

thousand million metres out of which, for every ten metres of additional production, six metres have been contributed by powerloom, four metres by handloom and the textile mill production has marginally declined. The Textile Policy seeks to find a harmonious balance between these three different sectors of the economy whose interests are often conflicting and always competing with each other.

[*Translation*]

SHRI SATYANARAYAN PANWAR : Mr. Speaker, Sir, I would like to submit that due to the heavy increase in the price of cotton yarn recently, the cost of production of Janata cloth has gone up substantially as a result of which its production is being affected. I would like to know whether the hon. Minister is considering increasing the subsidy on handloom cloth? It has been stated that there has been some increase in the price of cotton yarn, but it is not a fact. When weaver goes to buy cotton yarn in the retail market, he has to pay Rs. 200/- in place of Rs. 100/-. The increase in price, thus, is 100 per cent and as a result thereof the handloom industry is in peril. I would like to know what steps the hon. Minister is going to take in this regard?

[*English*]

SHRI S. KRISHNA KUMAR : Sir, the Government are aware that because of the increase in yarn prices, there are difficulties in the production of Janata cloth assigned to the Handloom Sector. We have received several representations from their Associations and the quantum of subsidy for Janata cloth is being examined by the Government.

[*Translation*]

SHRI C. JANGA REDDY : I want to know whether efforts are being made to import cotton in order to reduce the price of cotton yarn keeping in view the farmers' agitation for it? Has the Government received farmers' memorandum in this regard; if so, what action is being taken thereon?

MR. SPEAKER : It is not being imported.

[*English*]

SHRI S. KRISHNA KUMAR : We have already answered in this House only a few days ago that the Government do not intend to import cotton at present. This facility by way of imports is given to the exporters of yarn, that is, under the replenishment licence of the Import-Export Policy.

PROF. N.G. RANGA : Has the Government any information at all about the increase in unemployment among the handloom weavers? He has given only the total production. It has gone up and so on.

The total production goes up because of improved implements and better efficiency on the part of the handloom weavers who are employed.

But what about the unemployment among the handloom weavers? Is it not more among the mill workers and also the powerloom workers?

SHRI S. KRISHNA KUMAR : There are three million handloom weavers in the country. Their welfare is at the core of Government's Textile Policy. But there is over-capacity, not only in the handloom but also in the powerloom and the textile mill sectors. There is always a degree of under-employment and unemployment in all the sectors of the textile economy. The remaining capacity is supposed to be in excess of the demands for cloth by something variously estimated between 25 per cent and 60 per cent.

Under this situation, this is more related to the demand for cloth rather than due to any intervention or lack of intervention on the part of the Government.

Overdrafts by Karnataka

*105. SHRIMATI BASAVARAJESHWARI : Will the Minister of FINANCE be pleased to state :

(a) the number of occasions since 1 October, 1985, Karnataka was allowed overdraft;

(b) when the Overdraft Regulation Scheme was enforced;

(c) the total overdraft made to Karnataka Government upto-date; and

(d) the steps taken or proposed by Union Government to bring the State within the national financial discipline ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : (a) and (c). Karnataka Government went into overdraft on sixteen occasions since 1st October, 1985. A statement showing the dates, the amount of overdraft and number of days for which the State Government was continuously in overdraft, is given below.

(b) The overdraft Regulation Scheme came into force from 1st May, 1972.

(d) To ensure that the State Governments do not run into overdraft due to temporary imbalances between their receipts and expenditure, the authorised ways and means limits of the State with the Reserve Bank of India have been increased from 1st October, 1986. Further, the Overdraft Regulation Scheme is being enforced strictly and if any State remains in overdraft with the R.B.I. for more than 7 continuous working days, R.B.I. will stop payments on behalf of that Government.

Statement

Overdraft of Karnataka State

Date	Amount of overdraft (Rs. crores)	No. of days	No. of spells
1	2	3	4
1985-86			
(Since 1st October, 1985 to 31st March, 1986—NIL.			
1986-87			
April, 1986			
8-4-1986	1.24	1	1
12-4-1986	4.63	1	2
14-4-1986	4.63	1	3
17-4-1986	2.16	1	4
November, 1986			
6-11-1986	9.26	1	5
7-11-1986	7.32	2	
8-11-1986	8.77	3	
10-11-1986	8.09	4	
17-11-1986	0.52	1	6
December, 1986			
8-12-1986	0.58	1	7
9-12-1986	7.26	2	
10-12-1986	7.26	3	
11-12-1986	12.52	4	
12-12-1986	9.99	5	
15-12-1986	6.48	1	8

