

**Atomic Energy (Shri Jawaharlal Nehru):** There are two Bills introduced which aim at that—the two Nagaland Bills.

**Shri D. C. Sharma:** May I know if the latest move of Phizo going to Pakistan and going abroad to U.S.A. to extend his activities has had any repercussions in Nagaland?

**Shri S. C. Jamir:** Definitely, there are some repercussions on the hostiles, not on the masses, because people, as a whole, know that independence is not possible and it is out of question. Moreover, Phizo, as I have stated, is a British citizen; and so he cannot take up the Naga case anywhere.

**Shri Hem Barua:** May I know if it is a fact that the astonishing revelation made by a London News Magazine called Topic that Government has, in its possession, certain documents to show that big business interests in Calcutta, jointly owned by British and Indians, were helping the Naga hostiles through finances? If so, may I know whether that matter was discussed between Shri Shilu Ao and our Prime Minister?

**Shri S. C. Jamir:** Except the administrative matters no such discussion was held with Shri Shilu Ao.

**Shri Jaipal Singh:** Since, in the two Bills which the Prime Minister has presented to us—or rather introduced in the House—no particular mention is made about a Public Service Commission for this would-be State of Nagaland, may I know whether in the talks last June there was any specific mention made of personnel for this new State being, as far as possible, of local people? Was there any specific demand or even suggestion towards that?

**Shri Jawaharlal Nehru:** What was the suggestion about, as far as possible, local people?

**Shri Jaipal Singh:** Whether any indication was given in the talks, last June, that for some time, for some years at least, the Secretariat, the

services and so forth, should, as far as possible be of Nagas only?

**Shri Jawaharlal Nehru:** It is presumed that it will be in charge of the Naga leaders there and it is up to them. And, I suppose they require some specialised knowledge, fully, of the Naga people

#### Barter Deal for Sugar

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\*519. { **Shri Subodh Hansda:**  
**Dr. P. N. Khan:**  
**Shri Basumatari:**  
**Shri S. C. Samanta:**

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the State Trading Corporation has entered into some barter deal for sugar;

(b) if so, what are the articles or goods to be imported in exchange of sugar; and

(c) with which countries this barter has been arranged?

**The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah):** (a) Yes, Sir.

(b) Fertilizers and to some extent wood pulp, newsprint and Staple Fibre. Generally 50 per cent of the barter for sugar is for cash.

(c) Countries in West Europe, West Asia, East Africa, Malaya, Singapore and Canada.

**Shri Subodh Hansda:** What is the total quantity of sugar that is exported under the barter?

**Shri Manubhai Shah:** We have exported in the first seven months of 1962 2,10,000 tons and we have contracted on a firm basis for another 2,20,000 tons. That is, for the year 1962, it will come to 4,30,000 tons.

**Shri Subodh Hansda:** May I know if there is any time schedule for the export of sugar to these countries?

**Shri Manubhai Shah:** Generally they are spot contracts. But the recent contract we have entered into for 100,000 tons in the Canadian market is advance contract for 1963; it will take place in 1963.

**Shri D. D. Puri:** What would be the net gain or loss to the Corporation in respect of this barter deal?

**Shri Manubhai Shah:** In public interest it will not be right to disclose the losses. But the hon. Members who are connected with this know that this deal is a much better bargain than in the past.

**Shri A. C. Guha:** Even if it is a barter deal, it must have been arranged on the basis of some price for the sugar. What is the price fixed for the sugar and what is the market price?

**Shri Manubhai Shah:** The general price fixed is the London daily price on an average basis, that is the international standard, plus certain premia which the parties indenting our sugar return back to us.

**Shri P. Venkatasubbaiah:** Hon. Minister stated that one of the imported articles is fertilisers. What is the quantity imported and what is the price as compared to other fertilisers we get from Japan, etc?

**Shri Manubhai Shah:** Mainly the fertilisers are urea. It comes to about 83,000 of urea along with something else. The prices of fertilisers are based on international prices.

**Shri Bhagwat Jha Azad:** Is it a fact that in this deal there is a definite loss to the Government and it is therefore that the Government wants to take shelter under 'public interest'?

**Shri Manubhai Shah:** That is not so. This is within the purview of the Bill passed into Act and deliberated upon by this House, and approved and stamped by it.

### Export Promotion

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\*520. } **Shri Rameshwar Tantia:**  
          } **Shri M. L. Dwivedi:**

Will the **Minister of Commerce and Industry** be pleased to state:

(a) whether a decision has been reached by Government on export promotion in the light of the Mudaliar Committee Report; and

(b) if so, the details thereof?

**The Minister of International Trade (Shri Manubhai Shah):** (a) and (b). Government have generally accepted the recommendations of the Mudaliar Committee and have taken several measures to promote exports from the country. The export promotion schemes have been reviewed, the scheme for drawback of import and excise duties simplified, income-tax relief on export has been granted to some extent, close liaison with mercantile community established and administrative machinery for export promotion strengthened. Some other measures are also under consideration.

**Shri Rameshwar Tantia:** May I know whether the Mudaliar Committee recommended income-tax relief and reduction in railway freight and if so what is the reaction of the Government?

**Shri Manubhai Shah:** The House is aware, and particularly the hon. Member, that we have given a five per cent rebate in the last Finance Bill as a first step towards income-tax relief on export sales. The method of calculation also has been so much simplified that the rebate will be given on the ratio of what the export sales are compared to the annual sales turnover and every exporter knows what the relief will be. About reduction of railway freight, several commodities including the manganese ore have been given relief and continuous discussion is going on with the Railway Ministry to have a larger number of commodities admitted for