

(6) For improving the arrangements for drinking water supply drilling rigs, hand-water pumps, water testing kits and chlorinating units have been obtained from UNICEF and supplied to the State Government. More such equipment is being obtained.

Advances by Banks against Foodgrains

*227. Shri Yogendra Sharma: Will the Minister of Finance be pleased to state:

(a) the amount of credit provided by the banks as advanced against foodgrains during the year 1966-67;

(b) whether the regulatory functions of the Reserve Bank of India were fully utilised to prevent speculative activities in foodgrains trade;

(c) whether any bank has been penalised for violating the Reserve Bank's instructions in this respect; and

(d) the number of banks so penalised?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a) A statement showing the amounts outstanding at the end of each month in the year 1966-67 in respect of advances granted by scheduled commercial banks against the security of foodgrains is laid on the Table of the House. [Placed in Library. See No. LT-488(67)].

(b) The Reserve Bank has prescribed necessary margin and ceiling restrictions on bank advances against the security of foodgrains with a view to preventing the use of bank finance in speculative trading in foodgrains.

(c) No, Sir.

(d) None.

Public Expenditure in States

*228. Shri Chintamani Panigrahi: Will the Minister of Finance be pleased to state:

(a) whether the State Chief Ministers had agreed to reduce public expenditure in their respective States;

(b) the percentage of public expenditure which they have agreed to reduce in respect of each State; and

(c) the extent to which this will help in relieving the Central burden towards States' public expenditure?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a) to (c). It was generally agreed at the recent Conference of the State Chief Ministers and Finance Ministers that there should be no recourse to deficit budgets and overdrafts. This meant that public expenditure should be restricted to the resources in sight and not necessarily that there should be reduction in expenditure if resources could be found for meeting it.

Devaluation of Rupee

*229. Shri K. K. Birla:
Shri Ram Kishan Gupta:
Shri Bihhuti Mishra:
Shri K. N. Tiwary:
Shri S. C. Samanta:
Shri A. K. Kisku:
Dr. Karaj Singh:
Shrimati Nirlep Kaur:
Shri S. N. Maiti:
Shri Tridib Kumar Chaudhuri:
Shri D. N. Patodia:
Shri Abdul Ghanai Dar:
Shri C. C. Desai:
Shri E. Barua:
Shri Vishwa Nath Pandey:

Will the Minister of Finance be pleased to state:

(a) whether recently or in the near past Government have made any assessment of the effects of the devaluation of the rupee on the Indian economy;

(b) if so, the details thereof;

(c) whether Government contemplate to take any measure to strengthen the Rupee; and

(d) if so, the nature thereof?