

Economic, Scientific and Technical Cooperation held in January, 1981. In the discussions, the work on the expansion of both the steel plants to 4 million tonnes which is already on was reviewed.

As regards expansion of Bhilai beyond 4 MT stage, certain feasibility studies as to the technical parameters in the light of the input position would be done by MECON as general consultants in cooperation with GIP-ROMEZ (Soviet) and further action would be taken thereafter.

#### Canalisation of imports of copper wire bar and copper wire rods

\*77. SHRI K. T. KOSALRAM: Will the Minister of COMMERCE be pleased to state:

(a) whether the canalisation of imports of copper wire bar and copper wire rods through Metals and Minerals Trading Corporation has made the actual user buyers to pay Rs. 3170 a tonne more in September, 1980 Rs. 1860 more in October, 1980 and Rs. 4030 more in November, 1980; and

(b) if so, the reasons for the same and whether de-canalisation would lead to saving in foreign exchange in the import of these commodities?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) No, Sir. A statement is laid on the Table of the House.

(b) It is not likely that decanalisation will lead to import at lower prices as the advantage of the long-term contracts with producers may be lost and various importers would compete with each other for the commodities whose international market will tend to firm up.

#### Statement

Copper wire rods have been canalised through MMTC only from 6th

November, 1980. Till now, MMTC has not imported any copper wire rods. Before the canalisation, all imports have been through private trade.

MMTC imports copper wire bars on longterm contract with producers where the purchase price is based on the ruling international market price. Actual sale prices are determined by a pricing committee headed by the Chief Controller of Imports & Exports.

While taking into account the price paid by individual importers against REP Licences people ordinary compare and take only the CIF landed cost into account overlooking other factor costs, such as bank charges, godown rentals, interest and insurance charges, import duties, port clearing charges, handling charges, etc. If these fixed costs are taken into account, there will be practically no difference between the release price charged by MMTC and price ultimately paid for import against REP licences by actual user-buyers of the metal.

#### Tourist Hotels/Homes run by I.T.D.C. in Tamil Nadu

\*78. SHRI N. DENNIS: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the total number of tourist hotels or homes run by the India Tourism Development Corporation in Tamil Nadu and their locations; and

(b) the details of the new such hotels or homes to be built during the calendar year 1981 in Tamil Nadu and their locations?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): (a) and (b). Presently, the ITDC is operating 2 hotels in Tamil Nadu namely the Temple Bay Beach Resort at Mahabalipuram and Hotel Madurai Ashok, and three Travellers Lodges at Tiruchirappalli, Thanjavur and Kanchipuram.

During the Sixth Five Year Plan (1980-85), ITDC proposes to construct a hotel at Madras in collaboration with the Tamil Nadu Tourism Development Corporation and one at Ootacamund in collaboration with the Karnataka Tourism Development Corporation which already has land at Ootacamund. Implementation of these projects will, however, depend upon the availability of funds, finalisation of the agreement with the State Tourism Development Corporations, and satisfactory feasibility study.

**Permission to foreign companies to set up wholly owned subsidiaries**

\*79. SHRI NARAYAN CHOUBEY: Will the Minister of COMMERCE be pleased to state:

(a) whether Foreign Companies are permitted to set up even wholly owned subsidiaries if they undertake to export all of their output;

(b) if so, the details thereof;

(c) whether it is a fact that Government's efforts in the last few years to lure foreign companies into wholly or predominantly export oriented activities have not yielded results;

(d) whether the contribution of the subsidiaries of foreign companies to the exports was a mere 6 per cent of their total turnover during the year 1978-79; and

(e) if the answers to parts (c) and (d) be in the affirmative; how Government are expecting large and freer flow of foreign capital to expand the country's exports?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). In terms of the new policy governing "100 per cent export-oriented units", Government would consider

such cases on merits. A copy of the Government Resolution dated 31.12.80 on the new Policy is placed on the Table of the House. [Placed in Library. See No. LT-1851/81]

(c) to (e). Government had taken note of the fact that in the past, the on shore export activities of foreign companies had not been significant and the full potential could not be realised as a result of certain administrative, legal, cost or other constraints. Under the new policy, an attempt is being made to create favourable conditions under which export production could be stepped up substantially in many areas. Government are hopeful that many companies—Indian as well as foreign—would avail of these facilities and contribute significantly to the export earnings of the country.

**Arrests under COFEPOSA Act**

\*80. SHRI MOHAMMAD ASRAR AHMED: Will the Minister of FINANCE be pleased to lay a statement showing:

(a) the number of smugglers arrested under Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (State-wise) during the period 1st January, 1980 to 31st January, 1981 as against 1st January, 1979 to 31st January, 1980 and the total value of the goods seized (month-wise); and

(b) what steps have been taken by the Government to check the smuggling menace?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) A Statement is laid on the Table of the House.

(b) With a view to check the menace of smuggling, the Preventive and Intelligence machinery of the Customs Department has been strengthened