mixed up with the so-called modern system of medicine known as allopathy?

Dr. S. Chandrasekhar: This is an important question, and I would like to tell the hon. Member that there are three proposals. One, we have institutions where pure or suddha Ayurveda and indigenous systems of medicine are adopted; second, where we have what you may call non-siddha, not a suddha is an integrated system where both allopathy . . . .

Shri Hem Barua: As non-moral is not immoral, do I understand that non-suddha is not asuddha?

Dr. S. Chandrasekhar: As I said, it is non-suddha, not asuddha, *i.e.* integrated systems are also being followed, depending upon the individual's choice, where they can go and get help.

Devaluation and Foreign Exchange Resources

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*44. **Shri S. C. Samanta:**
Dr. Karni Singh:
Shri S. M. Banerjee:
Shri C. C. Desai:
Shri Prakash Vir Shastri:

Will the Minister of **Finance** be pleased to state:

(a) whether there has been any depletion in India's foreign exchange resources after devaluution on account of increased expenditure of foreign exchange for all our imports particularly food and defence hardware; and

(b) whether devaluation has succeeded to gain the objectives envisaged and if so, in what manner?

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): (a) No, Sir.

(b) It is as yet early for the success in achieving the objectives of devaluation to be assessed.

Shri S. C. Samanta: May I know whether a Devaluation Committe has been set up by any ministry about the working of the devaluation in the country?

Shri Morarji Desai: No committee is necessary for it. The Finance Ministry is looking after it.

Shri S. C. Samanta: I wanted to know whether any ministry has done anything in the matter, whether the Ministry of Transport has gone into the matter and submitted to the Government its recommendations?

Shri Morarji Desai: I have no knowledge of it.

Dr. Karni Singh: With no perceptible increase in our exports and foreign exchange earnings ever since devaluation, are Government prepared to consider that recourse to devaluation was a hasty and ill-advised step, as has been proved by results so far during the last nine months?

Shri Nath Pai: You mean absence of results.

Shri Morarji Desai: No amount of opinion given now is going to change the fact of devaluation.

Dr. Karni Singh: The hon. Minister has not enlightened us whether this was a retrograde step or a step in the right direction.

Shri Morarji Desai: Everybody is free to have whatever opinion he wants.

Shri Balraj Madhok: We want to know the opinion of the Government.

Shri Nath Pai: Would you have done it if you were the Finance Minister?

Shri Hem Barua: What is the opinion of the Government?

Shri H. N. Mukerjee: The Deputy Prime Minister said that it was a matter of opinion. A Member of this House, on behalf of the whole House, wanted to know the factual position in regard to the Government view in regard to devaluation, objectively speaking. Let him give the Government's view, and not leave it in mid air.

Shri Morarji Desai: I can only say that devaluation has not done the good that it was supposed to do.

Shri C. C. Desai: Will the Government please say what the present value of the rupee is in the free market, whether it is a fact that the rupee is quoted at 11 per dollar and 31 per £ sterling, and do the Government feel that a third devaluation would become necessary?

Shri Morarji Desai: As long as it lies in my power, there will be no further devaluation

श्री प्रकाशवीर शास्त्री : अवमूल्यन के बाद सरकार ने कार्यक्रम बनाया था निर्यात को प्रोत्साहन देने के लिये, मैं यह जाना चाहता हू कि क्या मुद्रा के अवमूल्यन के बाद सरकार ने जो निर्यात को प्रोत्साहन देने के लिये आकडे निर्धारित किये थे, अपक्षित मात्रा में सरकार को उतनी सफलता मिली ? यदि नही, तो उसके क्या कारण रहे और भविष्य मे उसको सुधारने के लिये क्या उपाय किये जा रहे हैं?

श्री मोरारजी देसाई : निर्यात को सुधारने के लिये कुछ कदम ता उठाये थे, मगर उस मे सफलता नही मिली वह बात ठीक है, क्योकि निर्यात करने के लिये हमारे पास इतना ज्यादा समान नही है।

Shri Nath Pai: Three times during the last budget session, the question of devaluation was raised in this House and on one occasion the present Planning Minister categorically assured that Government did not contemplate devaluation I had raised this issue on three different occasions and this thunder bolt was delivered to an unsuspecting nation when Parliament was not in session. In the official commuique issued on devaluation it was stated that all future prospects of aid hinged on devaluation that was the word used in the communique by your worthy predecessor. Has this expectation at least been fulfilled? What is the Bell Commission's recommendation with regard to the Fourth Plan? I have these two simple questions.

Shri Morarji Desai: The questions may be very simple but the replies cannot be simple The Bell Commission's recommendations are confidential and cannot be given out. That is the arragement between the world Bank and the Government and therefore, I cannot make a breach of that arrangement

Shri Nath Pai: My second question remains It was claimed that devaluation was not resorted to under pressure or arm-twistin but that an advice was given and that the benefits to follow were so huge as to outbalance any likely disadvantages One of these was increased aid What happened to that?

