

Member's question that no talks have been held with President Reagan, but a Preparatory Committee has been set up. Will the hon. Minister be pleased to state the names of the countries which have been included as Members in this Committee?

SHRI KHURSHID ALAM KHAN : As I stated earlier, the representatives of both the developed and the developing countries have been included in the Committee. Normally, trade level representatives are included in the Committee. We also have a representative there; the Secretary in the Ministry of Commerce is our representative there.

[English]

MR. DEPUTY-SPEAKER : Shri Jitendra Singh. The hon. Member is absent.

Shri Braja Mohan Mohanty. The hon. Member is absent.

Shri Rameshwar Nikhara. The hon. Member is absent.

Shri V. S. Krishna Iyer.

Melting of Coins for Making Handicrafts and Utensils

+

*378. **SHRI V. S. KRISHNA IYER :**
SHRI RAMESHWAR
NEEKHRA :

Will the Minister of FINANCE be pleased to state :

(a) whether it has come to the notice of Government that coin shortage in the country is due to melting of coins by some persons for making handicrafts and utensils;

(b) if so, how many such cases have been detected; and

(c) the action to prevent the melting of coins?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) : A statement is given below.

Statement

(a) unconfirmed reports have been received from various parts of the country

regarding melting of coins for making of costume jewellery, utensils etc. The matter is being investigated.

(b) the Small Coins (Offences) Act, 1971, empowers the Government to take legal action against any person who melts or destroys small coins. Instructions to the various State Governments/Union Territories have been issued to take action in the light of the Small Coins (Offences) Act, 1971, under report of this Ministry, immediately whenever melting of coins for any purpose is reported. No such report has been received so far.

(c) in addition to what has been stated in reply to part (b) above, steps have been taken by the Government to keep the face value higher than the metal value of the coin so as to make any large scale melting of coin for any commercial purpose economically not viable.

SHRI V. S. KRISHNA IYER : Even after the import of certain coins, the change position has not improved. It is very unfortunate. Unless something is done immediately I do not know what will happen in the future. The Government says, "Unconfirmed reports have been received from various parts of the country regarding melting of coins". Our mighty Governments—both in the States and the Centre—have not been able to unearth the rackets. Unless they do something, what will happen? May I know from the Government, what serious steps are going to be taken to unearth these rackets—that are going on in our country.

SHRI JANARDHANA POOJARY : I share the concern of the hon. Member. It is true that there are unconfirmed reports. Some action has been taken at Jaipur in one case in which coins worth about six hundred and odd rupees have been recovered and the person was arrested. Our Ministry has been writing to the State Governments for taking action against those who hoard the coins for melting purposes. Unfortunately, no action has been taken. Recently I have also written to the Chief Ministers to take action against the hoarders. I also request the hon. Members to prevail upon their respective State Governments to take action in this regard since it is a State sub-

ject. That will be more effective. I assure the hon. Member that so far as production is concerned, we have taken steps to increase production. We have doubled the production since 1982 from 660 million pieces to 1355 million pieces in 1984-85. For the current year the production target fixed was 2000 million pieces. On 24.11.85 I took the meeting of the General Managers of the Mints and I had told them that they were to take steps not only to achieve the target but to cross it. The target has been fixed for 2210 million pieces. The target for the last week was 42 million pieces and we have produced 52 million pieces. In addition to that, I am monitoring the distribution personally. Imported coins have also starting coming. There will be proper distribution at shortage points. I assure the hon. Member on that.

SHRI V. S. KRISHNA IYER : The hon. Minister says that the production has increased and they are importing the coins also. But unfortunately, everyone of us is facing shortage everyday and every minute. There seems to be something serious somewhere. May I suggest to the Government to make available coins in the banks as well as post offices because in post offices they give us stamps in lieu of change. Will the hon. Minister assure us in this regard ?

SHRI JANARDHANA POOJARY : We have asked the nationalised banks to collect coins from RBI and distribute them. Earlier only the State Bank of India was exchanging these coins. Now 80 branches of the nationalised banks in Bombay and Delhi will also exchange coins. The hon. Member's suggestion is noted and that will be examined, But I assure him that definite steps will be taken to supply coins to various parts of the country.

