

LOK SABHA

Tuesday, August 6, 1968/Sravana 15,
1890 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

TRADE WITH U.S.S.R. AND OTHER
COUNTRIES

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- *331. SHRI CHINTAMANI PANI-
GRAHI :
SHRI S. P. RAMA-
MOORTHY :
SHRI D. N. DEB :
SHRI N. K. SOMANI :
SHRI K. M. KUSHIK :

Will the Minister of COMMERCE
be pleased to state :

(a) whether Government have asked
the U.S.S.R. Government to make con-
cessions in the prices of its exports to
India which have got inflated as a re-
sult of the devaluation of the rupee;

(b) if so, whether efforts on our part
have yielded any result in this direc-
tion;

(c) if not, the reaction of the
U.S.S.R. Government thereto and how
India proposes to tackle this problem;
and

(d) whether other countries with
whom we are having Rupee Payment
Trade have also refused to accede to
our request or have considered the im-
plications of the devaluation of the
rupee and consequently given conces-
sions in the prices ?

THE MINISTER OF COMMERCE
(SHRI DINESH SINGH): (a) to (d).
The value of commodities imported in-
to India from the USSR and other

countries with which India is having a
rupee payment arrangement, is deter-
mined at the international level of
prices and as a result of devaluation of
the rupee, such prices had to be re-
adjusted, in terms of the rupee, after
the devaluation in June, 1966. The
same is the position in respect of im-
ports from the rest of the world.

The question of the Government of
India asking for a concession in prices
does not, therefore, arise. In some
cases importers in India, including im-
porters in the public sector, have been
able to negotiate lower prices due to
world price movements of particular
goods.

SHRI CHINTAMANI PANI-
GRAHI : May I know whether
recently the Government of India had
any long-term agreement, or proposes
to have long-term agreement, with the
Soviet Union for imports and exports
during the entire Fourth Plan period
and, if so, whether the present trade
pattern with the Soviet Union is going
to be changed so far as our export of
primary goods and traditional exports
are concerned and import of machinery
is concerned so that 60 per cent of our
manufactured goods can be exported
and the import of machinery from the
Soviet Union can be reduced with
more of Industrial raw materials.

SHRI DINESH SINGH : We shall
be discussing with the Soviet Union
shortly the trade plans and trade agree-
ments for the next five years and we
shall bear in mind the suggestions made
by the hon. Member.

SHRI CHINTAMANI PANI-
GRAHI : May I know whether it is
a fact that there is some kind of a com-
plaint that we are getting less price for
our exports to the Soviet Union with
whom we have rupee-payment agree-
ment? I would like to know whether

it is not a fact that we charge Rs. 12 to 15 for a pair of shoes exported to United States whereas we charge Rs. 28 for the same pair exported to the Soviet Union ?

SHRI DINESH SINGH : The trade between Soviet Union and India is handled not only by the public-sector corporations but also by the private sector and prices are fixed between the private parties here and the exporting houses in the Soviet Union in keeping with the market prices. It is very difficult for me to give the exact price of any particular commodity. Further, if we make these comparisons and if I on behalf of the Government were to give the price differences for sales between different countries, it only encourages people or countries either to ask for decrease in prices or seek other cheaper markets. But I may say that trade with rupee-payment countries, of which Soviet Union forms a part, is of great advantage to us.

SHRI K. M. KOUSHIK : Is it a fact that our government has offered deferred-payment terms for East European countries, like Russia, for engineering and other goods supplied by us and, if so, has not the World Bank objected to this on the ground that Russia, being a developed and industrialised country, is not entitled to this concession ? If so, why was this concession shown to Russia ?

SHRI DINESH SINGH : Generally speaking, I can say that we have not extended any deferred-payment terms. Individual exporters may have given certain credit facilities. But the trade between the rupee-payment countries and India is part of the annual trade plan which has to be balanced. So, there would not be any question of credits. Apart from that, what we have got to bear in mind and what I would beg of the hon. Members to give some consideration to is this. We are constantly talking about trade with free foreign exchange, World Bank and repayment. Here is a situation where we have trade with a developed country like Soviet Union which is a balanced trade. Whatever we buy from the

Soviet Union is matched by their purchases from India and this is of tremendous advantage to us. Nobody, whether the World Bank or any other body, can take objection to our trade agreement which is of advantage to us. If the World Bank is so particular about it, it should persuade its members also to buy from us.

SHRI D. N. PATODIA : The question was whether any objection has been taken by the World Bank with regard to the deferred-payment terms offered to Russia.

SHRI DINESH SINGH : As I said, there is no question of offering deferred-payment terms.

SHRI D. N. PATODIA : The question is whether any objection has been raised.

SHRI DINESH SINGH : If the World Bank has raised any objection, I am sure my colleague, the Finance Minister would be able to give an answer.

