

Under the conditions prevailing in the country, if you want to do justice regarding Salaries, then I would like to say that the salaries of M.Ps are much less. What are they getting? The prices are rising. We do not get water and electricity free whereas they get reimbursement of water and electricity charges. They get free bungalows while we get them on rent. What are the salaries of M.Ps and Ministers? So, while supporting the Bill I would like to say that attention should be paid to this side also and the cases should also be disposed of expeditiously.

MR. DEPUTY SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

COINAGE (AMENDMENT) BILL

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : On behalf of Shri Vishwanath Pratap Singh, I beg to move :

"That the Bill further to amend the Coinage Act, 1906, be taken into consideration."

There have been reports shortage of coins in the country for some time Past. Hon. Members of this House have also expressed concern on the situation. The Government have taken various steps to step up the total availability of coins. Production of coins in the three Mints located at Bombay, Calcutta and Hyderabad has been geared up with the purchase of new machinery and equipment, introduction of productivity-linked incentive scheme and two shifts, including extra working hours. As a result, the production has already increased from 525 million pieces in 1981-82 to 1063 million pieces in 1983-84 and 1356 million pieces in 1985-85. The target for production for 1985-86 is 2000 million pieces.

However, despite these measures, there still remains a gap between the demand and the supply of the coins. The Reserve Bank of India has estimated its requirement of coin in 1985-86 at 2600 million pieces, which would rise to 3200 million pieces in 1992-93.

Therefore, as a longterm measure, it is intended to modernise all the existing three Mints and to establish a new Mint of about 1500-2000 million pieces per annum capacity at NOIDA, Distt. Ghaziabad, Uttar Pradesh. The Government have also constituted a Technical Committee to recommend a long-term Coinage Policy for adoption in stages a new series of coins, with its size, weight and metal/alloy composition etc.

The Reserve Bank of India is responsible for the distribution of coins in the country. It is closely monitoring the supplies to the public at the Issue Offices, Counters and through Small Coin Depots. It also proposes to have a network of Small Coin Depots at local public sector bank branches so that issue of coins at the RBI counters are reduced. It has also made arrangements for releasing of coins of mixed denominations from the same counters.

Unfortunately, certain elements in society have taken advantage of this situation and there are reports of hoarding, thereby creating artificial scarcity.

Necessary instructions to the various State Governments have been issued to take action under the Small Coinage Offences Act, 1971, if complaints of melting of coins are reported. The problem however, can be effectively tackled only if the availability of coins is there, thereby minimising the possibility to create a psychology of shortage. The existing Act, namely the Coinage Act of 1906 restricts the manufacture of coins to the Mints in the country. It is proposed to amend the Coinage Act of 1906 so as to provide greater manoeuvrability to Government stepping up the supplies through minting of coins abroad. I would like to assure the House that this step is being taken to meet the shortage. It shall be the endeavour of the Counterment to meet the demand through production of coins at the mints in the country. As I stated earlier, all efforts to modernise the existing three mints are also being made so as to meet all foreseeable demand in the future. The recourse to the provisions of the proposed amendment in the Act would be to actually to the shortage.

Now, I would like to commend the Bill for the consideration of the House.

MR. DEPUTY SPEAKER : Shri Basudeb Acharia may initiate the debate. Before that, we have to fix the time.

PROF. SAIFUDDIN SOZ : One hour is sufficient.

MR. DEPUTY SPEAKER : Only three persons have given their names. One hour.

SHRI BASUDEB ACHARIA (Bankura) : The Government has come forward with this piece of legislation to amend the Coinage Act of 1906 in order to make provision to import coins; from foreign countries.

The shortage of coins is not a recent phenomenon. It was felt during the years 1981, 1982 and 1983. Since 1982 the production of coins has been substantially increased from, say 660 million pieces of coins in 1982-83 to 1,356 millions in the year 1984-85. And this year, the hon. Minister has stated, that the estimate is about 2,000 millions. Not only there is shortage of these coins today, we feel that the supply of one rupee and two rupee notes also is not satisfactory. So, will the Government in future come forward with another legislation to import one rupee or two rupee notes because of the constraint in the supply of one rupee and two rupee notes ?

