

[Shri M. Yunus]

amendment of article 168 of the Constitution also. That doubt expressed by my learned friend just now has been considered as the hon. Speaker rightly pointed out.

Now, a few words regarding the views expressed by my hon. friends, Shri Somani and others. There is no doubt that the point is debatable. It cannot be said outright that the Upper Houses are always useless in all circumstances. This is not the occasion to discuss the doctrine of direct and indirect elections and the philosophy of having the Upper Chamber and the Lower Chamber. As I submitted, there are advantages and disadvantages, both.

One of the basic ideas introducing the Upper Chambers, *inter alia*, was that there may be certain interests in a country who may not get proper representation in the Lower House—may be, the Assembly or the House of the people—and their absence may be felt. In order to complete the process of democracy, such elements, interests or minorities—maybe religious, linguistic, or any other minority—may be provided in the Upper House.

Then, as has been rightly said by Shri Somani, certain elderly persons, scholars, seasoned politicians, engineers, doctors etc., may not like to contest elections directly. They may not have the means or may not like to contest elections, but their presence would improve the standard and quality of debate and their contribution would be very valuable to the deliberations of the House. Therefore for such persons the existence of an Upper House was felt essential.

So far as the abolition of the Legislative Council is concerned, as I have submitted, it is within the purview of the State Assembly. If a State Assembly resolves that the Legislative Council of that particular State should be abolished, we shall consider it. But if there are certain States which still want to have it, we cannot force them to do away with their Legislative Councils. If there are States which do not have such Councils, and want to have them, we can consider their demand also. But this is not the stage for considering both the aspects of the case.

Regarding the amendment of the Constitution, there are so many difficulties in introducing any simple amendment of the

Constitution. Therefore to discuss the question of the amending the Constitution for the abolition of the Rajya Sabha and the Councils is a farfetched proposition.

MR. CHAIRMAN : The question is ;

“That the Bill be passed.”

The motion was adopted.

16.25 hrs.

INTERNATIONAL MONETARY FUND AND BANK (AMENDMENT) BILL

MR. CHAIRMAN : The House will now take up the International Monetary Fund and Bank (Amendment) Bill. Shri, P. C. Sethi.

SHRI SRINIBAS MISRA (Cuttack) : On a point of order, Sir. This Bill cannot be moved now. Please look at article 117 of the Constitution. Article 117 (1) says :

“A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 110 shall not be introduced or moved except on the recommendation of the President...”

The recommendation of the President is necessary under article 117 (1) for introducing or moving the Bill.

Now, in the Bulletin, Part II, No. 1320, the recommendation of the President is as follows :

“The President having been informed of the subject-matter of the proposed Bill further to amend the International Monetary Fund and Bank Act, 1945 recommends the introduction of the Bill in the Rajya Sabha.”

What has he recommended? Only the introduction of the Bill has been recommended by the President. What is the Minister doing now? He is moving the Bill for consideration. He cannot do it now because the recommendation of the President is only for its introduction.

MR. CHAIRMAN : Please read it further.

SHRI SRINIBAS MISRA : Yes. That is the recommendation under article 117 (3). I am not on that. Because it is a money Bill, that is necessary. Under article 117 (3), whenever a Bill involves expenditure from the Consolidated Fund of India, it requires the recommendation from the President. I am not on that. I am not challenging that.

Under article 117 (1), it requires the recommendation of the President for being introduced or moved. The President has recommended only the introduction of the Bill. It has already been introduced. What more can the Minister do? How can he move it now for consideration?

Let us come to the Rules. The point that I am raising now must be decided once and for all as to whether such a recommendation will come in the Bulletin, Part II, or whether it should come in the proceedings. I raised it once before also and no ruling was given.

What is a Bulletin? It is defined under Rule 2. It says:

"Bulletin" means the Bulletin of the House containing (a) a brief record of the proceedings of the House at each of its sittings ;"

So, the Bulletin is not the proceedings of the House. It is a brief record of the proceedings of the House. Then, it says:

"(b) information on any matter relating to or connected with the business of the House ..."

So, only a brief record of the proceedings and information relating to the business of the House can be given in the Bulletin. Can the recommendation of the President be incorporated in the Bulletin, Part I or Part II? Then, the Minister will say, it has been circulated and the Members are informed.

Now, kindly look at Rule 246. Rule 246 prescribes the method as to how the communication from the President is to be communicated to the Lok Sabha. It says:

"Communications from the President to the House shall be made to the Speaker by written message signed by the President or, if the President is absent from the place of sitting of the House, his message shall be conveyed to the Speaker through a Minister."

Was the President absent on 23rd August when the Bill was introduced?

This has not been addressed to the Speaker.

There is another provision. The Minister may rely on that, namely, rule 348, which says:

"Every sanction or recommendation by the President shall be communicated to the Secretary by a Minister in the following terms:—

"The President having been informed of the subject matter of the proposed Bill, motion, demand for grant or amendment, accords his previous sanction to the introduction of the Bill or the moving of the amendment or recommends the introduction of the Bill or the moving of the motion, demand for grant or amendment in the House or recommends to the House the consideration of the Bill."

"It shall be printed ..."

This is very important.

"It shall be printed in the proceedings of the House in such manner as the Speaker may direct."

May I submit that Bulletin Part II is not the proceedings of the House? Part I is a brief record of the proceedings. "Proceedings" is something else. Part I is a brief record of the proceedings. But Part II cannot, by any conceivable means, be said to be the proceedings of the House. Here the rule is that 'it must be printed in the proceedings'. In this Bill it must have been incorporated. This is part of the proceedings. Whatever papers are laid on the Table or are introduced become part of the proceedings. Bulletin Part II is not part of the proceedings.

Even conceding that Bulletin Part II is a part of the proceedings, what has been recommended? The recommendation is for the introduction of the Bill. The 'moving of the motion' should also be recommended. Where is the recommendation? He cannot say that this recommendation in Bulletin Part II is a recommendation to cover article 117 (1). He cannot move it until this recommendation is also given.

SHRI S. S. KOTHARI (Mandsaur) :
On a point of order.

MR. CHAIRMAN : The same thing?

SHRI S. S. KOTHARI : I have a different point of order.

MR. CHAIRMAN : Let me dispose of the first point of order.

SHRI TENNETI VISWANATHAM (Visakhapatnam) : May I say a few words ?

The second point raised by Shri Srinibas Misra is very valid. This has not been raised for the first time. It would be better if the Minister, when he wants to move a Bill, first of all reads out the recommendation or at least states that the recommendation of the President has been obtained. That will solve the problem.

So far as the first point is concerned, he has said that it has been given only for 'introduction' and not for 'moving.' I think, "moving" follows introduction.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : We have written to the Secretariat of the Lok Sabha that the recommendation of the President has been obtained for the introduction of the Bill in the Lok Sabha as required under article 117 (1) of the Constitution of India and for its consideration as required under article 117 (3) of the Constitution. After obtaining the recommendation of the President, we have written to the Secretariat of the Lok Sabha. Therefore, the point raised by the hon. Member does not arise. My letter to the Secretariat of the Lok Sabha is there. It is for both—article 117 (1) and article 117 (3).

As far as the circulation of the Bill is concerned, it was introduced in the last session and the Bill has been circulated to the hon. members.

