

(vii) Introduction of R.E.P. for Registered Exporters of instant tea and packet tea.

(viii) Full excise duty relief on exports from gardens and otherwise w.e.f. 23-7-1983.

Export of Silk and Silk Products

4093. SHRI G.Y. KRISHNAN : Will the Minister of COMMERCE be pleased to state :

(a) the quantity and value of silk and silk products exported during the last three years;

(b) whether the uzi-fly menace in Karnataka, which is hampering silk production, has been checked; and

(c) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) Silk Exports (Excluding Silk waste).

| Year | Quantity (all figures in lakh sq. me- tres) | Value (Rs. in cro- res app.) |
|---------|--|------------------------------------|
| 1980-81 | 124.13 | 52.38 |
| 1981-82 | 141.11 | 68.18 |
| 1982-83 | 138.31 | 78.31 |

(b) and (c) The incidence of uzi-fly menace in Karnataka has been checked to the extent of 90%. This has been done by supply of nylon nets to sericulturists to prevent contamination. Meanwhile, research is continuing to provide a biological solution.

Abolition of Octroi Duty

4094. SHRI ATAL BIHARI VAJ-PAYEE :

SHRI SURAJ BHAN : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry advised various States/Union Territories to abolish the octroi duty;

(b) the precise progress in the case of each State/Union Territory in this regard so far; and

(c) what prevents Government to abolish this duty in the case of Union Territories ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) The States and Union Territories have been advised to abolish octroi in phases and as a first step abolish it in respect of places where the population is less than two lakhs.

(b) A statement is laid on the Table of the House.

(c) The specific financial and administrative implications are under examination.

Statement

Present position regarding Abolition of Octroi in the first phase in the States and Union Territories where it is still being levied

(1) Jammu & Kashmir : The State Government have not yet been able to discover proper substitutes for octroi and toll taxes which contribute significantly to the State's resources. However, the matter is under their active consideration and they will communicate the State Government's decision shortly.

(2) Manipur : The matter is being looked into by the State Government and that the progress in this regard will be intimated to Government of India in due course.

(3) Orissa : The urban bodies raise bulk of their resources from octroi and in view of continued enhancement of additional DA and rising cost of providing urban amenities, their existing resources have been severely strained. However, they are trying to locate alternative sources to compensate the loss

to be sustained by urban local bodies in the event of abolition of octroi. They are hopeful of finding a satisfactory solution to this.

- (4) **Punjab :** The State Government have constituted a committee to consider all aspects of abolition of octroi. A study has also been conducted through the National Institute of Urban Affairs which has revealed that abolition of octroi in other States and its replacement by State subventions has not shown encouraging results. There is considerable dissatisfaction amongst the municipalities who find that they have been deprived of their major source of revenue. Replacement of octroi by a turn-over tax, surcharge on Sales Tax and surcharge on Vehicles Tax and Road Tax cannot adequately compensate the loss of income. Moreover, some of these taxes are already very heavy. Besides, these taxes would always be in arrears and would be available to the Committees at periodical intervals annually, bi-annually or quarterly) whereas octroi is a regular daily income. It is wide spread and its impact is minimal. New proposals to increase other taxes would encourage evasion.

The Committee constituted by the State Government to study this question has gone into various aspects including the administrative and financial implications of absorbing nearly 5000 employees who would be rendered jobless in the event of abolition of octroi and has observed that its abolition would adversely affect the activities of local bodies in important spheres of development like water supply, sewerage disposal, etc. The Committee has concluded that octroi should not be abolished in haste. In view of the above, it has been observed that the State was hesitant to abolish octroi unless an alternative scheme can

be evolved in order to maintain the revenue income of the local bodies at the equivalent level.

- (5) **Uttar Pradesh :** Octroi duty constitutes the bulk of the revenue earnings of Municipal Boards and Municipal Corporations in the State which earn about Rs. 40 crs. annually through this source. The State Government have already abolished octroi in Town Area and Notified Areas. Even the Study Group on Resources of Urban Local Bodies and Municipal Corporations has recommended abolition of octroi only after effective arrangements of alternative sources have been introduced. Nearly 10,000 persons in the State who are engaged in the collection of octroi will be thrown out of employment in case this tax is abolished. Considering these problems, the State Government is not in a position, for the present, to do away with octroi. However, they are getting the alternatives explored and as soon as they find an alternative source of income for the local bodies, they would certainly consider its abolition in the Municipal Boards and Corporations.
- (6) **Haryana :** Keeping in view the lean financial position of the Municipalities in the State and in the absence of alternative sources of income, they are unable to abolish this tax till a proper substitute for loss of income is identified.
- (7) **Gujarat :** The State has accepted in principle abolition of octroi and introduction of entry tax in its place. It has entrusted a study on the rate structure and buoyance of the proposed entry tax to the National Institute of Public Finance and Policy, New Delhi. A decision will be taken after considering the report.

(8) **Maharashtra** : The State has decided to abolish octroi but the decision has not been implemented owing to difficulty of raising alternative resources. A Committee of Experts to review the existing taxation structure-both State and local with a view to suggesting changes therein for mobilising additional resources has been appointed. The report of the Committee is awaited.

(9) **Rajasthan** : The matter is being examined.

Union Territories :

(i) **Andaman & Nicobar Islands** : The comments of UT Admn. has been received and it requires detailed examination.

(ii) **Pondicherry** : Comments of the UT Government is yet to be received.

(iii) **Goa, Daman & Diu** : UT Govt. is examining the proposal.

Setting Up of Cattle Farm under Eastern Command

4096. **SHRI NIHAL SINGH** : Will the Minister of DEFENCE be pleased to state :

(a) whether his Ministry has taken a decision to set up a cattle farm under the Eastern Command ;

(b) if so, the place where it would be set up and when ; and

(c) the reasons for which land could not be acquired so far in Jammu and Kashmir, Assam and North Bengal for the purpose ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. P. SINGH DEO) : (a) (Yes, Sir.

(b) At Missamari in about 18 months.

(c) The land at Missamari (Assam) is available and earmarked for cattle farm. Land

in North Bengal and Jammu & Kashmir has not been acquired, as no decision has been taken so far to set up cattle farms in these areas.

Export of Surplus Mica Available at Gurdur

4097. **SHRI PASALA PENCHALAI AH** : Will the Minister of COMMERCE be pleased to state :

(a) the quantity of yielding of mica at Gurdur in Nellor District of Andhra Pradesh during the period 1.1.1982 to 30.11.1983 and what is its value ;

(b) whether there is a glut in the market of mica ;

(c) if so, the quantity and quality of mica stock and its value to be disposed of ; and

(d) efforts taken by Government to export the surplus mica available at Gurdur ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) The information is being collected and will be laid on the Table of the House.

(b) Present information shows that export markets for processed mica have remained steady.

(c) Mine Head stock of Crude Mica in Gurdur as on 1.1.1983 were 16 tonnes and 35 tonnes as on 31.10.1983. Details regarding quality and value of Mine-Head Stocks are not reported.

(d) Gudur Mica is exported through Madras and Calcutta Ports. Export of Mica from Madras Port in 1982-83 amounted to Rs. 1.42 Crores. As against this, exports during April-November, 1983 have already reached Rs. 1.12 Crores. In addition, Gudur Mica is transported to Bihar and exported from Calcutta after blending with Bihar Mica. Details of quantities of Gudur Mica so