

been extended by adding a block of 26 double rooms thereby increasing its bed capacity to 76. It has been renamed Hotel Kalinga Ashok. A master plan (land-use plan) of Konark has been prepared for ensuring a regulated growth of facilities as also for preserving the environmental characteristics of the place. Comments of the State Government on the master plan are awaited. As soon as the master plan is approved and finalised, responsibility for the development of facilities will be assigned to the concerned agencies. In addition the Department of Tourism has provided a motor launch for viewing birds on the Chilka Lake.

Future proposals include the construction of a forest lodge at Simlipal National Park, and the expansion of the Travellers Lodge at Konark and construction of a hotel at Puri by the India Tourism Development Corporation.

Some of the other groups of tourist centres being considered for the development of tourist infrastructural facilities are—the Buddhist pilgrim circuit of Bodhgaya-Rajgir-Nallanda-Kushinagar-Sravasti, South India travel circuit of Madras-Mahabalipuram-Madurai-Trivandrum/ Kovalam-Bangalore-Mysore, Agra-Fatehpur Sikri-Bharatpur-Brajbhoomi, the desert triangle of Jodhpur-Bikaner-Jaisalmer, trekking in the trans-Himalayan region and Badami-Pattadakal-Aihole-Hampi

Closure of Tea Gardens in Darjeeling and Jalpaiguri

582. SHRI AMAR ROY PRADHAN: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that some tea gardens have been closed in Darjeeling and Jalpaiguri District in West Bengal; and

(b) if so, the details in this regard?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). According to

the available information, three tea estates, namely, Upper Fagu, Pandam, and Mohan Majhua in the district of Darjeeling, West Bengal are closed at present.

Fall in Foreign Exchange Reserves

583. SHRI AMAR ROYPRADHAN:
SHRI JANARDHANA
POOJARI:
SHRI CHITTA MAHATA:
SHRI JITENDRA PRASHAD:

Will the Minister of FINANCE be pleased to state the reasons for the fall in foreign exchange reserves in the country and reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): The changes in foreign exchange reserves are the net outcome of India's transactions with other countries, the details of which would become available only with the compilation of balance of payments statistics by the Reserve Bank of India.

2. The broad indications, however, are that the modest decline in foreign exchange reserves (excluding Gold and Special Drawing Rights) over the past few months was due mainly to the larger trade deficit brought about, on the one hand, by the sluggish growth in exports and, on the other, by the substantial increase in the import bill as a result of large imports of intermediates and raw materials, items of mass consumption like edible oils and abnormal increase in the international prices of crude oil and petroleum products, fertilizers, non-ferrous metals etc.

3. It is the deliberate policy of the Government to utilise foreign exchange reserves for promoting the overall growth of the economy with reasonable price stability. The substantial increase in the import bill was partly due to external factors like the steep increase in the international prices of crude oil, petroleum products, fertilizers, etc. Concerted steps are proposed to be taken to improve the performance of major sectors like coal,

steel, power etc. and general infrastructure in the country. Steps are also proposed to be taken to step up export performance in several sectors.

Economic Imbalance in the Country

584. SHRI K. LAKKAPPA: Will the Minister of FINANCE be pleased to state:

(a) to what extent, the economic imbalance created by the previous Government has affected in the country resulting in rising prices, shortages of essential commodities together with stagnation of economic growth; and

(b) what are the remedial measures, the present Government are taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) The present imbalances in the economy which have resulted in rising prices, stagnation in production and shortages of essential commodities are partly due to inappropriate policies and ineffective management of the previous government and partly due to other factors such as severe drought in the country and sharp increase in import prices of key items like petroleum and petroleum products. It is not possible to separately assess the affect of different factors.

(b) The present Government are determined to tackle the price situation by

- (i) increasing production and supplies;
- (ii) better supply and demand management;
- (iii) restraining expansion in money supply and bank credit;
- (iv) strengthening infrastructural facilities;
- (v) streamlining of distribution arrangements and effective enforcement of existing legislation.

Prevention of Parallel Economy Built by Economic Offenders

585. SHRI K. LAKKAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry is considering more punitive action against economic offenders including bringing them within the corner of special courts in order to prevent parallel economy built by economic offenders in the country for the last two and half years; and

(b) if so, what are the special changes in the existing system of laws operating through his Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) and (b). The Government intends to take stringent action against economic offenders, such as smugglers, foreign exchange racketeers and tax evaders. To hasten the trial of economic offences, the Government is vigorously pursuing with the State Governments, a proposal to ear-mark some courts or to set up additional courts wherever necessary for exclusively dealing with economic offences covered by certain specified Central Acts.

To curb smuggling, anti-smuggling measures have been intensified at all vulnerable areas including Airports, Coastal areas and Land borders. Wireless communication facilities have been provided along the West Coast and Indo-Pak border. Special Intelligence Units have been set up at the Airports of Bombay and Delhi and in the Bombay docks.

To curb evasion of taxes, the provisions relating to prosecution for tax offences under the Direct Taxes Laws were tightened up by the Taxation Laws (Amendment) Act, 1975 so as to be really deterrent. Commissioners of Income-tax are being advised to make more vigorous use of these new provisions and to ensure that prosecutions are launched in all cases, where having regard to the magnitude of the evasion, such prosecution is warranted.