

In a position, to give any directives, because the cases are before the Supreme Court, but we have spoken with the Custodians and others and we have given our views and advice. This is also included in it.

AN HON. MEMBER : What is the advice given ?

SHRIMATI INDIRA GANDHI : I have spoken about it here earlier as to when credit should be given. Export is a part of it, I have also said that credit should be given to help the weaker sections of the population such as farmers, small-scale industrialists etc.

SHRI PILOO MODY : Am I also included ?

SHRIMATI INDIRA GANDHI : Of course ?

Shri E. K. NAYANAR : There is prospect of the gap between exports and imports being narrowed in the current financial year. It is due mainly to the decline in imports, exports recording a rise only of about 3 per cent against the assumed rate of 7 per cent. Planners' calculations may go wrong if the target of doubling non-traditional exports in a five year period is not reached. But it depends on foreign money being increased. The production of steel and other vital goods has been stagnant. Food production target is not achieved. May I know how far Government can give assistance to agriculturists and small industries to increase production to realise the export drive and how far foreign banks can give assistance for promoting exports ?

SHRI P. C. SETHI : Last year the growth in exports was of the order of 13 per cent. It is a fact that in the early months of this year, exports had risen only by 3½ per cent but we hope to do better in the later months and may touch a figure of 5½ to 6 per cent. But we will have to see how the position improves.

As to the question of assistance to small exporters. I would like to mention that the ECGC guarantee has been raised from 66-2/3 per cent to 90 per cent. That answers the question of Shri Somani,

श्री ओम प्रकाश त्यागी : क्या सरकार ने ऐसी कोई नीति अपनाई है ताकि निर्यात में उन विशेष वस्तुओं के लिए विशेष सहायता दें जिससे सोशलिस्टिक पैट्रन की पालिसी के अनुसार अधिक से अधिक लोगों को काम मिल सके और सहायता मिल सके ?

SHRI P. C. SETHI : Credit facilities for export purposes is kept under constant watch and we keep it quite flexible. For instance, packing paper for tobacco and leather goods, which were not there, are included now. Wherever we feel that assistance has to be given, the area is enlarged.

श्री ओम प्रकाश त्यागी : अध्यक्ष महोदय, मेरे द्वारा पूछे गये प्रश्न का उत्तर नहीं आया है।

MR. SPEAKER : No. Next question.

श्री ओम प्रकाश त्यागी : अध्यक्ष महोदय, कृपया सुन लीजिये। एक तो यह इंडस्ट्रीज में बड़ी फैक्टरीज को प्रोत्साहन दिया गया है जहां तक छोटी और होम इंडस्ट्रीज की बात है...

MR. SPEAKER : Whatever is there has come before you.

#### Use of S.D.R. (Special Drawing Rights)

\*303, SHRI SHIVA CHANDRA JHA: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that India has started using the Special Drawing Rights (paper gold) for easing foreign trade difficulties ;

(b) if so, the details thereof ; and

(c) if not, the steps which Government are considering specially during the Fourth Plan period for a favourable balance of trade ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) to (c). No, Sir. According to the decision of the Board of Governors of the International Monetary Fund, the allocation of Special Drawing Rights to participating members will be made only with effect from January 1, 1970.

Irrespective of Special Drawing Rights, the Fourth plan aims at narrowing the trade deficit, by eliminating concessional imports of food and by achieving a rate of growth of exports higher than the rate of growth of imports. Various measures concerning increase of agricultural and industrial production, export promotion and import substitution are expected to help in reaching this objective.

श्री शिवचन्द्र झा : अध्यक्ष महोदय, मैं मंत्री महोदय से जानना चाहता हूँ कि यह जो स्पेशल ड्राइंग राइट्स का एक सिस्टम लागू होगा और उस के अन्तर्गत जो सुविधाएँ हिन्दुस्तान को मिलेंगी या अन्य अनडेवलपड मुल्कों को मिलेंगी तो क्या यह बात सही नहीं है कि उन सुविधाओं के मुकाबले कई गुना अधिक सुविधाएँ डेवलपड कंट्रीज को मिलेंगी और यदि यह बात सही है तो हिन्दुस्तान ने इस के लिए कि अनडेवलपड मुल्कों को इस स्पेशल ड्राइंग राइट्स से और अधिक सुविधाएँ मिलें उस के लिए हिन्दुस्तान ने कौन से सुझाव रखे हैं ?

SHRI P. C. SETHI : Drawing from the special Drawing Rights would depend on the quota of the various countries concerned. It is true that during the quinquennial review the IMF is going to revise this quota. As far as India is concerned, we have raised the point that as far as the developing countries are concerned, while revising these quotas, special consideration should be given to developing countries but I may add that the drawing right would depend upon the quota that a particular country has. The Special Drawing Right is a feature which a country will have to use in order to improve its payments or reserve

position. Therefore, even though the developing countries will get less as far as the S. D. R. is concerned as compared to the developed countries, the need for them would be only when the reserve position is not much favourable.

