

the basis of the requirements of the various State Governments. They normally work for a period of 2 years in technical projects and programmes for which their services are required by the State Governments. Their day to day work is subject to the direct supervision and guidance of Indian officials who also send periodical reports on the work of individual volunteers. They are required to obtain the necessary visa for entry into India and also to register themselves under the Foreigners Registration Act on arrival in India.

**Sanitary conditions in South Avenue,
New Delhi**

*1121. **Shri Nitraj Singh Chaudhary:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) whether he is aware of the sanitary and other conditions prevailing in South Avenue M.P. Flats;

(b) whether he is also aware of the condition of outmoded, old and uncomfortable furniture supplied there;

(c) whether he is also aware of the conditions of lawns which at places do not have any grass and the children in that locality have almost no amenities;

(d) whether he is also aware of the indifferent treatment meted to M.Ps. by the Central Public Works Department employees; and

(e) if so, the steps proposed to be taken in this regard?

The Minister of Works, Housing and Supply (Shri Jaganath Rao): (a) Yes, the conditions are not bad but efforts are continually made to improve them.

(b) The furniture was made some years back to the designs and standards then in vogue. Steps are being taken to replace the old furniture subject to the availability of funds.

(c) The condition of lawns and hedges deteriorates, particularly, in the summer because of the acute shortage of unfiltered water. With

the onset of monsoon, horticultural activities are being intensified and the condition of lawns and hedges will be improved.

Certain amenities for children have already been provided. If these are considered inadequate, the residents' committee should request the House Committees of both the Houses of Parliament to recommend further augmentation.

(d) and (e). If any specific case of indifference or discourtesy is brought to the notice of Government, suitable action against the persons concerned will be taken. Steps are being taken to improve the disposal of Members' complaints more expeditiously.

Indian Monetary System

*1122. **Shri Shiva Chandra Jha:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Indian monetary system is still linked with certain amount of compulsory gold reserves;

(b) if so, the reasons therefor; and

(c) how much gold reserves it had under the Three Plans and how much it would have under the present inflationary situation during the Fourth Plan period?

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): (a) The Reserve Bank of India Act prescribes that the total holdings of gold coin and bullion and foreign securities held in the Issue Department of the Reserve Bank should not be less than Rs. 200 crores and that of this, the value of gold coin and bullion should not be less than Rs. 115 crores.

(b) A certain minimum reserve of gold is considered prudent as a provision for extreme contingencies.

(c) At the beginning of the First Plan, the value of gold coin and bullion held in the Issue Department

of the Reserve Bank was Rs. 40.02 crores soon after the beginning of the Second Plan, it was Rs. 117.76 crores, the increase being due to an increase in the rate at which the gold was valued. At the beginning of the Third Plan, the value was the same and at the beginning of the Fourth Plan it was Rs. 115.89 crores.

On 23rd June, 1967, the value of gold coin and bullion held by the Reserve Bank in its Issue Department was Rs. 115.89 crores.

Role of Private Sector in Developing Countries

*1123. **Shri P. Gopalan:**
Shri C. K. Chakrapani:
Shrimati Suseela Gopalan:

Will the Minister of Planning be pleased to state:

(a) whether is it a fact that the U.N. Economic and Social Council has recommended increased participation of private sector in development plans of the developing countries; and

(b) if so, the reaction of the Government thereto?

The Minister of Planning, Petroleum and Chemicals and Social Welfare (Shri Asoka Mehta): (a) No, Sir.

(b) Does not arise.

Issue of Capital Shares

*1124. **Shri S. S. Kothari:**
Shri Jajna Datt Sharma:
Shri S. K. Tapuriah:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that consent for the issue of capital (other than bonus shares) during the year 1966 showed a decline as compared to 1965;

(b) if so, by how much; and

(c) what are the reasons therefor and what steps do Government propose to ensure reversal of the trend?

The Minister of State in the Ministry of Finance (Shri K. C. Pant):
(a) to (c). A statement is laid on the Table of the House.

STATEMENT

Issue of Capital Shares

It is a fact that the consents granted for the issue of capital (other than bonus) for an amount of Rs. 137.64 crores in the year 1966 showed a decline of Rs. 23.93 crores, as compared to the corresponding figure of Rs. 161.57 crores in the year 1965. It may, however, be stated that the rate of decline in 1966, of Rs. 23.93 crores is less than the decline noticed in 1965 of Rs. 59 crores compared to the still earlier year of 1964. The decline in consents is a part of the general sluggishness in the capital market which has been prevailing in the country since early 1963. This sluggishness is the result of a number of developments dating from 1962 such as the Chinese aggression, the Indo-Pak conflict in 1965, the pause in foreign aid from some sources thereafter, mobilisation of resources for strengthening the defences of the country, the inadequacy of economic growth as a result of adverse weather conditions and related factors and the step up in the general interest rates and the consequential increase in yields from other investments.

2. On the fiscal front, besides the measures taken in the 1966-67 budget, Government have proposed in the 1967-68 Budget certain further measures for a reversal of the declining trend in investment. These are: (i) increase in the exemption limit for levy of surcharge on unearned income from Rs. 15,000 to Rs. 30,000; (ii) exemption of dividend income upto Rs. 500 received from Indian companies, from income tax (iii) some minor modifications in respect of the Annuity Deposit Scheme whereby the exemption from making Annuity Deposit has been made applicable to all assessee above the age of 50 years instead of 70 years as hitherto.

3. Government had announced in 1966 certain relaxations in industrial licensing, imports and capital issues control.