

[Shrimati Sushila Rohatgi]

1966-67 and Audit Report (Defence Services), 1968.

12.26 hrs.

DEMANDS\* FOR GRANTS—Contd.

MINISTRY OF FOREIGN TRADE AND SUPPLY—Contd.

MR. SPEAKER : Before we request the Minister to continue his reply, I want to say that four hours were allotted to this Ministry and we have already taken four and half hours. I think we will be finishing before lunch and between 14.00 hours and 19.00 hours we will discuss Education Ministry's Demands for which five hours have been allotted. After that, tomorrow we will be taking up the Ministry of Information and Broadcasting for which three hours are allotted. Luckily we have three hours—half an hour before lunch and two and half hours after lunch and then at 16.30 hours we will be taking up Private Members' business. If you strictly confine yourselves to the subject, we can avoid cutting into the time of other Demands. It should be possible to finish before lunch this Demand and after lunch today we will take up Education Ministry's Demands and finish it and tomorrow within three hours we can finish the Demands of Information and Broadcasting Ministry. After that we can take up Private Members' business.

The hon. Minister may continue his speech.

SHRI S. M. BANERJEE (Kanpur) : Today the Business Advisory Committee is meeting. May I request you...

MR. SPEAKER : At that time you can request me.

SHRI S. M. BANERJEE : We should arrange our programme in such a way that guillotine should be limited to the minimum

number of Ministries. If necessary, we can sit on Saturdays.

THE MINISTER OF FOREIGN TRADE AND SUPPLY (SHRI B. R. BHAGAT) : Mr. Speaker, yesterday the House debated this Ministry's Grant and I was heartened by the fact that the hon. Members who participated in the debate brought to bear their great knowledge and perspicacity and constructive criticisms on the Ministry's activities. By and large, it is also heartening that there was a general satisfaction about the performance of this Ministry over the last year, and whatever criticism has come, has come in order to improve the working of the Ministry and we have received very valuable and constructive suggestions from hon. Members from all sides.

The level of the debate was high and the Members spoke with great knowledge and the discussion was pointed. Personally speaking, being newly in charge of the Ministry, I have greatly benefited by this because I will be able to attend to those things with great care and consideration. I was deeply touched by some of the references made by some hon. Members on all sides expressing confidence in me that I will be able to discharge my responsibility to their satisfaction. I can only say that I shall bear this in mind and I shall try to do my best during the period in which I hold charge of this Ministry.

Coming to the debate, as the House is aware, the year that has come to a close has seen an encouraging upsurge in exports. Upto the end of February 1969, total exports had reached the all time high of Rs. 1236.7 crores. If you take the annual rate, it is about Rs. 1350 crores as against Rs. 1199 crores in 1967-68. This would represent an increase of 12.5 per cent in exports over last year. At the same time, imports have also declined from Rs. 1761.5 crores in April-February, 1967-68 to Rs. 1651.9 crores in April-February 1968-69 or by Rs. 110 crores. The adverse balance of trade, as some hon. Members have mentioned, has, therefore, declined from Rs. 661.7 crores in the first 11 months of 1967-68 to Rs. 415.2 crores in the same period of the current year.

\* Moved with the recommendation of the President.

12.28 hrs.

[MR. DEPUTY-SPEAKER *in the chair.*]

At least a part of the credit for this rich dividend must go to our export-import policy during the past year or two, although I compliment the large number of exporters and others who are engaged in the import-export trade as well as the public sector organisations like STC and MMTC for this creditable performance. This success has encouraged us to continue this in the coming year with a view to consolidating and enhancing our gains on the foreign trade front. Although the road to self-reliance is long and hard, there is no doubt we have taken some significant steps towards that, and we propose to continue to move in the same direction in the years ahead.

The House while expressing its satisfaction has also sounded a note of caution that we should not be complacent in the coming years because the exports have done well. I agree with this spirit. This is not a time for complacency. We should continue the hard work we are doing. What we have done is just the beginning. The hard work and hard struggle ahead is yet to come, and as has been our experience, in the international export market we will face fiercer and fiercer competition, and unless our whole production is geared to the requirements of overseas buyers and our market techniques are developed and modernised and we achieve the requisite level of efficiency, we will not be able to sustain this export effort. I am conscious of the difficulties ahead and the expression of caution is, therefore, well taken.

