

AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI M.M. JACOB): I beg to lay on the Table a copy each of the following Notifications (Hindi and English versions) under sub-section (3) of section 18 of the Central Reserve Police Force Act, 1949:

- (1) The Central Reserve Police Force (Medical Officers' Cadre) (Amendment) Rules, 1991 published in Notification No. G.S.R. 163 in Gazette of India dated the 16th March, 1991.
- (2) The Central Reserve Police Force (Amendment) Rules, 1991 published in Notification No. G.S.R. 388 in Gazette of India dated the 6th July, 1991. [Placed in Library, See. No. LT-995/91]

Annual Report and Review on the Working of Indian Telephone Industries Ltd. Bangalore for the year 1990-91

THE DEPUTY MINISTER IN THE MINISTRY OF COMMUNICATIONS (SHRI P.V. RANGAYYA NAIDU): I beg to lay on the Table a copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956:-

- (1) (i) Review by the Government on the working of the Indian Telephone Industries Limited, Bangalore, for the year 1990-91.
- (ii) Annual Report of the Indian Telephone Industries Limited, Bangalore, for the

year 1990-91 along with Audited Accounts and comments of the Comptroller and Auditor General thereon. [Placed in Library, See. No. LT-996/91]

- (2) (i) Review by the Government on the working of the Hindustan Teleprinters Limited, Madras, for the year 1990-91.
- (ii) Annual Report of the Hindustan Teleprinters Limited, Madras, for the year 1990-91 along with Audited Accounts and comments of the Comptroller and Auditor General thereon [Placed in Library, See. No. LT-997/91]

13.07 hrs

MESSAGE FROM RAJYA SABHA

[English]

SECRETARY-GENERAL: Sir, I have to report the following message received from the Secretary-General of Rajya Sabha:-

"In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 12th December, 1991, agreed without any amendment to the Banking Regulation (Amendment) Bill, 1991, which was passed by the Lok Sabha at its sitting held on the 2nd December, 1991".

MR. DEPUTY-SPEAKER: Now we go to the next item—Statement by the Finance Minister.

(Interruptions)

MR. DEPUTY-SPEAKER: Hon. Members, we have gone to a different subject.

(Interruptions)

MR. DEPUTY-SPEAKER: This is not fair.

(Interruptions)

MR. DEPUTY-SPEAKER: How can we bring it back?

(Interruptions)

MR. DEPUTY-SPEAKER: I think, it is not fair.

(Interruptions)

STATEMENTS BY MINISTERS

13.08 hrs.

(I) Management of the Economic crisis

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Hon'ble Deputy Speaker, Sir, I rise to make a brief Statement on the State of the Economy.

Hon'ble Members are aware that when this Government assumed office in the last half of June this year, India faced an economic crisis of unprecedented dimension. International confidence had collapsed and even our Non-Resident Indians were withdrawing deposits from our banks in large volumes. Access to international commercial banks was closed. Our foreign exchange reserves were at all time low. We were close

default, on our obligations to international creditors.

The Government acted promptly by taking corrective steps to restore confidence, re-establish macro-economic stability, and set the country back on the path of sustained growth. I would like to take this opportunity to inform the House of the early results of our efforts and also of the unfinished task that lies ahead.

We have achieved our immediate objective of restoring confidence and dispelling fears of default. We are also beginning to restore macro-economic stability though a great deal more remain to be done in this area.

We must continue with efforts at consolidation of these gains ensure containment of the fiscal deficit to reduce inflation, and restore viability to our balance of payment. We must also continue the reform process in various segments of the economy initiated by the Government as part of our medium term strategy.

Sir, I have elaborated on all these points in the Statement which I now placed this House. The Statement also provides the details of the arrangement we have concluded with the International Monetary Fund, which I had promised to lay before the House.

STATEMENT

Six months ago our Government, under the leadership of Shri P.V. Narasimha Rao, assumed office in the midst of an unprecedented economic crisis. Foreign reserves had dwindled to Rs. 2600 crores barely sufficient for two weeks imports. International commercial banks were refusing to extend new credits. Large outflows were taking place from NRI deposits. Industrial growth had turned negative because of a severe imports squeeze and inflation was accelerating. It looked as if we might, for the first time in our history, default on our external payments obligations. Had this