Shri Morarji Desai: The aid which had become stagnant had again begun to move That is all that I can say

Shri Swell: In answer to another question, the Minister of Planning just now said that but for devaluation the position about our foreign trade would have been much worse, and then the Finance Minister here was pleased to say that devaluation has not done the good that it was expected to do, which only shows that the two Ministers do not agree in their views about devaluation Which view would they like to share with this House?

Shri Morarji Desai: There are bound to be different views about this matter

Dr Karni Singh: He says that the decision about devaluation cannot be changed Cannot, the Government take a decision to revalue the currency? *(Interruptions)*

An hon Member: We shall restore the rupee one day

श्री अब्दुल गनी दार : क्या वजीर खजाना साहब यह यह फरमायेंगे कि जब उन्होंने यह फरमाया कि डिवैलुएशन करने से हमारी तवक्को के मुताबिक नतायज नहीं निकले और उससे अपने देश की सारी दुनिया में

को हानि हुई और हिमुमिलेशन हुआ तो क्या सरकार रुपये को रिवैल्यू करने का विचार करेगी ताकि देश की इज्जत बरकरार हो सके ?

[شری عبدالغنی ڈار - کیا وزیر خزانہ صاحب یہ فرمائینگے کہ جب انہوں نے یہ فرمایا کہ ڈیولویشن کرنے سے ہماری توقع کے مطابق نتائج نہیں نکلے اور اس سے اپنے دیش کی ساری دنیا میں جو ہانی ہوئی اور ہیومیلیشن ہوا تو کیا سرکار روپئے کو ریویلیو کرنے کا وچار کریگی تاکہ دیش کی عزت برقرار ہو سکے -]

श्री मोरारजी देसाई : इसे रिवैलुएशन करने का इलाज एक ही है और वह यह कि अपनी एकोनामी को मजबूत किया जाय और इस लिए हम सोच रहे हैं कि उसके लिए हम क्या करना चाहिए और वह हम करेंगे।

Shri K Manoharan: After having been admitted by the Finance Minister that devaluation was a failure

Shri Morarji Desai: I have not said so

Shri K Manoharan: What he had said amounts to failure I want to know whether the Finance Minister is contemplating to rectify the foolishness or mistakes committed by this Government

Shri Morarji Desai: I do not agree with the implications which the hon Member has raised But I would certainly say that whatever is necessary to improve the economic condition will be done.

Shri K Manoharan: The present Finance Minister had said one day that it not only amounted to devaluation of the Indian rupee but it has devalued the country also. Therefore, I think . . .

Mr. Speaker: Has he said that?

Shri K. Manoharan: Yes. (*Interruption*).

Mr. Speaker: Shri Banerjee.

Shri S. M Banerjee: We were told during the past that there were certain purposes for which devaluation was done. Our information is it was done under the pressure of the World Bank So, I would like to know, since it has defeated the purpose and it has not even boosted up our exports, whether the hon Minister will kindly reconsider the whole matter and see that this national humiliation is done away with.

Shri Morarji Desai: If the hon Member understands this question of devaluation in all its implications, he will realise that devaluation once made cannot be reversed What can be done now is to strengthen the economy in such a manner that the rupee gets strengthened, which will then help boost up the exports

श्री हुकम चन्द कछवाय : मंत्री जी ने इस बात को स्वीकार किया है कि रुपये का मूल्य घटाने से देश मे कुछ लाभ नही हुआ उस से हानि हुई है तो यह जो हानि हुई है उस के लिए सरकार ने कौन सा नया तरीक निकाला है, या कौन से क्रांतिकारी कदम उठाने वाली है इस क्षेत्र मे जिससे जो हमारी हानि हुई है उस की पूर्ति हो सके और व्यापार मे जिस ढग से हमे लाभ होना चाहिए और वह लाभ नही हो पा रहा तो वह लाभ पुन होने लग जाये ?

श्री मोरारजी देसाई : माननीय सदस्य अगला बजट पेश होने तक इंतजार करे।

Shrimati Tarkeshwari Sinha: May I know whether it is a fact that, according to Government's own sources, the fall in the exports due to devaluation has been of the order of 130 million dollars and whether this figure compares very unfavourably with the earlier export earnings which amounted to 24.3 million dollars? How does

the Government propose to make up for this loss in the future exports?

Shri Morarji Desai: It is not true that exports have fallen because of devaluation. The exports have fallen because of conditions in the market and the availability here and demand elsewhere and the prices Therefore, that is not a question.

Shrimati Tarkeshwari Sinha: What is the reason for the fall in exports after June and an increase before June?

