

Government has been saying that all planning has to be from below and there should be decentralisation of more power. Of course, the hon. Minister has already stated that there are medium projects costing about Es. 18 crores. But the question is Whether as a matter of policy the j Planning Commission or the Government of India does not find the rationale of accepting a proposition that where there is a project costing not more than Rs. 10 crores the Government shou'd accept the suggestion that the various States including ! Maharashtra, should be given the power to implement that project? It is a matter of policy since you want planning from below. That is what they say. So why don't you give power to the State Governments?

DR. K. L. RAO: Sir, I have already ! stated that the Government of India thinks that Rs. 5 crores is a proper limit and in the case of such 'a project scrutiny is necessary. I also think so. Rs. 5 crores is a very large amount and for such projects it is necessary to have two opinions on the subject even from the technical point of view.

#### SMUGGLING OF SILVER OUT OF INDIA

\*183. SHRI ABID ALI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently ia large quantity of silver has been smuggled out of India to some Arabian Port; and

(b) if so, what was the approximate value of the same and what action has been taken to minimise the smuggling?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT): (a) and (b) The Government is Uware that silver is being smuggled out of India to some Arabian ports, but the quantity or value of silver smuggled cannot be estimated.

Among the important steps taken by Government ,o cneok smuggling including the smuggling of silver **out** of the country are: systematic collection and follow-up oi information, setting up oi reliable informers and keeping a watchful eye on the various gangs of smugglers, rummaging of suspected vessels and aircraft, patrolling of vulnerable sections of the coastal waters, and the coastline and land frontiers, launching of prosecution in suitable cases in addition to departmental adjudication.

SHRI ABID ALI: Is it not a fact that in some newspapers recently some assessment was made of the quantity and value of the silver smuggled out? It was also stated that in place of that gold was being brought in and also some other merchandise. Has the attention of the Government been drawn to this particular assessment and can the Government give us some idea of the value of the smuggled out si ver etc. and also the value of the imported smuggled gold? Ultimately, how all this will result so far as our economy is concerned?

SHRI K. C. PANT: One of the main reasons to which this smuggling of silver is attributed in marketing circles etc. is that payment can be made for .contraband imports by silver. As for the second point as I have stated in reply to the main question it is very difficult for us to estimate the exact quantity o\* such exports. We know only the seizures which we have made during the last few years.

SHRI ABID ALI: Give that. That also will be of interest.

SHRI K. C. PANT: In 1965 it was Rs. 11 lakhs worth, in 1966 it was Rs. 71 lakhs and in 1967 it was Rs. 2.51 crores.

SHRI K. P. MALLIKARJUNUDU: What is the price of silver in the international market and what is its price in the domestic market? Is the j difference between the fw<sub>0</sub> such as j to provide the incentive for the smugglers to make these unauthorised exports?

SHRI K. C. PANT: According to the difference that existed some time back a profit of Rs. 8,000 could be made on every bar of 32 kilogrammes of silver. That is the information we have. And since then the internal prices of silver have gone up.

SHRI JOACHIM ALVA: Is Government aware of the fact that a different type of operation is now being fulfilled? In the thirties when the United Kingdom had the gold sterling crisis there was a terrific outflow of gold from this land through the major operators, the Birlas, who whilst throwing incense at the Gandhian shrine took charge of this export of gold and weakened our economic position. Now another period of history has come when so much silver is being exported from the land. Silver worth some two to three lakhs of rupees is being exported daily, approximating 300 or 400 kilogrammes. We may draw comfort from the idea that we have a 1000 or 1500 million kilogrammes here. But then the United States Government as early as . . .

MR. CHAIRMAN: You are making a speech.

SHRI JOACHIM ALVA: I am coming to the point.

MR. CHAIRMAN: During Question Time a Member should not make a speech.

SHRI JOACHIM ALVA: I am on the point, Sir. In the USA President Roosevelt as early as in 1934 put a ban on gold and banned that, no American citizen should own gold except for technical purposes. And then in 1960 President Eisenhower ordered that no American citizen shall own gold outside the land except for technical purposes. We have not yet accepted the great example of the United States of America. What are we doing? What action are we taking to strengthen and make ruthless the machinery against silver smuggling?

