

Reserve Bank policy for investment of foreign exchange reserves

729. SHRI S. R. DAMANI: Will the Minister of FINANCE be pleased to state:

(a) the policy followed by the Reserve Bank to invest foreign exchange reserves;

(b) the details of investments made thereunder; and

(c) the interest accrued upto 31st December, 1977 and the average rate of interest earned?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) In investing foreign exchange reserves, the Reserve Bank is guided by considerations of the safety of the funds, their liquidity and the yield.

(b) The information sought cannot be divulged in accordance with the practices and usages customary among Central Banks and since any such disclosure will not be in the public interest.

(c) The interest accrued during the half year ending 31st December, 1977 is estimated at Rs. 141.04 crores yielding an average earning of 6.10 per cent.

Proposal for modifications in Trade Relations with rupee payment Countries

730. SHRI DURGA CHAND: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether it is a fact that he has recently made a statement to the effect that Government propose to make modifications in trade relations with rupee payment countries;

(b) if so, what are the details thereof;

(c) what are the names of the rupee payment countries; and

(d) what are the details of the trade transacted with each country during 1978?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) and (b). Among the rupee payment countries, the Government have changed over the system from bilateral trade with payments in non-convertible Indian Rupees into multilateral trade with payments in free foreign exchange in the case of Yugoslavia and Hungary. Such a change in the case of the Democratic People's Republic of Korea and Poland is envisaged with effect from 1-3-1978 and 1-1-1981, respectively.

(c) At present trade with USSR, Bulgaria, Czechoslovakia, GDR, Poland, Romania and DPRK is conducted on bilateral basis with payments in non-convertible Indian rupees.

(d) The details of the trade transacted with each of the above countries during 1978, will become known only after the year is over.

Steps to check rise in Prices of essential commodities in Delhi

731 SHRI DURGA CHAND: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION be pleased to state:

(a) whether the Delhi Administration has taken any steps to check price rise of essential commodities in the capital during the period from April to December, 1977, if so, the details thereof;

(b) to what extent the prices of these commodities were checked as a result thereof;

(c) further steps being taken by the Delhi Administration in this regard; and