

numerous problems and harassment to the people and loss of time also. There is thus an urgent need for construction of a railway over-bridge near Alwar railway station.

I therefore urge upon the Union Government to construct a railway over-bridge, near railway station, Alwar.

— — —

12.20 hrs.

DEMANDS FOR GRANTS (GENERAL), 1986-87

Ministry of Commerce—*contd.*

[English]

MR. DEPUTY-SPEAKER : We will now take up Item No. 3 of the List of Business, that is, Discussion and Voting on the Demands for Grants under the control of the Ministry of Commerce. Mr. Thampan Thomas to continue his speech.

SHRI THAMPAN THOMAS (Mavelikara) : Sir, during the Budget discussion regarding the price hike, at that time the hon. Prime Minister told the House "You sacrifice today for a better tomorrow". But Sir, I find from the report of the Committee on Trade Policies that the future of the Commerce Ministry is very bleak and dark. In this context, I would like to quote from page 8 of this Report.

"India's share in world exports declined steadily throughout from about 2 per cent in 1950 to 1.04 per cent in 1960 and 0.65 per cent in 1970. India's export performance during the 1970s was more impressive as compared with the earlier decades, and the average growth in exports attained a level of 6.3 per cent per annum in terms of volume and 15.9 per cent per annum in terms of value. Yet India's share in world exports continued to decline and reached a low of 0.42 per cent in 1980".

Sir, it is very clear that from 2 per cent in 1950, it has decreased to 0.2% in 1980. Sir, we are going to enter the Twenty-first Century and I fear what will happen to our country's economy, under the present situation.

Will the Minister of Commerce preside over the funeral function of the export of this country? Will India be a cipher zone for export at this speed because of the declining export promotion activities in this country?

This has always been because of the Tughlakian policy which this Government has been adopting. Once you adopt one policy and immediately thereafter you change it the other way round. In this context, I would like to quote from page 2 of the same report :

"The past emphasis on import substitution *per se* should ; however, be replaced by an emphasis on efficient import substitution, so that considerations relating to cost and efficiency are incorporated in the framework of policies."

Then, the analysis is given :

"It need hardly be stressed that in an economy such as India, where exports constitute 5-7 per cent of GNP, there is no possibility of export-led growth.

This is the view-point of the Government in the matter of exports.

Then, on page 3 the same report mentions :

"It is clear that production for exports should not be seen in isolation from production for the home market for the simple reason that it is neither feasible nor desirable to have one set of prices or qualities for world markets and another set of prices and qualities for the domestic market."

It is a very fantastic idea. Normally, for the export there is a quality control. The people abroad want the best quality

[Shri Thampan Thomas]

and people export the best quality to attract customers. But what is the policy of this Government? They themselves say that the exports in India constitute only 5-7 per cent of GNP. I think, we are least bothered for maintaining the quality of goods which are to be exported.

Any country which lays emphasis on exports for their economy, they are very careful about the quality of export items. It is well known that the Japanese cannot purchase a Seiko watch in Japan. Anybody intending to get a Seiko watch in Japan will have to get it from Hong Kong at a cheaper price. This is how they control the internal market and formulate their export policy. In China, there are also two systems; for the purpose of export, they have the best quality items, but there they talk of emphasis on import substitution *per se*.

At the cost of some others, certain people have become rich, because they could import items in the guise of export promotion, and they have *per se* substituted items for import. This would be clear if you take the example of import of coconut oil. Coconut oil was imported for industrial purposes, and because of that the prices of coconut went down, whereas it could be produced here. I am not going into the details of it; I am only highlighting the points that because of Government's policy, our export has suffered.

Once in the ancient period, India was having the best of foreign trade. Columbus discovered America when he lost his way to Cochin. That was the attraction of this country for foreign trade. People used to come for trade from far and wide and hand-made Indian articles used to shine in palaces and other places in Arab, Rome and every where else. But what is the position today? When I was a student, I studied that there was a particular type of mirror, which was world famous, which is called in our language, *Aran Mula Kannadi*. It is hand made by artisans in a place there; it is a metal mirror. I got a metal mirror in 1980 when I visited Japan; it was presented to me by the

municipal authorities there when I went there. After getting elected, I went to my constituency and made a search of the place and persons who made it. I found that there was a starving family, who for years together, for centuries together, had been making such mirror, but no Government support was ever extended to them. In my constituency there is a place called Kayamkulam, where I studied in the primary school. In this place they make a beautiful mat which can go through ring and that is the famous story. Now, if you go to Dubai, you will get a plastic mat. My submission is that there is no encouragement given to the artisans of this country. Handicrafts of this country are very famous. Ivory items, wooden carvings and all such items are in great demand in foreign countries. What encouragement is given by the Government to these artisans for the development and export of the handicrafts? I was mentioning only one item. But on the whole, if you look at the 'Economic Survey', it gives a clear picture of our decline in exports in the past few years. About tea the 'Economic Survey' says at page 91.

"World prices of tea have declined steadily since the beginning of 1985 and export volumes have also fallen, suggesting that export earnings from tea in the current year will be considerably lower."

Again in para 8.31 it says :

"Exports of marine products, which had accounted for over four per cent of total exports in 1982-83 declined in 1984-85....Exports of eight other agro-based commodities—coffee, oil cakes, unmanufactured tobacco, cashew kernels, spices, sugar, raw cotton and rice—each accounted for between Rs. 100 to Rs. 200 crores in 1983-84. Together these eight commodities constituted nearly nine per cent of total exports in 1984-85 compared with 12 per cent in 1983-84 and 13.3 per cent in 1982-83. The export performance of most of these commodities has been lacklustre after

1983-84. Despite a 19.2 per cent decline in volume, export earnings from cashew increased by 11.4 per cent because of higher unit values. Cashew exports have been facing growing competition from countries in Africa and are also overly dependent on a single market, the USSR."

So, only the USSR can help our country in this regard. I will again quote from the 'Economic Survey' :

"Export of spices spurted by 59.3 per cent to Rs. 174.5 crores in 1984-85, but have fallen sharply in the first half of 1985-86. India's share of the world spice trade has exhibited a disturbing downward trend, reflecting declining competitiveness in relation to new exporters. Exports of oil cakes fell in volume and value in 1984-85, partly because of strict import regulations in regard to quality imposed by importing developed countries."

I would like to quote just one more point :

"Export of engineering goods had fallen by 14.9 per cent in 1982-83 and again by 13.5 per cent in 1983-84."

The Economic Survey gives a very bleak picture of our exports and our exports declined, as I mentioned earlier, from 2 per cent to 0.05 per cent and by the end of the 21st Century, it will be nothing. The same is the case if you look at the other items also. As regard pepper, total production in India was 66 per cent of the world produce. Now it is reduced to 33 per cent. In the world market, we were catering about 75 per cent. Now it is reduced to just 16 per cent.

With regard to coffee, the latest news is that because of the intervention of the Chairman of the Coffee Board, who is nominated by the Government, coffee was sold in the month of December 1985 at a loss of one crore and seven lakh rupees.

In fact, this requires an enquiry against him : when the coffee growers are demanding a higher price for coffee, which can be sold in the world market, knowing that the prices are going up, a bulk sale is effected in London—Robusta coffee—thus incurring a loss of Rs. 6,000 per tonne. The total accumulated loss is Rs. 1.7 crores in this regard. This has come in the Press, and some of the Members of Parliament have also represented to the hon. Minister about this.

What is the Government's policy ? They make the Board. They make the committees. They entrust the work to the bureaucrats who are close to them. They misuse the power, or they give representation to the persons of their own political party, and make them lead these corporations. The representatives of the growers are not included. Persons who are interested in the subject are not included. Their suggestions are not taken care of at all.

In all these respects, unless the Government makes earnest efforts to rectify these mistakes, the future of the Indian export will be very bleak. Once again I submit that a complete rethinking over these matters is necessary. If the Government were to experiment with these things, it will lead to further losses. Urgent steps will have to be taken to rectify these mistakes. All these are directly affecting a State like Kerala.

Now look at the tea plantations. What is happening in Tamil Nadu ? The hilly areas there look like a shaven head. A hundred years ago, when the Britishers came, the erstwhile Maharajas of those days gave these lands to them, to plant tea. Those trees have not been re-planted. Those trees have been removed. Because of political pressure, the Government in which the Congress is a party, supports the cutting of trees for the purpose of political coalition with another party which wants to stay in power. They permit persons to go to the hilly tracts, remove trees and cut the trees. If you now look at them, they look like Yul Brynner, the English actor. They are so bald. The Western Ghats look a bald head. Tea,

[Shri Thampan Thomas]

coffee and cardomom—everything which was growing in that area is suffering. There is no encouragement for the growers; unless Government comes forward and helps growers, I say that the future will be very bleak.

Corporatives and other institutions, i.e. the people's movement in this regard will have to be helped, instead of the Government helping a section of the people which is rich viz. middlemen. Till now, the Government's policy has been only to help the middle men and encourage them.

[Translation]

DR. G.S. RAJHANS (Jhanjharpur) : Mr. Deputy Speaker, Sir, I rise to support the Demands for Grants of the Ministry of Commerce, but I have to point out few things in this regard. On page 3 of this Report it has been said that :

[English]

“The higher rate of imports during April-September, 1985 is substantially due to imports of bulk commodities, including crude oil, petroleum products, fertilizer, edible oil and sugar”.

[Translation]

I wish to say that there was too much uproar over petroleum products all over the country and I had expected that import of petroleum products would be dealt with extensively in this report. It had appeared in the newspapers and it was also stated in this House that consumption of petroleum products has now reached the expected level of 1990. This increase in consumption is not all of a sudden, but it might have increased in a gradual process. I would like to ask the officers of the Commerce and the Petroleum Ministry as to why they had not informed this House and the country about this rapidly increasing consumption of the petroleum products. I am talking about Petroleum products, because it has put a spiral effect on the masses. Due to hike in its prices,

price rise has increased so much that it has badly affected the common man.

I do not want to speak much about it as a lot of things has already been said on the subject. In future, you should keep a watch on the after-effects of the import of a particular item as it deeply affects the whole country.

I specially want to mention about waste paper. Second and third paragraphs on page 4 of this Report refer to the special imported items, which include waste paper as one of the items. I claim that this is a big scandal. A large amount of foreign exchange is being spent on import of waste paper, whereas a lot of waste paper in our country is being destroyed. The aim, for which this waste paper is being imported, is not being fulfilled. The aim behind its import was to supply raw-material to the mills for manufacture of cheaper paper. But a major portion of this waste paper does not go to the mills, it is being diverted to the neighbouring countries. I know about this case in detail and I also believe that even the officers in the Commerce Ministry are also aware of it as it is a big scandal. This scandal reminds me of woollen-rags scandal. In 1972-73, woollen rags were imported to help the blanket Industry of the country. But those woollen rags were sold in the open market in the name of woollen Garments, which affected our Garment Industry very adversely. As a result of that, the Government had to stop its import or had to substantially control the import. Therefore, I would request that enquiry in this regard should be held very carefully. Some raids have already been conducted by C.B.I. and perhaps hon. Minister might be aware of it. In fact it is a “tip of the iceberg”, what is inside it, perhaps you might not be aware of that. There are a lot of items, which are being imported and used unlawfully. For this purpose, I would request that a Committee of members of both the Houses may be constituted, which may enquire into the irregularities in import. If it is found that something is being imported in an improper manner, then its import may be stopped without any hesitation as balance of payment position of our country is very bad. There is an English saying that :—

[English]

Dollar saved is dollar earned—

[Translation]

Therefore, it is very essential that unnecessary import is curbed. This report contains data for the period from April-September, which shows a gap of Rs. 4000 crores, but the reports published in Newspapers are even more serious as the position of Balance of Payment has deteriorated even further. I would, therefore, like to submit that this matter may be considered seriously.

I would like to appreciate your efforts which you have made for the promotion of exports. The most important thing is this that you have given great importance to consultancy services, which, as you have said, has a wider scope in Afro-Asian countries according to you. It has got much potentialities there. As far as I know, there are difficulties in getting payments from African countries. The Minister should make it clear in his reply as to what extent we are facing difficulties in getting payments from African Countries. More attention should be paid on Turn Key Projects. Consultancy Services have got a wide scope in these countries.

It is very good that Commerce Ministry has paid attention to Agricultural Export and an Agricultural Export Authority has been constituted.

I would like to submit that among all the items, Agricultural items have the maximum potentialities for export. I would like to draw your attention towards Mithila region in North Bihar, where a good quality of mango called 'LANGRA' is grown, which is sold at a throw away price there. I had submitted earlier also that the farmers are being exploited there. They intend to export Mango, but they do not know the process. If Commerce Ministry takes initiative in this regard, then the export of this mango could be possible. There is a big aerodrome at Darbhanga in Mithila region. Mangoes can be exported if these are brought at Darbhanga and then these can be airlifted and sent to Gulf Countries *via* Bombay.

In this way mangoes could be saved from being destroyed and Mango-growers of Mithila could be benefited. You should give a serious thought to it.

Now I would like to draw your attention towards Madhubani Paintings. Madhubani Paintings were exported on a large scale around 1970, but their export has gone down to nil now. Last year when this point was raised in the House, its export had started a little bit again. These paintings are very much in demand in USA, France and Canada. A number of foreigners visit Mithila region also and a lot of others are unable to reach there due to non-availability of transport facilities. The Middle men exploit them. Government should set up a machinery to purchase these paintings from Madhubani so that they can get fair price and the country could earn foreign exchange. At present we are not earning foreign exchange. I shall ask you whether you are going to solve this great problem or not. I shall also like to say a few words about Jute growers. You should not put off this matter on the pretext that this is the concern of Textile Ministry. In my view every matter of export relates to Commerce Ministry. In my view the Jute Problem is very grave. The people say in English—

[English]

The jute growers of Bihar, West Benagl and Assam have been taken for a ride.

[Translation]

What I mean to say is that the jute growers of all the three States have been totally ruined. They did not get even the price of their inputs. The Minister might be aware perhaps that the farmers have burnt thousand tons of jute. Under these circumstances, we should learn a lesson from our past experience. If we do not learn from our mistakes, when would we learn? You did not give farmers remunerative prices for their sugar cane and as a result, they stopped growing it. It resulted into closure of many sugar mills, and you had to import sugar. You will have to import jute also now. I would also request you to look into this matter.

[Dr. G.S. Rajhans]

Jute-farmers have been ruined in this country.

I am putting another two-three points. So far as quality control is concerned, it is not being paid due attention whether these are the Garments, Leather goods and light or heavy Engineering goods. Unscrupulous elements have entered the field. They give samples of first class quality, but at the time of delivery, the third rate items are supplied. Therefore, it is most essential that adequate attention is paid on quality control. The same is the situation in case of rice. A large number of people want to export rice, but they are not aware of the process. I would like to request the hon. Minister that a correspondence course should be started by Indian Institute of Foreign Trade to impart knowledge to the people about export process so that the people living in different parts of our country may come to know about the mechanism of export.

In the end, I would like to request that more attention must be paid to the export of non-traditional items.

SHRI RAM SINGH YADAV (Alwar) : Hon. Deputy Speaker, Sir, I support the demands for grants of the Ministry of Commerce, and hope that, the hon. Minister would use his ability, competence and his style of work to improve the deplorable condition of the Department, which was there when he took over the charge of the Department.

Respected Sir, the Commerce Ministry is actually a topic of discussion in the country today. The reason is that, only the people with vested interests can get maximum profits out of its various concessions and its various processes. As the report of the Commerce Ministry itself indicates, that India's performance in International Trade has shown a remarkable decline, particularly during the period between April 1985 and September 1985, when there has been a decline of about Rs. 4128 crores. If the loss is estimated till 31st March 1986, as has been published in some national newspapers, then it can be well predicted that the foreign trade

deficit will go up even further. Keeping these things in view the Government should review its Import and Export policy. It has to review whether the items and commodities kept under the category of Open General Licence should continue to be there. It needs to be reviewed. The hon. Minister should kindly examine whether the concessions given by the Government to the businessmen or industrialists in the name of consultancy, export promotion, or promotion of new industries in new industrial areas are not misused and if the concessions have been misused, then the policy has to be reviewed.

Today in the name of Import policy, those commodities are being imported which are not essential. The person who spoke before me just now mentioned that a lot of money is being spent on import of waste paper and paper pulp. In India, there are so many forests, yet wood is being imported from abroad. Again, there are huge deposits of coal in India, yet a large quantity of coal is being imported on the basis of incorrect reports by the specialists, who think that our coal is not of a good quality due to its heavy ash content. Coal deposits are also not exploited, because the Government wishes to conserve coal deposits as advised by the specialists. As a result our foreign exchange reserves are being depleted, for we have to import coal. This system, therefore, is not going to lead to prosperity, but to poverty and under development. The developing and the poor nations must deliberate considerably before importing goods and our endeavour should be to reduce imports to the maximum extent possible.

Again, the concessions granted in the present policy cater to the import of equipment for the manufacture of televisions, motor Cars and refrigerators. I would like to ask as to who is going to benefit from the import of the above items. The poor, the labourer and the middle class is certainly not going to make use of these items. Therefore, is it being done to cater to the comforts of the rich? Would the import of components of Cars and TVs and other luxury goods not increase the poverty even more? I believe that, if the Commerce Ministry is indul-

ging in actions, which threaten to make our country poorer, we must exercise a check on such actions.

