

MR. SPEAKER: The main question is whether Government are aware that a number of people exchange small coins at the rate of 90 to 94 paise for a rupee and action taken on that. How does machine come here?

SHRIMATI SAVITRI SHYAM: The shortage is on account of so many reasons.

प्रश्नक महीष्य : मशीनें इसमें कहां से ले आयीं आप ?

There is no time left, now.

SHRI K. R. GANESH: There are standing instructions with the Reserve Bank that they should place at the disposal of the nationalised banks sufficient number of small coins. This is being done. There are no complaints that some authorities in Bank in collusion with unscrupulous elements are trying to exaggerate the shortage. There are no complaints. Whenever complaints are received that in a particular area there is shortage of small coins, there are definite instructions that they have to be rushed there, and this is being done.

#### Depression in Jute Industry

\*467. SHRI M. RAM GOPAL REDDY: Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether the Jute industry in the country is reported to be in the midst of depression; and

(b) if so, the reasons therefor and remedial measures proposed?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA): (a) and (b). A statement is laid on the Table of the House.

#### STATEMENT

The jute industry is currently faced with two problems, namely—

(1) shortage of raw jute resulting from a short crop in the current session; and

(2) competition in foreign markets from synthetics and products of Bangla Desh.

As a result of these handicaps, exports of jute goods during the first 6 months of the current financial year have been somewhat lower than corresponding figures for last year.

2. In order to meet the current shortage of fibre, adequate imports of jute from Bangla Desh are being arranged.

3. Government have already reduced the exports duty on jute primary carpet backing by Rs. 400 per tonne to make it competitive with synthetics. The other remedial measures contemplated are—(a) research and product development, (b) promotion and publicity, and (c) provision of adequate funds to meet the requirements under items (a) and (b).

SHRI M. RAM GOPAL REDDY: The Minister has stated that the foreign export losses are very marginal, but the figures speak otherwise. The foreign export losses till the end of August are over 12 per cent. and they are more than 22 per cent over the preceding four months. I want to know how he is going to meet this shortage. Moreover, our carpet backing, which we are exporting to North America, has also fallen. I want to know the reasons for that.

SHRI L. N. MISHRA: The main difficulties are generally two. Number one is, synthetics have very much come in the market. The second is, because of some duties on jute manufactures, we are finding it difficult to sell them as last year. Last year was a special year because of the situation in Bangla Desh, it was a windfall that we had. This year also, the figures for the current year, April to September, indicate jute exports to the extent of Rs. 133.25 crores as compared to Rs. 135.26 crores; there has been a shortfall of only Rs. 2 crores upto this month.

**SHRI M. RAM GOPAL REDDY:** The Minister has stated that there is shortage of jute for mills. But, as a matter of fact, the stocks are rising; the stocks this year have increased in the factories—about 38 per cent. If more jute is available how is he going to export those stocks?

**SHRI L. N. MISHRA:** Wherefrom more jute will be available? This year we are going to have a bad crop of jute. As against the requirement of 71 lakh bales, we do not expect more than 58 lakh bales of jute. As a matter of fact, we are worried about running of the other jute mills. We are contemplating to import jute. 2.15 lakh bales have already been contracted with Bangla Desh, and we want to have three lakh bales more. So far as the quantity is concerned, we do not think that we are going to have more stock of raw jute. We are trying to meet the export part of it, but nothing can be said at this stage since the market seems to be unpredictable.

**SHRI SAMAR GUHA:** In view of the fact that India and Bangla Desh are the two countries who have the monopoly production in jute and also in view of the fact that jute trade is being threatened by synthetic products in the international world, may I know whether Government has undertaken any method to develop some kind of a joint policy for production, distribution and also diversification of jute products with Bangla Desh?

**SHRI L. N. MISHRA:** Diversification is one thing and joint effort is another. Diversification of production is a must. I must say that Bangla Desh has done quite a lot, as the hon. Member might have seen in the Bangla Desh Pavilion in the Asian Fair; they have first class jute carpets, tapestry, etc. We have not been able to do that; our research people are working on that.

