

2. The Administrators-General (Amendment) Bill, 1983.
3. The Appropriation (No. 4) Bill, 1983.
4. The Delegated Legislation Provisions (Amendment) Bill, 1983.
5. The Appropriation (Railways) No. 4 Bill, 1983.
6. The Copyright (Amendment) Bill, 1983.
7. The Hindu Widows' Re-marriage (Repeal) Bill, 1983.
8. The Jute Manufactures Cess Bill, 1983.
9. The Vegetable Oils Cess Bill, 1983.

12.22 hrs.

CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORTANCE

**Reported Shortage of Small Coins and
Currency Notes of Small Denominations**

SHRI HARISH RAWAT (Almora) : I call the attention of the Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon :

“The reported shortage of small coins and currency notes of small denominations and steps taken by Government to meet the situation.”

2. Sir, I also lay on the Table copies, duly authenticated by the Secretary-General of Rajya Sabha of the following eight Bills passed by the Houses of Parliament during the last session and assented to since a report was last made to the House on the 26th July, 1983 :—

1. The Cantonments (Amendment) Bill, 1983.
2. The Electricity (Supply) Amendment Bill, 1983.
3. The Salary, Allowances and Pension of Members of Parliament (Amendment) Bill, 1983.
4. The Arms (Amendment) Bill, 1983.
5. The Societies Registration (Delhi Amendment) Bill, 1983.
6. The Jute Manufactures Development Council Bill, 1983.
7. The National Oilseeds and Vegetable Oils Development Board Bill, 1983.
8. The Emigration Bill, 1983.

THE DEPUTY MINISTER IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POJARY) : Mr. Speaker,
Sir, I rise to make a statement about the alleged shortage of small coins and small denomination notes. At the outset, I wish to allay the apprehensions of the members of the public about shortage of small coins and notes of small denominations and say that efforts are being made to step up the output of small coins and also ensure availability of small denomination notes in sufficient measure to meet the needs of the public.

I wish to deal with the issue of shortage of small coins first. In order to meet the growing requirements of coins, Government had initiated during the last two years various measures to ensure availability of small coins in a greater measure to the public. The Hyderabad Mint, which was to have been closed, is being continued. In order to boost output in the three mints, an incentive scheme designed to motivate the workers to give higher output has been introduced. Besides, the number of working hours per shift have been increased from 48 to 54 per week in all the three mints this year. I am glad to say that as a result of the various measures taken by the Government to set up output

of coins, against an output of 525 million pieces in 1981-82, output rose to 660 million pieces in 1982-83. In the first 6 months of the current year, production was 483 million pieces against 326 million pieces in the corresponding period of last year. Overall production during the current year is expected to be at least 1050 million pieces against 660 million pieces in the year 1982-83.

Adequate attention is also being paid to ensure a proper product-mix. The re-introduction of 20 paise coin in 1982-83 is expected to meet the requirement of small coins to a large extent. Production of 260 million pieces of this coin is planned for this year against which production in the first 6 months is 116.5 million pieces.

As regards the availability of one and two rupee notes, this must be considered along with the increasing production and supply of one and two rupee coins. Ever since the introduction of the cupro-nickel one rupee coin in 1975, an increasing number of one rupee coins are being released for circulation with the result that against 78.5 million pieces introduced as on 1st April, 1975, the number of cupro-nickel one rupee coins in circulation has touched 1216 million pieces by the end of January 1983. In the year 1982-83, 31 million pieces of two rupee coins have also been produced and supplied to the Reserve Bank of India. In the current year, a production of 300 million pieces of one and two rupee coins is envisaged.

Ever since the introduction of cupro-nickel one rupee coin in 1975, the production of one rupee notes is being gradually brought down. However, the total number of rupee notes and coins taken together in circulation is being maintained at a satisfactory level. In April 1982, the Government decided to progressively phase out one and two rupee notes by increasing the availability of one and two rupee coins. There seems to be an apprehension that this will be done without due regard to the convenience of the public. The intention, however, is to do it in a gradual manner after ensuring the availability of the requisite number of one and two rupee coins to replace the notes. So far as the two rupee notes are concerned, the production is being kept up at a very

satisfactory pace. In fact, the number of two rupee notes in circulation has been increasing steadily. Between 1st April, 1980 and 1st February, 1983, the number of two rupee notes in circulation has gone up from 1073 millions to 2100 millions. Thus, in a short period of less than 3 years, the number of two rupee notes in circulation has virtually doubled. It may thus be appreciated that the availability of two rupee notes is maintained at a very satisfactory level and the phasing out of the notes will be done in a gradual manner without any inconvenience to the public. Efforts are also being made to ensure production of Rs. 5 notes at the level of 1100 million piece per year. Thus, all possible efforts are being made to meet the needs of small coins and small denomination notes.

