

**SHRI A. C. GEORGE:** In the current year, that is in 1972, our export of Indian tea was 207.3 million kilograms. It is, of course, true that we did not reach the target. Our performance is not bad. About amenities to tea exporters, I think he refers to excuse duty of the zonal system; we are looking into it.

**SHRI JAGANNATH RAO:** May I know if UK's entry into FEC would affect our tea exports to UK?

**SHRI A. C. GEORGE:** May not directly affect; but as I said our problem is one of competition from new African producing countries where UK itself has got certain direct interest.

श्री हुकम चन्द कछवाय अनेक देशो मे हमारी ओर से इण्डियन टी हाऊन के नाम मे जो टी हाउमेज चलाए जाते है, क्या यह सही है कि उन पर खर्च अधिक किया जाता है और उगमे कोई आमदनी नही होती है? और जिन देशो मे हम चाय भेजते है वहाँ देश हमारी शुद्ध चाय नही बेचते है, वह किमो अन्य देश की चाय का मिक्सचर कर के उस बेचते है जिन मे हमारी चाय के बारे मे सही जानकारी नही हो पाती, तो क्या जिन देशो के साथ करार किया जाता है उन के साथ यह शर्त रखे कि हमारा चाय जो बेची जाए वह शुद्ध रूप मे लोगो को मिले न कि किमी किम्म की मिश्रण उभ मे ली जाय?

अध्यक्ष महोदय क्या प्रश्न दखा ?

श्री हुकम चन्द का प्रश्न सही है।

अध्यक्ष महोदय क्या आप उम्मेद करते है कि हमारे चाय निर्यात में

The question says Whether a new agreement has been arrived at between major tea exporting countries regarding tea export quota and if so the broad outlines thereof.

श्री हुकम चन्द कछवाय : मैं ने कहा जो चाय निर्यात करते है उसे उन देशो में बे लोग शुद्ध रूप मे नही बेचते है, उस मे मिश्रावट करते है तो जो करार किया जाता है ,

**MR SPEAKER.** If this question can fit in somewhere you can reply.

**SHRI A. C. GEORGE** If he insists I will fit it in. Naturally Indian centres will be only selling and promoting Indian tea. The Member may have a point that these centres are not doing much. We intend handing over these centres to Indian Tourism Development Corporation who may them with some commercial outlook.

श्री हुकम चन्द कछवाय : अध्यक्ष महोदय, मेरे प्रश्न का उत्तर नही आया। जिन देशो के साथ करार किया जाता है क्या उस करार के साथ यह भी शर्त है कि वह हमारी चाय को किमी अन्य देश की चाय के साथ मिला कर नही बेचेगे।

**MR SPEAKER** No I am not allowing it. Next question.

एक बात बना व शर्त की, यह जो चाय की आवंटन दूसरी दशा भरकर उठने का, यह बहुत बुरा है।

### Overdrafts by States

\*522. **SHRI SHANKAR DAYAL SINGH:** Will the Minister of FINANCE be pleased to state:

(a) the position regarding overdrafts taken by the State Governments as in July, 1973;

(b) whether there is any limit and criteria fixed for taking the overdrafts by the State Governments; and

(c) if so, the broad outlines thereof?

THE MINISTER OF FINANCE  
(SHRI YESHWANTRAO CHAVAN):

(a) The amount of overdrafts outstanding, state-wise as on 31st July, 1973 is as follows:

	Rs.
1. Bihar	0.84 crores
2. Rajasthan	0.61 crores.

(b) and (c). It is no longer possible for the State Governments to use overdraft as a budgetary resource. Under the procedure which has been worked out in consultation with the Planning Commission and the Reserve Bank of India and which has come into effect from 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.

