

श्री बड़ : इन क्वेश्चन, सेंट्रलाइजेशन होगा...

अध्यक्ष महोदय : अब प्रापका जवाब तो था गया ।

श्री ब० रा० भगत : डीसेंट्रलाइजेशन का सवाल इसमें कहाँ है ? यह तो कम्प्यूटर का सवाल है ?

Shri Priya Gupta: After the clarification by the Planning Minister and the Minister of State in the Ministry of Finance, may I know what Government mean by saying that there would be no retrenchment? The staff working in the LIC, in the railways in Indore and other public utility services are not being confirmed against the existing permanent vacancies, due to the implementation of dieselization, electrification, mechanisation, automation and Centralised Traffic Control and simplification of accounts etc., and their chances of promotion have been reduced and they are stagnating in the existing cadres, against the assurance in regard to the protection of their terms and conditions of service. May I know what reply Government have to this question?

Mr. Speaker: That does not arise out of the main question.

Review by International Monetary Fund

+

*63. **Shri Rameshwar Tantia:**

Shri Himatsingka:

Shri Onkar Lal Berwa:

Shri Narayan Reddy:

Shri Lahtan Chaudhry:

Shri Vishram Prasad:

Shri Bagri:

Dr. Ram Manohar Lohia:

Shri Yashpal Singh:

Shri Bhanu Prakash Singh:

Shri Vishwa Nath Pandey:

Will the Minister of Finance be pleased to state:—

(a) whether it is a fact that the International Monetary Fund has completed a comprehensive review of India's balance of payments position and economic situation;

(b) if so, their main findings; and

(c) how far their report has been helpful to India?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat): (a) to (c). Article XIV of the I.M.F. Articles of Agreement enjoins annual consultations between the I. M. F. and member-countries that maintain exchange restrictions; accordingly, a Fund team held consultations with the Government of India in November 1965. The team's report to the I. M. F. on the consultations is a confidential document of the I. M. F. and as such it would be inappropriate to extract from or comment on, its contents.

Shri Rameshwar Tantia: May I know whether during the discussion it was stated that India's foreign balance was adverse and a suggestion was made also to devalue the Indian rupee, and if so, what the Government of India's attitude on that matter is?

Shri B. R. Bhagat: That is a different question altogether.

Mr. Speaker: The first part of the question is all right.

Shri B. R. Bhagat: As regards the adverse foreign balance, the position is well known, and it is true that there is pressure on the foreign balances.

Shri Rameshwar Tantia: May I know whether a World Bank Team under the chairmanship of Mr. Bell visited this country during July, 1965, and if so, what their recommendations and findings were?

Shri B. R. Bhagat: That was a different team altogether.

Mr. Speaker: That team has not been referred to in the main question here.

Shri Rameshwar Tantia: In regard to that question, the hon. Minister

said that it was confidential. This question comes in the same way and it relates to the monetary situation in the country.

Mr. Speaker: That comes in a different way, not in the same way.

श्री श्रीकार लाल बेरवा : श्रीमन्, मैं यह जानना चाहूंगा कि अन्तर्राष्ट्रीय मुद्राकोष के आयुक्त ने यह भी कहा है कि जो पैसा दिया गया है, जो मुद्रा दी गई है उसको किसान के काम में ज्यादा नहीं लगा कर के दूसरे कामों में खर्च किया है ?

श्री ब० रा० भगत : अब उस रिपोर्ट के बारे में तो मैं अभी कुछ कह नहीं सकता ।

श्री श्रीकार लाल बेरवा : अध्यक्ष महोदय, तो क्या यह हमारी फोटो उतारने यहां आते हैं ?

Shrimati Renu Chakravartty: It is very difficult for us to understand why he is refusing to give us even the general outlines of the findings. Why should he consider them to be so secret?

Mr. Speaker: Has the report been received by Government?