12.25 hrs.

[MR. DEPUTY SPEAKER *in the Chair*

Sir, with your permission, I want to add a small para to the statement.

MR DEPUTY SPEAKER : Yes, you can do so.

SHRI JANARDHANA POOJARY : Sir, I wish to take this opportunity to inform the Hon. Members that we have issued instructions that the number of one and two rupee notes to be produced should not be cut out at least till December, 1984.

श्री हरीश रावत : माननीय उप मंत्री महोदय हमारे मित्र हैं। इस दौरान उन्होंने सरकार के लेवल पर और आर.बी.आई. के लेवल पर करैसी नोट्स और कार्यज की उपलब्धि को सुधारने के लिए बहुत से कदम उठाए हैं। उनमें से कुछ कदमों की उन्होंने यहां पर घोषणा की है। निस्सन्देह इसके लिए वह और सरकार बघाई की पात्र है।

आप सहमत होंगे कि फिर भी आज स्थिति यह है कि बस में आप बैठिये और एक रुपये का नोट निकालिये और पचास पैसे का टिकट

लीजिये तो कंडक्टर पचास पैसे करने की स्थिति में नहीं होता है और कहता है कि या तो पचास पैसे दो बरना नीचे उतर जाओ। चूँकि उसके पास कायंस नहीं होते हैं इस वास्ते ऐसा कहने पर वह मजबूर होता है।

मजबूर होकर पैसैंजर को एक रुपया देना पड़ता है। इससे लोगों में अकारण असन्तोष की भावना पैदा होती है। दूकानदार के पास आप चले जाएँ और पांच का नोट उसको दें और सवा चार रुपये का सामान लें तो 75 पैसे के लिए वह कहेगा कि पैसा टूटा हुआ नहीं है, टूटे हुए पैसे ले आइये और तब बाकी पैसे आपको वापिस मिलेंगे। कोई भी काम करना हो जहाँ छोटे सिक्कों की जरूरत पड़ती है तो वे उपलब्ध नहीं होते हैं।

यह सरकार का दायित्व है कि रिजर्व बैंक से छोटे सिक्के लोगों को पर्याप्त मात्रा में उपलब्ध हों ताकि चाहे अपने लेविल पर शोर्टेज हो या न हो, मिन्ट लेविल पर कायंस निकाले जा रहे हों, इसके बावजूद भी अगर शोर्टेज है तो उसका साइकोलाजिकल लाभ लोग उठा सकते हैं। और ऐसा नहीं होने देना चाहिये, यह आपका दायित्व है।

इतने लार्ज स्केल पर जो कमी हुई है और बड़े शहरों में खास कर कहीं उसका कारण यह तो नहीं है कि लार्ज स्केल पर मैल्टिंग हो रही हो? आपने खुद अपने स्टेटमेंट में कहा है कि ऐसा नहीं है, फिर भी इस प्रकार की सम्भावना को रोकने के लिए क्या कदम उठाये हैं सरकार ने या उठाने जा रही है, यह आप बतायें।

इसके अलावा सिक्के इकट्टे करने की भावना भी पैदा हो सकती है। यद्यपि उसके लिये ऐक्ट है लेकिन उसका प्रभावी उपयोग नहीं होता है क्योंकि हॉर्डिन्ग छोटे-छोटे लेविल पर होती है। इसको रोकने के लिये आप क्या कर

रहे हैं? अकसर देखा गया है कि रिजर्व बैंक के डिस्ट्रिब्यूशन लेविल पर जो कर्मचारी हैं वह कुछ लोगों के साथ मिले रहते हैं जो चेंज देने का धंधा करते हैं और इस प्रकार आर्टि-फिशियल श्केर्यासटी पैदा करने की कोशिश करते हैं। तो ऐसी स्थिति न हो इसको रोकने के लिये आप क्या करने जा रहे हैं, इसका जिम्मा आपने अपने स्टेटमेंट में नहीं किया है। कृपया इसको भी स्पष्ट करें।

जो आपकी मिन्ट्स हैं बराबर पेपर्स में निकलता है कि कहीं मशीन की खराबी की वजह से, कहीं लेबर अनरेस्ट की वजह से पर्याप्त कायंस प्रोड्यूस नहीं होते हैं। तो मिन्ट लेविल पर पर्याप्त कायंस और नोट छपे इसके विषय में जो आपने बयान दिया है, मैं समझता हूँ कि जितनी जरूरत है उतने ही नोट छापने से स्थिति नहीं सुधरेगी। इतने अधिक कायंस का प्रोडक्शन होना चाहिये ताकि लोगों को फाउल प्ले करने की गुंजाइश ही न रहे। इस बारे में आप क्या कदम उठाने जा रहे हैं?

