

**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

agreed in the Conference of the Ministers of the Civil Supplies of the State Governments held on 6 June, 1979, that the whole of the country should be covered by 31st December, 1979 and necessary arrangements are being made in that direction.

The essential commodities proposed for distribution under the Scheme will be procured and buffer-stocked by Public Sector Undertakings like Food Corporation of India, Indian Oil Corporation, State Civil Supplies Corporation and Cooperative Organisations who are already handling most of these commodities. No substantial new investment for handling additional commodities is foreseen though additional working capital would be required which these institutions will borrow from their banks and financial institutions.

Arrangements for procurement, buffer-stocking and supply of essential commodities like food-grains, kerosene, and coal are already being made by the Central Public Sector Undertakings like Food Corporation of India, Indian Oil Corporation, Coal India, etc. Tea would be procured and supplied by the National Cooperative Consumers' Federation and arrangement for supply of coffee to the States concerned has been made by the Coffee Board. Toilet soap is being manufactured by the organised sector and would be supplied to the various State agencies for distribution through the public distribution system. As regards washing soap the States have been advised to make arrangements for procurement and supply from the large number of small manufacturers in the de-centralised sector who enjoy certain excise concessions and distribute the same through the network of the public distribution system. Exercise books will be manufactured by the State level agencies from concessional paper allotted by the Government of India and the exercise books will be marketed through the outlets of the public distribution system also. Controlled cloth and other varieties of cheap cloth, janta dhoties and sarees would be procured and supplied to the various State agencies by the National Cooperative Consumers' Federation. The Khadi and Village Industries Commission will be responsible for supplying its match-boxes to the various States.]

The Scheme as envisaged will bring about easy availability of essential commodities at reasonable prices on a continuous basis and it is expected that this will bring about stability in prices.

In a seminar organised by the Federation of Indian Chambers of Commerce and Industry towards the end of January, 1979, the FICCI President suggested that

the scheme should be selective, covering only the poorer sections of the society but this was not found practicable.

**पोरबन्धर पत्तन से प्रायात और निर्यात बढ़ाने की कार्यवाही**

757. श्री श्रीनिवास साई चट्टेय : क्या वाणिज्य, नागरिक पूर्ति तथा सहकारिता मंत्री यह बताते की क्या करेंगे कि :

(क) सरकार ने नमक, मछली, जली तथा खाद्यान्नों के निर्यात और उर्वरकों, सीमेंट तथा कोयले के प्रायात में वृद्धि के लिये अब तक क्या कार्यवाही की है; और

(ख) यदि कोई कार्यवाही की जाती है तो वह कब की जाएगी और किस रूप में की जायेगी ?

वाणिज्य, नागरिक पूर्ति तथा सहकारिता मंत्रालय में राज्य मंत्री (श्री शारदा देव) : (क) तथा (ख). नमक मछली तथा खाद्यान्न जैसी आवश्यक वस्तुओं का निर्यात स्तर खपत की इन चीजों की स्थायी आवश्यकताओं पर निर्भर करता है। उर्वरक, सीमेंट तथा कोयला जैसी वस्तुओं का प्रायात इस बात पर निर्भर करता है कि बरेलू उत्पादन और स्वामी आवश्यकताएँ कितनी हैं। इस समय तेल रहित जली निर्यात की मद है। जहाँ तक पोरबन्धर पत्तन पर सुविधाओं के विकास का प्रश्न है, इस प्रयोजन के लिये गठित कार्यकारी दल की सिफारिशों के आधार पर कार्यवाही की जा रही है।

**Unsecured Credit advanced by Nationalised Banks**

758. SHRI YASHWANT BEBROLE: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) what is the amount of credit advanced to loanees without any security by National Banks, State Bank and its subsidiaries in emergency period; and

(b) how much if it has been recovered and how much is considered to be recoverable?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQARULLAH) : (a) and (b). Information in the manner sought is not available. However, in terms of the Reserve Bank's guidelines, the banks are required to ensure that their unsecured advances plus 20 per cent of their unsecured guarantees do not exceed 15 per cent of their total advances. The compliance of the individual banks with this stipulation is examined by the Reserve Bank of India during the course of their inspections under Section 35 of the Banking Regulations Act, 1949.