

**Saving oriented Insurance to weaker Sections of Urban Population and Rural Poor**

1655. SHRI HARINATH MISRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the LIC is finding it difficult to carry saving-oriented insurance to the weaker sections of the urban population and the rural poor;

(b) whether Government's attention has been drawn to the proposal of All India Federation of Bank Officers Association and the National Organisation of Consumers for bank-linked insurance scheme as against insurance policies;

(c) if so, whether Government propose introducing bank-linked group insurance scheme; and

(d) if not, the reasons therefor ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT) : (a) Yes Sir. The difficulty arises from the fact that persons who do not have a regular income and whose savings potential is low are unable to take full advantage of savings-oriented life insurance schemes.

(b) Government's attention has been drawn to a write-up entitled "Grant Linked Insurance For All" on the subject of bank-linked insurance, by the All India Confederation of Bank Officers' Organisations.

(c) The write-up is under examination.

(d) Does not arise.

**Cheaper Air Travel for Tourists visiting Andaman and Nicobar**

1656. SHRI TRIDIB CHAUDHURI : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether any plans for the development of tourism in the Andaman and Nicobar islands and for the better utilisation of the potentialities of tourism industry in Andaman have been formulated and are under the consideration of the Government; and

(b) whether there is a proposal before Government to extend the facilities of cheaper-air-travel to and from these Islands with a view to promoting tourism?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI

A.P. SHARMA) (a) The Central Department of Tourism had sanctioned an amount of Rs. 1380 lakhs for the construction of a youth hostel at Port Blair. The work is in progress. The Department also proposes to purchase, subject to availability of funds, a 25-seater motor launch which will operate from Port Blair for taking tourists on a cruise to some of the Islands.

It is proposed to draw up a blueprint of tourism development in the Andaman Islands in consultation with the Island Administration in March 1981 for providing additional tourist facilities during the Sixth Five Year Plan.

No tourism schemes are under consideration for development in the Nicobar Islands due to entry restrictions.

(b) A Family Travel Scheme for travel between Calcutta-Port Blair Calcutta has been introduced by the Indian Airlines since 21-10-1980. Under this scheme atleast 2 members of a family travelling on the above setors are allowed to avail of a discounted fare, which is Rs. 580 plus Rs. 157 as fuel surcharge i.e. Rs. 737 as against the normal fare of Rs. 822 including fuel surcharge.

**Aluminium Project in collaboration with French Government**

1657. SHRI BAPUSAHEB PARULEKAR : Will the Minister of STEEL AND MINES be pleased to state whether Government have decided to start Aluminium Project in the country in collaboration with French Government of Company in France and if so the details thereof including the terms and conditions and the amount which Government have agreed to invest in this project?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE) : Yes, Sir; Government have decided to set up an Alumina/Aluminium Complex in Orissa with the technical collaboration of M/s. Aluminium Pechiney of France (AP). The Project envisages the setting up of a bauxite mine at Panchpatmali with a production capacity of 2.4 million tonnes per annum, an alumina plant at Damanjodi with a production capacity of 8 lakh tonnes per annum an aluminium smelter for the production of 2,18,000 tonnes of metal per annum at Talcher, a captive power plant at Talcher for the supply of firm power of 400 MW to the aluminium smelter and other infrastructural facilities.

AP will supply know-how, patents, basic engineering and provide technical services in India including supervision of erection and commissioning trials.

The sanctioned capital cost of the Project is Rs. 1242.4 crores.

### **Air-Rail link for Jaipur, Ajmer-Chittorgarh and Udaipur**

1659. SHRI BHEEKHABHAI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government are aware of the fact that Jaipur, Ajmer, Chittorgarh and Udaipur are important places of tourist interest both historically and religiously;

(b) if so, whether Government propose or recommend to propose to join these places by air or rail by superfast trains; and

(c) whether Government have pondered over the desirability of joining these places by faster transport in order to attract more foreign tourists?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A.P. SHARMA): (a) Yes, Sir.

(b) and (c) Indian Airlines presently operates air services to Jaipur and Udaipur from where Ajmer and Chittorgarh can easily be reached either by rail or road.

The important cities of Rajasthan like Jaipur, Ajmer, Chittorgarh and Udaipur are already connected by fast train services.

### **Replacement of Sales Tax by Excise Duty**

1660. SHRI MADHAVRAO SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) What further steps have been taken by Government to persuade State Governments to accept replacement of Sales Tax by Excise duty as an important instrument for preventing blackdeals and accumulation of black money during the past three months; and

(b) which additional items are proposed to be brought in the list of items exempt from Sales Tax, by way of its replacement by excise duty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAISINGH SISODIA): (a) and (b) The Chief Ministers' Conference held on 16th and 17th September, 1980 had adopted a resolution *interalia* to the effect that:—

(a) sales tax on life-saving drugs listed as such by the Hathi Committee and vanaspati be replaced by additional excise duties and suitable modalities worked out with a view to safeguarding the legitimate revenue interests, present and future, of the States;

(b) a panel of Chief Ministers be set up to formulate proposals for (i) additions to the list of goods to which the scheme of additional excise duties in lieu of sales tax be extended, and (ii) additions to the list of 'declared goods';

The matter was further examined in the Ministry of Finance and a proposal was made by the Central Government for the levy of additional excise duty in lieu of sales tax on vanaspati, drugs and medicines, cement, paper and paper board and petroleum products. The proposal was considered on 15-2-1981 at a Conference of Chief Ministers. The Conference taking note of the Union Finance Minister's assurance that the proposed scheme would be so devised and administered as to safeguard the present and future interests of revenue of the States from these commodities, adopted the following resolution:—

(i) that an Expert Committee headed by an eminent person qualified to be the Chairman of Finance Commission and with an economist and an administrator as members be constituted to study the financial implications of the aforesaid proposal and the manner in which the financial interests of the States can be safeguarded;

(ii) that the Expert Committee which will be appointed by the Union Government may, for the purpose of its work, call for such information as may be necessary from the Central and State Governments and submit its report within a period of 3 months;

(iii) that the report of the Committee be placed before a Conference of Chief Ministers to be called for this purpose for appropriate consideration.

The States of West Bengal, Kerala and Jammu and Kashmir have not, on principle, agreed with this Resolution.

### **Study made by reserve Bank staff paper on rural Housing**

1661. SHRI K. M. MADHUKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the findings of a study made by a Reserve Bank staff paper on