

because of certain trade practices of the Latin American countries, with all the population and potentiality there, we are not able to expand the business. All the same, we have been sending trade missions. We have been inviting their buyers' missions and trying to generate interest in our products. Everyday we are making efforts and though the quantum of our trade may not be up to the mark, all the same it is increasing.

**SHRI P. G. MAVALANKAR:** What about export promotion?

**SHRI A. C. GEORGE:** We are making efforts.

#### Deficit Financing

\*577. **SHRI P. G. MAVALANKAR:** Will the Minister of FINANCE be pleased to state:

- (a) the total amounts of deficit financing during the last three years; and
- (b) the reasons for the successive rise of the deficit?

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

(a) Budgetary deficit of the Central Government as measured by net expansion of treasury bills and change in cash balance amounted to Rs. 517 crores in 1971-72, Rs. 872 crores (excluding Rs. 421 crores provided to States for clearing overdrafts with the Reserve Bank) in 1972-73 and Rs. 319 crores in 1973-74

(b) There was an increase in the Budgetary deficit in 1972-73, compared to that of 1971-72, but it had come down in 1973-74. The large quantum of budgetary deficit in these three years is mainly on account of increase in Defence expenditure due to conflict with Pakistan, expenditure on refugee relief, additional assistance to States to enable them to fulfil their Plan and for agricultural production, larger assistance towards natural calamities relief expenditure and increased expenditure on pay and allowances of Central Government employees.

**SHRI P. G. MAVALANKAR:** In reply to part (a), the hon. Minister has given the figure of Rs. 872 crores, excluding Rs. 421 crores provided to States. If you combine both, it becomes almost Rs. 1,300 crores. Now, in view of the fact that this year also our country is passing through a number of problems like drought, scarcity, floods and other difficulties mentioned in part (b) of the answer, will Government be incurring further deficit financing in order to meet some of these pressing demands in the current year?

**SHRI YESHWANTRAO CHAVAN:** According to the present policy which we have based on the recommendations of the Finance Commission, my answer should be or would be 'No'.

**SHRI P. G. MAVALANKAR:** In view of the fact that deficit financing is generally increasing because of certain factor to which he makes a reference again in part (b), which seem to be almost of a permanent nature, because there is always the danger of attack from nearer countries particularly, and there are the problems presented by drought, relief operations, Central Government employees asking for more pay and so on, does he want us to believe that there is going to be an appreciable fall in deficit financing? Is he trying to see that there are methods like saving of Governmental expenditure and other economies whereby the deficit could be reduced to a lower level in the current year 1974-75?

**SHRI YESHWANTRAO CHAVAN:** I have been answering this question for the last three weeks on different occasions in this hon. House.

#### Exports by Trade Development Authority

\*578. **SHRI N. K. SANGHI:** Will the Minister of COMMERCE be pleased to state:

- (a) whether at a press conference, the Commerce Secretary stated that

the TDA had achieved Rs. 45 crores worth of exports which almost is double the last year's figures;

(b) whether in calculating the export figures, the TDA has taken credit for the exports made by its clients and included *inter alia* the total orders booked irrespective of the fact that a bulk of them had been cancelled subsequently; and

(c) if so, what is the actual break-up of the exports executed by TDA all by themselves and those by their clients during the current year and what steps are being taken to ensure that only verified information is given to Government or to the public about TDA's functions?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A C. GEORGE). (a) to (c). A statement is laid on the Table of the House.

#### Statement

(a) and (b) The Trade Development Authority is a non-trading body engaged in the development and promotion of exports by its clients in 19 product groups, to selected target markets. The Trade Development Authority does not export directly. At the Press Conference held on the 25th June, 1974, the Commerce Secretary had stated that the total exports effected by the Trade Development Authority's clients to these target markets in respect of the 19 product groups amounted to Rs 45.33 crores during 1973-74 as against Rs. 23.28 crores during 1972-73. These figures are based on the actual shipments and do not include orders which may have subsequently been cancelled.

(c) Does not arise

SHRI N. K. SANGHI: May I know whether in these 19 product groups, there have been a lot of cancellations in the export orders and if so, what is the reason for the cancellation?