यह भी सुना गया है कि रिजर्व बैंक समय पर करेंसी और कायंस लिफ्ट नहीं कर पाता है। और यदि कर भी लेता है तो जिन एजेन्सीज के जरिये वितरण होना है उन्हें समय पर रिजर्व बैंक सप्लाय नहीं कर पाता है जिसकी वजह से भी कठिनाई पैदा हो जाती है। इसके लिये आप क्या कदम उठाने जा रहे हैं?

एक कारण पेपर में यह भी निकला है कि 1 और 2 रु० के कायंस आपने छापने की कोशिश की है लेकिन हैदराबाद की मिट खराब होने के कारण बन्द करने जा रहे हैं। अलीपुर और बम्बई मिट्स में असंतोष है। पी०ए०सी० ने भी कहा था कि इसकी मशीनरी को रिप्लेस करना चाहिये। जो कि अभी तक रिप्लेस नहीं

हुई है। अधिक प्रेशर मिन्ट पर पड़ता है। 1 और 2 रु० के नोट छापने की वजह से कहीं इसी कारण तो कायंस की शोर्टेज नहीं है। अगर ऐसा है तो पर्याप्त संख्या में कागज के नोट छापे जायें।

रिजर्व बैंक लेविल पर तो मानीट्रिंग होती है, मगर गवर्नमेंट लेविल पर सिक्कों की कमी की वजह से या जाली नोटों की वजह से क्या स्थिति चल रही है इसकी प्रोपर मानीट्रिंग नहीं होती है। इस काम को पूरी तरह से रिजर्व बैंक पर छोड़ दिया गया है जिसके पास और बहुत से काम हैं। तो गवर्नमेंट लेविल पर पूरी मानीट्रिंग हो इसकी व्यवस्था आप करेंगे? क्योंकि करेन्सी ही सरकार की साख है, उसके विषय में कोई गड़बड़ न हो, साधारण भ्रामदमी को कोई परेशानी न हो यह देखना सरकार का दायित्व है। अतः इस प्रकार की असाधारण स्थिति को रोकने के लिये गवर्नमेंट लेविल पर भी प्रोपर मानीट्रिंग हो उसके लिये आप क्या कदम उठाने जा रहे हैं? वैसे उधर के लोग खुद छोटे सिक्के हैं और बातों में उनके ऊपर छोड़ देता हूँ।

SHRI JANARDHANA POOJARY : Sir, I share the concern of the Hon. Members. It is true that there are complaints pouring in from various agencies throughout the country regarding the shortage of coins and notes. In fact, it is a temporary shortage because we have already taken measures and they have been mentioned in our main reply. The impact of it would be felt during the course of the year and much more in the coming year and it is likely that the shortage will vanish. That is the expectation of the Government and the position is likely to improve.

So far as melting of the coins is concerned, I may mention that it is not at all economical for the people who are melting it. I may be permitted to give the cost of metal in the coins. So far as Rs. 2/- coin is concerned, the metal cost is 30.61 paise. So

far as Re. 1/- coin is concerned, it is 23.13 paise. So far as the 50 paise coin is concerned, its metal cost is 18.90 paise. The metal cost of 25 paise coin is 9.59 paise. I don't think you require the metal cost of 20, 10 and 5 paise coins. So, melting of coins is not at all profitable.

So far as the hoarding is concerned, I don't think the people are hoarding it for the purpose of melting. But there are complaints that the people are hoarding it for the purpose of selling it at a premium. This has been particularly noticed in Bombay. The Maharashtra Government has taken action in ten cases.

Now, coming to its production, I place before the House statistics to show whether there is any improvement.

So far as the Calcutta Mint is concerned, in the month of June i.e. before the incentive scheme as on June 1981, the production was 16.82 million pieces. After the incentive scheme, as on September 1983—in between this period of June 1981 and September 1983, after the introduction of this incentive scheme—the production has been 29.65 million pieces. That is an increase of 12.83 million pieces. In other words, the increase is of 76.25%.

So far as Hyderabad Mint is concerned, prior to March 1981, i.e. prior to the incentive scheme, the production was 17.99 million pieces. Now, after the incentive scheme, the production in the month of September 1983 is 28.14 million pieces. That is an increase of 10.15 million pieces or 56.4% increase.

In the case of the Bombay Mint, prior to the incentive scheme, the productions in the year 1981, was 18.85 million pieces in December, 1981. As on September 1983, after the introduction of the incentive scheme, it was 36.31 million pieces. There is an increase of 17.46 million pieces i.e. 92.6%.

So, if you take into consideration the production in all the Mints in September, 1982, before the incentive scheme was introduced in Calcutta and Hyderabad Mints, it was 55.84 million pieces. In September 1983, it was 94.10 million pieces i.e. 38.26

million pieces increase. The total increase on all India basis is 68.5%.

