

been implemented through the Finance Acts of 1978, 1979 and Finance (No. 2) Act, 1980. Other recommendations are being looked into.

The Jha Committee report contained 59 recommendations and 23 general observations relating to Customs and Central Excise duty structure. Though the Budgets for the years 1977-78, 1978-79, 1979-80 and 1980-81, 22 recommendations have been implemented either in full or in part. Other recommendations are being looked into.

#### Determination of price

2375. SHRI SHIVA CHANDRA JHA: Will the Minister Of FINANCE be pleased to state:

(a) whether it is a fact that the prices in the country are determined according to P—MV/T principle;

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

(c) if not, what are the reasons therefor?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) to (c) The equation  $P = \frac{MV}{T}$  referred to in the question is traditional Quantity Theory of Money. It is one among several theories explaining the behaviour of general price level in an economy. Price level is determined by various factors including quantity of money.

#### Money Circulation

2376. SHRI SHIVA CHANDRA JHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Gresham's Law of money circulation operates in India; and

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

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a)

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and (b) Gresham's Law that bad money drives good money out of circulation, was enunciated in the context of a bimetallic standard of currency. Since we do not have a bimetallic standard, the question does not arise.

#### S. D. R. Position of India

2377. SHRI SHIVA CHANDRA JHA. Will the Minister of FINANCE be pleased to state:

(a) what is the present S.D.R. position of India vis-a-vis to what it was in January, 1980 and three years back; and

(b) what contributions India has made within the last three years to the S.D.R. common pool and how much India has drawn within that period?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) India's holding of SDR as on December 5, 1980 were SDR 519.8 million. It was SDR 500.1 million at the end of January, 1980, SDR 371.0 million at the end of November 1979, SDR 225.8 million at the end of November 1978 and SDR 144.0 million at the end of November, 1977.

(b) Members do not contribute but are allocated SDRs by the IMF. Use of SDRs by India during 1977-78, 1978-79 1979-80 was SDRs 61.3 million, SDRs 12.1 million and SDRs 65.0 million, respectively.

2378. [Transferred to the 18th December, 1980]

#### कपड़े का वार्षिक उत्पादन तथा मांग

2379. श्री कलराज मिश्र : क्या वाणिज्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का ध्यान 2 नवम्बर, 1980 के 'नवभारत टाइम्स' में "इज क्लॉथ फैमिन इम्पिनेन्ट" (क्या