

(c) and (d). Government's policy is to maintain friendship with all countries and efforts continue to be made in this direction.

(e) Our state of defence preparedness takes into account the threats which confront the country.

#### Diplomatic Relations with Israel

2487. SHRI B. P. MANDAL ;  
SHRI SHRI CHAND GOYAL ;

Will the Minister of EXTERNAL AFFAIRS be pleased to state the reasons for not having full-fledged diplomatic relations with Israel ?

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH) : Diplomatic relations with Israel have not so far been established in consideration of India's overall national interest. However, India recognises Israel 'de jure'.

#### Assessment of States' Resources for Fourth Plan

2488. SHRIMATI ILAPALCHOUDHURI ;  
SHRI MANGALATHUMDANI ;  
SHRI S. M. BANERJEE ;

Will the PRIME MINISTER be pleased to state :

(a) whether the Planning Commission has completed its assessment of the States resources for the Fourth Five Year Plan in light of the recommendations of the Fifth Finance Commission ;

(b) if so, the size of each State's Plan as a result of the assessment ; and

(c) when the final draft of the Plan is likely to be ready and put before Parliament ?

THE PRIME MINISTER, MINISTER OF FINANCE, MINISTER OF ATOMIC ENERGY AND MINISTER OF PLANNING (SHRIMATI INDIRA GANDHI) : (a) and (b). The Planning Commission is at present holding discussion with the State Chief Ministers regarding the

assessment of States resources in the light of the recommendations of the Fifth Finance Commission and finalisation of the size of each State's Fourth Five Year Plan as well as the Annual Plan 1970-71.

(c) as soon as this has been considered by the National Development Council.

#### Incentives to Industrialists and Exporters under Kandla Free Trade Zone Scheme

2489. SHRI R.R. SINGH DEO ;  
DR. RANEN SEN ;  
SHRI D.R. PARMAR ;  
SHRI R.K. AMIN ;  
SHRI K.M. KOUSHIK ;  
SHRI G.C. NAIK ;  
SHRI K.P. SINGH DEO ;

Will the Minister of FOREIGN TRADE be pleased to state :

(a) the facilities which had been offered to industrialists and exporters under the Kandla Free Trade Zone scheme to set up factories and export centres in and around Kandla ;

(b) whether the response to the scheme had been rather poor ;

(c) if so, the reasons therefor ;

(d) the extent to which export from Kandla has increased after the introduction of the scheme ;

(e) whether Government have recently offered new incentives and facilities to foreigners to set up factories in the free trade zone ; and

(f) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI CHOWDHARY RAM SEWAK) : (a) The export oriented industries in Kandla Free Trade Zone are allowed the following facilities in respect of their raw materials and capital equipment requirements :—

1. Plant and machinery, raw materials and component parts imported into the Zone are exempt from Customs and Central Excise duties ;