

Foreign Exchange Reserves

*194. SHRI S. R. DAMANI: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) the total value of foreign exchange reserves held by the Government as on 31st March, 1977;

(b) the sources of accrual under each head; and

(c) in what manner Government are considering to deal with these reserves?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The total value of India's foreign exchange reserves on 31st March, 1977 amounted to Rs. 3,243.7 crores made up of Rs. 2,863.0 crores of foreign exchange, Rs. 187.8 crores of gold and Rs. 192.9 crores of SDRS.

(b) While fuller information has to await compilation of detailed balance of payments data, the available indications are that the accruals to foreign exchange reserves arose from favourable trade balance and substantial increase in inward remittances.

(c) The foreign exchange reserves will be used for assisting in the maintenance of price stability and for stimulating the growth process of the economy.

Merging of Nationalised Banks

*195. SHRI P. RAJAGOPAL NAIDU: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether there is any proposal under consideration of Government to merge all nationalised banks into one; and

(b) if so, the broad outlines of the proposal?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) No, Sir.

(b) Does not arise.

Reduction of Interest Rates for Savings Bank and Short Term Deposits

*196. SHRI P. THIAGARAJAN:

SHRI S. D. SOMASUNDARAM:

Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) the rationale behind the reduction of interest rates for savings bank and short term deposits;

(b) the implications of the reduction on the savings habit of the people especially the weaker sections;

(c) whether Government have considered the implications of gravitation of savings to the deposits taken by Joint Stock Companies, private persons etc. with all the attendant risks; and

(d) the control exercised by Government over deposits taken by concerns other than nationalised banks and post office savings bank to ensure that the depositors do not come to grief?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and

(b). Reserve Bank of India have reported that the changes in the interest rates on short-term fixed deposits of maturities of 91 days and more and upto 5 years have been made mainly to smoothen the spread between the rates of interest on short-term fixed deposits and long-term fixed deposits. The distinction between cheque operated Savings Bank Accounts and other Savings Bank Accounts and the stipulation of a lower rate of interest of 3 per cent per annum on cheque operated Savings Bank Accounts is based on