

†[ श्री मुहम्मद शफी कुरेशी : सेन्ट्रल व्यूरो आफ इन्वेस्टीगेशन ने जिन दो अपसरों के खिलाफ कार्यवाही की है, उन्होंने उन पर यह इन्जाम लगाया है कि उन्होंने अपने फरायज की अन्जामदही में कोताही बरती है, और सिफारिश की है कि उनके खिलाफ चार्ज किया जाय लेकिन चूँकि दोनों गजेटेड आफिसर्स हैं, इस लिए सी. बी. आई. की यह रिपोर्ट सेन्ट्रल बिजिलेंस कमीशन को जायेगी। उनको मई, '72 में यह भेजी है और जब तक वह कोई फैसला न ले ले तब तक रेलवे बोर्ड इसमें कोई फैसला नहीं करेगा। ]

श्री ना. कृ. शेजवलकर : मैं माननीय मंत्री जी से पूछना चाहता हूँ कि आपने बताया कि दूसरी जांच होने वाली है क्योंकि गजेटेड आफिसर्स हैं तो यह जांच कब तक पूरी करेगी क्योंकि जब एक एक डेढ़-डेढ़ साल इसकी जांच में ही लग जायगा तो फिर कार्यवाही और इन्क्वायरी के लिए कितना समय लगेगा।

شری محمد شفیع قریشی  
سینٹرل ڈیجیلنس کمیشن پر ریلوے بورڈ کا کوئی کنٹرول  
نہیں ہے اور اب سینٹرل ڈیجیلنس کو سفارش بھی گئی  
ہے اور یہ ان پر انحصار ہے کہ کب تک یہ رپورٹ دیں گے

†[ श्री मुहम्मद शफी कुरेशी : सेन्ट्रल बिजिलेंस कमीशन पर रेलवे बोर्ड का कोई कंट्रोल नहीं है, और अब सेंट्रल बिजिलेंस को सिफारिश भेजी गई है और यह उन पर इन्हिसार है कि वे कब तक यह रिपोर्ट देंगे। ]

SHRI N. K. SHEJWALKAR : Is there any bar on the Railway Board in taking independent action without relying upon the enquiry at all ?

SHRI MOHD. SHAFI QURESHI : It is provided under the rules that when the case is referred to the CBI, the findings of the CBI have to be sent to the Central Vigilance Commission. We cannot help it. So it is for the Central Vigilance Commission—we cannot give any direction to the Commission—it is for them to take up the matter, to expedite the matter.

#### WORKING GROUPS TO IDENTIFY ITEMS WITH EXPORT POTENTIAL

\*156. SHRI D. P. SINGH :  
SHRI SYED AHMAD : ††  
SHRI KOTA PUNNAIAH :  
SHRI KRISHAN KANT :  
SHRI CHANDRA SHEKAR :

Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether working groups have been set up to identify products with export potential; if so, the details thereof;

(b) what are their precise terms of reference;

(c) whether any reports have been submitted by them;

(d) if so, main features of the reports ?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : (a) and (b) Yes, Sir. A statement giving the names of the Working Groups and products with which they are concerned and their terms of reference is laid on the Table of the House. (See Appendix LXXXI, Annexure No. 25)

(c) Some of the Working Groups have submitted interim reports.

(d) These reports have identified some specific products, which have an export potential, some of the difficulties that have to be solved, and some steps that could be taken to promote their exports.

† [ ] Hindi translation.

†† The question was actually asked on the floor of the House by Shri Syed Ahmad.

**SHRI KOTA PUNNAIAH :** What are the practical measures that the Government is contemplating to overcome the difficulties ?

**SHRI L N MISHRA :** They have made suggestions about the availability of raw materials, high cost of raw materials, and then some physical measures like exploring new markets and also improving the quantity. Different products have got different problems and we are examining the recommendations made by the working groups. And these working groups are continuing groups; they are not going to stop their work. They will be continuing their work and will be submitting their reports as and when they complete the study.

