi-urban areas, particularly in unbanked centres.

(ii) Public sector banks have been advised by Government to ensure that 60 per cent of the funds mobilised in rural and semi-urban areas are deployed in these areas and their advances to the priority sector are stepped upto 33-1/3 per cent of their total advances by March, 1979.

(iii) With a view to increasing investment in agriculture, banks have been advised to charge a rate of interest not exceeding 10.5 per cent on term loans of over 3 years for minor irrigation and land development, and 11 per cent for diversified purposes like dairy, poultry, fishery, etc. Direct individual loans to small farmers not exceeding Rs. 2500/- should be advanced at interest rate not exceeding 11 per cent.

(iv) Banks are required to lend at least 1/2 per cent of their advances at differential interest rate of 4 per cent, which mainly cover small loans in the priority sector including agriculture.

(v) The Reserve Bank of India provides refinance upto 50 per cent for advances granted to small farmers for amounts not exceeding Rs. 2500/- per borrower, while the agricultural Refinance and Development Corporation gives refinance to banks in respect of their term lendings.

(vi) Establishment of Regional Rural Banks is encouraged to meet credit needs of small and marginal farmers, agricultural labourers and rural artisans.

### **Export of Sugar**

935. SHRI AHMED M. PATEL: Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether there is any demand of sugar in other countries;

(b) the quantity of sugar exported during the last two years;