

(c) The shortfall in exports against the Fourth Plan target was due to a number of adverse factors, both internal and external, which during 1971-72 included mainly:—

(i) shortages of domestic supply of certain basic raw materials (steel, non-ferrous metals, cotton etc.) needed for export production, (ii) Transport bottlenecks and dislocation in shipments due to Indo-Pak hostilities, (iii) the International monetary crisis which added to the uncertainties of foreign trade, (iv) recessions in world steel industry which affected export of iron ore, ferro-manganese etc., (v) restrictive trade policies pursued by some developed countries, and (vi) inadequate shipping space and increasing freight rates.

Continuous efforts are being made towards stepping up of export production, generation of export surpluses and exploration of new markets.

Exports have been quite encouraging during the first eight months of 1972-73 which at Rs. 1239 crores showed an increase of Rs. 233 crores or 23 per cent as compared to exports during April—November, 1971.

#### CBI INQUIRY INTO RAGS SCANDAL

1. SHRI KALI MUKHERJEE:  
SHRI S. B. BOBDEY:  
DR. BHAI MAHAVIR:  
SHRI KOTA PUNNAIAH:  
SHRI GURUMUKH SINGH  
MUSAFIR:  
SHRI J. S. TILAK:  
DR. Z. A. AHMAD:  
SHRI A. G. KULKARNI:  
SHRIMATI SITA DEVI:  
SHRIMATI VIDYAWATI  
CHATURVEDI:  
SHRI P. BALACHANDRA  
MENON:  
SHRI KRISHAN KANT:  
SHRIMATI SATYAVATI DANG:  
SHRI V. R. PARASHAR:  
SHRI M. K. MOHTA:

SHRI SHYAMLAL GUPTA:  
SHRI CHANDRA SHEKHAR:  
SHRI N. JOSEPH:  
SHRI SANDA NARAYANAPPA:

Will the Minister of COMMERCE be pleased to state:

(a) the terms of reference of the 'Rags Scandal' entrusted to the CBI for investigations;

(b) whether any officers connected with this scandal have been suspended; if so, the details thereof;

(c) which other persons have been found involved therein and the steps taken and being taken to bring them to book; and

(d) whether the CBI report has since been received; if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) Broadly CBI investigations would relate to the following issues:

(1) In respect of the bales lying in the docks or in the pipeline, where there is documentary evidence of under-valuation or importation of synthetic garments, investigations will be conducted by the CBI.

(2) In respect of the bales seized from the importers promises or from their clearing agents or bankers, CBI will take cognizance of documentary evidence of under-valuation or importation of synthetic garments. Additionally where CBI find that such bales were cleared in violation of departmental instructions not to pass wearable garments except after mutilation or on bond for mutilation, CBI will take care or the vigilance angle in respect of the concerned Customs Officers as also indicate the type, manner and procedure for recording of evidence to be kept.

(3) In regard to bales seized from the dealers or at places where conversion facilities do not exist, CBI

will investigate the cases separately. They would particularly probe the violation of the conditions of licences/letters of authority prescribing that the imported goods shall be used for making shoddy yarn, which in turn would be used by the importer in his own factory.

(4) CBI will investigate cases of importation of rags from April 1971 where Customs clearance has already taken place and where there is material or information to suspect violation of conditions of licences and commission of any other criminal offence.

(5) CBI will also investigate whether any STC officers were guilty of mala-fide in the discharge of their duties in the importation of rags.

(b) No, Sir.

(c) and (d). No, Sir.

#### CREDIT POLICY OF NATIONALISED BANKS

2. SHRI KALYAN ROY:

DR. Z. A. AHMAD:

SHRI BHOLA PRASAD:

SHRI S. G. SARDESAI:

SHRI JAGDISH PRASAD

MATHUR:

SHRI GURUMUKH SINGH

MUSAFIR:

SHRI J. S. TILAK:

SHRI SARDAR AMJAD ALI:

SHRI CHANDRA SHEKHAR:

SHRI KOTA PUNNAIAH:

SHRI M. K. MOHTA:

MISS SAROJ PURSHOTTAM

KHAPARDE:

SHRI KRISHAN KANT:

DR. K. MATHEW KURIAN:

SHRI SANAT KUMAR RAHA:

SHRI RATTAN LAL JAIN:

SHRI V. K. SAKHLECHA:

SHRI J. P. YADAV:

SHRI O. P. TYAGI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item appeared in the 'Statesman' of January 7, 1973 under the caption "Helping farmers and labourers; Role of Banks not encouraging";

(b) the directions given by Government to the nationalised banks regarding credit policy especially in regard to credit to weaker sections;

(c) the steps taken by the banks to implement it; and

(d) the total amount of loans advanced by the nationalised banks in 1972 and the percentage thereof given to small-scale industries and small farmers?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) Government have seen the news item.

(b) In pursuance of the objectives of nationalisation, that hitherto neglected sectors like agriculture and small scale industries should receive adequate bank credit, Reserve Bank of India, after necessary consultation with Government, have been issuing guidelines from time to time to the banks on financing of the hitherto neglected sectors. In additions, Government's policy on concessional rates of interest to weaker sections announced in Parliament in March 1972, is being implemented by the banks.

(c) and (d). Banks have been endeavouring to increase bank credit to hitherto neglected sectors and advances to such sectors, inclusive of weaker sections, have progressively increased.

A statement showing the amount of loans advanced by the public sector banks in June, 1969 and June 1972 and the percentage thereof given to small scale industries and small farmers, is attached.