

- (5) It was agreed to explore the possibilities of Indo-German cooperation in third countries.
- (6) It was agreed to explore the possibilities of increasing tourist trade from the FRG to India. To this end, both Governments would appoint a sub-committee consisting of representatives from the concerned sectors in both countries to work out further details.

#### Exchange of Soiled and Torn Currency Notes

6410. SHRI H.N. NANJE GOWDA :

SHRIMATI GEETA MUKHERJEE :

Will the Minister of FINANCE be pleased to state :

(a) whether the exchange of soiled and torn currency notes as also of the 'sale' of new currency notes of denominations upto Rs. 10 has become a thriving business in various parts of the country ;

(b) whether the Reserve Bank of India has conducted any inquiry about this alleged exchange of currency notes ; if so, the details thereof ;

(c) the steps Reserve Bank of India is taking to remove artificial scarcity of new currency notes in the country ; and

(d) by what time the new currency notes will be easily available to the public ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) Reserve Bank of India (RBI) have reported that their 15 Issue Offices in the country afford facility of exchange of soiled and torn currency notes and issue fresh notes to the members of public. All the currency chests branches of public sector banks have full powers to exchange mutilated notes. In addition, the branches of the public sector banks have been authorised to exchange soiled and slightly torn notes. With the facilities as above made available to the public, it is expected that only a few persons not willing to devote the minimum time and effort required to exchange soiled and mutilated

notes or to get fresh notes from authorised sources approach professional dealers.

(b) No, Sir.

(c) and (d). With a view to meet the increasing demand of new currency notes, Government have taken steps for increasing the production capacity of the Currency Notes Press with installation of more machines, etc. It has also been decided to set up 2 new Presses for augmenting the supply. With the increase in production, the position of availability of fresh notes to the public is expected to improve further.

#### Import of Cotton

6411. SHRI H.N. NANJE GOWDA : Will the Minister of TEXTILES be pleased to state :

(a) whether the Southern India Mills Association (SIMA) has urged the Centre to import atleast 20 lakh bales of cotton to tide over the shortage of raw cotton, the main raw material for spinning mills ;

(b) whether prices of cotton are going high due to acute shortage ; and

(c) the steps taken by Government in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Representations have been received from various quarters, including the Southern India Mills Association urging import of cotton to increase availability of cotton and to check the rise in prices of cotton.

(b) and (c). On account of shortfall in the production of cotton during 1986-87 and 1987-88 due mainly to drought conditions, and increased levels of mill consumption of cotton, the prices of cotton have increased considerably. There have also been reports of shortage of cotton. With a view to improving the availability of cotton and also checking the rise in cotton prices, Government have permitted import of cotton against export of cotton yarn, cotton fabrics and made-ups on Advance Licensing Basis. Export of staple cotton has also been suspended. Government do not rule out the possibility of import of cotton if the situation so warrants.