

DR. SUBRAMANIAM SWAMY:

I would like to ask the hon. Minister whether he has looked at the balance-sheet of Air India and has found that this Rs. 10 crores is largely due to the Gulf traffic.

Air India is making losses on all the other Sectors. I would like to know whether the hon. Minister is aware of this position and, if so, what steps the Government is going to take to ensure the profitability of Air India on other Sectors.

SHRI A. P. SHARMA: My hon. friend perhaps knows that all over the world, most of the Airlines are running at a loss. It is only Air India which is...

(Interruptions)

I was saying that all over the world most of the Airlines are running at a loss. It is only Air India that has been running in profit and that also this year.

It is true that most of the profits earned by Air India accrue from the Gulf route. But we have to calculate the over-all profit and loss. In one Sector we may make some loss and in another Sector, we may make some profit. So, it is the over-all result of the performance of the Corporation that I have placed before the House.

DR. SUBRAMANIAM SWAMY: Are you satisfied with the answer? I asked what steps the Government is going to take to ensure profitability on other routes. There are 8 routes but 7 of them are in loss. Only one of them is in profit. And you say you are happy. It is a very dangerous position.

MR. SPEAKER: It is Great Swamy's will!

DR. SUBRAMANIAM SWAMY: It is true. But I have stopped travelling by Air India.

MR. SPEAKER: Don't say that.

DR. FAROOQ ABDULLAH: Air India's profit is at the cost of the reduction in service of the number of staff who are employed. You have reduced the number.

Secondly, it is also due to the over-booking that is being done which is inconvenient to the passengers and which is also causing unpopularity to Air India.

I think these are the only factors which are bringing profit to Air India.

SHRI A. P. SHARMA: There is no reduction so far as the number of staff is concerned. It is true that over-booking is done. But this is the usual practice. My hon. friend is aware of the fact that in international booking, there is no cancellation charges and, therefore, some people may possibly drop out at any time. This over-booking may not ultimately cause any inconvenience to the passengers.

SHRI JAGDISH TYTLER: I have a small question.

MR. SPEAKER: It is all right. Nothing.

#### Annual Conference of Indian Economic Association

\*278. DR. KRUPASINDHU BHOI: Will the Minister of FINANCE be pleased to state:

(a) whether the 64th Annual Conference of the Indian Economic Association has called for a reappraisal of controls mechanism and to regulate them in such a manner that the consumers were protected;

(b) if so, the action taken to administer prices to encourage higher production and step up supplies; and

(c) the steps envisaged to check the economic exploitation of the weaker sections of the society and work out corrective measures?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c). A Statement is laid on the Table of the House.

### Statement

The Indian Economic Association is a non-official organisation. It holds Annual Conference where selected subjects are discussed by participants. It is understood that the participants at the Annual Conference give expression to their individual views and the Indian Economic Association as such does not pass any resolution on economic affairs. The 64th Annual Conference of the Association is understood to have discussed the following subjects: (i) Political economy of under-development, (ii) Energy crisis in India, and (iii) Transfer of technology between the developed and the developing countries.

The Government follows a pragmatic approach in devising control mechanism for pricing and distribution policies, taking into account the overall requirements of the economy, and keeping in view the interests of the producers and the consumers. Formulation of such policies is a continuous process. The policies and programmes of the Government for promoting the interests of the weaker and the poorer sections of the society have been stated in the Sixth Five Year Plan and the budget documents from time to time.

DR. KRUPASINDHU BHOI: (a) The hon. Minister has given an elaborate answer. The Economic Association, a non-official organisation, had held its annual Conference. Has the Economic Association given any memorandum to the Government?

If the Association had given any memorandum to the Government and if the Government is seized of it, may I know whether mention is made therein about the economy of under-developed countries and the energy crisis in India and about the transfer of technology between the developed and the developing countries?

What are the specific and categorical suggestions that the Economic Association has given to the Government? And if any suggestions have been offered, what is the future action envisaged in our Budget to implement those suggestions?

(b) As regards the distribution system, the Government is taking all possible steps to protect the weaker sections from exploitation. But now in the distribution system throughout the country, 80 per cent of the retail shops is in the hands of the private retailers. I would like to know whether the Government would reconsider the position and come to the point of 1975-76 and entrust all this distribution system through public sector undertakings like cooperatives, panchayats and panchayat samitis and bring down the prices and see that the essential commodities are distributed throughout the country in a proper manner so that the weaker sections would be protected.