Last year, the Railway fares were increased. What was the plea made by the Railways ? The railway fare was increased due to shortage of coins. From 50 Paise to one rupee, Rs. 1.50 to Rs. 2 and so on was the increase. The shortage of coins was the main result which was stated by then Railway Minister to increase the Railway fare. The shortage of coins is a constraint. This constraint and the supply of coins were discussed various times in this House and in the Rajya Sabha also. And the Government was to take some steps. Already they have taken some steps to modernise all the three mints which are there in our country. But despite all these measures, the problem still remains and the Government has decided to import coins. There was another proposal to start 22 new coining presses in three mints in Calcutta, Hyderabad and Bombay. So, the Minister will kindly clarify whether these 22 coining presses have been installed or not. Last year it was stated in this House in reply to an Unstarred Question that a new mint would be established. What is the

progress of that mint ? Why has it not been expedited ? Why was this decision of setting up a new mint not taken when the shortage of coins was felt three years back ? If that decision would have been taken three years back, a new mint would have come up by now and the Government need not go in for import of coins from foreign countries. In reply to a question last year the Finance Minister had stated both in this House as well as the other House that this problem of shortage of coins would be eased within a year. If that is so, then why is the Government going in for import of coins ?

There is the question of capacity utilisation. There are three mints. Is the capacity of these mints fully utilised ? If it is not, then what steps is the Government taking to have full utilisation of existing capacity of the three mints ?

There is the cost factor. It has been stated that about 500 or 600 million pieces of coins will be imported. Has the Government made any assessment as to what will be the cost per coin and whether this cost will be more than the indigenous cost ? What will be the amount of foreign exchange required for importing these coins ? Has this been worked out ? I would also like to know whether any agreement with any country has been made for import of coins.

Last year the All India Reserve Bank Employees Association gave some suggestions on how to solve the coins shortage problem. I would like to know what are their suggestion and whether the Government have thought over those suggestions and what action the Government have taken on those.

My proposal is that there should be increased utilisation of the existing coin mints. Besides the Government should expedite setting up of new mint factory which is proposed to be set up in NOIDA near Delhi. The Government should not go in for import of coins by spending crores of rupees.

With these words I oppose this piece of legislation.

[Translation]

SHRI HARISH RAWAT (Almora) : Mr. Deputy Speaker, Sir, I welcome the proposals which the hon. Minister has brought forward

and would like to draw his attention towards the acute shortage of coins in the country. There is so much shortage of coins that the common man is feeling great difficulty in this regard. This is more so in the case of those people who have to go out or those who have to travel.

While travelling in a bus if you give a currency note to the conductor for a ticket, he will express his inability to return the change. A similar situation arises when we go to a shopkeeper. The result is that there is an unintentional increase in the real price of a commodity which a person wants to buy. This situation is creating discontentment among the people unnecessarily.

This matter has been raised at least thrice or four times in the House during the last five years. Every time the same reply is given that efforts are being made to remove the shortage of coins. The Reserve Bank of India, which is responsible for monitoring the situation of remove this shortage of coins, has been given instructions in this regard. It is not understandable why this shortage persists in spite of the instructions given every time. It seems either the Reserve Bank of India does not follow your instructions or if it does so, then there may be some persons working at your outlets who are indulging in the illegal trade of coins or it may be happening that when the coins are dispatched for circulation in the market some persons having an eye on our economy and the currency, accumulate coins with them. One thing has been noticed that some people do have a tendency to accumulate coins. Some do so intentionally while others do it unintentionally. Then, there are coins whose metal value is more than their face value.

There are laws enacted for this purpose but their use is not effective, as a result of which difficulty arises in their proper implementation. In this way, those who adopt such wrong practices escape from the laws. I would like to suggest to the hon. Minister that if he has the information regarding the quantum of coins which are required for circulation and of those which are in short supply, there will be no difficulty in removing this shortage. Besides this, taking into consideration the shortage of coins during this year it should also be assessed what the demand for coins will be next year. After making this assessment, coins can be minted

here so that their shortage in future may be averted. We shall have to find out some solution to this problem at the earliest. It is good that as an immediate solution, you are importing coins. You should find out the difficulty of the people and the ways and means of removing this shortage and the import of coins is not a permanent solution. There can be a permanent solution only when the streamline the system and find out the lacunae. The management should also be properly controlled.