SHRI TENNETI VISWANATHAM : You can say that the recommendation of the President has been obtained.

SHRI P. C. SETHI : I am saying so. I have actually written to the Secretariat of the Lok Sabha that it was written to the President and his consent has been obtained.

MR. CHAIRMAN : In Bulletin Part II, dated the 28th August, it has been mentioned. The hon. Member read only half of it.

"The President having been informed of the subject-matter of the proposed Bill further to amend the International Monetary Fund and Bank Act, 1945, recommends the introduction of the Bill in the Lok Sabha . . ."

The hon. Member read only that much. It also says :

"...as required in article 117 (1) of the Constitution of India and for its consideration as required in article 117 (3)."

SHRI SRINIBAS MISRA : Are you giving a ruling now ? Recommendation under Art. 117(3) is only for consideration. Recommendation for moving under Art. 117(1) must be there. Art. 117(3) is a different matter. Supposing there are Bills where there is no expense—it is a money Bill but there is no expense something like that—there recommendation under Art. 117(3) is not necessary. There are two recommendations to be brought from the President. One in under 117(1) and another is under 117(3). Because he has got a recommendation under Art. 117(3) for consideration, that is not enough for 117(1). That was for consideration. So far as 117(3) is concerned, they cannot use that recommendation for consideration for a motion for consideration of some other matter. Rule provides as to what are the motions to be moved after introduction. Now introduction is over. Then the Rule provides for so many motions. Now he is coming up with a motion. Motion for recommendation has lost its force. The introduction stage is over. Then comes the motion stage either for consideration or for circulation whatever it may be. He is now coming up with a motion for consideration. Therefore, Art. 117(1) must be complied with and Art. 117(3) also must be complied with. Art. 117(1) is not complied with. That is my objection.

MR. CHAIRMAN : As far as amendments are concerned, Art. 117(3) applies.

SHRI SRINIBAS MISRA : Wherefrom did you get the amendment ?

MR. CHAIRMAN . This is an amending Bill.

SHRI SRINIBAS MISRA : Art. 117(1) says that a Bill or amendment making

provision for these matters shall not be introduced or moved except on the recommendation of the President. Perhaps the Minister is under the impression that whatever is introduced is moved. That is not so. Let him be directed to bring the recommendation tomorrow.

MR. CHAIRMAN : The recommendation is already there with the hon Minister. It is not possible to produce the recommendation.

SHRI S. S. KOTHARI : You rule out the objection ? Now, Sir, under Rule 70 of the Rules of Procedure. I have an objection.

SHRI SRINIBAS MISRA : Are you the Speaker ? Who has given you the authority to rule out my point of order ? Don't assume that power.

MR. CHAIRMAN : I said that it is ruled out.

SHRI SRINIBAS MISRA : No reasons? My objections are two. One is that Bulletin II is not sufficient. (*Interruptions*).

श्री शिवचन्द्र भा (मधुवनी) : सभापति महोदय, आप की रूलिंग के पहले जरा मंत्री महोदय इस का जबाब दे दें। हम सुनना चाहते हैं कि उन का तर्क क्या है।

SHRI S. S. KOTHARI : Under Rule 70 this Bill is incomplete. The rule says :

"A Bill involving proposals for the delegation of legislative power shall further be accompanied by a memorandum explaining such proposals and drawing attention to their scope and stating also whether they are of normal or exceptional character."

This Bill is incomplete because it does not contain a memorandum of delegated legislation.

Section 3A provides like this :

"3A. The Reserve Bank may, on behalf of the Central Government, use, receive, acquire, hold, transfer or operate the special drawing rights of that Government in the International Fund and perform all acts supplemental or incidental thereto."

Powers have been delegated to the Reserve Bank. According to Rule 70 which I have read out, there should be a Memorandum of Delegated Legislation. Since no Memorandum of Delegated Legislation accompanies this Bill, this Bill is incomplete. This Bill cannot be considered by the House today. The Minister may come up with a Memorandum of Delegated Legislation tomorrow and then we may consider it.

SHRI P. C. SETHI : As far as the question of Delegated Legislation is concerned, there is no such delegation of any legislation involved here. This is only in respect of delegation of authority to act as agent on behalf of the Government that is being given to the Reserve Bank. Therefore, that point of delegated legislation does not arise at all.

SHRI S. S. KOTHARI : It is delegation of authority to the Reserve Bank. There is no doubt about it. They are authorised to do all this. But why cannot the Minister have a Memorandum of Delegated Legislation ? Rule 70 is very clear. Kindly read Rule 70. But, you cannot dispense with Delegated Legislation Memorandum. It is not optional for the Minister to decide whether it should be there or not. It is obligatory.

SHRI P. C. SETHI : If the hon Member reads section 3A it will be clear. It says :

"The Reserve Bank may, on behalf of the Central Government, use, receive, acquire, hold, transfer or operate the special drawing rights of that Government in the International Fund and to perform all acts supplemental or incidental thereto."

Therefore, this is only delegation of authority, only to work as agent on behalf of the Government. That is all. It is completely defined.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI VIDYA CHARAN SHUKLA) : There is no delegation of legislative power.

SHRI S. S. KOTHARI : Sir, what is your ruling on my point of order ?

MR. CHAIRMAN : It is ruled out. Shri P. C. Sethi.

SHRI P. C. SETHI : Sir, I beg to move :

"That the Bill further to amend the International Monetary Fund and Bank Act, 1945 be taken into consideration."

The Bill is quite simple and contains certain provisions concerning our participation in the Special Drawing Rights scheme of the International Monetary Fund. Before explaining the provisions of the Bill, I shall briefly touch on the background and the nature of the Special Drawing Rights scheme.

As Hon. Members are aware, the International Monetary Fund was set up nearly 25 years ago, as a result of the discussion in the United Nations Monetary and Financial Conference, known as the Bretton Woods Conference. Faced with a challenge of devising a suitable international organisation in order to ensure the orderly development of the World's trade and economy, following the disruption and devastation of the II World War, this institution was set up to provide the machinery for consultation and collaboration in the solution of international monetary problems. Some of the important objectives of the I. M. F. are to facilitate the expansion and balanced growth of international trade, to promote exchange stability, to maintain orderly exchange arrangements among members and to give confidence to members by making the Fund resources available to them with adequate safeguards, thus providing them with the opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

While the machinery has, despite difficult periods, functioned satisfactorily, more recently problems had arisen because world reserves had not increased commensurate with world trade. From 1950 world trade has grown at an average annual rate of 7.6 percent, while reserves have increased at a rate of less than 2.5 percent. The ratio of total reserves to total world imports declined from 57 percent in 1958 to 34 percent in 1968. Faced with a risk of restriction of trade and general contractionary policies in domestic economies in leading industrialised countries, consideration was given to various alternative ways in which growth of international liquidity could keep pace and

promote the growth of international trade. Various suggestions were made from time to time. But ultimately it was decided that a solution had to be found within the framework of the International Monetary Fund. Finally, it was decided to have a suitable form of supplementary reserve asset and a mechanism for its creation in the International Monetary Fund. This reserve asset is called the Special Drawing Rights.

