

- (21) Shri Nathuram Mirdha
- (22) Shri G. S. Mishra
- (23) Shri Shyamnandan Mishra
- (24) Shri Pилоo Mody
- (25) Shri F. H. Mohsin
- (26) Shri Samar Mukherjee
- (27) Shri Paokai Haokip
- (28) Shri Dhan Shah Pradhan
- (29) Shrimati Maya Ray
- (30) Maulana Ishaque Sambhali
- (31) Shri P. M. Sayeed
- (32) Dr. Shankar Dayal Sharma
- (33) Shri Nawal Kishore Sinha
- (34) Shri S. S. Tewari
- (35) Shri Tula Ram
- (36) Shri Tulmohan Ram
- (37) Shri Atal Bihari Vajpayee
- (38) Shri P. Venkatasubbaiah
- (39) Shri G. Viswanathan
- (40) Shri Chandrajit Yadav

and 20 from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the first week of the next session;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make; and

that this House do recommend to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of 20 Members to be appointed by Rajya Sabha to the Joint Committee."

*The motion was adopted.*

17.03 hrs.

**STATEMENT RE: DISPOSITION OF RUPEE ACCUMULATION IN INDIA BY THE U.S. GOVERNMENT**

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): Mr. Speaker, Sir, an agreement on the disposition of rupee funds held in India by the United States Government was initiated this morning by the Secretary, Department of Economic Affairs, Ministry of Finance, for the Government of India, and the Ambassador for the United States of America.

The large amounts of US-owned rupee accumulation were generated, under the two following types of agreements and from interest payments on the resulting bank deposits:

1. Under U.S.A.I.D. and its predecessor agencies, from 1954-61, dollar loans were given to the Indian Government and to private borrowers for development purposes; these were repayable in rupees.
2. Under various agricultural sales agreements, commonly called PL-480, the U.S. sold to India from 1956 through 1972, about 60 million tons of agricultural products (mainly wheat, coarse grains, rice, cotton and vegetable oil) with a landed value of \$ 4.8 billion (Rs. 36,000 million) for payment, either in whole or in part, in rupees.

The rupees under the two categories are known as non-PL-480 rupees and PL-480 rupees respectively. The agreement initiated today arranges for the final disposition of PL-480 rupees, and evolves a procedure for the disposal of non-PL-480 rupees within a reasonable period of time.

Regarding PL-480 rupees, the agreement provides that the Government of India will prepay to the United States of America all the remaining sums it owes that country amounting to Rs. 1514 million. The U.S. Embassy will on its

[Shri Yeshwantrao Chavan]

part cash its securities with the R.B.I. arising from PL-480 repayments by the Government of India amounting to Rs. 1870 million. Out of the total of Rs. 17010 million, the United States will grant to the Government of India Rs. 16640 million representing the substantial portion of the prepayment of PL 480 commodity loans, and the sums with the R.B.I. on repayment of PL 480 loans in the past. This is to be accounted for within a period of five years from the date of the agreement by attribution by the Government of India to development projects in various sectors which have been identified and already included in the Five Year Plan. This will therefore not represent any "additionality". The attribution is in recognition of the contribution made to our economy by the PL 480 loans in past years, during which agricultural commodities were received and utilised.

Regarding non-PL 480 rupees the agreement provides that the Government of India will prepay to the United States of America all the remaining sums it owes that country amounting to Rs. 2090 million. The U.S. Embassy on its part will cash its R.B.I. securities amounting to Rs. 4720 million arising from payments of non-PL 480 loans. This amount of Rs. 6810 million will be retained by the U.S. Government. An additional amount of rupee loans to American business and private companies in India (estimated at Rs. 1150 million), along with the Rs. 370 million from PL 480 rupees, will also be retained by the United States Government for its use in India. This total amount of Rs. 8330 million will be kept by the U.S. Embassy in the Public Account of the Government of India, and will be interest free. It has been agreed that out of the sum so retained, an amount of Rs. 3890 million representing the equivalent of \$ 500 million at the present rate of exchange between the dollar and the rupee, will be maintained in value over a period of 10 years, the reduction being at the rate of 1/10th each year. Also, in accordance with the provisions of the PL 480 Agreement, an amount of Rs. 500 million will be converted into dollars for such uses as the U.S. Government may

determine, including the development of markets for U.S. agricultural commodities.