So, because of the steps taken by the Government, there is an increase. And as the Hon. Member has expressed the concern, the Government is also equally concerned about the coin shortage in the country and several steps have been taken to ease the shortage in the country. We have given instructions to the Chief Secretaries of all the States to take remedial measures, and also take action against these hoarders. We have also advised the Reserve Bank to tone up their administration with regard to the public distribution of coins. It is true that the Reserve Bank did not lift the stock on time. That was one of the reasons for reduction in production also.

SHRI HARIKESH BHADUR (Gorakhpur) : This scarcity is due to the callous attitude of the Central Government and the Reserve Bank of India. What the Hon. Minister has said is not at all convincing.

This matter has been discussed in the House time and again. There was an assurance from the Government side that this scarcity would be removed and people would not suffer because of it; but we find that this is a perpetual problem, and people are harassed. In fact, shortage of coins is a very serious matter. It has become a matter of grave concern, but the Central Government is not looking into the matter and trying to solve it effectively.

I was going through some Debates. I found that this matter was raised once in 1971 also. Since then, it was continuously being raised. It is being discussed here, but the problem is never solved.

There are some people who are involved in hoarding also. The Hon. Minister has accepted it, and said that some action will be taken. I do not know what kind of action is being initiated.

The Minister has said in his reply : "Further, the total number of rupee notes and coins taken together in circulation, is being maintained at a satisfactory level."

It is a very misleading statement. If it is really being maintained at a satisfactory level why do we have this shortage ?

Sometime back, it was alleged by the Finance Minister of West Bengal that in Calcutta, production of coins was reduced in the Mint there, by 75% or 76% and also that they were not paying workers' dues.

SHRI SOMNATH CHATTERJEE (Jadavpur) : Yes, I am the President of their association. They are depriving us of Rs. 25 crores. Repeated representations have been made; the Ministers have made a commitment. But they are not paying.

SHRI HARIKESH BHADUR : In June 1983, in the Calcutta branch of the Reserve Bank, there was shortage of 5, 10, 20 and 50 paise coins. There has been a lot of mismanagement in Calcutta.

SHRI SOMNATH CHATTERJEE : There was an explosion.

SHRI HARIKESH BHADUR : There is shortage of coins in Calcutta, Bombay and scarcity of one rupee notes in Delhi. Here, in the branch of the State Bank of India in Parliament, if you go and ask for a rupee note, sometimes they say it is not available. I have already narrated things that are happening in the capital, and in Bombay, Calcutta and all the major cities of the country. I do not know what is happening in small towns and in villages where poor people live

Hoarding of the notes is a very serious problem, which even the Reserve Bank people sometimes accept. If you talk to them privately, they will say that hoarding is taking place.

But the solution is not being brought about by this Government and the Government is in fact not keen to solve this problem. In view of all these things which I have said and the Minister has replied to, I would like to ask a few questions.

My questions are:—

- (a) Whether the Government will give instruction to the banks to open

separate counters to provide coins to the people, and

- (b) Whether Government is going to increase production of coins; what is the average production at the moment per day—because previously I have told you that there has been reduction in the production in the Calcutta Mint and similarly at other places also if there has been reduction, I would like to know what is the average production per day ?
- (c) What are the steps being taken to overcome this problem ?
- (d) Whether the Government is going to enact a law to check the hoarding of coins, one rupee notes, etc.

MR. DEPUTY SPEAKER : Very specific questions.

SHRI JANARDHANA POOJARY : I am also very happy to know that he has put the charge on the Central Government that the Central Government is complacent and the Government is not working. Sir, unfortunately in the year 1977—I will give the date also, 1st April, 1977—the then Government has taken the decision to reduce the working hours from 60 to 54 hours and in the year 1978 once again the working hours of the shift were reduced from 54 to 48 hours. Why ? Because there were some accumulations of stock in the mints and the actual production in 1979-80 was 550.6 million pieces. The off-take of the Reserve Bank of India at that time was 739.4 million. The balance with the mint that means the stock lying with the mint was 665.2. So, can we infer that there was no demand in the year 1979-80. The Reserve Bank of India did not lift the stock and what was the position in the year 1980-81 ? The production was 552 million and the off take was 860.5; the balance in the mint was 359.2, so here was an impression that the available capacity was more than that was required. So this impression led to a conclusion that we should close the Hyderabad mint. A decision was taken to close the Hyderabad mint and we reversed that decision and it is being continued now. On the contrary, the Hyderabad Mint will be modernised. These are the

steps taken. Now, if you place the responsibility and if you are going to charge our Government for whose word ?

SHRI HARIKESH BAHADUR : There was no scarcity at the time. But today there is scarcity.

SHRI JANARDHANA POOJARY : So, the Reserve Bank did not act during that period.