At the last annual meeting of the Board of Governors of the International Monetary Fund, the decision was taken to allocate Special Drawing Rights equivalent to \$3.5 billion for the year commencing January 1, 1970 and to make an allocation of \$3 billion for each of the two subsequent years. These allocations will be made on a uniform basis to all members of the IMF in proportion to their quotas as on January 1 of each of these years.

Special Drawing Rights are a new form of reserve asset that have been created out of the voluntary action of members of the Fund. There is a fixed gold value for each unit of Special Drawing Right, which is the present gold value of one dollar. This means that the value of Special Drawing Rights held by countries will not fluctuate on account of any changes in the par value of currencies. SDRs have the backing of solemn undertakings of participating Fund members to accept them within certain limits in exchange for convertible currency.

Countries receiving allocation of Special Drawing Rights will be able to use them unconditionally whenever they have need for providing balance of payments support or for preventing a drop in reserves. The use of the SDRs by a participant means that they can be changed for convertible currency which can be used for international trade. The procedure envisaged for using Special Drawing Rights is that whenever a participating member wishes to convert its holdings of Special Drawing Rights into convertible currency, the Fund will nominate in accordance with Rules, another participant with a strong balance of payments or reserve position to provide the convertible currency and such participant is then obliged to accept Special Drawing Rights and provide convertible currency. The S. D. R. amount of the user will be debited and that of the receiver of SDRs credited with the equiva-

lent amounts of SDRs stated in U.S. dollars.

Participating members are required to restrict the use of Special Drawing Rights to 70% of the allocation over a period of time. A participant may, however, at any given point of time, use all its Special Drawing Rights but in order to restrict the average use to 70% over a period of time, it would be expected to re-constitute its reserves by acquiring Special Drawing Rights in exchange for convertible currency in order to maintain the average use within the limit of 70% of allocation.

From our point of view, Special Drawing Rights will be a welcome supplement to our reserves, and would assist in tiding over our short term balance of payments difficulties. On the basis of allocation of \$3.5 billion for the year 1970 based on our present quota of \$ 750 million, we may expect to get an allocation of about \$ 130 million for 1970. For the subsequent years the allocation of \$ 3 billion each year will be made on the quotas in existence of the 1st January 1971 and 1972. We may expect to receive about \$ 105 million of SDRs in each of the two years, 1971 and 1972.

Hon. Members will thus see that the creation of Special Drawing Rights, popularly called the Paper Gold, is an important landmark in international co-operative effort to promote a stable monetary and exchange system. We have naturally an interest in stable conditions for international monetary arrangements and international trade and have therefore, in our capacity as members of the International Monetary Fund, participated in the SDR scheme.

I shall now indicate the implications of the provisions of the Bill under consideration. Basically, the Bill has one main purpose. This is to authorise the Reserve Bank of India, on behalf of the Government of India, to hold and operate the Special Drawing Rights that the Government acquires as a participant. As members are aware, the Reserve Bank of India is our agency now to hold and operate foreign exchange reserves and other external transactions. The SDRs are a new type of reserve assets. They accrue to the Government, by virtue of the Government being a member of the IMF and participant in the scheme. However, since the use and operation of the

SDRs would be similar to the use and operation of other external reserves, it is considered appropriate to entrust this function also to the Reserve Bank of India. This is sought to be done through Clause 3 of the Amending Bill, which was just now questioned by Shri S. S. Kothari.

Clause 2 of the Amending Bill is just by way of taking this opportunity to make the IMF Act of 1945 upto date and do a bit of tidying up. For instance, 2(a) by introducing the words "after due appropriation made by Parliament by law in this behalf", simply states the fact that all payments have to be made, even in accordance with the provisions of the IMF Act, are again subject to the Appropriation Act. The provisions in 2(b) and (c) refer to certain amendments that have been introduced to the I.M.F. Charter. These amendments themselves were made to the I.M.F. Charter to enable the IMF to administer the Special Drawing Rights scheme.

Hon. Members are aware that the IMF Act of 1945 provides for payment of charges to IMF in relation the drawings that may be made from time to time from the IMF. The effect of the present amendment is that charges which become payable on account of the utilisation of the Special Drawing Rights will also be covered by the Act.

I may mention that under the present rules the charges that will be due to be paid to IMF for use of SDRs will be at the rate of 1½% per annum and these are also to be paid in the form of SDRs.

Thus, the Bill, seeking to make the Reserve Bank of India Government's agent for operating the SDRs, and incorporating in the 1945 Act recent amendments of the IMF Charter consequent on the introduction of the SDR scheme, will be seen to be a simple and non-controversial measure. I recommend it for the consideration of the House.

MR. CHAIRMAN : Motion moved :

"That the Bill further to amend the International Monetary Fund and Bank Act, 1945 be taken into consideration."

SHRI N. K. SOMANI (Nagaur) : Before I speak on this Bill which is as the hon. Minister says, purely of a functional nature and would enable the Reserve Bank on behalf

[Shri N. K. Somani]

of the Government of India to deal with the special drawing rights that are proposed to be conferred upon us, I should like to bring to your attention and to the attention of the House that the Prime Minister who is in charge of finance has been treating this portfolio in a rather cavalier manner. Not only in important select committees where she is supposed to be present and lead the discussion and participate but even in important matters like this where the IMF is concerned she remains absent and contrary to the traditions and the constitution of the IMF which imposes an obligation on the Board of Governors she delegates responsibility to the Reserve Bank Governor to sit in a place where most countries send their Prime Ministers or Finance Ministers. I would therefore hope that in matters like this where there will be a lot of discussion in international organisations in relation to such matters, proper care and respect would be shown by this truncated Government which is expected from them.

The IMF celebrated its silver jubilee on 1 July 1969 and if one were to review the mixed performance of its 25 years, one may fairly say that it has been more or less satisfactory. If we turn to the future in a rapidly changing international situation, it calls for proper participation in IMF at the Board of Governors level. One cannot say that the future will be as smooth or orderly unless we participate and put up a fight on behalf of India as well as the developing countries as a whole. I venture to say that but for the IMF the world liquidity and the financial inter-relationship among various currencies of the world would be in total chaos and disarray. Before the inception of the IMF countries devalued or refused to devalue their currency and adopted unfair competitive practices with regard to their neighbours or their enemies; they have all been brought into one financial discipline of one kind or another by the successful functioning of the IMF.

There have been some lacunae in spite of the impressive performance of the IMF. Two recent examples stand out in the history of international finance: one was the example of France which refused for a long period of time and when we talk in terms of daily rate of exchange and international liquidity, even a few months' time could be considered to be quite critical—and refused

persistently in complete disregard of the situation and in complete disregard of what the IMF had liked them to do by not devaluing their currency for a long time. And again the second example is of West Germany who ought to have revalued their mark in the interests of the same reasons that I have been talking about. Both these things have been more or less achieved now. Therefore, it now calls upon India and other developing countries who are members of the International Monetary Fund not only to get along with each other but to have more frequent understanding with each other, more frequent understanding of the whole situation, and work in an orderly manner so that not only social but moral pressures could be put upon those erring countries who do not regard such situations with as much seriousness as they deserve.