SHRI HEM BARUA : In view of the fact that the Suez Canal has been continuously closed, a fact that has led to the increase in freight rates, a fact that has affected our trade relations with Soviet Russia, is it not a fact that Mr. Kosygin during his last visit to Delhi suggested a land route through Pakistan and Afghanistan in order to facilitate trade between these two countries and, if so, what is the reaction of our government to this suggestion made by Mr. Kosygin ? Secondly, may I know whether devaluation of the rupee has affected our trade with Soviet Russia in any way or not ?

SHRI DINESH SINGH : So far as the first part of the question is concerned, we would welcome the opening of a land route to Soviet Union. So far as I can recollect—I am afraid, I cannot say with absolute certainty—there is no specific proposal before us at this moment. So far as the effect of devaluation on our trade with Soviet Union is concerned, our trade with Soviet Union has increased.

SHRI HEM BARUA : Sir, he has not replied to the first part of my question, which was very specific, whether Mr. Kosygin has suggested a land route through Pakistan and Afghanistan to Soviet Russia in order to facilitate our trade. Now the Minister has stated that it is for them to implement it. But Mr. Kosygin wants India to implement this. How far will India co-operate with the Soviet Union in implementing this suggestion ?

SHRI DINESH SINGH : As I said, we would welcome the opening of such a trade route with the Soviet Union. With regard to the specific question of the hon. Member, I could not answer it; may be a suggestion like this has been received in some other Ministry. But, to my mind, no specific suggestion like this has come.

SHRI HEM BARUA : Since this suggestion was made to our Prime Minister by Mr. Kosygin during his visit, our Prime Minister must have informed the Minister in charge of Commerce about it.

MR. SPEAKER : He has said that he is not aware of it.

श्री म० अ० खां : रूस और दीगर सोशलिस्ट मुल्कों के साथ हमारा कितना फीसदी कारोबार है और इस कारोबार में कितनी कमी या बढ़ोतरी हुई है ?

श्री विनेश सिंह : अंदाज़न इस वक्त करीब तेरह फीसदी का व्यापार रूसी एरिया कंट्रीज़ से है।

श्री म० अ० खां : रूस और दीगर सोशलिस्ट कंट्रीज़ के साथ मैंने पूछा था।

SHRI INDRAJIT GUPTA : Has the Government of India been making any special efforts to secure orders from the Soviet Union for such items from our country as may have been affected by conditions of recession, some of our industries which are not able to produce up to capacity or to sell due to marketing difficulties? If so, what items of this kind have been discussed and what is the response from the Soviet side ?

SHRI RANGA : Especially textiles.

SHRI DINESH SINGH : Yes, we have been discussing with the Soviet Union the export of items which have been facing recession. The hon. Member and the House are aware that we have been discussing with the Soviet Union the export of railway wagons. When the order, which is for over 50,000 wagons, materialises it will give a tremendous boost to our industry which had shown some recession.

SHRI D. C. SHARMA : It has been said that this rupee payment business has worked on the whole to the disadvantage of our country. What truth is there in that and, if there is no truth in that, what are the factors to show that this rupee payment business is working to the advantage of our country ?

SHRI DINESH SINGH : The rupee arrangement is only a clearing house arrangement and, as I said earlier, the main advantage with the rupee trade is that it is a balanced trade. It has not increased our foreign indebtedness and, at the same time, it gives a boost to our industries to be able to compete in the world markets.

श्री महाराज सिंह भारती : रूस में केन्द्रित व्यापार होने के कारण उसको यह सहूलियत है कि वह ऐसी भी बहुत-सी चीज़ों के लिये आर्डर दे सकता है, जिनके बारे में पश्चिमी देश संकोच करते हैं। मैं यह जानना चाहता हूँ कि हम रूस को जो सामान निर्यात करते हैं, उसके बदले में हम जितना सामान आयात करते हैं, उसको लगा कर, और हमको जो कर्ज़ की क़िश्त देनी है, उसको लगा कर, क्या फिर भी बैलेंस हमारे हक में है ?

क्या यह सच है कि अगर हम रूस से वह सामान मंगा सकें, जो हम पश्चिमी देशों से मंगा रहे हैं, तो रूस हमारे यहां से और भी सामान ख़रीदने के लिये तैयार हो सकता है; यदि हां, तो इसके लिये क्या प्रयास किया जा रहा है ?

श्री विनेश सिंह : जी हां। यह सच है और इसके लिये हम प्रयास कर रहे हैं।

श्री महाराज सिंह भारती : क्या प्रयास किया जा रहा है ?