**SHRI KRISHAN KANT :** The Ministry of Foreign Trade has also changed some traditional items into non-traditional items. For example, embroidered cloth was a traditional item of export and it is being exported mainly by one party, the Hakoba Fabrics, has been transferred into non-traditional group. Another attempt is being made to change the woollen fabrics which was a traditional item into a non-traditional item which will help big business houses like OCM, Raymonds, JK and Birlas, so that these groups can earn more than 15 per cent ad hoc licences and other facilities. These bigger groups are thus favoured with these non-traditional items. Is something being done about it ?

**SHRI L. N. MISHRA :** There is no question of favouring any bigger group or smaller group. I am not aware of the change of traditional items into non-traditional items. I will look into the matter, and, if anything has to be done, I will look into it. But I am not aware of any traditional items being turned into non-traditional items . .

**SHRI KRISHAN KANT :** I have given examples.

**SHRI L. N. MISHRA :** The honourable Member has given some examples. He has quoted some names. I want to look into them. And if it has been done

in the interests of exports, it has to be done—if it is in the interests of exports. And if it is not to be done, I will see that it is not done. But if it is in the interests of exports, I will not like to come in their way simply because it is done by some business houses. But one thing is that I will not give any special favour to any particular business house.

**SHRI KRISHAN KANT :** My question is there was only one party mainly. The Hakoba Fabrics was a traditional exporter and that has been changed into non-traditional group because of certain facilities. Woollen fabrics are in the interests of exports. He is also saying that. They are traditional export items. Why are they being changed into non-traditional items ?

**SHRI L. N. MISHRA :** It is a fact. There are these items. Traditional items are like jute textiles, etc. etc. and non-traditional items are engineering goods, etc. New items which come up for export are called non-traditional items and for such items there is incentive or encouragement. To boost their export some such facilities are given. But if these facilities are meant only for one House, then I will never do it. If it is in the general interest of export, it will have to be done.

**DR. K. MATHEW KURIAN :** The Working Group that has been appointed referred to certain limited number of non-traditional items. But I would like to know from the hon. Minister whether he would agree that in order to promote exports on a wider scale we would have to concentrate not only on non-traditional items, but have to maintain at least our export of traditional items, particularly those items, which have been contributing a substantial share to the overall value of exports. Products like cotton textiles, tea and even traditional items such as coir, cashew and so on earn substantial foreign exchange for the country, but the export of these commodities is continuously going down. A concerted effort has to be made, therefore, to promote of these traditional items. Despite the Export Promotion Councils and Commodity Boards which are supposed to look after this aspect, there is no conti-

nuous effort to promote export of these traditional items which earn a high volume of foreign exchange. It is always better to concentrate on these items instead of on a number of small items. But the Ministry neglects these traditional items and I think it will be a very tragic step. I would like to know from the hon. Minister whether in addition to the non-traditional items any review—continuous review—is being made by the Ministry to ensure that the export in traditional items like cotton textiles, jute, cashew and coir will be maintained. I would also like to know whether it is the practice of the Ministry of Foreign Trade to scale down the export targets whenever they find it difficult to export a particular item and later on say that they have achieved the target prescribed for that item?

**SHRI L. N. MISHRA :** There are two or three questions. So far as export of traditional items is concerned, we are not going to neglect traditional items. That is our plan. If I ignore textiles, jute, tea and coir, how can we earn through export? There is, therefore, no intention to ignore traditional items. Rather there is effort on our part to help traditional exporters also. The hon. Member is a well informed person and he knows what type of assistance we have given to the textiles, and what amount of fight we had to put up with U K on this issue alone. Similarly in the case of coir, we have represented to EEC people that our coir should receive the same treatment as is meted out to coir from Netherlands and other areas. There is no idea of ignoring traditional items and our export earnings through the export of these items will never go down.

