

DR. R. K. CHAKRABARTI : Transistor radios come under electrical goods.

PROF. D. P. CHATTOPADHYAYA : It is electronics and that is why remotely connected with electrical goods.

DR. R. K. CHAKRABARTI : Export is through the Commerce Ministry.

PROF. D. P. CHATTOPADHYAYA : That is true. In 1970-71 the export was worth Rs. 1,50,34,014. Next year it went up to Rs. 2,22,87,533. During the next year it marked a slight decline. It came down to Rs. 1,94,46,079 in 1972-73, and that is due to what the hon. Member has mentioned—acute shortage of raw materials. I have already referred to it, and every attempt is being made to procure it and give it to the people at the reasonable prices.

*382. [The questioner (Shri M. K. Mohita) was absent. For answer, vide cols. 33 infra.]

Fall in diamond exports

*383. SHRI SHYAMLAL GUPTA : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the export of diamonds has fallen considerably in the recent past; and

(b) if so, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) and (b) Export of diamonds during April to December, 1973 has been higher than the corresponding period in 1972. However, on account of economic uncertainties in the countries to which our diamonds are exported, there has been a set back in the rate of growth of exports in the recent past.

SHRI SHYAMLAL GUPTA : What is the total import of raw diamonds and what is the local production as compared to the exports?

SHRI A. C. GEORGE : Our availability of indigenous rough diamonds is negligible, and almost entirely the rough diamonds are imported from the different countries. I am in a position to give the figures for the past three years. In 1970-71 our import of the rough diamonds was to the tune of Rs. 18.91 crores; in 1971-72 it was Rs. 20 crores and in 1972-73 it was 35.95 crores. Normally, in the case of average diamonds—average in the sense of Rs. 900 per carat—the value added is Rs. 60 to Rs. 100 for a rough diamond. For Rs. 60, we realise Rs. 100. Last year it was to the tune of Rs. 58 crores.

SHRI SHYAMLAL GUPTA : Have we done anything in order to encourage our artisans in diamond-cutting?

SHRI A. C. GEORGE : I fully agree with the hon. Member that the export of diamonds is basically dependent upon the expertise and skill of our artisans because this is basically a processing industry. In Surat, Baroda, Bombay and in the neighbouring areas, we are making frantic efforts to see that more and more artisans are trained so that this highly intensive skill-oriented industry is encouraged.

श्री वीरेन्द्र कुमार सखलेचा : क्या माननीय मंत्री जी बतलायेंगे कि यह सही है कि हीरो के निर्यात में कमी का एक कारण आर्टिजन्स की कमी भी है, लेकिन डायमंड्स की पन्ना की माइन्स में उत्पादन काफी हुआ है, लेकिन वहां पर हीरो का ठीक प्रकार से उठाव न होने के कारण पन्ना माइन्स में काम करने वाले मजदूरों को काम बंद करने की स्थिति आ रही है। क्या यह सही है?

SHRI A. C. GEORGE : The export of diamonds is one sector where we have achieved a phenomenal growth. In 1963-64 our export of diamonds was only to the tune of Rs. 2.43 crores and last year, in 1972-73, as I said earlier, our export has come to Rs. 58 crores. This year we are hopeful of achieving a target of Rs. 75 to

Rs. 80 crores. As I pointed out earlier, there is a slight decline, not in the actual figure of the exports, but in the rate of growth of the export. It registered a very good growth rate, but after October and November, 1973, there is a slight decline in the rate of growth. This, as can be obviously appreciated by the hon. Member, is being reflected as a result of the international situation in the economic field. And diamond is one commodity where any slump in the international economic situation will be first reflected and it will be the last to recover.

SHRI V. K. SAKHLECHA : Sir, he has not replied to my question. I asked whether there is a situation that the labour is affected at Parna due to not properly mining diamonds there.

SHRI A. C. GEORGE : Sir, the Panna mines are not sizeable in comparison to our requirement.

DR. V. A. SEYID MUHAMMAD : On September 26 this year, the Chairman of the Jewel Export Promotion Council made a statement to the effect that the 2.5 per cent. regulatory duty and the obligation to buy from the M.M.T.C. will strangle the export of diamonds. Will the Minister state whether this allegation is true? If this is true, what are the steps being taken to remedy that situation?

SHRI A. C. GEORGE : Sir, I may not agree with the hon'ble Member if he refers directly or indirectly that there is strangulation of this industry because obviously it can be seen from the figures for April to November 1972 that our export of finished diamond was Rs. 37.67 crores. In April to November 1973 it has gone up to Rs. 54.44 crores. So there is a very good rate of growth

About the availability of rough diamonds, we have evolved a system of importing it from two or three different channels. There is one method called the "Site Holders" and the other is directly by the M.M.T.C. For the registered exporters we are even giving advance license to the tune

of 65 per cent. with export obligation. I have not come across any substantial complaint that the industry is being strangled by the non-availability of rough diamonds.