About the joint effort, it has been my idea and, perhaps, a proposal that India, Bangla Desh and Thailand should sit together because the threat today is not from Bangla Desh, the threat today is not from Thailand, the threat to the industry is from synthetics. Only three countries produce jute—India, Bangla Desh and Thailand. It will really be a very good thing if the three countries could put their heads together and find a common solution to the problem.

**SHRI D. BASUMATARI:** May I know whether any complaint has been received by the Minister from foreign countries wherever jute bales are being exported that scraps of iron and stones are found inside, and if any complaint has been received, what steps Government have taken on this?

**SHRI L. N. MISHRA:** We have not received any complaint so far.

श्री के० एम० तिवारी : बाहर से जो जूट आ रहा है उसके लिये आप क्या कीमत दे रहे हैं और यहां पर कारखानों को आप क्या कीमत दे रहे हैं ?

श्री एल० एन० मिश्र : जहां तक यहां पर कीमत का सवाल है, स्पॉट प्राइस जो है वह 43 और 44 रुपये प्रति मन के करीब है लेकिन आपको जानकर खुशी होगी कि बाजार का जो भाव है वह 55 और 60 के बीच में है। बंगला देश से किस भाव पर खरीद रहे हैं इसको बताना मेरे खयाल से उचित नहीं होगा। लेकिन कुछ ज्यादा कीमत हमने नहीं दी है।

**SHRI H. M. PATEL:** The threat from synthetics is not a new thing. Would the Minister be good enough to explain since when research started in our country in order to meet the threat from synthetics and what progress has been made so far?

**SHRI L. N. MISHRA:** The threat from synthetics is, of course, not new. It has been there, but it has come in a serious form, especially in the biggest market, i.e., U.S. market. Research on jute to meet synthetic use of it was started 10 or 12 years ago, but that has not made much headway.

**MR. SPEAKER:** Mr. B. K. Daschowdhury. Next Question.

**SHRI B. K. DASCHOWDHURY:** I wanted to ask a supplementary to the earlier Question.

**MR. SPEAKER:** Enough questions have already been asked on that. You better ask your own Question.

#### Meeting of Aid India Consortium for rescheduling of India's debt obligations

\*468. **SHRI B. K. DASCHOWDHURY:** Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has sounded members of the Aid India Consortium on a suitable date for a meeting of the group to consider re-scheduling of debt obligations by India; and

(b) if so, the date on which the meeting is likely to be held and the steps taken by Government in this regard?

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):**

(a) and (b). The Consortium action for debt relief to India for the current year is in progress and a further meeting has not been considered necessary.

**SHRI B. K. DASCHOWDHURY:** The hon. Minister has given a very short reply. I would like to know from him what are the conditions and what are the criteria under which the debt relief system is under serious consideration and for which the hon. Minister has said that no further meeting is necessary.

Secondly, I want to know whether in the last June meeting held in Paris the same matter was discussed and if so, what were the points discussed and whether all the Member countries of this Aid India Consortium agreed to the formula evolved by the former Reserve Bank Governor of Australia, Dr. Kumbh.

**SHRI YESHWANTRAO CHAVAN:** Though the answer is short, it is complete.

I know the provocation for the question was that when the Consortium meeting took place last June, the press communique they issued said they would meet again, but, in the course of the developments that subsequently took place, it appeared that such a meeting was not necessary.

He made a reference to the formula Dr. Kumbh has evolved. As a result of his discussion with many countries it was found that there was some sort of an unwillingness to accept that. There was no agreement about this formula. So, Dr. Kumbh himself evolved another alternative formula and it seemed that possibly the general consensus was in favour of the second formula which was rather lower debt-sharing burden. Ultimately, we have to see that it is a matter between the debtor-countries and the creditor-countries. It is the creditor-countries' willingness which is much more important in this matter.

So it was found by the World Bank that instead of calling another meeting they themselves should take the initiative with the countries concerned and see that things ultimately take the proper shape and, fortunately, things are taking shape. Almost all the countries are agreeing to the thing. It cannot go to the extent that we expect. The expectation was that possibly the debt relief would go upto 200 million dollars. But, it looks from the way we are going and the attitude of the different countries concerned, that we