About export figures, we do not revise export figures. I have seen some news item, but this is not a fact. We are not going to revise our export figures. I will make one thing quite clear. Lot of things have been said about our export achievement. The position is that in 1971-72 the export growth has averaged between 5 and 6 per cent, if we include exports to Bangla Desh also and Bangla Desh has to be included because they are also exports.

Before I conclude, I would like to say one thing and that is, export should not be taken in isolation. Export depends on so many factors, such as interplay of international economic forces. The tariff announced by President Nixon has affected us. The tariff wall in Japan has affected our export of ore. Pakistan hostilities have affected our transport capacity and export. All these factors do influence our export performance. If we take into consideration all these factors, our export performance has not been bad. After all the Plan target is 7 per cent. Our performance is between 5 and 6 per cent. If we achieve 7 per cent, we will be lucky. But that will be 100 per cent. That might be difficult. Our achievement today is between 5 and 6 per cent.

**SHRI SHYAMLAL GUPTA :** I would like to ask the hon. Minister what his Ministry has done in the case of non-traditional items like paper, paper products, books etc. Has any Working Group been appointed to review export of these items?

**SHRI L. N. MISHRA :** Sir, I have laid a statement on the Table of the House which speaks about different subjects and I would request the honourable Member to look into that statement and if he does not feel satisfied, then he can ask me. I cannot give the details at present about paper, pig iron and all such things.

**MR. DEPUTY CHAIRMAN :** Yes, Mr. Lakshmana Gowda.

**SHRI U K. LAKSHMANA GOWDA :** Sir, I would like to refer to Dr. Kurian's supplementary and the honourable Minister's reply. I would like to know from him whether he is considering the question of appointing any working Groups or Study Groups for the traditional items like tea, coffee, cardamom, etc. and also I would like to know from the Minister whether, in view of the difficulties in the export of coffee and in view of the heavy crop last year, exports have fallen and, if so, what steps the Government is taking immediately to relieve the surplus and augment the exports.

**SHRI A. C. GEORGE :** Sir, since the honourable Member has raised a special question on the surplus production in coffee, I am happy to inform the House that recently we have made an outright contract with the USSR for the sale of 3,000 tonnes through the Coffee Board. Further, later on we were able to sell another 4,000 tonnes through the Coffee Board to the USSR. Recently, three or four days before, we were able to contract for another 6,000 tonnes also. All these taken together, I am quite sure, Sir, will relieve the glut in the coffee market and even if we have a bumper crop, there will not be much of a difficulty.

**SHRI U. K. LAKSHMANA GOWDA :** Sir, what about the other point? Is he going to appoint any Study Groups or Working Groups for these traditional items?

**SHRI L. N. MISHRA :** At the moment, we are not appointing any Study Group. We have, however, appointed an Apex Committee with the Secretary in the Foreign Trade Ministry as the Chairman wherein the representatives of different Ministries will be represented. I would like to read out the details.

An Apex Committee on Export Promotion has been set up with the Secretaries in the Ministries of Foreign Trade, Industrial Development, Department of Economic Affairs and also the CCIE, with the Secretary in the Ministry of Foreign Trade as the Chairman and the CCIE as the Member-Secretary. The task of this Committee is watching the progress of the various Working Groups in respect of the export of the various items. Therefore, this Committee will look into the traditional items also and we are not going to neglect the traditional items.

**MR. DEPUTY CHAIRMAN :** Yes, Mr. Sen Gupta.

**SHRI DWIJENDRALAL SEN GUPTA :** Mr. Deputy Chairman, Sir, the question nowhere says about the traditional export items or non-traditional export items. We have been rather taken off the point. The question is whether Working Groups have been set up to identify the products with export potential and if so, the details thereof. To my mind, jute is definitely a product

with a huge export potential and it is earning a lot of foreign exchange. Does the honourable Deputy Minister know that in West Bengal, in the jute industry, if proper attention is paid to the regulation of the jute prices, the jute industry can earn more foreign exchange and the foreign exchange earning will be doubled? Will the Government consider asking the Working Group to look into the question of fixation of price of jute so that the jute industry may continue to earn foreign exchange for us?