SHRI A. C. GEORGE: I have made it plain in the statement that the

figure given i.e. 45.33 crores for 1973-74 and Rs 23.28 crores for 1972-73 represent the actual shipments and do not include the cancellations. The cancellations have been very negligible.

SHRI N. K. SANGHI: Since our exports are mainly with the sterling areas and there is a wide fluctuation in the exchange of the sterling, have the Government been able to assess the loss incurred by hedging the rupee with the sterling in our exports?

SHRI A C. GEORGE: I am not sure whether this arises out of the main question. If you so direct, Sir, I will find out and give the answer subsequently.

SHRI N K SANGHI I will be satisfied if he finds out and gives the answer later

MR SPEAKER But your supplementary does not arise out of this question.

SHRI S M BANERJEE: Since the TDA have done a very good job, is there any scheme to make it a permanent body and expand it?

SHRI A C. GEORGE: This is a statutory authority entrusted with the job of promotion of trade activities and exports. The main job of TDA is to explore the markets in foreign countries, find out the possibilities, examine the stipulations in product diversifications and pass on the information to Indian producers so that they may be in a position to match the requirements with the supplies. It is going to be a permanent body and it is doing a good job.

SHRI D D. DESAI: The TDA has been able to develop a number of trade activities. Has the Government earmarked some separate exchange to enable the TDA to have the new plants, raw materials etc. which are required for the purpose of implementing the developmental activities that TDA will be creating?

**SHRI A. C. GEORGE:** Since it is only a promotional body, it cannot go directly into production. It can only help the producers in India in the matter of licensing procedures, raw material procurement, etc.

**SHRI D. D. DESAI:** Once the TDA promotes the export activities, it should have the means to implement those activities. For that purpose, has it got the necessary tools to do it?

**SHRI A. C. GEORGE:** The TDA is a promotional body basically. It gives the necessary help to build up the infra-structure. It does not go directly into the production. All the promotional aspects are taken care of by it.

### WRITTEN ANSWERS TO QUESTIONS

#### Credit by Nationalised Banks

\*570. **SHRI N. E. HORO:** Will the Minister of FINANCE be pleased to state:

(a) whether larger proportion of the total credit from the 14 nation-

alised banks had gone to five large business houses as compared to the credit given to small-scale industries;

(b) whether Government have found out the scope for the nationalised banks to increase credit to small-scale industries; and

(c) if so, the salient features of the policy of Government in this regard?

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

(a) Presumably the Hon'ble Member is seeking to compare the aggregate amount of outstanding advances from the 14th nationalised banks to the industrial concerns owned, managed or controlled by the first five large business houses (ranked according to their assets as in 1969-70) with the banks' outstanding advances to small scale industries. According to the latest available information as on 29-6-1973 the relevant data are as indicated below:—

A. Industrial Groups		Rs. in lakhs.	
Name of the Group	No. of concerns		
1. Tata . . . . .	69	5001.10	(5945.16)*
2. Birla . . . . .	192	7726.27	(5430.17)*
3. Martin Burn . . . . .	23	1367.62	(273.50)*
4. Mafatlal . . . . .	23	2152.59	(2424.86)*
5. Bangur . . . . .	86	2362.47	(1652.03)*
TOTAL	393	18610.05	(15725.72)*

#### B. Small Scale Industries.

No. of units.	No. of accounts	Rs. in lakhs.
80547 (23624)	108274 (34446)	36492.00 (14805.00)@

(i) Percentage of assistance to the five groups to total outstanding credit to all borrowers as on 29-6-1973 5.28%  
(8.55%)\*

(ii) Percentage of assistance to small scale industries to total outstanding credit to all borrowers as on 29-6-73 10.38%  
(8.08%)\*

#### C. Total outstanding banks credit to all borrowers

as on 29-6-1973	351518.00
as on 18-7-1969	183990.00
as on 30-6-1969	183200.00

(iii) Increase of assistance from mid 1969 to mid 1973:

Five Groups	Small Scale industries.
(Percentage increase)	(Percentage increase)
18.2	146.50

**N.B.** \*Figures and percentage within brackets indicate the position as on 18-7-1969.

@Figures and percentage within brackets indicate the position as on 30-6-1969.