

(b) Yes, Sir.

SHRI P. RAJAGOPAL NAIDU: Sir, Hyderabad is having all conditions to become an international airport, and also in times of emergency, it will be useful to our country. Therefore, the reasons for not making it an international airport despite there were many representations to the Government, may be explained.

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): Sir, there is no qualifications as such laid down for declaring the airport to be an international airport. So far as the operations of the international flights to any other airport which is not an international airport are concerned, if any aircraft wants to land from any other country, either by a full chartered service or say by any other way, it can always do so. We have got four international airports, namely, Bombay, Delhi, Calcutta and Madras. Trivandrum is not an international airport, but still the international passengers come.

SHRI P. RAJAGOPAL NAIDU: Egg is sold at 43 paise to gulf countries and, therefore, it is becoming very difficult for our people to compete with other countries. Now, I learn that only 10 per cent of the concession is given. I want to know whether the Government can give 50 per cent concession at least.

SHRI A. P. SHARMA: No, Sir, there is no such proposal.

#### Loan from I. M. F.

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\*84. SHRI SATYASADHAN CHAKRABORTY:

SHRI AJOY BISWAS:

Will the Minister of FINANCE be pleased to state:

(a) what are the conditions imposed by the International Monetary Fund for granting loan of five billion dollars to India with details thereof;

(b) whether these conditions interfere with the independence of our country in financial matters;

(c) whether these conditions have been accepted by the Government of India; and

(d) the present position of the loan?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) to (d). Statement has already been made in the House on November 23, 1981 regarding India's extended arrangement with the I.M.F.

MR. SPEAKER: We are going to discuss it threadbare.

SHRI R. VENKATARAMAN: We are going to have a full discussion on the 2nd.

SHRI SATYASADHAN CHAKRABORTY: It is true that this will be discussed. But it is an important Question. I am not wasting time, I am rather utilising the time.

MR. SPEAKER: I appeal to your own judgment. We are going to have a discussion for about 8 hours.

SHRI KRISHNA CHANDRA HALDER: When the Question has appeared in the List of Questions, he has the right to ask two supplementaries. You should allow him.

MR. SPEAKER: Why do you persist in this? You are unnecessarily taking double the time of the House.

SHRI SATYASADHAN CHAKRABORTY: I shall ask only one question. I have gone through the statement. It hides many things, rather it reveals nothing. The IMF naturally grants loans on certain terms and conditions. I have with me the memorandum and also a copy of the letter sent by our Finance Minister to the IMF authorities and also the subsequent clarification given by the Finance Minister.

My only question is this. In his letter, he has stated that he will adhere to the accepted policies of Parliament. Then, a clarification was sought and the IMF authorities were satisfied. I want to know what clarification was sought and how you satisfied them about the conditions imposed by them. I want to know, in case the accepted policies of Parliament and the policies of IMF are in conflict, what is he going to do? Normally, the IMF imposes harsh conditions and he has to abide by them. There is a performance clause. If you do not do it, they will withhold the next instalment. Please tell us what were the conditions, how you responded to that and what was your second clarification?

**SHRI R. VENKATARAMAN:** I have myself asked for a debate for the purpose of giving the fullest information. But so far as the part which the hon. Member wanted as a clarification, that alone I will explain. In the letter which the Finance Minister of India submitted to the IMF, paragraph 5 of that letter contains...

**SHRI ATAL BIHARI VAJPAYEE:** Where is the Agreement?

**SHRI R. VENKATARAMAN:** I have already placed it in the Library. The Hon. Member, Mr. Vajpayee, is really an expert on international affairs. But he is not an expert on IMF affairs.

**SHRI ATAL BIHARI VAJPAYEE:** I do not claim to be an expert. There can be no meaningful discussion unless all the terms and conditions of the Agreement are placed before Parliament.

**SHRI R. VENKATARAMAN:** All have been given, he is under a misapprehension. Everything has been placed in the Library.

In that we said that we will consult the IMF in respect of all policies. But so far as adoption is concerned,

we said, we will adopt only those policies and programmes which are approved by Parliament. This is the statement. They wanted to know whether we intend to consult them only in respect of those matters adopted by Parliament or in respect of all matters. Under article 4 of the agreement of the IMF, all of us are members. We are bound to consult them on all matters. We have no objection to consult them on all matters. But we said that we will adopt only those policies and programmes which have been approved by Parliament and that is the position. That is the clarification.

**SHRI SATYASADHAN CHAKRABORTY:** This is the clarification which the IMF authorities have given:—

“The Government of India provided the following explanation, transmitted by Mr. Narasimham, Executive Director elected by India, in a memorandum dated September 2, 1981, to clarify the Government’s intentions with regard to the understandings on consultations set forth by the Ministers of Finance in paragraph 5 of his letter of September 21, 1981.

“The additional wording suggested in paragraph 5 of the letter forwarding Government of India’s statement of economic policies, namely, “consistent with national policies accepted by Parliament” and “Government measures, which are in line with its declared policies” are meant to refer to actual adoption of measures and is not intended to exclude from the consultation provided for in that paragraph any policies that the Fund considers are and would be consistent with achieving the objectives of the programme.”

Now the simple fact is that the IMF actually imposes performance clauses. You are to agree to those clauses. You have agreed, as the

IMF authorities say, that the Government of India will also take into consideration the policies of the IMF and you have exposed the whole Indian economy to IMF scrutiny.

My question is, does it not infringe upon the economic sovereignty of a nation.

**SHRI R. VENKATARAMAN:** The Hon. Member's interpretation is totally incorrect. We will consult with the IMF in respect of all policies. But we will adopt only those policies which are approved by Parliament and this is the wording and this is what it stands for. You can read it. I have put it in the library. You can get copies. There is nothing about it.

*(Interruptions)\*\**

**MR. SPEAKER:** Nothing is going on record.

**SHRI SATISH AGARWAL:** In view of the fact that we are going to have a debate on this issue on the 2nd December, I would not like to interfere or to enter into any controversial matters at this stage. But I would like to seek one clarification from the Hon. Finance Minister and that is this:

Whether, apart from the documents that he has placed in the library, there is any other Memorandum of Understanding, orally, with the IMF. If so, is the Finance Minister prepared to disclose the points of understanding which have not been reduced to writing?

**SHRI R. VENKATARAMAN:** I will explain the procedure. The Finance Minister of the country which applies for an extended facility, makes an application, a letter.

It is followed by a Statement of Policies and Programmes which the country intends to follow in order to

overcome its balance of payments difficulties and problems.

Thirdly, the IMF makes an internal assessment with which we are not concerned. They make an internal assessment with their expert staff and that assessment is submitted to the Executive Board and the Executive Board sanctions the loan. This is the procedure.

I have placed in the library the letter of my request and the policy statement with regard to programmes and policies.

I have not placed the bank's assessment in the library because it is not my document.

I have placed in the library the clarificatory letter also. Every one of the pieces of paper dealing with the IMF has been placed in the library.

There is nothing in the IMF procedure like oral understanding and written understanding. There is only one understanding.

**AN HON. MEMBER:** That creates misunderstanding.

**MR. SPEAKER:** There are two words: one is 'understanding' and the other is 'misunderstanding'.

**SHRIMATI GEETA MUKHERJEE:** There is also another—'secret understanding'.

**MR. SPEAKER:** That is conspiracy.

**Next Question Mr. Balanandan.  
Trade Deficit**

\*85. **SHRI E. BALANANDAN:** Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the trade deficit is now expected to widen to Rs. 6,000 crores in the current year as against Rs 5628 crores