

[Mr. Speaker]

invidious distinction. I am leaving it to the hon. Minister himself to choose.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Any hon. Member. If 100 hon. Members come and see, it will be difficult. Any one or two or four or five or six Members who wish can come. There is no question of choosing and picking them out.

Mr. Speaker: Why should it be said, "I am willing to show these contracts confidentially to any hon. Member whom the Speaker might be pleased to nominate for this purpose". I do not want to undertake this responsibility.

Shri Jawaharlal Nehru: It is not nomination: any name coming to us through you. There is no responsibility.

Mr. Speaker: I will pass on all those names that are sent to me.

Shri Bimal Ghose (Barrackpore): This statement may be circulated to all the Members.

Mr. Speaker: A copy of the statement will be circulated to all hon. Members.

12:26 hrs.

BUSINESS OF THE HOUSE

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): With your permission, Sir, I rise to announce that Government Business in this House for the week commencing 8th December, 1958, will consist of:—

- (1) Discussion on the International Situation and the policy of the Government of India in relation thereto, on a motion to be moved by the Prime Minister.

- (2) Any items of business carried over from today's Order Paper.

- (3) Discussion on and voting of Demands for Excess Grants (Railways) for 1955-56 and 1956-57.

- (4) Consideration and passing of—

- (i) The Delhi Rent Control Bill, 1958, as reported by the Joint Committee.

- (ii) The Workmen's Compensation (Amendment) Bill, 1958, as passed by Rajya Sabha.

- (5) Discussion on the Fourth Annual Report of the Organisation and Methods Division for the year 1957-58 at 2.30 P.M. on Tuesday, the 9th December, 1958, on a motion to be moved by Shri Harish Chandra Mathur and others.

12:27 hrs.

MOTION RE: RESENT TRENDS IN THE EXPORT TRADE—contd.

Mr. Speaker: The House will now proceed with the further discussion of the following motion moved by Shri Lal Bahadur Shastri on the 3rd December, 1958, namely:—

"That the present trends in the export trade of India and the state of the textile industry which contributes materially to that trade, be taken into consideration."

Shri Lal Bahadur Shastri may kindly continue his speech.

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri): Sir, I was referring the other day

to the helpful approach made by hon. Members of this House to the difficult problem of exports and imports.

12-28 hrs.

[Mr. DEPUTY-SPEAKER in the Chair]

I am in entire agreement with hon. Members that we should try to step up our exports if possible in almost every direction. The situation at the present moment is exceedingly difficult. But, we have to try to overcome the difficulties that come in our way. Shri Bimal Ghose has analysed the situation very carefully and correctly too. On the one hand, there seems to be greater scope and an expanding market for us, and on the other, there is a contracting market for export of our staple goods. It is only but natural that undeveloped countries or the countries which have attained their freedom recently should try to build up their economy and the countries or many of them are trying to set up new industries and new factories. In the circumstances, as I said before, we have to face the difficulties.

For example, if we take the question of jute goods, there has been a decline in the export of jute goods, especially in sackings. There are jute mills coming up in our neighbouring countries and they will, naturally, stop all imports from India. Similarly, substitutes are being found for sackings and paper bags are generally being used in the U.S.A. and other countries. So, it is obvious that even where there are no jute mills, substitutes may be used in preference to the sackings that we have been supplying to them. It is in these circumstances that we have to view our problems and try to face them. We will have to find new markets for our goods and produce quality goods in order to compete in the world market.

Great stress was laid on the export of textiles, and I entirely agree that stress should be laid on it because it

has been one of our most important bulk exports. My colleague, Shri Manubhai Shah, has dealt with the question concerning textiles thoroughly. I have to refer to only two points.

The most important thing that the textile industry has to consider is the clearance of the accumulated stock in the mills. This problem has to be tackled immediately because it is, to some extent, affecting our production, also because it will affect the exports when there is reduction in production there will surely be difficulty in exporting that commodity. Hence I consider it the first and immediate step which the industry should take to clear off the stocks that are lying in the mills.

I must say that the textile industry has not shown a very broad approach in regard to this matter. I would like to put it positively that they have been very conservative in this regard. Although Government have tried to come to their help on more than one occasion, whenever they have been asked to move in the matter, to do something on their own, they have not come forward to do the needful.

