

(b) if so, whether the delegation had a number of discussions with the Indian businessmen and bankers; and

(c) if so, the results achieved thereby?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): (a) and (b). Yes, Sir.

(c) The main purpose of the visit was to enable the members of the Delegation who are important representatives of Industry and Finance in West Germany, to see for themselves the general economic development in India and the potentialities by way of German investment in industry. The Delegation is expected to make an appropriate report of its impressions to the authorities concerned in Germany.

India's Foreign Exchange Reserves

16. **SHRI SAMINATHAN ;
SHRI NARAYANAN ;
SHRI DHANDAPANI ;
SHRI N. R. LASKAR ;
SHRI MAYAVAN ;
SHRI CHENGALRAYA NAIDU ;**

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that India has added Rs. 97.5 crores to her foreign exchange reserves for the year 1969-70 ;

(b) if so, to what extent India is likely to use international reserves assets for meeting the balance of payment deficits ; and

(c) the total amount India has to contribute towards the International Monetary Fund's quota which has been raised from \$750 million to \$940 million ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): (a) Presumably the Honourable Members are referring to Special Drawing Rights (SDRs) allocated by the International

Monetary Fund for the first year of the 3-year basic period commencing from 1st January, 1970. Under these arrangements, the amount actually allocated to India for 1970 is Rs. 94.5 crores (\$126 million).

(b) Over the basic period of three years, such use will be limited to 70% of the total SDRs allocated during the period. Within this limit, India is free to use these newly-acquired international reserve assets for meeting balance of payments deficits. The extent to which these reserves will be used will depend on the overall balance of payments and foreign exchange reserves position from time to time.

(c) Consequent on the increase in India's quota by \$190 million to \$940 million, additional subscription is to be paid, partly in gold, and partly in Indian currency. Of this, 25% or the equivalent of \$47.5 million (Rs. 35.63 crores) will be paid in gold and the remainder, that is, \$142.5 million (Rs. 106.87 crores) will be paid in Indian rupees in the form of non-negotiable, non-interest bearing rupee securities.

Reduction in Price of Imported Crude Oil by Foreign Oil Companies

17. **SHRI NARAYANAN ;
SHRI BANSH NARAIN SINGH ;
SHRI H. AJMAL KHAN ;
SHRI C. MUTHUSAMI ;
SHRI D. N. DEB ;
SHRI SHIVA CHANDHRA JHA ;
SHRI SAMINATHAN ;
SHRI N. SHIVAPPA ;
SHRI RAM SINGH AYARWAL ;
SHRI S. M. BANERJEE ;
SHRI KANWAR LAL GUPTA ;
SHRI P. VISWAMBHARAN ;
SHRI DHANDAPANI ;
SHRI MADHU LIMAYE ;
SHRI K. P. SINGH DEO ;
SHRI JYOTIRMOY BASU ;
SHRI N. R. LASKAR ;
SHRI MAYAVAN ;
SHRI PRAKASH VIR SHASTRI ;
SHRI GANESH GHOSH ;
SHRI RAM SWARUP
VIDYARTHI ;**

SHRI N. K. SANGHI ;
 SHRI CHENGALRAYA NAIDU ;
 SHRI RABI RAY ;
 SHRI MOHAMMAD ISMAIL ;
 SHRI R. R. SINGH DEO ;
 SHRI YOGENDRA SHARMA ;
 SHRI INDRAJIT GUPTA ;
 SHRI CHINTAMANI
 PANIGRAHI ;
 SHRI BRIJ RAJ SINGH ;
 SHRI BHOGENDRA JHA ;
 SHRI BAL RAJ MADHOK ;
 SHRI JANESHWAR MISRA ;

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) whether it is a fact that Government are using pressure on the Oil Companies to cut prices of crude ;

(b) whether Government released foreign exchange for 15 days only in January, 1970 ;

(c) if so, the total quantum of exchange released for remaining days of the month of January, 1970 ; and

(d) whether Government have examined as to how the Refinery Agreements could be revised so that the controversy over crude prices is resolved in future ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. CHAVAN) : (a) to (c). It is true that the Government had asked the foreign oil companies to reduce the price of crude oil imported by them by 10 cents per barrel so as to bring it in line with the fall in the prices of Middle East crudes in world market. On their failure to do so, the Government decided to reduce the foreign exchange allocations and imposed a cut of 7½% on their foreign exchange allocations from June 1969. In the meantime, the oil companies reduced the price by 4 cents per barrel only. Government imposed a further cut of 20% on the foreign exchange allocations with effect from 16th January, 1970.

The Oil companies have now reduced the prices by the further six cents per barrel desired by Government with effect from 1st February, 1970.

(d) The Government are considering a suitable revision of the refinery agreements.

**Recommendations of Study Group
on Coal Industry**

18. SHRI SAMINATHAN ;
 SHRI NARAYAN ;
 SHRI DHANDAPANI ;
 SHRI N. R. LASKAR ;
 SHRI MAYAVAN ;
 SHRI CHENGALRAYA
 NAIDU ;

Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to state :

(a) Whether it is a fact that the Union Government have accepted the recommendations made by the Study Group on stowing subsidy and other forms of assistance to the coal industry ;

(b) if so, what are the other recommendations made by the Study Group ; and

(c) how many have been accepted and the steps taken to implement them ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES & METALS (SHRI JAGANATH RAO) : (a) to (c). Government have accepted the recommendations of the Study Group with minor modifications. A statement is laid on the Table of the House.

Statement

The main recommendations/conclusions of the Study Group are as under :

(1) Sand-royalty should be paid by Coal Board in addition to the stowing subsidy payable to individual collieries.