

श्री मधु लिमये : यह पूरी किताब पढ़ी हुई है ।

Shri B. R. Bhagat: Let me complete my answer. On the other hand, we have pursued this matter vigorously in spite of the fact that an important individual is involved. The difficulty is . . . (*Interruption*).

श्री मधु लिमये : क्या किया है । कुछ नहीं किया है । गलत बयान कर रहे हैं ।

Shri Hem Barua: Shri Biju Patnaik is dreaming of becoming the Prime Minister of India although he is a thoroughly corrupt man. (*Interruption*).

Shri B. R. Bhagat: The difficulty is that it is not the pre-fabricated facts or otherwise that have been stated but it is the pre-digested evidence that has been brought and the Government, responsible as it is, has to analyse those facts before coming to any conclusion.

श्री मधु लिमये : बड़े जिम्मेदार हैं ।

Shri Tyagi: I am glad my hon. friend has made the position clear. He has mentioned that the report about this income-tax evasion had already been made, after inquiry, to the Ministry and that the assessee had been asked to put up his explanation. May I know when he was asked to put up his statement and by which time will the matter be finally decided? I hope, in the light of the Congress's name being used, the Minister will see to it that it is expedited soon.

Shri B. R. Bhagat: As far as these two cases are concerned in which the investigation has been completed, only on the 31st October, a notice has gone to him; he wanted some time. Some time may be given. But certainly this will be finalised much before the elections.

Shri Ranga: In spite of the fact that these and other investigations are said to have been set in motion by Government through the various agencies and in the face of the report made by the CBI which the House itself has

taken notice of so long ago, how is it, apart from the Congress itself for whose good name or bad name my hon. friend, Mr. Tyagi, wants to stand up here, the Government invited this gentleman who is living under these shadows—not one but so many shadows and investigations—to be present at the National Development Council which is supposed to be bigger than the Cabinet and which is open only to the Chief Ministers of States and some Ministers at the Centre. How was this gentleman who is with this bad reputation invited there? How does Government justify that?

Shri B. R. Bhagat: The matter came up in this House and it was clarified.

Shri Ranga: The Finance Minister was a member of the National Development Council.

Exchange Value of Indian Rupee

*337. **Dr. L. M. Singhvi:** Will the Minister of Finance be pleased to state:

(a) whether Government are aware that Indian currency is used in exchange transactions in Hongkong, Bangkok and other countries of South and East Asia and that Indian currency is exchanged at a heavy discount even after devaluation;

(b) whether Government have any machinery to study such data;

(c) and if so, the results of such studies after devaluation;

(d) whether Government have been able to detect the *modus operandi* and the magnitude of such illicit export and exchange of Indian currency abroad and the purposes for which it is used; and

(e) if so, the broad details thereof?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes Sir. Government is aware that Indian currency is used in exchange transaction in some countries of South East Asia and such transactions are carried out at a discount of Indian Currency.

(b) Yes, Sir.

(c) In the unofficial markets for which quotations are available the Indian rupee has been selling at a discount of about 25 per cent in recent weeks.

(d) and (e). The *modus operandi* of unauthorised dealings in Indian currency consists essentially of transactions in such currency illegally exported or carried and sold to persons returning to India. Such transactions involving Indian currency are very small compared to the total foreign exchange transaction through authorised channels.

Dr. L. M. Singhvi: I am glad that the hon. Minister has admitted that there is such a phenomenon and that these are being studied by the Government. I should like to know whether this *modus operandi* is also to utilise or to exploit or to pervert the advantages which flow from the scheme of export incentives for the prostitution and debauching of our currency abroad by those who are given these benefits under the export incentive scheme and export promotion scheme.

Shri Sachindra Chaudhuri: I never expected this language rather I expected a more sober language, from a person like Dr. Singhvi.

Dr. L. M. Singhvi: This is as sober as it comes in the English language. When the currency of the country is debauched in this manner, this is the precise word that is used by economists.

Shri Sachindra Chaudhuri: I do not want to enter into an argument. I must say that I am older than Dr. Singhvi and that is why I am slightly ashamed and abashed.

I shall give the answer. There is no evidence at all to say that these people....

An hon. Member: It is unparliamentary.

2073 (Ai) LSD—2

Mr. Speaker: It depends on the context in which it is used. Here it is not unparliamentary.

Shri Sachindra Chaudhuri: I did not say that it was unparliamentary.

Mr. Speaker: There was another voice.

Dr. L. M. Singhvi: That is an economic expression.

Mr. Speaker: I have not objected to that.

Shri B. R. Bhagat: May I know of any economic expert who has used this word?

Mr. Speaker: Order, order.

Shri Sachindra Chaudhuri: I would like to apologize to Dr. Singhvi. This is really taking up the time of the House on something which is immaterial.

What I do say is that it would not be correct to say that there is any practice amongst people who get export incentives to use that benefit for the purpose of debauching or depreciating or in any way affecting the currency that we have in rupees. There may be one or two cases; I cannot say anything. If Dr. L. M. Singhvi is interested or this House is interesting in knowing it, I would say that generally, as I said, it is small, and it is done for the purpose of getting foreign luxury goods or a little bit of gold or even larger bits of gold that is how it is done.

Dr. L. M. Singhvi: It was said at the time of devaluation that the purpose of devaluation was to bring the external value of the rupee at par with whatever was the prevailing value of the rupee. May I know whether it is not the Government's feeling now that the promised and likely benefits that were to flow from devaluation have disappeared like a conjuror's rabbit or a magician's rabbit and that as a matter of fact because of these practices as well as because of some flagging of exports

from this country the benefits of devaluation have disappeared altogether?

