

and a part of it has already been despatched. That is our information.

**Shri A. C. Guha:** May I know if it will be cent. per cent. a Government factory or foreign interest is also associated with it?

**Shri K. C. Reddy:** There is no foreign firm connected with this factory if the hon. Member means whether any investment by any foreign firm has been decided upon. The investment is entirely that of the Government, but a foreign firm there is who gives help in the matter of the technical know-how and other things like that.

**Shri A. C. Guha:** May I know the terms for the engagement of the firm?

**Mr. Speaker:** Order, order.

#### BALANCE OF TRADE

\*585. **Shri B. R. Bhagat:** Will the Minister of Commerce and Industry be pleased to state:

(a) the balance of trade in the first five months of 1952;

(b) the main items and volumes of export and import during the period; and

(c) if the balance of trade is an adverse one, the reason for the same?

**The Deputy Minister of Commerce and Industry (Shri Karmarkar):** (a) Balance of Trade position in the period January-March, 1952, was as follows:

(In crores of Rupees)

Imports	Exports and re-exports	Balance
238.55	164.83	-103.69

Figures for the months of April and May 1952 have not been compiled so far.

(b) Two statements are laid on the Table of the House. [See Appendix III, annexure No. 41.]

(c) The main reasons for the adverse Balance of Trade are:—

(i) Substantial imports of wheat.

(ii) Increase in imports of essential commodities like industrial raw-materials and capital goods.

(iii) Decline in Indian exports.

**Shri B. R. Bhagat:** What is the amount and proportion of capital goods in the import budget figure?

**Shri Karmarkar:** For this period?

**Shri B. R. Bhagat:** Yes.

**Shri Karmarkar:** I should like to have notices.

**Shri B. R. Bhagat:** May I know whether it is the policy of Government to balance the trade?

**Shri T. S. A. Chettiar:** What are the proposals of Government to meet this adverse balance?

**Shri Karmarkar:** I think the hon. Finance Minister has given extensive information on this subject on various occasions in the budget. There is always an effort made on behalf of the Government to balance the budget, the foreign exchange budget, by way of regulating our imports in accordance with our export earnings. But there is also something like a planned expenditure of our Sterling balances in the interests of the country. And from that point of view, we have also used some balance which stood to our credit for expenditure in the previous year. In a sense, this deficit was a planned deficit largely, but as my hon. friend is doubtless aware, the only way to balance decreased export is to lessen our imports.

**Shri S. V. Ramaswamy:** May I know, Sir, what are the main articles in which there has been a drop in the foreign import, and why?

**Shri Karmarkar:** The main fall in our exports is in the following commodities: There has been a notable decline in the export of ground-nut, tanned and dressed hides and skins, and cotton piecegoods. Some declines have also been registered in respect of commodities like cashew kernels, black pepper, tea, shellac, mica, cotton waste, raw wool, wollen carpets and rugs, coir yarn and manufactures. The reasons in respect of these commodities are likely to be different. One of the principal reasons is that stock-piling, especially in the United States, has ceased. That has been partially responsible for the drop in some of the commodities. The drop in some of the other commodities is likely to be temporary.

**Shrimati Renu Chakravarty:** May I know why out of the list the hon. Minister was reading, jute is missing? I believe jute has also been falling.

**Shri Karmarkar:** It is missing because the House knew the other day from my hon. friend the Commerce Minister that jute is definitely showing a healthy tendency. For the last month—I do not remember if it is April or May—the exports have been about 80,000 tons higher than any

figure in this year. Therefore I have not included it.

**Shri Nambiar:** May I know, Sir, what steps the Government are taking in order to balance the budget and increase the exports?

**Shri Karmarkar:** Increase the production?

**Shri Nambiar:** Exports.

**Shri Karmarkar:** The remedy is different in different cases. For instance, in the case of tea, we are trying to find out why our exports have been less. In the case of jute, we have reduced the export duty. In the case of pepper, we are trying to see whether the growing could not be reduced. Different remedies are required for different commodities.

#### HINDUSTAN SHIPYARD

\*586. **Shri B. R. Bhagat:** Will the Minister of Production be pleased to state:

(a) whether an Agreement has been signed with a French Company to develop the Hindustan Shipyards, Visakhapatnam;

(b) if so, the name of the Company with which the Agreement has been signed; and

(c) the terms of the Agreement?

**The Minister of Production (Shri K. C. Reddy):** (a) Yes, Sir.

(b) The name of the French Company with which the agreement has been signed is La Societe Anonyme des Ateliers et Chantiers de la Loire, Paris.

I hope I have pronounced it fairly well. (Shri Jawaharlal Nehru: Absolutely well.)

(c) A statement showing the main terms of the Agreement is placed on the Table of the House. [See Appendix III, annexure No. 42.]

**Shri B. R. Bhagat:** May I know whether there was any other foreign company which offered to enter into an agreement?

**Shri K. C. Reddy:** Not that I am aware of.

**Shri B. R. Bhagat:** What will be the work undertaken by this company during this period?

**Shri K. C. Reddy:** If the hon. Member has read the statement that I have already placed on the Table of the

House, he would get the answer to his question. So far as the actual implementation of the terms of the agreement is concerned, I may tell the hon. Member, Sir, that we are making fairly satisfactory headway.

**Shri B. R. Bhagat:** The statement says that the Company will render some technical assistance. The agreement is in regard to the development of the shipyard, and the agreement is for five years. I want to know what actual work will be done during this period by this company.

**Shri K. C. Reddy:** I do not know what the hon. Member really wants, Sir, but I have already said that satisfactory progress is being made, and I think the last clause of the agreement gives the answer to the hon. Member's supplementary. The duration of the agreement is for a period of 5 years, commencing from 15th July, 1952. In the meanwhile, spade work is already going on.

**Dr. P. S. Deshmukh:** Would any of the Members make the name more clear?

**Mr. Speaker:** Order, order. He need not reply to that.

**Dr. Lanka Sundaram:** Is Government aware that today in the shipyard, there is absolutely no work at all? Will Government do something to tide over this gap till the date on which the agreement comes into force?

**Shri K. C. Reddy:** I cannot accept the statement that the shipyard is idle. There are certain orders which have been placed, and I think work is going on there. If the hon. Member's allegation is true, I shall certainly have the matter gone into.

**Shri B. S. Murthy:** May I know Sir whether Government entered into negotiations with other shipping firms before coming to an agreement with this firm.

**Shri K. C. Reddy:** All possible care has been taken before the agreement was entered into with this firm.

#### BY-PRODUCTS IN SINDRI FACTORY

\*587. **Dr. M. M. Das:** Will the Minister of Production be pleased to state:

(a) whether it is a fact that the disposal of the by-products and refuse matter of the Sindri Factory has been a problem to the authorities;

(b) the quantity of such by-products and refuse matter which are produced daily;