Only a week before I was in Bombay and I had a discussion with them. I advised the Textile Advisory Board to appoint a small committee of only three people, not a big committee, and the Textile Advisory Board, I am glad, has formed that committee and has agreed to discuss with the textile industry this particular matter, i.e., the clearance of the stocks. I also advised them that they should report their progress in about a month's time, it should not be delayed more than that. Let me hope that their discussions will prove fruitful and something positive will come out of it.

The second question is that of modernisation. It has already been dealt with, but I merely wanted to mention that one of our incentive schemes

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is giving an opportunity to the textile mills to import machinery from abroad if they are able to export their goods to foreign countries. It will, thus, help the industry to gradually modernise the mills and introduce automatic looms.

I was a bit surprised to hear the views of Shri S. M. Banerjee in this regard. I thought he would be holding a very radical view in regard to the introduction of automatic looms, but he seemed to be wholly opposed to it. Well, there is no doubt that we have to take care of the fact that no retrenchment takes place and that the present incumbents working in the mills are not touched at all, but having given that assurance there should be no difficulty in accepting the proposal of the modernisation of mills. I am glad the leaders of various parties, labour leaders especially, have agreed to consider this matter, and I hope it would be possible for us to introduce about 3,000 automatic looms with their support.

•I might also tell the House that we have got the sanction of Parliament in so far as the question of rationalisation of textile mills is concerned. I shall read out the resolution which was approved by Parliament in the year 1956:

"This House is of opinion that rationalisation of the textile and jute industries where it is necessary in the country's interests must be encouraged, but the implementation of such schemes should be so regulated as to cause the least amount of displacement of labour in these industries, providing reasonable facilities for the employment of such displaced labour."

So, in this context I hope the mills will be able to proceed further, and in the present competitive conditions, unless our mills are modernised and are able to produce what is called

flawless cloth, we will have to face further difficulties.

Shri Mahanty raised the question of British textile representatives visiting India and discussing certain matters about the export of textiles to U.K. It is true that the representatives of British textiles came to our country and some of our representatives went to U.K. They had more than one discussion. This discussion is purely on the industries level. Neither the U.K. Government nor the Indian Government has come into the picture at all, but they are carrying on their discussions. In fact, U.K. has to discuss it with Hong Kong, Pakistan and India, and they have visited Hong Kong also more than once, and Pakistan too. As far as our report goes, they have not been able to arrive at any agreement. Still, the matter is being pursued by the representatives of the U.K. textile industry, but I can assure the hon. Member that we will not remain out of the picture when there is a possibility of their coming to an agreement. Naturally we will be informed about it, and, in fact, even now we are kept informed about it. But I would like to tell Shri Mahanty that we need not unnecessarily be apprehensive about it. The attitude in U.K. in regard to the import of textiles and our export of textiles to their country has, on the whole, been very helpful. And in spite of the protests of Lancashire, U.K. has been importing enough of textiles from our country. It might have gone down during this recession period, but otherwise the total quantity is still the largest which we export to any country. It is not only that; in fact, I am not quite sure about the figures—I am told more than 150 (or roundabout that figure) mills are closed, and they are not functioning. Sometimes, we get unnerved here. I do realise that we should certainly see that there should be no closure of mills. But, after all, we cannot, as I said the other day, revive each and every textile mill which has been working

in this country. By all means, let a careful examination be held, but even the textile industry people have told me that it will not be possible to revive some of those mills, and they will have to be scrapped. Anyhow, this matter will certainly receive our consideration and we do want to go into that matter further.

I had been talking only the other day with our Labour Minister, Shri Nanda, and I told him that this problem should be gone into. Even the Textile Enquiry Committee, on which trade and industry was also represented, has not recommended that all the mills should be taken over by Government. They suggested the formation of a corporation, but Government have not agreed to that recommendation, because it is simply impossible for us at the present moment to take over all those factories without going into the matter thoroughly.

Shri Dasappa (Bangalore) Will the hon. Minister consider the question of helping the State Governments, if they are prepared to move in the matter, by way of finance?

Shri Tyagi (Dehra Dun) He said it would be uneconomic to take them over.

