

(b) Prior to 1978 Budget, the duty relief of 1 per cent available to small scale conductor manufacturers was *inter alia* based on the criterion of capital investment. However, as part of the 1978 Budget, the duty relief to small-scale industry generally was rationalised. Presently, the small scale conductor manufacturers, whose clearances during the preceding financial year did not exceed Rs. 15 lakhs, are eligible for complete exemption on clearances upto Rs. 5 lakhs.

Government have no definite information to the effect that the change in the pattern of concession has crippled the small-scale sector of this industry.

Circulation of Black Money

685. SHRI EDUARDO FALEIRO: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether there is a continuing rise in the circulation of black money in the country;

(b) whether it is a fact that a higher proportion of the taxable income is escaping the tax net; and

(c) if so, steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) to (c). There is no evidence with the Government to show that there is a continuing rise in the circulation of black money in the country or that the scale of tax evasion is on the increase. However, measures to counter the twin evils of black money and tax evasion are continuing. Both the laws as well as the machinery of tax administration have been strengthened in recent years to unearth black money and bring tax evaders to book.

Imposition of Work Norms on Development Officers of L.I.C.

686. SHRI SAUGATA ROY: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether Government had unilaterally imposed work norms on the Development Officers of the L.I.C.;

(b) whether the organisations of the Development Officers have protested against these norms as being unfair and undemocratic; and

(c) whether Government propose to amend these norms to ensure job security for L.I.C. officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) and (b). An agitation was launched by the National Federation of Insurance Field Workers against the Scheme of 'cost-norms' introduced in 1976. In pursuance of the assurance given by the Finance Minister in the Rajya Sabha on 22nd March, 1978, *de novo* discussions were held between the LIC management, the Field Workers' Federation and representatives of Government. The management of the LIC had offered a modified Scheme for appraising the performance of Development Officers, making substantial improvements as well as concessions as compared to the 1976 Scheme. The offer was not acceptable to the Federation of Development Officers. The L.I.C., therefore, took necessary action to implement the Scheme for assessing the performance of Development Officers on the basis of the new offer.

(c) Government are of the view that the new scheme of 'cost-norms' is fair to the Development Officers as well as to the policy-holders and the LIC. The new Scheme takes due care of the demands and aspirations of the Development Officers in the matter of security of service, protection of emoluments, normal grade increments etc.

Only those Development Officers who operate at uneconomic cost would attract the penal provisions of the new Scheme.

Rules Regulating a Subsidiary Company Borrowing Money from the Parent Company

687. SHRI S. S. DAS: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) are there any rules regulating a subsidiary company borrowing money from the Parent Company where no sales are taking place from the Parent Company to the subsidiary; and

(b) if these loans are interest free is the subsidiary evading tax by not paying the interest on the loan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) There are no such rules in the Income-tax Act, 1961.

(b) No, Sir.

आयात नीति को और उदार बनाना

688. श्री एस० एस० सोमानी : क्या वाणिज्य तथा नागरिक पूति और सहकारिता मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत सरकार ने हाल ही में नई नीति के अधीन जारी किये गये लाईसेंस के अन्तर्गत अधिक आयात की अनुमति देने के विचार से आयात नीति को और उदार बनाने का निर्णय किया है ; और

(ख) यदि हां, तो तत्सम्बन्धी व्यौरा क्या है ?

वाणिज्य, नागरिक पूति तथा सहकारिता मंत्रालय में राज्य मंत्री (श्री आरिफ बेग) : (क) तथा (ख) आयात नीति में परिवर्तन राष्ट्रीय हितों को पूरा करने के लिए किये जाते हैं तथा इन की घोषणा सार्वजनिक नोटिसों द्वारा की जाती है जो समय समय पर राजपत्र में प्रकाशित किये जाते हैं।

Under Cutting in Air India Cargo Market

689. SHRI K. LAKKAPPA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have seen the report appeared in *Times of India* dated 31st January, 1979 under caption "Under Cutting in Air India Cargo Market";

(b) what are the reaction of this Ministry; and any standard charge proposed in IATA to stop under cutting process in Air India; and

(c) action proposed?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) to (c). The information is being collected and will be laid on the Table of the Sabha.

Agreement regarding Customs with Pakistan

690. SHRI K. T. KOSALRAM:

SHRI M. RAM GOPAL REDDY:

Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) the salient features of the customs agreement arrived at recently following the visit of the Pakistani delegation to India; and

(b) what is the extent of smuggling at present across the borders of the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) The delegation of Customs officials from Pakistan, which visited India in January, 1979, held discussions with Indian Customs officials on matters of mutual interest. The two delegations identified the areas of mutual cooperation in tackling smuggling across the border between the two countries, and agreed to consolidate the progress