

38,271 tonnes of marine products estimated at Rs. 58.13 crores were exported from this country during January, 1972 to December, 1972.

Under the Import Policy for Registered Exporters of Fish and Fish Products, finishing hooks, packaging materials, tinplates, spare parts for marine diesel engines, refrigeration machinery, canning machinery, etc., are allowed to be imported.

Decline in Exports due to Uncertainty in Currency Value

5359. DR. H. P. SHARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether as reported in the 'Economic Times' of March, 6, 1973, exporters have lately turned shy of booking order and have been deferring current exports, in view of the continued suspension of forward cover by the Reserve Bank and because of uncertainty in the currency values of pound, mark, dollar or yen following the devaluation of the dollar;

(b) if so, how far the exports during February-March this year have fallen short of those during last year on this account, and the major items the exports of which have received a set back; and

(c) the steps taken to revive normalcy in trade?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) to (c). It is difficult to assess the impact of fluctuations in major world currency values on our exports with any degree of precision. Export statistics for Feb.-March, 1973 are not yet available. Forward purchases of Sterling by the Reserve Bank which were suspended with effect from 13th February, 1973 were resumed for a period upto 6 months with effect from 8th March, 1973. The rates for forward purchasing of sterling were the same as were prevailing before 13th February, 1973.

This measure was intended to afford a certain degree of hedging facilities to exporters in order to avoid any adverse effects on exports.

Decline in Export to Hard-Currency Areas

5360. DR. H. P. SHARMA:
SHRI JAGANNATH RAO
JOSHI:

Will the Minister of COMMERCE be pleased to state:

(a) whether following dollar devaluation and consequent increase in freight rates, the exports to hard-currency areas have been hit hard;

(b) if so, the item-wise details of shortfall in exports during the intervening period; and

(c) the steps taken to improve the position?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) The US Dollar was devalued by 10 per cent on 12th February, 1973. The Pound Sterling continues to float and since the Rupee Sterling ratio has not been changed, the rupee has correspondingly appreciated by the same percentage *vis-a-vis* the US Dollar as the Sterling. The Rupee has depreciated by the same percentage *vis-a-vis* the Japanese YEN and German Deutsche Mark as the Sterling. As a result of Dollar Devaluation and consequent increase in freight rates our exports to hard currency area are likely to be affected in the following manner:

(i) There is no adverse effect on our exports to the UK market as also our exports which are invoiced in sterling as the Sterling Rupee rate has not changed.

(ii) Our exports to the USA may receive a setback on account of the marginal appreciation of the Rupee *vis-a-vis* US Dollar.

(iii) The appreciation of the Deutsche Mark and the Yen *vis-a-vis* Indian Rupee would enable our exporters to gain a competitive edge in these markets as well as over the products of these countries in third markets.

(b) The item-wise details of short-fall in exports during the intervening period are not yet available.

(c) The Government keeps under close review the effects of international currency movements on our trade and will take such action as is necessary to ensure that the basic objective of enlarging our export earnings is not impaired. The question of international monetary reform is engaging the attention of the Committee of Twenty of which India is a member. It is our endeavour in this and other forums to secure arrangements which reflect the needs of the developing countries for adequate liquidity, stability of trade and exchange rates and orderly growth of world trade.

Rise in Prices Following Increase in Excise Duty

5362. DR. H. P. SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether the prices of various consumer goods, like cigarettes, electrical appliances, fine and superfine cloth, blended fabrics have considerably increased following the recent increase in the excise duty;

(b) if so, the comparative prices of these items at present and those in January, 1973; and

(c) how far the increases have been in proportion with the increase in excise duty, and what steps have been taken to prevent disproportionate rise in the prices of essential consumer goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) to (c). The prices

of consumer goods like cigarettes, blended fabrics and fine and superfine cotton fabrics have shown some increases. However, it may be added that for certain goods like domestic electrical appliances the ultimate consumer prices depend not only on increases in excise duty on the finished products but on increases in import duties on copper and other raw materials as well.

The position with regard to variation in prices is kept under watch for taking corrective steps.

Kendu Leaf Deal

5363. SHRI M. M. JOSEPH: Will the Minister of COMMERCE be pleased to state:

(a) whether any probe was held to inquire into Kendu leaf deals of Orissa and Madhya Pradesh Governments between 1970 and 1972; and

(b) if so, the broad outlines thereof and the results achieved?

* **THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE):** (a) and (b). The position is being ascertained.

Suggestions from Federation of Indian Chambers of Commerce and Industry for Reduction in Corporate Taxes

5364. SHRI M. M. JOSEPH: Will the Minister of FINANCE be pleased to state:

(a) whether the Federation of Indian Chambers of Commerce and Industry had called for policy change to savings formation and reduction of corporate taxation to a uniform level of 50 per cent.; and

(b) if so, the nature of change sought and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) Yes, Sir. It appears