Shri Lal Bahadur Shastri Whenever a State Government has asked for any assistance, that assistance has always been forthcoming, and we have always tried to help. In fact, in the case of three or four mills, the Government of India have tried to help them. Of course, it is true that they took over these mills from liquidators and at the direction of the High Courts. But we shall have no objection to giving the necessary help to the State Governments. In fact, we shall welcome it. If not for the working capital, for modernisation or for replacement of machines, the National Industries Development Corporation will give them the necessary loans.

While referring to the U.K. textile representatives coming to India, I was reminded .

Shri Mahanty (Dhenkanal) In this connection, may I offer him some figures? The hon. Minister has stated that the export of Indian textiles to U.K. has fallen on account of recession in that country. In this connection, I may give him a few figures which might help him in giving us a reply. During the first quarter of 1958, imports into Britain were higher at 116.54 million yards as against 103.06 million yards and 74.89 million yards in the first quarter of 1957 and 1956 respectively, but India's share actually declined by 9 million yards to 36.77 million yards. Therefore, the export to U.K. has been falling actually.

Shri Lal Bahadur Shastri: I have not denied that fact. In fact, I accepted it. I said that there had been a decline. But I was, in fact, replying to Shri Mahanty in regard to the doubts that he had expressed regarding the U.K. textile representatives coming over here and doing something at our back. I did not want that kind of suspicion to remain in the minds of hon. Members. On that point, I would say that this kind of discussion between U.K. and Hong Kong or Pakistan is essential from one point of view, and I was really glad to hear Shri Bimal Ghose supporting that idea, not in the matter of textiles, for he did not especially refer to textiles, but in the matter of tea to which he made a reference. In a general way, I could gather from his speech that he thought of it as a good alternative in the present competitive markets of the world. He thought it to be a good alternative to have international agreements, that is, agreements between various countries, if possible. Suppose we could have an agreement on tea with Ceylon or with U.K. or with East Africa—these are the countries which are mostly exporting or importing tea—and suppose

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we come to some agreement on the quota of imports that U.K., for example, will take from these countries, it can help us a great deal. Similarly, in the matter of textiles, suppose Hong Kong, Pakistan, and U.K. and India are able to come to an agreement, and a certain quota of cotton fabric or cloth is fixed and is agreed upon between the three countries concerned, then that quantity is almost assured for the period of the agreement. Of course, the quantity will be such as will in no way injure our interest or our present quantum. Our effort would be to secure what we are exporting today—when I say 'today', I do not mean to take the lowest figure of this year, but we can consider a reasonable figure on which reasonable agreement could be arrived at. Anyhow, at the present moment, it is for the industry to think over it. But I would like to lend my support to the view which was expressed by Shri Bimal Ghose that in the present circumstances it might perhaps be useful, in the case of a few commodities or in special situations, to come to an international agreement, if that is possible.

Shri Tangamani referred to handloom exports. I need not say much about that. It is already engaging our attention, and the House will be glad to know that the handloom production has gone up considerably. Whereas in 1950, it was 804 million yards, in 1957, it went up to 1678 million yards, and in 1958, it is expected to go up to 1750 million yards.

We have already provided facilities for import of yarn and dyes by handloom co-operatives. A department is being organised to actively process exports and to look after quality standards. Its headquarters will be at Madras.

As regards rebate, the hon. Member will realise that the industry should not always depend on subsidies from Government, if it is to be put on a

sound footing. The rebate will have to come to an end. But still the idea is to progressively reduce the scale of the ordinary rebate from year to year and also to restrict the special additional rebate for such short periods as may be recommended by State Governments in which the sale of cloth is expected to be high.

Shri P. R. Patel raised the question of cotton growers. I must say that the cotton growers have generally benefited by our recent announcement of export quota of cotton. Perhaps after many years, a big quota of the order of about 5 lakh bales has been announced and in good time. Besides this, the price of cotton has also been quite satisfactory. I shall merely give the example of Kalyan cotton.

Shri Achar (Mangalore): After the announcement in Bombay that foreign cotton will be allowed to be imported, the price of our cotton came down suddenly by about Rs. 30 or Rs. 40. Is not the same drop continuing now also?