Similarly, the demand for the import of edible oil looks to be a reasonable one. In this connection, I would like to submit that, since 1980 I have been saying in this House, that the amount spent on the import of edible oil may be given to the farmers to increase the production of oil seeds. As remunerative prices are not given to the farmers for the production of groundnut, coconut, mustard and palmolin seeds (from which the various oils are extracted), the yield of oil seeds does not increase. The Government must grant subsidies and other incentives to the farmers to encourage them to increase the production of oil seeds. You might be aware of the fact that the price of mustard seeds has been fixed at the rate of Rs. 400 per quintal. But in my area, that is in Alwar, which is supposed to be the best whole sale market for mustard seeds, the current rate is Rs. 380 per quintal. In spite of the low rate, no Government agency has been sent to buy mustard seeds there. Can production of oilseeds be increased in this manner? The Government spends foreign exchange to import edible oil, but the farmers are not provided reasonable prices for their products. Until there is coordination between the concerned Ministries and adequate incentives are provided to the farmers in the shape of remunerative prices and so on, to produce more and more oil seeds, an avoidable expenditure of foreign exchange will have to be incurred to import edible oil. Hence, it is essential to review the Import policy.

Sir, I would like to submit here, that petroleum products are imported from abroad and exploration work is being done in this direction in our country also. But the pace of this work has to be speeded up. Because of the reduction in the prices of petroleum and petroleum products in the international market, the Department of Petroleum is likely to save Rs. 1000 crores due to this trend. I would urge upon the hon. Minister to spend this amount to increase crude oil production and consequently reduce the expenditure on import of crude.

In the end, hon. Deputy-Speaker, Sir, I would like to thank the hon. Minister for the establishment of Export Authority for agricultural commodities, but this Authority has not been very effective so far. As the previous speaker has just mentioned, adequate arrangements have not been made for the export of Cashew-nuts, cardamoms and so on. Similarly, adequate arrangements have not been made for the procurement of onions in my constituency of Alwar, Gujarat and Maharashtra, which are the Centres of production of onions. Onion is sold in the market between December and January, but no arrangements have been made to purchase onion and to provide remunerative prices to the farmers. By exporting onion a sizeable amount of foreign exchange may be earned. The Gulf Countries and the countries of South-East Asia are potential buyers of this item. Hence, if arrangements are made to procure onions in time from these places for export, it would benefit the farmers and they would certainly produce more.

There is vest potential for export of products manufactured in rural industries and cottage industries and we are earning foreign exchange by exporting them. The cottage industries must, therefore, be given due encouragement. The export of goods manufactured in this sector should be increased and the amount received should be spent on farmers. Simultaneously, arrangements should be made for the proper sale and use of fruits and vegetables in time so that the farmers might get reasonable returns on their investment. In the end, I would like to say that the Cash Compensatory Scheme and the Market Development Scheme, under which the exporters have been provided facilities, are being misused. These schemes should be reviewed to get first hand knowledge as to how funds are spent on these schemes. We should see to it that our import is reduced and our export is increased. Then only can our country achieve economic prosperity. With these words I support the Demands for Grants pertaining to the Commerce Ministry.

[English]

SHRI P. KOLANDAIVELU (Gobichettipalayam): Mr. Deputy Speaker,

[Shri P. Kolandaivelu]

Sir, I am thankful to you for having given me the opportunity to speak on the Demands of the Ministry of Commerce and Supply.

With regard to the Ministry of Commerce, it comprises two Departments, i.e., Commerce and Supply. But unfortunately the main Department, i.e., the Department of Textiles which was a part of Commerce Ministry has been taken away from this Ministry on 15th of November 1985. I do not know why that has been separated from Commerce and Supply. I suppose the reasons are best known to the Minister or to the Treasury Benches. But I would say here that the Department of Textiles also must be included in Commerce and Supply. That is the main contention that I want to put forth.

With regard to the Department of Commerce, in order to organise and in order to develop and regulate the country's external trade, this Department is functioning. But actually what is the landmark we have made so far? By means of external trade what is the foreign exchange we are getting for our country? We have to decide that. The main purpose of this Department is to promote export of Indian products to other countries and to collect and disseminate commercial intelligence. Of course, we are earning a lot of foreign exchange by exporting so many items. But actually, when we see the table of foreign trade and export production, we find that there is a declining trend. In the budget for 1985-86 it is mentioned as Rs. 931 crores, but in the revised budget for 1985-86 we see that it is only Rs. 880 crores and in the budget for 1986-87 it is Rs. 791 crores. So, there is a declining trend. Why is there a declining trend and what are the basic reasons for this? The Minister has to reply for this. Even with regard to marine products there it a setback in this industry. Out of the total consumption in the world with regard to fish and other marine products we are able to export only 1 per cent of the world's consumption. The remaining 99 per cent is being given by Japan and Taiwan and other countries. But we are fortunate enough to have 200

kilometres of coastal line here and so we can do fishing, we can export so many marine items. I want to mention here that even with regard to Tunafish we can export them and earn foreign exchange. But the question is whether we are making any effort to get foreign exchange by exporting Tunafish. Only some people from Karnataka and some people in North India are not only minting money on this, they are also minting gold. But why this trade has not been developed? Is it because some of the people actually come in the way in order to obstruct other people to come in this trade? I want to know this. There is a setback even with regard to frozen shrimps.

Actually there is a set back quantitatively with regard to these exports of frozen shrimps to countries like Japan and USA. This is mainly because of our poor fishing operations by the chartered vessels in the west coast and fish landing. I request the hon. Minister to streamline the present fish catch operations and see that the situation is improved. Keeping in view the great demand for these items of export. I would like to say that fishing harbours like Mandapam in Tamil Nadu and also Nagapattinam and Cuddalore harbours have to be constructed immediately on a priority basis to improve the present position.

With regard to mineral exports also there is a declining trend. We are not at all taking any initiative to have more foreign exchange for our country. Various State Governments including Tamil Nadu have submitted proposals to the Government of India for exploitation of small Mineral deposits in their respective States, but the Government of India is not at all taking care for exploitation of the mineral deposits, which are found in various parts of the country. I would like to mention one such instance. In Dharmapuri district in Tamil Nadu we can exploit gold ores. We have even sent proposals to the Government of India, but they are not at all taking care with regard to finding out gold ores. So I would request the hon. Minister to take steps immediately to find out and exploit the gold ores which are found in Dharmapuri District.

Even with regard to sugar exports we are not doing our best. Actually we are importing sugar, but we are self-sufficient. The other day the Food and Civil Supplies Minister has stated here that we are self-sufficient in sugar but we are also importing sugar. What is the purpose of saying that we are self-sufficient and at the same time we are also importing it.

With regard to other Commodity Boards like the Tea Board, the Cardamom Board and other Boards—you are having so many Boards—I would like to mention with regard to the Tea Board. In the Tea Board for the last one and a half years there is no permanent Chairman. I am a Member of the Tea Board. There is no permanent Chairman. Without a permanent Chairman the Tea Board is functioning...

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): You as Member are doing efficient work. Therefore we do not think of that urgency.

MR. DEPUTY SPEAKER: Then you can abolish Chairman's post. Let the Members be all Chairmen. If the members are efficient, then any one of us can become Chairman.

SHRI DINESH GOSWAMI (Guwahati): I am making a claim for Chairmanship.

MR. DEPUTY SPEAKER: You are saying that as a joke...

SHRI P. SHIV SHANKER: I am not casting any aspersion.

SHRI P. KOLANDAIVELU: With regard to the Tea Board, actually tea is also a very good item for export and we are minting money. Actually we have exported Rs. 700 crores worth of tea last year. We are the first among the tea-exporting countries. With regard to tea production, during 1985-86 it was 655 million kg. During 1985-86 upto October 126.85 million kg. were exported. It get us a foreign exchange of Rs. 413.90 crores. With regard to tea plantations the small

growers are at the mercy of the big plantation owners because the export market is in the hands of the big bosses like the Tatas and Birlas, the Liptons, Brooke Bonds and other tea-owners. The small growers are unable to export their variety from India to other countries. The export market is being controlled by the big bosses. Hence, I would request the hon. Minister to see that these small growers those who are in Tamil Nadu—that too those who are in Udacamandalam or Ooty, 90 per cent of the growers are small growers—they must be given ample opportunity in order to send tea from India to foreign countries.

With regard to the Zonal Office in Coimbatore, I want to cite an example as to how this Zonal Office is functioning. It is headed by an IAS Officer. His name is Mr. Subha Rao, he is Deputy Director in the Zonal Office. Without any staff the Zonal Office is functioning. How can we expect very good functioning of the Zonal Office there without proper staff? This Zonal Office is meant for Karnataka, Kerala and Tamil Nadu. Without any staff the Zonal Office is functioning there for the last one and a half years.

MR. DEPUTY SPEAKER: Only the Zonal Office is there; not functioning.

SHRI P. KOLANDAIVELU: Not even skeleton staff is there. And the other thing is that the Tea Board is functioning with the permanent Chairman. We come to know clearly how the Tea Board is functioning. I would request the hon. Minister to take immediate steps to see that full staff facilities have to be provided to the Zonal Office in Coimbatore. Even without a car, without a telephone facility, the Zonal Office is functioning there. I tried to contact the Deputy Director in the Zonal Office but I was unable to contact him. That is the position. Even with regard to the Cardamom Board also, I would suggest that subsidy schemes have to be brought in for the Cardamom growers. The revised estimates of production during 1985-86, you have fixed it at 4200 metric tonnes and even the export during 1985-86 it was of the order of 2500 metric tonnes which is worth about Rs. 50

[Shri P. Kolandaivelu]

crores. We can increase this cardamom also by exporting more cardamom varieties to other countries, by which we can earn more. Further, you can set up a Trade Fair Authority. Recently, the Trade Fair Authority of India organised an International Trade Fair in Madras which was usually arranged by the Central Leather Research Institute, Madras. Much has to be done with regard to the promotion of more export-oriented Fairs in the fields of Handloom and Khadi Garments etc.

With regard to the import of Potassium Chloride, I would like to ask the hon. Minister to put a ban on this item because we are importing Potassium Chloride only for the purchase of agricultural use whereas actually it is not used for agricultural purposes. Only the industrialists are actually purchasing it by paying a premium for this Potassium Chloride. They are using it only for the industrial purpose and not for agricultural purposes. So, immediate action should be taken to ban this import of Potassium Chloride to India. Also I would request the hon. Minister to set up free zonal trades in Madras and other areas in Tamilnadu so that the industrialists those who are in Tamilnadu, they will be benefitted.

[Translation]

SHRI HAFIZ MOHD. SIDDIQ (Moradabad): Mr. Deputy Speaker, Sir, I am thankful to you for giving me an opportunity to speak on the Department of Commerce.

The Commerce Department is an important Department of the Government of India. It exports goods manufactured in our country and thus help the country in earning foreign exchange.

According to the booklet supplied to us, there has been an increase in the activities of Trade Development Authority and the Trade Fair Authority abroad during the year 1984-85.

13.16 hrs.

[SHRI ZAINUL BASHER *in the Chair*]

But after this period the export of every item like tea, tobacco and other things is declining.

I have been returned from Moradabad constituency. Whereas in 1980 the export of brassware was to the tune of about Rs. 70 crores there, the same has now fallen to about Rs. 37 crores. The labourers and exporters are very much distressed due to this decline in export of brassware.

We are taking a number of measures to increase our export. But no design centre or any such other agency has been set up there to provide help to the brassware industry and to make available raw materials to the artisans. The brassware industry of Moradabad has been very adversely affected due to high cost of raw materials. Our export of brassware items is dwindling in comparison to other countries and the brassware industry in Taiwan, Korea and Pakistan is prospering. Moradabad is continuously lagging behind in the matter of export of brassware items.

I would like to suggest that a team of artisans, experts and officials should be sent to Taiwan, Korea and Pakistan which may go into the factors due to which Taiwan, Korea and Pakistan have marched forward in the matter of export of brassware items and find out the shortcomings due to which we are lagging behind. In this way we would be able to promote our industry and solve the problem of unemployment there. Thus the country will also be able to earn more foreign exchange. The facility of draw-back and cash assistance, which is provided to the exporters for increasing export, should also be extended to them so that they may be encouraged to increase the export from our country. The artisan should be supplied raw materials at reasonable rates. An office of M.M.T.C. is functioning in our area, but the small artisans are not getting any benefit from it. A brass Corporation could be set up in Uttar Pradesh which may provide help to the small artisans.

They are not getting raw materials at reasonable rates, as a result their work suffers.

If we go into the factors due to which the export of brass items, which was once on high side, is declining, we hope, we will be able to take such measures which will help in arresting the declining trend of export and removing unemployment. We will also be able to earn more foreign exchange.

With these words I conclude.

[English]

DR. K.G. ADIYODI (Calicut): Sir, I am extremely happy to support the demands. Regarding coffee, we are making a hell of noise in the Parliament even during the last session when the Spices Board Bill was introduced. It was discussed at length. I think there is a lot of misunderstanding regarding the coffee growers in Kerala. Coffee is the mainstay of Kerala's economy. Coffee crop depends on climate. If the climatic conditions are favourable there will be heavy crop and if it fails the fate of the growers is at stake.

Sir about 14 commodities have been taken away from the export duty but export duty on coffee is still there. The National Seeds Corporation when it sends seeds charges only 15 per cent whereas in respect of coffee seeds coffee Board is charging more than 35 per cent. Recently when the coffee price was going up during December on 14th there was a deal by the Coffee Board—as if there was distress in the international market—and the price of coffee was reduced to such an extent that by exporting 4000 tonnes of coffee there was a loss of Rs. 1.7 crores to the exchequer as well as the growers. When about ten Members of Parliament represented the matter to the Commerce Minister it seemed it was nobody's concern. We did not even get an acknowledgement from the Minister. The newspapers throughout South India came out with the news that the growers are agitating and the growers' association has sent letters to the Home Minister for conducting a CBI inquiry regarding Coffee Board's dealings. Such

being the position we are unhappy to state that unless a definite, proper and scientific study of the growers' difficulties is made and proper action taken immediately the entire coffee growers will convert their coffee plantations into rubber or some other crop. Suppose this long-term crop is converted into other crop, viz., annual crop, there will be heavy landslides in the entire area and ecological changes will be there. The entire area will get ruined. So this is a very serious problem which requires immediate attention of the Government.

The first thing is about abolition of export duty and also fixing of minimum release price. It has taken about five years. The Coffee Board Officers are not prepared to assess the expenditure on coffee production every year. It is necessary to have the prices fixed before the harvest. Unless it is done and some sort of advantage is given and the total amount is paid immediately no planter will be able to give the wages of the labourers or the other inputs will not be forthcoming. Priority is not given as in other cases for planters by the banks.

Some sort of help by way of providing differential rate of interest or something like that has to be given. The other important thing is that when coffee seeds are pooled the entire quantity is taken away from the growers' area to distant places for processing. I strongly feel that there should be some arrangement for processing the coffee seeds in the vicinity of growers area itself. Sir, so also, all our cash crops are exported in bulk in gunny bags. What happens is that some of our products are rejected by the foreign buyers due to their being inferior in quality. Recently, our pepper was rejected by the foreign buyers due to poor quality. This has happened because the Quality Control system is a total failure during this year. Sufficient number of officers were not there to supervise the quality while packing and see that proper packing and Agmarking are done. Not only that. Apart from poor quality control system, proper grading of the seeds were not done even though we have a lot of agencies in the field.

[Dr. K.G. Adiyodi]

Sir, this year we are flooded with funds in all sectors for development of export. In today's newspaper, you will find that an amount of Rs. 10 crores has been set apart under the heading 'Export Development Fund' by the Finance Ministry. In yesterday's newspaper also, there was a news item about the Indo-Yugoslav Joint Council meeting in which a decision has been taken to promote a two-way export of items under which India would export goods worth Rs. 200 crores. They have agreed that by 1990, they would double their import from India.

Sir, we have been exporting tobacco, tea, coffee, finished leather goods, iron ore, manganese ore, tractor, diesel engines, auto-parts, chemical and pharmaceutical products, etc. We have enough infrastructure for production of all these items and also increase the productivity. But what is standing in the way of export? Only the agencies are standing in the way of export promotion. They are building up their empire and they are not giving the required service to the poor farmers and cultivators and small industrialists. Recently, we had a Conference where the medium and marginal coffee growers met and they placed their difficulties before the august body, the Chairman of the Coffee Board and all the Members from the P.C.R.I. They say that even for fixing the minimum release price, after a lapse of one year, they are not in a position to do anything. The cultivators say that whenever the Board or the Chairman is approached they get the reply that the matter is pending with the Government. Wherever you go, the burden is thrust upon the Government and they keep quiet.

Now, coming to the supply of coconut seedlings, even though it is not the concern of this Ministry, last year, about 20,000 coconut seedlings were collected and put into the nursery. Hardly 25% could survive out of these 20,000 seedlings. The rest, that is, 75% of the seedlings had become a waste or useless. But the important thing is that they charge Rs. 10 per coconut seedling and therefore the total loss is greater. This is the result of the survey made by our officers. The infras-

tructure is getting deteriorated everyday but the net Achievement in this field is very negligible. I request the hon. Minister to see that the money spent, each rupee spent, towards the production and productivity is properly spent and the real result achieved and we also succeed in achieving the desired results in exports which is the main support of the financial stability of the country.

With these words, I support the Demands for Grants of Commerce Ministry.

SHRI K. MOHANDAS (Mukundapuram): Mr, Chairman, Sir, the Commerce Ministry is playing the most crucial role in the promotion of our trade with the foreign countries. The balance of trade position and the foreign exchange position in general reflects the efficiency with which this Ministry conducts its affairs. Although a very experienced and efficient Minister is in charge of this Ministry, I feel that the Commerce Ministry has been found wanting in certain respects.

The foreign exchange position is an example. During the year 1985, the export earnings have come down and there has been an increase of more than 25 per cent in import during the same period resulting in a steep decline in our foreign exchange reserve. This is a very alarming situation. No doubt, the Government realises the seriousness of the situation and it has taken some measures to increase the exports. At the same time, the Government should try to regulate the imports, because any liberalization of imports will be taken undue advantage of by certain interested parties at the cost of the economy.