The IMF would also expect and has been expecting that the member-countries including the developing countries like India should be prepared to temper their economic and fiscal policies by making use of the world wide technical and financial expertise of the IMF which is readily available to all member-countries, and that is why I say that in the current status of the Reserve Bank which has been devalued unfortunately by the manner in which bank nationalisation was undertaken in this country, by the manner in which Deputy Governor to this institution has been appointed without even consulting the Governor, if this is the departmental respect that we give to an institution which is supposed to be independent, if this is the regard that we have for the central banking system which ought to be completely independent, and in moments of crisis and difficulties should be able to stand up against the Finance Minister and say, "This is the line and we would go no further," where fiscal policies are involved, or where our balance of payments are involved, or where our revaluation or devaluation are involved, in such critical times, I would think that the first step that we have to take is to restore confidence and the status and the prestige of our own Reserve Bank before we take any other step and before we try to impress the IMF of our performance.

Sir, one of the main functions also of the IMF is to support the primary commodity prices of the developing countries, and those

countries which are in a difficult or weak market situation, which cannot do their trading relationships in a normal fashion like India and when they are forced by the buyers to enter into bilateral relationship or agreements which create a number of distortions and difficulties for countries like ours, the IMF in theory and in practice, is supposed to monitor such transactions; it severely discourages the transactions of this kind because these are not healthy nor are they considered to be so in the interests of developing countries.

Therefore, we as a member country, ought to take counsel and ought to take the technic expertise and ought to take bearings and whenever we enter into bilateral relationships either with Russia or any other east European countries, when it is tied up as far as that country is concerned, and when we are forced to buy materials or commodities or equipment from that country at its prices, it goes completely contrary to our own interests, and this goes completely contrary to the articles of association of the IMF. Therefore, this is an opportunity where we can seriously rethink about this financial relationship, the bilateral relationship that India and some other countries have been forced to indulge in as a result of the weaker market situation. Although the IMF in its turn had made certain efforts to persuade countries like India as well as stronger markets which are in a dictating position to get out of this bilateral situation and pull them into the international, normal exchange rate or free exchange rate, it is a little more courage and consideration on our part so that we can overcome these distortions and difficulties.

17.00 hrs.

The minister spoke about Special Drawing Rights that IMF have recently agreed to confer on the member countries, which I think is a very fine development. This new facility would ensure an appropriate level of international reserves and for the first time, total dependence on gold reserves and foreign exchange reserves has been removed. But here again, India has to remember that only 61 members of the IMF have so far signed the SDR agreement. The minimum required, according to its constitution, is 67 and we should actively campaign to see that

SDR is properly, constitutionally adopted by IMF without any further delay.

There is another development taking place in the East Bloc of European countries like Rumania, Hungary and for sometime past in Czechoslovakia; I do not know what the real situation is there now. These countries have been trying to get into the IMF system. This is the first time when India also can help such countries in becoming full-fledged members, so that they become part of the international trading community.

As far as the SDR is concerned, I would like to utter a note of caution. You are fully aware of the extent of fiscal indiscipline of our various States, especially Rajasthan from where I come, *vis-a-vis* facilities of overdraft that you have given to them from the Reserve Bank. SDR could certainly be misused as a tool of international deficit financing, if we went too far. In these things, one has to be more careful. Every time you should set a limit on your SDR withdrawals and you should not only take independent counsel from the Reserve Bank of India, but also from the IMF, so that these distortions of international deficit financing do not overcome us.

I wish to repeat that there has been a critical deterioration of the status and prestige of our central banking institution *viz.*, the Reserve Bank. If you wish your Governor of the Reserve Bank to be treated with the same respect as the heads of the other countries or Finance Ministers of other countries in the assembly of the IMF Board Governors, you will have to take the first step of restoring the status and dignity due to the Reserve Bank at home. Otherwise, we will make a complete laughing-stock of ourselves if we do not respect our own institutions. This is the opportunity where we ought to impress upon the Government that it is in the long-term and short-term interests of the country's fiscal, momentary and economic policy that this should be restored to the Reserve Bank.

SHRI HIMATSINGKA (Godda): Sir, this Bill would certainly increase the liquidity that would be available to member countries, but there is no provision in this Bill to make the developed countries come to the help of under-developed and developing countries in the stabilisation of the price,

[Shri Himatsingka]

of the commodities, specially agricultural commodities, that are being produced by them.

India is losing very heavily on account of that facility not being available. In America the price support policy is helping to a very large extent the agricultural produce as well as other items. That facility is not available in India. Unless the developed countries are made to give price support for the commodities that are being produced in the under-developed countries—and which we are more or less forced to sell at unremunerative prices,—our country cannot get the benefit that should be available to this country. Therefore, that aspect has also to be kept in view so that our country may get the benefit for its products at the international market. That line has to be developed. Otherwise, mere liquidity will not be of much use. As my hon. friend, Shri Somani, has said, it may be liable to be misused unless it is properly handled and utilized. This aspect should be looked into very carefully and price support should be made available for our commodities so that India can really get the benefit and get support for the commodities that are being produced here.

SHRI S. S. KOTHARI (Mandsaur) : Mr. Chairman, at the very beginning I would like to say that when the Prime Minister assumed the Finance portfolio it was in the nature of a make shift arrangement, probably connected with bank nationalisation. It was well understood and probably the Prime Minister also said in one of her utterances that ultimately the Finance portfolio would be handed over to some other person, or some part of it would be retained by her and a part of it would be handed over to another person. In view of her pre-occupation with political, party or other matters, it appears that the Prime Minister is not able to devote sufficient time and attention to this most important portfolio. I should like to emphasize that it is necessary, suitable action should be taken by her to have a full-fledged Finance Minister to look after this portfolio. I do not want to be critical of her but the fact is that Finance is a subject which requires constant attention. The economy of the country cannot be allowed to be handled or managed by the bureaucracy in its discretion and it is neces-

sary that it should be properly attended to, preferably by a full-fledged Finance Minister.

Before I take up the broader problems connected with the Bill, I would like to refer to one specific clause of the Bill. The Bill provides that the participating members should pay charges on the basis of net cumulative use of special drawing rights to meet administrative costs of operating the scheme, which would be 1.5 per cent of the use of this paper gold or special drawing rights. Firstly, 1.5 per cent is very much on the higher side. Secondly, it is provided that the charges would be on the basis of the use of special drawing rights which means that since the developing countries would be making the greatest use of the special drawing rights, while the richer countries would not be using the special drawing rights to the full, or even partially as probably in the case of USA, Japan, West Germany and France, as a result of this inequitable basis of allocation of expenses or administrative costs, there would be an inequitable burden on the developing countries, while the richer countries would escape almost scotfree with regard to bearing of these administrative costs. This is an important point and I would request the Minister of State for Finance to explain why our officials have not taken up this matter before the international forum.

Then we do not command the respect that this country should in this international forum. The ten members who decided upon this SDR scheme had their own confabulations and the developing countries were almost completely ignored: they were not given any importance whatsoever and probably were not even consulted or taken into confidence. The scheme was framed in the manner they thought best and, as was inevitably expected, they framed a scheme which is tilted in favour of the richer countries.

