

of State Governments. The list of projects financed by foreign aid and the details of drawal of aid etc. are given at pages 163 to 189 of Annexure IV of the Explanatory Memorandum on the Budget of the Central Government for 1979-80, already laid on the Table of the House.

#### **Compensation to States due to Abolition of Octroi**

11278. CH. HARI RAM MAKKASAR GODARA: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether Government have agreed to compensate for the losses incurred by the State Governments following the abolition of octroi; and

(b) if so, the percentage of losses that are to be made good, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) and (b). The intention of the Central Government to request the State Governments which levy octroi, to introduce suitable legislation for its removal was announced in the last year's budget speech. Discussions were held with the State Governments with a view to seeking their co-operation for abolition of octroi and arriving at an understanding on the arrangements to make good the loss in revenue. While the State Governments have generally appreciated the desirability of abolishing octroi, they have pointed out that octroi is a significant source of revenue for the local bodies and it will be difficult to find adequate alternative sources of revenue to recoup the losses fully. They have, therefore, requested

for compensation for loss of revenue on account of abolition of octroi. The matter is being pursued further in the light of these discussions.

#### **Dumping of Baggage in Airports by Air India's Cargo Unit**

11279. SHRI C. K. JAFFER SHARIEF: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the International Airports Authority of India (IAAI) has expressed its deep concern at the indiscriminate dumping of baggage in the airports operational areas by Air India's cargo unit; and

(b) if so, the details regarding the difficulties being experienced particularly during day time?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) and (b). The International Airports Authority of India wrote to Air-India to ensure that no cargo trollies etc. are dumped in front of Air-India cargo hanger which is very close to the taxiway. The situation resulting in congestion and overflow of cargo in Air-India Warehouse during March and April developed due to (1) increase in export cargo due to year and closing and expiry of letters of credit, (2) withdrawal of permission of customs to keep transit cargo from inland points normally kept in shed adjacent to warehouse and (3) slow down in carting of shipments between warehouse to cargo complex due to closure of main runway number 09/27 during 1000 IST and 1900 IST hours and use of alternate runway number 14/32 during these hours hampering carting operations which necessarily involved crossing of runway number 14/32.

The solution to the problem was subsequently found in a meeting amongst International Airports Authority of India, Air-India and Customs authorities.