

(a) whether Government are aware of the fact that circulation of black-money has continued to increase during the recent years and this is one of the main causes of inflation in the country's economy;

(b) if so, what is the quantum of black money in circulation at present; and

(c) what steps Government propose to take to put an end to the circulation of black money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA):

(a) The Government are generally aware that the circulation of black-money has increased over the years. However, inflation is caused by many factors, of which black-money may be one.

(b) The Government have made no estimate of the quantum of black-money in circulation in the country.

(c) Government propose to deal with the problem of black-money through more effective implementation of tax laws.

Devaluation of the Rupee

432. SHRI JAGJIT SINGH

ANAND:

SHRI B. SATYANARAYAN
REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the number of times Rupee has been devalued vis-a-vis the Pound since April, 1979 and what is the percentage of devaluation and amount in terms of Rupees; and

(b) what steps Government have taken or propose to take to stop further devaluation of the Rupee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA):

(a) and (b) Presumably, the Hon'ble Members are referring to the downward adjustments in the value of the rupee against Pound Sterling effected by the Reserve Bank of India since April, 1979.

With a view to imparting a measure of stability in the exchange rate of the rupee, the Government have, with effect from September 25, 1975, adopted an exchange rate system under which the value of the rupee is fixed with reference to the daily exchange rate movement of a suitably weighted basket of currencies of countries which are India's major trading partners. Adjustments, both upward and downward, in the rupee-sterling rate are effected, as and when necessary, in order to maintain the exchange rate of the rupee in line with the movements in the value of the currencies in the international currency markets. Under this arrangement, the exchange rate of the rupee vis-a-vis Pound Sterling was changed 17 times between April 1, 1979 and March 11, 1980 as shown in the attachment. (See Statement below). On 11 occasions, the value of the rupee against Pound Sterling was adjusted downward and on the remaining 6 occasions, it was adjusted upward.

The earlier connotations of devaluation and revaluation have lost their relevance in the context of 'floating' exchange rate arrangements obtaining for major currencies of the World and the changes, both upward and downward, effected from time to time in the rupee-sterling rate would simply imply an adjustment to the fluctuating exchange rates in the international currency markets. In a regime of 'floating' exchange rates, fluctuations in the value of currencies are inevitable and all such adjustments have to be viewed in a larger perspective.

Statement

*Adjustments in the Rupee-Sterling Rate
Since April, 1979*

Date of Adjustment	Pound Rs. (Middle Rate)	Apprecia- tion (+)/ Deprecia- tion (—) of rupee against Pound Sterling
13-3-79 . . .	16.80	—
9-4-79 . . .	17.15	—2.04
15-5-79 . . .	16.90	+1.48
15-6-79 . . .	17.10	—1.17
22-6-79 . . .	17.35	—1.44
2-7-79 . . .	17.55	—1.14
6-7-79 . . .	17.75	—1.13
19-7-79 . . .	18.00	—1.39
15-9-79 . . .	17.75	+1.41
24-10-79 . . .	17.50	+1.43
31-10-79 . . .	17.25	+1.45
19-11-79 . . .	17.55	—1.71
4-12-79 . . .	17.80	—1.40
9-1-80 . . .	18.00	—1.11
21-1-80 . . .	18.15	—0.83
15-2-80 . . .	18.25	—0.55
5-3-80 . . .	18.15	+0.55
11-3-80 . . .	18.05	+0.55

Foreign tours by Union Ministers

**433. SHRI BISHAMBHAR NATH
PANDE:**

**SHRI KRISHNA NAND
JOSHI:**

Will the Minister of FINANCE be
pleased to state:

(a) what is the number of tours made to foreign Countries by each Union Minister and the expenditure incurred on such tours of the Ministers and their staff during the period from April, 1977 to December, 1979; and

(b) whether any report was submitted by them to Government on the outcome of their visits?

**THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JAGANNATH PAHADIA):** (a) and
(b) The information is being collect-
ed and will be laid on the Table of
the House as early as possible.

**Delegations visiting foreign
countries**

**434. SHRI BISHAMBHAR NATH
PANDE:**

**SHRI KRISHNA NAND
JOSHI:**

Will the Minister of FINANCE be
pleased to state:

(a) whether it is a fact that from
April, 1977 to December, 1979 as many
as 741 delegations visited foreign
countries on behalf of Government;

(b) if so, what are the details
regarding their compositions and the
expenditure incurred on them; and

(c) whether these delegations have
submitted any reports?

**THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE
(SHRI JAGANNATH PAHADIA:**
(a) to (c). The information is be-
ing collected and will be laid on the
Table of the House as early as pos-
sible.