So far as the setting up of a mint is concerned, the Government of Uttar Pradesh have allotted land at Noida in Uttar Pradesh. I do not know the reasons for the delay in starting the constructions work there. The mint which you propose to set up is going to be small in size. I would like to request you to increase its capacity. You should set up a big mint so that keeping in view the event of shortage of coins, you could have an effective control to combat the shortage in a proper way.

I would also like to draw the attention of the hon. Minister towards soiled notes. At present, it is very difficult for a man to get new notes of the denominations of Re. 1, Rs. 2, 5 or 10. Unless we request the Reserve Bank of India by writing letters 5 to 10 times that such and such a person may be issued new currency notes, that person does not get the new notes. It means that the people do not get new currency notes and instead get soiled notes. In a way, the people having vested interest have been indulging in this trade. You may kindly, look into the matter with these words, I welcome the Bill.

[English]

SHRI V. S. KRISHNA IYER (Bangalore South) : Mr. Deputy Speaker, Sir, I have not heard of any free country importing coins. Sir, I am speaking on principle. What has happened to our Swadeshi movement? Day in and day out we are discussing about self-reliance in this very House. If we cannot manufacture coins which are required for our country, what will the other countries think of us? We have made tremendous strides in the field of science and technology. It is unfortunate that the Government did not foresee the requirements of coins in our country. Coin shortage is not a recent

[Shri V. S. Rishna Iyer]

phenomenon. It has been therefor the last two or three years. I want to know what the Government has been doing all these years. For two years they have slept over and one fine morning they bring a Bill here. As I asked already, what will the other countries think of us when we go and beg for coins in other countries? I am sure that if we do this the image of our country will be tarnished. Anyway, it has become a necessity now. My only desire and wish is that this should be the last time when we go in for import of coins. We know and many of the hon. Members have already spoken about the difficulties we have experienced. Every day, every hon. Member is experiencing this difficulty. Now, the other day in Delhi, I could not give one rupee note as I had only 70 paise or 80 paise change. The taximan was very happy to receive 80 paise change instead of one rupee. Such was the position of coin shortage. Even the small notes are not available, as some of the the hon. Members have said about it. There is no exaggeration.

I am sure, the Minister will not bring another Bill for seeking permission of this House for importing notes. That will be much more disgrace to our country. I do not understand the reason why there is such a shortage. We have got very sophisticated mints and the capacity of the mints should be fully utilised. If necessary, we should have one more mint. Really I cannot understand this shortage. It is very important.

I only hope that this will be the last occasion to import the coins. What will the people outside think about us, if we import small coins? Particularly, only this morning, we discussed about self-reliance in the matter of technology. So, I would strongly oppose this Bill on principle and I only hope that this will be the last occasion when a Bill is brought before this House. We are manufacturing aeroplanes and other sophisticated equipments and many of the countries are looking towards us for many of the sophisticated instruments and equipments. We have made so much development in the field of industry at a tremendous pace. I therefore think that this will be the last time when the Minister will come forward with such Bill.

On principle, I oppose this Bill.

[Translation]

SHRI MANOJ PANDEY (Betia) : Mr. Deputy Speaker, Sir, there is acute shortage of coins in the country. Through you, I would like to draw the attention of the hon. Minister towards the great difficulties being faced by the public due to shortage of coins.

We are all aware of what happens at the railway booking offices due to shortage of coins. If you go to a railway booking office for purchasing a ticket, generally one rupee is charged for a 40 paise or 50 paise ticket, because the balance is not refunded. When asked to refund the balance, the stock reply comes that there is no change with them. You can very well understand the position of a poor person who has to pay one rupee for a 40 paise or 50 paise ticket for travel by train three or four times a day. Particularly, the poor people in the far off villages are seen standing at the ticket windows waiting to get back the balance and they even miss their train. We should understand this situation.

