

working hours in the mints and it was reduced from 60 hours per week per shift to 54 hours. In 1978, it was further reduced to 48 hours. I have also given the figures of accumulations upto 1981-82. The hon. Member has gone on record saying that there were some discrepancies. So far as the report and to-day's answer is concerned, because of the measures taken, the production is expected to be 950 million pieces during the year 1983-84. That is one of the reasons.

Now I do not say that the decision taken by the Janata Government during that period is wrong. But what has happened I am placing before the House.

The hon. Member has stated that because of Asiad and because of minting of some coins during Asiad this shortage has occurred. I deny it, it is not at all true. On the contrary the production has been stepped up and measures have been taken as detailed in the main reply to the question.

SEVERAL HON. MEMBERS : rose.

MR. SPEAKER : No, please. We have taken 15 minutes on one question only.

SHRI CHITTA BASU.

(Interruptions)

MR. SPEAKER : You can table another question or anything like that—afterwards, not now. You can ask for some other discussion, if you like.

Shri Chitta Basu.

DR. VASANT KUMAR PANDIT : We have given a call attention notice on this subject.

MR. SPEAKER : We will take it up.

But I must appeal to the Members. Mr. Biswas has taken 5 minutes to formulate one question. The question hour should be treated as very urgent and the time is limited at our disposal.

I have to explain one more thing. There are 544 members in this House.

They are all intelligent people. They all want to participate in this. But, certain Members try to take much more time than what can be permitted. Daily they want that their turn should be there. I can not do that. It is humanly impossible for me to provide a spectrum all around. So please bear with me.

MR. SPEAKER : Q. No. 82.

Meeting of World Bank Consortium at Paris

*82. SHRI CHITTA BASU : Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank Consortium recently met at Paris to consider India's foreign exchange requirements for the year 1983-84; and

(b) if so, the outcome of the meet?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) Yes, Sir,

(b) At the India Consortium Meeting held in Paris on June 14-15, 1983, the members of the Consortium, including the World Bank, indicated that they would provide economic assistance of SDRs 3.3 billion for the year 1983-84 subject to necessary approvals under their respective laws and regulations.

SHRI CHITTA BASU : Sir, according to the World Bank's recent Annual Report on India's Economic Problems, our total foreign borrowings would be of the order of Rs. 2,300 crores in 1984-85 and 1985-86. And it would rise to Rs. 3,000 crores in 1987-88. It has also been mentioned that, by the end of this decade, the country's foreign borrowings, on an annual basis, would be Rs. 6,000 crores.

May I know from him whether this assessment made by the World Bank is correct? May I also know from him whether

the accrual for the current year as has been mentioned in the original reply is considered to be adequate; if it is not considered adequate, what are in the minds of the Government to meet the requirements of foreign aid? Would the Government go in for massive commercial loans having regard to the disastrous effect on the Indian economy?

SHRI PRANAB MUKHERJEE : Sir, the hon. Member has put two questions. His first question is about the future requirements of foreign assistance. At this juncture I would not like to venture and indulge in a guess as to what would be the quantum because it all depends on the tempo of development and on our requirements. But, we have an assessment from the experience which we have gathered over a period of years, we are not new in the development planning. The Sixth Five Year Plan is going on. The country has the experience of 30 years of planning. The hon. Member is well aware of what is the consideration of the foreign assistance so far as our development requirement is concerned. Many a time, on the floor of the House, I have quoted that the rate of investment in this country would be around 25%; our rate of domestic savings is 23%. Only to the extent of 2%, we depend on the foreign assistance. Even in absolute terms, in the current plan period, the massive investment in the public sector will be in the neighbourhood of Rs. 33,500 crores and the contribution of foreign assistance is around 7%.

Therefore, if we keep in mind these two figures, we can make our projections. It would be in absolute terms around Rs. 2,000 crores, 3,000 crores or 4,000 crores. It would depend on the level of the developmental tempo with the programmes which we are going to implement. With this, our capacity to pay will also increase. His second question is in regard to the adequacy of 3.3 billion SDR. Sir, we projected this in fact, it is known to the hon. Member that the World Bank make their study and, on the basis of their study, they project the requirements. It is not that we say that we want X or Y amount. Those who are the members of the Aid India Consortium ought to take note of their own domestic requirements, domestic constraints, budgetary constraints and other difficulties. If we keep

these in view, they indicate the figure and from there, we have the idea. The tentative allocation is in the neighbourhood of 3.3 billion SDR. But, by and large, we are supporting our developmental needs from our own domestic resources and we will continue to do so.