The Ministry has different commodity Boards under it and these Board are supposed to look after the interest of the different spices which are primary foreign exchange earners. Sir, I come from Kerala which is called the land of spices. Almost 95 per cent of the major spices like cardamom, pepper, cloves, cinnamon and nutmeg are grown in Kerala. In fact, the economy of the State greatly depends

on these spices. But, today the growers of these spices are in distress as the prices have come down. The fall in the price of cardamom is particularly disturbing. The price of cardamom which was around Rs. 250 per kg. about two years ago has come down to Rs. 100 or Rs. 125. On the one hand, the cost of cultivation is very high and on the other, the growers do not get a remunerative price. The Government of Kerala and the growers of cardamom have requested the Centre to fix a floor price for cardamom and to export it more and more to countries other than the traditional buying countries. I do not know what exactly is being done by the Centre. As it is, India's share in the world trade has come down substantially over the past three decades. This is so particularly in the case of cardamom. This only shows that the Ministry and its various organizations engaged in pushing up our export trade are not doing their work properly. Same is the case with certain other spices like cloves, cinnamon etc. I understand that the Government has imported cloves in order to meet the domestic requirements. This has naturally resulted in a steep fall in the price. Sir, the House should know that it takes years of hard work nurturing to prepare these plants. Many of these plants may be damaged due to pests, or adverse weather etc. A farmer has to wait for six to seven years before he gets any yield from these plants. He may not have any other source of income and most of the growers are small and medium growers whose economic condition is far from satisfactory. In such a situation if the prices fall, what will happen to these poor growers is anybody's guess.

The Government does not have a proper pricing policy in respect of the spices. This year's Budget speech mentioned that the Government was going to formulate a long term pricing policy for the agricultural crops. This is welcome. But I want that the Government should formulate a long term policy for spices also. The entire policy of production, marketing procurement and pricing of these spices should be reviewed and immediate steps taken to save the growers of spices in Kerala and thereby economy of the State as well as of the country.

SHRI DINESH GOSWAMI (Guwahati): Mr. Chairman Sir, as my time is very limited, I will dilate on only one subject which is the concern of this Ministry and that is tea. Coming from the State of Assam, I am vitally concerned with this item because this commodity not only sustains the economy of Assam, but it has a tremendous sustaining effect on the total economy of this country also. This has been one of the traditional commodities which has contributed to a large extent to the export earnings of our country. Even today, in spite of the fact that the other parts of the country have gone for cropping of tea the total crop area in Assam occupies 55 per cent of the total crop area of the country. So far as tea production is concerned, we manufactured and exported to the extent of 222 million KG of tea during 1985. But the fact has been lost sight of that there has been a deterioration and decline in the production of tea and in the total area of tea crop in Assam since Independence. According to one of the calculations that I have before me, at the time of Independence, we had 1080 tea gardens in Assam and the total number of persons employed in the industry, were more than 5 lakhs. In spite of the fact that one could hope that this industry would increase with the passing of time because of different types of assistance given by the Government, in 1985 from 1080, the number of tea gardens has come down to 753. There has been a decline of more than 300 gardens and the total number of persons employed in the industry has also come down to about 3.5 lakhs from the original 5 lakhs.

Therefore, the Ministry of Commerce which is vitally concerned with this industry should take a very deep look into the ailments of this tea industry.

One of the main complaints that we have in Assam today is that the head and registered offices of all tea industries and the important tea gardens are located at Calcutta. I can understand that at a time when the communication system in Assam was comparatively poor, when the infrastructure was not there and when the export facilities were not available, there

[Shri Dinesh Goswami]

could have been some ground for these head and registered offices to be in Calcutta. But today, the communication system in Assam has improved, the infrastructure is there and export facilities are equally available. We have got the tea auction centre and an inland container depot has been started recently near Guwahati. I do not find any reason as to why the head and registered offices should not be shifted. Because of the existence of the head and registered offices in Calcutta, the State of Assam has lost its share of income tax and other earnings to which the State would otherwise have been entitled.

Now, I come to the auction market itself. After a lot of agitation and prolonged demands, the auction market was started at Guwahati. But unfortunately, the fact remains that the auction market has not been functioning in the desired manner. The stranglehold of Calcutta auction market is still there. The Commerce Minister should take note of the fact that in order to avoid proper discharge of functioning by the Guwahati auction market, low grade tea is put in the Guwahati auction market as high grade tea and higher prices are demanded. When higher prices are not available, this tea is sent to the Calcutta auction market. Sometimes, low grade tea is mixed up with high grade tea with the result that when this tea goes by export to other countries, the reputation of our country suffers. And once the reputation is lost in the export market, it is very difficult to regain it back. This is one aspect, which I hope Shri Shiv Shanker will particularly take note of.

The second aspect about which I am concerned as a domestic consumer of tea is that the auctioneers' figures indicate that there has been a reduction of Rs. 6.05 per Kg. in terms of prices available between 1984 and 1985. There has been a reduction in price, but that is not reflected in the domestic market. The domestic market tea price of Rs. 35 or Rs. 40 continues even in spite of decline in the auction price. I would like the Commerce Minister to take up the matter with the concerned Ministries. He also deals with

Supplies. There should be a relationship between the export market price, i.e. the price that the export market can command, and also the domestic market price. After all, if the international prices of tea come down, they should be reflected in the domestic market. The domestic consumer should not be fleeced. So, I request the Minister concerned to look to these aspects and use his influence to see that the Head and the Registered Offices are shifted from Calcutta to Gauhati. In fact, the Government of Assam has taken a very particular note of this point.

References have been made to the Tea Board by the previous speakers. In fact, the previous speaker from the AIADMK had made a reference to it. The Tea Board office is situated in Calcutta. Most of the tea gardens are situated either in Assam or in the Dooars the Board's office should be situated at Guwahati. For a very small matter, the producer has to come to Calcutta. The policy of the Government has been always to establish the Board's office in the prima place of manufacture of that commodity; e.g. we have the Rubber Board's office in Bengal re. the Coffee Board's office in Kottayam. Why should not the tea Board's office be located in Assam? Then the tea gardens of Dooars will be benefited, because from Dooars to Gauhati it is only one night's journey.

The post of the Chairman of the tea Board has not been filled up. It has been a long standing demand from the people of Assam that the Chairman of Tea Board should be one who is associated with the tea industry, and that he should come from that area which gives 55% of tea production in this country. I am happy that the Chairman's post has not been filled up. I request Mr. Shiv Shanker to see that the post of Chairman is filled up by a person from Assam who is knowledgeable about the tea industry. After all, these are small matters. These may be small matters in the totality of the context of the Government of India; but these are matters which irritate the public mind, and the minds of youth. So, I will urge upon you; now that this post is vacant, kindly fill it up with a person who has knowledge of the tea industry itself.

I can even point out that in 1981, a Small Producers' Committee was appointed under the chairmanship of Mr. Jayanta Sanyal. Not a single member from Assam was taken in that committee, in spite of the fact that the largest number of small tea-gardens or small producers are there in Assam. One cannot justify these facts. These facts create a sense of alienation in the minds of the people. So, I will urge upon you to see that this discrimination, which we feel is a discrimination, is eradicated.

So far as tea is concerned, in spite of the fact that it is one of the most important export-oriented products, it has been discriminated against in some respects, compared to other commodities. I shall make points on this aspect. Some of these relate to Ministry, but I will request the Commerce Minister to take it up with the Finance Ministry. For example, the development allowance has been given to the extent of Rs. 40,000 per hectare at Darjeeling, and Rs. 35,000 per hectare in the plains. But I have come to know, that the present cost of production of Darjeeling Tea is Rs. 80,000 per hectare, and in the plains it comes to Rs. 75,000. Representations have been made by the tea producers that 50% of actual cost should be given as developmental allowance, subject to scrutiny by the Government of India. I believe that this is a very genuine demand, which the Commerce Ministry should take note of. The Commerce Minister should also take note that so far as depreciation allowance for energy saving devices are concerned, tea is not included in the Schedule. Other industries are included; but no energy saving device which are employed by the tea industry are entitled to depreciation allowance, because it is not there in the Schedule.

The tea manufacturers have also sent representations to the Finance Ministry, and must have sent also to you, that there are a number of areas in the unconventional energy generation system where there is enough scope for energy saving devices. I do not find any rationale as to why tea is excluded from the depreciation allowance, when the policy of the Government of India is to encourage all energy-

saving devices. I hope Mr. Shiv Shanker will take note of this.

Now one very serious complaint that has been made to me is that so far as the United Bank of India is concerned, which is a lead bank, as regards tea finance, though, prior to 1985, finance was given without much hindrance; after 1985, the small producers and the manufacturers of tea are finding it extremely difficult to get tea financed from U.B.I. Normally speaking, if a tea garden is to function effectively, then the procedure part of the tea finance should be completed by November-October and the finance is to be released by January. But, this time, the finance has not been released till date and *ad hoc* provision in some cases has been made; and that is one point to which I request the Commerce Minister to look into

There should be, in my opinion, a tea department of the United Bank of India, even in Assam so that small manufacturers should not come to Calcutta for even solution of their small Problems. I hope that, while replying to the debate, the hon. Minister will take note of the points and answer some of the points which I have raised in my speech.

[Translation]

SHRI SHANTI DHARIWAL (Kota) : Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Commerce.

It is a matter of concern that last year the trade deficit in import and export was of the order of Rs. 5,400 crores. It was due to the increase in the import of paper-pulp, waste paper, fertilizers, sulphur, edible oils, organic and In-organic chemicals. There is need to increase their production in the country itself so as to reduce the import of these items.

There is need to boost the export of the country tremendously. All those Schemes, which are aimed at reducing import and increasing export, will have to be implemented vigorously so that we may be able to increase our export and reduce import. A review of all these

[Shri Shanti Dhariwal]

schemes should be undertaken to see whether these are being implemented fully and whether those people are getting its benefits for whom these are meant.

Similarly; the cash compensatory scheme should be formulated afresh and implemented. The rates for items of cotton garments should be refixed. The exporters have to face a number of difficulties due to cumbersome procedures. Their claim for drawback is not settled speedily. It should be simplified so that they may get their dues without any difficulty. They have to make rounds of the offices a number of times in connection with their cases and thus they get frustrated to the extent that they start thinking of withdrawing their plans formulated for further export.

The Marketing Development Assistance Scheme should be implemented vigorously and the Government should do something in regard to the facilities which are at present not being provided to make our export competitive and to sustain it on sound footing. If these facilities are not made available to the exporters for whom they are meant, their enthusiasm for boosting export fades away.

The allocation of wagons to facilitate export is very essential. The Railways Claim that they make wagons available to the exporters on priority basis. But in practice it does not happen. One may get wagon by manipulation but, however, these are not made available on rental basis for export purposes. The Commerce Ministry should take up the matter with the Railway Ministry so as to remove the difficulties of exporters.

An Authority for the export of agricultural produce is already in existence. But the facilities to be provided by the Authority are not available to the agriculturists which the Government wants to provide them to export their produce through it. In this respect complaints are received from every quarter. Shri Ram Singh Yadav, who represents Alwar in Rajasthan was saying just now that the facilities which the Government wants to

provide them are not made available to them in time. As a result, the agriculturists are compelled to sell their goods in the local market instead of exporting them. If facilities are made available and proper guidance is provided to them, there could be much scope for export and we can earn more foreign exchange.

Similarly the Trade Development Authority organises fairs and exhibitions in foreign countries, but holding of few fairs is not sufficient. It is an age of competition, hence more and more such fairs and exhibitions should be organised. The Government of India should encourage the exporters by extending facilities to them to participate in these fairs abroad. I would particularly like to draw the attention towards the handicrafts of Rajasthan. A number of items are made in craft, handloom and handicraft sectors. A large number of persons are engaged in this business and they produce quality goods. But due to the policies of the Government they do not get any encouragement and are not able to export their goods. In this connection I would particularly like to draw attention towards jewellery and handloom. As I represent Kota constituency, I would mention the problem faced by the Kota saree industry. Many a times the manufacturers of Kota sarees applied for export licence, but it was not granted to them. They are not given any encouragement in any form. Whenever foreign visitors come to our country, they prefer to buy Kota saree first. A representation has also been submitted the hon. Minister in this regard. I would, therefore, request the hon. Minister that the matter should be reviewed and more and more persons should be encouraged.

SHRI GIRDHARI LAL VYAS (Bhilwara): Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Commerce. I would like to draw the kind attention of our hon. Minister that Bihar, Andhra Pradesh and Rajasthan are the three states in India which produce mica. In Rajasthan, Government agency MIDCO purchases very less quantity of mica. I have been continuously drawing your attention

towards it for the last two or three years that Rajasthan is being neglected in this matter.

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : At that time I was not in this Ministry.

SHRI GIRDHARI LAL VYAS : If you were not there, somebody else was there, but I have been drawing attention continuously. Non-procurement of mica has caused severe blow to trade in Rajasthan and you can judge it from the fact that earlier ten thousand people were engaged in this industry, whereas their number has now gone down to 1000 to 1200. As a result, it has aggravated the unemployment problem. Besides it, the economic condition of the people, which was expected to be improved due to production of this mineral, has also suffered a serious setback. Last year, on the direction of your Ministry, MIDCO had procured mica worth about Rs. 80 lakhs. You know that poor people work in these mines and the big capitalists are not engaged in this trade there. Big capitalists are engaged in this trade in Bihar and they have their monopoly there. If MIDCO does not procure mica, these people are forced to sell it to big businessmen at throw away rates. Therefore I would like to draw your attention towards it and request you to make a definite arrangement through MIDCO for the procurement of entire mica, so that even the small traders may get fair price of it and their economic condition may be improved. I hope that you will definitely make some suitable arrangement so that maximum quantity of this mineral could be procured and economic condition of the people may be improved. The closed mines should be re-opened so that unemployed people may get employment. I hope you will do it and permanent arrangement will be made. A Mica Paper Mill should be set up at Bhilwara in Rajasthan where mica is available. In Bihar and Andhra Pradesh such mills have already been set up, but the case of Rajasthan was rejected previously and it has again been revived at our continuous pleading for the last two or three years. If this mill is set up there, the waste of hundreds of years

could be utilised and the mines closed due to lack of financial resources and sluggish market could again be started which will solve the unemployment problem also. With the establishment of this paper mill, new persons would get employment. The foreign exchange will also be earned thereby. It is the policy of our Government to render more assistance for those items which help earn foreign exchange. But it is amazing that this matter is lying pending at the Centre for last two or three years for clearance and nothing has been decided as yet. It will help to earn more foreign exchange and will also benefit the people.

I would also like to submit that explosive for mining work should be easily available. Although it relates to the Department of Industry, but this trade relates to your department. Mica Trade relates to your department. This trade could be developed only when the people are not forced to purchase explosives from the black market. I would request the hon. Minister to ensure regular supply of explosives in consultation with Industry Ministry and make some proper arrangement.

I would also like to draw your attention towards Cotton. Previously its rate was fixed at Rs. 410 per quintal and later on it was revised to Rs. 425 per quintal. But today nobody is ready to purchase it in the market even at the rate of Rs. 350 per quintal. Your Cotton Trade Corporation is no more active in the market and it is not purchasing cotton at all. This fall in the prices of Cotton, has adversely affected the farmers. I would like to request that cotton may be purchased on support prices so that farmers may not suffer any loss.

I would like to say a few words about textiles also. Though Textiles ministry is separate one, but I think that it is also related to your department. Every year I speak about the post of Textiles Commissioner, but it seems that you are not going to fill it. Today a large number of textile industries have fallen sick and Textile Commissioner has done nothing for them, because, except making recommendations for loans, he does nothing. The attitude

[Shri Girdhari Lal Vyas]

of the companies of making industry sick by converting Government money into assets, is not being checked by this organisation of the Government.

SHRI P. SHIV SHANKER : All your submission regarding this is related to Textiles ministry.

SHRI GIRDHARI LAL VYAS : Textiles department also relates to the Commerce, therefore proper arrangement should be made and it should be the duty of the Textiles Commissioner that any sick industry.....

14.00 hrs.

SHRI P. SHIV SHANKER : When it is not related to this Ministry, then why are you speaking on this? It would be better if you speak about it, when the demands of Textiles Ministry are discussed.

SHRI GIRDHARI LAL VYAS : Previously Textiles Commissioner was attached to your ministry and there was only one Textiles Commissioner.

SHRI P. SHIV SHANKER : But now the position was changed.

SHRI GIRDHARI LAL VYAS : All right, I leave it now. One more thing I would like to say about fertilizer, zinc and oil seeds. Every year we spend thousands of crore rupees on the import of these three items, whereas raw material is available in abundance in our own country. We cannot only meet our own requirements, but can also export them to the foreign countries and can earn foreign exchange. Due attention is not being paid towards this thing. I want that Minister should please pay his attention towards fertilizers, because thousand of crores rupees in foreign exchange are to be spent on its import from abroad. Rajasthan has rich deposits of rock phosphate and Pyrites and therefore, Fertilizer plant based on it should be set up there so that fertilizer may be produced in our own country and foreign exchange could be saved.

There are huge deposits of Pyrites in Sikar region of Rajasthan. If a super phosphate plant is set up there, the present shortage of fertilizer can be removed to a great extent. What I mean to say is that when raw material is available in the country, why should we not take advantage of it. You may make the plea that due to non-availability of funds, Government is not in a position to set up any plant. But every year we are spending crores of rupees on the import of fertilizers and if we made use of that money to set up our own infrastructure, the problem will be solved in one year only. Because what we spend as foreign exchange, we can make our own infrastructure with that amount easily. It is very essential to develop such infrastructure.

Similarly, Lead and Zinc are also available in Rajasthan in abundance, whereas we import it and spend a lot of foreign exchange. You might have heard about Rampur Agucha where rich deposits of Lead and Zinc have been found. Work regarding them should have been started during Sixth Five Year Plan, but it has not been started till date. Such large deposits, which we have, are not available in any other country of the Asia. USA is the only country which has more deposits than our country. But so far neither steps have been taken for digging the mines nor for establishing the super zinc smelting plants. Every year, we spend foreign exchange worth 300 crore rupees in importing zinc and Lead whereas it requires only Rs. 300 crores for setting up the plant for this purpose. We can meet our requirements with this plant, but I fail to understand as to how our policies are formulated. Whatever we plead is not heeded. On the one hand, we say that we have regional imbalance and some areas are backward, on the other hand you do not provide job opportunities and do not establish factories there in order to utilise the raw materials available there and to develop the backward areas. You just give one excuse of shortage of funds for establishing new factories.