Shri Sachindra Chaudhuri: No; I do not agree with my hon. friend on this point. I would also remind the House that what was said was that it was done in order that there might be a greater parity established, not that it was a thing which had to be put on a pair of scales in order to find out if the parity was established or not. But what I would tell this House is this that since then, the difference in the price of the rupee and the foreign currency has been much more abridged than it was before, and what was 50 per cent has come down to 30 per cent and what was 35 per cent has come down to 25 per cent and so on. It is not correct to say that the benefit of devaluation has disappeared. The benefit of devaluation is just beginning to be felt now.

Shri R. S. Pandey: May I know whether it is not true that many people are taking away Indian currency when they go abroad, and if so, whether they have been caught by the Customs authorities or not, and if they have been caught, the details thereof?

Shri Sachindra Chaudhuri: This question hardly arises out of the main question, and I am afraid I have not got the details before me. But I can only say that the presumption is that Indian money goes out of this country somehow; it might be by post or by a person travelling abroad; I cannot say definitely.

Shrimati Tarkeshwari Sinha: May I know whether the object of devaluation of Indian currency was to make the Indian rupee on par with foreign currency like dollar and sterling, and still there is disparity now, and if so, what Government propose to do in future to remove this disparity?

Shri Ranga: Make the rupee cheaper.

Shri Sachindra Chaudhuri: Whenever there is currency of one country

and another and there is convertible currency, there is bound to be a certain amount of flexibility in this matter in illegal transactions. But so far as legal transactions are concerned, as I have said just now, there is improvement in the situation of the currency in this country at the present moment. So far as catching the people who indulge in these illegal things is concerned, we put men on them and we take every step that is possible for any country to try and detect these and put them down.

Shri K. C. Pant: The hon. Member has said that the rupee is now 25 per cent below par but that the trend is towards improvement. May I know what the situation was immediately after devaluation and what the broad trend has been?

Shri Sachindra Chaudhuri: It is not right to say that it is 25 per cent below par. What I said was that in these illegal transactions it was found that it was 25 per cent below par.

There is another part of the question, and if I may say so, that is a very good one. There has been more or less a steady maintenance of that difference. In fact, in certain countries it has come down; for instance, I can mention a few countries in particular; in Hong Kong it has come down, and in Singapore it has come down. But so far as America and Britain are concerned, it has gone up a little. So, altogether as I said, on an average, it is about 25 per cent.

Shri Alvares: The hon. Minister has just said that there has been the beginning of an improvement after devaluation. May I know whether he can give us one example in the sector of prices or export or production where this improvement has been felt?

Shri Sachindra Chaudhuri: I can give three examples. In Government we were finding it difficult to export alkaloids made out of opium because of the price factor and we were

suffering losses in Government for the last two or three years. There has now not only been a covering of the loss but an improvement in the exports and it has turned into a profit.

The second example that I would give is this. We had stagnation in the matter of export of our rubber tyres, particularly bicycle tyres. Those bicycle tyres have now not only started moving but there has actually been an increase in the exports and the possibility is, if it has not already happened, that we shall have an export to America of our tyres, which had never happened before. The third one is concerning Indian woollen manufactures. Indian woollen manufactures had never been exported before by reason of the price of such manufactures, except such woollen manufactures as low value carpets and so on. But now for the first time, Indian woollen fabrics manufactured in Kanpur and in Punjab have established a market abroad.

Shri Ranga: Of what value?

Shri Sachindra Chaudhuri: Of a crore of rupees.

Shri Hanumanthaiya: Will the hon. Finance Minister be pleased to state whether it is only the Indian rupee that is selling below the official exchange rate in the international market or other currencies are also suffering from the same disadvantage?

Shri Sachindra Chaudhuri: Other currencies are also suffering in the same way. There are two sets of people in this world as well as in this country, the haves and the have-nots. Naturally, we want to be on a par with the haves, and therefore, if the anxiety is there in a large number of countries to have that the price of those countries' currencies goes down as compared to others.

Samadhi of Late Lal Bahadur Shastri

*339. **Shri D. C. Sharma:** Will the Minister of Works, Housing and

Urban Development be pleased to state:

(a) the progress made in working out a detailed scheme for the construction of a samadhi for the late Prime Minister Lal Bahadur Shastri:

(b) the details thereof; and

(c) the progress made in the preliminary development of the samadhi?

The Deputy Minister in the Ministry of Works, Housing and Urban Development (Shri Bhagawati): (a) and (b). The detailed scheme for construction of a Samadhi for the late Shri Lal Bahadur Shastri, as part of the entire area comprising also Rajghat and Shantivana, is still under preparation. It will take a year, if not two, for the scheme to be finalised.

(c) The preliminary development of the Samadhi, consisting of earth filling, provision of approach roads, parking, railing, filtered and unfiltered water supply, electrical and horticultural works, has practically been completed.

Shri D. C. Sharma: May I point out that the culpable negligence of the Government of India in preparing the samadhi at Rajghat, Shantivana and Vijayghat, is being commented on all over India, and even the rural population is aware of the delay that is taking place? As he has referred to all the three samadhis, may I know what are the items to be undertaken and completed as regards Rajghat, Shantivana and Vijayghat?

Shri Tyagi: How much is the total expenditure incurred?

The Minister of Works, Housing and Urban Development (Shri Mehr Chand Khanna): I am sorry for the remarks made by the questioner. I am afraid he has not followed the reply to the question.

There are three samadhis, as he very rightly mentioned, Rajghat, Shantivana and Vijayghat.