

Negotiations took place. Detailed results are yet to come.

SHRIMATI KISHORI SINHA : I would like to put a supplementary : Have the Fair participants, more particularly Japan, come out with offers for transfer of technology, or have they confined themselves to the sale of technology items ?

SHRI P.R. DAS MUNSI : Again I repeat that in the Trade Fairs, such things never take place, nor do we discuss this matter there. But our talks with Japan in bilateral terms in many other fields including technology transfer are on ; and nothing has yet been finalized. At this stage, I cannot convey anything to the hon. Member.

But so far as Trade Fair is concerned, Japan had expressed its willingness to exhibit a number of things, specially in software and electronics. In this Trade Fair, they have participated with a wide range of products of their country. They also witnessed some of our pavilions. But insofar as identifying their areas to some of our units here, or identifying our areas to some of their units, nothing of this sort has happened in this Trade Fair.

SHRI CHINTAMANI JENA : I must congratulate the hon. Minister and the Government for having arranged this type of useful Trade Fairs in our country. May I know from the hon. Minister what was the total business of the current, i.e. 1987 Trade Fair, and also whether there is demand from other cities of our country like Bombay, Calcutta and Madras to have such a type of Trade Fairs in those cities. If so, what is the reaction of the Government on this issue ?

SHRI P.R. DAS MUNSI : Insofar as business is concerned, it is difficult at this stage to quantify the total quantum of business, because we have to monitor it after the Trade Fair is over. But I can inform the hon. Member that this Trade Fair is one of the very successful Trade Fairs ever held in India. While the number of business visitors in the last

Trade Fair was only 13,000, this year, paid-ticket business visitors were 21,000 and complimentary-ticket business visitors were 25,000. Quite a number of areas were covered. The theme included Plastic and Rubber. In these two fields we have discussed at length, through seminars involving a number of business delegations and trade delegations, some of them represented through Ministers, VIPs and their trade representatives.

In the engineering sector, we got coordination from CEI who signed an M.O.U. with the Trade Fair Authority of India this year.

Insofar as our holding Trade Fairs in many other parts of India is concerned, at this stage I would like to inform the hon. Member that we have already curtailed the budget of the Trade Fair Authority of India—not to participate in many Trade Fairs within the country and outside, keeping in view the drought situation in the country. But the hon. Member's suggestion will be kept in mind, as and when a suitable occasion arises. We will examine it then. Already we have taken measures, since last year at the instance of our hon. Prime Minister, to have a Trade Fair exhibition in the north-eastern India; We have been successful there. But though we desire to have some programmes in the country, we have to take some precautionary measures, keeping the drought situation in view.

Cess on Pepper and Spices

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*519. **PROF. K.V. THOMAS :**
SHRI K. MOHANDAS :

Will the Minister of COMMERCE be pleased to state :

(a) whether a "Spices Board Cess" of 3.5 per cent on pepper and 1.5 per cent on other spices has been introduced recently ;

(b) whether All India Spices Exporters Forum has objected to this cess ; and

(c) whether Government propose to reconsider this proposal ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b) Yes, Sir.

(c) No reduction in rates of Cess is proposed at present.

PROF. K.V. THOMAS : Earlier there was a cess of 0.5 per cent for the running of the Spices Board. Now, all of a sudden, there was a steep jump to 3.5 per cent ; this means between Rs. 2000 and Rs. 3000 per ton. Moreover, there is an export duty of Rs. 5000 per ton. Adding together the export duty and this cess of 3.5 per cent per ton, it will be around Rs. 8000 ; this Rs. 8000, if implemented, will crack the backbone of the pepper farmers in Kerala. All the Members of Parliament from Kerala and other organisations have requested the government to look into it and take an immediate decision so that this 3.5 per cent cess may be brought down as recommended by the Spices Board. Will the Minister look into it and take a favourable decision ?