The agreement provides that the United States may continue to use the rupees retained by them for the same range of purposes and at about the same level of expenditure (with allowance for any future price inflation) as in the years immediately preceding June 1972, following the same consultative procedures as were in force in the years preceding June 1972. Established uses of the type contemplated by the Agreement include the local currency costs of operating the United States Embassy, scientific and cultural exchanges, and the financing of freight and port charges for agricultural commodities donated by U.S. voluntary agencies.

The Agreement also permits the financing of U.S. economic assistance programmes in Nepal at the rate of Rs. 65 million a year for a period of three years, and the purchase by the United States Government for export from India of goods and services totalling upto \$ 100 million over a five-year period. Of this \$ 75 million will be paid in dollars by the U.S. Government, and \$ 25 million will be met out of US-held rupees. These exports would be additional to normal exports to the United States, and the articles chosen would be agreed to by both Governments.

The United States Government have on deposit at present approximately Rs. 7120 million. If this agreement were not entered into, with the addition of interest and principal repayments upto 2012 AD. when the last repayment would have been made by the Government of India on the last loan agreement, this figure would increase to over Rs. 30,000 million at the present levels of U.S. expenditures. As the estimated United States use of these rupees is in the region of Rs. 350 to 400 million annually, it is apparent that US rupee holdings—actual and potential—would have greatly exceeded US use of these. In fact, in the future, interest on US holdings of rupees would have sufficed to meet U.S. expenditures without drawing on the capital. As a result of this agreement, a situation which would otherwise have continued in perpetuity will disappear within a reasonable time-frame.

This agreement is the product of several months of negotiations between India and the United States. For many years both India and the United States of America have recognised the need for a solution to the problem which has stood in the way of healthy economic relations between the two countries. The two countries have now explored this problem to other in a spirit of goodwill and understanding and worked out a mutually advantageous solution which will strengthen economic relations between the two countries.

Legislative procedure in the U.S. require submission of the agreement to the Agriculture and Foreign Relations Committees of the United States Congress. As soon as this process is completed, the U.S. Administration will receive the authority to conclude the agreement. On receipt of information that such review has been completed, we will conclude the agreement.

**SHRI H. N. MUKERJEE** (Calcutta—North-East): Sir, this Government comes forward with a proposition. It is a very important matter for which we hope they would make some time available for this House to discuss before it adjourns.

Otherwise the Parliament will adjourn without looking into this matter.

**MR. SPEAKER:** I shall see to it later on.

**SHRI JYOTIRMOY BOSU** (Diamond Harbour): Sir, I also want to make a submission.

**SHRI H. N. MUKERJEE:** I have already made a submission. The responsibility does not end there with the Minister's making a statement. He should also come forward for allocation of time for discussion of this important matter. You cannot let go the Parliament by this kind of statement.

**SHRI JYOTIRMOY BOSU:** The Minister can tell us as to when we are going to have time for discussion. This is a matter which is of vital importance to this country. Is that the purpose of this Government to mortgage this country to an imperialist country?

Sir, we want to have a full discussion on the floor of this House. Would you be so kind as to indicate whether or not we are going to have a discussion on it and, if so, by what date?

**श्री मधु लिमये (बांका) :** अध्यक्ष महोदय, इस विषय के बारे में चर्चा के लिए श्री कालिग एटेंशन के लिए हम लोग एक प्ररसे से नोटिस दे रहे हैं। आज अचानक मंत्री महोदय ने इस के बारे में वक्तव्य दिया है। तो क्या आप किसी न किसी रूप में इस पर चर्चा करने का मौका नहीं देंगे? आप ने निर्णय दिया है कि सदस्यों की ओर से कालिग स्टेशन के नोटिस के उत्तर में मंत्री इस सदन में ब्यान दें। लेकिन सब निर्णयों को खत्म किया जा रहा है। आप हम को स्पष्टीकरण के तौर पर कुछ पूछने का मौका दीजिए।

