

measures. Penal measures are being taken.

Shrimati Reau Chakravartty: Is it a fact that the Export Promotion Council is more or less dominated by mills and the exporters, inspite of making many complaints regarding bad quality, have not been heard even in the Export Promotion Council? I would like to know whether in the Export quality control committee or council which is proposed to be set up, they will take care to see that it will not be dominated by mill-owners?

Shri Manubhai Shah: These are two different distinct questions. In the Export Promotion council, as the hon. Lady Member pointed out, really speaking, we have issued instructions in the last two months that one-third of the Members must be necessarily merchant exporters, one-third manufacturing exporters and the rest will be allied interests and Government interests. That complaint of the merchant exporters has vanished. This is a National Council of experts on which it is not a question of representing one interest or the other. This is a promotional measure. if I may repeat, to see that the goods before they leave the shores of India are inspected and tested.

Barter Agreement with U.S.A.

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- *152. { **Shri Rameshwar Tantia:**
 { **Shri Mohammad Elias:**
 { **Shri Yashpal Singh:**

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the State Trading Corporation has concluded a barter agreement with U.S. for the import of terylene fabrics against manganese ore exports;

(b) if so, what are the details of the agreement;

(c) how far such a deal will affect the general cloth position in the country; and

(d) what is the extent of saving in the foreign exchange as a result of the deal?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Yes, Sir, the import item is polyester fibre and tops (and not fabrics or cloth) which substitutes raw wool.

(b) The barter involves the export of manganese ore of various grades particularly the inferior grades to the value of £ 7,50,000 against import of approximately 700 tons of polyester fibre and tops.

(c) and (d). Polyester fibre will replace the imports of raw wool to that extent which would have otherwise taken place, and would save us free foreign exchange on import of wool to the extent of about Rs. 97 lakhs. The barter commodity was a very difficult item to sell and fetched considerably higher price than the international price for these ores.

Shri Rameshwar Tantia: May I know how far the substitution of terylene for cloth in this country has helped the common man to satisfy his needs because of the high price of terylene and if it is so, may I know what are the reasons for barter of terylene rather than other important material?

Shri Manubhai Shah: This is really substitution for wool which is much more expensive than terylene. Those who can afford to buy woollen fabric will find it cheaper to buy this.

Shri Rameshwar Tantia: We could have imported, I think more cotton or any other material than terylene. My question was, what was the need for making barter against terylene if we could have imported more important materials.

Shri Manubhai Shah: The hon. Member would appreciate that Rs. 9 crores worth of raw wool in any case is being imported in order to maintain at a very restricted level the present demand for wool cloth in the country. This has been imported over the last

50 or 100 years. It is really to substitute and save foreign exchange on this amount that this particular fibre has been substituted by a barter which has made saving of so much of foreign exchange.

Shri Heda: On the one side, the hon. Minister is saying that the import of terylene fibre will save foreign exchange by effecting a reduction in the import of raw wool. On the other side, he says that the consumption of terylene in India is increasing. So, may I know how the import of raw wool will be reduced by allowing this terylene, when the consumption of terylene is increasing?

Shri Manubhai Shah: I think that there is a misunderstanding. I did not say that the consumption of terylene is increasing. We are trying to manufacture terylene in this country entirely based on indigenous raw materials, so that all the foreign exchange that we today spend on inescapable imports of raw wool will be substituted, and to that extent, foreign exchange will be saved. This is the first step in that direction. We have already licensed a plant to make 5 million lbs. of terylene in this country based on various petroleum fractions.

Cost factors of Exportable Commodities

*153. **Shri P. C. Borooah:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Board of Trade has recently decided to undertake a study of the cost factors of the principal export industries and agricultural export commodities; and

(b) if so, what progress has been made in that direction so far?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Yes, Sir. The Board of Trade decided to set up a permanent committee to go into the question of cost structure.

(b) Action is being taken to constitute the Committee.

Shri P. C. Borooah: May I know which industries and commodities the Board of Trade will study, and whether a study group will be constituted commodity-wise or there will be one committee for all the exportable commodities?

Shri Manubhai Shah: This is an expert committee broadly concerned with the cost accounting and with an analysis of the reasons why Indian goods, particularly those which are playing an important part in the export trade, are priced out in the world market; and they will recommend by proper analysis in consultation with the various interests concerned what remedial measures we should institute at the management level, at the labour level, at the various licensing policy levels of Government, at the taxation policy level and so on, to bring down gradually the cost of production in this country.

Shri P. C. Borooah: May I know the industries which are mainly subject to this study, and whether in view of the persistent demands from different tea producing associations for studying the cost factor of tea, the cost structure of the tea industry is also going to be studied?

Shri Manubhai Shah: To begin with, we want to take up oil-seeds which are today priced out by 45 per cent. We also want to take up studies of the cost of sugar production. These are on the agricultural side. On the industrial side, we want to go into the cost structure of machine-tools and light engineering products which are today priced out by about 30 per cent, and also cotton textiles.

Shri Indrajit Gupta: May I know whether a separate committee has been set up to go into the cost structure of the jute industry which is the most important export industry, and if so, how far it has progressed?

Shri Manubhai Shah: We shall take up that also. First, we want to take