**SHRI L. N. MISHRA :** Sir, the performance of jute export last year has been so very good and this year also I hope it will have a better performance. But, Sir, there is a separate question on the export of jute and that is about the Team which we had set up to explore the possibility of more export of jute and this Team has submitted a report to us and we are giving special attention to jute especially in view of the fact that synthetics are coming in certain countries like the US where jute is meeting with tough competition from synthetics.

**SHRI K. P. SUBRAMANIA MENON :** Sir, may I know from the Government whether it has come to the notice of the Government that two of the most traditional items which we export, pepper and lemon grass oil, which have been the premier items of our export during the last three thousand years, have now fallen on very bad days and all the Ministry's efforts on export promotion and the resources have been cornered by a few sharks which now produce a few engineering items? These traditional items' producers have been starved of any help so that the production and the export of these two items have almost come to nil. Will the Minister, in this situation, reconsider their policy and try to help the producers of these products so that exports pick up?

**SHRI A. C. GEORGE :** The hon. Member has raised points regarding the exports of pepper and lemon grass oil. I am happy to inform the House that the export of pepper has gone up. The hon. Member is not correct in saying that it has gone down. Actually, between 1970-71 and in 1971-72 the pepper export has slightly gone up by 30 lakhs to 14.9 crores. I am further happy to inform the House that the three main producing countries, Malaysia, Indonesia and India have joined together

and formed a pepper community, so that the producers will be able to realise a reasonable price. The real international situation in the pepper market is that producers are not getting a reasonable price. There is a wide gap between the consumer price and the producer's realisation. To avoid this, Malaysia, Indonesia and India have formed a pepper community.

Regarding lemon grass, I frankly admit that the situation is bad because synthetics are causing us a lot of hardship. And I do not claim that in the field of lemon grass we have got a proud record.

**SHRI KALYAN ROY :** The Minister is aware that the whole of South East Asia and West Asia India has got the largest deposit of coal and Ceylon, Burma and South Korea—once completely depended on our coal, the export of which has gone down. May I know what particular steps the Government is taking in order to export more of our coal and other kinds of non-metallurgical coal? Secondly, is the Government aware that in the field of Marine Products, about which a working group has been set up, very big business houses and monopolists like Indian Carbide are entering? They are exporting to the USA which is harmful to our country in the long range, because our marine products have a large demand in Japan and other places. They are developing export in certain countries where, I fear, in the long run we will be in great difficulties. What are the steps that the Government are contemplating to curb the entry of big business like Indian Carbide into this field?

**SHRI L. N. MISHRA :** Shri Kalyan Roy's question can be divided into two parts. (i) Coal and the export of marine products and (ii) Union Carbide.

So far as coal is concerned, Sir, it is a fact that export has gone down. But recently we have got a new market in Bangla Desh. We have entered into a contract with them, which would help us. About South Korea and other places, it is difficult to say whether we shall be getting into the market because, Sir, the storage charges and transportation charges are comparatively

high. It is not very economical for them. About Union Carbide, you will kindly recall that there was a question some time back by Shri Bhupesh Gupta to be answered by the Minister of Food and Agriculture. I was present here, but that question did not come up. Sir, so far as Union Carbide is concerned, I am one of those who believe that we do not want such organizations to come into the export trade and drive out small sector. The point is that at this time in the case of these marine products, which are exported from Visakhapatnam, ships going to Japan do not touch Vishakhapatnam or the eastern coast. Smaller shrimps have no market in Japan. The main subject relates to the Ministry of Food and Agriculture. I come into the picture because I have to export, and that is why I have explained the position. The allegation is that prices in Japan were higher than the prices in USA. This is not a fact. Prices of big fish were of course higher in Japan than in U. S. A.

