

of goods from India are much higher than those for export from Japan due to several reasons including port conditions etc., which are being studied by the Government for one year. May I know whether meanwhile, in order to enable the Indian exporters to compete with Japan and other countries, Government would consider giving any subsidy or anything so that they can compete on an equal basis with the Japanese exporters?

DR. V. K. R. V. RAO: I am quite prepared to place the hon. Member's suggestion before Government.

Effect on Tourism of U.S.

Curbs on Investment

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*92. SHRI HIMATSINGKA:
SHRI HEM BARUA:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the U.S. curbs on investment and travel abroad are likely to affect India's foreign exchange earnings through tourism and International airways; and

(b) if so, the estimated amount of reduction in foreign exchange earnings on this account during the ensuing year?

THE DEPUTY MINISTER IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRIMATI JAHANARA JAIPAL SINGH): (a) and (b). No restrictions have so far been placed by the U.S. authorities on foreign travel, but the President of the United States in a recent speech has appealed to American citizens to defer for two years all non-essential travel beyond the western hemisphere. The possible effect on foreign exchange earnings from tourism can be estimated only after the nature and extent of the restrictions that may be applied, if any, are known.

SHRI HIMATSINGKA: May I know whether any assurance has been obtained from the U.S. Government

that the recently announced curbs will not affect India, and if so, what is the precise nature of such assurance, and whether also it is a fact that in spite of such an assurance, curbs like the 'P' Form and tax are being imposed on all tourists coming to India and other Asian countries?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): No such assurances have been obtained from the U.S. Government.

SHRI HIMATSINGKA: How will it affect the earnings of Air India International?

DR. KARAN SINGH: We are disturbed over this new development, because we fear that it will adversely affect our whole promotional activity for tourism. We have conveyed to the U.S. Government our concern in this matter. They have so far not actually put in any legislative curbs. We are hoping that as far as possible these curbs will be the minimum as far as India is concerned.

SHRI HEM BARUA: With the devaluation of the British £ there was apprehension in American Government circles about the stability of the Dollar, and therefore, these curbs on investment and travel abroad were put. Now that the U.S. Treasury Secretary has come out with the statement that the Dollar is the most stable currency in the world, may I know if Government are going to ascertain from the U.S. Government circles if they propose to withdraw these curbs on investment and travel abroad?

DR. KARAN SINGH: As I said, we have, through our Embassy in Washington and also the personal meeting I had here with the U.S. Ambassador, conveyed to them our deep concern, because we feel that one of the best ways in which balance of payment with the United States can be remedied is through increasing tourism. We pointed out to them that it would be

most unfortunate if they were to introduce these curbs. The ball is now in their court. It is a decision for them to take, not for us.

SHRI HEM BARUA: My question was, there is a new development now because of the statement made by the Secretary of the Treasury of the United States, that the dollar is the most stable currency in the world today, and there is no apprehension due to the devaluation of the British £. What is the psychology of the Government circles in America, arising from that statement. So, I just wanted to know whether he has enquired from the American Government if they are going to withdraw this restriction in the light of the statement made by the U.S. Secretary of the Treasury.

DR. KARAN SINGH: We will make a further enquiry in the light of that, if possible.

SHRI D. C. SHARMA: I am glad to say that the residents of the U.S. are the best globe-trotters in the world and I think these curbs would not help the Government of the United States. But in view of all this, I want to ask the hon. Minister what quantum of tourists earning was earned by India through the United States till last year.

DR. KARAN SINGH: Broadly speaking, one-quarter of our tourists, that is, 25 per cent of our tourists, are drawn from the United States. It is difficult to estimate in detail the financial impact, but I would estimate that about one-third of our tourist earnings comes from the United States, which is a big chunk from one single country.

SHRI UMANATH: In the PL 480 agreement there is a provision that the American tourists can convert their dollars into rupees from the PL 480 holdings in India. Now the restriction proposed for expenditure here is seven dollars per day, that can be entirely gobbled up by the PL 480 funds held by the American Em-

bassy here, and that source will be completely blocked up. Therefore, I would like to know from the hon. Minister whether this aspect of the question has been examined and, if so, what the action proposed to be taken is.