Shri Somani (Dausa): The prices of ready cotton have advanced considerably, by as much as Rs. 150 per candy.

Shri Lal Bahadur Shastri: Of course, sometimes fluctuations take place. After Government announced a big import quota of cotton bales, there might be a depression for a few days. But as far as my reports go, they have looked up and the position is much better.

I was merely going to give the figures in respect of Kalyan cotton, to which Shri P. R. Patel referred. The floor price is Rs. 610 per candy whereas the ruling price at present is Rs. 605—Rs. 645 per candy. The growers' interests have thus not been neglected.

Shri P. R. Patel (Mehsana): My question was . . .

Shri Lal Bahadur Shastri: If I am interrupted frequently, it will not be possible for me to finish.

Mr. Deputy-Speaker: If the hon. Minister sits down as soon as hon. Member rises to interrupt, what can I do?

Shri Lal Bahadur Shastri: I am prepared to answer questions after I conclude.

Shri Morarka raised the question of cost-structure. It is true that our cost of production is higher as compared with that of other countries.

Shri P. E. Patel: May I submit to you . . .

Mr. Deputy-Speaker: He is not giving way. Therefore, the hon. Member shall have to wait till he concludes. I will hear him afterwards.

Shri Lal Bahadur Shastri: But if it is thought that the cost of production could be reduced by lowering wages or by retrenchment, I am sorry it would not be possible for us to accept that proposal. It is true that there may be surplus in certain mills. For example, in the Kanpur mills, there is quite a big surplus of workers, working for years in some mills, and the mills have suffered on that account. But it is a different question which has to be tackled at a different level. The mill authorities and the workers or their unions could meet and try to evolve some formula. But it is neither feasible nor wise at the present moment to think in terms of retrenchment or reduction in wages.

There are other ways, I do not say that every scheme will be fully successful, but there are many ways which the textile industry specially has to adopt to bring about greater efficiency in its working. The case of the jute mills is obviously before us. It is known to the House that the jute mills were in a tottering condition—many of them—and even

after the rude shock they received after the partition, they set up a wonderful organisation and by sheer good organisation and organising capacity, as also by modernisation of their mills, they have been able to pick up and they are doing on the whole very well. On the other hand, the textile industry—I shall not like to say much about that—has not thought of those ways, nor has it—as for example, the Kanpur industry—ever considered adopting methods which will bring about unity within, which will help in modernising their mills and thus stepping up and improving their condition.

So that is one step which could help the textile industry very much. There are other steps also, if they like to adopt them, but, as I have already said, their approach has not been very helpful. I would leave it at that. But I say with a full sense of responsibility that I have had several occasions to meet and discuss with them and actually no progress has been made. I feel somewhat concerned about it and, therefore, I have expressed these views.

Shri Morarka talked about incentives and said that the incentives he had given were rather half-hearted. It is true that we took some time in agreeing to give these incentives, but we had to consider the question very carefully. Our main fear is that these incentives may in any way be misused. If there is any case of misuse, we naturally get perturbed over it. I am saying this specially from the point of view of Members of this House. If we do not give incentives, there is the criticism that incentives are not being given. If there is one case of misuse, the House will naturally get upset over it and make it a major issue. We naturally do want to resist malpractices, and Government are there to fight them as much as they could. But even if there is one case, and we almost create a sort of demoralisation by trenchant criticism

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and sometimes even unreasonable criticism, it becomes difficult for us to carry on. No doubt, sometimes one feels depressed with the evils which exist round about, but one has to function and work within the evils, resist the evils and try to bring out some positive good out of the conditions which might prevail in the society.

I am saying all this because I want to give a previous warning to the House. More incentives may be given, if they are good and will be in the interest of the industry and exports. But, there may be evils here and there; and we will, certainly, fight those evils or malpractices. Government machinery is there and we do take action. Recently, there was a serious case of fraud in Bombay and prompt action was taken by us. The matter was referred to the S.P.E. and the licences were cancelled. The stocks were confiscated. All this action was taken immediately. Even our papers were also put under lock and key. So, we do take prompt action. But, sometimes, it may not be possible to prevent or check it altogether.

13 hrs.