Shri B. R. Bhagat: The report is submitted to the Fund; we get a copy of it because we have an executive director on the Fund. The practice and the convention is that the Fund and the Bank take exception to this report being discussed by the member-countries.

Shri Alvares: Some time towards the end of last year, the IMF had met in Tokyo to decide the question of international liquidity. May I know from Government whether in the review presented by the IMF, as far as India is concerned, any provision has been made for liquidity, in order to meet the balance of payments problem of this country?

Shri B. R. Bhagat: After the discussion in Tokyo last year, that question was again discussed in Washington; it had been referred earlier to a

committee, and that committee is again looking into this, and has not come to any definite conclusions.

डा० राम मनोहर लोहिया : अन्तर्राष्ट्रीय मुद्राकोष की रपट को माननीय मन्त्री ने गुप्त बताया है लेकिन एक साधारण इतिला के तौर पर मैं पूछना चाहता हूं कि क्या आज रुपये का वास्तविक मूल्य अन्तर्राष्ट्रीय बाजारों में दस सेंट हो गया है जबकि वह कानूनी मूल्य 20 सेंट है और उसके साथ साथ पिछले महीने भर में ही हालत इतनी बिगड़ी है कि 14 सेंट से 10 सेंट गिर गया है ?

श्री ब० रा० भगत : यह बात सही है । मगर जैसा हम पहले भी कहते रहे हैं कि यह मूल्य जो है इसको ओपेन मार्केट कहिए या जो गैर अधिकारी तौर पर बिक्री का दर है उसमें है । हमारे सारे काम तो अधिकारी मूल्य के दर पर होते हैं एक्सपोर्ट इम्पोर्ट और पेमेंट्स की अदायगी के । इसलिए उस गैर अधिकारी मूल्य के कारण हम रुपये के मूल्य को इस तरह से नहीं मान सकते ।

डा० राम मनोहर लोहिया : अब अध्यक्ष महोदय, मैं आप से मदद चाहता हूं । मन्त्री महोदय ने अपनी राय बताई है तो राय तो मैंने नहीं चाही थी । मैंने सीधे सीधे सवाल किया था कि क्या रुपये का वास्तविक मूल्य गिरा है...

अध्यक्ष महोदय : उन्होंने कहा तो है कि वह बात ठीक है ।

डा० राम मनोहर लोहिया : ठीक है लेकिन उसी के साथ उन्होंने और बातें जोड़ दीं तो मैं उसके ऊपर जाना चाहता हूं कि वह हमारे कुल व्यापार का काफी बड़ा हिस्सा है...

अध्यक्ष महोदय : अब उन्होंने कहा कि वह ठीक है तो मैं और क्या कहूं उन को ?

डा० राम मनोहर लोहिया : अब यह आपका काम है कि उनको बताएं कि क्या

बीच उन को कटूनी चाहिए और क्या नहीं कटूनी चाहिए।

श्री यशपाल सिंह : हाल ही में जापान से जो डेलीगेशन आया था उसने भारत की आर्थिक स्थिति के ऊपर बहुत चिन्ता प्रकट की है और कहा है कि वह शायद अपना न दे सकें।

श्री २०२० भगत : यह प्रलग सवाल है एकोनॉमिक मिशन जापान का। उन्होंने बातचीत की है, उनकी रिपोर्ट प्रसंगों में छपी है अब मैं उस पर क्या टिप्पणी करूँ ?

श्री यशराज निव : आप को इस की इतिला है या नहीं है ?

श्री २०२० भगत : यह प्रलग सवाल है बाकी जहाँ तक इतिला का सवाल है तो जो उनके विचार हैं वह हमें मालूम हैं। उन्होंने प्रसंग में भी यह बात जाहिर की है।

श्री विशन्ताय पाण्डे : अन्तर्राष्ट्रीय मुद्राकोष के सदस्यों ने जो भारत सरकार से परामर्श किया है क्या उसमें भारत के आयात निर्यात के और आर्थिक स्थिति के सम्बन्ध में भी विचार हुआ था ?