SHRI N. G. GORAY : As the Minister rightly pointed out, the export of diamond depends on the skill of the craftsmen. I would like to point out that in a recent report from Israel I read that inspite of the last year's war the exports of diamonds from Israel have maintained their level. That is because of their expert cutters. I would like to know from the Government whether our diamond cutters are trying to get some expertise from Israel which excels in this particular craft and whether it will be possible for them to do so.

SHRI A. C. GEORGE : Our main competitors in this field are Belgium and Israel. After the October crisis our latest reports are that even Belgium and Israel are finding it difficult to keep up the growth of their export. I have the report where it is maintained that the export from Belgium and Israel have gone down. It is substantiated by figures. The point that I would like to make is that I differ from the hon'ble Member that the expertise of Israel is better. Sir, I may say that our expertise and workmanship are considered to be better. They may be having certain additional machinery but our expertise is definitely better. We are trying that this skill is spread over more and more people so that more and more product is available.

SHRI BHUPESH GUPTA : Sir, what about diamonds belonging to the former Princely families and multi-millionaire class of people? When these diamond dames go out of the country they smuggle diamonds with them. May I know what steps the Government is taking to stop this smuggling?

MR. CHAIRMAN : This question does not arise.

SHRI BHUPESH GUPTA : It does arise. Illegal export is taking place. It is very relevant to export. You may not like the word "smuggling". Therefore, I have

called them "diamond dames". When they go out they export diamonds without reporting this thing to the customs authorities and as a result we are losing money. May I know whether the Government has considered the feasibility of preventing any diamond being taken out of the country under any pretext and whether the Government would make it a penal offence so that even the ladies belonging to the former princely families of the multi-millionaire class when they try to carry diamonds out of the country find themselves put in jail?

SHRI A. C. GEORGE : The question under reference is import of rough diamonds and export of finished diamonds. The hon'ble Member is referring to prince diamonds who are already cut. I hope he will also appreciate that we are trying our level best to prevent smuggling.

SHRI BHUPESH GUPTA : Sir, are you convinced? You are familiar with diamond dames.

MR. CHAIRMAN : I am convinced that the question does not arise. Next Question.

Tea Centre at Cairo

- *384. SHRI N. R. CHOUDHURY† :
 SHRI SARDAR AMJAD ALI :
 SHRI HARSH DEO MALAVIYA :
 SHRI VITHAL GADGIL :
 SHRI IBRAHIM KALANIA :

Will the Minister of COMMERCE be pleased to state :

(a) what was the total income and expenditure on the Indian Tea Centre in Cairo run by the Tea Board during the last years ;

(b) whether Government have ordered any enquiry into the functioning of the Tea Centre ; and

(c) if so, what are the findings of the enquiry?

†The question was actually asked on the floor of the House by Shri N. R. Choudhury.

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) During 1972-73, the expenditure on the India Tea Centre in Cairo was Rs. 3.68 lakhs against the sale proceeds of Rs. 3.80 lakhs.

(b) No, Sir.

(c) Does not arise.

MR. CHAIRMAN : MR. N. R. Choudhury.

SHRI N. R. CHOUDHURY : No question, Sir.

SHRI SARDAR AMJAD ALI : From the Minister's reply to part (a) it appears there is a loss of about 8 lakhs of rupees because the expenditure was Rs. 3.86 lakhs whereas we earned Rs. 3.8 lakhs.

SHRI A. C. GEORGE : Sir, I would like to correct his statement.

SHRI SARDAR AMJAD ALI : We know it for certain that we have abroad representatives of the Trade Development Authority. May I know from the honourable Minister whether our representatives of the Trade Development Authority at Cairo were consulted before you started this Tea Centre and if we do not have any representative of the TDA, then, whether our foreign office was consulted or whether it was often left to the discretion of the Tea Board Management to open tea centres?

SHRI A. C. GEORGE : I do not know whether there is any typographical error in the reply which is in the hands of the honourable Member. The expenditure on the Indian Tea Centre in Cairo was Rs. 3.68 lakhs against the sale proceeds of Rs. 3.8 lakhs. Obviously there is a surplus of Rs. 12000. But it has to be pointed out that the intention of the Tea Centres, that of also in Cairo, is not to make a huge profit. It is basically a promotional or developmental effort. So in the process if we are not suffering too