

that it has become a healthy unit and very soon it will be making a profit and the production will be in full swing and the labourers will also be employed in full. Therefore, on the basis of the experience we have in Hind Cycles, this also could be considered.

**SHRI DHAMANKAR:** There is a procedure followed by the banks for giving loans to these units. But the procedure takes a very long time before the loan is sanctioned. Sometimes it takes more than two years before the loan is given. I would like to know from the Minister whether the procedure can be simplified so that the loans can be given within a short period.

**SHRI C. SUBRAMANIAM:** I have not received any complaints with regard to the delays. Certainly I shall look into it. If there are complaints, at least I shall try to minimise.

**DR. RANEN SEN:** May I know and whether it is a fact that in all these Companies and undertakings to whom money is being advanced, IFCI representatives are on the Board of Directors? If so, why some of companies continue to run in red and still money is being pumped into them? May I know what actually the representatives of the IFCI are doing? Whether they are looking the affairs of these companies and also trying to improve the position?

**SHRI C. SUBRAMANIAM:** No doubt there are representatives of the Corporation on the Board. But the Board have only periodical meetings and then scrutinise what has already happened. It depends on the managing director and the other executives who are functioning with regard to the day-to-day management of the institutions. That is why sometimes it becomes necessary to change the management also. In many cases I find some of them have recovered from the setback they had

and they are functioning in a healthy manner and some others are recovering. But some of them seem to be incorrigible with regard to the various defects and deficiencies which exist in the organisation itself. Therefore, in this case, unless we change the management itself, particularly the top management, perhaps it cannot improve. This is the case with Sen-Raleigh and this is being looked into.

#### Value of Rupee

\*961. **SHRI BIRENDER SINGH RAO:** Will the Minister of FINANCE be pleased to state;

(a) what was the value of rupee in 1964 and 1974 taking 1949 as the base year; and

(b) what is its value at present?

**THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM)** (a) and (b). The value of the Rupee, as measured by the All India Working Class Consumer Price Index (base 1949=100), works out to 65.8 paise in 1964, 27.1 paise in 1974 and 25.3 paise in February 1975 (latest available).

**SHRI BIRENDER SINGH RAO:** It is the primary responsibility of the Government to maintain the purchasing power of its currency. The figures show that there has been a very steep fall in the value of the rupee. From 100 paise in 1949 it has come down to 27.1 paise in 1974 and 25.3 paise in February this year. It can be safely presumed that it is less than 23 paise today. This shows that the Government has failed to discharge its responsibility in maintaining the value of the currency and all its fiscal measures so far taken have failed. In view of this, is the Government thinking of imposing any statutory ceiling on the annual increase in money supply because of the continuing inflationary trend?

**SHRI C. SUBRAMANIAM:** This question has been fully discussed with regard to restricting money supply on all the fronts. Simply having a statutory limit in a rigid manner will not solve the problem. On the other hand, various measures will have to be taken. No doubt it looks alarming that it has come down to 25.3 paise in February 1975, but if you also look into the world trends in this matter, particularly in the developing countries, we are not worse than many of the developing countries.

**SHRI BIRENDER SINGH RAO:** It might give some consolation to the minister to see that they are not very much worse than other developing countries, but it is a matter of great concern to this country and to this House. As the figures show, Government is the biggest employer and last year, it granted three increases in DA in June, July and September. 50 per cent of it was deposited under the compulsory deposit scheme. It is clear that every Rs. 27 deposited last year has become Rs. 25 within a few months. Similarly, pensioners who were getting Rs. 65 in 1964 are today getting only Rs. 25 or even less in terms of money value. Similarly, Rs. 65 contributed to the provident fund in 1964 has come down to less than Rs. 25 today. How does the Government intend to compensate the workers for this loss, particularly in the pension and provident fund?

**SHRI C. SUBRAMANIAM:** Ultimately, the situation can be remedied only by greater productivity and having greater production in which all of us will have to participate. If everybody does less and wants more, naturally the value of the rupee will also go on eroding. Therefore, I do agree that it is a matter of concern. As a matter of fact, this is the present day economic situation and the challenges facing us. We have to discuss in detail what are the steps to be taken for the purpose. It is only by implementing those steps that we will be able to remedy the situation.

**SHRI BISWANARAYAN SHASTRI:** In spite of the anti-inflationary measures taken by the Government, the value of the rupee is falling at a very great speed. In view of that, is it not likely that within a few years it will come down to zero? What will the Government do to stop that?

**SHRI C. SUBRAMANIAM:** I hope that would not happen. I know there are certain elements which want to take it to the zero level, but it will be our attempt to see that it does not happen and the value of the rupee improves.

**SHRI P. VENKATASUBBAIAH:** Since the Finance Minister has announced certain fiscal measures in the last budget, is any periodical assessment going to be made to see what is the effect of the measures that have been taken on the rupee value, as compared to its value in the last two years?