श्री २०२० भगत : आर्थिक मामलों और निर्यात आदि इन सभी मामलों पर उन्होंने विचार किया था।

Shri D. C. Sharma: The IMF has been thinking of extending the region of liquidity and also in terms of having an international currency. May I know if the Government of India or the Minister of Finance, old or new, was consulted on this problem of having an international currency to replace the sterling, dollar and gold liquidity?

Shri B. R. Bhagat: Not in the last from he mentioned, but as I said, in the last meeting of the IMF, this

matter was discussed. The question of general liquidity has been referred to a committee; it has not yet come to any definite conclusions about it.

श्री २०२० मालवीय : अपने रुपये के मूल्य में जो गिरावट हुई है इस के बारे में क्या सरकार संच समझ कर ऐसा बयान पेश करेगी हमारे सदन के सामने जिससे उन तमाम कारणों पर विचार किया जाय जिनकी वजह से हमारे रुपये का मूल्य इस समय गिर रहा है या गिरा हुआ है ?

श्री २०२० भगत : रुपये के मूल्य पर प्रलग से तो बयान नहीं रखना जरूरी वह तो बजट में हमारी आर्थिक स्थिति के बारे में सारा कुछ था बताया...

श्री २०२० मालवीय : रुपये के मूल्य के बारे में अभी क्यों नहीं पेश किया जाता और जब वह आगे से गिर गया है तो वह क्यों गिरा है ?

श्री २०२० भगत : वह तो मैं ने आप को बताया कि ब्लैंक मार्केट में गिरा है।

श्री २०२० मालवीय : वह आप की राय में ही सही है हमारी राय कुछ और होगी।

Shri Nath Pal: In view of the Minister's blunt and rather surprisingly unembarrassed admission that the real value of the rupee in the international market is not on a par with the official value of the rupee, may we know what steps Government are taking to stabilise the rupee and prevent a further fall in its value? Or are Government contemplating accepting the inevitable, namely, devaluation of the rupee?

Shri B. R. Bhagat: A number of measures to stabilise the economy which reflects the foreign exchange situation and the strength of the economy are taken. From time to time, a number of measures have been

taken in the past. In his budget speech, the Finance Minister will deal with this question along with others.

Shri Nath Pal: What about devaluation of the rupee? Why is he hesitating to answer my question which has been agitating the public mind and is coming up again and again? What is Government's attitude towards devaluation? Is it in the offing? Is it also coming with the budget?

Shri B. R. Bhargat: In a matter like this, Government do not come forward with any opinion. We cannot say anything earlier than when action is actually taken. These are not announced beforehand.

Shrimati Savitri Nigam: While replying to a supplementary, the hon. Minister has accepted the fact that there is a considerable difference between the official and the non official value of the rupee. I would like to know what impact it has made on our export earnings and on our normal channels of trade.

Shri B. R. Bhargat: No impact because they are all governed by the official exchange rate.

Shri Shinkre: In the context of this reply of the Minister of State, I want to know from him whether he is not aware that, on account of this consistent adamancy on the part of Government to stick to an unrealistic value of our rupee, all our exports are fetching less money than what they should have actually brought, and if so, what steps do they contemplate to take so that the export earnings at least should be on a par with the actual value?

Shri B. R. Bhargat: I do not think the Government's view is unrealistic because 99.9 per cent of the transactions is at the official exchange rate and 0.1 per cent of the transactions, which is illegal, may be in unauthorised exchange. If that is supposed to be realistic, I am afraid I consider that unrealistic.

Shri Daji: My question arises because in reply to Shri Nath Pal's question, the relevant point was not replied to by the Minister, and this will leave a very bad image of the country. Is the Minister aware that in the London economic papers, persistently and even yesterday, a report has been broadcast very loudly that the Indian rupee is about to be devalued, and will the Minister be able to inform the House whether there is any such scheme afoot or not? Otherwise, if you do not contradict this, it will create a great monetary crisis in the country. We cannot wait till the Budget, we want to know it.

