

MR. SPEAKER : I have not allowed you.

SHRI S. M. KRISHNA : I would like to know whether it is not a fact...

MR. SPEAKER: You had your chance; you asked a question. Why are you asking another one ?

SHRI S. M. KRISHNA : I would like to....

MR. SPEAKER : I would like to ask you to please sit down. You had your chance.

SHRI S. M. KRISHNA : If that is your direction, I am willing to submit to it. I would request you to revise it.

MR. SPEAKER : You are an old member. You know it. You had your chance. Shri Sanghi.

SHRI N.K. SANGHI : Sir, the answer from the hon. Minister has created a grave doubt—that the commercial Agreement that the Air India have signed with the BOAC cannot be allowed to be known to the Members. This is a really very serious matter. Under the Agreement that you have signed, you have come to the conclusion that if you carry above a certain number of passengers, you will pay compensation to the BOAC. May I know that number above which if you carry passengers you will be required to pay compensation? To my knowledge, the compensation is a very heavy one which puts the Air India commercially to disadvantage. I would also like to know whether similar arrangements have been made to fly Jumbos over Trans-Pacific which will bring substantial revenues to Air India?

DR. KARAN SINGH : We have acquired Boeing 747s and, as a result of

this, fresh agreements have got to be negotiated with all the countries through which new planes will fly including the United Kingdom. The Atlantic route to New York is very lucrative and paying. If Air India is to maintain its position among the leading international airlines, it has got to fly that route with the latest equipment. Therefore, it has entered into negotiations with the BOAC and negotiations are in progress with a number of other countries. I would submit that these commercial agreements which the airlines arrive at need not be disclosed because, when we talk with other countries if the details of one agreement are known, it weakens our bargaining position with other countries. Whatever agreement takes place is with the approval of the Government. So, there is no question of entering into any shady deal and all that. I am sorry to say that any hon. Member should have any doubt about it. It is really a commercial arrangement. Air India will never agree to anything which is against their interest.

SHRI N. K. SANGHI : I accept your suggestion.

Policy of Government re. Advancing of Loans to person of Personal Surety

130. SHRI N. K. SINHA : Will the Minister of FINANCE (VITTA MANTRI) be pleased to state :

(a) whether it is the policy of Government to advance loans to persons on personal surety so that they can engage themselves in gainful employment ; and

(b) whether nationalised banks are not implementing the policy and are insisting on surities other than personal and also collateral surities ?

THE MINISTER OF FINANCE (VITTA MANTRI) (SHRI YESHWANTRAO CHAVAN) : (a) and (b). After the nationalisation of 14 major commercial banks, Government has advised the banks to adopt

a liberalised policy in respect of lending to small borrowers with emphasis on the operational viability of the scheme and the soundness of the project rather than the nature of security available. Public sector banks are re-orienting their credit appraisal procedures to reflect the above approach.

श्री नवल किशोर सिंह : क्या सरकार को मालूम है कि उस नीति पर शायद ही किसी बैंक ने काम किया हो। कोई भी बैंक इस नीति पर काम नहीं कर रहा है। न सिर्फ एक थ्योरिटी मांगते हैं बल्कि दो थ्योरिटी मांगते हैं। आज तक छोटे-छोटे रिक्शावालों को भी बर्गर दो थ्योरिटी कीई ऋण नहीं मिला है और न मिल रहा है।

SHRI YESHWANTRAO CHAVAN. In answer to the previous question, I said that in order to obviate this difficulty, a Guarantee Corporation has been established which has started working only from 1st April. But, naturally, the proposals for loans will have to be considered, examined and, ultimately decided on the economics of the proposal, the viability of it. Certainly all that will have to be taken into account. If there is no third-party security, at least the intrinsic merits of the proposal will have to be gone into.

श्री नवल किशोर सिंह : मैं इस बात से सहमत हूँ कि किसी भी योजना के अर्थ-तन्त्र को जांच कर के ही कोई ध्यक्ति या संस्था ऋण दे सकती है। लेकिन अब जैसे इस तरह की योजना हो कि किसी रिक्शावाले को ऋण देना है, 700० रु तो देने के लिये रिक्शा और 200 रु नकद अमानत मांगे तो इस में रिक्शावाले की किस प्रकार से मदद हुई ?

श्री यशवंतराव चव्हाण : अगर ऐसी बात है तो वह गलत होगी। इस पर विचार किया जा सकता है।

WRITTEN ANSWERS TO QUESTIONS

Bhoothalingam Committee's Report on Incometax Reforms

127. SHRI DHANDAPANI : Will the (Minister of of FINANCE) (VITTA MANTRI) be pleased to state :

(a) Whether Government have accepted the recommendations of the Bhoothalingam Committee on Income tax Reforms; and

(b) if so, the action taken by Government on those recommendations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (VITTA MANTRALAYA MEN RAJYA MANTRI) (SHRI K. R. GANESH) : (a) and (b). Shri S. Bhoothalingam was appointed by the Government in 1966 to study the tax laws and make suggestions for their simplification and rationalisation. Shri Bhoothalingam submitted his First Interim Report to the Government on 5th April 1967 and his Final Report on 26th December, 1967 suggesting several measures for rationalisation and simplification of the tax laws. The recommendations, which have been accepted by the Government, are briefly set for in the statement laid on the Table of the House, [Placed in Library. See No. LT-235/71]

Circular Issued By State Bank of India Regarding Credit To Small Scale Industries

129. SHRI C. JANARDHANAN : Will the Minister of FINANCE (VITTA MANTRI) be pleased to state :

(a) whether Government are aware that the State Bank of India has issued a circular to its branches to go slow in giving credit to small scale industries and for Agricultural purposes ; and

(b) if so, the reactions of Government in this regard ?

THE MINISTER OF FINANCE (VITTA MANTRI) (SHRI YESHWANTRAO CHAVAN) : (a) and (b). Government is not aware of any such circular having been issued.