The situation in the rural areas is worst. Due to the shortage of coins, goods are not sold or purchased against payment of coins there. One can purchase goods there in lieu of paddy or wheat. If you have no change, you cannot escape this. You cannot purchase anything without paddy or wheat under such circumstances. What I mean to say is that every section of our society is experiencing the shortage of coins. It is a commendable thing that the hon. Minister has brought forward this Bill. The shortage of coins in the country must be removed.

I would also like to submit that there are no proper arrangements for distribution of coins. Generally, it is seen that new coins and new currency notes remain in cities only. The coins or notes distributed in the villages are in such a bad shape that if these notes are kept in the pocket, they get soiled due to sweating. The social notes and defective coins are adversely affecting the rural life. It is good that you intend to import coins from abroad in order to meet their shortage. If there is need, you must import coins from abroad. But, at the same time, you have to see whether the amount of foreign exchange to be spent on importing them will be equal to their cost of production here or it will be less than that. You will have to see if we can mint coins in our

country at a lesser cost than that. If the imported coins are costlier than the indigenously produced ones, then it will not be proper to import coins from abroad. The hon. Minister has just now stated that Government propose to set up a mint at Noida to produce new coins there. If by inverting less, we can produce more coins in our own country, there it will not be proper to import coins from abroad. In case it is not possible to start this work soon, you must import coins if you want to do so. Government should take steps to use such raw material for small coins as may be less costly. We should try to increase the indigenous production of coins with lessor investment so that there is no need to import coins from abroad. In this way, we shall be able to save our foreign exchange.

One of the reasons for shortage of coins is that the people have accumulated coins in their homes. They melt coins for manufacturing other articles. This practice has been seen in the villages also. You should try to check it and if need be a Bill or an amendment must be brought forward. With these words, I support the Bill.

[English]

SHRIMATI GEETA MUKHERJEE (Panskura) : Mr. Deputy Speaker, Sir, this Bill is, on the one hand, confounding and on the other, disgraceful. It is confounding because the Government during the last three years has been claiming that the production of coins has increased quite a lot and that there is substantial increment, double, in one year and then a little more than that. Has the economic activity in India got a sudden spurt last year that despite the issue of coins in double the quantity, we are in this difficulty? It is confounding because I do not know whether at any point of time there was really any serious attempt on the part of the Government to under-stand this coin shortage and to judge how all this is artificial.

15.00 hrs.

To my mind this coin shortage, for a big part, is artificial because the persons who are gaining out of this coin shortage are definitely some companies. Leave aside the lozenges companies. Leave aside the match companies. But there are some new entrants into the consumer fields. There are multi-nationals whose advertisements all the time

we are seeing on the television advertising their products. They are also benefiting.

Everywhere we are being forced to pay more than what we should pay according to the legal cost. So there must be certain agencies functioning in this whole working of the thing. To my mind it cannot be just accidental or some villagers taking to melting of coins. So first I charge the government of not taking any proper investigative attitude towards it in the past two years. Secondly, it is disgraceful because the year 1985 seems to be the year of our launching into the 21st century. If launching to 21st century starts with the import of coins, I do not know how the people will take your launch. Will they not think that this missile also is going to fail? This seems to be the situation.

I know there are not many countries—but there are some countries which tried to import coins from other countries. I know the Australian government once decided to get coins imported from Japan. I also know what a tremendous amount of agitation was launched in Australia against the Australian government going to Japan for import of coins. Therefore, this import of coins is really, as I said, disgraceful. It is said in the financial memorandum that the Government are now taking only the option and only if we use the option, then only the question of import comes and only then the financial expenditure involved arises. Naturally now we are asked to approve this blind-fold. Since the coin shortage everybody is in trouble. Therefore, the Government wants us to vote for import of coins without knowing what will be the cost, what will be the drain of foreign exchange and whether production can be done here. As I said earlier, the financial memorandum is silent about the expenditure as they say that they are only taking the option. Therefore, I have said this is also another point of both confusion and disgrace. Therefore, I really cannot agree to this proposal of government taking option of importing coins from foreign countries. I think instead of taking the option the Government should have come forward to chasing the black-marketeers who are involved in it and bringing them to book and if in reality there is some coin shortage not artificial, then to step up its production. There is no such difficulty with regard to it. Therefore, from

[Shrimati Geeta Mukherjee]

the point of view of national honour, from the point of view of the necessity of the Government moving against black-marketeers and from the point of view of the people feeling very disgusted about the whole thing, I think the Finance Minister should withdraw the Bill and say that they are going to make alternative arrangements to meet the coin shortage exploiting our own resources which is quite possible.

