

**Scheme to Export Products of Small Scale Industries**

\*464. { Shri P. C. Borooah:  
 Shri Basappa:  
 Shri Venkatasubbaiah:  
 Shri Bhagwat Jha Azad:

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

(a) whether the State Trading Corporation of India has formulated a new scheme for fostering the exports of the products of small scale and medium scale Industries and diversify the country's export trade; and

(b) if so, what are the salient features of the scheme?

**The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah):** a) Yes, Sir,

(b) A statement is laid on the Table of the House.

STATEMENT

Salient features of the Scheme.

(i) assistance to manufacturers in selection of exportable products.

(ii) preparation of presentation and packaging material, sales literature, catalogues and price lists etc.

(iii) facilitating procurement of orders for export; and, in their implementation, arranging of shipping space, marine and export risk insurance, preparation of shipping documents and conducting of correspondence with foreign buyers.

(iv) providing credit facilities to manufacturers for collecting 95 per cent. of the value of goods on tendering shipping documents in respect of orders confirmed by S.T.C.

(v) imparting training courses in export marketing.

**Shri P. C. Borooah:** Now that a separate Department of Foreign Trade has been opened, may I know whether

there is any proposal with Government to undertake the export of the products of small-scale industries directly by the Department instead by the State Trading Corporation?

**Shri Manubhai Shah:** That will be done by the STC, but we are going to be more of a help-mate rather than direct sort of exporter-importer. The EASI scheme or the scheme of export assistance to small-scale industries has already attracted the attention of 440 units, and we hope it will go forward.

**Shri P. C. Borooah:** May I know whether any aid from international agencies or institutions is proposed to be taken?

**Shri Manubhai Shah:** We are going to support every individual who wants to export anything out of this country. That is our assurance. And not only one agency but any number of agencies can be promoted.

**Shri Venkatasubbaiah:** May I know whether the STC is going to be only a liaison body between the small-scale or medium-scale promoters and also the foreign exporters or whether it is going to be a financing corporation also for this purpose?

**Shri Manubhai Shah:** The real point is that unlike the larger producers and exporters, the small man is suffering from several handicaps. The main thing is the quality control on such items of small-scale industry projects as have to be exported. Therefore, the EASI scheme will be operated like a helpmate from the STC, and almost 95 per cent of the finance for the export orders will be made available to the small-scale units under this scheme, through the STC.

श्री कमल नयन बजाज : मिनिस्टर माहब ने इस बात की खबरदारी ली है कि क्या स्माल स्केल इण्डस्ट्रीज को अपनी चीजों को एक्सपोर्ट करने के वास्ते सेल्ज आर्गनाइजेशन की जिस तरह की आवश्यकता होनी चाहिए, उसकी कमी है और इसकी बढीलत बहुत कुछ उन्हें दिक्कत होती है। मैं जानना

चाहता हूँ कि इस दिक्कत को दूर करने के लिए क्या कुछ किया जा रहा है ?

**श्री मनुभाई शाह :** बहुत कमियाँ हैं और इसलिये उनको आने वाले सालों में बड़ी कड़ी मेहनत करनी पड़ेगी। बहुत सी एजेंसीज इस मुल्क में और बाहर भी खड़ी करनी पड़ेगी। मैं आश्वासन देना चाहता हूँ कि जल्दी से जल्दी इन चीजों के लिए एक्सपोर्ट एजेंसीज, एक्सपोर्ट हाउसिस, इन्टरनेशनल ट्रेडिंग कम्पनीज इस मुल्क में कायम की जाएंगी।

**Shri Tyagi :** With a view to avoid competition, have Government devised any methods whereby the STC could consult the established exporters before giving their quotations to the foreign traders?

**Shri Manubhai Shah :** That is not necessary. As a matter of fact, the production costs are known. Even the world prices are not unknown to those who export. Therefore, what we shall try to do, as every seller does, is to sell at the best price and produce at the lowest price.

**Shri Tyagi :** Has it come to the notice of Government that in many cases, the quotations offered by the STC have been higher than the quotations of private parties to the foreign countries in the past?

**Shri Manubhai Shah :** I would not accept that as a general thing. But it does happen in commerce that sometimes, one gets the better of the other competitor. But, broadly speaking, the STC has been very conscious of receiving the lowest tender and the highest bids abroad. But if the hon. Member can draw my attention to any particular contract or contracts, I am prepared to look into the matter.