MR. DEPUTY SPEAKER : He can also take the credit. He was with you for some time.

SHRI JANARDHANA POOJARY : So, I do not want to tell all these things. Because you charged this Government, the present Government, it was incumbent on me to rebut the charge. So far as that aspect is concerned, I can say, our Government is working and that we are not at all complacent, we are not at all indifferent; on the contrary we have taken very effective steps and I have mentioned that there is improvement in production and also we have introduced efficiency. On the contrary, a proposal is there to introduce a second shift in Calcutta Mint. It is under active consideration, for your information. So, this is the position.

SHRI SOMNATH CHATTERJEE : What about explosion ?

SHRI JANARDHANA POOJARY : So, far as the explosion is concerned, an enquiry has been ordered. They are taking into account all the implications and ramifications. A thorough investigation will be done.

SHRI SOMNATH CHATTERJEE : That is there in order to cover up the whole thing.

SHRI JANARDHANA POOJARY : I assure you that we will be very serious about it and there will not be any cover up.

SHRI HARIKESH BAHADUR : Is the Government thinking of enacting any law to check hoarding ?

SHRI JANARDHANA POOJARY :

There is already a penal provision for melting purposes. Now we have to see the implications and ramifications also. If we take action against the people who are keeping the stock of coins in their houses for any purpose, and make it an offence, what will be the reaction of the people? The people will come and say that there is harassment. That is way, we are examining that aspect also.

SHRI KAMAL NATH (Chhindwara) :

I do not think there is any complacency on the part of the Government because it is very clear that the production is rising. There has been a continuous increase in the production in the mints over the last couple of years. However, I think, it is not a question of production alone. It is true that production is rising. But in the context of the shortage, production rising becomes irrelevant. The point is whether we are able to quantify the shortage and correctly quantify the demand. We are stepping up the supply from year to year. But this may be in relation to an erroneous demand calculation. I think that some attention should be given to quantify what is the actual demand of the coins and small notes. Then we should correlate that with the supply and production. After we have quantified the demand, it may be necessary to have another mint and may be to step up production further. We have to be conscious of this shortage because this shortage leads to many things. One of the things which it leads to is corruption. When you are in a bus, if you give a 50 paise coin, you are not returned the balance amount. Once this tendency starts and people are made to pay a higher price because of the shortage then it will lead to more and more problems. I must draw Government's attention to touts standing outside banks for changing large notes into small coins and small notes. If you want to change a hundred rupee note to one rupee or two-rupee notes or coins, they take a Commission of 10 percent. So there is cornering of small coins and notes. All the necessary change which is required is available with them. What is really happening due to the shortage is that touts are minting money at the cost of the people.

I was in my own district a couple of

days back. There a lot of people complained to me that there are no small coins and small notes. This news is as old as day before yesterday. It is not a question of merely supplying them in Delhi alone but we have also to ensure that the change reaches the interior districts where the real usage of small notes and coins is more. I think more emphasis should be given on the distribution aspect.

Another thing is that this shortage of small notes leads also to forgery. People wanting to change hundred rupee notes into small notes in order to save money will be fooled into forged notes.

I have some one-rupee and two-rupee notes with me. They are in such a morbid condition that I do not know whether they will come out as one piece if I keep them in my pocket for 2-3 days. The other point is that these notes have no consistency. You do not know which is forged and which is not forged because this looks like a different type of note and this looks like a different type of note. I will lay them on the Table of the House. They are signed by the same person. In one, the number is on this side and in the other it is on this side. So, it is very difficult to know which is the forged note and which is not the forged note. These are signed by the same person, so, I presume when the same Finance Secretary was there, he had signed them both. Even the size is slightly different, it seems these notes are shrinking—may be in value also—but we do not mind the note shrinking as long as the value does not shrink. So, he should also do something about having proper notes. I do not really know whether these notes will last till tomorrow morning in my pocket.

MR. DEPUTY SPEAKER : You never keep one-rupee notes.

SHRI KAMAL NATH : This one also I may be spending with my friends in the Central Hall. So, my specific question is whether the Government will make efforts to quantify the shortfall and reassess the demand and after reassessing the demand, whether they will reassess what should be the correct supply position because, as I said, increase in supply is not adequate, is not enough, because shortage is continuing?

It is not a question of production or increase in production alone, it is a question of meeting the shortfall.

SHRI JANARDHANA POOJARY : Sir, the Hon. Member has come out with a suggestion and, in fact, we are seized of the matter. RBI has already quantified the demand and if the Hon. Member wants, I can give the figures also. RBI demand for 1983-84 is for 5,350 million pieces and the capacity of BNP, Devas and CNP, Nasik is 4,800 million pieces. So, the gap between the demand and the capacity is 550 million pieces and we are taking long-term measures to step up the output. The Hon. Member has stated that some malpractices are being done in the Reserve Bank of India and also in some other places. So, we have taken cognizance of this. We have written to the Chief Secretaries also of all the State Governments and it is for the law and order authorities to take action. We have also advised the Reserve Bank to take effective measures to curb these malpractices.