PROF. SAIFUDDIN SOZ (Baramulla) : I had no intention of speaking on this amendment. But when I saw this Bill cursorily, I found that it was a very dangerous amendment...*(Interruptions)* I am speaking very briefly but it will be my appeal to the colleagues on that side that they request the Minister to withdraw it. Sir, I am saying something very seriously. I do not know whether the Minister has the authority to withdraw this Bill all by himself but it is a very dangerous amendment that you are asking us to vote.

I am in agreement with Smt. Geeta Mukherjee and Shri Krishna Iyer that country's prestige will receive a very great set-back. That is the first objection.

The hon. Minister has explained about the shortage of coins. Who will not agree with him on this? There is acute shortage of coins but there seems to be some lacunae because you say that the production of coins has doubled. The population has not doubled over a period of time. So, there must be hoarding. Let the Government go into it. Then you have not worked out the details with regard to setting up of more mints in the country. What would be the cost of one more mint? Then, Sir, how many countries have imported coins? What is the history? What is the convention? My colleague referred to Australia. There was a powerful agitation there and they had suspended the operation. They did not import finally.

Then, Sir, it is the circulation of a legal tender. It is not an ordinary paper. If you import currency then India will certainly lose its prestige. Can't you print currency notes? Minting of coins may be a difficult proposition but printing of notes should not be difficult. Your financial memorandum is incomplete. You are in the habit of insulting the House by bringing in amendments at

short notice and putting forward Ordinance. You are going to import legal tender. That is a risky proposition.

You say in the financial memorandum that there is the problem of security and about security the Statement of Objects and Reasons says that necessary steps will be taken to ensure security. What are those necessary steps? With you explain to bureaucrats and others but not to Parliament? Are we not entitled to this information as to what are the security measures you will be taking?

Then in the financial memorandum it is said you will not be importing currency notes or coins from governments only but from persons also. Why from a person? I have objection to importing these from governments not to speak of a person.

So, you have brought forward this amendment at a short notice. Since India's prestige will be at stake and there is no emergency, we shall face this shortage till all of us think about it I insist that Mr. Poojary may rise to the occasion and he must kindly withdraw this amendment.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Sir, six hon. Members have spoken on this Bill. They have given their suggestions. The six hon. Members spoke are Shri Basudeb Acharia, Shri Harish Rawat, Shri Krishna Iyer, Shri Manoj Pandey, Shrimati Geeta Mukherjee and Shri Soz. Some of the hon. Members have criticised the Bill saying that it is a dangerous one the prestige of the country is affected, there is a set-back and all that. Also they wanted the withdrawal of this Bill. We have been receiving complaints from various parts of the country about the shortage of coins. We have heard such complaints inside Parliament and outside Parliament also. The hon. Member Shri Rawatji had brought home the sufferings of the people on account of the shortage created in the country. Shri Pandeyji also made out certain points regarding the plight of the poor regarding the shortage of coins faced by the nation. If you kindly go into the history of shortage, what has happened? There are three mints in the country situated at Bombay, Hyderabad and Calcutta. The three mints used to work on the shift of 60 hours

in a week. In the year 1977—I am underlining the year 1977—the hours of the week were reduced from 60 to 54. In the year 1978 once again from 54 hours this was reduced to 48 hours. As hon. Members know, so far as distribution of coins is concerned it is the job of the Reserve Bank of India. What had happened? The RBI did not lift the production. There was accumulation of production at the mint. I may bring to the notice of hon. Members for their information that in 1979-80 the production of coins was 551.93 million pieces. RBI off take was 766.57 million pieces. The accumulation without being lifted by RBI was 714.42 million pieces.