**Shrimati Savitri Nigam :** May I know whether Government are intending to open new show-rooms and emporia in foreign countries to give impetus to the export trade in cottage industry goods?

**Shri Manubhai Shah :** Yes, Sir.

**Shri Bhagwat Jha Azad :** As a result of the various measures detailed in the statement, what is expected to be the increase in the export of these goods?

**Shri Manubhai Shah :** This started just a fortnight ago and I cannot give any assessment now. But I can assure the hon. Member that as reports come in, we shall be informing the House in due course as to what are the results of this EASI scheme.

**Shri Iqbal Singh :** According to the statement, one of the features of the scheme is facilitating procurement of orders for export. Are the Government going to open some branch office or regional office of the STC in Punjab where most of the small scale industries are located?

**Shri Manubhai Shah :** It is a suggestion for action. We do hope to open offices not only in many towns of the Punjab like Ludhiana, Ambala and Hoshiarpur but many other towns in the country. But what I wanted to explain was that we are not going to do all these things through all the governmental agencies. Every manufacturer and producer has got to be encouraged to develop export trade through such agencies that they could really establish.

**Shri Sham Lal Saraf :** As regards commodities and goods manufactured by small scale industries, may I know whether it is intended to promote specific lines or specific articles for export or throw open each and every item manufactured in the small scale sector?

**Shri Manubhai Shah :** Precisely, we are proceeding on those lines, of promoting exports of specific or selected items which have a high export potential and export earning.

**Shri Hem Barua :** Has the attention of Government been drawn to a criticism usually made that the STC has failed to serve the cause of export promotion since it is exclusively

staffed by civil servants? If so, have Government examined this criticism?

**Shri Manubhai Shah:** This does not arise out of the question. We have had occasion to answer this question. We do not accept the charge. But we do want to make further improvement in the STC by making it one of the principal instrument of export promotion for this country by participating in international trade to the maximum extent we can.

**Shri Nambiar:** In view of the fact that the handloom industry in the south is facing a crisis, may I know whether the goods produced by that industry are included for export in preference to other goods.

**Shri Manubhai Shah:** There is no crisis in the industry in the south or north. As a matter of fact, in the handloom industry today, they have perhaps less stock than in the past, and we are trying to promote more exports as well as increase internal consumption.

**Shri Kamalnayan Bajaj:** In view of the fact that the cost of production in the small scale industry is comparatively higher, is there any scheme to pool it with the large scale industry, where the cost of production is lower, for export purposes so that subsidies from the pool could be given more to the cottage industries?

**Shri Manubhai Shah:** I am sorry I cannot accept the statement made in the first part of the question. There are industries in the small scale sector which have a cost of production less than that of the large scale sector and *vice versa* where are highly mechanised units in the large scale sector where the advantage of low cost is there. The idea of pool is excellent and we are going to introduce it in every industry. We have started five pools already.

**Shri P. C. Borooah:** I had asked whether aid from any international

agency or institution will be sought for export promotion.

**Shri Manubhai Shah:** Yes, I said every agency that could help export promotion and rationalise our foreign trade and boost it is welcome. If any agency feels, it could come to our assistance, we shall welcome it.

#### Indian Ambassador in Russia

\*466. **Shri Kappen:** Will the Prime Minister be pleased to state:

(a) whether there is any restriction on the freedom of movement of our Ambassador in Russia;

(b) if so, the nature of the restriction; and

(c) whether there is any such restriction on the Russian Ambassador in India?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) and (b). It is understood that all Ambassadors, accredited to the Soviet Union, including the Indian Ambassador, proceeding beyond a radius of 40-kilometres from Moscow, are required to give 48 hours' notice to the Protocol Division of the Ministry of Foreign Affairs of the U.S.S.R.

(c) The Government of India impose no restrictions on foreign Ambassadors accredited to India, including the Soviet Ambassador.

**Shri Kappen:** May I know whether our Government took any steps to see that the restrictions on our ambassador are removed.

**Mr. Speaker:** If they apply to all, how can they be different for one?

**श्री रघुनाथ सिंह :** मैं यह जानना चाहता हूँ कि जैसा व्यवहार हमारे राजदूत के साथ रूस वाले करते हैं वैसा ही व्यवहार हिन्दुस्तान के भीतर हम लोग उन के साथ क्यों नहीं करते ?

**अध्यक्ष महोदय :** जवाब तो दे दिया उन्होंने ।