Now coming to the problems this year, we must however, recognise that our success in reducing the trade gap owes itself at least partly to the transitory event of the recession in the industrial sector which gripped the economy for the past two years. While all of us are, no doubt, hoping for a speedy recovery from it so that the tempo of economic activity may pick up, we must reckon with some hard problems inherent in this recovery.

The most important one is that the lull in the home demand which had helped to create large exportable surpluses with a happy coincidence of buoyant trade con-

ditions abroad and the pursuit of appropriate policies, which enabled us to exploit the situation, would soon come to an end and the exportable surpluses would tend to diminish in size. The biggest threat, of course, is to our exports of certain categories of iron and steel, of which we are already threatened with shortages. However, this phenomenon is probably more widespread in iron and steel products only. Since the Fourth Five Year Plan is on the anvil, we could certainly take care of the long-term problems by building up an adequate production base for goods with export potential.

In the current year, however, there would be need for some fine balancing between the conflicting claims of rising domestic demands and the need to maintain and indeed, if possible, accelerate the momentum acquired by exports during the past year. The pull of the domestic demand is already being felt and in the current year we have to get over this problem and maintain and sustain the export generation that has already taken place.

So the policy for the year which we propose to pursue in the current year has to be in a sense a continuation of the past not merely because of our belief in the virtues of stability in exports but also because of the encouraging measure of success that was attained last year. However, since change is not only the essence of dynamism and growth but also called for in order to react to the changing supply-demand conditions of our export, we propose to emphasise market-competence orientation in our policy during the year ahead more than we have done in the past. Perhaps it is still premature to claim that our exports of non-traditional goods have come of age. The past year's export experience does however underscore the fact that for further development we must gear the production structure to the requirements of foreign demand. If I may illustrate this point, if the foreign customer needs ferro-manganese or instant coffee or carpet-backing cloth, we must try to produce these products rather than strive to sell only manganese ore, raw coffee or jute sacking and so on. It is this dynamic attitude which is now beginning to see into the minds of our industrial entrepreneurs that has at least partly been responsible for a heartening performance of the

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past year. Indeed, if we continue to tailor our production to foreign demands, there is no reason why we cannot conquer wider horizons in respect of non-traditional exports.

And what has happened today is that confidence has been generated in our people, in our industrialists, in our business people, that they also can export, and we have to maintain and sustain this confidence and take the fullest advantage of this confidence that has been created in this country. It will be my endeavour to pursue that, not only to see that this confidence is maintained and strengthened but we have to pursue certain policies to see that the upsurge in export is maintained.

**SHRI RANGA (Srikakulam) :** If I may just interrupt, if my hon. friend would agree to yield. He says confidence has been created and confidence is being created and so on. In regard to the traditional exports we should continue to pay the usual attention and we must develop new exports. All this is very well to say. But what exactly is happening has already been related yesterday. Was it not said yesterday by Mr. Suryanarayana who is sitting on their Benches, and I myself made several representations in writing as well as by personal talks with my friend and also several deputations have been waiting on him including the Leader of the Opposition in Andhra Pradesh? What is happening in regard to tobacco trade? It is just that kind of confidence which is lacking there; there is no confidence in the minds of the people there, lakhs of growers and hundreds of traders. A few people, very big people, have on their hands stock the year before, last year and this year also, and nothing is being done. The STC is there. I would like the Minister to give us an assurance that the STC will play its constructive role for which it was established; and not merely for making profits in regard to various other things where it would benefit only a few people in the cities.

**SHRI B. R. BHAGAT :** I will deal with it later on when I come to deal with several items. Coming to the traditional exports, in this otherwise good picture, there are some dark patches in regard to our traditional exports. By and large it is in the traditional sector that problems have crowded both from

the supply and demand side. For example, take jute which is still an item of our export, which is an export-earner. Jute manufactures did manage to maintain the pride of place in our exports, but the exports fell sharply by Rs. 21.6 crores from Rs. 182 crores in April-December, 1967 to Rs. 160.4 crores in the same period of 1968, with the result that now, despite being the most important single item of export, it is a source of worry which several hon. Members gave expression to. Some of them have also suggested various measures to improve the balance. Already, so far as the fiscal measures are concerned, relief has been given in the export duty,...

