

**THE SUGAR (PRICE DETERMINATION)
SECOND AMENDMENT ORDER, 1972**

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (PROF. SHER SINGH) : Sir, I beg to lay on the Table, under sub-section (6) of Section 3 of the Essential Commodities Act, 1955, a copy (in English and Hindi) of the Ministry of Agriculture (Department of Food) Notification G.S.R. No. 407(E)/Ess Cum-/Sugar, dated the 11th September, 1972, publishing the Sugar (Price Determination) Second Amendment Order, 1972, [Placed in Library. See No. LT-37-10/72]

**REPORT (1969-70) OF THE COMPTROLLER
AND AUDITOR-GENERAL OF INDIA—
UNION GOVERNMENT (COMMERCIAL)—
PARTS IX, X AND XII**

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : Sir, I beg to lay on the Table, under clause (1) of Article 151 of the Constitution, a copy of the Report of the Comptroller and Auditor-General of India for the year 1969-70—Union Government (Commercial)—Parts IX, X and XII. [Placed in Library *Sit.* No. LT-3767A/72]

**CALLING ATTENTION TO A MATTER
OF URGENT PUBLIC IMPORTANCE**

**SALE- OF WOOLLEN GARMENTS IMPORTED
UNDER THE GUISE OF RAGS**

SHRI DAHYABHAI V. PATEL (Gujarat) : Sir, with your permission I rise to call the attention of the Minister of Foreign Trade to the sale in the open market of woollen garments imported into the country under the guise of rags.

[MR. DEPUTY CHAIRMAN in the Chair]

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : Mr. Deputy Chairman, Sir, . . . the regulation under which import of woollen rags is permissible against the export of woollen manufactures including milwear is effective from May, 1968. In fact, a similar regulation was in existence even prior to June 1966 for almost a decade, when, in the

wake of the devaluation of the Indian Rupee which took place on 6th June, 1966, all such schemes were withdrawn. Since May 1968, there has been no change in the Scheme which should facilitate the imports of rags into the country to a larger extent than before. I may reiterate that the 'Rags' consignments released or seized or pending clearance at the docks are the consignments imported under a Scheme announced in May 1968. The only change in the May 1968 Scheme was made with effect from 11th May 1972 when a substantial restriction was introduced. From that date, the import of woollen rags was allowed only to the exporters of shoddy blankets. Having regard to the normal volume of export of shoddy blankets and of other woollen goods, this would amount to a drastic cut indeed in the overall imports of rags into the country.

Although the policy covering import of rags between May 1968 to May 1972 has remained unchanged, larger imports have taken place in the last one-year or so. This seems to have occurred for three reasons. Firstly, in the May 1971 of budget, an import duty of 40% was imposed on raw wool or greasy wool. Secondly, the international price of raw wool as a commodity has sharply increased in the last 6 months, almost 2½ times. Thirdly, the exports of woollen products have gone up by over 30% in the value in 1971-72 as compared to 1969-70 thereby augmenting replenishment imports to that extent. These factors created a propensity amongst exporters to make larger imports of rags than they used to do in the past. It may be recalled that the replenishment licence all along has carried the following permissible alternatives :—

"Raw wool/wool tops combed in India/shoddy rags/wool waste."

Unfortunately, however, this propensity has got combined with the manipulative instinct of some of our people and instead of importing rags to be utilised as raw material after being pulled and garneited and spun into yarn, they imported used wearables and these have found their way into the market rather than to the factories.

As the matter involves contraventions of the Customs, Import Trade Control and Foreign Exchange Regulations, it has been decided to entrust the matter to C.B.I. for detailed investigations covering all the aspects of the