

TRADE AGREEMENT WITH BANGLA DESH

92. SHRI THILLAI VILLALAN; SHRI K. A. KRISHNASWAMY :

Will the Minister of FOREIGN TRADE be pleased to state:

- (a) whether Government have recently entered into any agreements with Bangla Desh Uovernment for further exporting crude oil and petroleum products to that country; and
- (b) if so, the terms of the agreement?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. UFOKGE>: (a) and (b) With the approval of the Government of India, the Indian Oil Corporation Limited has signed contracts with the Eastern Henneries Limited and the Government of Bangladesh for exporting crude oil and petroleum products to Bangladesh. These exports are being made on commercial terms and against payment in free foreign exchange.

PROPOSED ASIAN KESERVE BANK

93. SHRI K. D. T. A. FUNNIAH; SHRI K. L. N. PRASAD.

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Asian countries have drawn up plans for a joint Reserve Bank similar to the fund envisaged by the Finance Ministers of the European Common Market;
- (b) if so, whether the scheme aims to protect national currencies and economics of Asian countries from the effects of global monetary instability; and
- (c) how far India will be able to participate in the proposed Reserve Bank in Asia?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) Representatives of the Governments of India and other fourteen ECAFE member countries met in August 1972 to consider the proposal to set up an Asian Keserve Bank. This Inter-Governmental Committee, which judged L/B(D)13RS8—6

the proposal to be feasible, drew up a draft agreement for the establishment of an Asian Reserve Bank. The Asian Keserve Bank scheme envisages the pooling up of 10 per cent of member countries' gross official monetary reserves to provide short-term assistance for financing their balance of payments deficits, those arising from the eventual liberalisation of intra-regional trade, as well as to acquire bonds of multilateral institutions for financing productive investment in the ECAFE region. The Asian Reserve Bank's functions in some respects would be similar to those of the proposed European Monetary Cooperation Fund.

(bi) The operations of the Asian Keserve Bank would help protect member countries' currencies to the extent that the pooling up of reserve assets provides additional short-term financing to one or more of them during periods of balance of payments difficulties.

(c) The dratt agreement forwarded to member countries by the ECAFE Secretariat is currently being examined by the Government of India. The decision concerning India's participation would come up for consideration after the draft agreement is finalised on the basis of the comments thereon by the ECAFE member countries.

VIOLATION OF BAN ON PRODUCTION OF COLOURED SAREES BY MILLS AND POWERLOOMS

94. SHRI SANDA NARAYANAP-PA:

Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether Government are in receipt of representations from organisations of handloom weavers, that States like Maharashtra are still allowing mills and powerlooms to produce coloured sarees despite the ban on the production of coloured sarees both by the mills and the powerlooms;

(b) if so, what steps are proposed to be taken to prevent mills and powerlooms from producing the reserved varieties;