**अध्यक्ष महोदय :** देखेंगे।

**श्री मधु लिमये :** आप कोई रास्ता तो बताइये।

**श्री शंकर बयाल सिंह (चतरा) :** अध्यक्ष महोदय, इस बारे में चर्चा हो या न हो, इसका निर्णय तो आप करेंगे। लेकिन माननीय सदस्य, श्री ज्योतिर्मय बन्यु ने यह जो कहा है कि देश को एक इम्पीरियलिस्ट कन्ट्री के पास मारनेज कर दिया गया है, मैं उस का विरोध करता हूँ। यह तो सरकार की नीतियों की विजय है कि आज हम ने इस तरह का समझौता किया है इस लिये माननीय सदस्य जो कह रहे हैं वह बिल्कुल गलत है। मैं उस का विरोध करता हूँ और उस का विरोध होना चाहिये।

**अध्यक्ष महोदय :** इस हफ्ते में तो मुश्किल है। अगला हफ्ता रह गया है मैं मिनिस्टर को कहूँ कि वह इस के लिये टाइम निकालें।

**SHRI JYOTIRMOY BOSU:** Thank you for giving us time before the House adjourns.

**SHRI SAMAR GUHA (Contai):** There is one point which has not been placed before the House by the hon. Minister. We have been told that this draft would be placed before the Review Committee of the US on the 20th. I would like to know whether the same draft will be placed before our Parliament also.

**अध्यक्ष महोदय :** यह तो आप के रूज पर डिपेंड करता है उन के रूज ऐसे होंगे। आप के रूज में यह नहीं है।

**SHRI JYOTIRMOY BOSU:** I appreciate the kind of observations made by the Hon. Speaker, which assures us on this.

**SHRI UMA SHANKAR DIKSHIT:** .. and for impressing us with the feelings that they have on the subject. I fully understand and appreciate the strength of the feeling behind this matter, not only among the Members of Parliament generally but more particularly among those hon. Members who hail from Maharashtra, Karnataka and Kerala.

In this connection, I would like to invite the attention of the House to the recent tragic occurrences that have taken place both in the Maharashtra area as well as in the Karnataka area.

With all due regard and respect, I would like to ask, what, if this matter is debated, would be the subjects that will come up for discussion....

**SHRI JYOTIRMOY BOSU:** Their failures.

**SHRI UMA SHANKAR DIKSHIT:** The occurrences that have taken place will come up for discussion. All that hon. Members can say is that this matter should be treated with expedition and that a further effort should be made to find a solution as expeditiously as possible.

I would make one request with all the sincerity of which I am capable, and I would particularly address my appeal to friends like Shri Jyotirmoy Bosu. I have already explained my point of view particularly to friends from Karnataka and Maharashtra etc. My submission is that no useful public purpose will be served by the debate in the present atmosphere and in view of the occurrences that are taking place.

If the idea is that we should take this matter up and make the utmost effort sincerely and continually, then I am here to give the assurance that we are seized of this matter. I have recently started going into every detail of it. But once this matter goes to the streets, the atmosphere will be so charged with emotion and conflicting emotion at that, with three kinds of emotions and sentiments, which will make it impossible for any solution or any

17.16 hrs.

#### DISCUSSION RE. KARNATAKA-MAHARASHTRA BORDER DISPUTE

**अध्यक्ष महोदय :** इस के बाद कर्नाटक-महाराष्ट्र बार्डर डिसप्यूट के बाद में डिस्कशन है। क्या मिनिस्टर साहब को कुछ कहना है ?

**THE MINISTER OF HOME AFFAIRS (SHRI UMA SHANKAR DIKSHIT):** With your permission, I would make a submission in the context of this very important question of the boundary dispute between Maharashtra, Karnataka and Kerala which is proposed to be raised for discussion in this House this evening.

I have been given to understand that the question is proposed to be raised with the object of focussing the attention of Parliament and the Government on the urgency of the need for finding a solution....

**SHRI JYOTIRMOY BOSU (Diamond Harbour):** Exposing the Central game.