

rates for coir, which came into effect from 1st January 1967. We have received several representations from associations of coir exporters. We, in the Ministry, have recently conducted an inter-ministerial meeting with the participation of Ministries of Surface Transport, Industries, Commerce and Finance in order to help the coir exporters overcome the difficulties they are facing because of the bulk nature of the coir export and high freight rates. Another meeting is scheduled in Bombay under the auspices of the Coir Board in the coming weeks. We are aware that some of the facts represented by them are genuine and we, in the Textile Ministry, have made strong recommendations that some relief may be given to the coir exporters in freight rates.

### **Tobacco Export Potential**

\*378. SHRI C. MADHAV REDDI: Will the Minister of COMMERCE be pleased to state

(a) whether recent trends indicate that the tobacco exports are looking up,

(b) if so the steps being taken to sustain this trend; and

(c) the additional export potential assured by Government?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) (a) to (c) A Statement is given below

### **STATEMENT**

(a) No Sir

(b) Government have taken a series of measures to promote exports of tobacco. These include abolition of export duty on unmanufactured tobacco, participation in international trade fairs and sponsoring trade delegations abroad.

(c) Export potential for tobacco is dependent on international trading environment.

SHRI C. MADHAV REDDI: In view of the fact that there are large quantities of tobacco stocked in Guntur godowns which include 4,000 tonnes of STC stock - will the Government explore markets in the world, particularly Algeria and Egypt? I was told that these two countries are prepared to take tobacco on a barter arrangement. Will the Government consider this proposal?

SHRI P. R. DAS MUNSI: Yes Sir. It is a fact that the STC stocks are lying in godowns at Guntur and we are exploring the possibilities of finding fresh markets in Algeria and Egypt. In fact, we have sent two delegations there. Egypt is having its own foreign exchange constraints and is prepared for counter-trade. But it is probably difficult for us to identify areas where we can have counter-trade. We asked the STC to find out the possibility of making arrangements of counter-trade to sell tobacco to Egypt through a third country.

So far as Algerian prospects are concerned, the quantity is very less. But the visit of our delegation is very fruitful and we are still having our consultations.

SHRI C. MADHAV REDDI: The Indian Institute of Foreign Trade has conducted a study recently on behalf of the Tobacco Board and came out with a number of suggestions/ recommendations which include exploration of western markets, certain concessions to be given by the Government such as exemption or reduction in excise duty, etc. May I know whether the Government has studied these proposals? If so, what is the reaction of the Government?

SHRI P. R. DAS MUNSI: Sir, we have received this Report of the Indian Institute of Foreign Trade. It was sent to our Ministry on the 4th August. We are examining it in detail. But I would like to inform the hon. Member that for the last one year, as you know, throughout the world, the anti-smoking campaign, especially in the West had been creating such sensation in the market that the off-take of tobacco may

not be very much bright. In India, itself I do not remember whether in this House or in that House, there was consistent demand for anti-smoking campaign. So this is also creating some constraint for us. But still we are trying to find out the possibilities as to how we can push our tobacco.

**SHRI K. S. RAO:** I would like to know from the hon. Minister, that keeping in view all the surplus production of tobacco in the country and also the glut in the international market for purchasing the tobacco, whether still he thinks in terms of advising and restricting crop in those areas, where tobacco crop was raised earlier and in its place, will they give enough support—technological and financial—to those farmers to raise oilseeds?

**SHRI P. R. DAS MUNSI:** The tobacco growing programme is not conducted *suo motu* by the growers alone. In addition to the growers, there is a Tobacco Board. There is a trade representative. And also there are growers' representatives.

The plan is prepared according to the market consumption of the country and expected turnover in the export.

So far as the facilities for the production of tobacco are concerned, we have slightly increased the MSP—Minimum Support Price upto Rs. 11.25 and Rs. 12.20 per kg. for F<sup>2</sup> and L<sup>2</sup> grade and we do hope that some more arrangements can be made. I would like to inform the hon. Member that we have abolished the export duty on it. Therefore, this is also an incentive which will give some strength to that provided, we get the export market.

As far as other facilities are concerned—say irrigation potential of high yielding varieties—they are looked after by the Ministry of Agriculture. We are in touch with them and in some cases some incentives be provided by the respective State Governments so far as their infrastructural arrangements are concerned.

**SHRI V. SOBHANADREESWARA RAO:** Apart from the quantity that has been men-

tioned by my colleague Shri Madhav Reddi regarding the stocks which are there with the STC, I would like to know from the hon. Minister, whether the Government are aware that yearly 10 million kgs pertaining to the crop year 1984 as well as 2 million kgs. pertaining to 1985 is still with the traders? If more years are allowed to pass, the stocks will become useless. In view of this fact, which has also happened in 1956, when the then Minister Shri K. Raghuramaiah led a delegation to China and succeeded in getting export orders for 15,000 tonnes, similarly, will the present Minister of State lead a delegation to China, Egypt and Yugoslavia?

**MR. SPEAKER:** You include him also.

**SHRI V. SOBHANADREESWARA RAO:** Otherwise, it is not possible. Just sending some Deputy Secretary or a Joint Secretary will not serve the purpose. I would like to have categorical reply from the hon. Minister, whether he will lead a delegation and succeed in getting orders for the release of these tobacco stores which are lying in our country?

Sometime back, we were given to understand that the Government is considering acceptance of CCS facility to the tobacco exporters. May I know whether the Government has taken any decision in regard to sanction of CCS for the export of tobacco which will also partly help the growers, as per the Statement of Shri Shiv Shankar, the then Minister, made in this House in reply to our Calling attention notice discussed in the House in the last session.