**SHRI S. K. TAPURIAH (Pali) :** It is not enough.

**SHRI B. R. BHAGAT :** Yes; he says it is not enough, but we have to take a number of considerations. But we are keenly watching the situation and the effect of these measures that have been taken.

**SHRI S. S. KOTHARI (Mandsaur) :** Just one question.

**SHRI B. R. BHAGAT :** Let me continue; I will answer the questions later.

**SHRI S. S. KOTHARI :** But later on the Deputy-Speaker will not allow us to put any questions.

**SHRI B. R. BHAGAT :** I am sorry; I will not be able to do justice to my reply. Now, according to me, the main problem in 1968 was the short raw jute crop. With the co-operation of the industry and labour, however, the Government were able to put through a scheme for equitable distribution of fibre to the mills and the adjustment of production to raw material availability. Inevitably, in a situation of this kind, some restraint has to be imposed on domestic consumption. A redeeming feature of the situation is that exports of carpet backing cloth have done well both because of high unit values and larger volume. The outlook for the current year is distinctly more promising. While our efforts at modernisation and diversification of the industry must continue, the prospects of a better crop, reduction in export duty, additional provision for loan

finance through the Industrial Finance Corporation and inclusion of the industry in the list of priority industries entitled to a development rebate of 35 per cent are expected to produce a favourable reaction on its export.

An hon. Member said that even though we have fixed support price, jute has been bought in the past at prices lower than the support price, that farmers have not been getting a reasonable price, and there have been fluctuations in production. I would like to say that next year, we expect, if the sowings are any indication...

**SHRI S. K. TAPURIAH:** Since the sowing has started, why not announce the support price for the coming year so that the farmers may be reassured?

**SHRI B. R. BHAGAT:** The complaint is not about the support price. The complaint is that farmers are not getting the support price. We have impressed that the farmers must get not less than the support price and possibly more. We have said that through the operations by the STC and jute trade, we will see that a sizeable amount of buffer stock is built up, so that the prices are maintained and there is a steady supply of raw jute to the mills. We hope that as a result of these steps together with certain measures taken to improve the structure of the industry like modernisation, loan and other facilities some of the problems faced by the industry will be met. But we have to keep a continuous watch over the situation.

Coming to cotton textiles, exports have done well in the past year in the mill-sectors. The exports increased from Rs. 75 crores during April-February in 1967-68 to Rs. 88 crores during the same period last year. It is particularly gratifying to note that our exports to western Europe are also increasing. Cotton textile industry, which was ailing for some time and caused us some anxieties is showing signs of general improvement in health. The steps taken by the Government in May 1968 helped to restore health by stimulating demand for cloth and helping to solve the problem of accumulating yarn stocks.

**श्री शिव चन्द्र भा (मधुबनी) :** आपका

जवाब कल आया है कि 1966-67 के मुकाबले में घटा है ?

**श्री ब० रा० भगत :** क्या घटा है ?

**श्री शिव चन्द्र भा :** काटन, गुड्स का एक्सपोर्ट्स ।

**श्री ब० रा० भगत :** मैं जवाब दे रहा हूँ वह मुन लीजिए। अगर कोई गलती हो गई है तो वह करेक्ट हो जायेगी ।

During the current year, production is up and the stock position is satisfactory. With the relief in excise duty announced in this year's budget, the demand for cloth is expected to go up further. The rate of closure of mills which was somewhat disturbing in the first half of 1968 perceptibly fell off in the second half. Here I would like to emphasise that the National Textile Corporation would take over only those mills which have a fair prospect of being revitalised. In the area of financial assistance a number of steps have already been taken by the Reserve Bank and the Industrial Development Bank, which are expected to provide succour to this important industry.

