

Shri Vajpayee: Is it a fact that this particular police officer has approached the Central Government for his transfer from the State of Punjab to any other State and, if so, what is the response?

Shri G. B. Pant: Shri Grewal saw me and I had a talk with him. But all this was of a confidential character because ordinarily he is not expected to see me in my capacity as Home Minister. But I met him as a gentleman.

Shri Vajpayee: My question has not been replied.... (Interruptions).

An Hon. Member: What was the gentleman's agreement?

Shri Braj Raj Singh: The strictures passed in the judgment seem to suggest that the Constitution is breaking down in Punjab. The hon. Home Minister says that the Chief Minister enjoyed the confidence of the majority party there. May I know whether the Government of India would consider the matter in the light of the breaking down of the Constitution and take suitable action?

Shri G. B. Pant: Even the opponents have not yet, I think, asserted or insinuated that there has been a break-down of the Constitution in the Punjab.

SHORT NOTICE QUESTION

Decline in the Value of Indian Rupee in Hong Kong

S.N.Q. 4. Shri P. G. Deb: Will the Minister of Finance be pleased to state:

(a) whether the value of Indian rupee has gone down in Hong Kong recently;

(b) if so, what is the latest position; and

(c) the steps taken to avert the fall in value of Indian rupee?

The Minister of Finance (Shri Morarji Desai): (a) The official value of the rupee which is 120 Hong Kong

dollars for Rs. 100 remains unchanged and exchange at this rate is freely available for all authorised transactions. It is only the free market rate of Indian rupee notes used for unauthorised transactions that has declined since June 1959.

(b) On November 23, 1959, the unofficial exchange rate in Hong Kong for unauthorised transactions is reported to have been 89 Hong Kong dollars for Rs. 100.

(c) The fall in the unofficial value is due to the measures taken by this Government to prevent the leakage of foreign exchange caused by the smuggling out of Indian currency for the purpose of smuggling in of gold etc. The Government does not consider it necessary to take any steps regarding fluctuations in unofficial rates for the rupee. The enormous volume of authorised foreign currency transactions is in no way affected.

Shri P. G. Deb: What is the position of the Indian rupee in the Southeast Asian countries such as Singapore, Malaya, Indonesia inasmuch as the Hong Kong market affects these areas?

Shri Morarji Desai: It does not arise from this question at any rate.

Shri Joachim Alva: Is this fall in the rupee due to the anti-smuggling measures enforced by the Government or whether a large amount of currency still goes out of the country?

Shri Morarji Desai: I have very clearly stated that it is due to the steps taken by this Government to stop smuggling.

श्री रघुनाथ सिंह : क्या मंत्री महोदय को मालूम है कि सिंगापुर की इंटरनेशनल मार्केट में बैंक में अगर आफिशली हम रुपया लेने के लिए जाते हैं तो जब कि वहाँ का डालर एक रुपया आठ आने में प्राप्त होता था, आज वह डालर एक रुपया तेरह आने में प्राप्त होता है, यदि हाँ, तो इसका क्या कारण है, यह मैं जानना चाहता हूँ ?

Shri Morarji Desai: The question relates to Hong Kong; not to Singapore.

श्री मरुजाय डसलु : हाङ्गकाङ्ग; नुतु सुङ्गापुर।

Shri Ramanathan Chettiar: In view of the answers given by the hon. Minister, is it within the competence of the Governor of the Reserve Bank who is the head of the Central Banking authority in the country to say that the rupee has devalued to the extent of 20 per cent.?

Shri Morarji Desai: This question also does not arise out of this question.

Shri Ramanathan Chettiar: May I submit, this...

Mr. Speaker: All relevant matters which arise may be answered.

Shri Morarji Desai: If that is your ruling, I have no objection.

Mr. Speaker: If a responsible officer, the person in charge of the Reserve Bank, says that it has been devalued and the hon. Members are a little agitated over this, I will advise the hon. Minister to reply if it is possible.

Shri Morarji Desai: I had already replied to this question earlier.

Shri P. G. Deb: May I know if this fall in value is due to smuggling of goods from Hong Kong to India?

Shri Morarji Desai: I have said that smuggling has lessened and, therefore, this also has lessened because we have prevented it now. Originally things which can be given in exchange for sterling were smuggled. That is not now done. Therefore, the unofficial rate has gone down.

Shri Ramanathan Chettiar: In view of the rupee being stronger than any currency in the Southeast Asian countries, I put this question. Is it within the competence of the head of the Central banking authority in this country to refer to this matter and say that it has been devalued to some extent?

Mr. Speaker: It does not arise out of this question.

Shri Nagi Reddy: May I know as to what the opinion of the Government of India is regarding the statement that has been made by the Governor of the Reserve Bank regarding the devaluation of the rupee?

Mr. Speaker: It is the same thing that was asked.

Shri Nagi Reddy: Whether he is competent or not is a different matter. But the Government of India must have an opinion regarding a very important statement made by the Governor of the Reserve Bank.

Shri Morarji Desai: I had already replied to that question a few days earlier. I had explained what it was and I refer the hon. Member to that reply.

WRITTEN ANSWERS TO QUESTIONS

Post-Graduate Study in Engineering in Foreign Countries

*588. **Shri Ajit Singh Sarhadi:** Will the Minister of Finance be pleased to state:

(a) whether facilities are being given in the matter of foreign exchange to the engineering students who want to go in for post-graduate studies in foreign countries; and

(b) if so, the nature of the Scheme?

The Minister of Finance (Shri Morarji Desai): (a) Yes, Sir.

(b) Attention is invited to the reply given to Starred Question No. 1948 on the 1st May, 1958. In reply to part (b) of that Question a statement giving the entire policy for educational remittances was laid on the Table of the Sabha.