

THE MINISTER OF FINANCE/ वित्त (SHRI Y. B. CHAVAN) : (a) and (b) The evolution of policies which make for greater stability of prices in general and a more equitable distribution of income between different groups of society has been accepted as a major objective by the Government. The objective of an integrated income and price policy in this sense, however, requires continuing efforts in a number of directions including fiscal and monetary policy, administrative controls over prices, equitable wage settlements, procurement and issue prices for major foodgrains and opportunities for employment and betterment for the weaker sections. It is the continuing endeavour of the Government through all these policy instruments to achieve an integrated pattern of prices, incomes and wages. The achievement of this objective, however, also requires willingness on the part of different sections of the community to accept certain norms of economic behaviour and to exercise a measure of self-discipline and self-restraint

CREDIT POLICY FOR BACKWARD STATES

186. DR. SALIG RAM :

SHRI KRISHAN KANT :

SHRI ARJUN ARORA :

SHRI R. P. SINHA :

Will the Minister of FINANCE/ वित्त मंत्री be pleased to state :

(a) whether there is any scheme with Government to liberalise credit policy for the backward States and the weaker sectors of our economy; and

(b) if so, what are the details in this regard ?

THE MINISTER OF FINANCE/ वित्त मंत्री (SHRI Y. B. CHAVAN) : (a) and (b) A statement is laid on the Table of the House.

STATEMENT

At the initiative of Government, the long term public financial institutions have announced schemes for extending

financial assistance on concessional terms to small and medium scale industries established in backward areas identified by the Planning Commission in different States and Union Territories. The Central Government have also formulated a scheme for giving 10% outright grant or subsidy to new small and medium scale industrial units that may be established in selected areas.

The Industrial Development Bank of India has taken several steps during the last 3 years to encourage the flow of institutional finance to the small scale sector and the small transport operators. The public sector banks have also been stepping up lending to the hitherto neglected sectors, viz., small scale industries, small farmers, small businessmen, retail traders and self employed professional persons, by granting assistance on the basis of financial and technical viability of the schemes rather than on the basis of security or financial standing of the borrower.

LOSSES IN INDIAN AIRLINES

*187. SHRI R. P. KHAITAN ; वित्त मंत्री of TOURISM AND CIVIL AVIATION, पर्यटन और नगर विमानन मंत्री be pleased to state :

(a) whether it is a fact that the Indian Airlines has been running into losses during the last three years in succession; and

(b) if so, what are the reasons therefor ?

THE MINISTER OF TOURISM AND CIVIL AVIATION, पर्यटन और नगर विमानन मंत्री (DR. KARAN SINGH) : (a) No, Sir, Indian Airlines made a profit of Rs. 165.74 lakhs in 1968-69 and of Rs. 228.43 lakhs in 1969-70. It is only during the year 1970-71 that it anticipates a loss of Rs. 46500 lakhs.

(b) The main reasons for the anticipated loss in 1970-71 are :

1. Frequent disruption of services due to labour unrest.
2. Substantial increase in wages;
3. Loss of three F-27 aircraft;