श्री विनेश सिंह : उसकी तो एक लम्बी कम्पनी बन जाती है।

SHRI SHIVAJIRAO S. DESHMUKH : Will the hon. Minister be pleased to tell us what is the proportion of agro-based industries in exports to Russia and is he in a position to ensure us that compared to this percentage, the imports have got the same percentage of agricultural machinery that we import from Russia ? In view of the acute shortage of tractors, tractor spares and tractor tyres in India, how does the Minister propose to explain that we did not import a single tractor for the last two years from Russia ? What is it that he is discussing with the Russians for the last 8 or 9 months without importing a single tractor and what steps does he propose to take to specifically see to it that we import at least a comparable number of tractors that our small neighbour Pakistan is importing, which is importing 8,000 tractors ?

SHRI DINESH SINGH : I am afraid, I cannot say offhand the percentage of exports of agro-based industries to the Soviet Union. We shall have to work that out.

Regarding the question of import of tractors, we have under the trade plan a provision to import tractors from the Soviet Union.

SHRI RANGA : Spare parts also.

SHRI DINESH SINGH : Spare parts also. We are proposing to buy more tractors from the Soviet Union.

SHRI SHIVAJIRAO S. DESHMUKH : Sir, the Minister was pointedly asked : Is it or is it not a fact that he did not import a single tractor for the last 1½ years ? He should answer that.

SHRI DINESH SINGH : The question was whether we had imported any tractor in the last two years. We had imported.

SHRI SHIVAJIRAO S. DESHMUKH : In the last eighteen months?

श्री कंबरलाल मुत्तल : क्या यह सही है कि दूसरे ईस्ट यूरोपियन कंट्रीज़ की निस्बत रूस हम से सारी चीज़ों के दाम ज्यादा चार्ज करता है; अगर हां, तो जब मंत्री महोदय रूस गये थे, तो क्या उन्होंने इस सम्बन्ध में बातचीत की थी; अगर की थी, तो उसका क्या परिणाम निकला ?

श्री विनेश सिंह : यह सही नहीं है।

SHRI NATH PAI : Sir, as you have heard from the tenor of debates in this House, there is a degree of confusion, a lot of misunderstanding and, I think, a vast amount of misapprehension about what is happening to the so-called rupee trade. The Government never tires of singing the praise of the so-called rupee trade and the benefits accruing to the country from that, but the people do not seem to be very convinced about this. This is a very serious matter. In the light of this may I ask the Minister—I do not want his reply; this is a suggestion for action—whether to put it on the proper level and to remove all this misunderstanding, misapprehension etc., the Government will appoint a committee of Parliament to go into the whole pattern of our trade with the so-called rupee trade area ? We had already demanded as to what was happening to the funds under PL-480 and the Government has been rather wary of accepting this. May I know what is the Government's reaction to this ?

SHRI DINESH SINGH : I am very sorry to know that the hon. Member has any doubts or confusion.

SHRI NATH PAI : Sir, I want to correct him. I said that from the tenor of debates and the comment of the country it seems that there is an impression of misunderstanding and confusion. Do not start on the wrong foot. The hon. Member does not have any. My mind is very clear.

SHRI DINESH SINGH : I am very glad to know that the hon. Member has dissociated himself from the rest of the people he has been talking about.

AN HON. MEMBER : Including you.

SHRI DINESH SINGH : I am not aware of this so-called confusion that he talks of and I am not aware of which people he is particularly thinking of. So far as we are concerned, we have on every possible occasion removed every possible doubt that may have existed in the minds of the people in this connection. I do not think there would be any necessity of any committee for this purpose.

SHRI SWELL : I would like to know whether it is a fact that in exchange for these wagons that we propose to sell to Soviet Russia, Russia is trying to dump in our country aeroplanes and other machines which we do not think will be to our advantage to have and which we think we can more profitably buy from other countries.

SHRI DINESH SINGH : No, Sir. We shall be free to buy what we wish from the Soviet Union for the amount of goods that they buy from us.

SHRI RANGA : Is it a fact that though the Russian tractors are priced comparatively low they charge inordinately high prices for spare parts and do not also provide the necessary know-how to repair them when they go out of condition; also, sufficient quantities of spare parts are also not being made available in our country ?

SHRI DINESH SINGH : I would not say so judging from the popularity of the Russian tractors in this country. If there were not enough repair facilities and if there were such an acute shortage of parts as the hon. Member has pointed out, we would not have such a large waiting list for Russian tractors.

SHRI RANGA : Would the hon. Minister take the trouble of making specific inquiries about this matter ? I

am speaking on the basis of facts and experience of our kisans.

SHRIMATI ILA PALCHOU-DHURI : Since in Russia Indian handicrafts and textiles are greatly liked, has he made any effort to publicise them and to take part in any fair showing our textiles in Russia ?

SHRI DINESH SINGH : The hon. Member is aware that purchases or sales in the Soviet Union are not through the operation of the free market economy; the purchases are through the import organisations. We make every effort to popularise our goods with them. We have an STC office in Moscow and they have a good selection of goods there as also literature. They take every opportunity to show our goods to the importing house. When I was in Moscow on the last occasion, we discussed with the Soviet Minister for Foreign Trade the possibility of our having greater opportunity to popularise Indian goods for Soviet consumption.

