

the last five years and projections for the next five years;

(b) if so, the details of the debt position and emerging trends thereof;

(c) the strategy worked out to manage effectively the disturbing trends; and

(d) the details of package of incentives proposed to boost up internal saving rate which has been sliding for over the last five years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The Government has recently come out with a Status Report on India's External Debt which is the third in the series of such White Papers. The Paper shows a steady improvement in the external indebtedness position of the country in recent years.

There is no proposal under consideration to bring out a White Paper on internal debt, details of which are contained in the Receipt Budget documents.

(c) The external debt management strategy followed by the Government includes sustaining a high growth rate of exports, encouraging non-debt creating capital inflows and keeping the maturity structure as well as the total amount of commercial debt under control. The Government would also endeavour to contain the fiscal deficit (additional borrowings) through controlling expenditure and through its non-debt receipt.

(d) The details of the package of incentives proposed to boost up the internal saving rate are a part of the budget exercise which is secret in nature, and it is not possible to give any details of the same at present.

Interests Rate of P.F.

1222. SHRI CHITTA BASU : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to increase the interest rates of the Provident Fund;

(b) if so, the details thereof; and

(c) the steps at which the proposal rest now?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) There is no proposal under the consideration of the Government at present to increase the interest rate on Provident Fund.

(b) and (c) Do not arise.

IMFs Proposal

1223. SHRI SARAT PATTANAYAK : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of International Monetary Funds proposal to drop India

from priority list of 24 countries for lending financial assistances; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) IMF does not have any priority list of 26 countries for lending financial assistance and therefore the question of India being dropped from such list does not arise.

Economic Relation with United Kingdom

1224. SHRI S.D.N.R. WADIYAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have a proposal to expand economic relation with United Kingdom;

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir.

(b) Constant efforts are made to expand economic relations with United Kingdom. Some of the steps in this direction include participation in international trade fairs, intensified exchange of business delegations, supply of necessary information and extending all possible facilities to the commercial organisations, increased focus on thrust items and the promotional activities of the Indo-British Partnership.

Government of India have signed a Bilateral Investment Promotion and Protection Agreement with the United Kingdom in 1994 which was ratified in January 1995 making the agreement effective.

India is also the largest recipient of aid from United Kingdom and this is increasing.

Equities of CIL's Subsidiaries

1225. SHRI JAGMOHAN : Will the Minister of COAL be pleased to state :

(a) whether any proposal for reducing equities of some healthier subsidiaries of CIL was made through conversion to debts and with simultaneous injection of fresh equities in some of weaker subsidiaries;

(b) if so, the amount intended to be used as fresh equities in weaker subsidiaries; and

(c) the subsidiaries which have been identified as healthier and weaker subsidiaries?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) Yes, Sir. As per information received from Coal India Limited, there is a proposal to reduce equity of some of the healthier subsidiaries of the Coal India Limited by conversion of equities into debt in these subsidiaries with simultaneous reverse conversion of debt to equity in the weaker