**SHRI C. SUBRAMANIAM:** I agree that this periodical review has to be made, and it is being made in a way. As a matter of fact, I am sure the hon. Members are aware that from September onwards the price trend has at least been stabilised. There has also been a slight fall in prices.

**SHRI NOORUL HUDA:** Wishful thinking.

**SHRI C. SUBRAMANIAM:** I know their wishful thinking is that it should go on deteriorating. The decrease in wholesale prices has also got reflected later on in the retail prices. In the consumer price index also it will be reflected slightly in March-April when there will be an increase in the value of the rupee. This will have to be a continuous effort so that we are able not only to stabilise the value of the rupee but also improve it.

**SHRI S. B. GIRI:** The Minister has said that the value of the rupee had come down to 25.3 paise by February 1975. In what way will the Government compensate the working class and agricultural labour? Secondly, is the Government considering paying back the money which has been impounded from the salaries and wages of the workers?

**SHRI C. SUBRAMANIAM:** The second question does not arise out of this. That is a completely different question altogether. If the hon. Member is interested in it, he may put a separate question.

**SHRI S. B. GIRI:** To what extent are the workers going to be compensated?

**SHRI C. SUBRAMANIAM:** When the cost of living index goes up, automatically dearness allowance is paid. Unfortunately, particularly during the last two years, the index of prices has went up very high. One has contributed to the other. That is why we are considering how to stabilise the situation. Fortunately, we have stabilised the situation to a certain extent. We should take all other measures which had been indicated during the budget debate for the purpose of improving the economic situation.

**SHRI SHIVAJI RAO S. DESHMUKH:** Apart from the compensation to the hon. Speaker and Members of this House...

**MR. SPEAKER:** You have got much more increase. The value of what I am getting now is only Rs. 300 in real terms. I have assessed it already.

श्री हुकूम बन्द कछबाय : हमारा क्या होगा ? हमारा तो घोर कम होगा ।

अध्यक्ष महोदय : आपका बढ़कर 51 हो गया है । हम तो बर्दी खड़े हैं ।

**SHRI SHIVAJI RAO S. DESHMUKH:** We are all basically concerned with the compensation to our constituents. The majority of them at least do not come from the fixed income bracket. Whereas the wage-earner gets some compensation by way of Dearness Allowance, is there any provision for providing Dearness Allowance to farmers, the unemployed agricultural labourers and the villagers? Is the Finance Minister in a position to say that the average cost of agricultural products has gone up four times from 1949 to 1975?

**MR. SPEAKER:** You have widened the scope of this question. It was a very innocent-looking question.

**SHRI C. SUBRAMANIAM:** If at all, it is only possible that a small section can be compensated taking into account the totality of the community's resources, but if it is a question of the total community being compensated, then I do not know what procedure should be adopted. We should find some other financial reserve for that purpose.

**SHRI SHIVAJI RAO S. DESHMUKH:** He has not replied to my question, which was very specific.

**MR. SPEAKER:** You take whatever answer he has given.

**SHRI SOMNATH CHATTERJEE:** May I know which section of the people in this country according to the Government has been the hardest hit by reason of the fall in the value of the rupee, and what is the Government going to do to look after the interests of that section of the people?

**SHRI C. SUBRAMANIAM:** Naturally the hardest hit would be the poorest, those who are living below the subsistence level and their power will go on decreasing whereas there are certain sections who can be compensated at least to a certain extent. That is why our priorities will have

to be to see that the poorer sections are taken care of first, and this is the approach which we have made and that is why we are appealing that those of us who are better off compared to the poorer sections should be able to make little more sacrifices so that they can get the benefit.

**SHRI SOMNATH CHATTERJEE:**

This is the vaguest reply about Government's policy. We shall have to make sacrifices. Who will make, to what extent and what type of sacrifice for which people? Please indicate something.

**SHRI N. K. SANGHI:** In view of the steep fall in the value of the rupee admitted by the hon. Minister, may I know if he would think of devaluing the face value of the rupee itself as it was done in France a couple of years ago so that other contradictions like higher wages etc., can be done away with?