श्री रघुबीर सिंह शास्त्री : रुस और पूर्वी यूरोप के देशों से हम जो माल मंगाने हैं, क्या इन्टरनेशनल प्राइसिज़ को दृष्टि में रखते हुए, हम को उस में लाभ रहता है ?

श्री दिनेश सिंह : जी हाँ। लाभ नहीं रहता, तो लोग मंगाने क्यों ?

SHRI PILOO MODY : The Minister has made a great deal about the balance that we enjoy in our trade with the Soviet Union. According to the information that I have, in the last ten years the rupee *vis-a-vis* the Soviet rouble has been devalued to the extent of 85 per cent. If that is so, even he, I am sure, can balance the trade between India and the Soviet Union. The fact of the matter is that our trade with the Soviet Union is not balanced and it is highly in our favour. Being in our favour it is compensated by our buying Soviet arms which are nowhere declared or do not appear in any budgetary figures. I would like to know from the Minister. Are we going to trade with the Soviet Union on this unfair price

differential, that is *vis-a-vis* the rupee and the rouble or is some effort being made to rectify the differential between the rupee and the rouble in parity with world prices.

SHRI DINESH SINGH : It seems my hon. friend, Shri Piloo Mody, will have to teach me mathematics all over again to prove how.....

SHRI PILOO MODY : I have tried three times in the past.

SHRI DINESH SINGH : As I was going to say, the trend from the past will have to be reversed. But I do not think that the statement made by the hon. Member is quite correct. There is nothing to establish that the parity of the rupee *vis-a-vis* the rouble has been anything different than the parity *vis-a-vis* other currencies after devaluation.

THEFT OF RAILWAY PROPERTY

*333. **SHRI YAJNA DATT SHARMA :** Will the Minister of RAILWAYS be pleased to state :

(a) whether it is a fact that cases of theft of Railway property and other crimes have considerably increased in the trains and the railway premises;

(b) whether the State Governments have shown their inability to spare any more resources for checking crime on railways in their jurisdiction; and

(c) if so, the steps taken by Government to strengthen the railway police for combating the crime ?

THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA): (a) There has been an increase in cases of theft of Railway property and other crimes on Railways.

(b) and (c). The matter was recently discussed with the Chief Ministers, who have assured full co-operation. Some of the Chief Ministers, have however, pointed out that lack of adequate financial resources stood in the way of an increase in the strength of police forces. Necessary steps are being taken to analyse crime incidents particularly in certain notorious sections of the Railways,

so that the State Governments concerned could be requested to augment the strength of the Government Railway Police.

श्री यज्ञ दत्त शर्मा : मंत्री महोदय जानते हैं कि रेलों के अन्दर किस हद तक चोरियां बढ़ रही हैं। मुगलसराय में यह पिछली बार अखबारों में छपा था कि लगभग 1 लाख रुपये की रोज चोरी हो रही है और इसी प्रकार से अमृतसर स्टेशन के ऊपर आज से बहुत समय पहले सी० बी० आई० ने भी उस की जांच की, बहुत-से हमारे रेलगाड़ी के डिब्बे, कोयला और रेलों के पुर्जें चोरी हुए। इस सारी स्थिति की भूमिका में मैं मंत्री महोदय से जानना चाहता हूँ कि जो रेल कर्मचारी इस प्रकार की चोरियों की सूचना रेल विभाग को देते हैं या ऊपर के अधिकारियों को देते हैं, वस्तुस्थिति यह है कि ऐसे कर्मचारियों को नौकरशाही, जो इस घोटाले के अन्दर हिस्सेदार है, दण्ड देती है, उन को डिमोट कर दिया जाता है या ट्रांसफर कर दिया जाता है, इसलिये जो कर्मचारी ऐसी सूचना देते हैं, उस सूचना के आधार पर एक तो इस की विशेष प्रकार की जांच और इस प्रकार की चोरी सम्बन्धी कार्य-वाहियों की तह तक जाने की कोई एजेंसी तथा ऐसी सूचना देने वाले कर्मचारियों को प्रोत्साहन की कोई व्यवस्था रेल विभाग में करेंगे क्या ?

SHRI C. M. POONACHA : We have a special agency with the Railways to collect all the necessary intelligence in this regard. There is also the State Government intelligence Department working side by side. It is a fact that so far as the State Government Police, that is, the Government Railway Police, is concerned, the order branch of G.R.P. is sufficiently adequate while the crime branch of G.R.P. is not adequate. This point was made at the State Chief Ministers Conference and this was discussed. They have agreed to take necessary steps to improve the strength of the G.R.P. on the crimes branch side. As regards certain infor-