

(b) if so, whether Government propose to order an inquiry into the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) The Government have seen a report appearing in a Calcutta based newspaper on 15th February, 1983 regarding the agreement between National Jute Manufacturers Corporation and the Belgian firm.

(b) The agreement has been considered and approved by the competent agencies, including R.B.I. No enquiry is proposed.

Review of IMF conditionalities demanded by Asian Ministers attending UNCTAD Meeting in Baghdad

*302. **SHRI HARISH KUMAR GANGWAR:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some of the Asian Ministers attending UNCTAD meeting in Baghdad recently have demanded a review of IMF conditionalities, and if so, details thereof;

(b) whether Government of India are also of the same view now thereby confirming the views of the independent economists and thinkers in the country who had advised the Government of danger of these conditions; and

(c) whether Government propose to take up this matter strongly with the I.M.F.?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c). The fifth meeting of the Asian Group of the Group of 77 took place in Baghdad, Iraq, from 7th to 14th February, 1983. This was held primarily for considering the items on the agenda for the sixth session of the United Nations Conference on Trade and Development (UNCTAD) scheduled to be held in Belgrade, Yugoslavia, in June, 1983, and to prepare the position of the Asian Group. The meeting was attended by representatives of

thirty Asian developing countries (including India) and the Palestinian Liberation Organisation (PLO).

The meeting unanimously adopted a Declaration and a Programme of Action. The letter, *inter alia*, referred to the IMF conditionality in the following words:

"The IMF should undertake a fundamental review of the principles on which its conditionality rests and revise immediately its policy conditions under the tranches so as to place greater stress on supply expansion, fully reflecting the social priorities and objectives of countries and their economic and political constraints. Greater use should be made of multi-year programmes and due allowance made for uncertainties in setting performance criteria. In prescribing adjustment measures, the IMF should take fully into account circumstances and factors beyond the control of developing countries."

Developing countries including India have consistently been asking for a greater flexibility and liberal code of conditionality in various international fora. In fact, the need for a flexible and liberal framework of conditionality is one of the important elements of the demand of developing countries for a reform of the international monetary system.

Conditionality and other matters of importance for a reform of the international monetary system would be further discussed by the Ministerial meeting of the Group of 77 to take a united position on these issues in the Belgrade Conference of the UNCTAD in June, 1983.

Results of anti-smuggling measures

*303. **SHRI M. V. CHANDRASHEKHARA MURTHY:** Will the Minister of FINANCE be pleased to state:

(a) whether as a result of intensified anti-smuggling measures, contraband