

CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BAIG) : (a) and (b). Yes, Sir. Keeping in view the potential for trade with Latin American countries, studies in selected Latin countries in that region have been undertaken and delegations have also visited some of those countries. The latest important landmark in the dialogue with Latin American countries was the recent Indo-ECLA meeting (Economic Commission for Latin America) held in June, 1979 at Delhi. It is hoped that these measures will widen the scope for increased trade, transfer of technology and development of closer economic relations between India and Latin America.

Chief Ministers' Conference regarding Devolution of certain Taxes

*98. **SHRI AMAR ROY PRADHAN :** Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state :

(a) the outcome of the Chief Ministers' Conference held on 19th May, 1979 at Delhi regarding devolution of certain taxes like the Corporation tax and the surcharge on income-tax ; and

(b) the reaction of the Union Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL) : (a) and (b). The Conference was held on 19th and 20th May, 1979 for exchange of views with the Chief Ministers on issues like sharing of Corporation tax surcharge on income-tax, levy of additional excise duty in lieu of Sales-Tax etc.

Views in favour of and against the inclusion of the proceeds of these taxes in the divisible pool were expressed by the Chief Ministers/Finance Ministers who participated in the meeting.

Prime Minister in his concluding Address appreciated the anxiety of the States to have more financial resources and explained the Constitutional background, the rationale of the existing system and the responsibilities of the Centre for items like Defence, Communications etc. and the need for the balanced development of the country as a whole. He observed that in the circumstances explained by him, it was not possible to change the present arrangements without a great deal of harm being caused to the system and to the functions of the Centre.

Public Distribution System

*99. **SHRI KANWAR LAL GUPTA ; SHRI M. RAM GOPAL REDDY :**

Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to lay a statement showing :

(a) what specific steps Government have taken to start public distribution system from July 1st throughout the country ;

(b) which are the items which will be sold in the fair price shops and on what rates ;

(c) the names of the cities and towns where it has been implemented ;

(d) reasons for the delay in launching this in other major cities and towns ;

(e) how much investment will be made by the Central Government, State Governments and financial institutions in this public distribution system ;

(f) what specific steps Government have taken to maintain supply line of these essential commodities ;

(g) what will be the impact of this distribution system ; and

(h) have Government received any representations from the private sector against this system ; if so, the details thereof and the action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI KRISHNA KUMAR GOYAL) :

(a) to (h). From 1st of July, 1979, the Scheme of Production-cum-Distribution has been brought into operation which seeks to strengthen the existing public distribution system and increase the coverage of essential commodities with emphasis on production. In addition to the commodities already under distribution like cereals, kerosene, soft-coke and controlled cloth, certain other commodities like tea, coffee, match-boxes, toilet and washing soap and exercise-books will also be sold through the public distribution system. The Scheme of Production-cum-Distribution is applicable to the entire country and covers both rural and urban areas. The Scheme was to be launched on 1st July, 1979, and according to reports so far received the Scheme has been brought into operation in a number of States and Union Territories in the country. It has been