As Shri Bimal Ghose said, in the present day competition, there is no way out except to think of alternatives. What is the solution? How to step up exports? He said that it was possible only by giving incentives to the industry for purposes of export. I am inclined to agree with him. We will think of this further. I do agree that further incentives will help the industry to further their exports.

He also referred to railway concessions and reduction in shipping freights. I must say that there has been some delay in the matter of obtaining railway concessions. We have discussed this matter with the Railway Ministry. In fact, they want to discuss each and every item separately for giving their approval in

regard to concessions in railway freight, on the exportable commodity. So, it has taken some time. But, I do agree that we have to speed up this matter. And, I think, we will soon be taking up the case of manganese ore and iron ore for concession with the Railway Board.

In regard to reduction in shipping freight, we have had discussions with the Overseas Shipping Conference and our representative, the Director General of Foreign Trade had a full talk with them. Recently, some freight reductions were made. I may tell Shri Bimal Ghose that in pepper, about which Shri Dange also spoke, the rates have been reduced from \$91.50 to \$80.50; in the case of ilmenite from 144 sh. to 84 sh; iron ore from 62½ sh. to 50 sh. and manganese from 66½ sh. to 55 sh. So, the Shipping Conferences have been helpful and we will have to pursue the matter further with them.

I might also tell the House that we have been thinking of—not only thinking but, in fact, we have put up a proposal—purchasing some small ships; that is, Government should purchase some small ships for transporting our goods to the adjacent countries or to the other countries. The Transport Ministry has almost agreed to that. The matter will have to be processed through further with the Finance Ministry because funds will have to be found for the same. If we could get some ships of our own, I have no doubt, this problem of freight and the other difficulties also will be resolved to a great extent.

Dr. Krishnaswami referred to the question of the importance of import. I entirely agree with him. It is true—as we generally say—that we have cut our imports to the bone and we cannot cut down further. In fact, I was in Calcutta the other day and there was great hue and cry in the sense that every industry was wanting more of steel and other raw

materials. So, the difficulty regarding raw materials and steel has to receive our utmost attention. I know the Steel Ministry has allotted a higher quota of steel than what it did last year. Fortunately, the difficulty about pig iron has almost been solved

13.06 hrs.

[MR SPEAKER in the Chair]

But, with regard to steel, of course, we have to wait for some time for our indigenous production. I am informed that in about one year's time, it would be possible for our steel plants to start supplying steel to the industry. So, we have to wait till then, but, till we reach that period we have to feed our industry with the necessary raw material.

I entirely agree that the momentum of production which has been reached should not be allowed to dissipate or go down. We will try to maintain the present level of our economy and also help further. In fact, during this licensing period we have allotted Rs 4½ crores—more than what we did in the last licensing period—for the import of raw material.

About tea, he said that this matter was not discussed in the National Development Council. It could have been discussed, but, in fact, it is not a matter which could be discussed and decided in the NDC. This is a matter of snatching a big sum of money from the hands of the West Bengal and Assam Governments. The revenue out of the Bengal Entry Tax on tea, from Bengal alone is about Rs 275 lacs; and Assam has a revenue of about Rs 150 lakhs. The hon. Member can easily imagine how these States cannot just part with this money especially in the context when they have to collect or somehow secure more revenues and funds for the prosecution of their own Second Five Year Plans. So, this is a matter which will require a discussion between us and the West Bengal and Assam Governments—a

friendly discussion. I have this particular matter in mind and I have had talks with the Tea planters the other day in Calcutta. All these things are already engaging the attention of Government and we will see what we can do.

Shri Bimal Ghose rightly laid stress on the question of the organisation of our export promotion. I am one of those who fully and entirely agree with him. It is possible that my colleagues in the Ministry—I mean my officers—may not wholly like this approach but somehow I have a feeling that the whole export promotion work has almost to be re-organised. How is it to be done? I have some ideas but I would like to discuss it with them. It is essential that our export promotion work should be made much more effective and we should be able to do it more efficiently. There are in the Export Promotion Directorate, rightly as Shri Ghose pointed out, different export promotion councils. They are dealing with different items. It is true we are co-ordinating it at our Directorate level in the Ministry. But their decisions have to be followed up more vigorously. What I want is that there should be a chasing section in our Ministry, especially in the export section so that it is not only that the decisions are followed up. That section should all the time be telling the Director of foreign trade or the Directorate as to what are the difficulties or obstacles coming in the way so that those difficulties may also be solved and removed.