The basis of allocation of the SDR quotas, again, is on the basis of the original International Monetary Fund quotas. The consequence is that the richer countries, which do not need the special drawing rights because most of them do not have balance of payments problems but have surpluses, would receive disproportionately large amounts of these SDR or Paper Gold quotas while the developing countries,

which need these quotas Paper Gold or SDR very much, would get only 25 per cent of these quotas (though actually they constitute 80 per cent of the membership). 75 per cent of the quotas would go to the richer countries most of which, as in the case of the USA, Japan, West Germany and France, would lie idle and would not be used. It has been framed in such a manner that the balance of payments position has not been considered. The balance of payments position should have been taken into account in allocating these SDR quotas. That has not been done. This is an important point, which I would like to emphasize.

Now, with the scheme as it is, I would suggest that the richer countries should loan out their SDR quotas to the International Development Association (IDA), so that the IDA could use those quotas for lending to the developing countries. This should assist developing countries in their development. Since most of the special drawing rights would be utilised by the developing countries for making imports from the richer countries, the money would again flow back to the richer countries and they would get their reserves back; meanwhile, the developing countries would have been assisted and financed.

Then, as a consequence of the SDR quota being in proportion to the original quota of the IMF, India is going to suffer another debacle. This is a link in the long chain of debacles—including at Rabat—we have suffered because of bad or incompetent management and handling. India would be losing its permanent seat on the executive board of the IMF either to Canada or Japan. We have had a privileged position of having a permanent seat on the executive board which was held for so long by the then Deputy Prime Minister, Shri Morarji Desai, himself. Now the Reserve Bank Governor, Shri Jha, is there. But that privileged position would be lost. That means, your status would be reduced. In my opinion, this is a kind of economic debacle in the international field that we would be suffering again because of bad management of affairs.

An important point is that whatever assistance we get from the International Monetary Fund by way of normal quotas or by way of special drawing rights, these are short-term arrangements to assist us in temporary difficulties. Basically, the point is

that we have to shape our fiscal and monetary policies in such a manner that a situation does not arise where we need to draw upon quotas again and again because whatever you draw, you have to pay back. It is not aid; it is not a gift.

I would say—it is my biggest indictment on the Government—that the Government has failed to shape their fiscal and monetary policies in such a manner that situation may not arise that another devaluation of our currency may have to be repeated. I sound a note of warning in this House. The price level has been spiralling up. We have crossed the 225 wholesale price index mark. If we continue the same sort of fiscal and monetary policies which have been followed in the past, the consequence will be that after a year or two we may be heading for an inflation of the type which we may not be able to control. That is a grave note of warning that I would like to sound in this House. Our fiscal and monetary policies have to be shaped in such a manner that inflation does not take place. Otherwise, the consequence will be that we would be heading towards another devaluation of the currency. The international Monetary Fund quotas and special-drawing rights are just short-term arrangements.

I would like to specifically point out one or two things more. What have we done to increase production? If you have to check prices, the basic remedy is that production should be increased. May I draw your kind attention to the recommendations of the Dutt Licensing Committee? Negative as has been its approach, it has produced a report that is not only retrograde but, if implemented, would inflict incalculable injury on the industrial structure and decelerate the momentum of growth, check increase in production and generate inflationary pressures.

At long last, the Planning Commission started to think along pragmatic lines and advocated a comprehensive review of the entire range of controls and dismantling of many of the controls. The Committee has advised that the delicensed sector of the industry—it is a retrograde step—should be brought back within the scope of licensing even though the industry may not require foreign exchange. The recommendations of the Dutt Committee would block the industrial development of the country. I say, with all the emphasis at my command, it is a grave danger to economic growth. As I had

[Shri S. S. Kothari]

said earlier at one time, the Ministry of Industrial Development functions as the Ministry of Industrial Obstruction. They are deliberately obstructing the industrial development of the country due to their negative approach. Even the Minister of Trade and Supply, Mr. B. R. Bhagat, had to protest to the Ministry of Industrial Development: Please do not implement the recommendations of the Dutt Committee. Otherwise, the exports will not grow. At least the export-based industries should be allowed to be expanded. He has said only about the export-based industries. What about other industries? What about consumer goods industries? If they do not increase the production of consumer goods, there will be a shortage of production. We are going to face inflation. The common man is going to be fleeced. Inflation is the most insidious form of taxation. It adversely affects the common man. Therefore, I would say, these recommendations of the Dutt Licensing Committee are negative. They must be very carefully considered. It should be seen that they do not result in hampering production and capital formation in the country.

There are various other matters with regard to Government policies. I have no time to go into them. But, in regard to excessive excise duties, may I point out that they enter into and become a part of the price of the commodity? Excessive expenditure of the Government also adds to inflation. If there is inflation, we may be heading towards another devaluation of our currency. Even the I. M. F. quotas and special-drawing rights are not going to assist us. So, I would say that the fiscal and monetary policies of the Government should be properly shaped in order to ensure that we have a stable currency, that we are able to balance our balance of payments, that inflation does not grow and that there is no chance whatsoever of having another devaluation, which can only lead to loss of respect and other material losses to the country.

*SHRI SEZHIAN (Kumbakoram): Mr. Chairman, from yesterday the Members coming from Tamil Nadu, Kerala, Mysore and Andhra Pradesh have been given the opportunity to speak in this House in their

mother-tongue, *i.e.* Tamil, Malayalam, Kannada and Telugu. I am indebted to you for having given us this opportunity to speak in our mother-tongue.

For many years, from the day the Members belonging to the Dravida Munnetra Kazhagam under the leadership of our Anganar Anna entered the portals of this Parliament—I came to the Parliament in 1962—we have been stressing this point that the Members should be allowed to speak in their mother-tongue. According to Article 120 of the Constitution the Members could speak only in English and Hindi on the floor of this House. We had been emphasising that this condition should be amended and the other national languages should be given equal status. We have been discussing, debating and deliberating about this point. The DMK members went in person to our late Prime Minister, Pandit Jawaharlal Nehru, in this connection; he assured us that he would look into this question. After some time, two-way interpretation, from English to Hindi and *vice-versa* was introduced. Before that, when a Member was speaking in Hindi, other Members who did not know Hindi had to keep quiet without understanding a syllable of what was spoken during the course of a debate. In the same way, the Members who could not understand English used to remain silent. Even after two-way translation, the Members who did not know both English and Hindi could not understand anything of what was discussed in English and Hindi.

The Members, who had been elected by 10 lakhs of people, who were very proficient in their mother-tongue and whose mother-tongue was very rich, could not speak here, could not express their ideas here on any subject under discussion. There was no possibility of their participation in any of the debates. They were forced to remain dumb and deaf, though they could eloquently express their views in their mother-tongues. I moved in this House a Private Members' Bill for amending Article 120 with the express intention of giving all the national languages enumerated in the VIII Schedule of Constitution equal right and status in Parliament. At that time all the Members belonging to different political

*The original Speech was delivered in Tamil.

parties and groups gave their full support to my bill attempts. The then Finance Minister, Mr. Morarji Desai came at the last moment, said two or three words against the Bill, the Bill was voted down. The then hon. Speaker, Shri Sanjiva Reddi—his name Sanjiva means panacea—announced that four southern languages would be introduced. This is a good day—not only a good day but a golden day—in the history of this Parliament. At the same time we are not fully satisfied. We have been given only an opportunity to speak in our mother-tongue; we have not got the constitutional right to do so. Till the Constitution is amended in this respect, till Article 120 is amended incorporating the provision that the national languages would be given the equal status and equal right, till the time our demand is met, we will continue to stress our demand, we will continue to fight for our fundamental right.