Mr. Somani made a very informed speech and referred to certain committees which were set up, including the Manubhai Shah Committee, Kogekar Committee and K. K. Shah Committee.

As for the first Committee—Manubhai Shah Committee—this was set up by the Gujarat Government. The recommendations contained in Part I of the Report which deals with higher credit limits to the mills, the setting up of the office of Modernisation Commissioner and treating it as a priority industry have been implemented. The banks are giving higher credit limits.

**SHRI N. K. SOMANI (Nagaur) :** I was talking about priority allowance for income-tax.

**SHRI B. R. BHAGAT :** That cannot be done. For development rebate it has been done. As for the Modernisation Commis-

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sioner the Textile Corporation has a very high level technical man as Technical Director who goes into this matter. Therefore, substantially that point has also been met. The most important recommendation, which the hon. Member referred to, is in Part II of the Report, according to which the sick mills should be taken over by other stronger mills. As the hon. Member knows, this raises a number of points for which inter-ministerial consultation is required between the Ministry of Industries and Finance Ministry to decide how much is the financial implication by way of tax relief and other things. All these are being considered very actively.

As for the other Committee, the Kogekar Committee, the Maharashtra Government has recently sent a copy of the report. I understand they have already taken decisions on the recommendations of that Committee.

Coming to K. K. Shah Committee, there was reference about the Textile Commissioner's Office. Hon. Members have made some critical remarks about this organisation. I will certainly look into the suggestions that have been made in this regard. The recommendations contained in Part I of the report submitted by this K. K. Shah Committee in September, 1968 have been accepted and incorporated in the decisions. The second part which was submitted in March is being examined.

Some hon. Members referred to cotton prices which is a disturbing factor. The interest of cotton growers is a very important factor. Growers of cotton must get reasonable prices if you want to maintain the level of production. We have to increase not only the overall production but the per acre yield also must be increased. The figures given are all correct. I am told the Ministry of Agriculture has set up a special person to deal with this matter so that the per acre productivity goes up. He is also to see that research, investment and input required are all being attended to.

A reference was made to support prices. It was said that support prices should be higher by 15 per cent.

SHRI DEORAO PATIL (Yeotmal): No support price has been fixed for kapas.

SHRI B. R. BHAGAT: I do not have the details here to answer all specific questions. But since the decontrol of cotton in 1967-68 the support price was fixed at a level 5 to 10 per cent higher than the floor price in previous years. In 1968-69 the support price level was raised by 2 to 5 per cent. But the more important point is that in all these years the market prices have ruled far above the support price. It is Government's intention and endeavour to ensure reasonable prices to the cotton grower, and we will keep a watch over it.

I would like to say something about the prevailing prices. Mention has been made that the price of cotton has been rising recently. Some hon. Members have drawn my attention to the recent rise in the price of raw cotton.

I see no justification for this rise, more especially in view of the arrangements which are already being made for the import of cotton from abroad. I have little doubt that the supplies available from indigenous and foreign sources are adequate to meet the industry's needs until new crop comes on to the market.

When Government decontrolled the prices of cotton, the trade had pledged its cooperation in maintaining them at a steady level. Recent developments have, I am afraid, weakened my confidence in the ability of the trading channels, as at present organised, to serve the interests of producers of cotton and of its industrial users. If concerned trade associations are not able to secure a reversal in the present unhealthy trend, Government will be compelled to apply its mind to more drastic remedies, not only in the short term, but also over the longer run. I do expect that wiser counsels will prevail.

On our part, we are taking steps to expedite the import of PL 480 cotton from the United States. I am also instructing the Textile Commissioner to convene a meeting of the Cotton Advisory Board to consider the steps that could be taken at the trade level to rectify this situation. We owe it to the consumers of cloth and its exporters to

overseas destinations to ensure that cotton is available to those who want it at reasonable prices.

Some other points were also raised about the textile trade. Shri Damani, with his knowledge of the textile industry, raised the question of cotton yarn and other matters. For want of time, I am not able to go into the details. But I would assure him that I shall look into those problems and, in fact, some of them are being examined by my Ministry.

