

about the commercial soundness, whether from the commercial point of view the canal should be made navigable or not, not from the point of view of supply of water.

Shri D. D. Puri: That is precisely my question. When will the assessment of the feasibility of commercial exploitation be completed?

Dr. K. L. Rao: That is under the consideration of the West Bengal Government. They have not yet indicated any particular time. I am also pursuing this matter with the Ministry of Transport here to expedite some conclusions on that.

Dr. Ranen Sen: Is it a fact that West Bengal Government engineers have already stated that because water will not be available throughout the year this canal will not be useful for navigation for commercial purposes? If so, what is Government's attitude in regard thereto?

Dr. K. L. Rao: As I have submitted already, the West Bengal Government have not stated so; they have not said that the canal is not navigable from the point of view of water. With regard to availability of water all the year round, it depends upon the number of hours which the Government want to work if it is for 16 hours, water will be available for 9 months; if the canal is worked for 12 hours, it will be available all the year round. The West Bengal Minister has made it quite clear that they are not thinking of the water; they are only thinking about the economics of navigation.

Shri Heda: What are the factors, the change of which have made Government now reconsider the commercial aspect of this canal, between the period when the canal was planned and now?

Dr. K. L. Rao: I am not quite clear what the hon. Member wants, but the position is like this. The canal was complete for navigation as far back as 1959, but till now there has not been navigation developed. The attention of the West Bengal Government has

been drawn to this, and they have appointed a West Bengal transport body which is going into this question, and their report is awaited by the West Bengal Government.

WRITTEN ANSWERS TO QUESTIONS

Foreign Exchange Reserves

*111. **Shri Vidya Charan Shukla:** Will the Minister of Finance be pleased to state:

- (a) the present position of India's Foreign exchange reserves; and
(b) the future outlook in this regard?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) India's foreign exchange reserves (excluding gold held by the Reserve Bank of India) amounted to Rs. 124.18 crores on the 6th November, 1964—the last date for which information is available.

(b) The country's export earnings may be expected to rise over the next few months which constitute a comparatively favourable season for exports. However, in the face of heavy payments, including those on the servicing of foreign loans and repurchase of Indian rupees from the International Monetary Fund, the pressures on the foreign exchange reserves are expected to continue.

Increase in Bank Rate

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 { **Shri Surendra Pal Singh:**
Shri Prakash Vir Shastri:
Shri Jagdev Singh
 *113. { **Siddhanti:**
Shri Yashpal Singh:
Shri Heda:
Shrimati Renuka Ray:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has raised the Bank rate from 4-1/2 to 5 per cent. with effect from 1st October, 1964; and

(b) the effect this rise in bank rate has had on the current price situation in the country?