

(c) the steps which Government propose to take to bring production rate to at least 7 per cent, per annum?

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): (a) According to a tentative estimate, the annual rate of industrial growth in 1966-67 came down to 2.7 per cent which is lower than the average annual growth in the five years before 1965.

(b) No, Sir.

(c) Some of the steps which Government had already taken or propose to take for the revival of the rate of industrial production are:

- (i) Strict scrutiny of all import applications to ensure that no item capable of being manufactured in the country is imported.
- (ii) Incentives in the form of supply of steel and other raw materials at international prices etc. being given to the industries to cater to export market.
- (iii) Reviving the demand for products of certain engineering industries e.g. railway wagons and track materials by placing additional Government orders on them.
- (iv) Improvement in Credit facilities and hire purchase arrangements for certain items for reviving internal demand.

Sale of Cloth by Ahmedabad Manufacturing and Calico Printing Co. Ltd. to the U.S.S.R.

7183. Shri M. Amersey: Will the Minister of Commerce be pleased to state:

(a) whether the S.T.C. has given a 10 per cent subsidy to the Ahmedabad Manufacturing and Calico Printing Company Ltd., Ahmedabad to sell cotton cloth to the Soviet Union;

(b) if so, the reasons therefor;

(c) whether it amounts to discrimination between one exporter and another as also the waste of public funds;

(d) whether it is a fact that despite the Soviet Union agreeing to a 47½ per cent general rise in prices after devaluation, it is now prepared to give only 25 per cent rise for Indian cloth whereas the Soviet Union got an advantage of 57½ per cent in its exports to India after devaluation; and

(e) whether it is also a fact that cotton cloth exports to the Soviet Union have gone down after devaluation as a result of this decrease in the price rise allowed by the Soviet Union?

The Minister of Commerce (Shri Dinesh Singh): (a) and (b). In the interest of retaining, in the U.S.S.R. market, the position gained by Indian textiles after years of sustained promotion, the STC undertook to export printed dress material, towels, handkerchiefs and bleached sheeting to USSR even though it suffered a loss of 10½% on the contracted value of the goods. It was part of STC's endeavour to promote the country's exports, to find new market for the country's products and to maintain difficult but potential markets.

(c) There was no discrimination or waste as it was a purely export promotional venture of the STC and one of its associates.

(d) The 47.5% increase in price was fixed for the unexecuted or partly executed contracts at the time of devaluation. New contracts have to be negotiated, without reference to this agreement and in doing this every attempt is made to secure the most favourable prices for both exports and imports.

(e) Cotton cloth exports to the Soviet Union have fallen because of increased competition from other countries and increased local cost of production.