श्री शंकर दयाल सिंह : सरकार की तरफ से जो नीति निर्धारित की गई है ओवर ड्राफ्ट के मामले में उस का कहां तक पालन होता है यह मैं नहीं जानता, इसलिए मैं जानना चाहूंगा कि कौन से ऐसे राज्य हैं जिन्होंने आपके सीमा निर्धारण के बाद भी अधिक ओवर-ड्राफ्ट लिया हो और उन का पेमेंट आप ने बन्द करवा दिया हो? इस के साथ साथ मैं यह भी जानना चाहता हूँ कि जो ओवर ड्राफ्ट लिए जाते हैं उन को चुकता करने के बारे में राज्य सरकारों को क्या निर्देश दिए जाते हैं?

SHRI YESHWANTRAO CHAVAN:  
One can find the best working of the scheme in its actual performance. In the first year, naturally, as the scheme was new there were certain difficulties. And the State Governments had to adjust themselves. As I find, for the year 1972-73, the scheme has worked quite satisfactorily because by the end of March, the overdraft that I see from the information is only about Rs.

51 crores as against more than Rs. 400 crores the year before. So, I can say that the scheme has certainly worked well.

श्री शंकर दयाल सिंह : मेरा प्रश्न यह था कि आप ने कहा कि रिजर्व बैंक को आप ने निर्देश दिया है कि जब सीमा रेखा से अधिक ओवर-ड्राफ्ट हो जाए तो वह उन को फिर भुगतान बन्द कर दे, तो क्या अभी तक ऐसा किसी राज्य में हुआ है?

श्री यशवन्तराव चव्हाण : सात दिन के पहले उन को देना पड़ता है। नहीं दिया तो रिजर्व बैंक तो देता नहीं है। यह रूल तो चलता ही है।

श्री शंकर दयाल सिंह : किसी ने प्रोमिशन किया?

श्री यशवन्तराव चव्हाण : जी हा, कई केसेज में ऐसा हुआ है।

श्री शंकर दयाल सिंह : किन किन राज्यों में?

SHRI YESHWANTRAO CHAVAN:  
I think it had to be done in regard to ministries because they had to be given financial assistance and then they adjust themselves and make the payment.

श्री शंकर दयाल सिंह : पहले ऐसा होता था कि राज्यों की ओर से केन्द्र को आर्थिक मदद मिलती थी और आजकल ऐसा आर्थिक ढांचा चलाया गया है कि केन्द्र की ओर से इस समय राज्यों को मदद मिलती है। नतीजा यह होता है कि आर्थिक भ्रमभूल्यन बहुत तेजी से बढ़ रहा है। उसको पूरा करने के लिए केवल नोट छापना छोड़ कर के और कोई बात नहीं हो रही है। क्या आगे से बिल मंत्री ऐसी व्यवस्था करेंगे कि जिससे कोई भी राज्य ओवर ड्राफ्ट के रूप में अधिक न ले सके? जनसंख्या के आधार पर एक निश्चित राशि आप उन को निर्धारित कर दें कि इससे अधिक आप नहीं ले सकते हैं। उस

से अधिक कोई भी राज्य नहीं ले, क्या सरकार ऐसी व्यवस्था करेगी ?

**SHRI YESHWANTRAO CHAVAN:** This is exactly what the scheme is. They have certainly laid down certain ceilings beyond which they cannot overdraw. But, at the same time, the State Governments are also entitled to get assistance from the Central Government by two or three methods. One is by devolution of the tax. Certainly they get the central assistance. As the scheme exists, under the plan scheme, they are entitled to have it. In cases of certain States where there is a gap between their resources and the non-plan expenditure, some special assistance is also given looking to the revenue expenditure. So, these three methods are used sometimes to save the States from the financial difficulties.

**SHRI P. M. MEHTA:** I would like to know from the hon. Minister whether it is a fact that loans have been advanced to the States to clear the overdrafts taken by them. If so, may I have the figures of money advanced Statewise to clear the loans?