SHRI KAMAL NATH : Sir, should I lay these notes on the Table ?

SHRI H.N. BAHUGUNA (Gurhwal) : Sir, the Government will be richer by two rupees.

MR. DEPUTY SPEAKER : I am not permitting Mr. Kamal Nath.

SHRI H.N. BAHUGUNA : Sir, the question regarding shortage of coins has been in existence for quite some time. The first time this question was raised on the Floor of this House by some friends was on the 4th of March, 1983. Earlier than that, in 1982, the newspapers had come out with regard to the shortage of coins—Economic Times, Indian Express and so many other papers. Now, the first question that arises is whether this Government is not bothered about what is being written by the Fourth Estate. In a democracy, Government should normally take notice of what has appeared in the Press and react or act, either contradict or say whether this is all right. My first charge, and, therefore, the first question, is whether in the Finance Ministry, there is a system of overseeing the public criticism through the Press or public

questions being raised through the Press for rectification at the appropriate level or not ?

Secondly, the Hon. Minister in his statement has said the same old thing that they are producing more to meet the increasing demand. But he has failed to point out that they had kept the Hyderabad unit closed. Secondly, the mint at Hyderabad producing 25 paise coins had to be shut down for as long as 4 or 5 months due to pollution. This is a very strange situation, a mint causing pollution, may be air pollution or water pollution; I do not know what pollution it is, but perhaps mostly air pollution. If it is so, should they have taken 4 or 5 months to resume production ? Further, the production falls far short of the capacity. If this sort of irresponsible management is allowed to be there then, I am sorry, nothing is going to happen. Therefore, I want to know from the Minister whether the information about pollution was right, what corrective measures have been taken in the present case and what preventive measures are proposed to be taken in the other mints to avoid a similar situation.

Thirdly, as we know, the Asian Games had their own impact in the country. In the course of the games, we did not have drinking water in some areas. The Asian Games coins were introduced and that, according to the press, led to the shortage of normal coins and so the Reserve Bank, which opened a number of windows in Bombay, Calcutta and other places, shut down their windows. The Minister has not referred to this aspect as to why the windows were closed down. So, this is the third part of my question about shortage.

Fourthly, there is another serious question. According to the orders of the Reserve Bank, soiled notes are supposed to be destroyed. The Bank got panicky due to shortage and, perhaps at the instance of the Government, contrary to its own laws of functioning, the Bank decided to order its officers to re-circulate the soiled notes if, according to them, they were not enough soiled to be destroyed. I do not know what it means. I would like to know from the Hon. Minister whether in the process they

have allowed soiled currency to come back into circulation.

A spokesman of the Finance Ministry had accepted some time in July 1983 that there is shortage. Having known that shortage is there, what arrangements were made by the Government of India, with special reference to transport services, where 5 or 10 paise had to be returned, and the fair price shops, where the prices are so formulated that in some cases 2 paise had to be returned? Government operates most of the bus routes within the city and even long distance routes and the railways are wholly owned by them. In both cases money is cheated of the travelling public in the sense that they are not returned the balance which is due to them in the form of small coins. There is corruption in this way and this money is not going either to the coffers of the Government or the travelling public. The Finance Ministry having accepted this position, what steps did the Minister take way back in July 1983 to remedy the situation?

The next point is that the Finance Ministry also said, and I quote :

“At the same time, the Finance Ministry stated that the shortage which is undoubtedly there is more psychological than real.”

The Minister says it is there, the Ministry says it is psychological. Is it not being totally indifferent and callous? Is this the way to deal with the situation? Will the Minister make an inquiry as to who is this officer? And I am giving him the name of the paper, *DATA INDIA* July 11-17, 1983, page 28, wherein all this information is given.

The next point is whether the Minister's notice has been drawn to a press item appearing in *AMAR UJALA* of Bareilly, a Hindi paper, in which it has been said that due to this shortage there is a large amount of manipulation and a large amount of hoarding and people are charging 100 per cent more price in some cases or running away with the smaller coins etc. The larger thing is in respect of 5 paise, 10 paise and 20 paise. The Minister has been more

emphatic in his reply about one-rupee and two-rupee notes, about which of course, Shri Kamal Nath said, that all those notes are of a doubtful nature.

