

No 200 The Minister has confined his reply to the first question. I asked whether it is a policy that the LIC will not finance the small entrepreneurs which are proprietary or partnership concerns. And when they say that the LIC is not equipped to handle a large number of small loans all over the country, it means that you do not even envisage going into that role, So that is the point.

**SHRI Y. B. CHAVAN :** If the point is that the LIC does not give loans to the private limited companies, let us make this point very clear. First of all, there is the statutory restriction on them that they cannot invest to private limited companies. And it is true that as the other commercial banks are equipped with the machinery to process and service the small loans, the LIC is not meant for it.

**DR. BHAI MAHAVIR :** So, all support goes only to them.

**श्री वी० के० सखलेचा :** माननीय मंत्री जी ने पब्लिक सेक्टर कंपनीज और प्राइवेट सेक्टर कंपनीज और पब्लिक बाडीज को फाइनेंस करने के लिए तो बतलाया लेकिन खासकर हरिजनो के मकान बनाए जा सके या गावों में हरिजनो के मकानों के लिए ग्राम पंचायतों को और दस हजार से कम की पापुलेशन वाले स्थानों में जहाँ कोई फाइनेंस नहीं करता है वहाँ मकानों के लिए पब्लिक बाडीज को फाइनेंस करने के लिए एल० आई० सी० को क्या मंत्री जी कोई डाइरेक्शन देंगे ?

**SHRI Y. B. CHAVAN :** I have already said about the programme they are committed to. I do not think I should make it a burden of the LIC.

†SPECIAL ASSISTANCE TO MYSORE

\*102 **SHRI VEERENDRA PATIL :**  
**DR. K. NAGAPPA ALVA :** ††

†Transferred from the 11th May, 1972

††The question was actually asked on the floor of the House by Dr. K. Nagappa Alva,

Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that on the recommendation of the Planning Commission the Government of India assured the Government of Mysore of special assistance of Rs. 105 crores during the Fourth Plan period; and

(b) whether it is also a fact that of late the Government of India made it clear to the Government of Mysore that the assured special assistance would be only of the order of Rs. 60 crores; and if so the reasons therefor ?

**THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) :** (a) and (b) According to the assessment made by the Planning Commission at the beginning of the Fourth Plan period, Mysore was expected to have a gap in resources totalling Rs. 105.72 crores, Rs. 60.50 crores on plan account and Rs. 45.22 crores on non-Plan account. The quantum of special accommodation to be given to the State Government was to be determined each year after taking into account the recommendations of the Fifty Finance Commission and the assessment of the Planning Commission in regard to unavoidable non-plan commitments, the scope of economies in non-plan expenditure, the efforts made to improve revenue and tax collections and mobilisation of other normal budgetary resources.

The latest assessment made by the Planning Commission indicates that while the Government of Mysore would be eligible to receive Rs. 60.50 crores as special accommodation for the State Fourth Plan, they would now not be entitled to special accommodation on non-Plan account.

**DR. K. NAGAPPA ALVA :** May I know from the Government whether it is not a fact that according to the award given by the Fifty Finance Commission, Mysore was the only State which did not get any financial assistance and this was the main factor that weighed with the Government of India and the Planning Commission for assuring us of Rs. 105 crores of special accommodation ?

**SHRI Y. B. CHAVAN :** That exactly is

the reason why this question of special accommodation was considered. What the hon. Member has said is right. There was a feeling that they did not get adequate assistance from the Fifth Finance Commission and, therefore, the question of special accommodation was considered. And it was thought that the Plan gap and the non-Plan gap should be assessed and a ceiling indicated. This Rs 105 crores is the ceiling that was indicated for both the Plan gap and the non-Plan gap. This position has to be reviewed after examining every year the resources position, the performance, the care that they are taking about reducing the non-Plan expenditure, etc. As a result of this examination, the latest indications are that Mysore will be entitled to assistance of Rs. 60.5 crores for the Plan gap. But as far as non-Plan expenditure is concerned, it is very difficult to do anything just now.

**DR K. NAGAPPA ALVA:** After examining all these aspects, the assurance was given. Is it the opinion of the Central Government that the tempo of development in the State can be maintained and accelerated despite the drastic curtailment in the promised special accommodation of Rs 105 crores?

**SHRI Y. B. CHAVAN:** There is no doubt that we are interested in the acceleration of the development tempo in the Mysore State. We want that to be done. The Finance Minister of Mysore just met me and the Planning Minister and we have asked their officers and our officers to sit and find out what can be done. Acceleration of development cannot be thought of in vacuum. It has to be done with certain resources and those resources will have to be raised by both the Centre and the State Government. In this the major effort is by the State Government. Acceleration development does not come merely by asking for it. Efforts will have to be made for raising resources. I am sure the present Government is realistically making an appraisal of the position and we have considered sympathetically their efforts in this matter.

**MR. CHAIRMAN:** Mr. Kemparaj.

**DR. K. NAGAPPA ALVA:** One more question.

**MR. CHAIRMAN:** No, no. You have already put two questions. It is enough.

**DR K. NAGAPPA ALVA:** I may be allowed just one more question.

**MR CHAIRMAN:** No, I cannot allow, because I will then have to allow this to everybody else.

**SHRI B. T. KEMPARAJ:** I want to know whether the development works in the State will not be stopped or suspended because of the policy adopted by the Central Government of not providing this amount in time and providing it only in promises.

**SHRI Y. B. CHAVAN:** That is not true because, as I said, the gap on the Plan side which is Rs. 60.50 crores is agreed. Therefore, as far as the Plan development is concerned, we are keeping our word, we would like to stand by that.

#### INCREASE IN SALARY OF CLASS I OFFICERS OF LIC

**\*183 SHRI PRANAB KUMAR MUKHERJEE:** Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to increase the salary of Class I Officers of the Life Insurance Corporation; and

(b) if so, the details in this regard?

**THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN):** (a) No, Sir.

(b) Does not arise.

**SHRI K. CHANDRASEKHARAN:** May I know from the honourable Minister whether last year the salaries of Class I officers having actuary qualifications were revised and enhanced and were implemented for a few months and then the enhancement order was withdrawn and the *status quo ante* was restored just because other Class I officers who were in a majority objected to the same, and whether this position would be reconsidered?

**SHRI Y. B. CHAVAN:** As far as the facts are concerned, I have not got them.