श्री शिवचन्द्र झा : मंत्री महोदय ने कहा कि चौथी पंच-वर्षीय योजना में एक्सपोर्ट बढ़ा कर के बैलेंस आफ ट्रेड बढ़ाने का भी उन का अपना एक रास्ता है। अगर उनकी यह बात ठीक है तो मैं जानना चाहता हूँ कि क्या उन्होंने दूसरे मुल्कों के साथ कोई बात चीत चलाई है, खासकर डेवलपड मुल्कों के साथ, कि उन के यहां जो शार्टेज नान-ट्रेडिशन गुड्स की पहले से है, जैसे इंजीनियरिंग गुड्स की, वह वे हमारे यहां से कम्पल्सरीली खरीदे, ताकि हम को अन्दाज मिल सके कि चौथी पंच वर्षीय योजना में कितना बढ़ेगा ?

SHRI P. C. SETHI : As far as the export of various items is concerned, this is sometimes a part of the bilateral exercise between the two countries and, therefore, it could not be a sort of agreement through an international body. At the same time, the hon. Member knows that as far as both traditional and non-traditional items are concerned, we are trying to expand exports. We have done considerably more as far as non-traditional items are concerned.

We hope that with the 7 per cent increase of exports in the Fourth Plan, we shall be doing better than what we have done yet.

श्री शिवचन्द्र झा : अध्यक्ष महोदय, मेरी बात अभी साफ नहीं हुई। क्या मंत्री महोदय ने अंकटाड की बैठक में कोई ऐसी बात चलाई है कि डेवलपड मुल्क हमारे यहां से 1 परसेंट या सर्टेन परसेंटेज माल को जरूर खरीदें ?

SHRI P. C. SETHI : I have replied to it. It is done by a bilateral exercise between the two countries and not through the agency of the International Monetary Fund.

**SHRI LOBO PRABHU :** In respect of foreign exchange reserves, it was in our favour by Rs. 850 crores at the time of Independence and today it is against us by 7000 crores. This has been due mostly for industrialisation which is working only at half the capacity. Another fact is that the gap in respect of foreign exchange today is to the extent of Rs. 500 crores according to the latest figures of exports and imports. You have got foreign exchange reserves to the extent of the same amount.

In the circumstances, I would like to have an assurance from the hon. Minister that there should be no pursuit of foreign loans as if that is an achievement by itself. We do not want to add to the debt that the future generation has to pay in respect of investments which are of no importance and which is only adding nearly hundred per cent to the existing prices as compared to the world prices.

**SHRI P. C. SETHI :** The hon. Member knows that there has been unfavourable trade balance in respect of India's exports and imports. It is true that while the amount was Rs. 921 crores in 1966-67, it has come down to Rs. 502 crores. Then, the question of loan payment and interest payment is also there. According to the calculations and exercise done in the Plan document, we hope, by 1978-79, the adverse balance of trade will be done away with. So far long as the adverse balance of trade remains, so long as we have the liability of paying the loans and interest thereon, to that extent, we will have to depend on foreign assistance. But that is comparatively going down as compared to the Third Plan period.

#### Cash Relief to Riot Victims in Gujarat

\*304. **R. BARUA :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Government of Gujarat have decided to give cash relief to the riot victims;

(b) if so, whether the State Government has asked the Centre to give loan or aid to meet this demand;

(c) if so, the reaction of the Union Government; and

(b) the total amount to be given to the State ?

**THE MINISTER OF SUPPLY AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. K. KHADILKAR) :** (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d). The Government of India have informed the State Government that any reasonable request for assistance towards expenditure on relief measures necessitated by the disturbances would be considered by them, keeping in view the needs as well as the financial position of the State Government themselves.

**SHRI SEZHIYAN :** What about (d) ?

**SHRI R. BARUA :** There are two aspects here. One is immediate relief and rehabilitation. Second is to rehabilitate those persons who have lost their professions. Is there any scheme prepared by the Government for this purpose and the amount proposed to be spent ? What immediate relief has been given ? Secondly, how much relief has been given for the purpose of rehabilitating the riot victims ?

**SHRI R. K. KHADILKAR :** So far as the rehabilitation programme is concerned, it has been undertaken by the Government and they are giving cash relief of Rs. 500 to every family which also gets Rs. 500 from the Prime Minister's Relief Fund.

They are also getting a loan of Rs. 5000 at the rate of 4% and the banks are also advancing loans at 6%. This is the position. (*Interruptions*)

**SHRI R. BARUA :** What about people who lost their jobs ?

**SHRI R. K. KHADILKAR :** It is entirely a State matter. But even then as I said, the State Government is giving a loan of Rs. 5000 at 4% and banks are also advancing loans at a concessional rate of 6% whenever it is requested.