The export of tea has not done well during the current year. Despite flood damage and dislocation in 1968, the quantity of exports this year is likely to be marginally less than that of last year; but the value may be much lower because of the weakness which has been generated in the London market on account of the accumulation of large stocks in London. One hon. Member referred to auctions taking place in London. This was a structural weakness and over the years we are improving the position. Now as much as 58 per cent of the auction is done in India in Coonoor, Calcutta and other places and it is our hope that we will be doing more and more of auctions here.

The falling unit values of tea exports have caused us concern and we have tried to adjust the fiscal levies time and again in order to react to the changing situation. We have also taken steps to revitalise the industry through the grant of a replantation subsidy in addition to the replantation loans and hire purchase schemes for machinery. The problem of declining earnings from tea is not confined to India alone. So, efforts have been made to reach understanding with other tea producing countries. Apart from the bilateral arrangements for joint marketing which we have been trying to evolve with Ceylon, a further effort was made at a meeting held under the aegis of FAO at Kampala where both producing and consuming interests were represented. The net effect of all these steps is expected to produce more cheerful results in the coming year.

Coming to other traditional items...

एक माननीय सदस्य : जरा हैंडलूम के बारे में भी बताइये ।

SHRI B. R. BHAGAT : The handloom sector has to be improved. It is our policy to strengthen the handloom sector, which is a very important\* sector.

Coming to manganese ore, iron ore and various other items...

श्री महाराज सिंह भारती (मेरठ) थोड़ा इंपोर्ट पर भी बोलिये । सारा टाइम तो एक्सपोर्ट पर ही खत्म हो गया ।

श्री ब० रा० भगत : वह भी आते हैं ।

Then I will come to non-traditional exports which are very important, which are assuming an important role.

SHRI RANGA : He has not said anything about tobacco.

SHRI B. R. BHAGAT : That is a non-traditional item ?

SHRI RANGA : How is it a non-traditional item ?

SHRI B. R. BHAGAT : Anyway, you treat it as a non-traditional item. I can assure the hon. Member that this matter was considered by the STC.

SHRI RANGA : STC is doing nothing.

SHRI B. R. BHAGAT : The hon. Member has spoken to me about this. A number of Members of Parliament, representatives of growers, my colleague, Shri Raghuramaiah, and the leader of the opposition have all spoken to me about this. After the general discussion it was agreed that the STC will go into this trade, not only for this year for lifting the surplus, but I have asked the STC to develop this trade, the export of this commodity on a continuing basis.

To this they have agreed. I have issued a policy direction and they are working at it. They have talked to the growers' representatives who met them and I am quite sure that the STC will evolve a scheme of export of tobacco.

SHRI RANGA: They complained that they do not have enough credit.

**SHRI B. R. BHAGAT:** All that will be sorted out. I can assure the House that this has been taken up. Our non-traditional exports including, besides engineering goods, iron and steel, chemicals, allied products, tanned and finished leather, leather manufactures etc., are estimated to reach Rs. 205 crores in 1968-69. The export of engineering goods itself has gone up from Rs. 29 crores in 1965-66 to Rs. 85 crores in 1968-69. Various factors have contributed to this vigorous growth, such as, gearing the production pattern to external demand, development of productive efficiency, provision of adequate financial support for export credits, a pick up in foreign demand etc., and last but not the least, the recession within the country which helped to generate an urge to seek overseas markets. Since we are now well on the road to recovery from the recession, unless immediate steps are taken, as I said earlier, to expand the production base, specially of iron and steel, the tempo of growth of these exports will be threatened. We have therefore decided to allow firms substantial export performance facilities for expansion through industrial licensing policies and the policies for import of capital goods as well as for maintenance imports.

Exports of leather manufactures have also been rising. The new import policy is designed to augment the supply.

Coming to imports, as I said right in the beginning, there has been a reduction in our imports.