I don't know as to how long this shortage of funds would continue and when we shall be self-sufficient, whereas it has been

our policy that we should be self sufficient in every sphere. But how can you be self sufficient when you do not pay any attention to this. I, therefore request the hon. Minister to make some proper arrangement in this regard. I know that you are vigilant and alert and you are also aware of all these things. You must take some steps which might benefit our country and strengthen our Balance of payment position. With these words I fully support the demands of the Commerce Ministry.

SHRI ABDUL RASHID KABULI (Srinagar) : Mr. Chairman, Sir, I would like to commend the efforts of our Government, which have made possible the formation of the SAARC consisting of seven countries, in which for the every first time we are going to have our trade-links with neighbouring countries. At present these trade links are in bad shape, but I think in near future, these are going to take a very good shape. Actually it has come to us as a great challenge, because European countries had already constituted a market for their trade, thus they neglected Asian countries and specially India.

I think that this is a very good and timely step that we have devised a new way out against European Common Market and I think that it will also give a boost to our trade with Pakistan and Bangladesh. We can have trade with these countries in many spheres such as, technology, trade and commerce, fertilizers and Medical Equipments. These are the fields of trade, which may provide benefit to Pakistan, India and Bangladesh. In this way, we can earn more foreign exchange, which can be used for other constructive works in the country. Additional foreign exchange could also be invested for the betterment of our people and for progress and development of our country.

Sir, in this context I would like to submit that I have already raised this matter in the Parliament. If the routes which were being used for trade purposes before 1947, are opened, then our border States Jammu and Kashmir, Gujarat and Rajasthan are going to devine benefit by it. Government is again going to open a route in Gujarat. There is already a

route at Bagha. The new route will prove fruitful. In this context, I would like to say that negotiations should be held with Pakistan to open the Rawalpindi Road and if they agree to open Sialkot railway line which connects Jammu, then it will not only help in increasing trade with Pakistan, but also the hilly areas which are geographically out of reach, may also be linked with the help of roads, thus it will also help in the upliftment of those people, who live in these areas. Therefore, I shall request you to open the Rawalpindi Road which connects Srinagar and which was the trade route before 1947. It is in very good condition upto Uri, which is being used by us, but beyond Uri, that road lies in Pakistan. It will give a boost to trade with Pakistan through the State of Jammu and Kashmir. In the light of SAARC, Sialkot railway line should be connected to Jammu, which will also result in good trade links.

I would like to submit to the hon. Commerce Minister that there should be exchange of Newspapers, Magazines and books. For the last thousand years or so we, the three countries namely India, Pakistan and Bangladesh had common history, which tied us jointly. But after 1947, this link was broken, but even then our languages, cultures and a lot of other thing are not common. It is my opinion that if we start exchanging Newspapers and Magazines between us and also exchange other modes of culture, then we will be able to solve a lot of problems and the gap between us will vanish. Our suspicion, doubts towards each other will also vanish if we start exchanging books.

I would like to submit to the hon. Minister that we have enlightened writers, artists and Journalists in India. They are also in the Pakistan, such as Faiz Ahmed Faiz, who was a great poet and was loved by one and all. Allama Iqbal, who wrote "Sare Jahan Se Achcha Hindostan Hamara" is equally known and loved in both the countries. In the same way there are a lot of other poets of other languages like Punjabi, Urdu, Sindhi, Baluchi and Pashto. Rabindranath Tagore is loved as much in Bangladesh as Nazrul Islam in India.

[Shri Abdul Rashid Kabuli]

14.12 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

I wish that we should open these routes as well as our minds. The Commerce Minister should lay more stress on it. He should have talks with Pakistan in the matter of exchanging books. The newspapers and magazine should be circulated with out my hinderance and writers, Philosophers and Journalists of both the countries should be allowed to visit each other's country freely.

Now I would like to speak about Jammu and Kashmir. We have a large scale trade of Handicrafts. These Handicrafts are not only a source of income for the people of Jammu and Kashmir, but also a source of earning crores of rupees as foreign exchange for the country. It is a pity that the middlemen exploit the poor artisans engaged in handicrafts work. Here, in Delhi some people have formed big companies and big business houses on the basis of these handicrafts and artisans. They are getting lion's share of profits, whereas our artisans are getting meagre amount. Even, some big trading companies are snatching a big chunk of profits earned as a result of hard work of artisans.

Commerce Minister should do something in order to save the handicrafts, carpet weaving, Paper mache, wood carving which have a world wide reputation and also a big source of earning foreign exchange to the country. Mr. Deputy Speaker, Sir, I would like to tell Government that the artisans and craftsmen are being ruined, their hard work is being wasted. They are not getting as much for their hard work as they deserve. This is a great challenge before you. You have to solve it.

I would like to submit that the carpet weavers of Kashmir are not in anyway inferior to the carpet weavers of Pakistan, Iran and of any other country of the world, but they must be given some incentives for it. The bureaucracy of Central

Government offices, the monopoly and the Red-tapeism are creating hurdles in their way. The people of that area are not deriving any benefit from it. The locally established companies, which are in the private sector, exploit poor artisans very much and as a result, lakhs of people engaged in the carpet industry are suffering and development of Kashmir is not taking place.

Our country can increase its foreign exchange reserves through the export of carpets. Hence, the carpet industry has to be developed. To properly develop this industry it is essential that the Central Government should pay due attention to the condition of the craftsmen, and it should see to it that they are not exploited. It should also provide adequate incentives and provide help to the co-operative societies of these artisans.

In this context, I would like to submit that there is a large scale demand from the foreign market in this field, but only the private sector is reaping the benefits out of it. The Government should formulate a policy in this regard. The state Governments should be directed that only the products of the cooperatives of artisans, should be selected for export. The sale of such goods within the country and their export should be channelised by the Government. This would lead not only to the earning of more foreign exchange but also help in improving the condition of the artisans.

I regret to say that our banks, since the time of their nationalization, have not provided necessary assistance to the craftsmen. We have endeavoured to alleviate the miserable condition of the poor artisans, but we have not been successful in our efforts. I had been making great efforts in the State Legislature for the last eleven years, in this direction. Some co-operative societies of these workers have been formed. These societies proved to be very successful. But the Government and the banks did not provide the necessary assistance. There is a lot of corruption in the functioning of the banks today, and they render help only to those who are able to bribe the bank employees. The

rich industrialists and middlemen are able to get their work done by giving money under the table.

SHRI P. NAMGYAL (Ladakh): Do those persons who borrow loan from the banks repay it? Do you have any information regarding this matter?

SHRI ABDUL RASHID KABULI: I would like to assure the hon. Commerce Minister that the M.Ps from Jammu and Kashmir would cooperate fully with any work undertaken by him for the upliftment of these craftsmen.

In my opinion, it is evident from Mr. Namgyal's comment that he is not aware of the difficulties that our artisans face due to these Banks. He belongs to Ladakh region, where there is no such problem. Our artisans are honest and they surely repay the loan. So I would strongly condemn whatever Mr. Namgyal has said in this connection.

***SHRI R. JEEVARATHINAM (Arakkonam):** Hon. Mr. Deputy Speaker, Sir, in support of the Demands for Grants of the Ministry of Commerce for the year 1986-87, I wish to make a few suggestions.

During April-September, 1985 the imports had gone up by 24.5% as compared to the corresponding period in 1984-85. Consequently, we had to incur an additional sum of Rs. 4124 crores in foreign exchange in the imports of goods. We cannot afford to neglect the fact that the exports during this period have also dwindled. I would like to illustrate how the exports have declined gradually during the past several years.

Ten years before we used to export 2 lakh tonnes of HPS groundnut annually and the foreign exchange earning was of the order of Rs. 100 crores. In 1984-85 the export of HPS groundnut declined to 23000 tonnes and the foreign exchange earning came down to Rs. 20 crores. In the first

six months of 1985-86 the export of HPS groundnut was only 10,000 tonnes according to the information furnished in the Annual Report of the Commerce Ministry. I suggest that the Government should analyse the causes for this steep downfall in the export of HPS groundnut and take remedial steps for augmenting the export of HPS groundnut.

In 1985-86 we could utilise barely 46% of the EEC quota of garments against nearly 74% in the preceding year. If this trend continues, I am afraid that this will lead to a further reduction in India's quota under the Multi-Fibre Agreement. It is really unfortunate that the U.S.S.R. which is our major market, is looking elsewhere for meeting the cloth requirements. That is primarily due to our inability to keep up the stipulated quality and also to the specified schedule of delivery. On the other hand, China, Pakistan, Indonesia and Thailand have increased substantially their cloth export. India, which was in the forefront of cloth exports, has receded to the background. The Ministry must look into the reasons for this sharp fall in garment exports and take adequate steps for increasing the cloth exports.

We are earning annually a sum of Rs. 400 crores in foreign exchange by the export of marine products. This cannot be called as any significant achievement because small countries like Japan and Taiwan are exporting annually marine products worth Rs. 40,000 crores. While we have 56 power-driven fishing vessels, Japan has 3900 power-driven fishing vessels and Taiwan has 5200 power-driven fishing vessels. During the Seventh Five Year Plan we are planning to export more marine products by planning to import 500 power-driven fishing vessels. This is not enough. I demand that at least 2000 power-driven fishing vessels should be imported during the Seventh Five Year Plan. Then only we will be able to exploit fully the marine wealth available within the territorial jurisdiction of our seas.

*The speech was originally delivered in Tamil.

[Shri R. Jeevarathinam]

There is great international demand for the delicious fish varieties available in our shores. We must take vigorous steps to increase the export of marine products.

The best illustration for the decline in the export of handloom products is the stagnating handloom cloth varieties in Tamil Nadu. Next to Agriculture, handloom industry generates the largest employment opportunities. Today the handloom industry is on the verge of extinction. The handloom weavers are struggling between starvation and survival. Unfortunately the Handloom and Handicraft Export Corporation is not under the charge of the Ministry of Commerce. You know Sir, that HHEC is a subsidiary of STC which is under the charge of Commerce Ministry. I do not know the reasons for this kind of anomaly. I suggest that HHEC should also be brought under the charge of the Commerce Ministry so that necessary efforts can be made for the export of handloom products. We cannot afford to neglect the export of handloom garments, because that will mean the death knell of lakhs of handloom weavers all over the country.

During the first six months of 1985-86, we have earned Rs. 260 crores in foreign exchange by the export of leather and leather products. We are not able to better returns for unfinished leather and semi-finished leather export. If we endeavour to export finished leather and leather products, we will be able to increase our foreign exchange earnings substantially. The Centre has decided to set up a Footwear Design and Development Centre. In the export of leather and leather products, North Arcot district in Tamil Nadu plays a major role. I demand that this Footwear Design and Development Institute should be set up in Arcot in North Arcot District.

Here I would refer to another important issue also. We are earning several hundreds of crores of rupees in foreign exchange by the export of gold jewellery. It is a traditional art in Tamil Nadu and

the gold jewellery manufactured in Tamil Nadu has earned encomium all over the world. Here also the North Arcot district in Tamil Nadu occupies a prominent place. The handiwork displayed in the gold jewellery manufactured in North Arcot district can be seen in almost all major towns of India. I take this opportunity to suggest that a Jewellery Design and Development Centre should be set up in Vellore in North Arcot District. This will give a fillip to the jewellery export. Similarly, a decision was taken to set up a Garments Fashion Institute at Madras. I do not know the reasons for the delay in the setting up of this Institute at Madras. I demand that early steps should be taken to set up this Garments Fashion Institute at Madras so that we are able to improve our export performance in handloom products.

While we should take all the necessary steps to improve our export performance, particularly when our share in world export is just 0.5%, we should also try to curb unnecessary imports. For example, I would refer to the import of synthetic rubber. The tyre companies are not consuming all the synthetic rubber indigenously products. At the same time, the synthetic rubber (SBR) is being imported under OGL. The tyre companies import SBR at a comparatively cheaper price. But they do not bring down the price of tyres; on the other hand they are increasing the tyre prices very frequently. The tyre prices in foreign countries have slumped and we could as well import tyres directly so that the prices of tyre can be brought down in the country. Though we have the Anti-Dumping law, yet products like SBR are being dumped into our country. We are frittering away our valuable foreign exchange in such frivolous imports. I demand that there should be a statutory ban on the import of SBR. Similarly, the import of luxury items VCR, VCP etc. should also be banned forthwith. Unless we take co-ordinated steps to reduce imports and to augment exports, we will be facing adverse balance of trade, affecting the total economy of the country. Our hon. Minister of Commerce, Shri P. Siva Sanker is a talented and capable Minister with prag-

matic approach to national problems. I am sure that he will at least try to implement one or two suggestions which I have made in my speech in Tamil. At least a portion of foreign exchange earnings from the products of Tamilnadu should be spent in Tamil Nadu for the welfare of workers engaged in the production of such goods for export. With these words I conclude my speech.

*SHRI C.K. KUPPUSWAMY (Coimbatore): Hon. Mr. Deputy Speaker, Sir, on the Demands for Grants of the Ministry of Commerce for 1986-87, I would like to say a few words.

Sir, the Ministry has conceded that there is decline in our exports. The reasons for this decline are recession in major economies of the world, the protectionist measures adopted by some countries and the creation of modern and sophisticated productive capacity in many countries resulting in improvement in quality and in quantum, enabling them to keep up the schedule of delivery. We will not be able to set right the first two reasons, but we should not hesitate to take steps on the third reason. Then only we will be able to stabilise our exports and then increase our exports.

We are exporting tea, jute and tobacco. The quantum of their export has also gone up. But the unit value realisation has declined in these commodities. The main cause is deteriorating quality of these products. If we improve the quality and also keep up the delivery schedule we will be able to increase our export earnings.

The State Trading Corporation has branches in foreign countries, which were helping Indian exporters. Now, for reasons unknown, the STC has advised these Branches not to help the Indian exporters. Another important issue is also to be brought to your notice. Last year the STC imported goods worth Rs. 2100 crores and exported goods worth Rs. 700 crores. Unfortunately the Government is following the policy of ad hocism in the appointment of Chairman of STC, which should have by now become the major trading

agency of the Government. During the past ten years, there were nine Chairmen, out of whom only four were full time chairmen and the remaining five were part time Chairmen. Even today the Additional Secretary of the Ministry of Commerce is the part-time Chairman of STC. How can you ensure effective functioning of STC with a part time Chairman? The Government must implement a policy in having the Chairman of STC so that it contributes to our import-export trade purposefully.

We have also to improve the quality of tea produced in the country. Once upon a time, the Udhagamandalam Tea was having international demand. Now the small tea-estate owners in Udhagamandalam are greatly affected. They are not getting financial assistance from the Replantation Subsidy scheme started in 1968. Upto the end of 1985, during the past 17 years, a sum of Rs. 7.40 crores has been disbursed under this scheme for replantation purposes and about 2960 hectares have been covered so far. This is just like offering sugarcandy to a hungry elephant. Our tea plants are 100 years old and they have to be replanted on war footing. Then only we can improve the quality of our tea.

From each estate owner a sum of 8 paise for a KG of tea is collected as cess by the Tea Board. In 1985-86 a sum of Rs. 5.18 crores has been collected as cess from the tea estate owners. When we utilise this entire sum for the replantation and rejuvenation project, then we will be able to improve our export performance. I want that this effort must be made by the Tea Board.

We do not pay much attention to the problems of estate labour. For export promotion the Tea Board has spent in 1985-86 a sum of Rs. 3.11 crores in foreign currency. For the welfare of tea estate labour and for their housing problem, only a sum of Rs. 34 lakhs have been spent during 1985-86. There are lakhs and lakhs of tea estate workers, whose basic necessities are not being met and who continue

*The speech was originally delivered in Tamil.

[Shri C.K. Kuppaswamy]

to live in primitive circumstances. How can you expect them to give their best for producing quality tea? The Minister must pay special attention for improving the lot of Tea Estate workers.

Sir, the stagnation of handloom cloth in Tamil Nadu is leading to the destruction of handloom industry. The steep fall in the export of handloom cloth is mainly due to fast changing fashion in garments. Once upon a time the Bleeding Madras was the rage of international fashion. Today nobody wants it. New fashions have come about. If we do not keep up with the changing international fashion, then naturally we will fall back in our garments exports. Tiruppur is known in foreign countries as the town of hosiery products. Before the hosiery products meet the fate of Bleeding Madras, I suggest that a Fashion Research, Design and Development Institute should be set up by the Centre in Tiruppur, so that our products are updated in the fashion world of the day, which will lead to increased export earnings.

Sir, with an outlay of Rs. 8.50 crores, the Export Processing Zone is being set up in NOIDA Industrial Estate, near Delhi, which is of recent origin. I would like to mention here that from Tiruppur and Coimbatore the value of exports is of the order of hundreds of crores. They are industrially advanced towns. Their industrial culture is recognised in many countries of the world. I demand that an export processing zone should be set up between Tiruppur and Coimbatore. I assure the hon. Minister that I will get him the required land for this purpose. Though I have several points to raise, the paucity of time prevents me from taking up the time of the House. Before I conclude, I would demand that imports of unnecessary items should be cut down so that we can save foreign exchange. For example, there should be a statutory ban on the import of synthetic rubber. Similarly, there should be drastic reduction of the imports of petroleum products

on which we have spent last year a sum of Rs. 5500 crores. I understand that if we do spot-purchase of crude oil we will be able to save 20% of our petroleum import Bill. This must be looked into the hon. Minister of Commerce. With these words I conclude.

