

DR. R. B. GOUR: Only one question more, Sir.

MR. CHAIRMAN: Only two minutes more and I have called the next question

UTILISATION OF STERLING BALANCES

*89. SHRI V. K. DIJAGE: Will the Minister for FINANCE be pleased to state whether it is a fact that Government utilized less than half of the sterling releases in 1951-52 and did not at all draw upon the scheduled quota in 1952-53; if so, why?

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): It is true that the amount of sterling transferred from blocked account for current use was £15 million in 1951-52 (July-June) and that no transfers were made in 1952-53. Owing to improvement in our external payments position, it was not found necessary to draw on the blocked balances to the extent stipulated in the Financial Agreement between the Government of India and the Government of the United Kingdom.

DR. R. B. GOUR: Is it a fact that in 1947 the agreement that we reached with the British Government was to the effect that we would draw about £35 million every year from 1951 onwards, and then, is it also not a fact that the amount that we are going to draw is not to meet the balance of payments but to meet the needs of our development programme? If that is so, how does the hon. Minister justify the statement that because the balance of payments position was favourable; we did not draw any amount? Does it mean that we had no development programme and so did not draw any amount?

SHRI M. C. SHAH: Perhaps there is confusion in the mind of the hon. Member. Whatever has to be imported for our development programme also is included in the balance of pay-

ments and therefore what I have stated is absolutely correct.

DR. R. B. GOUR: Does the hon. Minister mean that neither the State Government nor the Central Government need any more money for their development programmes?

SHRI M. C. SHAH: This complicated mechanism has to be understood. It is a question of the balance of payments and if the balance of payment is not favourable to us, and we want to withdraw, then we withdraw. I say again that, if the balance of payments is favourable, more funds come really to be accumulated in the current fund and from that we can draw whenever necessary. It is not as if anything lapses. We can draw whenever we want, whenever the balance of payments is unfavourable.

SHRI M. VALIULLA: Whatever amount is left with the United Kingdom Government, does that Government pay us interest on it?

SHRI M. C. SHAH: We are allowed interest. Previously we used to get only a very small percentage, .08. Now, we are getting more interest; perhaps it is about 1.75 per cent or 2 per cent. I am not sure.

MR. CHAIRMAN: Question hour is over.

WRITTEN ANSWERS TO QUESTIONS

REHABILITATION OF EX-SERVICE PERSONNEL ON LNAD

*74. SHRI RAHMATH-ULLAH: Will the Minister for DEFENCE be pleased to state:

(a) whether Government allot land to ex-service men and ex-service women to enable them to resettle on land;

(b) if the answer to part (a) above be in the affirmative, what is the basis on which, and what are the conditions under which, land is allotted to the ex-service personnel;