

the same treatment in the Income-tax Rules as are given to authors?

SHRI B. R. BHAGAT: As for the latter part of the question, it has not been considered necessary to extend that facility to them. As for the letter addressed to the Finance Minister, I am not personally aware of it.

SHRI I. K. GUJRAL: May I know what are the reasons for not thinking it desirable to extend these rules to these creative persons, namely, these architects and artists, and apply to them the same rules as are being applied to authors and writers?

SHRI B. R. BHAGAT: Rule 21 of the Income-tax Rules contains certain provisions applicable to professional persons including authors, artists etc. Section 80 (c) of the Income-tax Act contains certain other provisions for professional people including architects.

SHRI A. D. MANI: How many artists are paying income-tax, since this is not a lucrative profession at all? And may I ask further how or why architects are qualified to claim any tax facilities, particularly in view of the fact that the architects' profession is a very paying profession in India?

SHRI B. R. BHAGAT: Sir, I would require notice to give the information as to how many artists pay income-tax. I do not have that information with me.

#### †U.S. LOAN FOR IMPORT OF INDUSTRIAL COMMODITIES

\*664. THAKUR BHANU PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the United States Government have agreed to give loans amounting to Rs.

†Transferred from the 16th September, 1965.

92.3 crores for import of industrial commodities by India; and

(b) if so, which commodities are expected to be imported out of this loan?

THE MINISTER OF PLANNING (SHRI B. R. BHAGAT): (a) and (b) A statement is laid on the Table of the House.

#### STATEMENT

The two loans totalling Rs. 92.3 crores from the United States Agency for International Development, for which agreements were signed on June 17, 1965, are as follows:

- (i) Commodity Program Assistance 1964-65 AID Loan No. 386-H-138—(known as the Fifth Non-Project Loan) for \$190 million (Rs. 90.5 crores).
- (ii) Seventh Railway Loan—AID Loan No. 386-H-137 for \$3.8 million (Rs. 1.8 crores).

2. The Commodity Program Assistance is intended to finance the foreign exchange costs of imports from USA of a broad variety of Commodities and equipment such as fertilizers, steel, non-ferrous metals, chemicals, pesticides, D.D.T., sulphur, lubricants, machinery and machine tools, components and spare parts, loco spares, scientific and laboratory equipment and professional instruments, essential for the maintenance of the economy.

3. The Seventh Railway Loan will meet the foreign exchange costs of acquiring 21 broad gauge diesel electric shunting locomotives with a two year supply of spare parts.

THAKUR BHANU PRATAP SINGH: May I know whether the State Trading Corporation or any other agency will be given the necessary permit to import these commodities?

SHRI B. R. BHAGAT: These are non-project loans and for certain projects it is necessary; those projects will

be given licences or, if it is necessary that the State Trading Corporation should import them in bulk, that also will be considered as and when the occasion arises.

**THAKUR BHANU PRATAP SINGH:** May I know from which of the countries these commodities are to be imported?

**SHRI B. R. BHAGAT:** This is a U.S. Loan and it would be available from the United States.

**SHRI SITARAM JAIPURIA:** May I know whether the total imports against this sanction will be only by the different Government agencies or will the private sector also be allowed to take advantage of the loan that has been sanctioned by the United States Government?

**SHRI B. R. BHAGAT:** This covers equipment, fertilisers, non-ferrous metals, chemicals, pesticides, sulphur, etc., etc., and whoever requires any of these commodities in the national interest will be given the permit.

**SHRI A. D. MANI:** Sir, according to the statement, the import of twentyone broad gauge diesel electric shunting locomotives is included in this loan. May I know whether the Diesel Locomotive Works at Varanasi had expressed their inability to manufacture these locomotives in India? We were given to understand, whenever the Railway Minister spoke on the subject, that India had become self-sufficient in regard to the manufacture of diesel electric locomotives.

**SHRI B. R. BHAGAT:** Sir, we are trying to be self-sufficient but even for indigenous manufacture we require certain components and spare parts and some of the essential commodities. That we will continue to import even in the future.

**SHRI ARJUN ARORA:** May I have an assurance from the Finance Minister that none of these loans would be utilised to buy Patton Tanks and

Sabre Jets which have proved worthless?

