

Departments were given discretion to distribute this quantum of saving over the various schemes keeping in mind plan and *inter se* priorities and ensuring that the progress of key projects and programmes of high priority which were in an advanced stage of completion was not adversely affected while projects and schemes which were less essential and would require relatively long period to mature, were slowed down. This was done with the specific object to ensure that schemes which are likely to yield flow of goods and services in the near future were not affected.

Fundamentally, the acute inflationary pressures have been due to continued sluggishness of real output. While a lasting solution to the problem of inflation can be found only through a rapid increase in the output, specially of basic wage goods, in the short run it is also necessary to curb spending and restrict deficit financing. The major emphasis of Government's monetary and fiscal policies has, therefore, been on restraining the growth of Government's expenditure, mobilisation of additional resources on a substantial scale and reduced reliance on deficit financing.

Measures have also been taken to prevent diversion of scarce inputs for the production of non-priority goods and services. Efforts are also being made to secure an increase in agricultural and industrial output as early as possible within the constraints of the existing situation.

R.B.I. view on Indian Economic situation

565. Dr. K. MATHEW KURIAN : Will the Minister of FINANCE be pleased to state ;

(a) whether it is a fact that the Reserve Bank of India has told the Union Government that unless adequate steps are taken, there is danger of "hyper inflation" overtaking the economy;

(b) if so, the steps being taken to prevent such danger of "hyper inflation": and

(c) the reaction of Government thereto?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) According to the Reserve Bank of India's annual report for 1973-74 (July, 1973 to June, 1974), "the situation at the end of the year was such that unless adequate steps were taken, there was a danger of further accentuation of inflationary tendencies."

(b) and (c) The Government is equally concerned about the accentuation of domestic inflationary pressures and has already taken several anti-inflationary measures. The price situation is kept under continuous watch and such further measures will be taken, as may be necessary, in the light of the emerging situation.

Fall in Jute prices

566. SHRI K. B. CHETTRI :
SHRI N. R. CHOUDHURY :
DR. R. K. CHAKRABARTI :
SHRI NABIN CHANDRA
BURAGOHAIN :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the price of Assam Bottom Jute at the wholesale market at Calcutta went down below Rs. 70 a maund from Rs. 76 during the last two weeks of September, 1974 ;

(b) whether Government propose to set up elaborate banking machinery in the rural areas so that the Jute growers are not to be at the mercy of the middlemen employed by the Jute mill owners, and get direct advance for cultivation of rice and wheat instead of jute; and

(c) as West Bengal is always suffering from acute shortage of foodgrains and the Centre is in a tight position to help them out substantially in this regard, whether Government propose to see that these cultivable lands return to cultivation of rice and wheat in place of jute ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH): (a) Yes, Sir. There has been a decline in the prices at Calcutta after a sharp increase in prices by the end of September mainly as a result of improvement in arrivals. However, the prices both at Calcutta and in the upcountry markets have been generally not given below the minimum support prices and the levels of last year's.

(b) and (c) The establishment of the Jute Corporation of India and strengthening of the cooperative machinery will, in the course of time enable the jute growers to be less dependent on middlemen. In the interests of exports, it would not be advisable to encourage diversion of lands away from jute. The problem of shortage of foodgrains has to be tackled more on the basis of improvement of per acre yield rather than on a drastic shift from one crop to another.

U.S. Aid to India

567. SHRI GANESH LAL MALI: Will the Minister of FINANCE be pleased to state:

(a) whether a cut of about 25 million dollar has been approved by the US Government towards American aid to India for the current year; and

(b) what are the details of the projects and the items of imports that are likely to be affected as a result of the cut?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) No Sir. The U.S. Foreign Aid Bill for U.S. fiscal year 1975 is at present under the consideration of the U.S. Congress. The Aid Bill contains a provision for some aid to India. However, it is premature to forecast the final shape the Bill will take.

(b) Does not arise.

Implementation of task force report on tea industry

568. SHRI OMPARKASH TYAGI: Will the Minister of COMMERCE be pleased to refer to the answer to Unstarred Question 504 given in the Rajya Sabha on the 30th July, 1974 and state:

(a) the details of the steps that are being taken for implementing the recommendations made by the task force set up for evolving a viable and long term strategy for tea industry; and

(b) what will be the approximate expenditure for implementing the said suggestions?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH): (a) and (b) The recommendations made by the Task Force on tea industry in Volume-I of its report relate to problems of closed and sick gardens, promotion of tea abroad, and inputs for the tea industry.

In so far as closed and sick gardens are concerned, the proposals for amending the Tea Act in the light of its recommendations are under consideration in all their aspects including financial. The recommendations relating to promotion of tea abroad are kept in view while framing annual promotional measures in this regard. The input requirements of the tea industry are being met to the extent feasible through active liaison with the concerned organisations to ensure adequate and timely supplies.

औद्योगिक प्रतिष्ठानों पर आय कर की बकाया राशियां

569. श्री राजनारायण :

श्री भूपेन्द्र नारायण :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) औद्योगिक प्रतिष्ठानों पर अद्यतन आयकर की कुल कितनी राशियां बकाया पड़ी हैं ; और