

DR. BHAI MAHAVIR : If you are yourself convinced, then it is all right.

SHRI Y. B. CHAVAN : Dr. Mahavir, your statement is absolutely indisputable that our export trade is suffering because of the high-cost economy in the country and this is an indisputable point. But there are many reasons for this. When we say "high-cost economy", it is only a comparative statement and it is a comparative statement in the sense that it is a high-cost economy as compared to some other countries which are competing countries and, therefore, you have to take into consideration the very nature and the characteristics of the economy with which we are competing. As far as we are concerned, there are two or three more important factors which have made our economy a costly economy. The first is that there is certainly the question of shortages. Now, for example, we have got shortage of steel and, therefore, we have to import steel. Import of steel means it has all the implications and its shortage means a basic shortage in the economy. This is one of the reasons for the costly economy.

Secondly, there is the wage factor.

SHRI A. G. KULKARNI : There is the costing system also.

SHRI Y. B. CHAVAN : I know. But, when I am talking about shortages, I am talking about shortages in production also.....

DR. BHAI MAHAVIR : What about the expensiveness of steel ?

SHRI Y. B. CHAVAN : I quite agree. But you have to go into the break-down of the reasons also. This is one of the reasons. Then, there is the wage policy which is also becoming one of the factors. I would like him to see to his left, when I am talking about the wage policy, so that possibly we can know the reason. 12 NOON I am talking of the wage policy. Then, of course, I could say that increased money supply is also one of the reasons. Money supply has also contributed to the heavy cost economy.

So these are the general points. But it is very incorrect to say that we are not applying our mind to this matter. We are.

MR. CHAIRMAN : Question Hour is over.

## WRITTEN ANSWERS TO QUESTIONS

### PRICES OF CONTROLLED CLOTH

\*159. SHRI JAGDISH PRASAD MATHUR :

SHRIMATI PRATIBHA SINGH:

SHRI THILLAI VILLALAN :

SHRI K.A. KRISHNASWAMY:

SHRI VENIGALLA SATYANARAYANA :

SHRI P. S. PATIL :

SHRI K. C. PANDA :

SHRI SUNDAR MANI PATEL :

SHRI M. K. MOHTA :

SHRI DAHYABHAI V. PATEL:

Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether it is a fact that controlled cloth is being sold at a very high premium by the mills including those which are run by Government; and

(b) if so, what steps Government propose to take to ensure that such cloth becomes available to the consumer at controlled prices ?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : (a) No, Sir.

(b) With a view to make controlled cloth available to the consumers at fixed prices, a new scheme for distribution of controlled cloth has been brought into force with effect from 1-11-1972. The details of the scheme are contained in the statement laid on the Table of the House.

### STATEMENT

Under the new scheme for distribution of controlled cloth, which came into force with effect from 1-11-1972, the sale of the entire production of controlled cloth has been withdrawn from normal trade channels and is undertaken through :

1. Mills' own retail shops.

2. Super bazars in the co-operative sector.

3 National Co-operative consumers, Federation and the chain of co operative institutions affiliated to them

4 Fair price shops run under the aegis of the State Government

5 Any other agency in the co-operative sector specified by the State Government concerned

The retail price of controlled cloth has also been reduced from 20% to 12½% over the exfactory price

#### MISUSE OF EXPORT INCENTIVES

\*160 DR K MATHEW KURIAN :

Will the Minister of FOREIGN TRADE be pleased to state

(a) the total number of cases involving misuse of export incentives detected during the past three years, and

(b) the details of action taken in this regard ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A C. GEORGE) (a) and (b) The information is being collected and will be laid on the Table of the House.

#### PRICES OF COTTON

\*161 SHRI M. K. MOHTA : Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether it is a fact that raw cotton prices have registered a sharp rise recently, and

(b) if so, the steps contemplated by Government in this regard ?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) (a) and (b) There has been a slight increase in prices of raw cotton which is due to seasonal variations. The prices are expected to stabilise as the cotton season advances.

#### SMUGGLING OF INDIAN MOTION PICTURES OUT OF INDIA

\*162. SHRI S A KHAJA MOHIDEEN  
SHRI VENIGALLA SATYA-  
NARAYANA :

Will the Minister of FINANCE be pleased to state .

(a) whether Government are aware that a large number of Indian motion pictures are being smuggled out of the country without any customs checks, and

(b) if so, the steps taken by Government to check this leakage ?

#### THE MINISTER OF REVENUE AND EXPENDITURE (SHRI K R GANESH)

(a) In view of the seizures made by the Customs authorities from time to time of Indian films attempted to be smuggled out of the country it can be said that Indian motion pictures are being smuggled out of the country

(b) The following measures have been taken to prevent the smuggling of goods including smuggling out of Indian films : Systematic collection and follow-up of information, keeping a watchful eye on the suspected smugglers, and on vulnerable sectors along the coast. Some senior officers of the rank of Collectors of Customs, Additional Collectors of Customs and Asstt. Collectors of Customs have been posted in vulnerable areas to look after anti-smuggling work exclusively. Extra vigilance is exercised in examination of suspected baggage and parcels sent out of the country

\*163 [Transferred to the 29th November, 1972]

#### EXPORT OF SEMI-FINISHED SKINS

\*164 SHRI N R DHOUDHURY :  
SHRI PRANAB KUMAR MU-  
KHERJEE  
SHRI KALYAN ROY :

Will the Minister of FOREIGN TRADE be pleased to state .

(a) whether it is a fact that due to export of semi-tanned sheep skins, the leather industry in the country, particularly in West Bengal, is suffering from shortage of raw material, and

(b) if so, whether Government propose to curb the export of semi-finished leather, if not the reasons therefor ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A C GEORGE) (a) and (b) On account of large exports of semi-tanned hides and