(No reply)

**SHRI SITARAM JAIPURIA:** The hon. Minister said earlier that sulphur would be one of the items to be imported against this loan. Is the hon. Minister aware that the sugar industry has been suffering very badly because as against its requirement of twentyfour thousand tons, only a very little quantity has been imported because of shortage of foreign exchange. Will the hon. Minister consider the import of sulphur under this scheme?

**SHRI B. R. BHAGAT:** Sir, if a request in a proper way comes, certainly it will be considered.

**SHRI SITARAM JAIPURIA:** We will send a proper request.

**SHRI SANTOKH SINGH:** Sir, the hon. Minister stated just now that equipment and machinery would be imported under this loan. Keeping in view the fact that the loan has got to be returned along with interest, may I know if the Government is thinking in terms of importing only such of the equipment which could not be easily fabricated in India?

**SHRI B. R. BHAGAT:** I am sorry I did not catch the question.

**SHRI SANTOKH SINGH:** I want an assurance that no machinery . . .

**MR. CHAIRMAN:** No, you cannot. This is not the time for asking for an assurance. This is the time for questions. Have you a question?

**SHRI SANTOKH SINGH:** Keeping in view the fact that these loans have got to be returned along with interest, may I know if the Government is thinking of taking precautions not to import machinery and equipment which could easily and economically be indigenously fabricated in the country itself?

SHRI B. R. BHAGAT: Yes, Sir, that we will keep in mind.

SHRI C. M. POONACHA: May I ask the hon. Minister whether it is not a fact that in respect of industrial raw materials, particularly non-ferrous metals and others, the prices that are charged for these commodities that are bought under this credit are far more than the ruling international market prices?

SHRI B. R. BHAGAT: I do not know, Sir, I do not have the price comparison here but I will certainly look into it.

\*754. [The questioner (Shri Ram Singh) was absent. For answer, vide col. 4945 infra.]

#### FOREIGN EXCHANGE ALLOTTED TO SPORTS ORGANISATIONS

\*755. SHRI ARJUN ARORA: Will the Minister of FINANCE be pleased to state whether the sports organisations which were allotted foreign exchange during the years 1962-63, 1963-64 and 1964-65 have submitted returns of their expenses and earnings and accounts of utilisation of foreign exchange released in their favour?

THE MINISTER OF PLANNING (SHRI B. R. BHAGAT): Current regulations do not require sports organisations who have been released foreign exchange, to render any accounts of their expenses and earnings. The law, however, requires that foreign exchange should be utilised only for the purpose for which it has been released. Savings, if any, are required to be surrendered to authorised dealers in foreign exchange within 30 days.

SHRI ARJUN ARORA: May I know whether the current rules, to which the hon. Minister has made a reference, require that the people who get the foreign exchange for the promotion of sports do render accounts to somebody and whether that rule has been satisfied by all the sports organisations to which exchange was released?

SHRI B. R. BHAGAT: They may be submitting their accounts to their parent organisations or to the Education Ministry which sponsors some of these programmes but under the foreign exchange rules, they are not required to submit any account. If we get any report or representation that this exchange has been misused, we look into it.

SHRI ARJUN ARORA: May I know the quantum of exchange released during these years to the various sports organisations?

SHRI B. R. BHAGAT: In the last three years, for various sports organisations going abroad, we released Rs. 8,280 in 1962-63, Rs. 23,870 in 1963-64 and for 1964-65—this happened to be the Olympic Year—we released a sum of Rs. 1,63,712.

SHRIMATI SHAKUNTALA PARANJPYE: The hon. Minister said just now that they are not required to submit any account. He also said that they were supposed to spend the foreign exchange for the purpose for which it was sanctioned. If they are not to submit any accounts, how is it that the Government could find out whether they spend it for the purpose for which it was sanctioned?

SHRI B. R. BHAGAT: We do not find out unless somebody says or there is a definite allegation that they have been misused, when we start the enquiries.

SHRI ARJUN ARORA: There have been allegations in the press in the month of June. Will the Minister give an assurance that in view of those allegations in the press, he will . . .

HON. MEMBERS: No, no assurance. Question.

SHRI BHUPESH GUPTA: Make it, has the Minister considered the advisability of . . .

SHRI ARJUN ARORA: In view of the allegations in the press that the various bodies to which foreign ex-