

sources for the project. At the moment we are estimating that the work will be completed before the end of the Third Plan.

**Shri Iqbal Singh:** May I know whether the old dam at Otto will be strengthened or a new dam will be constructed?

**Dr. K. L. Rao:** There are two proposals. One is to increase the height of Otto Weir by 3 ft. which is still under consideration. This is with a view to take the canal from Otto and divert the water to Ghaggar to make use of this water lower down the Rajasthan canal for bringing more areas under irrigation.

**Shri Lahri Singh:** May I know whether the Punjab Government has submitted a scheme for controlling the Ghaggar river in Punjab territory for supplying water to Chandigarh for irrigation purposes? If so, may I know whether this scheme is likely to materialise during the next Plan?

**Dr. K. L. Rao:** It is true that the Punjab Government has prepared a scheme to construct a dam across Ghaggar in order to give water supply to Chandigarh town and for irrigation purposes. The investigation so far undertaken indicates that the dam will be very costly. Therefore, some alternative dam sites have been proposed. They are still under investigation.

**Shri P. Venkatasubbaiah:** Instead of having flood control measures in a piece-meal way, may I know whether Government propose to have an integrated plan for the entire country, so far as flood control is concerned?

**Mr. Speaker:** Let us now confine ourselves to Ghaggar river.

**Shri Sham Lal Saraf:** May I know whether the Ghaggar river scheme is being taken up separately or the adjoining river basin scheme will also be taken up?

**Dr. K. L. Rao:** The Ghaggar river starts from Himachal Pradesh and

flows through Punjab and Rajasthan. The diversion scheme will be at the boundary when the river enters Rajasthan. At the moment, the project is taken up by the Rajasthan Government form its own Plan allocation. We are contending that the cost must be borne by Punjab also. It has to be decided.

#### Foreign Exchange

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\*531. { **Shri Imbichibava:**  
**Shri Maheswar Naik:**  
**Shrimati Savitri Nigam:**

Will the Minister of Finance be pleased to state:

(a) the latest position of foreign exchange resources and how the position reflects the policy adopted by Government to conserve our foreign exchange; and

(b) the expected trend in course or the current year?

**The Deputy-Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha):** (a) In the period April to December, 1963, the decline in our foreign exchange reserves was Rs. 13 crores as against a decline of Rs. 54 crores in the same period last year. This comparative betterment of the situation has been due to a better export performance, a less disadvantageous situation in respect of current invisibles and a larger absorption of foreign aid. The first two factors are largely a result of Government policies while the third factor is a result of the willingness of aid-giving countries to give us part of their assistance on a non-project (and hence more readily drawable) basis.

(b) On present expectations we may end the year 1963-64 with about the same level of reserves as at the beginning of the year.

**Shri S. M. Banerjee:** I want to know what amount of foreign exchange we have been able to recover from those who have their assets in the foreign banks and whether more declarations have been made in 1963 and, if so, the total amount declared?

**Shrimati Tarkeshwari Sinha:** I do not have those figures with me at the present moment.

**Shri Buta Singh:** May I know whether there is any proposal with the Government to abolish this system for the persons going abroad?

**Shrimati Tarkeshwari Sinha:** No, Sir.

**Shri Prabhat Kar:** The hon. Minister says that this comparative betterment of the situation has been due to the increase in exports and also the utilisation of aid. May I know whether there is any intention on the part of the Government to further curb the imports so that the position may be further balanced?

**Shrimati Tarkeshwari Sinha:** We try to restrict imports as much as possible. In a developing economy, the import requirements of the country are the import of machinery and capital goods which cannot be restricted. It can only be restricted to a certain extent. We try to see that all possible restraint is exercised and the check is imposed on the imports. But the basic necessities have to be imported.

**Shri Heda:** May I know to what extent the gap between obtaining the foreign aid or foreign exchange and the utilisation of the same is responsible for the present conditions and what measures are being taken so that the foreign aid utilisation is more?

**Shrimati Tarkeshwari Sinha:** It is a fact that out of the total foreign exchange available to us by various loans, a large proportion has not been utilised. But we are making every effort to see that better utilisation is made. As I said in my main answer, the situation regarding better utilisation of even the project loans has been improving. This year, when the consortium met, we actually brought it for their consideration that we would like to have more non-project aid,

untied loans so that we can exercise a little flexibility in our economic development. They have agreed to provide a bigger amount of non-project and untied loan and I think we shall be in a better position to utilise it.

**Shrimati Sharda Mukerjee:** It has been stated that due to the betterment of our export trade, the foreign exchange situation is improving. I would like to know from the Government what special measures they have taken to diversify our exports which are mainly tied up with the low economic growth countries like U.K. and U.S.A. so as to attract some of the Communist countries which have high economic growth.

**The Minister of Finance (Shri T. T. Krishnamachari):** That question has to be addressed to the Minister of International Trade.

**श्री विभूति मिश्र :** क्या यह सही है कि यदि सरकार मोटर गाड़ियों की इम्पोर्ट, घड़ियों की इम्पोर्ट और लम्जरी गुड्स की इम्पोर्ट बन्द कर दे तथा जो यहां के लोग विदेशों में जाकर व्यर्थ घूमते हैं और खर्च करते हैं, उसको बन्द कर दे तो हमारी करोड़ों रुपयों की बचत हो जायगी ?

**Mr. Speaker:** It is a suggestion.

**Shri Warrior:** May I know, in the context of better foreign exchange position, whether the Finance Ministry has agreed to relax some of the import restrictions originally contemplated for this year?

**Shri T. T. Krishnamachari:** No, Sir. As a matter of fact, all that we can say is that we have reached a plateau so far as foreign exchange is concerned and, I think, vigilance has to be exercised all the time in regard to the expenditure of foreign exchange.