SHRI PRANAB MUKHERJEE: As for the first part of the hon. Member's question whether the Economic Association has submitted any memorandum or action plan to the Government, my answer is 'No'.

This is a non-official organisation and it was the 64th meeting and in fact academicians and economists from various walks of life take part in it; sometimes government officials also take part in the discussions and they exchange views. Formally they do not pass any resolution. As it is a non-official organisation, we wanted to ascertain the fact from Dr. Brahma-nanda who is the Editor of the Journal. He informed us that they did not pass any formal resolution or any memorandum as such and the subjects they discussed, I have already mentioned in the statement which I have laid on the Table of the House. As the hon. Member will appreciate from the subjects which were discussed in the conference, those are all of topical interest.

In regard to the second part of the hon. Member's question about the improvement of the distribution system, this is an accepted policy. But I am afraid I cannot agree with him—it is not that I do not agree with the principle—but perhaps we do not have the capabilities to bring the entire distribution system within the public control. But gradually we are increasing it. As the hon. Members would know, even the number of Fair Price Shops has increased substantially. I think it is more than 2,00,000 now...

PROF. N. G. RANGA: Not enough.

SHRI PRANAB MUKHERJEE: Obviously, when the total number of villages is more than 6,00,000 2,00,000 or even 3,00,000 are not adequate. At the same time, it will have to be kept in mind that even our retail outlets, though they are in the private sector, are fairly efficient and the cost in the retail outlet, if we make a comparison with the various other public sector agencies, is not much. But this is the objective which we have accepted and in most of the States, the public distribution system is far, far better compared to others. Our objective is to improve the functioning of the public distribution system and bring more and more commodities within the distribution net through the public sector organisations.

DR. KRUPASINDHU BHOI: The question was: whether the system of 1975-76 would be adopted and 80 per cent of the retail outlets will be under Panchayat Samitis and co-operatives sector, and why the Government is not sticking to the broad principles so that the distribution of essential commodities is done in a proper manner?

About the energy crisis, the hon. Minister has expressed that academicians and technocrats from all spheres of life had assembled. What are their concrete suggestions to meet the energy crisis in the country and to

achieve fullest capacity utilisation of the plants already installed? Have they given any suggestions? Again 1975-76 can be the base year.

SHRI PRANAB MUKHERJEE: As I mentioned in reply to the earlier question, there is always a gap between aspirations and the actual achievement. Even if we want to bring the entire distribution system within the public distribution network, it may not be physically possible for us. The hon. Member is aware that sometime ago we made some experiment with one important commodity when the wholesale trade in wheat was taken over, but the experiment was not successful. But this is an exercise which we are making and we are trying to improve. This much I can tell.

In regard to the second point as to the recommendations of the Economic Association's Annual Conference with regard to the energy crisis, I am afraid we have not received the details so far from them. If the hon. Member is interested, we can ask them and we can examine their suggestions.

SHRI SATYASADHAN CHAKRABORTY: I would like to ask the Finance Minister one question. In view of the fact that there will be a huge deficit financing and in view of the fact that there will be public and private investment in the Sixth Plan, there is every possibility that the prices of essential commodities will go up. And if you totally depend on the magic of market operations, you cannot control the prices. You will remember that there was a bumper crop in Bengal in 1943. But, still, famine took place because of these speculators and others and, as a result, fifty lakhs of people died. The question is this. In a country like ours where there is operation of black money and speculation, without the public distribution system, how can

you solve the problems of the weaker sections of the society? You have abolished the food zones. Why is it that you gave up the wholesale trade? All the economists agreed on this. They had the good of the people in their hearts and hence they were for the public distribution system. Why do you say that it is not possible here? In many countries this system is working. You are going to work this out. As the hon. Member has suggested, through the panchayats and others, you can ensure this and take the people from the exploitation by the business sharks. You have not given the call. Already where the public distribution system is working, it still suffers.

MR. SPEAKER: You put your question.

SHRI SATYASADHAN CHAKRABORTY: I ask him a question. There are no difficulties. What is needed is political will. My question is: are you going to strengthen that system or by lame excuse you are not going to do that?

SHRI PRANAB MUKHERJEE: So far as the question part of the hon. Member is concerned, I say 'Yes, we want to strengthen the public distribution system'. So far as the observation part of the hon. Member is concerned, I do agree with him that one of the important mechanisms through which we can have effect on the prices is by strengthening the public distribution system.