1	2	3	4
January, 1987			
1-1-1987	5.43	1	9
2-1-1987	23.46	2	
3-1-1987	30.83	3	
5-1-1987	39.71	4	
15-1-1987	1.77	1	10
March, 1987			
27-3-1987	7.95	1	11
28-3-1987	17.54	2	
30-3-1987	17.54	3	
1987-88			
April, 1987			
7-4-1987	9.65	1	12
8-4-1987	20.51	2	
9-4-1987	23.24	3	
10-4-1987	26.00	4	
May, 1987			
27-5-1987	6.40	1	13
August, 1987			
17-8-1987	1.98	1	14
18-8-1987	3.59	2	
19-8-1987	5.97	3	
20-8-1987	5.23	4	
21-8-1987	5.11	5	
October, 1987			
8-10-1987	4.80	2	15
9-10-1987	8.41		
10-10-1987	12.70		
12-10-1987	13.22		
13-10-1987	18.77	3	16
15-10-1987	1.49	1	
16-10-1987	0.38	2	

SHRIMATI BASAVARAJESWARI :
Mr. Speaker Sir, I would like to know from the hon. Minister, the total amount of overdraft made by Karnataka Government, as on today ?

In reply to my question—in part 'd'—he has stated “further, the Overdraft Regulation Scheme is being enforced strictly and if any State remains in overdraft with the R.B.I. for more than 7 continuous working days, R.B.I. will stop payments on behalf of the Government.”

Are there any such instances wherein payments were stopped ?

SHRI B.K. GADHVI : Sir, as on today, Karnataka is not in overdraft. But in 1985-86 and 1986-87, on 16 occasions, Karnataka had gone into overdraft. But the overdraft was paid within the seven days as per the formula. But in the past, in respect of one or two States, namely, Karnataka and Kerala, payments were stopped. It was stopped in May, 1974. But thereafter, since 1985, the Policy has been strictly followed.

The States have not become so delinquent.

SHRIMATI BASAVARAJESWARI : Has any of the State Governments (*Interruptions*) made proposals before the Central Government to relax such conditions in view of the acute drought and flood situations prevailing during this period ?

SHRI B.K. GADHVI : Yes; the State Governments of Karnataka, U.P. and other States also are requesting that we should review the policy, and that we should give them more flexibility. But this policy was adopted with a view to have a better fiscal management in the States; and, therefore, their ways and means limit has also been increased, and other help is also being given. Therefore, although the State Governments had made this request in the past, that request was not acceded to by the Government of India.

SHRI S. JAIPAL REDDY : The Centre has imposed strict fiscal discipline on the States in respect of overdrafts. I would like to know what are the corresponding fiscal steps taken by the Central Government in regard to its own deficit financing which is growing by leaps and bounds with each passing month and year ?

SHRI B.K. GADHVI : As I have already stated, Reserve Bank has twice revised the ways and means limit. At the same time, because of our better tax collections, the States' share has also increased. At the same time, whenever States have come into difficulties, we have given loans, and we have also re-phased the instalments which were due... (*Interruptions*)

SHRI S. JAIPAL REDDY : I seek your intervention; I seek your protection, Sir. The Minister cannot give any answer of his choice. His answer must be related to the question. I would request the Speaker to say whether the answer is relevant to my question at all. (*Interruptions*)

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : I am very thankful to the hon. Member for his very distinguished support for having fiscal discipline at the Centre also. I may assure him that we will take, and we are taking all possible steps to maintain fiscal discipline. (*Interruptions*)

SHRI S. JAIPAL REDDY : What are the steps ? Sir, you had allowed me to put this supplementary. (*Interruption*)

SHRI BASUDEB / CHARIA : He has evaded.

MR. SPEAKER : I have allowed you, Mr. Reddy. You can ask a separate question; I will allow you.

SHRI S. JAIPAL REDDY : You have allowed me to put a supplementary.

SHRI B.K. GADHVI : I have already answered his supplementary. He cannot force me to answer in a particular way.

Deposits in Nationalised Banks

*106. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether there is decline in the growth of deposits in nationalised banks during 1986; if so, the reasons therefor; and

(b) the net profit of nationalised banks as a ratio of working funds as compared to other core public sector industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). A Statement is given below.

Statement

According to the information furnished by Reserve Bank of India, the aggregate deposits of 28 public sector banks registered a growth of Rs. 14818 crores in 1986 as against a growth of Rs. 12690 crores for 1985.

The published profits of 28 public sector banks in 1986 were 0.15% of their working funds. The net profits in public sector undertakings for the year 1985-86 were 2.78% of capital deployed.

While in the case of banks the ratio is worked out on the basis of published profits to working funds, in the case of public sector undertakings, whose working is quite different from those of banks, net profit is related to capital deployed. It is, therefore, not possible to attempt any meaningful