**श्री महाराज सिंह भारती :** जरा यह तो बता दें कि हमारे यहां जब कि चालीस हजार ट्रैक्टर बना सकते हैं, वह सिर्फ पन्द्रह हजार इसलिए बनते हैं कि उससे पुर्जे जो आने थे, वह आपने नहीं आने दिये।

**SHRI B. R. BHAGAT:** We are importing tractors and whatever the Agriculture Ministry asks for is given.

**श्री महाराज सिंह भारती :** सबके सब अंशम्बल करते हैं। यहां नहीं बनाते। वह तो आपका काम था कि जो कुछ वे चाहते उनकी पूर्ति करने का।

**SHRI B. R. BHAGAT:** Our policy of canalisation of imports of industrial raw materials through the STC has had a mixed reception. Some have praised it; some have found fault with it. We have tried to steer a middle course by giving the STC the important task of importing raw materials in areas where it can mop up windfall gains. As the House is aware, only selected industrial raw materials are being so canalised, important among them being newsprint, art silk yarn, raw wool, sodium nitrate, copra, soyabean oil, palm oil, muriate of potash, nylon yarn etc.

Our chief objectives in this policy are reaping the economies of scale through bulk buying; better bargaining power against state trading organisations and giant corporations abroad; siphoning off into the public exchequer the windfall gains from internal sales of scarce imported raw materials; and fair and equitable distribution of such raw materials through differential pricing policies designed to achieve export gains or import savings.

In this respect I must say that the canalisation of imports through the STC is a very good mix of private enterprise and public leadership. With the expertise attained by the STC and the MMTC buyers, big and small, are able to export and, therefore, it is happy combination of private enterprise and public leadership. I think, it is very necessary that this public leadership is built in our import and export trade. It is also good for the small-scale industry.

**SHRI DHIRESWAR KALITA (Gauhati):** What is the percentage of business done by the STC ?

**SHRI B. R. BHAGAT:** Imports through the STC have been for Rs. 115.8 crores and through the MMTC Rs. 28.8 crores; that is, Rs. 144.6 crores. Exports through the STC have been of the order of 23.6 crores and through the MMTC of Rs. 70.7 crores; that is, Rs. 94.3 crores.

**SHRI DHIRESWAR KALITA:** I want the percentage.

**SHRI B. R. BHAGAT:** I know, the percentage is small but it is a growing percentage. What I was emphasizing was that it not only takes care of the scarce items where

there are windfall gains but most important of all it provides public leadership and gives a direction, a guidance, in our import-export trade policies

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In furniture, its role is going to be emphasized more and more. Also, coming to small-scale industries, a point was made that our small-scale industries should export their goods. With the marketing technique, the expertise and the resources that are required to build up the market and sustain it, they can only do not through the organisation, like the S.T.C. The S.T.C. is building it up and it will enable and facilitate as a channel, for exports not only from the establish and big exporters in all important Commodities but also from our small-scale industries. That is also important. They will be enabled to play their role in the export of the country's goods which the House wants them to do.

Then, a point was made about commercial publicity. A complaint was made that in regard to Expo '70, there was some delay in taking a decision. There was some delay. But I can assure the hon. Member that the site has been selected the model has been selected and we are pursuing it actively and we will be able to keep up in time to the requirements of this important occasion. The commercial publicity is very necessary and we must keep up the commercial publicity. Already, various organisations like the S.T.C. and various developmental and promotional councils are engaged in it through leaflets, thorough contacts, and the Ministry is also directly is doing publicity subject to the resources available. If we have more funds, we can certainly do more. But we are trying to do whatever is possible and we recognise this need particularly.

**SHRI DHIRESWAR KALITA :** What about foreign trade collaboration ?

**SHRI S. S. KOTHARI :** Those who are exporting technical know-how and turn-key projects should be allowed cash out-flow of 10 to 15 per cent because they earn foreign exchange.

**SHRI B. R. BHAGAT :** So far as the international commercial policies are concerned, so far as our own efforts are concerned, we have catalogued the efforts that we are trying to make. The basic problem is that production must be adopted to the overseas requirements, modernisation and the system of marketing. In the coming years, when we are entering into the export market, although it is a welcome sign—many other countries outside welcome it.....