Finally, a question was raised with the Minister by my colleague and leader of my Group in the Lok Sabha, Shri Neelalobithadasan Nadar, in relation to a news item appearing in the *INDIAN EXPRESS* with regard to certain frauds in the Asian Games coins. Leave aside that, we are not concerned with that right now. But the Minister himself in his letter dated 31st March 1983 has said :

“The Reserve Bank of India has, therefore, advised its offices and currency chests to sort out from their daily receipts notes which are fit for further circulation and recycle them. All efforts are, however, being made to increase the capacity for making currency and bank note paper and printing the notes.”

Here, when we raised the question about the frauds in relation to Asian Games, thanks to the Minister, he gave additional information, and said that it is under the Government of India Order. What protective measures have been taken to see that out of the chests money is not manipulated and such other things are not done?

Finally, has the Minister taken note of a Joint Statement issued by the Calcutta Mint Employees Coordination Committee and the Reserve Bank Employees Association, who have put the blame squarely on the Central Government? I am reading from *DATA INDIA* to which I have already referred, as follows :

“It said the situation has been brought about as part of a ‘deliberate policy’ on the part of the Centre and the RBI, the idea being to curtail the output of coins and withdraw the smaller coins from circulation. In 1981-82 the quarterly allotment of coins for the Calcutta office alone was Rs. 10 million in value.”

My colleague talked of percentages, I am not talking of percentage, I am saying a specific thing.

"...in 1981-82 the quarterly allotment of coins for the Calcutta office alone was Rs. 10 million in value, but in 1982-83 the allotment came down to Rs. 2.4 million only."

Is it because the West Bengal Government is a Marxist Government and therefore, all the trouble is there and therefore, some police and lathi charge will come in the wake of this type of a situation? Why has this been done? And in that case, I would like to know from the Hon. Minister whether allotment to every State or every branch of the Reserve Bank was brought down by the same level and if not, why was this level brought down to Rs. 2.4 million from Rs. 10 million in relation to Calcutta?

These are the various questions which I would like to raise. Finally I would like to say the pious hopes are not going to matter nor is it going to matter what the previous Government had done. What did they do in 1981-82 my charge is to bring down various coins and various notes? Their printers and the management has failed them. This is the way they have got the Government that works. They cannot manage their coins, they cannot manage post cards, they cannot manage envelops, they cannot manage telephone, they cannot manage Punjab, they cannot manage Assam, they cannot manage their Home Affairs. They had to dismiss Darbar Ministry because he did not function. Will they dismiss the Finance Minister because he is not functioning?

(Interruptions)

MR. DEPUTY SPEAKER : It is left to the Minister to answer.

(Interruptions)

SHRI JANARDHANA POOJARY : The Hon. Member, the then Finance Minister of the Government of India has given some suggestions and he has also charged the Government of India. He has stated that we should take cognisance of the criticism. After taking charge in January, 1982 the first thing which I have done is—I went

through the criticism of the press. I went through the editorials and so far as the functioning of the banks is concerned I went through the debates also. I went through the criticism of the opposition parties. I went through the criticism of our own party Members—members of the treasury benches. Then, in order to verify, in order to give credence to this, I paid surprise visits.

This was just to verify whether the criticism were correct or not. Not only I paid surprise visits, I paid visits incognito also throughout the country. So far as Banks are concerned, so far as General Insurance concerned. I visited more than 200 branches throughout the country. We have to accept the criticism but we have to verify. That is how our Government is functioning. Their Government was not functioning in this way when they were in power. That is a charge that I am making. I am now making the charge against the then Finance Minister and want to know how many banks he had visited, how many branches of the General Insurance he visited; to how many banks or General Insurance branches he paid surprise visits? That is a charge I am making against that Government. This Government is very serious. We are not at all complacent. On the contrary we are very effective. We can say that. Now coming to...

(Interruptions)

SHRI H. N. BAHUGUNA : Is he putting questions? Let him write the question and then answer them. My young friend Shri Poojary must know that answering the question is never putting a question. If this elementary thing is not known to him, I am helpless.

SHRI JANARDHANA POOJARY : Does he know the elementary things? The Hon. Member who is an experienced legislator, who is an experienced Minister, was there for the last so many years.

In the beginning he said about these things. It is my duty as a Minister to reply. He said that our Government was not re-acting the criticism. We give or

attach value to the criticism or not, but it is my duty to reply to him. Within a few minutes he forget what he had stated earlier? This is the capacity of the then Finance Minister. He now wants our Finance minister to be dismissed. Their Government was dismissed by the people for this fault and for this deficiency.

(Interruptions)

AN HON. MEMBER : You were also...

(Interruptions)

SHRI JANARDHANA POOJARY : Do not make a charge. I was not making it. Do not politicalise it.

MR, DEPUTY SPEAKER : Shri Poojary, you take up question by question. You have replied to his last question. Now go to the first question.

SHRI H. N BAHUGUNA : Om Shanti, Shanti Om.

MR. DEPUTY SPEAKER : Now you go to the first question.

