

**Stabilisation of value of Rupee**

4499. SHRI MADHAV RAO SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) what is the present value of the rupee in terms of its purchasing power with 1960 as the base year;

(b) whether Government propose to devalue the rupee; if not, at what stage it is proposed to be done; and

(c) what special steps have been and are proposed to be taken to stabilise the value of the rupee?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) The domestic purchasing power of the rupee, measured as a reciprocal of the All India Consumer Price Index for Industrial Workers with 1960 as the base year works out at 20.20 paise for January, 1983 (the latest available).

(b) There is no proposal to devalue the Rupee. Since September 25, 1975, the external value 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. The exchange rate between rupee and other currencies move upward and downward depending upon the fluctuations in the value of the currencies of the basket in the London market.

(c) Government attaches high priority to control of inflation. A series of measures have been taken by the Government to keep the prices under reasonable check. Details are given in the Economic Survey 1982-83 and the Budget documents. The price situation is being closely monitored with a view to take remedial measures in the light of emerging trends.

**Closure of Handloom Weaving Units**

45. SHRI S. A. DORAI SEBASTIAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the export of handloom goods has been affected by the closure of a number of handloom weaving units in Madurai and Karur in Tamilnadu throwing out of employment thousands of workers, since they could not manage to work with 20 per cent to 35 per cent increase in price of yarn during September—December, 1982; and

(b) the steps taken to ensure that more handloom weaving units are not closed on account of this hike in yarn price?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) Government have no information about the closure of handloom weaving units in Madurai and Karur throwing out of employment thousand of weavers. However, there were reports about increases ranging between 13 per cent and 35 per cent in the prices of yarn between September—December, 1982, leading loss of production. The price increase was however more marked in finer counts than in lower counts. The prices have now started declining and are lower by 6 per cent to 14 per cent as compared to the price levels in December, '82. A statement showing the price prevailing in September and December, '82 and March '83 is enclosed.

(b) In order to meet the situation created by rising prices of yarn and also to ensure that the handloom production does not suffer, Government of Tamil Nadu in consultation with the All India Federation of Cooperative Spinning Mills, Bombay and South India Mill's Association, Coimbatore arranged for the supply of 2,000