

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). The Export Policy is announced for each financial year, April-March. There is no proposal for any major modifications in the current export policy. However, export policy of individual commodities is reviewed from time to time and changes made wherever necessary in the light of domestic availability and other relevant factors.

Rise in Wholesale Price Index

637. DR. SUBRAMANIAM SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that prices as measured by the wholesale price index is rising at the rate of 18.5 per cent per year or thereabout;

(b) the rise in wholesale price index during the period March 1977 to July 1979; and

(c) the steps Government propose to take to arrest this high rate of inflation?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) The annual rate of inflation as measured by the Wholesale Price Index 1970-71=100) has come down in the current financial year from 23.0 per cent for the week ended 28th June 1980 to 16.7 per cent for the week ended 1st November 1980 for which the latest index is available.

(b) The price rise during the period March 1977 to July 1979 works out to 15.7 per cent.

(c) The increase in the Wholesale Price Index in the current financial year has come down from 4.1 per cent in July 1980 to 1 per cent in August, 1.7 per cent in September, and 0.6 per cent in October. Indeed, in the two successive weeks ended 25th

October 1980 and 1st November 1980 the index has fallen sharply by 1.2 per cent and 1.7 per cent respectively. This trend augurs well for the coming months. This has been largely the result of various anti-inflationary measures taken by the Government. However, the price situation is being kept under constant watch and further measures as and when necessary will be taken in the light of emerging trends.

Proposed waiving of Loans given to Farm Sector

638. SHRI JAGPAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether certain State Governments had proposed to waive the loans especially cooperative loans given to the farm sector; and

(b) if so, details thereof stating the amount of the loans involved and the decision, if any, taken by Government on the proposals made by the State Governments?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (b). The Government of Tamil Nadu announced their decision to write off Rs. 16 crores of taccavi loans and Rs. 42 crores of principal and interest on cooperative loans outstanding in Maharashtra contemplate paying the principal and interest due from small farmers as on 30th June, 1979 to the respective financial institutions and has made a budget provision of Rs. 49 crores for this purpose. The Government of Kerala announced a decision to waive interest on all loans taken by farmers owning less than 2 hectares prior to 1st April 1976 and to make good the loss sustained by the credit agencies on this score. The Government of Orissa proposes to provide debt relief to farmers in chronically drought affected areas and has sought Central grant of Rs. 22.50 crores for this purpose.

The Central Government is of the view that general or a large scale write-off of loans will have adverse impact on the atmospheres regarding repayment of loans by farmers to the financing institutions, the health of the financing institutions, and their ability to recycle money lent by them to the farming sector. Mechanism exist at present for affording relief to farmers affected by adverse weather conditions, such as, conversion of short term loans into medium term loans and even write off of dues in appropriate cases. These mechanism should be used to afford relief to farmers keeping in view the measure of distress and their ability to pay their dues. No Central grant can be provided by the Central Government to any State Government for this purpose.

Loss due to decline in Air India Traffic

639. SHRI RASHEED MASOOD:

SHRI RAJESH KUMAR SINGH:

PROF. AJIT KUMAR MEHTA:

SHRI DEVINDER SINGH GARCHA:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have suffered considerable loss because of decline in Air India traffic during the last one year;

(b) if so the extent of loss suffered by Air India on this account as compared to loss if any, suffered by it during the previous year;

(c) the main reasons therefor and the steps taken by the Government to minimise the losses; and

(d) the extent to which the increase in the fuel prices has been responsible for the decline in its earnings?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): (a) and (b). There has been no

decline in the revenue of Air India during the year 1979-80 as compared to the previous year. In 1979-80 traffic revenue increased to Rs. 375.40 crores as against Rs. 328.92 crores in 1978-79 while total revenue increased to Rs. 402.06 crores in 1979-80 as against 354.68 crores in 1978-79. Despite this, the Corporation suffered a net loss of Rs. 15.09 crores as against a net profit of Rs. 34.09 crores in the previous year.

(c) and (d). The main reasons why Air India suffered loss during 1979-80 are as under:—

(i) substantial increase in fuel prices during 1979-80 resulting in an increased burden of Rs. 65.93 crores over previous year i.e. percentage increase of 101 per cent over the previous year;

(ii) Strike at London; and

(iii) Increase in interest burden on B-747 aircraft project loans.

In addition, due to general increase in costs and inflationary trends, expenditure on pay and allowances, staff costs, aircraft insurance, food services including hotel accommodation and cabin-crew amenities registered sizable increase.

The following steps have been taken/are being taken to achieve reduction in losses:—

(i) Revenue:

—Increase in frequencies to markets with higher potential and better yields.

—introduction of B-747 services in place of B-707 on routes which require and can sustain additional capacity.

(ii) Expenditure:

—closure of certain unremunerative offices —review of staff strength at various regional establishments;

—reduction in consumption of fuel as far as possible;