

taken by the Reserve Bank of India. These include:

- (i) lowering of the bill discount rate,
- (ii) raising of the re-discount rate, and
- (iii) setting up of a Finance House.

(e) In order to develop a monetary instrument with flexible interest rates which would enable banks and other financial institutions to better manage their short-term liquidity, a new financial instrument, that is, 182-days Treasury Bills have been introduced from November 1986.

Cost of a Single Savings Bank Account Transaction

1618. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state:

(a) the average cost of a single Savings Bank Account transaction in the nationalised banks and how does it compare with the cost per transaction in the Savings Bank as operated by the Post Offices;

(b) the actual amount paid to the Postal Department per transaction for this purpose in the Savings Bank transaction; and

(c) the reasons for this difference?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). Operation of Savings Bank Accounts by Post Offices is performed by the Department of Posts as an agency function and expenditure incurred in such transactions is reimbursed by the Government at the rates fixed by it. For the year 1985-86, the rate of reimbursement per Savings Bank transaction as reported by the Department of Post is Rs. 3.96.

Detailed data in respect of operations of various categories of deposit accounts in

nationalised banks is not available. It is, therefore, not possible to make any comparative assessment of the cost of transaction per Savings Bank Account in nationalised banks and Post Offices.

Inflation in Meerut and Bhopal

1619. SHRI C. MADHAV REDDI: Will the Minister of FINANCE be pleased to state:

(a) whether Meerut recorded highest rate of inflation of 13.4% and Bhopal the lowest 3% for the year ending April, 1987 as reported in Economic Times dated 19.6.87; and

(b) if so, the reasons for this difference and corrective measures taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Yes, Sir.

(b) The higher rate of inflation in Meerut compared to Bhopal as reflected by the CPI for Urban Non-Manual Employees (Base 1960=100) between April 1986 and April 1987 is due to the fact that whereas the indices for both the centres moved in harmony between April-November, 1986, there was divergent movement in the subsequent months upto April, 1987 - the index for Bhopal declined and that for Meerut went up. Such divergence in the movement of the indices of various centres during short periods is quite normal and is caused by local demand and supply factors. It is thus not an indicator of the overall costliness of the centre. In fact, the CPI for Meerut at 619 for April 1987 is lower than 647 for Bhopal.

The Government has taken a number of measures to keep the prices under check. These include strengthening of the public distribution system to ensure adequate supply of essential commodities and action against black-marketeers, hoarders, etc.