**SHRI YESHWANTRAO CHAVAN:** Sometimes releases are made to adjust that. They do not go in for overdraft.

**SHRI P. M. MEHTA:** What is the Statewise amount given to clear the overdraft?

**SHRI YESHWANTRAO CHAVAN:** For the first year I have got with me the figures. If you want I can give it. The overdrafts are converted into and term loans. The Statewise figures are:

	Rs.
Andhra Pradesh	60 crores
Assam	22.75 "
Bihar	18.75 "
Haryana	12.73 "
Jammu & Kashmir	8.15 "
Kerala	12.77 "
Mysore	53.17 "

	Rs.
Orissa	4.92 crores
Rajasthan	78.89 crores
Tamil Nadu	54.69 crores
U.P.	17.81 crores

**अध्यक्ष महोदय :** आपने पंजाब को छोड़ दिया।

**SHRI N. K. P. SALVE:** The Finance Minister has enumerated three channels through which the Centre assists the States financially. Firstly, they get what is due to them from the taxes, that is, their share in taxes. We have nothing to say in regard to that. Then, they get what is due to them for planning. We have nothing to say on that also. The third channel is a very shady channel; where the States do not have sufficient resources and they spend money, they get assistance.

**MR. SPEAKER:** Let him come to his question straight.

**SHRI N. K. P. SALVE:** I am putting my question.

So far as assistance to the State from the Centre through the third channel namely assistance where the resources are not enough to meet their expenses, is concerned, the Centre-States relationship comes to a very delicate point. May I therefore know whether there are any well laid down criteria so that the States are not spoilt and those States which indulge in reckless deficit financing and do not mobilise their own resources fully do not run away with a large share of assistance from the Centre?

**SHRI YESHWANTRAO CHAVAN:** First of all, I would advise the hon. Member not to use the word 'shady'; he said that the way the resources were used was somewhat shady.

**SHRI N. K. P. SALVE:** I said 'shady' not with reference to the Centre but with reference to the States.

**SHRI YESHWANTRAO CHAVAN:**  
Even with regard to the States, let him not use it.

**SHRI N. K. P. SALVE:** If the hon. Minister thinks that it is not desirable, I withdraw it.

**SHRI YESHWANTRAO CHAVAN:**  
I think we have now begun well and now I can answer the question.

So far as the gaps are concerned, these are taken into consideration by the Planning Commission. It is not an arbitrary thing. This scheme was introduced in 1970-71, because we found that some of the States had a feeling that the Finance Commission's allotment possibly could not take into consideration the problems of some specific States. So, certain amounts were indicated at that time for certain specific States on the recommendations and on the very objective assessment of the Planning Commission. It is only on that basis that this is done. But at the same time, for the sake of Centre-State relationship, in case a certain State is in difficulty, I think it is our duty as a federal Government, with the understanding of the Members, to come to the help of the State Government. We are all co-partners in the all-India effort.

**Fall in value of Rupee in Neighbouring countries in the East**

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\*523. **SHRI S. C. SAMANTA:**  
**SHRI SAMAR GUHA:**

Will the Minister of FINANCE be pleased to state:

(a) the steps being taken to offset the falling value of the rupee, particularly in the neighbouring countries in the East;

(b) the variations of the fall in the Rupee value from country to country during the current financial year; and

(c) the reaction of this development in European countries and in U.S.A.

**THE MINISTER OF FINANCE**  
**(SHRI YESHWANTRAO CHAVAN).**

(a) Since the Smithsonian Agreement of December 18, 1971 on realignment of currencies, the Indian rupee has maintained a fixed central rate with pound sterling. This rate has remained unchanged even after pound sterling started floating in June, 1972. As a result, changes in the cross rates of Indian rupee with different countries' currencies depend upon fluctuations of the pound sterling vis-à-vis other currencies.

(b) A statement showing variations in exchange rates of India rupee in relation to currencies of 13 countries (including 6 eastern neighbouring countries) since the beginning of the current financial year, is enclosed.

(c) The Government is not aware of any reaction on the part of European countries and U.S.A. in this regard.