DR. KARAN SINGH: I have not examined it. I will do so certainly, in the light of the statement.

SHRI SWELL: The Minister speaks of the need to develop tourism in this country. May I know whether it is a fact that in the north-eastern India, comprising Assam, Nagaland and Manipur and other areas, there are a large number of extremely attractive places and a large number of American tourists who desire to visit these areas are prevented from doing so by the serious restriction imposed on them. May I know from the Minister whether, after he has taken over this portfolio, he has considered this matter and requested the Home Ministry to reappraise the necessity of this restriction and, if he has not done so, does he propose to do so?

DR. KARAN SINGH: Tourism is important indeed, but the security of the country, I am sure, the House will agree with me, is even more important than tourism. Therefore, considerations of security will have to take priority. Within those considerations, we will try to do whatever we can to increase the flow of tourism to this part of the country.

SHRI INDRAJIT GUPTA: It appears from the replies that the hon. Minister has given that in this matter, as in many others, we have allowed ourselves to become rather dangerously dependent on one particular source of earnings, namely, the United States. May I therefore, know, in view of the uncertainty which has now developed because of these newly proposed curbs and all that, what steps, if any, are the Government taking—what intensive steps—to try to attract tourists from countries other than the USA?

DR. KARAN SINGH: We have undertaken an ambitious promotional campaign in Europe as well as in the United States, and in western Europe particularly and also in eastern Europe. We want to get more tourists, but unfortunately, there are only some countries in the world that sent tourists. I went to the Soviet Union and asked them to send out tourists here, but I do not think we will get a very large number for the time being from there. But in Western Europe in particular we are undertaking an intensive promotional campaign involving the Air India much more closely. I agree with the hon. Member when he says that it would not be wise to link the whole tourism in future to only one particular country. We will try and increase the number of tourists from the United States and we are also paying special attention to the more affluent countries in western Europe and also Japan, Australia and New Zealand.

SHRI M. L. SONDHI: What about Israel? (*Interruption*)

DR. KARAN SINGH: We welcome tourists from all over the world.

SHRI S. K. TAPURIAH: I heard the Minister about his voicing concern to United States, but the fact is, if the past performance of this Ministry is any indication and if we can say something about the future, we know that after one year, when we find that our tourist earnings are coming down, the Minister will start blaming the United States for imposing the curbs on the tourists. We always find fault with somebody else for something which occurs, but let us be informed of what we are doing, in relation to the problem of tourist earnings. In the last two or three years, our earnings have not gone up in the same proportion as the world bill for international tourism. This industry of tourism has become the second largest industry in America, which is a highly industrialised country. But here we seem to be ignoring what has happened in the past. We have seen tourists that at present come to India, from Delhi, they prefer to go to Kathmandu and

not to other parts of the country. Just now, the Minister has said about the ambitious promotional campaign that the Ministry is launching. May I request him to make the statement a little less ambiguous and say what concrete steps they are taking in improving air-port facilities and improving the sanitary and other motel facilities for the tourists who go by road, and what is the step that the Government are taking to remove the touts who seem to fleece the tourists as soon as they come here, through foreign exchange dealings and things like that?

DR. KARAN SINGH: The development of tourism really has two aspects. One is the promotional aspect outside India, which is selling the image of India as a new and exciting tourists destinations. We are doing that, as I have said, in the United States and in western Europe and in other countries. That is done, as you know, through the press television through publicity material, through personal contacts with travel agents and through invitations to travel-writers from other countries to come here and write about us. That is one side of the coin.

The other side is, the development of tourism—the infra-structure within the country itself, because the promotional campaigns can only bring the people to India. Once they get to India, we have to look after them. That again has got several aspects. Firstly there has to be improvement of the air-ports. The air-ports Committee is in the process of giving its interim report. There are four International air-ports, and we have to see how best these should be developed to cope with the Jumbo jets and the SSTs.