If you permit me, I may say that the only point which the hon. Member raised was about the 1943 famine. I think both you and myself were not mature enough to have the total impact of the famine. I think I was seven or eight years old then. The same is the case with you. Therefore, let us not talk about 1943 famine.

SHRI SATYASADHAN CHAKRABORTY: 'Bedai Pashyati Brahmanas'. You can know from books.

SHRI CHANDRAJIT YADAV: Regarding the public distribution system, the Minister stated two things. Firstly, on principle, the Government agrees to strengthen it, secondly, he has also admitted the inadequacies of the shops that have been opened till now. The real thing is that today, the public distribution system is mostly working as a fire fighting system. Wherever there are scarcities, droughts or natural calamities in some areas, mainly in the rural areas, these shops function. Will the Minister, keeping in view the economic situation in our country where a large number of people or more than fifty per cent of our people live below poverty line, agree that the public distribution system should be accepted as part of our economic system for a long time to come?

Secondly, Sir, less than 33 per cent of the people in the villages are being supplied with the necessary essential goods by the public distribution system. Has the Government thought of having a timebound programme so as to cover the entire population, at least the needy sections of the population, through the public distribution system? Has the Government any scheme for this?

SHRI PRANAB MUKHERJEE: Sir, so far as the suggestion of the hon. Member is concerned, I do agree that it should not be a merely temporary, ad hoc, fire-fighting machinery. It should be made as an inbuilt permanent arrangement in our economic system itself. When we talk of strengthening this system, we keep the permanent feature of the system in mind. There is no question of having merely the ad hoc arrangements without their being strengthened. For a very short period, when I was in charge of the Department of Civil Supplies, I had the opportunity of having a meeting with the respective State Ministers in charge of Civil Supplies. They all wanted to cover a much larger number of commodities. Such suggestions were accepted in principle. We

would like to expand the area also so as to include fifteen or sixteen commodities as suggested. I do feel that in course of time, we shall have to extend the areas with a larger coverage over the other commodities.

**Joint venture medium price hotels for balanced growth of tourism**

280. SHRI CHITTA MAHATA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government of India have formulated a scheme for constructing joint-venture medium price hotels at important centres to bring about balanced growth of tourism in all States and Union territories;

(b) if so, the details thereof; and

(c) allocation of funds for this purpose—State-wise and Union territory-wise figures?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KHUR-SHEED ALAM KHAN): (a) Yes, Sir.

(b) The details of the Joint Venture Scheme at Annexure 'A' are laid on the Table of the Sabha.

(c) The 6th Five Year Plan of the India Tourism Development Corporation includes a total provision of Rs. 530 lakhs for these joint ventures. However, as implementation of these schemes depends on the signing of agreement with the State Governments/State Tourism Development Corporations/Union Territories, satisfactory feasibility study and availability of resources, no allocation State-wise or Union Territory-wise has been made.

**Statement**

*Statement to be laid on the Table of Lok Sabha in connection with part (b) of Starred Question No. 280 due for answer on 12-3-82 in Lok Sabha.*

**Note on Joint Venture Scheme of I.T.D.C.**

ITDC has evolved a scheme for undertaking joint venture tourism projects by forming a new company in each State with nearly equal equity participation. Such companies can approach the Central and State financial institutions for loan assistance. The main objectives sought to be achieved are:

—to relieve the direct strain on budgetary resources of the Centre and the States;

—to bring about a wider dispersal of benefits of tourism;

—to promote domestic tourism and open new areas;

—have a closer coordination between the Centre and the States with a view to eliminate duplication of efforts; and

—to disseminate ITDC expertise;

The hotels/projects to be set up under this scheme will be planned, designed, managed and marketed by ITDC on standard commercial terms to be mutually agreed upon.

**Pattern for collaboration**

For joint venture projects with the States, the following pattern of Collaboration is envisaged:

1. ITDC and State Govt./S.T.D.C. will set up a new company with equity participation in the ratio of 51 : 49 respectively.

2. ITDC shall be the Promoter and the State Govt./S.T.D.C. shall be the Copromoter.

3. The equity debt ratio of the company will generally be in the ratio of 1 : 1.5.

4. The Board of Directors of the Company shall consist of equal number of members nominated by the Promoter and the Co-promoter.