*SHRI C. JANGA REDDY (Hanamkonda) : Mr. Deputy Speaker Sir, we are discussing about the Demands for Grants of the Ministry of Commerce. While discussing the Demands of this Ministry, we should consider how far this Ministry is helping in the export of agricultural produce and other farm products. Hon. Minister for commerce hails from Andhra Pradesh. He should try to identify the quantity of surplus grains produced in the state and help in exporting it to other countries. Similarly an effort should also be made to export the surplus food grains produced in other parts of the country. The Govt. should explore the possibilities to export our food grains. Similarly Eggs and grapes can also be exported from the country. It might be true that eggs and grapes are already being exported. However these exports have to be streamlined. Sir one egg costs about one rupee at Bombay while the same costs not more than 20 paise in Hyderabad. So there should be a standard rate for eggs and other farm products throughout the country. If the standard rates are not fixed for the farm products, the farmers stand to lose. Already they are suffering very much on this account. Now there is no stability in the prices of farm products. The prices vary year to year. Hence the fixation of standard rates is necessary. Similar is the case with grapes. So the standard prices should be fixed for these products and efforts should be made to export them.

[English]

PROF. N.G. RANGA (Guntur) : Sir, there is no translation.

MR. DEPUTY SPEAKER : May be the interpreter is not there. Therefore, there is no translation.

*The speech was originally delivered in Telugu.

[Translation]

SHRI C. JANGA REDDY : Mr. Chairman, Sir, the Government and the State Trading Corporation should take over the trade of agricultural produce of Andhra Pradesh, like cotton, chillies, grapes and products of poultry farming. The farmers engaged in growing these crops are exploited by the middlemen. They are not paid remunerative prices for their produce. Let us take the example of an egg. In Bombay one single egg costs one rupee, but in Hyderabad and adjoining areas the price of the same egg is 30 paise. The middlemen is obviously making profit of seventy paise. This has to be checked. We can also earn foreign exchange through channelisation of this trade.

Again, as the farmers who ought to get the profits, do not get it, so they often have to sell their poultry farms, because they cannot bear the expenses and are reduced to a State of penury. Hence, the farming business has become a sort of gamble.

We all know that the Government exported chillies last year, but the same has not been done this year as well. Therefore, the farmers are suffering loss. In spite of the existence of Cooperative Departments, National Trading Corporation and Trading Corporations in the States, the farmers are forced to sell their produce to the middlemen who exploit the situation. The chilly is being sold at Rs. 600 per quintal, whereas last year its price was Rs. 1500 per quintal. In Bombay the same commodity is selling at Rs. 1200 per quintal. The State Trading Corporation and the Trading Corporation at the State level must rectify this situation and buy the produce themselves. What steps are being taken by the Department of Commerce and by State Trading Corporation in this regard? The farmers suffer heavy loss due to the discrepancies in sale of their produce. They sell their produce at much cheaper rates than the rate at which the consumers buy it from the market. If the Government does not rectify the situation, the farmers would have to leave their occupation and would take to rickshaw pulling or any such other jobs.

Whether it is chilly, cotton or any other produce, farmers are suffering a great loss and the Commerce Department should help them by procuring their produce.

Again, last year the Government had its control over the sale of cotton. This led to the reduction of prices of cotton in the international market. The Government should allow cotton to be sold in the open market under such situation. The Government should prepare an estimate of the demand of cotton every year in advance. Then it can buy accordingly and grant licence for the remaining cotton to be exported abroad. Sometimes 10 lakh bales are allowed to be exported, sometimes 5 lakh bales are allowed to be exported and yet another time only 5000 bales are permitted for the export and thus, there are wide fluctuations in the amount permitted for export. This results in fluctuations of the cotton prices in the market.

Last year, the Government imported cotton from Pakistan. Some members sitting here may guess the reason for this import. We think that there might be shortage of a particular item and that is why, it is being imported from abroad. Sometimes, the industrialists create artificial shortage and the Government is forced to resort to import and the farmers have to sell their produce at a cheaper rate. This problem must be solved. The Government must prepare in advance an estimate as to how much cotton is produced every year in the country and the total demand of this item in our mills and other areas. Then the Government can import accordingly. Another solution could be to enter into an international treaty on this aspect for a period of five years, but the Government does not seem to agree to this suggestion.

The farmers engaged in growing cash crops like tobacco, jute, sesame etc., are worried. The farmers producing tobacco in Andhra and Jute growers in West Bengal are facing a great difficulty. The Government must lay down a policy with regard to these crops. A minimum price for export must be fixed for these items to prevent exploitation of the farmers. The market or the trade in these crops cannot

[ShriC. Janga Reddy]

be controlled. This leads to the harassment of the farmers. Enough cotton and resame were not available this year in the market. The Government, therefore, should prepare an estimate of the demand for cotton every year in advance. It should then inform the respective States and districts accordingly one year in advance. This will help the farmers. But as this is not being done, the farmers are not being benefited.

I would like to draw your attention to another matter and that relates to the trade in leather goods. If the leather is dyed, then it is taxed. But if it is only cleaned with black salt, it is duty-free. If it is coloured, there is duty on it. If a coat is made out of it then it is duty-free. Yet if it is dyed in colour, it becomes a finished product and export duty is imposed on it. The Government should remove such disparities. Either duty should be imposed on all varieties of leather goods or all of them should be duty free.

Our Textiles Minister is not present in the House. The Department of Commerce must inform him about the proceedings. We have plenty of cotton in our country, but we import polyester cloth. We have plenty of rayon in our country. But we are importing rayon for the last one year. In fact we have 2.25 lakh tonnes of indigenous rayon produced from our plants. We need 1.75 lakh tonnes of polyester and we produce more than our demand. Yet we import polyester yarn after reducing 30 per cent import duty. We have a A.P. Rayon Pulp Factory in Andhra Pradesh. Its produce is not being sold in the market and as a result, the plant is closed since September 1985. Nearly three thousand workers of this plant are out of employment. We should not import the cloth that can be manufactured here. We should attempt at reducing our imports to the extent possible in the case of raw materials as well as finished products.

We have such Plastic industries in our country which manufacture plastic products. Yet the workers of these industries are out of work. This is because we do not make full use of our industrial

or agricultural produce. A permanent policy must be formulated in this regard. This policy must take into account the demands of the internal market and the amount that can be exported. This policy should be binding for five years and it should not be modified within this period so that producers may not be harmed.

[English]

SHRI G.L. DOGRA (Udhampur) : Mr. Deputy-Speaker, Sir, I would like to take this opportunity to draw the attention of the hon. Minister for Commerce towards a few issues. I have had the chance of visiting some foreign countries and had also occasions of seeing our embassies and missions there.

So far as the staff for promotion of our experts is concerned, normally it is very small. There is one Secretary in charge of Commerce, who also has to perform certain other functions also. His job is to gather trade intelligence and to pass on the same as also to help those people who visit that country for selling their goods. Therefore, if we are actually interested to see that foreign trade progresses and, our exports are boosted up, we must have sufficient staff in our missions so that they can help all those people who want to do foreign trade.

This is a very complicated department, which has to handle very delicate policy matters. If the Government place more stress on modernization, probably our imports will exceed exports, and if we lay more stress on exports, probably policies of many other countries will come in our way. Unless we have a complete marketing intelligence and unless we know which country needs what, we may not be able to achieve what we want. Naturally, there should be somebody to feed us and our intelligence must be most upto date. As far as I am aware, we do not have adequate machinery for gathering the intelligence and make it available to those who require it to plan their trade.

It is true that certain goods which involve too much of labour are exported to those countries where labour is very short and, therefore, we export those

things, which are half-wrought, or semi-finished, and they, in turn, use them in their own products. But for how long shall we be able to do it? Our cost of living is increasing in India and the labour will also become dearer. Will those things remain marketable at that time? And then, there are our competitors in South-East Asia and other countries who are also progressing and competing us. Even they have started competing us in some of the textile markets.

We are not completely following the policy of self-reliance for edible oil. We are unnecessarily importing it. We could gradually reduce it; not very gradually, but by and large, we could reduce it with reasonable speed; we could grow more oil seeds in our country and we could take the nation into confidence in reducing imports. We should not import those things without which we can do, or which could be produced in our country or we should lay stress on that.

I think, there is something wrong with our planning. These things require to be regulated properly. So far as the oil seed crops are concerned, these could be raised within three to four months; these could be raised in various parts of the country and in various seasons.

Therefore, we should be self-reliant so far as edible oil is concerned. But we have not made any efforts in this direction. Another thing to which I would like to draw your attention is that our Constitution recognises three sectors, viz. private sector, public sector and cooperative sector. But so far as our Commerce Ministry is concerned, cooperative sector, I find, is not recognised absolutely and practically. There is a tradition that cooperatives of one country deal with the cooperatives of other countries on a barter basis. They get a particular thing and give the others things which they can spare. If we can deal with those countries from which we import things on this basis and if this cooperative sector is thus helped, I think probably we can save a lot of foreign exchange and our balance of trade position will be much more favourable. But this sort of negligence cannot be excused. Whenever somebody draws the

attention towards this matter, it is always ignored. I hope the Commerce Minister will be able to take all the cooperative organisations into confidence and appoint a panel which can make a study to see as to how we can import and export things on barter system. So far as our balance of trade is concerned, I hope that it would help to reduce the unfavourable position to a great extent.

We should also be able to organise our foreign trade in such a way that small scale industry is helped. This morning this House expressed a feeling that the small scale industries are not being treated properly, though a lot of industries are being supported by the Department of Industries. These small scale industries are harshly treated by the Excise Department. The policy that is being pursued for the last three years is anti small scale industries. There was a limit of Rs. 30 lakhs so far as the produce is concerned for excise free status. It was brought down to Rs. 20 lakhs and now it is brought down to Rs. 7 lakhs and the registration limit is only Rs. 5 lakhs. If you see the price hike, this amount of Rs. 5 lakhs is equal to Rs. 1 lakh at the price level prevailing three years ago. So, this has got to be looked into. This again shows that different Ministries are not coordinating their work with each other. The purpose of all beneficial activities is thus defeated. What is done by one Department is undone by the other. Therefore, this aspect has also to be looked into.

I would like to say something about the production of tea and coffee and their area of produce. Tea was in short supply two years ago. Even now it is in short supply. Now, the area for tea production should be extended and somebody should look into it. I think that our Agriculture Universities can do a lot in this direction. The same applies to coffee also. Other countries have been exporting fruit, vegetables and other agricultural produce. We are not looking into it.

Coming to my own State, we are exporters of handicrafts and mainly carpets. Because of the high quality of the Kashmiri carpets, we were having a large market. Now the conditions in the

[Shri G. L. Dogra]

international market have changed and a slightly different quality is now acceptable to the market. There is nobody to guide the people. Our Commerce Ministry has not been able to guide the people who were producing superior carpets for which they would not find a market. What is the use of having these Ministries if they cannot guide the people properly at proper time? So, this sort of intelligence, market survey and supply of information are absolutely necessary.

The warehousing facilities abroad are another thing expected from the Government. They should supply these facilities in foreign countries so that people could keep their things there, and supply them whenever the situation is favourable.

14.56 hrs.

[MR. VAKKOM PURUSHOTHAMAN
In the Chair]

The Minister is also handling Civil Supplies. There is now a glut of wheat, and of paddy. But they have the same old restrictions on flour mills and rice husking mills. We do not enable people in farflung areas having flour mills to supply good things to the consumers at cheap prices. Wheat and paddy are rotting without storage facilities. If you allow them to lift them and take them to farflung places, definitely, they will find their own accommodation for storage. The facilities are there, but restrictions are kept by the bureaucracy, because these restrictions pay them. So, in the interests of the consumers, those restrictions should be waived. It was a different thing when there was shortage of foodgrains; but when there is an abundance of wheat and paddy, all these restrictions should be removed. The more the restrictions you keep, the more the unhealthy reaction that you create. So, I again request the hon. Minister to remove all those restrictions. It will generate employment, increase consumption and generate storage facilities for supplying wheat, *atta* and rice.

I thank you for permitting me to say these few words, although the time restrictions follow whenever I come to speak.

[*Translation*]

*SHRI G.S. BASAVARAJ (Tumkur) : Mr. Chairman, Sir, I rise to support the demands for grants of the Ministry of Commerce for the year 1986-87. Every year our country is exporting and importing goods worth several crores of rupees. I am not happy about the policy of export and import because the imports are on the increase day by day. The farmers are the worst hit on account of the increase in the imports.

I regret to state that huge quantity of palm oil is being imported. Mr. Chairman, Sir, you are a member of the Coconut Board and you know about this. About 15,000 tonnes of palm oil is being given to the State of Kerala alone. This has resulted in a sharp decline in the coconut price. On account of this the price of a coconut came down to rupee one only. The palm oil import has benefitted the merchants and businessmen. Therefore, I urge upon the hon. Minister of Commerce to stop the import of palm oil. The import of palm oil has affected the ground nut growers in the States of Karnataka, Andhra Pradesh and Maharashtra. The farmers are not getting even four hundred rupees per quintal. I hope that he would reduce it at least by 50%.

Textiles play a vital role in our exports. Readymade garments should be exported. The growers of cotton should get remunerative prices. All encouragement should be extended to the cotton growers to increase the export of cotton garments.

15.00 hrs.

Once upon a time Indian silk dominated the international market. However, today we have lost our pre-eminence in world silk trade. Karnataka State produces about 80% of silk produced in the country.

*The speech was originally delivered in Kannada.

In spite of this we continue to import silk from China and other countries. I feel ashamed of this state of affairs. In fact it is humiliating not only to the State of Karnataka but the whole country. I plead with the Minister to take immediate steps to stop the import of silk, cardamom, pepper, cloves and other spices abundantly. Unfortunately the State Trading Corporation is not at all helping the growers of the spices. Consequently merchants and middle men are exploiting the situation.

We are exporting huge quantities of ores and finished products. This has to be stopped once and for all. We should export pellets and finished products and not ores. Similarly granite stone is available in our country, especially in Karnataka. We are exporting it from Mangalore port. Instead if we export polished granite stones we will get good foreign exchange. In this matter the middle men and traders should not be allowed to influence the policy of the Government.

Gems, pearls rubies and other precious stones are available in Pavagada in my constituency. Private traders should not be allowed to export these precious materials. Industrial units should be established in Pavagada to cut and process these precious stones before they are exported to other countries.

Channaptna, in my States is very popular for handicrafts. STC should play an important and responsible role to encourage handicraft age and to increase their exports. As my colleague Shri Nanje Gowda has stated earlier the merchants and bureaucrats join hands in manipulating imports. This has to be put to an end. Import of electronic goods from Japan should also be stopped.

Sufficient woollen cloth is being produced in our country. The Government should provide subsidy to encourage export of woollen cloth.

Our country has sea coast of thousands of Kms. We have rich wealth of marine products. Modernisation of fishing boats is essential to explore this wealth. Coconut powder and its products are in great demand in the USSR. Some unscrupulous

persons are adulterating these products. This has to be checked and only quality products should be exported.

Mango, guava, spota, apple and various other fruits are grown in our country, but there are no proper processing units. The growers are not getting remunerative prices. Therefore, processing units and cold storages have to be established throughout the country. Proper preservation, quality processing and packing will help our exports to earn more foreign exchange.

Plastic industry also has a bright future in our country. Hence the Govt. should be liberal in taxing the plastic goods. Financial help should be extended to flower culture also through corporations.

I request the hon. Minister to give subsidy and loans to the ground nut growers. The import of 80% of oil should be stopped immediately. The hon. Minister is an expert in this field and therefore I hope he would do the needful in encouraging our farmers and in boosting our economy through increased exports.

Sir, I thank you for giving me this opportunity to speak and with these words I conclude my speech.

[English]

SHRIMATI GEETA MUKHERJEE (Panskura): Reading the annual report of the Ministry of Commerce for 1985-86 I am reminded of a famous Bengali poem which says "NAKER BADALE NORUM PELUM, TAK DUMA DUM DUM". For your benefit I will translate it in English—Gained a nail-cutter in exchange of the nose, hurrah, hurrah!

The net effect of the Government's much trumpeted export-import policy, supposed to be one of the stepping stones to India's march towards the 21st century, to say the least, has proved disastrous.

Along with the sweet bouquets for the Prime Minister in Washington, USA has cut down India's exports in April-Septem-

[Shrimati Geeta Mukherjee]

ber, 1985 by 22.6 per cent compared to the corresponding period of the previous year. In the same period, the import from USA has gone up by 40.1 per cent compared to the corresponding period of previous year.

With all their craze for western multinational technology, the Government have witnessed India's export to West European countries going down by 20.8 per cent in April-September 85 compared to the corresponding period of the previous year, whereas the imports from the same countries going up by 24.8 per cent in the same period.

With another capitalist friend Japan, the export in the same period has gone down marginally whereas the import from her increased by 29.7 per cent in the same period.

With all these spectacular 'achievements', it is no wonder that India's trade gap in this period, that is April-September 1985, sharply rose to Rs. 4,124 crores compared to Rs. 2,290.58 crores in the same period of the previous year, that is, nearly double—a quantum jump indeed. The results for the next six months are yet to come. Some unofficial statements say that it may exceed Rs. 6,000 crores. That will be really a befitting hat-trick.

But for the other world, that is, the socialist world, it might have been worse. In April-September, 1985, our exports to East-European countries increased by 21.6 per cent compared to the corresponding period of last year, though our imports from the same countries for the same period increased by 12.9 per cent only. Among these, our exports to Soviet Union were higher by 24.9 per cent in the same period and imports were higher only by 11.3 per cent, and that too in non-convertible Indian rupee trade. It should also be remembered that manufactured items account for more than 60 per cent of India's exports to USSR.

This picture also truly reflects the attitudes of the two opposing world systems of capitalism, or here imperialism, and

socialism towards newly developing countries. Those who are for so-called equidistance should take an object lesson from this.