As we have taken a step in the right direction, though belatedly, I want to utilise this opportunity to speak in my mother-tongue. Tamil on the Bill which is before the House today, the International Monetary Fund and Bank (Amendment) Bill. The International Monetary Fund has celebrated its Silver Jubilee very recently. This international financial set-up is regulating the monetary systems of many countries of the world. When monetary systems of different countries were in a critical condition this organisation was created to assist them. My personal feeling is that there was an initial mistake committed at the time of setting up of this organisation. The countries which became members of this organisation had monetary systems with gold backing. It would have been all right if they had stopped there. But they did not stop there. They equated their currency with dollar also as a consequence of which dollar was given a parity with gold. In the international markets, gold and dollar had not been equated before. As a result of this equation, whenever the gold reserves in the countries which had gold backing went up the value of dollar also went up; when the gold reserves depleted, the value of dollar declined. On account of this in many countries the monetary systems were disturbed and this created economic distress in those countries. This could have been averted. Today, whenever in the United States of America the gold

reserves go down, immediately the value of dollar in international market falls. It is wrong to have such a monetary system on two standards.

Under the new system enunciated in this Bill, whenever a country faces maladjustment in its balance of payments or there is depletion in its foreign exchange reserves, some assistance will be given to that country under the Special Drawing Rights Scheme. Though it is a short term assistance, it will help that country to tide over its financial crisis. Instead of liquid gold, paper-gold is coming into force. Here also there is a small defect. The quantum of assistance which that country gets under the Special Drawing Rights Scheme depends on the allocation made to that country. America and European nations have greater quotas as compared to Afro-Asian nations. The developing countries like India and other Afro-Asian countries, where there is greater need for financial assistance, have smaller allotments. So far as we are concerned, in the total allocation, India's share is only 3½%. The assistance under Special Drawing Rights Scheme is related to this allocation. In my opinion, we should endeavour to get our allocation increased.

The Governments of many countries get loans and other kinds of financial assistance from the World Bank. Similarly, from the International Finance Corporation the private sector also gets financial assistance. Here also there is great disparity. The Latin American countries have received 43% of the total assistance given by this organisation whereas the Asian and Middle-East countries have received only 33% of the total. Perhaps they are nearer to the decision-making centre and they are able to get more, just like the area which is nearer to a well gets more water. If you take the population of the Middle-eastern countries as also Afro-Asian countries, if you consider the density of the population there, if you look into their economic and industrial backwardness you will find that their needs are greater and they should have greater opportunities in availing of such financial assistance. The Minister of Finance and the Government of India should lay emphasis on this point. As the rich are becoming richer and the poor still poorer in our country, the wealthy western countries have greater opportunities to become wealthier and the under-developed

[Shri Sezhian]

countries have no opportunity at all. We should create an atmosphere in which less-developed countries have greater opportunities to develop.

Having pointed out the defects in the Bill, I support this Bill.

SHRI S. M. BANERJEE (Kanpur) : Sir, of course, this Bill is an innocent one. I do not agree with my hon. friend Shri Somani. Unfortunately he is not here now. He was all full of praises for the International Monetary Fund. After all, whether it is World Bank or the International Monetary Fund, these are all creations of the U. S. A. and its satellites.

Sir, I remember, when the Vice-President of the International Monetary Fund visited India sometime in 1958 he only advised us without assuring us any concrete help. But there was one good suggestion which was there, not to have deficit financing, because, in their opinion, deficit financing resulted in inflation. That of course, was a correct suggestion. I would like to know this from the hon. Minister, but before doing so, I would like to know from Mr. Somani who criticised the present Finance Minister and Prime Minister for delegating powers to the Governor of the Reserve Bank and for not attending important meetings herself. Sir, I agree that Finance Minister should go, but after all, the International Fund is a creation of the U. S. A. Government and its satellites just to boost up the value of the dollar, but not really to help the underdeveloped countries or the backward countries. But it is only meant to keep the dollar in top of, at the cost of, the currencies of the other countries. Devaluation of the dollar was a demand of the most developing European countries like France and West Germany of which our friends are very much enamoured. But, was devaluation of the dollar ever done? It is all artificial value of the dollar today. If we really view it objectively, we will see that the dollar has lost all its value and there should be, in all fairness, a devaluation of the dollar. But they suggest to the backward countries, because we get help from those countries like the U.S.A. who control the economy of so many European countries, that we should manage our finances according to their whims.

Sir, one of the great revolutionaries and

a socialist leader today who is now sitting as a member of the other group, as agreed for devaluation when he was a Minister. I would like to know this from the hon. Minister. Is it not a fact that when Shri Morarji Desai was Finance Minister, he attended the meeting of the International Monetary Fund and he was a party to this agreement on S. D. R. (Special Drawing Rights)? This was very rightly criticised by my hon. friend, Shri Sezhian. Why did they agree to this? Why did they do so, without safeguarding our interests and giving monetary powers to those European countries to enjoy at our cost?

I am thankful to the Prime Minister and the Finance Minister who realised our dependence on such countries for economic resources and for having mopped up the resources of the country by nationalising the fourteen banks and by this the country got an amount of Rs. 2,400/- crores. I wish to submit that more banks should be nationalised. There should be no dependence on the International Monetary Fund or the World Bank which are created only to help the U. S. A. and its satellites. They do not give any aid without a string, without a political motive. Always, they give aid with political motives and they want to manage our economy also, whether it is the World Bank or the IMF. I agree with Shri Somani to this extent that the working of the Reserve Bank should be improved, very much improved. We should try to do so. We should appoint some committee to go into the various aspects of the working of the Reserve Bank. I have nothing against the Governor of the Reserve Bank, but I am told that when Government wanted to take a decision in favour of nationalisation of the banks, he was perhaps against it. How can we possibly keep that gentleman any more as Governor of the Reserve Bank, a government bank, when he was opposed to this idea of nationalisation of the various commercial banks?

SHRI PILOO MODY (Godhra) : Ask him what he knows about banking.

SHRI S. M. BANERJEE : I have no account in a bank.

SHRI PILOO MODY : All cash?

SHRI S. M. BANERJEE : Though this particular Bill is an innocuous Bill, it has serious implications. I would like to know from the Minister answers to two or three questions. Who agreed on our behalf to the SDR's without any protest? Will the SDR's help our country or not? I do not mind if the Governor of the Reserve Bank goes and attends the meetings or Shri Sethi does so. But I have a feeling that people who go there and represent our country should believe in our policy and not be a party to any decision there at the cost of our country. I hope the hon. Minister will throw some light on these two or three points.

I have no desire to oppose the Bill as such, but a more exhaustive analysis of the whole situation is necessary, both politically and economically, so that we are in a position to see things in the correct perspective.