SHRI MORARJI R. DESAI: May I say, Sir, that the hon. Member himself did not support this measure when it was brought in?

SHRI JOACHIM ALVA: No, no. I admired the Hon. Minister's idealism. I supported it with qualifications Sir.

MR. CHAIRMAN: Mr. Chinai.

SHRI JOACHIM ALVA: I admire the Finance Minister's idealism about gold.

SHRI BABUBHAI M. CHINAI: In view of the fact that foreign exchange is lost both by smuggling silver from this country to the tune of about 200 to 300 Kgs. every day—it is known in market circles—and also by gold being smuggled into this country—gold is bought at international price and sold at very high prices in this country and the money thus realised is not kept in the country but it goes out—in view of the fact that there is this two-way traffic of smuggling with its consequent loss of foreign exchange may I know from the Government what steps they are thinking of taking to stop this two-way traffic of smuggling and drain of foreign exchange? What is happening is we have practically no reserves of gold and whatever silver is there in the country is being drained out every day to the tune of about 200 to 300 Kgs. Will the hon. Minister be kind enough to assure us that all necessary steps will be taken to stop this two-way traffic in smuggling and the drain of our foreign exchange?

SHRI MORARJI R. DESAI: May I say, Sir, that I have no evidence of what the hon. Member says? About the figures I do not know how he got the figures. If he has concrete information about this I shall be grateful if he gives it to me. He is failing in his duty if he does not pass on that information to me. If that is done, then, I shall certainly be able to stop it. There is some smuggling going on both in silver and gold—that

is quite true but how much it is, it is very difficult to say. We are trying to take all kinds of measures and also devising new measures to see that this smuggling is reduced to a minimum.

**COMPONENTS FOR SULPHURIC ACID  
PROJECT SINDRI**

- 184. SHRI M. M. DHARIA:  
SHRI A. G. KULKARNI:!

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) the extent of the imported components required for the setting up of the Sulphuric Acid Project at Sindri;

(b) whether it is a fact that these components are indigenously available but are not of the standard specifications; and

(c) if so, the steps taken to improve the standard of such indigenous components?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND OF SOCIAL WELFARE (SHRI K. RAGHURAMAIAH): (a) 55 items were originally planned to be imported for the Sulphuric Acid Project of Pyrites and Chemicals Development Co. Ltd., at Sindri. Of these, only 45 items have been|are being actually imported.

(b) Of the 45 items imported | being imported, 12 items are manufactured in the country but are not of the required specifications.

(c) Efforts were made and wi'l continue to be made to persuade the indigenous manufacturers to manufacture items of the requisite quality.

SHRI A. G. KULKARNI: May I know if the setting up of this Sulphuric Acid Project at Sindri and the

■ {•The question was actually asked on the floor of the House by Shri A. G. Kulkarni.

I fabrication of the plant have been inordinately delayed? Even the Public Accounts Committee in its recent Report has mentioned about this delay. On pages 26-27 of the Report for 1967-68 they say that in this Sindri Fertiliser Project Expansion Scheme there was delay in granting permission to the purchase or import of certain parts. Has the Government now made arrangements to import or procure all the parts required for the expansion project at Sindri?

Secondly, since sulphuric acid is very urgently required—it is one of basic raw materials required for industrial and chemical production— may I know whether the Government will take the utmost care to put the I Sindri Fertiliser Expansion Project into operation quickly so that we will get the sulphuric acid which is very urgently required?

SHRI K. RAGHURAMAIAH: So far as delay is concerned, I might bring to the notice of the hon. House that the agreement was entered into on 4th June 1965 for the erection and commissioning of the project and according to the agreement it is to be commissioned within twentyfour months after the last of the dates given in the agreement itself, date of signature, date of receipt, date of providing the import licence etc. When it is going to be commissioned in October as we anticipate it will be within the terms of the agreement.

As regards the indigenous angle, certainly every effort is made to procure as much as possible indigenously but where an indigenous article is not of the requisite specification and is not suitable—naturally it is the D. G. T. D. that gives the clearance; it is not done by this Ministry. It has to be cleared by the D.G.T.D.—we appreciate the urgency of getting on with the Sulphuric Acid Project and we are making every effort to hurry up with it.