

National and Grindlays Bank

*1433. **Shri Chittaranjan Roy:**
Shri Tridib Kumar

Chaudhuri;
Shri B. K. Daschowdhury:
Shri Jyotirmoy Basu:
Shri E. K. Nayanar:
Shri K. Haldar:
Shri K. Ramani:
Shri Raghuvir Singh
Shastri;

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that the National and Grindlays Bank in India is contemplating to act as a special Issuing House to underwrite and advise on the issuance of shares;

(b) whether it is also a fact that they are contemplating to act as guarantee of Indian export;

(c) whether Government have received any representation from the National and Grindlays Bank in this regard; and

(d) if so, the reactions of Government thereto?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a), (c) and (d). Yes, Sir. Government have recently received a communication on this subject from the National and Grindlays Bank and the matter is under examination.

(b) Government is not aware of any specific proposal to this effect.

Banking facilities to Traders

*1434. **Shri G. S. Mishra:**
Shri Nitiraj Singh
Chaudhary:

Will the Minister of **Finance** be pleased to state:

(a) whether it is a fact that Government have freezed all trade facilities to traders through banks;

(b) if so, the broad details thereof;

(c) whether it has led to the bringing down the black-market on commodities like vehicles;

(d) whether this freezing of facilities to traders is also affecting our industries and their production;

(e) whether the present slump in the market has threatened many industries with closure and many of them have already begun to retrench their employees;

(f) whether the unaccounted money would enter the market and if so, what is Government's assessment and

(g) the measures Government are taking to prevent the loss in production?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a) No, Sir.

(b) to (d). Do not arise.

(e) The present slackness in industrial production has mainly affected some of the industries producing capital goods and ancillary products. As a result employment has also been adversely affected in these industries.

(f) Unaccounted money is unlikely to enter the market in the present recessionary conditions.

(g) Government has already liberalised the import and industrial licensing policies so as to facilitate expansion and diversification of production by the industries. Exports are being encouraged so as to ensure that production is not unduly affected as a result of sluggish home demand. Government has also recently announced certain measures to stimulate higher production in industries affected by lack of demand. These include expediting the placing of orders for public sector requirements next year for items like railway equipment, preparation of programmes on the basis of which the textile industry can place substantial orders quickly on the textile manufacturers, review of