[Translation]

SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI : Mr. Deputy-Speaker, Sir, the House had expressed its serious concern about the shortage of small coins earlier also; today again we are doing the same but without any result. There is an acute shortage of small coins, particularly in Gujarat and Saurashtra. I want to know from the hon. Minister where do

these small coins vanish ? I would like to have a reply especially about Rajkot district. Also, please tell how its distribution is done.

[English]

SHRI JANARDHANA POOJARY : The coins are available from the nationalised banks. There is no dispute about the shortage of coins. We have to meet the shortage by raising the supply.

SHRI ANIL BASU : So many millions of coins are being imported from foreign countries. But under his very nose, in the capital, the DTC is issuing coupons in lieu of coins. Is the Minister aware of this fact ? Why this shortage of coins is prevailing in DTC ?

MR. DEPUTY-SPEAKER : He has said that there is shortage.

SHRI ANIL BASU : In the capital also there is shortage of coins.

SHRI BASUDEB ACHARIA : Sir, in spite of the increase in production the supply position has not improved. Government has amended the Coinage Act also to import coins from foreign countries. May I know from the hon. Minister, the number of coins imported from foreign countries, the names of the countries from where these coins have been imported and the amount of foreign exchange spent for importing these coins ?

SHRI JANARDHANA POOJARY : Sir, we are importing five hundred million pieces of one-rupee coins from M/s Bermingham Mint Products Ltd., U.K., five hundred million one-rupee coins of the face value of Rs. 50 crores from Royal Mint, U.K., 750 million pieces of fifty-paisa coins of the face value of Rs. 37.5 crores...

PROF. N. G. RANGA : Sir, he can give the total number of pieces.

MR. DEPUTY-SPEAKER : So much detail means...

(Interruptions)

SHRI BASUDEB ACHARIA : What is the total number of pieces ?

SHRI JANARDHANA POOJARY : The total number of pieces is 2,000 million and the face value would be about Rs. 143.75 crores.

SHRI BASUDEB ACHARIA : What are the names of the countries from where you are importing ?

SHRI JANARDHANA POOJARY : U.K., South Korea and Canada.

SHRI BASUDEB ACHARIA : How much is the foreign exchange involved ?

SHRI JANARDHANA POOJARY : The amount of foreign exchange is about Rs. 64.96 crores.

[Translation]

SHRI MOHANBHAI PATEL : Mr. Deputy-Speaker, Sir, there is need to go into the root of the coin melting taking place today. As long as there is difference between the metal value and the face value, i.e., the metal value is more than the face value, the melting process will continue. Is there any proposal to issue coins whose metal value is less than their face value ?

[English]

SHRI JANARDHANA POOJARY : Sir, if you take into consideration the metal value, I can tell for the benefit of the hon. Member that the metal and manufacturing cost per piece of the coins minted in the Bombay Mint, is :

One-rupee coin	—	58 paise
50-paisa coin	—	48.42 paise
25-paisa coin	—	27.13 paise
20-paisa coin	—	19.10 paise
10-paisa coin	—	14.78 paise

If you compare the cost value and the face value, I do not think it is feasible for them to melt these coins on economic consideration.

SHRI D. K. NAIKAR : Sir, it is admitted by the hon. Minister that there is a shortage of coins in circulation. But in

practice, coupons are given by hotels, restaurants and other business institutions in course of transactions or purchases. Those coupons become useless...*(Interruptions)*

MR. DEPUTY SPEAKER : Only at that shop he can use it. He cannot take that coupon to another shop. So, that is an assurance of business for the shop which has given that coupon.

SHRI D. K. NAIKAR : So, the value of rupee is thereby reduced to that extent and people are put to more inconvenience. Hence, I want to know from the hon. Minister how does he propose to meet such a situation.

MR. DEPUTY-SPEAKER : He has explained that he is taking steps but still shortage is there.

SHRI JANARDHANA POOJARY : Sir, we have taken steps to increase the production and also by importing the coins from foreign countries. The situation will be improved by March, 1986.

Scheme of Advance Import Licenses.

*379. **PROF P.J. KURIEN :** Will the Minister of COMMERCE be pleased to state :

(a) whether cases of misuse of advance import licenses issued on the condition that cent percent of the product would have to be exported, have come to the notice of Government;

(b) if so, the details thereof;

(c) whether Government propose to review the scheme in the light of the experience; and

(d) if so, the facts thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) to (d). A statement is given below.

Statement

(a) and (b). Yes, Sir, Debarment action has been taken against 23 firms and investigations have been taken up in respect of