AN HON. MEMBER : Who was responsible?

SHRI JANARDHANA POOJARY : The hon. Member who spoke from the opposite side was also in the Janata Party Government between 1977 and 1979. Shri Krishna Iyer is aware of the fact as to who were ruling this country between 1977 and 1977 and who were the supporters of the Government at that time also. At one point the Government was about to take a decision that the Hyderabad mint should be closed. We came to power. We reversed that decision. If we had not done these things, the matter would have been quite different. Now, unfortunately, this had happened. In the year 1981-82, production was 525 million pieces. The off-take by the Reserve Bank was 836 million pieces. The accumulation at the Mints was 57 million pieces. The shortage was there. The shortage was felt. Now, there are unscrupulous people in this country. We have written to the State Governments stating that it is an offence of melt the coins. We have written to the State Governments to see that the coins are not melted. Otherwise, action should be taken against them.

Sir, since 1982, production started picking up and we have introduced so many incentive schemes. Steps are also being taken to modernise the mint system and more shifts are also introduced in the mint. Unfortunately for us, at Calcutta Mint, the workers' Union did not agree to the shift system. Only in the month of February 1985, they agreed for another shift. Now, what is the result of it? In the year 1981-82,

the production was 525 million pieces. The production since had increased by three times. The production for the year 1984-85 was 1355.69 million pieces. In spite of these measures, we could not meet the demand and the projection that has been made by the Reserve Bank of India for 10 years is for 1983-84—2050 million pieces, for 1984-85, 2250 million pieces and for 1985-86, the projection is 2600 million pieces. Our target is 2000 million pieces from the three mints.

The hon. Member, Mr. Acharya, had asked about the Noida plant. I would submit that the land has already been acquired there. Even the people are being sent to work out the plan for this plant. They had also gone abroad to get the technology. The Government has set apart a sum of Rs. 20 crores for this project and it would be completed by 1989. The work for the installation of the plant will start in September 1985 and it would be completed within a period of 34 to 36 months, that is, by the end of 1989 we will be in a position to commission this project and start production. But the reality today is that there is shortage of coins. As the hon. Member, Shrimati Geeta Mukherjee, pointed out there are unscrupulous elements in this country who are indulging in creating shortage of coins. They are responsible for hoarding the coins for the purpose of sale at premium. That is also there. Some of you may perhaps ask "why can't you take action against those hoarding for the purpose of sale"? We have taken into consideration the amount of harassment that would be meted out to the people because there are some customs in our society to give coins at the time of the marriage. Some people have the custom of collecting coins for the purpose of offering them to God. For example, for the temple in Tirupati, people collect coins and offer them to the God. Now, in the temples they have boxes for the collection of offerings in the form of coins and currencies. These things are to be taken into consideration. We should have such a legislation that even the implementing machinery is not in a position to create any trouble or harass the people. But at the same time, I want to bring to the notice of the hon. Members that the projection of requirement as made by the Reserve Bank is 3200 million pieces by 1992. The question is, whether we are going to

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have these 3200 million pieces by 1992. I can assure the hon. Members that we would be able to meet the requirements. We have got the target for 1984-85 of 2000 million pieces and we are going to have a mint at NOIDA with a capacity of 2000 million pieces by 1989. That means that by 1989, we would be in a position to produce 4000 million pieces against the projection of 3200 million pieces by the Reserve Bank.

Now, the question is why we are going to import these coins. There is a crisis, nobody can dispute it. The question is whether we should take measures meet the requirement, or whether we should sleep over the matter. The people, particularly the weaker section, are facing difficulties. I fully understand and share the concern expressed by the hon. Members. What is happening to the weaker section particularly? If a person goes to a place twenty miles away and takes his meals in a hotel, the hotel keeper gives him a chit of paper in place of the balance amount due to him, as according to him, he has no change. That would be a loss to him, because he will not come from that much distance to claim his money. It is not possible. Thus, the people are suffering on account of shortage of coins. Even in the buses, the passengers are given small pieces of paper by the conductor instead of the balance amount. This is the plight of the people in the country. How do we tackle this problem? It may be a one-time measure, a short-term measure, or the first and perhaps the last time, but we are going to import 2000 million pieces, if the Parliament approves the Bill.

