

(b) and (c). Certain States have been requesting from time to time for writing off/rescheduling of loans advanced to them by the Centre. This question has been referred to the Sixth Finance Commission.

Overdrafts by States

1729. SHRI SAMAR GUHA: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have adopted any new procedure to regulate overdrafts by different State Governments;

(b) whether such overdrafts ultimately turned into loans in some cases; and

(c) if so, the broad outlines thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) Under the procedure which has been worked out in consultation with the Planning Commission and the Reserve Bank and which has come into effect from the 1st May, 1972, in case any State Government has an overdraft continuously for 7 days, the Reserve Bank would automatically suspend payments which will be resumed only when the overdraft disappears. The State Governments have throughout been kept informed of the views of the Government of India in this regard.

(b) and (c). The Government of India have cleared the overdrafts of the States partly by giving ways and means advances and partly by making advance releases of the States' share in Central taxes and Plan assistance due to them in 1972-73. Ways and Means support totalling Rs. 510.67 crores is being given to the States in the current year out of which Rs. 421.13 crores will be converted into medium terms loans and the balance recovered in the current year.

Deficit Financing

1730. SHRI SAMAR GUHA: Will the Minister of FINANCE be pleased to state:

(a) whether any study has been made to determine the extent of rise of prices due to deficit financing resorted to in the Five Year Plans;

(b) if so, the outcome of the study; and

(c) the likely quantum of deficit financing to be undertaken for completing the Fourth Five Year Plan?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) No Sir. It is not possible to isolate the effect of deficit financing from other factors operating simultaneously on the economy and thus quantify the extent of price rise attributable to deficit financing.

(b) Does not arise.

(c) Total deficit financing by the Centre and States in the first three years of the Fourth Five Year Plan (i.e. 1969-70 to 1971-72) has amounted to Rs. 1127 crores. For the last two years, the budgetary deficit at the Centre is estimated at Rs. 550 crores for 1972-73 (Revised Estimates) and Rs. 85 crores for 1973-74 (Budget Estimates). The corresponding information for States is not as yet available.

Utilisation of amount by West Bengal Government for setting up a Tourist Hotel and a Youth Hostel At Darjeeling

1731 SHRI SAMAR GUHA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether the amount provided by the Central Government for setting up a tourist hotel and Youth Hostel at Darjeeling has been utilised by Government of West Bengal; and

(b) if not, whether the promised Central assistance will lapse by the end of the present financial year?