**SHRI C. SUBRAMANIAM:** Devaluation is with reference to some other unit, for example with reference to an external currency. Certainly, as far as this is concerned, there is no question of revaluation or devaluation. Whatever value is there is there. I do not know how you devalue inside, it may be that with reference to other things you can consider it

**श्री हुकम चन्द कछवाय :** मंत्री जी ने बताया है कि रुपये का मूल्य जा घटता जा रहा है इसको रोकने के लिए देश में अधिक उत्पादन की आवश्यकता है। इस समय देश में कोयले, इस्पात, कपड़ आदि का उत्पादन बहुत ज्यादा हो गया है और बड़ी मात्रा में स्टॉक जमा हो गये है और माल कोई नहीं उठा रहा है। मंत्री महोदय ने एक पहले वाले प्रश्न के उत्तर में बताया था कि कलकत्ता के एक औद्योगिक संस्थान में उत्पादन अधिक

हो गया है, इसलिये वह बन्द हो गया है। उत्पादन बढ़ने के कारण कारखाने बन्द हो रहे हैं और उनमें स्टॉक जमा होते जा रहे हैं। ऐसी स्थिति में मंत्री महोदय का क्या विचार है कि कितना उत्पादन बढ़ना चाहिये ताकि रुपये का मूल्य जो घटता जा रहा है उसमें कमी आए और उसका मूल्य बढ़े और साथ साथ उद्योगों के बन्द होने की नीबत न आए? क्या यह सही नहीं है कि आप नोटों का फैलाव जो करते जा रहे हैं, अधिक मात्रा में नोट छापते जा रहे हैं उसके कारण भी रुपये का मूल्य घट रहा है?

**SHRI C. SUBRAMANIAM:** This is beyond my intelligence, because I do not understand the full scope of the question, because he was referring to the answer which I gave on the previous occasion. One point which the Hon. Member mentioned is whether we are going to print more and more currency notes. As a matter of fact, that is one of the evils of our economy. That is why, we want now to curtail this money supply, and that is why, various measures are being taken. But, unfortunately, there are pressures which would lead to further increase in the money supply. This is where we have to resist it as much as possible

**श्री हुकम चन्द कछवाय :** माननीय मंत्री महोदय ने स्वयं यह स्वीकार किया है कि अगर उत्पादन बढ़ेगा तो रुपये का जो मूल्य घट रहा है, वह रुकेगा। मेरा कहना यह है कि सरकारी कारखानों में स्टॉक बढ़ता जा रहा है और लोग बेकार होते जा रहे हैं। मंत्री महोदय से मेरे इस प्रश्न का उत्तर दिलवाइये।

**प्रध्वस महोदय :** आप बैठिये, मंत्री महोदय ने उत्तर दिया है।

**PROF. MADHU DANDAVATE:** The hon. Minister, while replying to a earlier question by Mr. Birender Singh Rao, said as a matter of consolation, that in a number of countries of the world, the value of currency is going down and prices are rising. On that background, he also tried to justify what is happening in our country. On that background, may I know from him, whether it is not a fact that in a number of capitalistic countries also where there has been a considerable rise in prices, the corresponding rise in wages outstripped the rise in prices; and as a result of that, the working class does not suffer to the extent to which it is suffering? In view of this, will you evolve a uniform national wage policy in this country?

**SHRI C. SUBRAMANIAM:** As far as the evolution of a national wage policy is concerned, apart from this aspect, it is a must. That is why, we are considering this aspect. But, I am sure, the hon. Member will agree that this is not such a simple matter which can be evolved overnight. That is why, we are looking into the matter and there has been a preliminary report on this, and this is being studied. Let us hope, very soon, it should be possible for us to evolve a national wage policy.

**MR. SPEAKER:** Mrs Maya Ray.

**PROF. MADHU DANDAVATE:** He is replying to my question. What about the comparison with the rest of the world? He is on his legs. Let him remain on his legs. That is a very important aspect. Repeatedly, every Finance Minister compares the conditions here with the rest of the world. That is a very relevant point. He is almost replying to that point. Please do not curtail his freedom of speech. He is already on his legs. He was almost on the point of replying.

**MR. SPEAKER:** I did not ask him to discontinue. He himself sat down.

**PROF. MADHU DANDAVATE:** You can ask him whether he is willing to reply to that or not. Out of chivalry for Mrs. Ray, he says that he does not want to reply to that.

**Facilities for Landing of Boeing 747 Aircraft at Calcutta Airport**

\*962. **SHRIMATI MAYA RAY:** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) when will the Calcutta airport be ready for the landing of Boeing 747 planes;

(b) what are the reasons for the delay; and

(c) whether a number of foreign airlines, notably the British Airways, are wanting to fly Boeing 747 through Calcutta airport and would like Air India to introduce the facilities required for the landing of that aircraft at Calcutta airport?

**THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI SURENDRA PAL SINGH):** (a) and (b) The runway at Calcutta airport is ready to receive Boeing 747 aircraft. The equipment required for handling such aircraft is yet to be positioned at Calcutta. At present no airline is operating Boeing 747 aircraft to Calcutta

(c) No communication has been received from any foreign airline regarding its decision to operate Boeing 747 aircraft to Calcutta. However, in April 1974, British Airways had inquired from Air India whether they had any intention of equipping Calcutta Airport with Boeing 747 handling equipment. British Airways had mentioned that they only wished to explore the feasibility of handling equipment being positioned at Calcutta Airport by Air India should they