SHRI CHITTA BASU : Sir, he has not told anything about the commercial loan. The House is interested to know about it. Would you like to respond? (*Interruptions*)

Sir, now I bring to your notice certain other points also. It has been pointed out by many quarters that by the time the IMF loan enters its repayment period the debt ratio percentage would be in the range of 14 per cent. Today country's debt service payments have already touched 50 per cent of the gross foreign aid. (*Interruptions*) It seems to me extra-ordinary but from some quarters it has been said that it has reached such a high thing. This has to be clarified. Also some say that as a proportion of exports, debt servicing ranges between 12 to 15 per cent. Would the hon. Minister explain these things that having regard to the increasing debt service what particular steps the Government proposes to take to see that our debt service does not increase by leaps and bounds and would the Government indicate certain steps which have already been taken in the direction of reaching the stage of zero, foreign aid and would the Government also indicate by which year, by which decade and by which century that stage can be attained?

SHRI PRANAB MUKHERJEE : Answering first the last part of the hon. Member's question I would not indulge in economic astrology by indicating the year or decade by which we will reach the stage of zero aid. I do know whether it is at all physically possible but the amount of foreign assistance in terms of percentages clearly indicates that contribution of foreign assistance to our developmental effort is insignificant but still in order to meet the critical gap we require foreign assistance and that is why we are posing various projects for multi-national assistance or bilateral assistance.

Coming to the debt service ratio I do not know where the hon. Member got the

figure of 50 per cent. I would not go over a longer period but for the last four years I can indicate the figures:

1980-81	11.98 per cent
1981-82	10.84 per cent
1982-83	11.93 per cent
1983-84 Budget estimates	
I have assessed	11.42 per cent

SHRI CHITTA BASU : They say 50 per cent of the annual gross foreign aid. Some newspapers say so.

SHRI PRANAB MUKHERJEE : Don't go by the newspaper reports. I am quoting the standard practice followed by every international forum and by economists that they relate debt service in terms of percentage of your net export earning. This is the standard formulae that we apply.

What I am suggesting is that with reference to our exports, except for 1983-84, upto 1982-83, I have given the actual exports and there too I have not taken into account the invisibles. If I take into account the invisible, in terms of percentage, it will come less and sometimes this apprehension is expressed that when the time of repayment of I.M.F. loan would come, that would be the peak year. For 1982-83, we have drawn \$1800 million under SDR. Therefore, the peak year would be 1986-87 and there too I calculated the level of export growth and we would be in the neighbourhood of 14% to 16%. So, the period 1986-87 would be the peak year because after all in one individual year we are not going to draw \$1800 million. That is the peak which we reached already. Now, I can respond to the question of commercial body that we are conservative and rightly so, because we do not want to land ourselves in a situation where debt servicing would be a serious problem to our economy and we do not want to borrow merely for borrowing's sake unless we can tie it up with a specific project in the high priority area, on the completion of which we will be in a position to repay our debts.

SHRI B.V. DESAI : Sir, the Consortium meeting has given some aid which is far less than the expectation of the Indian Government. It works out to probably about 3 to 4% less than the previous year. That is what has been reported, although they have praised the performance of the Government of India and the Indian economy. But the result is that they have reduced the aid. In view of that, may I know from the hon. Minister to what extent this reduction by the World Bank will effect the Indian Projects and what steps are being taken by the Government to meet this challenge so far as our economy is concerned?

SHRI PRANAB MUKHERJEE : Sir, I would like to clarify that so far as in absolute term is concerned, there is no reduction. The reduction which the hon. Member is referring to is in terms of real terms because last year also, the amount available to us was 3.3 billion dollars under SDR and this year also it is 3.3 billion SDR. But if you take into account the inflation, in real terms, certainly it would be a little less and in regard to the problems which are apprehended to be created as a result of non-availability of the resources, we always take into account various factors and try to see that our projects which are vital for our economic development and which receive high priority, do not suffer from inadequacy of funds.

चीनी मिलों की ऋण-सीमा

*83. प्रो० अजित कुमार मेहता :

श्री बापूसाहिब परलेकर : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या भारतीय रिजर्व बैंक ने चीनी मिलों की ऋण-सीमा बढ़ाने से इन्कार कर दिया है ;

(ख) यदि हां, तो चीनी मिलों की वर्तमान कुल ऋण-सीमा क्या है तथा चीनी मिलों द्वारा उसमें कितनी वृद्धि की मांग की गई है ; और

(ग) ऋण सीमा बढ़ाने में सरकार को क्या कठिनाई है ?