Now the question arises was this huge trade gap inevitable? No doubt, the crisis in the world capitalist system, which again is inherent in it, is at the root of the decline of our exports to these countries. In order to shift the burden of their crisis on our shoulder, the regimes in USA, Canada, West Europe, Japan etc. imposed import restriction, embargo, etc. for countries like us. It is a known fact though not always remembered by everyone. But another thing is also equally known that they try to dump their goods along with their not-always-the-best technology in countries like us for the same purpose. Through the new import policy, the Government of India has fallen for that with hook, line and sinker. Otherwise this position was not inevitable.

How relevant were the imports for our country, for her self-reliant development? Let us examine a few cases. Under the liberal licensing policy, we are now importing such manufactures as steel structurals, chemicals, industrial fasteners and even egg powder!

PROF. MADHU DANDAVATE :
Even lipstick they are importing.

SHRIMATI GEETA MUKHERJEE :
May be. Were all these essentially needed for our economy? We are importing a host of producers goods. With what effect on our own public sector? The Heavy Engineering Corporation is capable of producing all the machinery and equipment necessary to set up a million-tonne steel plant every year. While it is starved of orders, the Government of India is thinking of handing over Rs. 400 crores 'modernisation' plan of Indian Iron & Steel Company at Burnpur to Japan. It is said that Soviets take outmoded products of Ranchi. It is they who would place the orders and keep the Heavy Engineering Corporation going because they can manage with outmoded technology. They can afford it. But, Sir, is it not a fact that the Japanese, the Americans and the West Germans turn to the Soviet Union for

many of the latest technology in metallurgy? Similarly, take the case of BHEL, another public sector undertaking. BHEL is supposed to be good enough for effective functioning for other countries outside India. But for our own country the Government have considered it necessary to ask Britain for two 500 MW new sets for the Rihand project and 30 more sets ranging from 2 to 180 MW capacity from other countries including Canada and Australia. Was it all necessary? Was it not against the express warning of the Public Undertakings Committee? I wish to point out another thing. Our own R&D achievements are given cold-shoulder by bureaucrats with the blessings from the Ministers I believe.

PROF. MADHU DANDAVATE : Of course. Don't blame the bureaucrats; Ministers also are guilty.

SHRIMATI GEETA MUKHERJEE : It is clear. Sir, the notorious attempt to allow American Hemlock Company to set up the National Silicon Facility at Baroda despite the brilliant break-through in Silicon technology made by our own scientists is a case in point. Due to tremendous furore in the country, a Committee was set up to review the case which was to deliver its report in March this year. One would like to know the final outcome of the Committee. I understand that Prime Minister is to take a final decision. Sir, the facts are all well-known. Plethora of such examples are there but shortage of time does not allow me to go into those. There are examples galore in respect of many of these things. Our own R&D achievements were not taken into consideration. I would now like to make a few points with regard to our jute industry. It has been stated in the Report that jute export is declining. It has also been stated how the Government have increased the Cash compensatory support and arranged for 50 : 50 loss sharing basis between STC and Jute industry for boosting exports of carpet backing cloth to North America. But may I know when jute is one of the biggest export earners of the country (despite all the antics of the jute barons) why three multinationals HOECHST, ICI, Union Carbide and one monopoly, Mafatlal, have been allowed 18 lakh tonnes of

licensed capacity for producing synthetic granules of which already 2 lakh tonnes are being produced and putting the jute industry in great trouble? Obviously it is done to create trouble for the jute industry. No doubt the jute barons are exaggerating their crisis to justify their contemplated closing down of at least 12 or 13 mills thus rendering lakhs of workers jobless. But the competition of HDP bags made of these granules is an element in this crisis. Since the Grant relating to Textiles Ministry is to be guillotined this year I hope we will have the opportunity to discuss the serious situation in the jute industry in some other way. So I draw the attention of the hon. Minister to this point. He must do whatever he can to see that this granules import is stopped. This import is not at all necessary when our fibres are there. Please for Heaven's sake do not put 1/2 lakh jute workers and 10 lakhs of jute growers in difficulty. The support price fixed for jute growers is insignificant. It is deplorable. That must be upgraded and the price must be revised substantially.

MR. CHAIRMAN : Please resume your seat. Time is over.

SHRIMATI GEETA MUKHERJEE : I am concluding. My last point is this. Now, Sir apart from the granules...

(Interruptions)

AN HON. MEMBER : More time should be given to her. Congress people are also supporting.

SHRI PRIYA RANJAN DAS MUNSI : I fully support. I will not speak, my time may be given to her.

SHRIMATI GEETA MUKHERJEE : Thank you.

PROF. MADHU DANDAVATE : Don't spoil her case.

SHRIMATI GEETA MUKHERJEE : Apart from the granules to be stopped, the F.C.I. and the Cement Corporation and other public undertakings which are now using mostly the HDP bags instead of jute bags should be asked not to do so.

[Shrimati Geeta Mukherjee]

I will not repeat about sugar, coffee, cardamom and tea. Of course, they are all very important.

In order to reduce our trade gap what is most needed is :

- (1) A determined fight for New International Economic Order, including determined fight against rapacious trade practices of imperialist countries.
- (2) Change of the present liberal import policy.
- (3) Much wider trade relations with socialist countries.
- (4) Extension of mutually advantageous trade with other developing countries.

The Government must give a fresh look into all these; otherwise the country will face a far more serious situation.

PROF. MADHU DANDAVATE : And the change of the present Government.

SHRI K.S. RAO (Machilipatnam) : Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Commerce. All these year it is observed that the concentration is more on exporting the raw materials which are abundantly available in this country and importing the finished products. But if we were to concentrate on human resources, which are in abundance in the country and train them properly both here and in the countries where such particular technology is very high, through their skills, we can make raw material into finished product, and then export it to a country—either to a developing or to a Third-World country. That way we can earn more and more foreign exchange, and we can also reduce the trade gap. The policy perhaps should be to avoid the trade gap to almost zero. We can certainly afford to restrict our imports to the unavoidable items or the high technology. Really I cannot understand the wisdom of the Government when we hear several time in the House about the

import of items like sugar, edible oil, fertilisers, gas cylinders etc. which could have been comfortably manufactured in our own country, if only a remunerative price is given either to the industrialists or to the producer concerned. By importing these items not only we are losing the foreign exchange but also we are making our own people idle. When the unemployment problem is rampant in this country, instead of importing these items, we can export our human resources as well as the finished products utilising their skills. Export of raw material cannot give as much dividends and foreign exchange as finished product, the value addition is only the human skill, that is, the wealth of this county.

I am very happy the Government of India has come forward last year with a long-term import and export policy keeping it as three years at least, which infuses confidence both in producers as well as traders. In fact it is this trust that is required in the producers as well as traders, which enables them to concentrate on production on a long-term basis. But while liberalising the policy of imports and exports, a careful scrutiny must be made as to what items can be avoided under OGL, or what items can be restricted for import. I suppose a little more scrutiny is required in the Ministry of Commerce and a concerted effort made by the Ministry will certainly reduce our foreign exchange problem. I am also of the opinion that not adequate publicity is being given to the prospect of exports of various items and all these days the export has become the privilege of the urban areas only, or the urban people only. If this were to be known to the villages also, or to the remote corners of the country and if the statistical organisation in this Ministry were to be strengthened and proper guidance is given at regular intervals with statistical support and the prospects of different items in various countries, the farming community as well as of the people in the industry, of this country are wise enough and talented enough to produce such items and avoid import as well as improve exports. Yes, the Government has taken certainly ample measures in promoting the export. This can be done further more and I think, the barter system can also be ado-

pted in this regard by importing high technology and other unavoidable items and adequate equivalent value of exports can be done from this country, if people are properly enlightened in this country.

Since some of the items like tobacco, cotton, chillies which are being kept in the hands of private traders they are causing some disappointment to the producers as they are not allowed to reap the real benefit of this exports. I wish that some of the important items like this can be channelised through STC and if necessary, even the State Governments may also be permitted to have their own organisation for exports, but under the control of the Government of India, in the Ministry of Commerce.

Sir, Exim Bank has been brought into existence and they are doing yeomen service for exports. But the functions can be enlarged and the Exim Bank can improve its activities by having branches even in important cities of various States, by which the local people also come to know what types of facilities, the Government of India is giving through the bank. A good lot of people are not aware of the facilities that they may get from the Government of India.

As regards clearing of the export oriented and import substitution industry, a special effort or a concentration must be made to ensure quick sanctions and financial assistance. All that the industry wants is, cutting down red tapism which is costing almost more than 25% of the product and also losing valuable time of the community. This can also be saved by putting only a little effort or giving concentration by the Ministry and the officials concerned.

As regards price stability, irrespective of the international price, of various commodities which can be exported from this country, the Ministry must come forward for absorbing these prices or giving a standard price or a rational price so that it can act as a shock absorber to the producers and the exporters. This will enable the producers to concentrate their energy more on increasing the production rather than on the fluctuation in the international

market. This will go a long way, along with giving incentives to them.

Sir, it is a good event that the Ministry has concentrated in bringing free trade zones in various parts of the country as well as export processing zones. When I went into the details, I found that considerable account had been sanctioned for export processing zones and free trade zones. It is good to do so, in the interest of export, but I am sorry to say that the Minister must take care of Andhra also. The Vizag port is one which has got tremendous potential and also have got different commodities to be exported from there. For all these years, the potentialities have not been tapped. Andhra has only farming community based on agriculture and it can extend its activities to exports also depended upon by which it will also increase the national wealth with these free trade zones to be started at Vizag. There are several items including a lot of untapped wealth in the sea, as there is 1,000 km. coast in Andhra, Prawn fishing and even fish catch can be raised in great measures in Andhra Pradesh area. The latest technology available in the farming sector is not put to proper use so far. Therefore, those people who can afford to adopt this technology can rise to the occasion, and help in the nation building if only such small facilities are given to Andhras.

There are several other items in Andhra. Cotton is there in abundance. It can be absorbed every year if only a proper survey or study is made. Any commodity that can find a good market in other countries like cotton, tobacco, chillies and other such products can be raised in Andhra Pradesh particularly in coastal areas or where assured water supply is there. Apart from these, the opportunities for poultry, animal husbandry, dairy products, meat and vegetables are in abundance in the State of Andhra Pradesh.

So, I request the hon. Minister to see that either the Visakhapatnam port is made immediately a free trade zone or some other place is made an export processing zone in Andhra Pradesh. Extensive publicity should be given in Andhra Pradesh about the various items which should be produced and the various items

[Shri K.S. Rao]

which have got prospects of getting good market in other parts of the world.

I wish and trust that under the able guidance of the new Minister Shri P. Shiv Shanker, the Ministry of Commerce will make tremendous strides and prove to be a great success and cover the trade gap very soon.

SHRI PIYUS TIRAKY (Alipurduars) : First of all, I should like to invite the attention of the hon. Minister of Commerce towards the grave economic situation of our country. According to some reports, the inflow of foreign capital during 1984-85 into our country was Rs. 1,000/- crores. On the other hand, the Government and several other people have estimated that about Rs. 90,000 crores of black money is present in our country even though foreign capital is flowing into our country. Foreign collaboration is very much invited and it is forthcoming and the rules have been made very easy.

There is a saying that history repeats itself. In the olden days, it was Shri Sirajuddaula who gave licence to the British East India Company for trade in India. Now we are inviting the foreign nationals and the multi-nationals to our country for trade. The East India Company took over our Government itself and we were subjected to slavery for hundreds of years and we had lost our identity also.

Now our Government is very much thinking of computerisation of everything. The computer is expected to teach everything to students. The students have stopped reading their books. They want the computer just to give them the right answers. Our Government is very much crazy about computer.

In our history; Mohammed Tughlak thought that...

SHRI P. SHIV SHANKER : About computers ?

SHRI PIYUS TIRAKY : Subject to correction. He wished that the capital of

this country should be somewhere in Daulatabad and he asked the people to move from Delhi to Deogiri. But the people were not ready because they were poor. Now you have asked the people to step into the 21st century ! But the people of the country are not ready. 51% of the population live below the poverty line and 70% are illiterate and you are asking them to step into the 21st century ? So this is the same thing like that King who wanted to change the capital from Delhi to Daulatabad. The experiment was found impossible, so he said, "Let us go back to Delhi because so many troubles have already come up" people said. "We have no money." "Then the king said, "why don't you take money from the bank ?" So all the money was given to the people and there was no money left in the treasury. Like-wise you also open the banks and have loan melas. Whether people are wanting loans or not, you are persuading for loans to them. But the Commerce Ministry should think before taking money or giving a loan that the money has to be returned. Knowingly or unknowingly loans are distributed for nothing and the loss is bound to be there. How do you get rid of all these things. That is a thing you have to think of because you have got a very good mandate and the people think that you will be able to put the economy in the right place and improve the economy of the country in general and that the people will have a bright future and can step into the 21st century with other developing countries and even the developed countries themselves.

I come to a very important point which nobody has touched—that is a life saving drug. I want to give a life-saving drug for your economy. Nobody has spoken about it. The tea industry in India is the only profit-making industry and millions of people are employed in it and 55% of them are women. It is a very profitable industry but what is the condition of the tea garden workers. They need at least 6000 metric tonnes of rice every month. We have enough in the godowns of the FCI because the crop is good. But so far as the tea garden people are concerned, it is reported here that the FCI is

not giving them the ration they should get.

Next to tea gardens...

MR. CHAIRMAN: Please conclude now.

SHRI PIYUS TIRAKY: Please don't disturb me. Otherwise the tea garden people will not give you tea at all.

Mrs. Gandhi is also reported to have said—I would like to quote :

“A revised 20 point programme was announced by Prime Minister, the late Mrs Gandhi on 14th January 1982. The object of the programme was, among other things, a speedy improvement in the living conditions of the under-privileged and the working people. Historically and traditionally the tea garden workers belong to the under-privileged class.”

So these under-privileged classes are giving us gold, they are trying to lift you up from the darkness of your economy which is in doldrums. But these people are very illiterate. The percentage of literacy among the tea garden workers is 0.2%. They are hard-working people. For these people at least education, health care and other facilities should be provided. Because they are helping the country, the country should come forward to help them also. These tea gardens need special nourishment. Because these tea companies and tea garden workers have specially come forward for the help of the nation and for the help of the Commerce Ministry, because tea has become the life-saving drug for the Indian economy. I would once again draw the attention of the Commerce Minister that he should go through the entire matter pertaining to tea industry. I should like to mention to the Commerce Minister about the tea industry and its improvement also.

MR. CHAIRMAN: Please resume your seat.

SHRI PIYUS TIRAKY: Sir, if you could allow me some time I will explain

everything about the tea industry and the foreign exchange earnings. Our people should get prosperity. Before I conclude. I would like to say one thing i.e. our economy as a whole, is in a very bad shape. You must have deep thinking. You should not go by what the computer is saying. Computer figures will be misleading the Government.

SHRI P. PENCHALLIAH (Nellore): Sir, political independence is meaningless without economic independence. It is not surprising that many nations quite often lose their identity just because they are not economically independent. Hence, vitality of any nation invariably depends on the commercial activity of the nation. Many nations which emerged independent are now developed countries, while we still remain developing country. True, every nation cannot be a Japan or Germany who could build such a strong nation out of ruins suffered during the Second World War, yet there are countries like Brazil which are quite in an advanced stage. It is 38 years since we have become independent. What is our position in international trade. The record is very poor. Our share in the world trade has been going down. India is losing ground in the world market. In 1960s, India's exports accounted for 1.1 per cent of the world export. By the year 1984, our share has gone down to 0.5 per cent. It clearly shows that we are losing our market in the world. The Government may blow its own trumpet by saying that we are now in a position to export diversified products ranging from traditional items to the most sophisticated engineering items. It appears that the Government have become complacent of our limited technological developments. If we keep in mind our vast resources, our technical manpower, the size and position in international affairs, then what we have been able to achieve in the past is far from satisfactory. During the last 25 years, our foreign trade has been in the red. Our imports are out-running exports by sizable margins, more so, in the recent years. Imports have been going up while our exports are falling down. In the first 5 months of 1985-86, our exports declined to Rs. 3763 crores from Rs. 4413 crores or by 15 per cent during the corresponding

[Shri P. Penchalliah]

period last year. During the same period, the imports went up from Rs. 6520 crores to Rs. 7566 crores. It is a massive 16 per cent increase in import. This Government is more interested in imports rather than exports.

Even the simplest items which can be manufactured in the country are now being imported. More and more items are being brought under OGL. Sir, instead of encouraging small scale industries in the country, the Government is virtually killing them. Due to the indiscriminate imports, many small scale industries are on the verge of collapse. Entrepreneurs are disappointed. Hence in order to avoid the mounting trade deficit the Government should stop importing indiscriminately. Entrepreneurs should be encouraged to produce items to substitute imports.

Sir, there is no dearth of natural resources in the country. We are blessed with a long coastal line. Marine wealth can be exploited with small investment. We quite often come across the news about foreign trawlers pouncing in our own waters. Efforts should be made to exploit and export marine products like fish.

In Andhra Pradesh we have a very long coastal line. By encouraging the fishermen by offering incentives we can export fish and other products and can earn more foreign exchange. These fishermen are now leading a miserable life and are being exploited by the middlemen. Hence the Government should purchase the fish direct from the fishermen and export them. Also by extending financial assistance to these fishermen, the Government can boost our marine products exports.

MR. CHAIRMAN : Please conclude.

SHRI P. PENCHALLIAH : Similarly, Sir, we can earn a lot by exporting minerals like Mica. All these years we have been concentrating in the export of iron

ore only. Now the time has come to export other minerals as well. Mica is abundantly available in Andhra Pradesh and especially in Nellore. It is in the hands of contractors who are exploiting the poor workers small and middle class traders. After the introduction of Mica Trading Corporation many of the mines were already closed. Many more mines are now pulling their shutters down. The whole Mica trade is facing a crisis.

