

Decision to suspend Border Trade between India and Bangladesh

985. SHRI K. BALADHANDAYUTHAM: Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether India and Bangladesh have decided to suspend border trade between the two countries; and

(b) if so, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE): (a) and (b). Representatives of the Government of India and the Government of Bangladesh met in Dacca from 5th to 8th October, 1972 to review the implementation of the Trade Agreement between the two countries. During these talks, India deferred to the wishes of Bangladesh to suspend the arrangement for border trade until control of the border could be firmly established and administration geared to enforce meaningful checks along the entire length of the border.

Arrangements for payment of hotel bills by foreign tourists in Foreign Exchange

987. SHRI R. S. PANDEY: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have made certain arrangements so that foreign tourists can pay their hotel bills in foreign exchange;

(b) how these arrangements will help in saving more foreign exchange in the country; and

(c) what steps have been taken to ensure that the hotels and other organisations collecting foreign exchange do not divert the same for their own benefit?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): (a) All hotels in India have been asked to receive payment of hotel

bills of foreign tourists (with certain exemptions) in foreign exchange only, with effect from 1st November, 1972.

(b) Since foreign tourists are now asked to pay their hotel bills in foreign exchange, it is expected leakage of foreign exchange through this channel will be minimised.

(c) Hotels collecting foreign exchange are being given money changers' licences by the Reserve Bank of India and will be subject to the normal checks and controls which are applicable to all licensed money changers in the country.

Banking Commission's recommendations

988. SHRI R. S. PANDEY:

SHRI BHOGENDRA JHA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have accepted the recommendations of the Banking Commission for reconstructing the banks in the country;

(b) if so, the main decisions taken thereon; and

(c) whether any steps have been initiated to reconstruct the banks and if so, the nature thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) to (c). The recommendations are under examination by the Government.

Decline in the number of foreign tourists to India

989. SHRI R. S. PANDEY: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether there has been a decline in the number of foreign tourists visiting India during the current year as compared to the last year;

(b) if so, the reasons therefor; and

(c) the steps taken by Government to attract more tourists to India in 1973?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): (a) No Sir, The number of foreign tourists visiting India recorded an increase of 3.5 per cent during January—September 1972 as compared to the corresponding period of the preceding year.

(b) Does not arise.

(c) A statement is laid on the Table of the House. [*Placed in Library. See No. LT-373/72.*]

Financial assistance from Foreign countries

990. SHRI R. S. PANDEY: Will the Minister of FINANCE be pleased to state:

(a) what are the prospects of getting foreign aid for implementing the country's development programme; and

(b) what steps have been taken to re-schedule the implementation of the development programmes without the required foreign aid?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) The Aid India Consortium at its meeting held in June 1972 had agreed that for the year 1972-73 commitments of non-project assistance of about US \$ 700 million and of project assistance of about US \$ 550 million would be necessary. So far agreements have been entered into with some members of the Consortium for assistance totalling US \$ 490.76 million dollars. No fresh agreements have been signed in the current year with non-Consortium countries but aid from these countries, especially East European Countries, which has been in the pipeline from agreements signed earlier continues to be used for country's development programme.

(b) It is the intention to ensure, through export promotion and import substitution, that any short-fall in aid would not affect the implementation of the development plans.

Review of Indo-Bangladesh Trade Agreement to curb illegal Trade

991. SHRI R. S. PANDEY: Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether Government have reviewed the Indo-Bangladesh trade agreement recently to curb illegal trade on the border between the two countries;

(b) if so, whether any changes are being made in the Agreement to improve trade relations between the two countries; and

(c) if so, the new provisions made in the Agreement and to what extent they will help to improve trade in future;

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE): (a) to (c). Representatives of the Government of India and the Government of Bangladesh met in Dacca from 5th to 8th October, 1972 to review the implementation of the Trade Agreement between the two countries. During these talk India deferred to the wishes of Bangladesh to suspend the arrangement for border trade until control of the border could be firmly established and administration geared to enforce meaningful checks along the entire length of the border.

Egyptian Trade Delegation's visit to India

992. SHRI BANAMALI PATNAIK: Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether an Egyptian trade delegation visited India recently;