

was declaring prizes in the name of non-existing persons or in the name of his benamidars.

(c) The Finance Bill 1972 seeks to amend the Income-tax Act, 1961 with a view to make prizes won in lotteries taxable. Instructions have been issued to all Income-tax Officers to collect information about the winners of lotteries in each State and communicate it to the Income-tax Officers concerned with a view to consider the liability of the winner to wealth-tax and the liability on the Income from the investment of the winnings to income-tax.

#### **MORATORIUM ON FOREIGN DEBTS**

374. SHRI S. KUMARAN:  
SHRI S.G. SARDESAI: SHRI  
BHUPESH GUPTA:

Will the Minister of FINANCE be pleased to state :

(a) Whether the question of declaring a moratorium on foreign debts has been examined by Government; and

(b) if so, what are the details in this regard ?

THE MINISTER OF FINANCE (SHRI Y.B. CHAVAN) : (a) and (b) Government do not consider it desirable to declare a moratorium on repayment of foreign debts.

#### **LOSS INCURRED BY AIR INDIA**

375. SHRI K.C. PANDA :  
SHRI BIRA KESARI DEO :  
SHRI LOKANATH MISRA:  
SHRI K.P. SINGH DEO :

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

(a) The total loss, if any, incurred by Air India after the introduction of foreign travel tax ;

(b) Whether there are other reasons also which cause loss to Air India; if so, the details thereof; and

(c) Whether Government are formulating any scheme to ensure efficient function-

ing of Air India with a view to avoid losses and if so, the details thereof ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH) :

(a) While the foreign travel tax has had an inhibitory effect on travel from India, it is difficult to assess the actual extent of the loss.

(b) The main reasons for the losses are :

1. Substantial increases in staff costs following wage settlements.

2. Decline in the rate of growth of world air travel due to the recent monetary crisis in the U.S.A. and Europe.

3. Additional expenditure on account of circuitous flying to avoid Pakistani territory.

4. Increase in insurance rates to cover hijacking and war risks.

5. Disruption of services on account of Pakistani aggression.

(c) Air India are making strenuous efforts to effect economies in expenditure, optimise fleet utilisation and promote traffic. The Corporation has also established a charter company for cheap charter operations.

#### **BRITISH PROPOSAL FOR SENDING FLAGSHIP INTO BAY OF BENGAL**

376. SHRI DAHYABHAI V. PATEL .  
SHRI K. C. PANDA : SHRI  
LOKANATH MISRA : SHRI K.  
P. SINGH DEO :

Will the Minister of DEFENCE be pleased to state :

(a) whether the British Government had proposed to send a flagship into the Bay of Bengal during the Indo-Pakistan conflict; and

(b) what was the reaction of the Government of India in regard thereto ?

THE MINISTER OF DEFENCE (SHRI JAGJIVAN RAM) (a) and (b) : The British Government had during the recent Indo-Pak hostilities, sought Government of India's agreement for the evacuation of their nationals from Bengla Desh by Ships of Royal Navy. The proposal, however, was withdrawn by them when the British authorities agreed that satisfactory arrangements had already been made for evacuation of the British and other foreign nationals and any other step was unnecessary.

#### SEIZURE OF SMUGGLED GOLD

377. SHRIMATI PRATIBHA SINGH:  
SHRI SWAISINGH SISODIA :

Will the Minister of FINANCE be pleased to state :

(a) the amount and value of smuggled gold seized by the customs authorities during the years 1970-71 and so far in 1972; and

(b) the steps taken by Government to prevent smuggling ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) (a) : The quantity and value of smuggled gold siezed by the Customs and Central Excise authorities during the years 1970, 1971 and 1972 (upto February) were as under :

Year	Quantity (Kgs)	Value at inter- national rate  (Rs. Lakhs)
1970 . .	5,076	428
1971 . .	2,051	178
1972 (upto February)	629	53

(b) The following measures have been taken to prevent smuggling of contraband goods including gold : Systematic collection and follow-up of information, keeping a watch-ful eye on the suspected smugglers rummaging of suspected vessels and aircraft

and petrolling of vulnerable sectors along the coast and the land frontiers. Some senior officers of the rank of Collectors of Customs, Addditional Collectors of Customs and Assistant Collectors of Customs have been posted in vulnerable areas to look after anti-smuggling work exclusively. Customs Act, 1962 has been amended making additional provisions to take spejial measures for the purpose of checking illegal import and export of certain commodities and facilitating their detention. The position is also reviewed frequently in the light of the information collected, for suitable action.

378. [Trans/erred to the 6th April, 1972.]

#### SUPPLY OF CTUDE BY IRAQ

379. SHRI DHAYABHAI V. ?ATEL : Will the Minister of PETROLEUM AND CHEMICALS be pleased to state :

(a) whether it is a fjet that Iraq has offered to increase its supply of crude to India gradually and also to finance an oil refinery ;

(b) whether the crude has been tested in India, if so, what is the technical report;

(c) the details of terms on which Iraq has made its offer ;

(d) whether Iraq has signed an agree-ment for the setting up of an oil refinery in our country ; and

(e) if so, the place where this refinery will be set up ?

THE MINISTER OF LAW AND JUSTICE AND PETROLEUM AND CHEMICALS (SHRI H. R. GOKHALE) : (a) to (e) Iraq is not supplying crude oil to India at present. A broad agreement his been reached with Iraq for supply of crude oil. Delailed ter.ns and conditions are still being negotiated, preliminary laboratory evaluation shows that Iraqi crude can be processed in the Barauni Refinery after-undertaking some modifications there. The Iraqi offei to finance an oil efinery baied en Iraqi crude can be pursued only when an agreement reached is regarding terms and conditions of supply of crude oil.