SHRI P.R. DAS MUNSI : I can quite appreciate the concern of the hon. member for the farmers of Kerala. The Government of India is quite aware of the problem. Our Ministry is also equally concerned about the conditions of farmers of Kerala. The hon. member must also be aware of the fact that we formed the Spices Board combining all agencies of cardamom and other spices groups recently by an Act of Spices Board passed in Parliament in 1986 and thereafter Cess Act passed in 1987. The main functioning of this Spices Board is not only to support and promote spices production and spices growers but also to see that the infrastructural support is maintained by their own. Now the hon. member will appreciate and through you I would like to inform the hon. House that time and again it has been stated about economic measures in respective sectors and to make each institution self-sufficient on their own. Earlier, we had to depend on administrative sanction in terms of grant and support to look after the Board. Soon after the export started gaining ground we thought why not our Board become self-sufficient to look after itself without depending on the budgetary support of the respective Ministries especi-

ally the Ministry of Finance and others. Thereafter, we tried to locate as to which are the areas where export pick up was good, profitability was higher and things could improve. We found that, among the entire spices, chillies are coming up and down especially in the commodity front. We did not impose any cess on chillies. But on pepper, the hon. member must be aware, that in the world market we are now fetching a good price ; export is very good. I don't say this is the only reason. Then we thought, to run this Spices Board and its entire funding, why don't you impose some cess on this commodity where we have some good turnover, good return. Now, based on that we have imposed 3.5 per cent cess on pepper. But, as you know, to increase productivity and pepper cultivation, to promote much more incentives to growers in respective sectors, apart from export and other things to look after, it largely depends on the State Government. Time and again, we have been writing to the State Governments, especially the Government of Kerala to take up such measures and projects which can protect (a) pepper growers, intensify pepper production and then participate largely in the world pepper export market. Now, I am quite aware of the anxiety of the hon. member for the farmers of Kerala his suggestions. I can only inform the hon. member that there are certain proposals, which we have received from the Spices growers, exporters and of course the hon. member who has put the question and also respective members of Kerala in regard to recent problem. The problem is of two dimensions: (a) problem of the pepper growers ; and (2) problem of the pepper exporters. All the problems we are examining and we hope that at least some exemption whether we can consider regarding those who have concluded their contracts and consignments long before the cess was enforced on them. These matters were examined and our hon. senior colleague Shri Tiwari is having a meeting in Bangalore on 13th in this regard. We will again discuss this matter there and try to find out what best we can do in this matter.

- PROF. K.V. THOMAS : The profit made by the exporters, as the Minister must know, is between 1 to 2.5 or 3 per

cent. Now, already, there is a contract of huge quantity of pepper with other countries, which is an on-going contract. There was an assurance from the Ministry of Commerce that advance notice will be given if there is an increase of cess. But the present increase of 3.5 per cent cess was imposed without giving advance notice. The Spices Board also knows about it. If this 3.5 per cent cess is imposed and implemented, naturally, the entire export will cease. So, what I want to know is whether exemption will be given. You can discuss with them and finally decide what should be the percentage, but will the exemption be given to the on-going exports?

SHRI P.R. DAS MUNSI : I have already informed the House that with regard to the matter of exemption certain proposals have been received by us from the Spices Board, from the hon. Members and all those are under examination. At this stage, I cannot inform the hon. Member. I can only assure the hon. Member that our concern for the spices growers and farmers in Kerala is no less than of anybody else in Kerala and we will stand by the growers to the extent possible. But I think the hon. Member will also prevail upon the State Governments to look into the fate of the growers of their own respective States.

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : I may only add to what my colleague said just now...

MR. SPEAKER : You can add whatever you like.

SHRI NARAYAN DATT TIWARI : I am going to Bangalore day after tomorrow and we will have discussions with the exporters and we will certainly consider the suggestions made by the hon. Member.

[Translation]

MR. SPEAKER : Dr. Bhoi, does your State also produce cardamom?

DR. KRUPASINDHU BHOI : No, Sir.

[English]

DR. KRUPASINDHU BHOI : I want to know whether the legality of this Spices Board Cess has been examined or not; if not whether the Ministry is going to examine it, because Mineral Development Cess has been challenged in the Supreme Court and that has been written off. In this case, will the name of Spices Development Board be changed to Spices Development Authority to help the farmers of spices producing areas? And where the institutions are located, will the Government directly give grants to those institutions which are facing financial troubles?