Similarly, we can delegate more powers. If you want to do everything from the Centre, it means delays. It creates difficulties. For instance, the textile Commissioner's office in Bombay is there. Why should it be necessary for it to refer every matter to Delhi? It is a fairly efficient organisation and the Textile Commissioner is a very responsible officer. It should be possible for us to think in terms of delegating more powers to the Textile Commissioner so that he is

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able to take decisions on his own. Of course in vital policy matters, he will have to refer to Delhi. Generally, the delegation of power will certainly help in bringing up more efficiency in our present set-up.

I have also suggest that the State Trading Corporation will have to re-think how they can associate non-officials with them and how they could tie up the loose ends in regard to certain commodities; for instance, ores. I do think that some definite and positive steps have to be taken in that regard. They are indeed doing useful work but if there are complaints or if there are difficulties, they must be tackled and we should be able to find solution for them.

Shri Tyagi (Dehra Dun): Is there any intention on the part of the hon. Minister to ask the Railway Ministry to reduce the railway freight on manganese ore, particularly because its export has gone down and the prices are rising on account of the enhanced railway freight.

Shri Lal Bahadur Shastri: Yes. The hon. Member may be aware that we have abolished the export duty on ore very recently—perhaps a week before, I think. We have already taken up the matter with the Railway Ministry and if I can take the House into confidence, they have said: "If you abolish the export duty, then we will consider the reduction in the railway freight..." (Laughter). We have achieved one thing and expect to get the other thing also.

Shri Morarka made another point *vis. we are not trying to carry off our export work on an emergency basis. He quoted the example of UK where people willingly went through many difficulties and shortages and cheerfully borne all these things and helped in the promotion of export of that country. I am somewhat attracted by that idea but it is also to be realised that our country is poor and our income is low. It will have to be a very judicious approach. I do*

not say that we should not undergo sufferings. But how far we can go will have to be very carefully and discreetly considered while we ask for more sacrifices and sufferings on the part of our people.

But having said that, I still feel that there is no way out for our country, for us and for our industry also if we want to step up our exports, but to undergo sufferings and make sacrifices. Recently, the question of export of sugar was taken up. A small levy was imposed in order to compensate the loss. The whole working of the scheme is going on fairly satisfactorily but the actual quota exported is not very satisfactory so far. I do not know whether the small levy is the reason. But the industries have to realise that they will have to undergo some suffering or some sacrifice; they will have to deprive themselves of some profit, if they want to step up exports, if they want people also to respond; naturally every one of us will have to move in that direction.

There is the case of China. In China they have stepped up their production of textiles. This year they had a great surplus of cotton. Cotton production had gone up very high. There are many things which they export and there is strict regulation in so far as internal consumption is concerned. That kind of approach is essential for an under-developed country and I do wish that our countrymen should think over it. I have no doubt that our people will rise to the occasion when a demand is made or a call is made.

Mr. Speaker: Most of the people there wear standard cloth and export the rest. Our people also must be asked....

Shri Tyagi: Our country has taken to fine and superfine cloth.

Shri Lal Bahadur Shastri: Well, Sir, I do not want to take more time of the House, but I shall say a few

words about what Shri Dange said. Of course, Shri Dange raised general issues, and I do not want to go into the fundamentals of communist and other types of economies.

A socialist economy need not necessarily be of one pattern. Every country has its own special conditions and peculiarities. I do not think it is suggested that the same pattern should necessarily be adopted everywhere. In India we will have to work and carry on in our own way. In a vast country like ours where there is so much poverty and unemployment, there is no alternative but to narrow, if not bridge, the gulf which exists at the present moment between the rich and the poor. It is essential that the average standard of the common man should rise, and if we have to do it India may have to adopt a somewhat special pattern for herself in the context of the objectives she has placed before herself.

I would, however, not like to go into the general question of political philosophy. We are here concerned with the question of import and export, and we have so far kept up good relations with every country. I do not think political ideas play any determining part in the matter of trade and commerce. Only the other day I had seen a news item about the United Kingdom having entered into a big transaction with one of the communist countries. Business circles generally care very little for politics, they believe in doing business and making earnings.

