

Smuggling in Diamonds

*33. SHRIMATI SUSHILA SHANKAR ADIVAREKAR; SHRI SWAMI DINESH CHANDRA; SHRI SYED AHMAD HASHMI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a report appearing in the Blitz dated the 23rd September, 1978 to the effect that diamond smuggling has lately touched a new high of nearly Rs. 100 crores per annum;

(b) if so, whether Government have made any inquiries into the veracity of the report; if so, with what results; and

(c) what steps Government have taken to prevent this smuggling activity effectively?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) and (b) Yes, Sir. However, reports received by Government do not suggest any large scale smuggling of diamonds from or into the country. The value of diamonds and precious stones seized by the Customs authorities during 1976, 1977 and 1978 (January to September, 1978) is reported to be Rs. 164.00 lakhs, Rs. 114.00 lakhs, and Rs. 95.00 lakhs, respectively.

(c) Although smuggling of diamonds continues to be under check, the field formations have been kept on alert to thwart any attempt at smuggling of diamonds. Government have also liberalised the import of rough diamonds and have exempted them from import duty.

Third level airline

•34. SHRI PRASENJIT BARMAN; SHRI JAHARLAL BANERJEE; SHRI AHMAD HOSSAIN MONDAL:

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

(a) whether the report of the Committee appointed to assess the feasibility of introducing a third level air line has been accepted by Government;

(b) if so, what are the details thereof;

(c) what are the places proposed to be connected by this new airline; and

(d) what are the types and the number of aircraft likely to be operated by the proposed airline?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) The report submitted by the Committee is under the examination of Government.

(b) to (d) A statement giving the requisite information is laid on the Table of the Sabha.

Statement

The main conclusion which the Committee has unanimously reached is that it is not only practicable but also essential to establish Third Level Air Services in India on an immediate basis and to begin with, at least 50 new population centres, which have been specified in the report, should be served in the very first phase itself. In selecting these 50 new population centres, the Committee has also applied the strict test of economic viability and has unanimously recommended certain guidelines whereby a strong and viable system of Third Level Air Services could be set up so as to adequately respond to consumer demand and enable long term market growth; as also profitable operations.

2. While the Committee on the one hand has recommended the establishment of an airline subsidiary

to Indian Airlines for operation of Third Level Air Services it has also recommended certain concessions and incentives to be given to private operators so as to enable them to engage in the Third Level activities. Similarly, State Governments have also been encouraged to get into collaborative arrangements with private operators for a more intensive net work of Third Level Air Services in their own regions.

»3. In drawing up its scheme of Third Level Operations, the Committee has also made certain proposals whereby the establishment and development of the Third Level Air Services will not impose any burden whatsoever on the resources of either the Central Government or the States. The Committee has also recommended import of 20 small aircraft for immediate operation of Third Level Air Services. However, the type of aircraft to be used will need to be determined by the operator in accordance with established procedures and policies. The Committee has also stressed the need for Hindustan Aeronautics Limited to undertake an urgent programme for the* development of indigenous production of aircraft for Third Level Air Services.

4. Side by side with provision of Third Level Air Services, the Committee has also recommended integrated development of aerodromes, ground equipment, navigational and communication facilities so as to enable an accelerated growth of Third Level Air Services within the country. Recommendation* have also been made for financing of these facilities without any cost to the Centre or the States.

5. The Committee has characterised its proposal of serving 50 new population centres as "modest" and feels that a far more ambitious programme should be undertaken for the future, considering India's size, population,

economic growth and the rising expectation of the people.

Rise in price of gold

*35. SHRI SWAMI DINESH CHANDRA: SHRI DHARAMCHAND JAIN: SHRI SITARAM KESRI;

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the gold prices in the country touched a new high in the first fortnight of October this year; if so, what are the reasons therefor;

<1>,' whether the rise in prices of gold is also attributable to cornering of the gold auctioned by the Reserve Bank of India by a few interested parties; if so, what action Government have taken in this regard and with what results;

(c) what, is the percentage of rise in the prices of gold month-wise, since April this year; and

(d) What steps Government have taken to contain the rise?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) The price of gold in the country registered a steep rise in the first fortnight of October this year. The rise would appear to be due to the sharp increase in international prices of gold in recent months and also the play of speculative forces.

(b) No, Sir. Survey conducted by the Gold Control authorities in regard to the gold disposed of in the auctions does not indicate that the gold sold has been cornered by a few dealers. Accounts and stock of gold of all prominent dealers are being checked to ensure that no transactions take place outside the ambit of the Gold Control Act.