SHRI JANARDHANA POOJARY : There is shortage We admit it. We have stated also that we are not complacent.

What measures we have taken are clearly mentioned in the main reply. I do not know whether the Hon. Member has gone through the main reply. We are not satisfied with the measures. We have to take long term measures to match the capacity with demand.

So far as the position in regard to Hyderabad Mint is concerned, we have already taken necessary steps.

So far as soiled notes and other things are concerned, I do not think all that is coming within the purview of this Calling Attention. Anyway, if my friends insist on that, I can give the number of soiled notes lying in the chest.

SHRI H. N. BAHUGUNA : I have not asked that. I would request my young friend to take it easy. I have said nothing like that. There is nothing to be excited about it.

I said that the Finance Minister had ordered the banks to re-cycle from the chest soiled notes and I asked what has been the size of this, whether he is aware of that and whether due precaution is taken so that somebody does not make money out of it. He has not talked about the closure of Hyderabad Mint for four months due to pollution. I asked what steps are going to be taken to see that there is no pollution so that other Mints are not closed. He is a good man, but he is excited.

MR. DEPUTY SPEAKER : May be, due to age also.

SHRI H. N. BAHUGUNA : There I agree.

SHRI JANARDHANA POOJARY : So far as pollution is concerned, already remedial measures have been taken. So far as functioning of the Hyderabad Mint is concerned, necessary steps have been taken. So far as re-cycle and re-issue of notes is concerned, it is a continuous process. The Hon. Member, being former Finance Minister, is aware of that.

So far as other steps that have been taken are concerned, I have clearly mentioned in reply to the questions raised by the Hon. Member. We are not going to be complacent. The necessary measures are being taken and we are watching the situation, I appeal to the Hon. Members that too much harping and also constant harping on this issue will on the contrary create a psychology of scarcity because there are anti-social elements in the country and they will take advantage of it. We have taken measures to curb the activities of anti-social elements. As you know, it is after all the State Governments function that they have to take steps so far as hoarders are concerned. We also know that some people are selling at premium and, for that purpose, it is also our duty to improve the production and supply. Then only we can curb this activity.

SHRI H. N. BAHUGUNA : I had asked a specific question. If the Hon. Minister will remember, I had said that in Calcutta they brought down the supply of coinage from a particular size to another size I asked : Why did they do it in Calcutta ? Did they do the same in other branches also and, if so, at what rate ?

SHRI JANARDHANA POOJARY : There are shortages in certain areas, in certain pockets. We have to see the requirement and, after seeing the requirement, we have to supply. The Reserve Bank of India is seized of the matter. Thereafter, after seeing the position there, they are supplying in adequate quantity. I assure the House that there will not be any politics so far as this aspect is concerned. We are interested in the welfare of the people.

mittee to get in touch with the External Affairs Minister.

But he has expressed his inability on the 21st December because that will be the day when all the Foreign Ministers will be here. I have discussed with some of the Leaders of the Opposition. It could be taken up later on after the Conference.

13.22 hrs.

The Lok Sabha adjourned for Lunch till Twenty-Five Minutes past Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at Twenty-Eight minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

BUSINESS ADVISORY COMMITTEE

Fifty First Report

The Minister of Parliamentary Affairs, Sports and Works and Housing (SHRI BUTA SINGH) : Sir, I beg to move.

“That this House do agree with the Fifty-first Report of the Business Advisory Committee presented to the House on the 15th November, 1982.”

MR. DEPUTY SPEAKER : The question is :

“That this House do agree with the Fifty-first Report of the Business Advisory Committee presented to the House on the 15th November 1983.”

The Motion was Adopted.

SHRI BUTA SINGH : Sir, there is just a slight amendment with the consent of the leaders of the Opposition in regard to the last item in the Report, that is, international situation to be discussed on 21st. I was asked by the Business Advisory Com-

MATTERS UNDER RULE 377

- (i) **Continuous power shortage in Karnataka and need for directing neighbouring States to provide sufficient powerful.**

SHRI B. V. DESAI (Raichur) : Sir, the continuous power shortage in the State of Karnataka for the last so many years has put the State in a very bad shape. Repeated requests in this House to the Union Government for immediate and necessary help to the State of Karnataka for providing adequate power supply have not been considered so far. The neighbouring States of Maharashtra, Tamil Nadu and Andhra Pradesh have also not been providing the minimum required power to the State. The situation is becoming worse day by day and people and also the industrialists who have been greatly affected by the power shortage are worried over the closure of the industries. This has not only affected the industrialists or people of Karnataka but naturally affected India as the production is going down from day to day.

Sir, it is therefore, an urgent matter for consideration of the Union Government to direct the neighbouring States to provide sufficient power to the State to meet at least the minimum requirements and also the