SHRIMATI GEETA MUKHERJEE : When you have kept the target of 2000 million pieces, you must have looked into the economics of it also.

SHRI JANARDHANA POOJARY : I will come to that.

Let the people who are making attempts to board the coins understand that more supply will be pumped into the circulation, and they must part with the coins.

PROF. SAIFUDDIN SOZ : By your own admission, the coins are being converted for commercial purposes. If you supply more coins, they will convert more.

SHRI JANARDHANA POOJARY : I

may say this for the information of hon. members that the cost of melting is much more than the cost of the metal.

SHRI G. G. SWELL : If you make coins whose intrinsic value is more than the face value. You cannot solve the problem. If you pump more coins into the system, more coins will be marketed.

SHRI JANARDHANA POOJARY : Hon. member Prof. Soz has made one point. I can give him this information. For one rupee coin, the metal cost is 32.68 paise and minting cost is 20.31 paise. So, this will not be profitable for people to melt it and then sell the metal. Our information is that they are not going in for melting, but they are going to sell them at a premium.

PROF. SAIFUDDIN SOZ : What is the evidence to show that they are selling at a premium?

SHRI JANARDHANA POOJARY : I want to make it very clear. We have already written to the State Governments also to take action. If more coins are supplied into the system, definitely those people will think twice before hoarding the coins. Another point has been raised by the hon. member, to find out whether the cost of production of the coin inside the country will be less than the cost of production of the coins in the foreign country. For the benefit of hon. member, we can say that the cost of production outside is less than the cost of production inside the country.

SHRIMATI GEETA MUKHERJEE : In terms of foreign exchange, how much is it going to be?

PROF. SAIFUDDIN SOZ : What about our image?

SHRI JANARDHANA POOJARY : By importing coins, if you think that our image is going to be affected and by importing coins, if there will a set back so far as the prestige of our country is concerned, it is for the House to consider it. But I respectfully submit that I do not agree, so far as this aspect is concerned. We have to meet the requirements and we have to find a course. That is why this step has been taken. Now, hon. member Shrimati Geeta Mukherjee has said that this Bill should be withdrawn. Before making the request, the

hon. member should have thought about the plight of the people. I am fully aware of the fact that you people from CPI and CPI (M) represent the cause of the weaker sections and it is a step, which I think, should have been welcomed by you. With these words, I commend the Bill.

MR. DEPUTY SPEAKER : The question is :

"That the Bill further to amend the Coinage Act, 1906, be taken into consideration."

The Motion was adopted.

Clause 2

MR. DEPUTY SPEAKER : The House will now take up clause-by-clause consideration of the Bill. The question is :

"That Clause 2 stand part of the Bill."

The Motion was adopted.

Clause 2 was added to the Bill.

MR. DEPUTY SPEAKER : The question is :

"That Clause 1, Enacting Formula and the Long Title stand part of the Bill."

The Motion was adopted.

Clause 1, Enacting Formula and the Long Title were added to the Bill.

MR. DEPUTY SPEAKER : The Minister may now move that the Bill be passed.

PROF. SAIFUDDIN SOZ : I must now make my point. The Minister has not answered my point.

SHRI JANARDHANA POOJARY : I beg to move :

"That the Bill be passed."

SHRI P. NAMGYAL (Ladakh) : I would not like to take much time of the House : just a suggestion about the coinage system. The Minister has just stated that people were resorting to conversion of these coins for some commercial purposes, since the face value of the coin is less than the commercial value. In some foreign countries, I have found copper coins of the value of, say, Rs. 10. If the face value is not

less, i.e. if the Government makes coins of Rs. 10 or Rs. 5, I think the conversion will be checked to a very great extent. (Interruption) Because the face value will be more, and the commercial value would be less, conversion would not be there.

MR. DEPUTY SPEAKER : Now Prof. Soz.