श्री शिवचन्द्र भा (मधुबनी) : सभापति महोदय, जब यह विधेयक इस सदन में पेश किया गया था मैंने इस का विरोध किया था। आप प्रोसीडिंग को देख सकते हैं और आज जब इस को पास करने के लिये यहां पर बहस चल रही है, तो आज भी इस का विरोध करना है।

इस में कोई शक नहीं कि इस फण्ड के साथ भारत सरकार का सम्बन्ध है। इस में जो स्पेशल ड्राइंग राइट की जो स्कीम बनाई जा रही है यानी विदेशी मुद्रा हम को मिल सके, उस की जो दिक्कतें हैं, वे दूर हो सकें, उसी दृष्टि से यह स्कीम बनाई जा रही है, इस में थोड़ा बहुत फायदा हो सकता है तथा इस के इस्तेमाल के लिये जो खर्चा लागू होगा उन खर्चों को हम कन्वोलिडेटेड फण्ड से दे सकें, इस के लिये आप रिजर्व बैंक को पावर दे रहे हैं ताकि इस विधेयक के मानहन उस पावर का इस्तेमाल कर के वह खर्च कर सके—यह बात सही है, लेकिन इस विधेयक से आपको साफ हो जायगा कि भारत इंटरनेशनल योनिटरी फण्ड का प्रोरिजनल मेम्बर है, 1945 में जब इस की शुरुआत हुई थी, तब

से इस का प्रोरिजनल मेम्बर है। यह बात हम मान सकते हैं कि 1945 में भारत आज़ाद नहीं था, उस समय हमें किसी के पीछे चलना था, लेकिन आज़ादी के बाद भी हिन्दुस्तान ने उस में ऐसा रोल खड़ा नहीं किया जिससे कि एक ताकतवर मेम्बर की शकल में वहां पर अपनी आवाज़ उठा सके, इस संस्था को अपने लिये और दूसरे विकासशील देशों के लिये चला सके, धागे बढ़ा सके।

यह जो स्पेशल ड्राइंग राइट की जो स्कीम बनाई जा रही है, सभापति महोदय, परसों सोमवार को मन्त्री महोदय ने मेरे एक प्रश्न का जवाब देते हुए कहा था कि यह स्कीम तीन सौ के लिये है और 9.5 बिलियन डॉलर की है। जिससे से हिन्दुस्तान डेवलपिंग कंट्री होने के नाते मिर्फ 2.66 बिलियन डॉलर का इस्तेमाल कर सकता है और हिन्दुस्तान को 340 मिलियन डॉलर का एलोकेशन हो सता है। यानी जितनी डेवलपिंग कंट्रीज हैं उनमें एक चौथाई ही, यह जो स्पेशल ड्राइंग राइट्स की स्कीम बनाई जा रही है, उसका उपभोग कर सकेंगे। मतलब यह है कि 75 परसेन्ट जो कि डेवलपिंग कंट्रीज हैं, जैसे ब्रिटेन, अमरीका, फ्रांस जोकि आलरेडी विकसित देश हैं, वे इस्तेमाल करेंगे और केवल एक चौथाई का इस्तेमाल ही विकसित देश करेंगे। उसमें हिन्दुस्तान का हिस्सा और भी कम होगा। फ्रांस ने इसकी मुखातिफ की है। यह स्कीम जो है, इसमें शक नहीं कि देवने में यह आता है कि डेवलपिंग कंट्रीज को अपनी विदेशी मुद्रा की दिक्कत को हटाने के लिये यह स्कीम बनाई गई है लेकिन इस स्कीम से ज्यादा फायदा डेवलपिंग कंट्रीज को ही होगा। जोकि बड़े-बड़े विकसित देश हैं। इसके आभास को लेकर रिजर्व बैंक के गवर्नर ने आवाज़ उठाई है। उन्होंने कहा है कि इसकी मीनिंगफुल बनाने के लिए इस में स्ट्रक्चरल चेंजेज होने चाहिये। इसके बिना यह स्कीम मीनिंगफुल नहीं हो सकती है।

[श्री शिव चन्द्र झा]

17 नवम्बर के जवाब में मन्त्री महोदय ने कहा था :

"Addressing the Annual Meeting of the Boards of Governors of the International Monetary Fund and the World Bank, the Governor of the Reserve Bank of India, who is also India's Governor on the IMF referred to the proposed revision of quotas in the IMF and said that in order to provide the developing countries with an adequate say in the decision of the Fund they should have a larger share in the total quotas so that the position of developing countries individually and collectively improves substantially in consonance with the changed status and responsibilities of these countries. He also added that these considerations would also apply more strongly to the Bank— IDA family in which the representatives of developing countries need and deserve a better voice."

उन्होंने जो आवाज उठाई वह ठीक है लेकिन मैं जानना चाहता हूँ कि मैनजमेंट में स्ट्रक्चरल चेंजेज लाने के सम्बन्ध में क्या जवाब मिला। हिन्दुस्तान जोकि डेवलपिंग मुल्क है उसने व्यक्तिगत रूप में या कलेक्टिवली इस स्कीम को एफेक्टिव बनाने के लिये स्ट्रक्चरल चेंजेज लाने के लिये कौन से कदम उठाये ? कोई खास कदम नहीं उठाया। आवाज उठाई गई है लेकिन इ को मीनिंगफुल बनाने के लिये कोई कदम नहीं उठाया गया है।

दूसरी बात यह है कि जहां तक डेवलपिंग और डेवलपिंग नेशन्स का सम्बन्ध है, वन परसेन्ट ग्राफ दि नेशनल प्रोडक्ट डेवलपिंग कन्ट्रीज के लिए देने की बात क्यों आनी है, यह डेवलपिंग कन्ट्रीज दें इसके लिए हिन्दुस्तान ने कोई खास आवाज नहीं उठाई। ये चार्जज जो लगाये जा रहे है वह हिन्दुस्तान या दूसरी डेवलपिंग कन्ट्रीज को देने की जरूरत नहीं है बल्कि यह तो डेवलपिंग कन्ट्रीज का काम है, उनका फर्ज है कि वे इस तमाम एक्सपेंडीचर को मोट करें। डेवलपिंग कन्ट्रीज को एक तरह

में यह ताजापज फीस देनी पड़नी है। हमको अनडेवलपिंग रखने की जिम्मेदारी डेवलपिंग कन्ट्रीज के ऊपर है। उनकी साम्राज्यवादी नीतियों के कारण ही हम अनडेवलपिंग रहे हैं। उनके ही कारण आज एशिया और अफ्रीका के मुल्क अनडेवलपिंग रहे हैं। यह दोष हमारा नहीं है बल्कि डेवलपिंग कन्ट्रीज का है। इसलिये यह बोझ जो हम पर डला जा रहा है वह डेवलपिंग कन्ट्रीज पर न होकर उन कन्ट्रीज पर ही होना चाहिये। इसके लिये कोई आवाज नहीं उठाई गई है। हिन्दुस्तान ने इसको मीनिंगफुल बनाने के लिए कोई कदम नहीं उठाया है।