Our policy in this regard has on the whole been very clear. Most of our export trade is with the United States and other West European countries. But we have trade agreements with Russia and most of the East European countries. There is no doubt that our exports to Russia have helped us a great deal. Recently our trade agreements with Russia, Poland and East Germany have been further renewed. They will be placed on the Table of the House on Monday.

But, what is essential is that we should take special care to see that there is no diversion of trade. It would not in totality help us. In fact, Shri Dange himself admitted it, that he did not want diversion of our trade. Therefore, we have to be very careful in this regard, and should not lose our old markets in search of new markets. In any case, of course, political ideologies do not matter in this regard. Our trading partners, both old and new, have each their strong and weak points and, since we also live in this world, their strength is a source of strength to us and their weakness must inevitably cause us some hardship.

I do not want to say much about China, although Shri Dange referred to it to a large extent. But the fact of the matter is that as China is a new entrant in the field, all eyes are naturally cast on that country. The other day I was studying the methods and techniques of China for expanding her exports. Shri Dange also referred to one or two things in his speech. Well, it is for us to consider whether they will fit in with our pattern. The main question for us and our industries is to look after and put our own house in order. We need not be unduly apprehensive, and we should make every effort to go ahead.

Sir, we have in fact to live in a strange world which has surpluses as well as shortages. Let us hope that our friendly relations with different countries and our trade agreements will help us to build up our economy swiftly leading to increased earnings of foreign exchange.

To Shri Tridib Kumar Chaudhuri, I shall concede that there should be a sense of urgency in us and in the Government. I am prepared to concede that point. As regards his other point that Government has completely failed in our export policies and on the working of export promotion, I regret that I cannot concede

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that point; somehow I am unable to agree with him. I do not agree with him because I have felt that he has not been able to prove his charge even partially. So, having met half way—I have met him half way—I hope he will cover the rest of the journey and might perhaps like to withdraw his alternative proposal.

Shri Shankaraiya (Mysore): Sir, the hon. Minister was pleased to refer to the rebate with regard to handloom. The Textile Enquiry Committee Report says that this rebate should be made on a substantial basis. A committee was appointed with Shri Somappa as Chairman, and so far as my information goes that Committee has submitted its report three months back. That report deals not only with the question of rebate but also the relationship between the handloom sector and mill sector. That report has not been published. I want to know whether Government are going to consider it, and whether the reply that has been given is after consideration or the matter is still under consideration.

Secondly, the Handloom Fabrics Market, Bombay, wants to accelerate exports. A delegation of five American businessmen have come here in connection with export trade with regard to handloom sector. The Handloom Society has been asking for financial assistance. I want to know at what stage these two things are.

The Minister of Commerce (Shri Kanungo): This is not exactly germane to the debate here, but I will reply the hon. Member's questions. The question of rebate has been discussed several times by the Handloom Board and at one stage the Handloom Board had recommended that the rebate should be progressively abolished. As regards the other point, the hon. Minister of Commerce and Industry has already mentioned that an export organisation is being set up with headquarters in Madras.

Mr. Speaker: What about Shri Tridib Kumar Chaudhuri's substitute motion?

Shri Tridib Kumar Chaudhuri (Bengal): Sir, I beg leave to the House to withdraw my substitute motion.

The substitute motion was, by leave withdrawn.

Mr. Speaker: What about Shri Braj Raj Singh?

Shri Braj Raj Singh (Ferozabad): I do not want to withdraw.

Mr. Speaker: The question is:

That for the original motion, the following be substituted, namely:—

"This House, having considered the present trends in the export trade of India, and the state of the textile industry which contributes materially to that trade, expresses its very deep concern at the declining trend in our export trade and the shrinkage of our traditional export market in textiles, tea and other goods.

This House is of the definite opinion that the Government have miserably failed to take adequate steps to maintain the volume of our export trade intact. This House recommends to the Government that a Committee of Members of Parliament belonging to both Houses of Parliament assisted by technical experts be appointed immediately to go into the matter thoroughly and suggest ways and means by which the situation could be set right."

The motion was negatived.