

2. The main reasons for the losses suffered by the Corporation are on account of the heavy interest burden on the past borrowings from the banks/Government which the Corporation had to undertake in order to make large purchases during the years of comfortable cotton supply position, and on account of the carrying costs of the stocks.

3. The working of the Corporation is reviewed by Government from time to time and appropriate measures are taken to make its functioning more efficient and viable.

**SHRI M. RAGHUMA REDDY :** Sir, the Cotton Corporation is neither useful to the farmers nor to the Government. In the statement he has stated that the total accumulated losses incurred by it are up to Rs. 1000 crores, up to 31st August 1985.

May I know from the hon. Minister whether the Government have inquired into the reasons for the huge losses and whether the Government have identified the persons responsible for the huge losses and if so what action has been taken against them.

**SHRI KHURSHID ALAM KHAN :** The main reason for the accumulated losses is due to the fact that interest charged is very high. It was 19.5 per cent and when we represented, it was brought down to 17.5 per cent, plus carrying charges on the stocks of godown that are purchased by the CCI.

**SHRI M. RAGHUMA REDDY :** What steps have the Government taken to streamline the working of the Corporation, will the Government consider the setting up of a House Committee to go into it ?

**SHRI KHURSHID ALAM KHAN :** The working of the CCI is reviewed from time to time and all necessary corrective actions are taken as and when justified.

[Translation]

**SHRI DHARAM PAL SINGH MALIK :** I want to know from the hon. Minister whether Government want to impose a total ban on the import of cotton with a

view to saving the Corporation from sustaining loss and to give incentive to the cotton producers ? If not, the reasons therefor ?

[English]

**SHRI KHURSHID ALAM KHAN :** Only 75,000 bales of short staple cotton was imported during the last season when this type of cotton was in short supply in the country.

#### WRITTEN ANSWERS TO QUESTIONS

[English]

#### Generation of Black Money Due to Rise in Land Prices

\*478. **SHRI MANIK REDDY :**  
**SHRI RAMASHRAY PRASAD SINGH :**

Will the Minister of FINANCE be pleased to state :

(a) whether recent decision to revise land prices in Delhi and elsewhere is likely to further generate black money as reported in the 'Indian Express' of 17 November, 1985 ;

(b) if so, preventive measures proposed ; and

(c) whether a clear picture of the estimated black money and estimated decrease arising from various steps taken, has emerged ?

**THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :** (a) No, Sir.

(b) Does not arise.

(c) The Government have not conducted any study of the increase/decrease in black money as a result of revision of land prices, which was notified only on 24.10.1985.

#### Cancellation of Policies by L.I.C.

\*479. **SHRI D. P. JADEJA :** Will the Minister of FINANCE be pleased to state :