Shri Morarji Desai. There are seasonal increases and seasonal decreses The hon Member who asked this question has experience of this and ought to know it

Shri P. Venkatasubbaiah: May I know whether the impact of devaluation on the existing projects and their completion has been assessed and, if that is so, whether and to what extent the expenditure has gone up so far as our major projects in the country are concerned, by way of foreign exchange?

Shri Morarji Desai: The rupee expenditure on the import content of all these projects has certainly increased by the amount of the increased rate

Shri Deokinandan Patodia: Do the Government admit that in the matter of exports the policies adopted after devaluation acted rather as a hindrance than as promotion of exports? Do they further admit that the purpose for which devaluation was introduced was not served and in effect, it was a failure?

Shri Morarji Desai: I have already replied to that

Mr. Speaker It is a general question It has been already answered

श्री मधु लिमये : अध्यक्ष महोदय, वित्त मंत्री ने अभी फरमाया कि अवमूल्यन से जो नतीजे निकलने की आशा थी जैसे निर्यात बढ़ेगी, विदेशी सहायता ज्यादा मिलेगी और अर्थ व्यवस्था की स्थिति मजबूत हो जायेगी यह सारे अनुमान गलत साबित हो गये तो अवमूल्यन करने में जिन लोगो की अग्रसरता थी क्या श्री अशोक मेहता, श्रीमती इंदिरा गांधी, श्री शचीन्द्र चौधरी तो बेचारे हार गये लेकिन क्या यह दोनो मंत्री नीति की असफलता को लेकर अपना इस्तीफा सदन के सामने रखने वाले हैं ?

Shri Hem Barua: May I draw the attention of Government to a newspaper report which says

> "India s trade with East-European countries which has been steadily rising for well over a decade has received a severe set-back in the post-devaluation period"

I know Mr Morarji Desai, if he were the Finance Minister, then, would not have introduced devaluation When devaluation was introduced, our Ministers went on the air and made so many promises that devaluation will bring so many benefits to our economy Increase in exports was one of them and getting foreign aid was another In the context of all these may I know what steps Government propose to take or are contemplating to take to bring about the benefits of devaluation to this country which they promised to do?

Shri Morarji Desai· The question is self-contradictory The hon member has assumed that devaluation has not done good and will not do good Now he wants me to make an exercise whereby it can make it good I do not know how these two contradictions can be reconciled

Shri Hem Barua: He has misunderstood me completely I asked a specific question to which he has not replied

Shri Nambiar: Coming specifically to this point that as a result of

devaluation, our interest charges and debts to foreign countries have increased exorbitantly, what remedial measures are being taken to take away the bad effect of devaluation so far as our foreign-exchange position is concerned?

Shri Morarji Desai: Let him wait for the budget

Prof. R K. Amin: Now that he has agreed that devaluation has failed is it because the devaluation was not enough or the post operative treatment was not given quite well? What is the reason?

Mr Speaker Again it is a general question

Shri S. S Kothari Will the Minister kindly let us know to what extent devaluation has added to the price level and the inflationary spiral?

Shri Morarji Desai: It is no possible for me to assess it

Shri S. S Kothari: But does he agree that it has added substantially to the price level?

Shri Morarji Desai Prices have increased for what reasons I cannot say

Shri Tridib Kumar Chaudhuri Has the attention of the Minister been drawn to a section of economic and financial opinion in this country who are canvassing for a further dose of devaluation based on the fact that the international value of the rupee has further gone down? Have the Government taken account of these views and have they any proposal under consideration for a further dose of devaluation?

Shri Morarji Desai: There is absolutely no poposal for further devaluation before the Government

गंडक बांध योजना

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*45. **श्री विभूति मिश्र :**
क० ना० तिवारी :
डा० महादेव प्रसाद :

क्या सिंचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि

(क) क्या गंडक बांध योजना को पूरा करने तथा जून, 1967 तक सिंचाई के लिए किसानों को पानी उपलब्ध कराने का कार्यक्रम निर्धारित लक्ष्य के अनुसार चल रहा है,

(ख) इस बांध के पूर्ण रूप से तैयार हो जाने पर कितने क्षेत्र में सिंचाई हो सकेगी, और

(ग) यदि उपर्युक्त भाग (क) का उत्तर नकारात्मक हो तो इसके क्या कारण हैं?

The Minister of Irrigation and Power (Dr K. L Rao): (a) to (c) A statement is laid on the Table of the House

Statement

(a) Work is in steady progress on the Gandak Project Although efforts were made to complete the construction of the barrage by June, 1967, it is now expected to be completed only by June 1968 and release water for irrigation purpose from the *kharif* season of 1968

(b) 36 lakh acres

(c) Unexpected early floods in 1966 damaged the Coffer dam and a violent gale in May, 1966 uprooted the construction colony and electrical installations

श्री विभूति मिश्र : स्टेटमेंट में कहा गया है गंडक के बारे में कि

"Work is in steady progress on the Gandak Project"