सभापति जी, विदेशी मुद्रा का जो संकट आता है हमारे यहाँ वह इमोलिये आता है कि हमारा ऐक्सपोर्ट नहीं बढ़ रहा है। यदि ऐक्सपोर्ट हमारा बढ़ जाये और उम को बदोलेत विदेशी मुद्रा इकट्ठी कर लेते है तो यह स्कीम रहे या न रहे, हमारा काम चल सकता है। लेकिन भारत का ऐक्सपोर्ट बढ़ाने के लिये सरकार को कोई बुनियादी नीति नहीं है। हम लोग बार बार कहते हैं कि ऐक्सपोर्ट ट्रेडिशनल गुड्स का बढ़ाया जाय और यह नभी हो सकता है जब सरकार ट्रेडिशनल गुड्स को अपने हाथ में ले ले। जैसे चाय है यह ट्रेडिशनल कम्पौडिटी है फीरेन एक्सचेंज लाने की लेकिन आज टी का निर्यात सीलोन के मुकाबले में भारत का कम है। इसी तरह से जूट में पाकिस्तान हम को मात दे रहा है। इन उद्योगों को मीडर्नाइज करना लाजिमी है, लेकिन सरकार ऐसा नहीं कर रही है। सरकार का फर्ज है कि जूट को नेशनलाइज करे, टी प्लानटेशन को नेशनलाइज करे।

टेक्सटाइल गुड्स में भी हम घबका पा रहे है। ब्रिटेन ने डिपार्जिट इन्व्हेस्टेस स्कीम चलायी है जिस के कारण टेक्सटाइल गुड्स के ऐक्सपोर्ट में भारत को घबका लग रहा है।

इसलिये जो ऐक्सपोर्ट को बढ़ाने की दृढ़ और साफ नीति होनी चाहिये वह सरकार अस्वित्यार नहीं कर रही है। फौरेन ट्रेड कं भी नेशनेना-इज करना चाहिये। लेकिन वह कदम सरकार नहीं उठा रही है। नजीजा यह हो रहा है कि हमारा ऐक्सपोर्ट बड़ नहीं रहा है और विदेशी मुद्रा हम पैदा नहीं कर पा रहे हैं और उस के लिये बार बार दूसरे मुक्तों पर निर्भर करना पड़ता है अपने मुद्रा संकट को बचाने के लिये बावजूद इंटरनेशनल मीनीटरी फंड के भारत एक टिमिड मेम्बर रहा है और उस के हुकम पर काम कर रहा है। भारतीय मुद्रा का डिवल्युएशन भी उस के हुकम पर हुआ है। इसलिये इंटरनेशनल मीनीटरी फंड और वर्ल्ड बैंक, ये अमरीकी साम्राज्यवाद के एक साधन हैं और इनकी साजिश है कि अक्विसिन देशों को विकसित न होने दिया जाय।

फीस थोड़ी है, ठीक है। लेकिन जो फायदा इस संस्था से अंडर डेवलपड मुक्तों को मिलना चाहिये वह नहीं मिल रहा है, उल्टे डेवलपड कन्ट्रीज ही इस से फायदा उठा रहे हैं। इसलिये जब तक सरकार इस की सफाई नहीं बेती तब तक हमारा फर्ज हो जाता है कि हम इस को पास न करें। पहले सरकार इन बातों की सफाई दे दे उस के बाद ही यह बिल पास होना चाहिए। जब तक एस. जवाब नहीं आता है मैं इस का विरोध करता हूँ। यह अमरीकी साम्राज्यवाद की एक चाल है जिस को भारत ने कभी न तोड़ा और न तोड़ने को कोशिश ही की है। इसलिये मैं इस बिल का विरोध करता हूँ और चाहता हूँ कि पहले सफाई दे दी जाय सरकार की तरफ से इस से नभी इस को पास किया जाय।

SHRI DINKAR DESAI (Kanara) : Sir, on this occasion, when the International Monetary Fund and Bank Act is being amended, I would like to take this opportunity to deal with one aspect which has not been touched by any previous speaker. Every year, our Government is drawing money from the International Monetary

Fund, and we are getting crores and crores of rupees all these years from the World Bank and the International Monetary Fund. I would like to know from the Government how this money was used all these years. That is most important. It is not just getting money from outside from an international agency or foreign country that is important. The more important question is, how this money was used all these years by the Congress Government.

AN HON. MEMBER : Wasted.

SHRI DINKAR DESAI : It is wasted. Because we depended so much on foreign money, today this is the situation, both in the economic and the political field. Due to foreign money which came in crores of rupees, corruption has increased both in the economic field and in the political field.

After bringing crores from foreign agencies, we are in a precarious position today. We have to return a lot of money every year to the IMF and the World Bank. But has our production increased in proportion to the money we brought from those countries? It has not. What is the return we are getting from our nationalised industries? Most of them were put up with foreign money. After three five year plans and three annual plans, unemployment has increased and national production has not gone up to the extent it should have. The standard of living of the people has gone down. Rich are becoming richer and the poor poorer. This is the kind of economy the Congress Government has given us. We have lost our economic independence and that is why the rupee had to be devalued at the instance of the Chairman of the World Bank controlled by the American Government. Shrimati Indira Gandhi says she is progressive, but when she was Prime Minister she took orders from the World Bank and the American Government and the rupee was devalued. It is a shame to our country that due to devaluation we are losing every year crores of rupees. Our cost of production has gone up in those factories for which we have to import machinery, etc.

We must change our whole attitude towards foreign aid. Otherwise, worse conditions will come here after. No country can come up unless it relies on itself. I am not completely against foreign aid. You should take a little aid and use it properly

[Shri Dinkar Desai]

for higher production and better distribution. But we are just getting crores of rupees every year and spending it uselessly. There is a lot of corruption also and the administration is inefficient. I do not know where the Government is going to be. Let us rely upon ourselves. We are 50 crores of people and I have great admiration for human work. If 50 crores of people can put in proper work, India can be great in 5 to 10 years, without depending on international agencies to help us. Is China getting foreign aid? It was also a backward and undeveloped country like India.

Our attitude to foreign aid should change. I want to know from the Minister who represents Shrimati Indira Gandhi here to tell us whether the Government will reconsider their attitude towards foreign aid. Our people will work hard and increase national production provided you take them into confidence, give a fair wage and behave properly. If there is corruption at higher levels, if rich are getting richer and poor poorer our people will not be able to work hard. They will work hard if you create confidence in them and say, "You work hard. We will give you a proper return."

Because the rupee was devalued, today the ruling party is devalued and is poorer by 65 members. There was a lot of discontent among the masses and as a result of that, the ruling party has split, and is devalued in the Lok Sabha. As I would like to warn the government that unless we depend on ourselves and not on foreign aid by the International Monetary Fund and the

World Bank there will be further devaluation in both the economic and political field.

If we look at the budget every year we find that a large portion of the revenue has to be earmarked for repayment of loans with interest to the International Monetary Fund. That problem cannot be solved by passing an amending Act. I know this is a small amendment, giving power to the Reserve Bank which was so far enjoyed by the government. We must change our attitude to the international agencies. I hope the Minister during the course of his reply will tell us what the attitude of the Government is going to be towards foreign aid and what it will do to create confidence in the 50 crores of people so that there can be increased production and better distribution among the people.

BUSINESS ADVISORY COMMITTEE

Fortieth Report

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS AND SHIPPING AND
TRANSPORT (SHRI RAGHURAMAIAH):
Sir, I beg to present the Fortieth Report of
the Business Advisory Committee.

17.57 hrs.

*The Lok Sabha then adjourned till
Eleven of the Clock on Thursday,
November 20, 1969/Kartika
24, 1891 (Saka).*