**SHRI DHIRESWAR KALITA :** What about collaboration in foreign trade ?

**SHRI B. R. BHAGAT :** That is another point. We are trying to perfect the marketing technique. The hon. members knows that, particularly, this is only for non-traditional items and items which are difficult to enter into the international market. It will be only for export of non-traditional goods, non-traditional items, where we do not have the know-how or the marketing technique. We will carefully examine it. If in the balance it is found that it is in the national interest. We will allow it. If it is able to break new ice in the marketing technique.....

**SHRI DHIRESWAR KALITA :** How ?

**SHRI B. R. BHAGAT :** I do not want to go into the details about it. I know there can be ideological objection to that. But I saying that, from practical point of view, if we are able to break new ice in new fields, in developing exports of new items and new markets where marketing technique, consumer preferences and various other things are of very great importance, in such items, we will collaborate for export purposes.

The important factor is the participation of two element in all our efforts. The first element is labour, the working class. We have to create this confidence that they are a partner for any production technique, achieving efficiency and bringing down costs and various other things. Unless the labour the working class is involved, we will not be able to bring the results.

**AN HON MEMBER :** What about management technique ?



**SHRI B. R. BHAGAT :** That is also included. Management technique is helpful. We have to do it. An atmosphere should be created that the working class is also a party to this export. The second factor is the State Governments. We welcome their co-operation. The other day an hon. Member said 'You have not agreed to the export houses being set up by the Kerala Government for coir.' I said, it is absolutely wrong. We have agreed. Not only that, we will help them if they want. Similarly the participation of all the State Governments where export goods are produced is required. They have to be actively associated with it. My policy will be that not only in promotion efforts, not only in building up efficiency but also in the managerial and technical efficiency, the labour and the State Government have to be put together and geared to this effort. Only then the climate of export would have been created in this country where every element of our society, the economic life and the political life of the country, will be a party to this. I think in my humble way we will try to produce that effort.

So far as international trade is concerned, international trade is a game which both the parties have to play. The efforts of developing countries to increase their exports have often tended to be stultified by the restrictive trade policies of the developed countries. Happily, in the past few years through the efforts of UNCTAD and other forward looking international organizations the climate has steadily changed. The philosophy of giving a special treatment to developing countries has come to be accepted in principle. There are socialist countries. For want of time, I am not in a position to go into details. But I would like to meet this criticism. Two criticisms were made against our trade with the socialist countries. The trade has grown faster in all segments of trade. It has gone upto Rs. 500 crores from a small beginning. The criticism is that the prices are not competitive. When I took charge, I looked into item by item of these exports and I can assure the House that the prices are not only competitive but they are in favourable comparison with the international prices, both exports and imports. Secondly, the switch over trade, the re-exports of some of the commodities.

No doubt, there are sporadic instances of such trading which have come to our notice and we have taken it up with those Governments. But in this matter also the switch trade is negligible.

The socialist countries have co-operated with us in promoting the exporting and the trading strength of the developing countries. We are continuing our efforts to get this philosophy translated into concrete policies with the help of the developed countries. We hope that the generalised Scheme of Preferences which was agreed to in principle in the Second UNCTAD will soon become a reality of life. Alongside with these efforts, we are also trying to widen our own horizons and look beyond the markets of developed countries to those of other developing countries. The Tripartite arrangements for economic co-operation which we have evolved with the UAR and Yugoslavia were among the first steps to be taken towards expanding the trade of developing countries with each other on a preferential basis. Efforts are under way in Geneva to extend the geographic scope of this scheme by including other interested developing countries.

The Prime Minister has made a tour of Latin American countries. An hon. Member had some word to say about the delegations we have sent. They are all eminent people. I do not think he means what he said. I wish some younger people could have been included. I agree with him. I am all for younger people in every field of life. It is a follow-up action that we are taking to continue to promote trade and other relations with these countries.

The strategy for integrated economic cooperation which was agreed upon in the Third Ministerial Conference for Asian Economic Cooperation held in Bangkok last year is yet another step being taken in the same direction with our Asian neighbours. All these efforts must be intensified and the momentum we have acquired must be kept up so that we are able to reach, at no distant date, the goal of viability in current trade exchanges.