**SHRI P. R. DAS MUNSI:** In so far as the old stocks of the year 1984-85 and the earlier stocks are concerned, it is a fact that, at that point of time, the production and yield in our country was so high and the demand was less, we took lot of pains consecutively for two years to push the stocks in some markets marginally. We are going to work on the entire problem because tobacco is the commodity which cannot be just pushed on demand. It is to be accepted.

So far as exploring the new markets are concerned, the hon. Member has referred to China. He must be aware of the fact that India is the third largest grower, China being the first. Though in the export front we stand fifth and China's capacity is now huge very recently we have started entering again with China. We do hope that they will respond to us a little. Already their delegation came here and our people had a talk with them. Insofar as my leading a delegation is concerned, I am prepared to go to any part of the world, where people will buy more tobacco.

SHRI V. SOBHANADREESWAA RAO: What about CCS?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI). May I add that during my recent transit stay at Beijing when I had the privilege to serve as the External Affairs Minister, I did have an opportunity to talk to the Acting Premier Excellency Mr. Wan Li, and the Acting Foreign Minister—Mr. Wi Li Se on this matter? They did say that they would, through diplomatic channels, discuss the matter. We will certainly take up this matter with the Chinese Government.

SHRI P. R. DAS MUNSI: So far as CCS is concerned, there is no proposal.

(Interruptions)

MR. SPEAKER: Shri Amal Datta

SHRI SHANTARAM NAIK: No Supplementary without apology.

SHRI AMAL DATTA: That is under my consideration.

PROF. MADHU DANDEVATE: You had better see him in this Chamber.

MR. SPEAKER: He will have to. (Interruption) Mr. Shantaram Ji, he will have to.

SHRI AMAL DATTA: Whatever you say, Sir, will be done.

MR. SPEAKER: After the Question Hour.

SHRI AMAL DATTA: I have already got a notice. I am giving a reply to that.

MR. SPEAKER: I will not stop him if he does it now. But I will ask him to do it afterwards.

PROF. MADHU DANDEVATE: That question was to some other Minister. He can have an additional opportunity to have another apology. (Interruptions)

PROF. P. J. KURIEN: The other day, you gave a ruling, Sir.

MR. SPEAKER: Yes I gave. It would have enhanced his prestige. Sit down.

My rulings never change. What I say, I say. I have never gone back on that.

SHRI AMAL DATTA: To a very precise question, the reply is very vague. The Minister has said:

"Government have taken a series of measures to promote exports of tobacco."

And then he has given only three instances of these measures. One of them is the abolition of export duty on unmanufactured tobacco. I assume that all the other measures are so unimportant that they are not worth mentioning. Our export effort—one of the limbs of that—is to see that exports, as much as possible, will be value-added exports. When you go, instead of manufactured tobacco, you encourage export of unmanufactured tobacco. That means our export earnings drop.

Will the hon. Minister kindly explain why this particular method has been adopted, so that the country's foreign-exchange, in fact, goes down?

Part (b) of my question is that China was mentioned, not by me, but by Mr. Rao. Whenever I mention China, some objection is taken. So, I may say that somebody

else mentioned it first. What has happened is this: 2 or 3 years ago, there was an export consignment sent to China, which was rejected, and because of that, China did not buy next year. What action has been taken regarding those people who had sent these sub-standard consignment? Are the Government contemplating doing anything in this regard, to safeguard that such things do not happen in future?

PROF MADHU DANDAVATE: He has made the allegation.

SHRI P. R. DAS MUNSI: First of all, I would like to inform the hon. Member that the answer was not vague, because the question was put exclusively for the tobacco export. There are two categories in tobacco export: unmanufactured, and manufactured. So far as manufactured tobacco is concerned, some valuations are made. If the hon. Member puts a separate question precisely, I can give all the details as to how we have improved the position, especially with regard to cigarette, and how we have improved the position, with regard especially to chewing tobacco. All these details I can certainly supply, without taking the time of the House (*Interruptions*)

I have got all the answers to the question. I would only say that the hon. Member's question was straight and simple. It said,

"whether recent trends indicate that the tobacco exports are looking up;

If so, the steps being taken....

I only stated what steps we have taken. Nothing more. If you want information regarding export of manufactured tobacco, and the value addition, I can certainly send you the information. But one thing I would like to inform the hon. Member is that anti-smoking campaign is there not only for unmanufactured tobacco; it is there against manufactured tobacco also, i.e. on cigarettes and every-

thing else, throughout the world. That is also a problem.

DR. CHINTA MOHAN: Is it a fact that instead of exporting tobacco, you have allowed the export of plantain leaves?

SHRI P. R. DAS MUNSI: That matter has been answered twice in this House. A complaint had been there. It was investigated; and finally it went to the court and the court disposed it of in favour of the party; and finally the Chinese buyers came here. They had to send a report. They are satisfied with the buyers. In so far as penal action is concerned, we restricted them to enter into the market till they were not cleared from the court of law had they gone to the court and till they were not cleared from the buyers who buy it from them. If you insist on it, we do not mind if there is a majority of the sellers from Andhra Pradesh.

#### **Garment Export Policy.**

\*379 SHRI CHINTAMANI JENA: Will the Minister of TEXTILES be pleased to state:

(a) the quota allotted to small exporters for export of garments,

(b) whether Government have received any representation from small exporters of garments for an increase in their quota; and

(c) if so, the reaction of Government thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): (a) to (c). A Statement is given below:

#### **STATEMENT**

(a) The allocation of quota for garments is governed by the Export Entitlement Distribution Policy announced every year. For the year 1987, the Policy provides for the follow-