

import of 88,000 tonnes of steel skull scrap from Qatar of which about 35,000 tonnes were actually shipped. Under the prevalent system pre-shipment inspection of scrap is not done by MSTC but by inspection agencies. In addition, the actual users are also free to do so. Out of the above, inspection of 21,000 tonnes was to be done by actual users and the balance by inspection agencies.

(c) and (d). Pre-registration of any particular variety of carbon steel melting scrap is not a pre-requisite for allotment purposes. Based on actual registration made by the consumers, various kinds of scrap can be allocated to them depending upon their preference and availability. In 1988-89, MSTC imported 35,000 tonnes of steel skull scrap from Qatar. It was given to M/s. Mukand Ltd. and 8 other consumers. M/s Mukand Ltd. was allotted about 27,000 tonnes of this material.

(e) The internal vigilance of MSTC had examined the matter, but had not found any malafide.

(f) The Government is examining the issue afresh.

Hot Rolling Mill at Alloy Steel Plant, Durgapur

*101. DR. SUDHIR RAY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there is any proposal to set up a Hot Rolling Mill at Alloy Steel Plant, Durgapur; and

(b) if so, the details thereof?

THE MINISTER OF STEEL AND MINES AND THE MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) and (b). The proposal to set up a Hot Rolling Mill

at Alloy Steels Plant at Durgapur is one of the alternatives currently being examined by the Government for establishing indigenous facilities to hot roll stainless steel slabs for further cold rolling at Salem Steel Plant.

World Bank Senior Vice President's Statement Regarding Foreign Ex- change Constraint

*102. SHRI L.K. ADVANI: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to a statement stated to have been made by the Senior Vice-President for Policy, Planning & Research in the World Bank to the effect that foreign exchange constraint was hindering Indian's development;

(b) if so, the reaction of Government thereon; and

(c) the corrective steps, if any, proposed to be taken in this regard?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (c). In a statement published in the book entitled "The Indian Economy-Recent Development and Future Prospects", Dr. David Hopper, Senior Vice President for Policy, Planning and Research in the World Bank has observed as follows:

"From my vantage point, that of World Bank lending and the functioning of the Consortium for assistance to India, I am obviously deeply concerned with the role of the foreign exchange constraint on Indian development. The foreign exchange constraint is not new, it was there right from the beginning of the independence period."

The book referred to above was edited by Mr. Robert E. B. Lucas of Boston University

and Mr. Gustav F. Papanek of Centre for Asian Development Studies, and published in 1988 in the USA by M/s. West View Press in Cooperation with the Centre for Asian Development Studies, Boston University. This book contains several articles and statements of economists, academicians and officials of international organisations. The book is a private publication and the views of the authors are personal and not necessarily of the organisations to which they belong.

The foreign exchange constraint in India's growth and development process has been sought to be alleviated by measures which promote exports, increase invisible earnings through tourism promotion and private remittances, imports containment, curtailment of budgetary deficits and through effective domestic demand management.

FICCI request to Permit Import of Caprolactum

294. SHRI MADHAVRAO SCINDIA: Will the Minister of COMMERCE AND TOURISM be pleased to state.

(a) whether the Federation of Indian Chambers of Commerce and Industry (F.I.C.C.I.) has urged Government to permit need based import of caprolactum to tide over its present shortage;

(b) if so, the position regarding availability, demand and supply of the commodity; and

(c) the action proposed to be taken in this regard?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU):

(a) Yes, Sir.

(b) Current annual demand for Caprolactum, has been assessed to be around 80000 MTs and domestic supply is of the order of

20,000 MTs. The gap between the demand and supply is met through imports.

(c) Import of Caprolactum is permitted from time to time based inter alia on import requirements of various consuming industries and the domestic production.

Income-Tax Notices to Co-Operative House Building Societies in Delhi

295. SHRI YADVENDRA DATT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Income-tax Department has asked the Cooperative House Building Societies in Delhi, who have been allotted land by Delhi Development Authority, to furnish the details of amount deposited with them by the members of the Societies;

(b) whether the members of such Societies have been issued notices by the Income-tax Department to indicate if such deposits were reflected in their income-tax assessment returns of to account for such deposits; and

(c) whether Government propose to exempt the salaried class members of Cooperative Group Housing Societies who have applied for LIG/MIG flats from the survey and inquiries of the Income-tax Department?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) The concerned Income-tax Authorities have required certain Co-operative House Building Societies of Delhi to furnish details of the amounts deposited with them by their members.

(b) Notice have been issued to the members of some of the Co-operative House Building Societies referred to in reply to part (a) above, for verifying whether the sources of investment of the deposits made by them with the respective societies are explained