

has so far taken or proposed to take in the interest of the country as a whole? I also want to know what particular steps Government has taken or proposes to take in the matter of revitalising the engineering industry as a process of rejuvenating it which I may be permitted to say.

SHRI ARIF BEG: It is true that due to many problems in that area, production has come down. Government has taken many steps for the improvement of these conditions. Slackness in demands was being experienced by the engineering industry for about two years. In the past, this slackness in demand had been experienced by other industries as well. There is the example of the textile industry. The lower purchasing power in the hands of the people and the relatively lower production in the five years plan has been responsible for.....

MR. CHAIRMAN: The answer is not to the question.

THE MINISTER OF COMMERCE & CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): I do appreciate the concern of the hon. Member and I need not go into the political history of the last ten years why production has come down in West Bengal and in the eastern region. Mr. Chitta Basu knows the reasons much better than I do. (*Interruptions*) There are several problems. One problem is of input, power, communications and the other inputs required for the industrial growth. The second is the labour relationship. The third is the proper management in every sphere. There was a sudden setback. But as the export has increased within two years, it is obvious that gradually the industrial movement has started picking up and so also export. That is the reason why, as has been stated in the original reply, as against the export of Rs. 66 crores last year, this year, it is planned to have an export to the tune of

Rs. 150 crores. For the next year it is Rs. 175 crores. This very fact that additional exports are envisaged reflects that it is because of certain steps taken by the Government that the production has started yielding results. And it shall be the endeavour of the Government to see that this eastern sector does not suffer any longer.

SHRI CHITTA BASU: There are small engineering industries particularly in Howrah and other places. What particular steps Government propose to take for the rejuvenation of those small engineering industries?

SHRI MOHAN DHARIA: Here also it is the policy of the new Government to give all possible protection to the small scale units. My colleague, Shri George Fernandes, has stated on the floor of the House the various steps being taken by the Government to give all possible protection to small units. If I may quote, the number of exporters which was 177 has gone up to 290, and by and large most of them are in the small scale sector.

WRITTEN ANSWERS TO QUESTIONS

Special Monetary Grant to States

*244. **SHRI MOHD. HAYAT ALI:** Will the Minister of FINANCE be pleased to state:

(a) whether some State Governments have approached the Central Government for a special monetary grant;

(b) if so, the names of the States and the amount demanded;

(c) whether the West Bengal Government have also requested for the same grant in order to solve some outstanding problems of the West Bengal; and

(d) the reaction of Government thereto?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Yes, Sir.

(b) A statement is laid on the Table of the House.

(c) The Government of West Bengal requested for Rs. 19 crores to cover part of the gap in resources for the Annual Plan 1977-78.

(d) In most cases, the State Governments have requested for Central assistance to cover gaps in resources or to meet the expenditure necessitated by natural calamities. Gaps in resources have resulted from shortfall in mobilisation of additions, resources and erosion of resources due to tax concessions, relief to employees and undertaking of additional non-Plan financial liabilities by the States after finalisation of the Annual Plans. To enable the States to maintain the approved Plan outlays and keep up the tempo of development, it has been decided that half of the residual gap

in resources should be covered by additional Plan assistance. It is expected that the States will be able to cover the remaining half of the gap through their own efforts such as economy in non-Plan expenditure, improvement in receipts, collection of dues, etc. The position is proposed to be kept under review.

Advance Plan assistance to meet expenditure necessitated by natural calamities is decided on the recommendations of the Central Teams which visit the affected States. In the current year, Central Teams have visited Assam, Gujarat, Haryana, Himachal Pradesh, Karnataka, Orissa, Rajasthan and Uttar Pradesh and West Bengal and the amounts of advance Plan assistance recommended by them have been allocated to the States. A Central Team has just concluded its visit to Andhra Pradesh, and another Central team is at present studying the situation in Tamil Nadu. A Central Team will be sent to Kerala shortly.

Statement

Requests from State Governments for Special Central assistance

State	Amount (Rs. crores)	
1. Andhra Pradesh	30.00	Exclusive of amount for Cyclone relief.
2. Assam	74.37	
3. Bihar	135.00	
4. Gujarat	116.39	
5. Haryana	109.03	
6. Himachal Pradesh	8.89	
7. Karnataka	-	Unspecified amount for covering gap in resources.
8. Kerala	21.00	Exclusive of amount for cyclone relief.
9. Madhya Pradesh	79.00	and unspecified amount for drought relief expenditure incurred last year.

State	Amount (Rs. crores)
10. Maharashtra	36.00
11. Manipur	10.00
12. Orissa	76.59
13. Punjab	2.00
14. Rajasthan	80.03
15. Tamil Nadu	41.15
	Exclusive of amount for cyclone relief.
16. Tripura	19.25
17. Uttar Pradesh	75.00
18. West Bengal	49.00

**Irregular Advances made by
Allahabad Bank**

*250. SHRI KANWAR LAL GUPTA:
Will the Minister of FINANCE be
pleased to state:

(a) whether Government have received any complaint of irregular advances made by Allahabad Bank;

(b) if so, the details thereof along with the names of the companies to whom such advances were made and the amount given as loan to them;

(c) whether it is a fact that some advances were made at a lower rate and against stock of fertilizers, which were ultimately found containing sand and salt; and

(d) if so, the details thereof and the action taken by Government?

THE MINISTER OF FINANCE AND
REVENUE AND BANKING (SHRI
H. M. PATEL): (a) Yes, Sir.

(b) The information sought relates to the affairs of the constituents of the bank which cannot be divulged in accordance with the practices and usages customary among bankers and also in accordance with the provisions in the statutes governing public sector banks.

(c) and (d). Allahabad Bank has reported having one advance account wherein a cash credit limit was sanctioned against pledged stocks which were ultimately found to contain sand and salt

Allahabad Bank has also reported having filed a First Information Report with the Police authorities against the proprietor of the borrowing firm as soon as the irregularity came to its notice. Detailed investigation in the entire case was also carried out by an officer from the Head Office of the Bank and, based on his findings, necessary action has already been initiated against the concerned staff at various levels. A Civil Suit has also been filed by the bank against the proprietor of the borrowing firm for the recovery of its dues. The bank has also taken steps, such as, creation of an equitable mortgage of the immovable properties of the borrower in favour of the bank, to safeguard its interests.

**Foreign Aid negotiated with World
Bank**

*251. SHRI EDUARDO FALEIRO:
Will the Minister of FINANCE be
pleased to state:

(a) what is the total amount of
foreign aid negotiated or being nego-