MR. CHAIRMAN : I have given you sufficient time. In fact, your Party was not having so much time. Please conclude

SHRI P. PENCHALLIAH : When the traders get foreign orders, out of it 50% of the orders should be given to MITCO. Then what is the use of the existence of MITCO? If the MITCO is completely removed from the field, then only can the Mica trade be saved. Hence the Government should come forward and rescue the mica trade. Not only it will save thousands of workers from starvation, it will also help the Government to earn a lot of foreign exchange by MICA export.

MR. CHAIRMAN : Please resume your seat.

SHRI P. PENCHALLIAH : Sir, efforts should be made to encourage export of more and more traditional goods which can also generate employment. There are many artisans, handloom workers who can produce items which can very easily find customers in international markets.

MR. CHAIRMAN : Nothing else will go on record if you don't resume your seat.

(Interruptions)**

MR. CHAIRMAN : It is not being recorded. (Interruptions) You are wasting the time. It is not being recorded. Please resume your seat. (Interruptions). In fact your Party was having only three minutes, but I gave you more time.

(Interruptions)... Please resume your seat. I cannot allow you to read everything you have prepared. It is not being recorded.

(Interruptions)*

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): Mr. Chairman, Sir, at the outset I would like to profusely thank all the hon. Members who have participated in the debate and made very valuable suggestions. Many of them have undoubtedly made suggestions which cannot be brushed aside so easily. I do appreciate the concern of many of the hon. Members on the question of the trade gap.

Sir, while I will go into the details immediately, myself and my Ministry are also equally concerned with the trade gap that has come to exist in our economy. The performance of my Ministry necessarily depends on the industrial climate inside and outside the country, competitiveness in the international market, the quality of goods and also one of the factors that has developed for some time and which has been creating quite a bit of anxiety is the attitude of protectionism that is displayed by the developed countries. All these factors have to be reckoned when you go to assess the performance of the Commerce Ministry.

Sir, hon. Members, as I said earlier, were rightly agitated on the question of trade gap. Some of the hon. Members have given certain figures which I would like to immediately advert to, but I would not like to unduly cover up what could not be covered. I take this opportunity to make an appeal to the industrialists and all those who are concerned with them help the country in tiding over this difficulty of the trade gap. I am appealing to the patriotic sentiments of the industrialists, agriculturists and so on that they must intensify their activity towards exports so that in the long run the nation's economy does not get jeopardised

in any form. I am making this appeal not from the point of view of my party or any such type. If the nation exists we will exist. I am really worried about the trade gap that has been developing. Of course, some hon. Members have already said that the trade gap is likely to be around or a little more than Rs. 6000 crores.

I am conceiving of a little much worse a situation. In my own thinking, perhaps, we might go even to the extent of Rs. 9000** crores gap. I can't withhold this figure because this is my estimation on the basis of the discussions that I had been having and it is all the more necessary, in this background, that the nation and particularly those who are connected with the trade, industry, agriculture and every conceivable aspect, goes to help and strengthen our trade with foreign countries and they will have to come out to help us and it requires a faster growth as well. After making my submission on this broad parameter, I would straightway like to advert myself to square up the aspects which had been very candidly adverted to by various Members. Some of the hon. Members had gone to the extent of saying that we had been losing world market. I do not think that that is a correct perspective in which they had been looking. In fact, I am of the view that it is not a very dismal picture that was sought to be presented by some of the hon. Members. We have done well. While complimenting our trade, our industry, our agriculturists and my own Department for having done something good, I am also conscious of the infirmities and the drawbacks that exist in the system and the shortcomings that have percolated. Not that I am unmindful of that, but in spite of that, what I expect is a better performance. Performance had been good. It could be made better and from better to the best and I am sure that all of our concern would make our India to see that we succeed in this venture. Some of the hon. Members have quoted some figures. For example, two hon. Members

*Not recorded.

**Later corrected to Rs. 7000/- crores vide p. 14590.

[Shri P. Shiv Shanker]

including the last speaker have tried to put forth that we have been losing the world market.

Sir, very rightly, it was said that in 1950, our share in the world trade was 2%. In 1960, it came down to 1.04%. In 1970, it further came down to 0.65% and in 1980 it came down to 0.42%. But then the point is that the hon. Members forgot the phenomenal expansion in world trade over this time. I would request the hon. Members to look at it from this broad parameter angle and if you kindly look at it, you will find that the position in 1960 was that the volume of world trade was 1,28,250 million US dollars and this was at a time when our percentage of share was 1.04%. When it came to 1970, our percentage of trade has slipped down, as they have very rightly said, to 0.65%.

16.00 hrs.

But then the world volume of foreign trade, which has grown, is 314111 million dollars. (*Interruptions*). I said that in a decade, the world trade has risen more than three times. That is why our percentage has become less. But when we come to 1980, it is 20,01,551 million US dollars, which would be practically around six to seven times more as compared to the volume of world trade in 1970. That has forced us to slip down further and it has come to 0.42 per cent. Therefore, when you try to criticize the working of my Ministry from the point of view of the share of the world trade, you kindly also take into consideration the phenomenal expansion that has taken place from time to time.

16.02 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

I must also bring to the notice of the hon. Members that the target for 1985-86—our performance should be judged from this angle also—was fixed at Rs. 11,736 crores and I must say that since the target was fixed, there has been a wide gap in

certain respects, particularly the export of the crude and the petroleum. If you kindly go into the 1984-85, more than Rs. 1500 crores worth of crude was exported. This time there is no such possibility. But nonetheless, the target that was fixed was Rs. 11736 crores and what is likely to be achieved is Rs. 11525.6 crores. The only difference, I am finding, is that we will not be achieving the target; the target will fall short by about Rs. 200 crores. But that is not a bad performance; it is a good performance. But we could improve a lot, as I said.

If you kindly look into the past years, I do not have the figures too far enough, but I have the figures from 1980 onwards. For the years 1979-80 the exports were of the order of :

1979-80	—	Rs. 6418.43 crores
1980-81	—	Rs. 6710.71 crores
1981-82	—	Rs. 7805.91 crores
1982-83	—	Rs. 8803.31 crores
1983-84	—	Rs. 9872.10 crores
1984-85	—	Rs. 11,656.93 crores.

Now if you kindly look up from this angle, every year there had been a little progress, except I must frankly confess, this year now it is coming to Rs. 11,525.6 crores as expected, and compared to last year, i.e. 1984-85 which stands at Rs. 11,656.93 crores, it has declined. I have also tried to explain that this visible gap this year (when we feel that it is lesser compared to 1984-85) is for the simple reason that crude which was exported for more than Rs. 1500 crores was reckoned in 1984-85 and this year it is hardly Rs. 140 crores. Now this makes a very big gap and if you take out this item of crude then it is a case of very good performance. But, taking into consideration the vast needs of our country and taking into consideration the hopes and aspirations of our people, certainly this is nothing. But then, we have got to progress. Though the economic policy which are had been pursuing is very sound, it appears nonetheless, a quantum jump is not possible.

I have taken pains to explain all these details only to make a submission that it is not as though the performance is dismal. The performance is good, but a lot will have to be done and that is precisely why I have appealed to the patriotic sentiments of the different segments of the society so that in the long run we may not suffer any setback whatsoever.

I would now come to the position of April-September 1985. Very rightly, many of the hon. members were exercised over it. They had quoted figures and very correctly too. But I would like to assign some reasons. If I am not able to assign any rational basis for the figures, then I assure the hon. members that I would openly confess the mistakes. I can put forth before the hon. members the realities of the situation as to what difficulties we are facing, etc. After all we suffer resource constraints as well. When the budget is reckoned, it has got to take into consideration various other schemes where the expenditure is absolutely essential, be it Defence or Energy or other sectors. Within the constraints of the resources, I feel that our performance had not been bad. If you look up the April-September 1985 in the year 1985-86, our exports have already been brought up to the tune of Rs. 5017 crores as compared to Rs. 5054 crores in the corresponding period of 1984-85. I would like to submit the reasons for the decline: (a) crude oil and sugar are not being exported; (a) lower unit value of tea, jute goods, castor oil and cardamom; (c) lower shrimp catch on the West Coast; (d) problem in export of groundnut oil meal due to aflatoxin standards; and (e) lower performance of the engineering sector. These are the various reasons as a result of which perhaps the performance could not have been better, which could have been expected. In fact, I have already submitted it, and even at the cost of repetition I must say that last year, the exports of crude by themselves were more than Rs. 1500 crores, which makes a tremendous difference, in my submission. Then, when it comes to the question of imports, within the same period, about half the increase in imports is due to increase in the import of bulk commodities like fertilizer and so on.

There is an increase in the import of machinery and equipment reflecting higher investment and economic activity. Hon. Members did observe that this increase in imports is because of the liberal import policy that had been carved out. I must submit that that is not entirely correct. I have already brought to your kind notice that there had been quite a good increase in the import of bulk commodities; and it is true that there has also been an increase in the import of machinery and equipment. I must submit that Government of India has liberalized imports where it comes to the question of machinery and equipment. If it is a question of bettering the economic prospects of the people, i.e. if this machinery is imported and the manufacturing process accelerates, then naturally the economic life of the people would also become better. That is one aspect of the matter. The second aspect of the matter is: a lot of concessions have been given with reference to the import of machinery and equipment, if that machinery and equipment are to be utilized for the purpose of manufacturing goods which have to be exported—because naturally, the impetus will have to be given. Because of the thrust that has been given for this type of an activity, and the policy that has been framed for the purpose, naturally a little bit of more import has become absolutely inevitable. Assuming for a moment that we do not import the machinery which enables us to manufacture the various goods either for the purpose of internal consumption or for exports, then the net result would be that the country would not grow. The country's economic prospects will become dim. They get blurred. That is precisely why this action has to be taken. I quite concede the point that we are not in a position to take quantum jumps. We have to, because the situation demands it. But the misfortune is the constraint in resources, as I have tried to put it. You have got to cut the coat according to the cloth. There seems to be no other way out. In fact, the performance could have been much better. For example, some of the hon. Members were referring to rubber. I am giving an example, more to illustrate the point that I was trying to make. The position was that in the

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7th five year Plan, what has been allocated to the rubber industry is Rs. 53 crores. This year we are importing rubber to the tune of Rs. 38 crores, and it is to progressively increase; and when it comes to the question of 2000 A.D., I fear that we will have to import rubber to the tune of Rs. 100 crores a year. Now the position is that while we are going into the detail, I found that if Rs. 100 crores could be spent in the Seventh Five Year Plan, we would be able to become self-sufficient by the end of 2000. Now, therefore, I have made a special request to the Prime Minister; I said, notwithstanding the constraint of the resources—now it is a very small gap of Rs. 47 crores—if this amount could be made available perhaps progressively, this year, Rs. 38 crores worth of rubber has been imported; next year it will be a little higher and so on; finally, when it comes to 2000, it is Rs. 100 crores. So, if you look to what amount we would have spent in foreign exchange for the purpose of importing rubber over the years, the expenditure of Rs. 47 crores is nothing, though, of course, it will yield the result only when it comes to the end of the century. But the Prime Minister has been very pleased; he said, yes, we will look into it; something has to be done. If there are small anomalies, etc. remaining, we are trying to bridge the gap. But, then the point is, the whole difficulty is the resource constraint; and my colleague, the Finance Minister has his own constraint when he has to allocate the amount to the various departments. Our ambition will be too much. There is no doubt when it comes to the question of, I mean, asking; we go with a very big bowl. But, then the point he has got is to divide the national cake according to the various exigencies which he himself confronts. So, that is the situation which I thought that I should present before the hon. members.

In the first half of 1985-86, we have done well in certain export items like marine product, fruits and vegetables, cashew kernel, rice, iron ore, manganese ore, hand-made carpet, machinery and transporting equipment, leather and leather goods, gems and jewellery.

But when it comes to the question of tea, sugar, oil cake, spices, petroleum products, there has been a decline for the reasons which I have already assigned. Now, because of this state of affairs, the Government of India has been pursuing a policy, a policy which should ultimately enable us to strengthen the export. We have been trying to adopt a policy, which would generate investment in the expansion of sectors having export potential. We have been making the effort to improve the quality and competitiveness of the export products and to make export profitable. We have been making the effort to secure improvement in the functioning of the infrastructure, which is becoming one of the major constraints in our export effort.

A rationalisation has been admitted in the promotional efforts abroad in the multi-lateral forms. Effort has consistently been made to promote and to defend India's interest in trade policy issues as well as to maintain access to our goods. These are the broad parameters of the policy which we have been trying to pursue so that in the ultimate analysis the export trade grows and grows by leaps and bounds.

In the Finance Act of 1985, 50 per cent of the profit attributable to exports was sought to be retained by the business, only with a view that they participate more actively in the efforts as to the exports. The Reserve Bank of India has accepted and notified the availability of pre-shipment credit for all export commodities at a concessional rate of 12 per cent interest for a period of 180 days, which would meet one of the long standing requirements of the export sector. I am only trying to bring to the notice of the hon. Members various measures that have been taken so that they could judge by themselves the performance of the Ministry. As I said, I am not saying that everything is perfect. But within the constraints of the resources and the infirmities which we have to face, we have been trying to do our best. That is the only case I am putting before the hon. Members. I am not pitching my case too high. I am only bringing to the notice of the hon. Members to judge us in the background of the

submissions that I am making on diverse aspects.

Import duties have been got reduced on a large number of capital goods required for manufacture of garments, leather goods, on diamond cutting and polishing tools, equipment for marine products, etc. for encouraging investment which will improve the quality of our products, their finish and productivity. Export duties have been abolished on iron-ore and tobacco. The cash compensatory support scheme is completely being recast to cover indirect taxes on inputs for export manufacture and not only the final product. Special consideration will be given to agricultural sector and handicrafts in the operation of the scheme. The duty drawback procedures are being very considerably simplified. A decision has been taken in principle to transfer this work also to the Chief Controller of Imports and Exports, who is operating the CCS scheme.

The Ministry this year has processed two major reports. In fact, some of the hon. Members have made a reference to one of the reports. Both these reports pertain to the trade policy. One is the report of the Abid Hussain Committee, from which some of the hon. Members have quoted. The other is the perspective planning and strategies for export of engineering products. That was the Committee headed by the then Heavy Industry Secretary, Mr Kapur. Most of the recommendations, so far as Government of India is concerned, have been accepted. A large number of them have been implemented. A few of them are under consideration. In fact, some of the items that I have already referred to about the measures that have been taken are the reflection of the action that has already been taken by the Government of India from time to time. In fact, hon. Members are aware that three-year import policy has been introduced. Of course, that does not mean that peripheral changes here and there, if need be, would not be made. But this policy was enunciated so that it gives stability to the imports and exports and provides an impetus to those who are involved in the export activity. It is precisely for this reason

that a long term policy for three years has been envisioned. This was done in the larger interest of the society. It is not as though that to benefit a particular segment of the society. But it was felt that this policy would enable the export to grow and also in the long run help the society from getting over the morass of the economic activity in which we are likely to fall if we do not take quicker look and accelerate our exports. The pass-book scheme was also introduced to facilitate access to importable inputs duty-free for export production on a programme basis. Abolition of certain categories of licences and a shift in certain areas to regulation through import duties rather than physical controls has been resorted to so that this approach of ours also enables the acceleration in the trading activity. The recommendations of the Committee have also been implemented with regard to the canalisation policy for imports. In fact, we have taken lot of measures with reference to the thrust sectors. Fourteen items have been found after careful consideration where perhaps we can make a thrust in the international arena of trade and we could improve our trade in these items and could also get better markets. It is with this view that we thought that we should give some more facilities in respect of these thrust areas. These areas are: the engineering sector, the agricultural sector, the marine products, plantation, gems and jewellery, chemicals, leather and so on. I have got details under each and every sector as to what facilities we have provided but it would be unnecessary for me to go into those details because it would consume quite a lot of time. I must submit that a training and development centre is being established at Jullundur for sport goods. The building for the centre has already been completed.

A major break through has been made in the export of iron-ore with exports of Kudremukh iron-ore to Japan and opening up of new markets in China and Yugoslavia. Encouraged by the response of the industry in the export processing zones at Kandla and Santa Cruz in Bombay, four more such zones are being established at Cochin, Madras, Falta near Calcutta and Noida. The basic infrastruc-

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ture work was completed during the year and the zones at Falta and Madras have become operational. Expansion was undertaken of Santa Cruz zone. Similarly, for hundred per cent export-oriented units, the terms and conditions were improved by reducing the Customs bonding charges, issue of guidelines for sales to the domestic tariff area and for disposal of rejects and waste materials. Some of the hon. Members coming from Andhra Pradesh were pleased to put forth a point that Vishakhapatnam should also be made an export processing zone. In fact, we could not take up this proposal because of the shortage of funds and I am sure that in the coming years, we would be able to do something, I am confident that my colleague, the Finance Minister would come to my rescue and also to the rescue of the hon. Members from Andhra Pradesh particularly, and the nation in general, in seeing that this particular zone is established at Vishakhapatnam...*(Interruption)*.

PROF. MADHU DANDAVATE : And the world at large.

SHRI P. SHIV SHANKER : World at large Professor Sahib, belongs to you, not to me.

SHRI SOMNATH CHATTERJEE : Your world is shrinking.

SHRI P. SHIV SHANKER : None-the-less, international connections are yours, not mine.

SHRI SOMNATH CHATTERJEE : The Commerce Minister has no international connections. We can think of our commerce.

AN HON. MEMBER : He believes in the indigenous exports.

