

(b) whether Government considers this as a temporary phenomenon; and

(c) if not, whether there will be further reduction in the high interest rates charged by the banks on advances?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) Yes, Sir.

(b) Yes, Sir.

(c) The interest rate structure is an important aspect of the over-all credit policy which is kept under constant review.

Measures to economise Government Expenditure

10302. SHRI D. D. DESAI:

SHRI G. S. REDDI:

SHRI YASHWANT
BOROLE:

Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has taken further measures to economise Government expenditure recently;

(b) if so, whether this will locate a large number of surplus government staff;

(c) if so, whether these Government employees will be provided alternate and productive jobs; and

(d) if so, details thereof?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) Instructions have been issued by Government to all Ministries/Departments etc. to observe utmost economy in expenditure keeping in view the Government's emphasis on austerity and avoidance of all forms of ostentation.
Copies of Finance Secretary's D.O.

letter dated 13-5-1977 and this Ministry's O.M. dated 27-5-1977 have already been laid on the Table of the House in reply to Lok Sabha Unstarred Question No. 902 answered on the 17th June, 1977.

(b) to (d). As a result of the aforesaid measures some staff will become surplus in some Ministries/Departments, and they will be adjusted against future vacancies.

Steps to strengthen Rupee against U.S. Dollar

10303. SHRI D. D. DESAI: Will the Minister of FINANCE be pleased to state:

(a) whether the rupee has been weakening against U.S. dollar in April 1978;

(b) whether this is due to sudden slippage in Indian exports;

(c) if not, the other reasons for the weakening of the rupee; and

(d) whether any steps have taken to strengthen the rupee?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) to (d). The rupee weakened slightly against the U.S. dollar in April 1978, as compared with the previous month.

In a regime of floating exchange rates, fluctuations in the value of currencies are inherent. In the first quarter of 1978 the U.S. dollar had depreciated against several currencies including the Indian rupee. However, since the beginning of April, the dollar has recovered somewhat as a result of steps taken by the U.S. administration to support it. Thus, the movement in the rupee dollar exchange rate during April 1978, is more a reflection of the revival of the dollar than the weakness of the rupee. The question of taking any steps to strengthen the rupee, therefore, does not arise.