SHRI P.R. DAS MUNSI : I could not follow the question. But I can only answer that we have imposed this cess not out of the provisions, but within the Spices Cess Act passed by this Parliament in 1987 in consonance with the provisions of Section 3. Therefore what we have done is absolutely within the ambit of the law we are still negotiating with the exporters, whether some exemptions can be given.

MR. SPEAKER : This is without understanding the question and he will reply.

AN HON. MEMBER : How can he reply? (Interruptions)

MR. SPEAKER : That is something special.

DR. KRUPASINDHU BHOI : What I wanted to know is about grants to the institutions in the Spices growing area.

SHRI P.R. DAS MUNSI : Spices growing institutions are looked after by the Spices Board. That is what I like to inform the hon. Member, and the Spices Board we are looking after.

MR. SPEAKER : Shri Mohandas—Absent. Dr. Shailesh—Absent.

SHRI A. CHARLES : Sir, I want to—...

MR. SPEAKER : Charles ji, I cannot help now.

SHRI RAM PAL SINGH. Absent.

SHRI MOHANBHAI PATEL. Absent.

SHRI GURADDI. Absent.

[*Translation*]

SHRI BHAGWAT JHA AZAD : This is the result of late night session.

MR. SPEAKER : Do you think they are still sleeping ?

SHRI BHAGWAT JHA AZAD : I think so.

MR. SPEAKER : Shri Namgyal. It appears has descended from the Himalays.

[*English*]

SHRI P. NAMGYAL : I am ever ready, Sir.

Leasing Out MI-17 Helicopter to J and K State Government

*524. SHRI P. NAMGYAL : Will the Minister of DEFENCE be pleased to state :

(a) whether Jammu and Kashmir Government has made a request to Union Government for replacement of the Westland Helicopter which has been already leased out to the State Government with a new MI-17 helicopter from his Ministry ; and-

(b) if so, the reaction of Union Government thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLY IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) No, Sir. There is no proposal from the State Government for the replacement of the Westland Helicopter already on lease with them from M/s Pawan Hans Ltd. (Helicopter Corporation). However, a request has been received from the Government of Jammu & Kashmir for the procurement of 2 MI-17 helicopters for the State Government.

(b) The request of the State Government is being examined.

SHRI P. NAMGYAL : The Ministry of Defence on collaboration with the State Government of Himachal Pradesh operates twice a month, MI-8 helicopters

to the snow bound areas of Lehaul and Spiti districts. There are similar land-locked areas in the Kargyl and Ladakh region of Jammu and Kashmir, such as, Zangskar and Nubra and Linshed and Debjing etc., which remain cut off from the rest of the district headquarters for over six months in a year.

I would like to know whether the Ministry will consider to start a weekly MI-17 Helicopter service to Zangskar and Nubra on the same terms and conditions, as has been allowed to Himachal Government.

SHRI SHIVRAJ V. PATIL : Sir, this depends on the availability of MI-17 Helicopter and it has to be examined. Only after it is fully examined and found out whether it is available, a correct answer can be given to this question.

SHRI P. NAMGYAL : Sir, the westland helicopter already leased out to Jammu and Kashmir State is facing some operational problem in the high altitude areas and for that the State Government has requested the Ministry of Defence for leasing of two MI-17 helicopters. May I know how long the Government will take to examine this and whether the Ministry will take a decision at the earliest so that this problem could overcome.

SHRI SHIVRAJ V. PATIL : Sir, there is Helicopter Corporation established for providing helicopter service to citizens. At times, the Defence Ministry does extend help to others also. In this respect also, we would like to take a view which would be helpful, but everything depends on the availability of MI-17 helicopters. If we receive a request for purchasing the MI-17 helicopter and if the payment is made, certainly we can try to get the helicopter and make it available to the State Government.

Now, providing the helicopter from the Defence services itself is concerned, we shall have to examine it and only then I can answer the question.

Evasion of Excise Duty by Multi-National Companies

*526 SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state :