SHRI P. SHIV SHANKER : Then, Sir, hon. Members have raised various points. I have broadly made the submission in the policy angle and the various measures that we have been taking. As I said, large number of them have made quite a lot of suggestions. In fact in respect of some of them, I found them to be

highly valuable. Of course it is not possible for me to come to a conclusion right now about those suggestions at this stage. But I assure the hon. Members that my mind will work on it and we will certainly take necessary decisions, which would ultimately help the strengthening of not only the economic life of our country, but also the exports as well. That is why I would not like to dilate on the details of the suggestions that have been made. I would like to confine myself to make a submission that I have noted them and I would certainly look into those suggestions. Various points have been raised by the Members. It is not possible for me to go into each and every thing in great detail. Some of them were highly minor as well. But there are some points which I thought are really material to which I must advert to and bring them to the notice of the honourable House so that if there is anything where we can see through, I would certainly not shirk the responsibility.

At the outset I would like to refer to what has been observed very strongly by Mr. Nanje Gowda. He gave lot of details. Of course, his study of the entire situation from 1979 is really enlightening.

SHRI SOMNATH CHATTERJEE : And an eye-opener.

SHRI P. SHIV SHANKER : It is undoubtedly. It is not possible for me to immediately react to it. Lot of details have been given by him. *Prima facie* I am satisfied that what he has raised seems to be true. Now the question is this. *(Interruption)* I am saying '*prima facie*'...

SHRI SOMNATH CHATTERJEE : Except that he has minimised the amount involved.

SHRI P. SHIV SHANKER : Wherefrom did you get further information ?

SHRI SOMNATH CHATTERJEE : At that point he was a little hesitant.

SHRI P. SHIV SHANKER : I must say that he has said more than what I expected him to say. But than the fact of the matter is this. I must frankly confess

this that everything does not appear to be correct with the State of Denmark and something will have to be done. In this particular case I assure the House that I will go into the details.

SHRI DINESH GOSWAMI : But don't hesitate between 'to be' and 'not to be'.

SHRI P. SHIV SHANKER : You please wait. I am saying it. Otherwise it will be an endless thing. I will go into it. I assure the House that I will take whatever action is needed in this regard. We will go fast into the investigation of the facts, we will order enquiry into the whole facts, and if need be, I would not shirk the responsibility to take the extreme action that might be called for under the law.

SHRI SOMNATH CHATTERJEE : We only hope you will be there.

SHRI P. SHIV SHANKER : Therefore I would not like to say anything further in that matter.

One of the hon. Members has raised the question....

SHRI SOMNATH CHATTERJEE : What about cardamom ?

SHRI P. SHIV SHANKER : I will come to that. How Bengal is interested in cardamom, I cannot understand.

(Interruptions).

SHRI V. SOBHANADREESWARA RAO : They have very close relations.

SHRI P. SHIV SHANKER : Because my hon. friend chews a lot of....

SHRI SOMNATH CHATTERJEE : Adrak.

SHRI P. SHIV SHANKER : You chew a lot of paan, perhaps. That may be the reason.

Sir, the opener of the debate has adverted to the delay in payment of the cash compensation under the scheme. I

must submit that there are two schemes of CCS payments, one is the simplified scheme and the other is the normal scheme. A little more than 90 per cent of all the CCS claims are under the simplified scheme under which payment is made by cheque within 24 hours to a fortnight. Therefore, under the CCS scheme practically more than 9 per cent payments are effected within 24 hours to a fortnight. There should be no difficulty for an exporter to get such payment under the simplified scheme, provided he submits satisfactory documents, customs authenticated shipping bills, bank attested invoice, bank certificate of f.o.b. value of exports, and certification of inspection. The Chief Controller's organisation has been processing about three lakh applications per annum on an average and I must submit that there had not been any complaints in this regard. When I say 'not been any complaints', I mean, they have been too negligible which warrant an expression that I have already used. In the normal scheme generally chosen by the exporters whose exports are 'deemed exports' and not actual exports outside the shores of the country—'deemed exports' simply means supply within the country for a project or purpose recognised by Government as equivalent to export, World Bank Project etc. Documentation required for CCS payment is complicated, it takes time both for the preparation and verification. Where an exporter applies under the simplified scheme but does not give satisfactory documentation, he has to move to the normal scheme. Roughly between 25,000 to 35,000 applications per annum are disposed of under this normal scheme.

The delays in CCS payments occur under the normal scheme and that is, because of the various requisites that have got to be furnished are not furnished as I said, even the preparation of the documents and the verification itself takes time and in this process a little time is consumed. I don't say that...

PROF. N.G. RANGA : Not little time, so much more.

SHRI P. SHIV SHANKER : No. I would assure the hon. Member that if

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there is any specific case where long delays have taken place, we will take care of them, not as though that we would allow undue delay. But in the scheme itself certain delay is inherent as I said, and the Ministry had been looking into it also as to how best we could salvage the situation. I would not like to go into further details of it because I have already adverted as to why really the delays occur.

Sir, one of the hon. Members has referred to the pepper production and its productivity, and he tried to compare the production in our country which is at a very low rate as compared to Brazil.

AN HON. MEMBER : And Malaysia.

SHRI P. SHIV SHANKER : And Malaysia, of course.

Sir, so far as the pepper production in our country is concerned, its productivity is low because of the very old vines and because they are in a mixed system of cultivation. It is not on the plantation basis like in Brazil. In fact, in Kerala, in the back-yards of the various houses, pepper is grown. That is why, I said, it is not on the plantation basis. And it is true that as a result of this, our productivity is low. But being native vines, our pepper is more resistant to disease compared to the varieties abroad. The Kasargode Research Institute on plantation crop is developing a new variety with much higher yield than the normal variety. Under the Kerala Agricultural Development Programme 17,500 hectares of pepper plantations are being rehabilitated with the assistance of the World Bank. So, steps are sought to be taken to see that production and productivity both increase and I am sure, in due course, we would be able to see a better performance in this sector.

The hon. Members were also pleased to refer to the minimum release price for coffee. The main argument that was addressed was that this has not been revised. I would not like to go into the details of it because a couple of days

back, I have made the submission to the House as to the reason why minimum release price of coffee has not been revised. The last revision was in 1983. I have already submitted that the Cost Accounts Branch had gone into it and I presume that the Cost Accounts Branch has very recently submitted its report as well. But when it comes to the question of minimum release price, only 1/3rd of the coffee which is grown is sold in the domestic market, which would be benefited by the minimum release price. About 2/3rds of the coffee grown goes for export. The realisation from it is substantially higher because of the high international market price; it is around Rs. 40,000 to Rs. 45,000 per tonne. I am not trying to justify for the non-review of the minimum release price on this ground. But I am saying that this offsets a little lesser price of the minimum release price which exists at this stage. In fact, I am sure that after going into the whole scheme at the earliest, we would be in a position to come out with clear conclusions, about minimum release price of the coffee.

Some hon. Members have adverted to the performance of the cardamom in which fortunately or unfortunately...

(Interruptions)

SHRI MULLAPPALLY RAMACHANDRAN : Several hon. Members have levelled allegations against the Coffee Board Chairman. He has sold the coffee in the international market without consulting the Coffee Board. What is your comment? It is a very serious thing.

SHRI SURESH KURUP : At that time the international price was much higher.

SHRI MULLAPPALLY RAMACHANDRAN : We have represented the case before the hon. Minister. No reply has been received by us. We have given it in black and white.

SHRI P. SHIV SHANKER : I am sorry that it has not come to my notice.

SHRI THAMPAN THOMAS (Mavelikara) : I have raised it in my speech. It

has appeared in the Press. On 14th December, on the intervention of the chairman, robusta coffee was sold at a loss of Rs. 6,000 per tonne. The next day, the price went up. You have not adverted to that specific point which I have mentioned in my speech.

PROF. MADHU DANDAVATE : Even a person who has sold must not have maintained his accounts.

SHRI SURESH KURUP : There were black flag demonstrations in Kerala. *(Interruptions)*.

SHRI SOMNATH CHATTERJEE : We must come to the rescue of our good friend !

SHRI P. SHIV SHANKER : Mr. Chatterjee, I know how you will come to my rescue ! Is there any doubt ?

SHRI MULLAPPALLY RAMACHANDRAN *Rose—*

SHRI P. SHIV SHANKER : You please sit down. You have said what you want to say. Give me a chance. If you are not satisfied, you are welcome. I am a man who would listen.

Actually, I do not know how I slipped this point because in the points that I have, I noted down this point. I have not been able to...

SHRI SOMNATH CHATTERJEE : Sometimes it happens !

SHRI P. SHIV SHANKER : I take the hon. Members when they say that more than one has referred but I will go into it. I assure the hon. Members that if need be I will come back to the House to bring to the notice of the House as to what exactly has been done in this regard because this is a matter which has to be gone into. One has to probe into it.

I was making the submission on the cardamom. In fact, because of the two continuous years of drought in 1982-83 and 1983-84 in which the production of cardamom was only 2,900 tonnes and 1,600 tonnes respectively, the prices shot up

In 1984-85, the production was 3,900 tonnes.

In 1985-86, average price in auctions had been around Rs. 140 per kg.

Hon. Members were trying to say, "Well, the cost of cultivation is Rs. 140 or Rs. 145/-." In fact, we have gone into it in detail.

(Interruptions)

That is what you said. Your Board has said. I remember that. Your Cardamom Board has estimated it at Rs. 140 or Rs. 145/-. I still remember what I said. But then the Kerala Government has gone into it and the information with us that it is not only Kerala but other parts also, it is Rs. 90-125 per kg. That does not mean that I am satisfied with Rs. 140/-. It is nobody's case. But then the point is that the dismal picture that was sought to be painted does not appear to be correct. This is all what I thought that I should say.

PROF. P.J. KURIEN : The average auction price of Rs. 140/- is not correct. I think that is to be re-examined.

SHRI SOMNATH CHATTERJEE : For the time being, you must be wrong compared to the hon. Minister ! Then you keep quiet !

SHRI P. SHIV SHANKER : I am speaking from the records and if the records are wrong, I cannot help it. *(Interruptions)*. I have made a passing reference earlier itself to Rubber. I would not like to advert to it. I have an example. I have already quoted and I have already said what we would like to do about rubber.

SHRI SOMNATH CHATTERJEE : Then you stop !

SHRI P. SHIV SHANKER : When you say I should stop, I will skip over all the.....

PROF. MADHU DANDAVATE : Shrimati Geeta Mukherjee made very fine points.

SHRI SOMNATH CHATTERJEE :
All her points were not even touched by you.

SHRI P. SHIV SHANKER : One of the hon. Members has made the reference to the raw jems being procured from Antwerp instead of procuring them direct from the African countries. I must submit that almost 80% of the world's rough diamond trade is controlled by the Central Selling Organisation of M/s. DeBeers, who operates through the Diamond Trading Company based in London. Most of the mines in African countries as well as in Australia are directly or indirectly owned and operated by DeBeers and the rough diamonds so procured are sold by the Diamond Trading Company. India buys about 30 million carats of rough diamonds in a year. The total purchase this year, that is, 1985-86 is likely to be of the order of 33 million carats. Most of it, say, 93% of it is procured by individual diamond merchants against impresit licences and replenishment licences and, of the rough diamonds purchased by the Indian companies and merchants, about 30% is procured directly from the Diamond Trading Corporation in London through sights and the remaining, about 70%, from open market, mostly in Antwerp. The total value of rough diamonds purchased in 1985-86 is likely to be about Rs. 950 crores. In fact, it is because of the monopolistic tendency of DeBeers that it is not possible for us to directly purchase the rough diamonds from the African countries as also from Australia. That is the point which I thought I should bring to the notice of the hon. Members.

I think I will through some of the points because I seem to have already taken quite a lot of time.....

SHRI SOMNATH CHATTERJEE :
The Commerce Minister should become Minister for Enquiries.

SHRI P. SHIV SHANKER : Assisted by Mr. Somnath Chatterjee.

SHRI SOMNATH CHATTERJEE : I will be Commissioneer of Enquiries in one of them.

SHRI P. SHIV SHANKER : I must say that when it comes to the question of export of tea, I would request the hon. Members to note that the significant increase in exports has really helped us out. In 1984 the value of exports of value added tea was 19 million kg worth about Rs. 73 crores....

PROF. MADHU DANDAVATE :
Value added or sugar added ?

SHRI P. SHIV SHANKER : Not sugar-coated Prof. Saheb.

In 1985 the volume was 33 million kg and the value thereof was Rs. 134 crores. There had been a shortfall in the international price and no doubt we had been doing well in the past. But that does not mean that we have not done well this year. In fact we have exceeded the target of 220 million kg. We have been able to export 222 million kg but the unit value has gone down. Because of the unit value having gone down we have earned Rs. 711 crores as against the target of Rs. 700 crores. In fact the submission that I thought of making was that in tea exports we have done better and this is one of the thrust areas which we have identified. Notwithstanding the fact that the unit value has gone down we have exceeded the target that was fixed.

One of the hon. Members has really made very pertinent references to certain issues. One of the main issue that have been raised is that various officers pertaining to tea industry are located at Calcutta. Mr. Somnath Chatterjee would not be attentive to this because it might affect him. I would rather request that both hon. Members sitting one behind the other could enter into negotiations and then come forth to me and, I will certainly consider sympathetically what they think to be correct.

(Interruptions)

This is what happens when an hon. Member is totally inattentive and involves himself in the extraneous discussions.

(Interruptions)

The tea-Board's location was also suggested to be shifted to....

(Interruptions)

Why you are getting emotive ? Please sit down. Let them sort out.

AN HON. MEMBER : This is a point on which both of them have agreed.

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : What is your interest in extending the economic base in Calcutta ?

(Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur) : The only misfortune is on some rare occasions he is right. I wholeheartedly support.

SHRI P. SHIV SHANKER : But I must submit that the location of Tea Board at Calcutta is not merely because that it was thought to be convenient at that stage but the point is that even West Bengal also grow tea.

SHRIMATI GEETA MUKHERJEE (Panskura) : How much does Darjeeling contribute ?

(Interruptions)

SHRI P. SHIV SHANKER : Also, it does not mean...

SHRI SOMNATH CHATTERJEE : Why are you quarrelling with Assam ? We are not quarrelling with them.

SHRI P. SHIV SHANKER : Actually, I would rather prefer to go into it, if we can...

(Interruptions)

SHRI SOMNATH CHATTERJEE : Do not quarrel with Calcutta.

(Interruptions)

SHRI P. SHIV SHANKER : I am glad that the hon. Member from Assam does not touch these points. I would not like to go into them. On the Question of Chairman, Tea-Board....

(Interruptions)

I must submit that it is true that Chairman's appointment has been delayed. Quite a lot of time has been taken. In fact it is because of the fact that we had been trying to search for a good officer so that he could give a thrust and in recent times, we have been able to look for one or two officers and I am sure that we would be in a position to take a decision very shortly in this regard.

(Interruptions)

SHRI SOMNATH CHATTERJEE : Let it be on rotational basis.

SHRI P. SHIV SHANKER : Mr. Goswami, it would not be possible for me to give this commitment. I assure that whatever would be better and best for the tea industry that would be done.

(Interruptions)

SHRI SOMNATH CHATTERJEE : This is the most vital industry for our economy. You are committed to look after it.

SHRI P. SHIV SHANKER : I am interested to see that the exports get geared up much more because...

(Interruptions)

SHRI PRIYA RANJAN DAS MUNSI : The UBI Chief is killing the entire tea industry there.

SHRI P. SHIV SHANKER : Mr. Das Munsi, we are discussing the Commerce Ministry's demands.

(Interruptions)

SHRI PRIYA RANJAN DAS MUNSI : I am trying to protect you.

SHRI P. SHIV SHANKER : There are a lot of other points which were raised. But what I would rather prefer to do is this. Hon. Members had been putting various questions from time to time.

17.00 hrs.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : I want a clarification. Since the Government itself has increased the prices of coal and fertilisers and since the agricultural expenses are going up, this year it is most unjustified not increasing the minimum support price of Tobacco. If that be the case, will the Hon. Minister examine the matter and take necessary steps by revising the minimum support price for Tobacco ?

SHRI P. SHIV SHANKER : So far as the report of the Agricultural Prices Commission is concerned, they have gone into it and suggested that the minimum support price needs no increase. This is how it has gone into. Normally we get guided by the Agricultural Prices Commission report. I will look into it as to what best could be done. It is not possible for me to give any commitment at this stage because it will take into consideration various issues and then come to a conclusion.

On the other issues which I am not in a position to reply in detail because of shortage of time, I must submit that as and when there is an opportunity in the House on these issues I will explain them, so that the Hon. Members are satisfied on the basis of that answer. I once again thank the Hon. Members for the various suggestions that they have made from time to time during their speeches. With these words I earnestly make an appeal that the Demands of the Ministry may kindly be granted.

SHRIMATI GEETA MUKHERJEE : I seek your protection Sir. I raised a fundamental question of policy with regard to the revision of import policy. I would

like to know whether they are re-examining it.

SHRI P. SHIV SHANKER : Mrs. Geeta Mukherjee, I have already said. I don't know whether you were there or not.

SHRIMATI GEETA MUKHERJEE : I was very attentative. Your speech was a beautiful camouflage !

MR. CHAIRMAN : I shall now put all the cut motions moved to the Demands for Grants relating to the Ministry of Commerce to vote together, unless any hon. member desires that any of his cut motions may be put separately...I now put all the cut motions together to the vote of the House.

All the cut motions were put and negatived.

MR. CHAIRMAN : I shall now put the Demands for Grants relating to the Ministry of Commerce to vote. The question is :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending 31st day of March, 1987 in respect of the heads of Demands entered in the second column thereof against Demand Nos. 10 to 12 relating to the Ministry of Commerce"

The motion was adopted.

Demands for Grants (General), 1986-87 in respect of Ministry of Commerce voted by the Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 13th March, 1986	Amount of Demand for Grant voted by the House
		Revenue Rs.	Capital Rs.
		Revenue Rs.	Capital Rs.
MINISTRY OF COMMERCE			
10.	Ministry of Commerce	53,64,000	2,68,17,000
11.	Foreign Trade and Export Production	1,47,25,84,000	15,06,86,000
12.	Supplies and Disposals	2,58,47,000	77,84,28,000
			12,92,37,000