**SHRI L. N. MISHRA :** But smaller sizes of shrimps and prawns are not acceptable to Japan ...

**SHRI BHUPESH GUPTA :** On a point of order

**SHRI L. N. MISHRA :** Let me finish.

**SHRI BHUPESH GUPTA :** Our objection is not to the size of the fish

**SHRI L. N. MISHRA :** To the size of the company.

**SHRI BHUPESH GUPTA :** Our objection is 'in principle'.

**SHRI L. N. MISHRA :** I assure the House that nothing of the kind will be allowed to be done which will go against the interest of the country. We are not going to allow any other monopoly or a big power or the Union Carbide or even other companies of America to exploit our market or our products for their ends. It will be within the framework of our export and economic policies and I must inform and assure the hon. Member that these

things will not be allowed. But I should like to know what should be the position if we have to sell our fish and we have no market and when the Union Carbide comes to purchase the same, whether we should throw it away or sell it to them

**SHRI KALYAN ROY** I want to know which kind of fish sells better.

**SHRI A. G. KULKARNI** : Sir, the Government cannot say that the poor performance in exports is being made good by exporting to Bangla Desh. Actually the performance in export is poor. Then, there is a multiplicity of organisations looking into exports. There is a Trade Development Authority, an Export Council and there are various other Committees. I want to know from you what difference all these Committees are going to make in increasing the export unless the real points mentioned here are co-ordinated in the Industrial Development Ministry and in the Foreign Trade Ministry. It is no use avoiding the point that there is no co-ordination. You have to take care of that and give me a positive explanation as to why so many organisations are not helping in reaching the export target.

Now, take the item under Group I— you have said other selected products in the small scale sector. The World Bank Committee has examined the performance of the small-scale sector and it has been said that they are adding about 30 per cent to the value added by manufacturers under exports of 7 per cent. In view of this, I want to know whether you want to rectify the plans on account of the failure of the S F C to increase export in the small-scale sector.

**SHRI L. N. MISHRA** . Sir, I do not think Shri Kulkarni is fair in saying that we should not take into account our exports to Bangla Desh. Bangla Desh is a sovereign independent country and our trade with them is not on a rupee payment basis. It is on the basis of free foreign exchange and we have exported our goods or diverted our goods which are meant for other countries. Therefore, why should we not take into account the calculations of the exports to Bangla Desh? We have earned foreign exchange as a result of selling goods and

naturally that is a part of our export earning.

Regarding the multiplicity of Committees, I have said earlier that an Apex Committee had been set up consisting of representatives from various Ministries. That Apex Committee has been looking after or safeguarding the co-ordination of the recommendations of these various bodies. Regarding the Trade Development Authority, Shri Kulkarni knows that it studies all the problems and gives us suggestions. The problem of foreign exchange in the present world is very much complicated. I would request you to look into the big organisations that the U, S A, the U. K and even the E E C countries have got. In that sense we are a poor country. We have no proper organisations. A lot of research work is required on the subject. Would tests aer going on. We have not got many bodies.

**SHRI A. G. KULKARNI** : What about the small scale sector? Sir, he has not replied to the study of the World Bank Organisation in relation to the small-scale sector. What do you want to say on that?

**SHRI L. N. MISHRA** : I would like to say that I have no information on that.

**MR. DEPUTY CHAIRMAN** : Next Question

**SHRI KALYAN ROY** . Sir, if you please see questions 157 and 173, they are similar ones. Let them be taken up together.

**MR. DEPUTY CHAIRMAN** : No, you can ask the supplementaries in this Question itself.

#### UNDERWRITING OF RISKS INVOLVED IN SETTING UP OF JOINT VENTURES ABROAD

\*157 **SHRI YOGENDRA SHARMA** .  
**SHRI SANAT KUMAR RAHA** :  
**SHRI SITARAM KESRI** :

Will the Minister of FOREIGN TRADE be pleased to state .

\* The question was actually asked on the floor of the House by Shri Yogendra Sharma.