

(e) and (f). Air-India has set up a Committee to look into the long term needs of freighter aircraft of the Corporation. The Government has not set up any such Committee.

Curb on import of certain essential items

604. SHRI SHIV KUMAR SINGH: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that the Government of India have put a curb on import of certain essential items like cement, newsprint, edible oils and white printing papers;

(b) if so, the reasons therefor;

(c) whether Government are considering to review their decision in the near future; and

(d) if so, when and the details thereof?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) No, Sir.

(b) to (d). Do not arise.

Devaluation of Indian currency in relation to foreign currencies

605. SHRI CHITTA MAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the devaluation of rupee/Indian currency in relation to the foreign currencies; and

(b) if so, the details in this regard and reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) and (b). Presumably, the Hon'ble Member is referring to the downward adjustment of 0.55 per cent made by the Reserve Bank of India, in the value of the rupee against Pound Sterling with effect from February 15, 1980, when the middle rate for Pound

Sterling was changed from Pound 1=Rs. 18.15 to Pound 1=Rs. 18.25. Since then, there have been two more changes in the rate on 5th and 11th March, 1980, when the Rupee-Pound Sterling rate was changed from Pound 1=Rs. 18.25 to Pound 1=Rs. 18.15 and further to Pound 1=Rs. 18.05 respectively. This shows an appreciation of Rupee against Pound Sterling on each of these occasions.

2. The changes in the Rupee-Sterling rate effected by the Reserve Bank of India, from time to time, are in accordance with the exchange rate arrangement adopted by the Government since September 25, 1975, under which the exchange rate of the rupee is fixed with reference to the daily exchange rate movement of a suitably weighted basket of currencies mainly of countries which are India's major trading partners.

3. The exchange rates between rupee and other foreign currencies would move upward or downward almost every day depending upon the fluctuations in the value of these currencies in the London Market.

4. The exchange rates for various currencies as on March 11, 1980 show that the rupee stands appreciated by 1.43 per cent against Pound Sterling 10.04 per cent against US dollar and 2.03 per cent against French Franc as compared to the rates which prevailed on September 25, 1975. The rupee has, however, depreciated by 25.28 per cent, 10.03 per cent and 30.29 per cent against Deutsche Mark, Japanese Yen and Swiss Franc respectively during the same period.

5. The earlier connotations of devaluation and revaluation have lost their relevance in the context of 'floating' exchange rate arrangements 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