**MR. DEPUTY SPEAKER:** I shall now put the Cut Motions to the vote of the House.

All the Cut Motions were put and negatived

MR. DEPUTY-SPEAKER : I shall now put the Demands to the vote of the House.

The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1970, in respect of the heads of demands entered in the second column thereof against Demands Nos. 34 to 37 and 115 relating to the Ministry of Foreign Trade and Supply."

*The motion was adopted*

[The motions of Demands for grants which were adopted by the Lok Sabha are reproduced below Ed.]

DEMAND NO. 34—MINISTRY OF FOREIGN TRADE AND SUPPLY

"That a sum not exceeding Rs. 1,16,63,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March 1970, in respect of 'Ministry of Foreign Trade and Supply.' "

DEMAND NO. 35—SUPPLIES AND DISPOSALS

"That a sum not exceeding Rs. 3,55,41,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March 1970, in respect of 'Supplies and Disposals.' "

DEMAND NO. 36—FOREIGN TRADE

"That a sum not exceeding Rs. 77,38,82,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970 in respect of 'Foreign Trade.' "

DEMAND NO. 37—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF FOREIGN TRADE AND SUPPLY

"That a sum not exceeding Rs. 6,24,01,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March 1970, in respect of Other Revenue Expenditure of the Ministry of Foreign Trade and Supply.' "

DEMAND NO. 115—CAPITAL OUTLAY OF THE MINISTRY OF FOREIGN TRADE AND SUPPLY

"That a sum not exceeding Rs. 1,73,85,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March 1970, in respect of 'Capital Outlay of the Ministry of Foreign Trade and Supply.' "

13.11 hrs.

MINISTRY OF EDUCATION AND YOUTH SERVICES

MR. DEPUTY-SPEAKER : The House will now take up discussion and voting on Demand Nos. 6 to 11 and 104 relating to the Ministry of Education and Youth Services for which 5 hours have been allotted.

Hon. Members present in the House who are desirous of moving their cut motions may send slips to the Table up to 2-30 P. M. indicating the serial numbers of the cut motions they would like to move. They will be treated as moved if they are otherwise admissible.

DEMAND NO. 6—MINISTRY OF EDUCATION AND YOUTH SERVICES

MR. DEPUTY-SPEAKER : Motion moved:

"That a sum not exceeding Rs. 1,03,67,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in

[ Mr. Deputy Speaker ]

respect of 'Ministry of Education and Youth Services.' "

DEMAND NO. 7—EDUCATION

MR. DEPUTY-SPEAKER: Motion moved.

"That a sum not exceeding Rs. 50,21,94,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in respect of 'Education.' "

DEMAND NO. 8—ARCHAEOLOGY

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 1,34,65,000/- be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in respect of 'Archaeology.' "

DEMAND NO. 9—SURVEY OF INDIA

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 4,76,24,000/- be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in respect of 'Survey of India.' "

DEMAND NO. 10—GRANTS TO COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 16,23,77,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in respect of 'Grants to Council of Scientific and Industrial Research.' "

DEMAND NO. 11—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF EDUCATION AND YOUTH SERVICES.

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 3,35,82,000/- be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in respect of 'Other Revenue Expenditure of the Ministry of Education and Youth Services.' "

DEMAND NO. 104—CAPITAL OUTLAY OF THE MINISTRY OF EDUCATION AND YOUTH SERVICES.

Mr. DEPUTY-SPEAKER: Motion moved.

"That a sum not exceeding Rs. 6,05,46,000/- be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1970, in respect of 'Capital Outlay of the Ministry of Education and Youth Services.' "

These Demands are before the House. The House will take up further discussion after lunch. We adjourn for lunch to meet again at 2-15 P. M.

13.15 hrs.

*The Lok Sabha adjourned for Lunch till fifteen minutes past Fourteen of the Clock.*

*The Lok Sabha reassembled after Lunch at Eighteen Minutes past Fourteen of the Clock.*

[SHRIMATI TARKESHWARI SINHA  
in the Chair]

DEMANDS FOR GRANTS. contd.

MINISTRY OF EDUCATION AND  
YOUTH SERVICES—contd.

श्री अ सि सहगल (विलासपुर) : इस