

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK) : No, Sir.

Demand by some States for Greater Power of Taxation or a bigger share of Central Revenues

1049. SHRI SHYAMLAL GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that there has been a recent demand by certain States like West Bengal and Kerala for an enhanced delegation of power of taxation in their favour or in the alternative, a bigger share in the Central revenues; and

(b) if so, what is the nature of the demand made by the State Governments and what is Government's reaction thereto ?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL) : (a) and (b) A communication on certain aspects of Centre-State financial relations and economic development was received from the Chief Minister of Kerala some time back. From the Government of West Bengal, no such communication has been received but they have asked for additional plan assistance for the gap in resources.

The Centre-State fiscal, and economic relations are governed by the relevant provisions of the Constitution which have stood the test of time. Given a spirit of understanding, good-will and co-operation, it is possible to find satisfactory answers within the frame-work of these provisions to the problems which may arise from time to time in the Centre-State fiscal and economic relations.

Ban on import of gift tractors

1050. SHRI SUJAN SINGH : Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state :

(a) whether it is a fact that Government have banned the import of tractors by the

farmers as gifts from their relatives abroad; and

(b) if so, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG) : (a) Yes, Sir.

(b) The response to the Gift Scheme in the last year of its operation was poor. A part from this, the Deptt. of Heavy Industry had, in 1975, introduced another scheme for allocation of indigenous tractors, on priority basis, against remittance of foreign exchange by Indian residents abroad to their relatives in India.

Profits earned by American Firms

1051. SHRIMATI SUSHILA SHANKAR ADIVAREKAR : SHRI VITHAL GADGIL :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the profits on the capital investment of American firms in India has increased phenomenally during the last five years ;

(b) whether it is a fact that the rate of profit earned by American firms in India is among the highest in the world; and

(c) if so, what action is being taken in this regard ?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL) : (a) Latest available data on the ratio of net profit to net worth for U.S. companies in India are as follows :

1970-71	. 14.6%	
1971-72	. 16.4%	
1972-73	. 14.6%	
1973-74	. 10.9%	} provisional.
1974-75	. 12.0%	