

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): The number of persons arrested on charges of smuggling in Calcutta during the years 1970, 1971 and 1972 but not prosecuted was 27.

The reasons for these persons not being prosecuted were as follows:—

16 persons were not prosecuted as the evidence against these persons was not sufficient or the value of the goods seized from them was so small as not to warrant prosecution. 7 persons were discharged by the court as the investigations against them could not be completed within the time fixed by the court for filing the complaint. Investigations in the cases against 4 persons were still in progress.

**Grant of Financial Assistance by Reserve Bank to co-operative Agricultural and Industrial Sector in West Bengal**

5799. SHRI A. K. M. ISHAQUE :  
SHRI S. N. SINGH DEO :

Will the Minister of FINANCE be pleased to state the financial assistance to be provided by the Reserve Bank in the current year to the Co-operative, Agricultural and Industrial sectors in the State of West Bengal separately?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHTAGI): The Reserve Bank of India does not provide any direct financial assistance, but extends refinance facilities only. For 1973-74, the Reserve Bank sanctioned credit limits of Rs. 502 lakhs to the West Bengal State Co-operative Bank Limited in favour of 15 out of 17 Central Co-operative banks for financing seasonal agricultural operations. It is ascertained that no applications were received from the Apex Bank for financing weavers/industrial co-operative societies for the year 1973-74 in West Bengal.

2. The Industrial Development Bank of India (a subsidiary of the Reserve Bank of India), since its inception in July, 1964 upto to 30th June, 1973, sanctioned financial assistance aggregating Rs. 91.82 crores to various industrial units in West Bengal.

**Trade agreement with South Korea**

5800. SHRI PRABODH CHANDRA :

SHRI M. SUDARSANAM :

Will the Minister of COMMERCE be pleased to state :

(a) whether a Trade agreement has been signed with South Korea; and

(b) if so, the salient features thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) No, Sir. But the text of an Agreement has been initialled.

(b) A copy of the Agreement will be placed in the Parliament Library, as soon as it is signed.

**Income tax exemption granted to Foreign Technicians**

5801. SHRI PRABODH CHANDRA : Will the Minister of FINANCE be pleased to state :

(a) whether Government have recently received representations from certain quarters for complete withdrawal of the exemption granted to foreign technicians from Income tax;

(b) if so, the Government's decision; and

(c) the justification for such decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) A suggestion was received some time ago for the withdrawal of exemption to foreign technicians under the Income-tax Act.

(b) and (c). Keeping in view the need of foreign technology and personnel in the industrialisation of the country, it is not considered desirable at this stage to withdraw this exemption.

**Fall in value of Rupee and its effects on various deposits, security and pension drawn by Government Employees**

5802. SHRI SAMAR GUHA : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to take steps for revaluation of rupee as its value has fallen to 36 paise during

the period January-September, 1973;

(b) the effect of such fall of value of rupee on various deposits, securities and pensions drawn by the retired Government employees;

(c) whether Government propose to compensate in this regard; and

(d) if so, the steps proposed and if not, the reasons therefor?

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):** (a) to (d). The fall in the value of the rupee between January-September, 1973 was the result of an unusual spurt in price level during this period on account of the severe drought experienced in 1972-73, and this trend is likely to be reversed with production levels picking up in the economy in the current year. Government is aware that this has affected one and all, but more so the fixed income groups including pensioners. To mitigate the hardship experienced by this Group, Government has already accepted the recommendations of the Third Pay Commission to the effect that Central Government servants retiring from service should be given, irrespective of the amount of pension drawn by them, relief at the rate of 5% of their pension subject to a minimum of Rs. 5.00 p.m. and a maximum of Rs. 25.00 p.m. as and when there is a 16 points rise in the 12 monthly average of All India Working Class Consumer Price Index (1960=100), the relief for the first time at those rates being payable when the 12 monthly average of this increase reaches 216. For the present, this recommendation of the Commission has been accepted in respect of Class II, III and IV employees and will have effect from 1-1-1973. Government is also considering a proposal for grant of some relief to persons who retired prior to 1st January, 1973.

It is not possible to estimate the effect of the fall in the value of financial assets held by pensioners since no data are available about the holdings of such assets by them and even so, this is a factor which would have affected all investors in financial assets alike. Moreover, since pensioners are also found to invest in land and buildings and other physical assets from their savings, there has been considerable appreciation in the value of such assets. However, Government has no

proposal to compensate pensioners for any loss they might have sustained on their financial assets as a result of a fall in the value of the rupee.

#### **Rise in prices of consumer goods**

5803. **SHRI SAMAR GUHA:** Will the Minister of FINANCE be pleased to state:

(a) the latest trends about price-rise of consumer's goods;

(b) whether price in case of some consumer's goods have been (i) established and in other cases (ii) risen;

(c) if so, the facts thereabout;

(d) whether Government expects favourable trends about prices of consumer's goods in near future; and

(e) the steps taken by Government as latest measures, regarding controlling of price rise?

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):** (a) to (c). A statement showing the monthly Wholesale price indices for Selected Commodities between August and November, 1973 is laid on the Table of the House [Placed in Library. See No. LT 6093/73].

(d) and (e). The good kharif crop and the favourable prospects for rabi this year are expected to have a moderating effect on prices. The Government has, for its part, been taking all possible steps to augment supplies of essential commodities and to curb excess demand in the economy. A better balance between aggregate demand and aggregate supply will also help in stabilising prices.

#### **Relaxation of age limits for Tamluk Freedom Fighters Association for employment in Banking Institutions, L.I.C. and Ministry of Finance**

5804. **SHRI SAMAR GUHA:** Will the Minister of FINANCE be pleased to state:

(a) whether the Tamluk Freedom Fighters' Association in letter No. 3/2/73-FF/11 dated the 12th April, 1973 from the Ministry of Home Affairs was *inter-alia* informed that "The State Government have allowed liberal concession to freedom fighters and their families in regard to relaxa-