PROF. SAIFUDDIN SOZ (Baramulla) : This is a very important amendment. I had raised an objection, saying that we should not import. I am very serious about it. We have reached a stage in our development, where we should not do it, because it will impair our image before the international community. I raised the objection, and asked why we should import from Governments. But the Ministry proposes to import from persons. At least they should drop this proposal. Let them import from Government, if at all they are going to disregard our opinion.

Secondly, the Minister has admitted before us that people are converting coins for commercial purposes. Later, he withdrew it.

SHRI JANARDHANA POOJARY : I have not made that statement. The hon. Member from the Opposition, Shrimati Geeta Mukherjee had stated that some people were hoarding, and melting them. I stated that we had written to the State Governments to take action in this regard. If some people melt the coins, may be for commercial purposes, the State Government can take action.

Regarding the security aspect, I want to make it very clear that we are taking necessary steps.

PROF. SAIFUDDIN SOZ : I had raised it earlier. Now you remember it. Thank you.

SHRI JANARDHANA POOJARY : We are taking security measures also. For Your information, we are going to give instructions, saying that after manufacturing or minting the coins, the tools prepared by those people should be destroyed.

So far as you suggestion that individuals should not be asked to manufacture these coins is concerned, these matters are being assessed viz. what steps we have to take.

[Shri Janardhana Poojary]

Kindly leave it to the Government. Have some faith in the Government. *(Interruption)* We have to take into consideration so many other factors also, and see what steps we should take in the best interests of the country. Please leave it to the Government. If the Government is going to do something wrong, it is going to be accountable. You can raise your point about it later. We are subject to questioning. *(Interruption)*

PROF. SAIFUDDIN SOZ : Please say that the individuals will not be involved.

MR. DEPUTY SPEAKER : Now the Minister to move that the Bill be passed.

MR. DEPUTY SPEAKER : The question is :

"That the Bill be passed."

The Motion was adopted.

15.35 hrs.

STATUTORY RESOLUTION RE :
APPROVAL OF NOTIFICATION
INCREASING EXPORT DUTY
LEVIABLE ON BLACK PEPPER

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI JANAR-
DHANA POOJARY) : I beg to move :

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7 of the Customs Tariff Act, 1975 (51 of 1975), this House approves the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. G.S.R. 403 (E), dated the 7th May, 1985, increasing the export duty leviable on black pepper to Rs. 3 per kilogram from the date of issue of the said notification".

15.36 hrs.

[SHRI SOMNATH RATH in the Chair]

Black pepper is specified under Heading No. 2 of Export Tariff and the rate of export duty prescribed therefor has been Rs. 1.25 per kg. However, with effect from the 16th February, 1979, black pepper has been exempt from the whole of the customs duty leviable thereon. The F.O.B. unit realisation at that time was around Rs. 20 per kg.

International prices of pepper started going up by the end of 1983. The Government have been watching the trend of export prices for quite some time. The latest export value realisation of black pepper has been around Rs. 40 per kg. Accordingly, the exemption from export duty has been withdrawn and black pepper subjected to an export duty at the rate of Rs. 3 per kilogram. This measure is expected to bring an additional revenue of Rs. 7.5 crores in a year.

Sir, as you are aware, changes in export duties are made from time to time. As part of the current year's budget proposals, the rate of export duty on as many as 12 items was abolished, leaving only 4 items subject to export duty. Out of these 4 items, the rate of export duty on coffee was also reduced on 29th April, 1985 from Rs. 720 per quintal to Rs. 570 per quintal. The present one is yet another proposal to revive the export duty on our traditional items of export. In this revival of export duty care has also been taken to ensure that only a part of the gain arising from the rise in international prices is mopped up and that the levy does not adversely affect our exports.

I commend this resolution for consideration and passing.

MR. CHAIRMAN : The question is :

"That in pursuance of sub-section (2) of section 8, read with sub-section (3) of section 7 of the Customs Tariff Act, 1975 (51 of 1975), this House approves the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. G.S.R. 403(E), dated the 7th May, 1985, increasing the export duty leviable on black pepper to Rs. 3 per kilogram from the date of issue of the said notification."

The motion was adopted.