

concern was voiced over the large scale sale of smuggled goods in the Indian markets;

(b) if so, whether it was also mentioned that the smuggling of these goods was being financed by the Indians abroad; and

(c) whether Government propose to investigate the whole question of smuggling in the light of these observations with a view to finding out ways for stopping the malpractices?

**The Minister of State in the Ministry of Finance (Shri K. C. Pant):** (a) The answer is in the affirmative

(b) and (c) The Government are aware of the incidence of smuggling into the country and also that one of the methods for financing the smuggling operations is through foreign exchange made available by Indians abroad. The problem has been constantly engaging the attention of the Government and some fresh measures are being taken to deal with this.

#### **Cut in Defence Expenditure**

**\*821. Shri A. B. Vajpayee:**  
**Shri Kanwar Lal Gupta:**  
**Shri Bibhutl Mishra:**  
**Shri K. N. Tiwary:**  
**Shri Madhu Limaye:**  
**Dr. Ram Manohar Lohia:**  
**Shri S. M. Banerjee:**  
**Shri George Fernandes:**  
**Shri Yajna Datt Sharma:**  
**Shri B. S. Vidyarthi:**

Will the Minister of Finance be pleased to state:

(a) whether any suggestions have been received from the various State Governments for a cut in the Defence expenditure;

(b) whether they have also suggested that the savings thus effected may be utilised for the development of irrigation facilities in their States, and

(c) the reaction of Government thereto?

**The Minister of State in the Ministry of Finance (Shri K. C. Pant):** (a) and (b). Suggestions for a cut in the Defence expenditure were made at the Chief Ministers' Conference held in April last. There was no specific suggestion however that the resultant savings be utilised for the development of irrigation facilities

(c) The extent of Defence expenditure is governed by security considerations which would rule out any substantial cut. Nevertheless Government are mindful of the need for economy in all fields including Defence

#### **National Power Grid**

**\*822. Shri G. S. Mishra:** Will the Minister of Irrigation and Power be pleased to state.

(a) the stage of development of national power grid,

(b) the number of schemes of the Third Five Year Plan held up in abeyance for want of raw material, foreign exchange and other reasons; and

(c) the steps taken by Government to accelerate the progress of such schemes?

**The Minister of Irrigation and Power (Dr. K. L. Rao):** (a) The inter-State links proposed for construction in the various Regions during the Third Plan period are in different stages of sanction and construction. These are expected to be completed during the Fourth Plan period or early Fifth Plan.

(b) and (c). No transmission scheme sanctioned under the Third Plan has been held in abeyance. However, there has been delay in the expeditious completion of certain sanctioned transmission lines mainly due to constraint on financial resources. Necessary foreign exchange is being arranged and raw material is being procured for these lines from time to time.