Then, we have already put in the air-port tax in these four international air-ports through which we will try and finance the sweepers as the hon. Member (*Interruption*) was mentioning. Then, we want to open many more hotels, we have set up a Hotel Development Fund. We are developing our tourist bungalows and the roads and so on.

One of the points which the hon. Member has raised is a very interesting and important one, and that is the question of financial touts, if one can use that word—people who accost the tourist when he comes in and offer him black market money in lieu of foreign exchange. This is a matter which has been giving us a great deal of anxiety, and we have been discussing this, and we are trying to find out ways and means whereby the leakage of foreign exchange that occurs in this country can be minimised. The hon. Deputy Prime Minister is taking a lot of interest in that, and we hope to be able to do something concrete about this soon.

श्री शिव नारायण : टूरिज्म का इतना हमारे देश में प्रभाव है तो उसके लिए देश के अन्दर ही आपने क्या किया है? हमारे गांवों में रहने वाले लोग यह सारे तीर्थ स्थान मयुरा वृन्दावन आदि तीर्थ स्थान देखना चाहते हैं। तो उनको इस दिशा में सुविधा आदि पहुंचाने के लिए आप ने क्या प्रबन्ध किया है? उनको आप क्या सहूलियतें वगैरह दे रहे हैं?

डा० कर्ण सिंह : माननीय सदस्य ने एक बड़ा अच्छा प्रश्न उठाया है कि टूरिज्म केवल अन्तर्राष्ट्रीय स्तर पर ही नहीं होता, वह राष्ट्रीय स्तर पर भी होता है। हमारे जो धार्मिक तीर्थ स्थान हैं उनकी टूरिज्म तो परम्परा से चल रही है और अभी भी जो हमारे देश के अन्दर धार्मिक तीर्थ स्थान हैं वहां भी टूरिज्म के लिए कुछ उनको सहूलियत दी जाय और उनको वहां आने जाने में आसानी हो उस और भी हम विचार कर रहे हैं।

श्री हुकम चन्द कछवाय : अभी तक उस क्षेत्र के अन्दर क्या किया गया है?

MR. SPEAKER: Order, order. No more supplementaries. Next question.

Shipyards at Cochin

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*93. **SHRI A. SREEDHARAN:**
SHRIMATI SUSHILA
ROHATGI:
SHRI P. C. ADICHAN:
SHRI KAMESHWAR SINGH:
SHRI T. D. RAMABADRAN:
SHRI K. ANIRUDHAN:
SHRI E. K. NAYANAR:
SHRI VASUDEVAN NAIR:
SHRI A. K. GOPALAN:
SHRI P. GOPALAN:

Will the Minister of TRANSPORT AND SHIPPING be pleased to state:

(a) whether Government are planning to build bigger shipyard at Cochin than contemplated earlier;

(b) if so, whether the terms of collaboration with the Japanese firm "MITSUBISHI" require a review; and

(c) when Government contemplate to finalise these plans?

THE MINISTER OF TRANSPORT AND SHIPPING (DR. V. K. R. V. RAO): (a) M/s. Mutsubishi Heavy Industries had in their project report proposed the construction of two building docks to build bulk carriers and tankers of two sizes i.e. 33,000 DWT and 53,000 DWT, and a ship repair dock for repair to vessels upto 53,000 DWT, the project being completed in two phases.

Taking into account the present world trend in the size of bulk carriers/tankers, the pattern of India's sea-borne trade, future requirements of Indian Shipping etc. Government have now decided to build in the Cochin Shipyards bulk carriers of 66,000 DWT class and a ship repair dock to accommodate ships upto 85,000 DWT.

(b) and (c). In view of the modifications in the scope and size of the project, the terms of collaboration with the Mitsubishi Heavy Industries would need review.

A modified shipyard lay-out which will form the basis of a revised project report has been received and is under