Shri B. R. Bhargat: I am glad that the London newspaper has assumed respectfully in the hon. Member's thinking. Government cannot be asked to confirm or deny it. The Government, if it has to do anything on a matter like this, will come forward with an announcement. Before that we cannot say anything.

Shri Nath Pal: That means he is confirming the fears.

Mr. Speaker: The hon. Minister must realise that if this suspense is created, it would do harm to the country. Whatever comes in the Budget remains to be seen, but the Government at least can say that at present they have no such idea.

The Minister of Planning (Shri Asoka Mehta): There is no question, as far as the Government is concerned, of considering the question of devaluation.

Shri Daji: I want to point out to you that when an important subject like this comes up, the Finance Minister is not present in the House. The Finance Minister may be a new man, but he must also show some respect. When important questions come up, the Minister is not present in the House.

Shri Hari Vishnu Kamath: Is he too nervous to be in the House?

Shri Asoka Mehta: The Finance Minister and I were both involved in an important meeting. I have come here and requested him to remain there. If there is any important matter, I am willing to discuss it.

श्री दुग्गम वन्द का दावा : संसद का काम ज्यादा जरूरी है इसलिए उनको यहाँ पर मौजूद रहना चाहिए ।

प्रत्यक्ष महोदय : अच्छी बात है ।

Shri Hem Barua: May I know if it is a fact that the World Bank has recommended devaluation of the rupee to meet our present economic difficulties by increasing exports that a section of our economic planners and a section in the Reserve Bank have also recommended it or are of the same opinion as reported in the London papers; if so, will the Government clarify this position?

Shri B. R. Bhagat: What am I to answer in this?

Mr. Speaker: I have followed his question, but after what we have discussed a minute ago, is it desirable that this question should be pressed now?

Shri Hem Barua: May I submit that it is desirable because the London papers are carrying all sorts of news, and they have gone to the extent of saying that the World Bank has recommended the devaluation of the rupee to the Government of India, and also that some of our economic planners and some in the Reserve Bank also think in the same way. They say that devaluation is necessary, that if it does not come today, it is unavoidable, it will have to come in the end. These are the words.

Mr. Speaker: That might be their opinion. Shri Asoka Mehta has answered that.

श्री ए. ए. दिवेदी : प्रत्यक्ष महोदय, मैं यह निवेदन करना चाहता हूँ कि प्रश्नों का बंटा विशद का बंटा नहीं है । अगर एक एक

प्रश्न बीस बीस मिनट तक चलता, तो फिर प्रश्नों का बंटा समाप्त कर दिया जाये ।

प्रत्यक्ष महोदय : ठीक है ।

श्री ए. ए. दिवेदी : किसी भी लोक सभा में ऐसा नहीं होता है । आप को इस सम्बन्ध में समय-निर्धारण करना चाहिए ।

Capital Market

+

*64. **Shri P. C. Borooah:**
Dr. L. M. Singhvi:

Will the Minister of Finance be pleased to state:

(a) whether Government are cognisant of the flagging state of the capital market;

(b) whether any remedial measures to revive the same are being contemplated by Government; and

(c) if not, the reasons therefor?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):

(a) to (c). Government is aware that there has been some sagging in the capital market during 1965. Government is, however, keeping a continual watch on the conditions in the capital market and it has been taking steps to improve the investment climate.

Shri P. C. Borooah: Is it a fact that two-fifths of the newly subscribed joint stock capital in India had been wiped off during the last three years on account of the erosion in the value of the capital market and if so, what is the estimate of the losses, and what steps have the government taken to revitalize the capital market and keep the country's industrial progress on the track?

Shri B. R. Bhagat: There has been an erosion of the equity values whether of the new or old shares. I want notice to give the extent of that erosion.