

LOK SABHA DEBATES

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LOK SABHA

Friday August 2, 1985 / Shrawana 11, 1907
(Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Indo-Soviet Trade

*165 SHRI *RAM SWAROOP RAM :
DR. A.K. PATEL :

Will the Minister of COMMERCE by
pleased to state :

(a) whether it is a fact that 90 per-
cent of the Indo-Soviet trade is being done
with the private parties in India;

(b) whether it is a fact that even
Government agencies set up in different
States are being ignored in preference to
private parties in certain exports; and

(c) whether it is proposed to allow
only Government agencies to have business
deals with the Soviet Union?

THE MINISTER OF STATE IN THE
MINISTRY OF COMMERCE (SHRI P.A.
SANGMA) : (a) and (b) Statistics
regarding import-export trade done by
private parties and Public Sector Under-
takings are not being maintained separately.
It is, therefore, not possible to indicate as
to what percentage of Indo-Soviet trade is
being conducted through private parties.

(c) No, Sir.

[Translation]

SHRI RAMSWAROOP RAM: Mr.
Speaker, Sir, my question was whether it

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is a fact that 90 per cent of the Indo-
Soviet trade is being done with private
parties in India? The reply given by the
hon. Minister in this regard is totally un-
satisfactory. In this connection, I would
only say that there is a saying in Bihar that
a patient went to the doctor and told him
that he be treated with *Harad*, but the
doctor prescribed him *Baheda*. So, I am
remained of that saying. Just as the doctor
did not give him the treatment for the
actual disease, in the same way our
hon. Minister has deviated from the
actual question. He has said in his reply
—‘Statistics regarding import-export trade
done by private parties and Public Sector
Undertakings are not being maintained
separately’.

It has been agreed in the trade agree-
ment which we had concluded with the
Soviet Union that 90 per cent of our
import-export trade would be canalised
through the State Trading Corporation.
But, the hon. Minister has not been able
to indicate the break-up of the quantum
of import-export trade being done through
the State Trading Corporation and through
the private parties.

I want to know from the hon. Minister
the quantum of import-export done during
the last two years through private parties,
through non-Government Undertakings and
through Government Undertakings,
separately, and the amount of foreign
exchange earned by India through this
import-export.

[English]

SHRI P.A. SANGMA : Sir, it is
very difficult to say precisely the percentage
of the share of the trade by the private
parties. Now the different public sector
undertakings do maintain their own record
but ultimately all these records go to the
D.G.C.I.S., which is an official agency.
When they compile the figures, they do not
maintain the figure for the private parties
and for the Government separately.

Of course, if we try to get the information from all the people concerned, certainly we will get the ultimate figure. But the question relates to the trade, turnover between U.S.S.R. and India which includes imports and exports. Now, as far as the imports are concerned, I can safely say that 90% of the total imports from the U.S.S.R. is done through the State trading agency. I may just quote one figure for 1983. Out of the total Rs. 1,700 crores value of import that we made from U.S.S.R., the imports from public sector undertakings were to the tune of Rs. 1,655 crores.

As far as exports are concerned, I think the major share goes to the private sector. But I do not have the authentic figure.

SHRI INDERAJIT GUPTA : Why are you allowing that ?

SHRI P.A. SANGMA : It is not a question of our allowing or not allowing. It is a question of the choice of the importing country. If the USSR wants to import or buy from the private parties, we cannot tell them that they should buy from our public sector. It is for them to decide from whom to purchase.

[Translation]

SHRI RAMSWAROOP RAM : Frequently, we hear complaints to the effect that there is bungling in the exports done through the private parties and sub-standard goods are supplied. The reports to this effect are received regularly. We also come across such reports daily in the newspapers. I want to know whether such complaints which bring bad name to the country, have been received and whether the Government propose to impose ban on the private parties in this regard ?

[English]

SHRI P.A. SANGMA : We had sometime received some complaints and whether specific complaints are received, we certainly look into them. If the hon. Member has got in his mind any specific complaint, I can look into it.

DR. A.K. PATEL: I would like to know whether Government are aware of the reports in the *Onlooker* dt. 16th July, 1982 and in the *Navbharat Time* dated 25th June, 1985 that private traders who were supplying 'Sela or Paramal' rice to Russia, in place of the contracted high priced 'Basmati' rice were receiving about Rs. 24 crores per year as extra money and this money was being channelled by private traders to certain elements for undesirable activities in the nation. I would like to know whether Government knows these things or not.

SHRI P.A. SANGMA : No.

PROF. MADHU DANDAVATE : He came to know it for the first time.

SHRI BHAGWAT JHA AZAD : May I know if it is true as the Member has alleged that private agencies are referred rather than channelling through the Government agencies for export to the Soviet Union ? Is it true that they prefer it ? What did the hon. Minister say about it ? Certainly I would like to know is it not true that there are complaints, say for example, textiles, is a notorious mill in Calcutta exporting to Soviet Union something in the shape of samples and just the opposite in the shape of total exports ? I would like to know whether it is true that these complaints have been looked into and they have been corrected?

SHRI P.A. SANGMA : (a) Yes Sir. It is they who prefer to deal with private sector. That is why I say, we on our side cannot import from them. It is their choice.

(b) Whenever there is some problem about the quality and all that, first, in the first stage they try to sort out among themselves because the problem relates to the buyer and the seller.

PROF. MADHU DANDAVATE : It will amount to casting aspersions on Soviet Russia that they prefer private parties.

SHRI P.A. SANGMA : Yes. They prefer. I am stating the fact. If they prefer, we cannot help it because it is their choice.

DR. A.K. PATEL : What is the reply to my question ?

SHRI EDUARDO FALEIRO . At the time of our Prime Minister's visit to the Soviet Union, the Soviet Union in an unprecedented gesture of goodwill, offered to this country, a line of credit of one billion roubles which corresponds to Rs. 1,200 crores. It was also agreed that Soviet Union would allow industrial and civil organisations of this country to set up projects in the Soviet Union and that there would be joint projects of Soviet Union and India in that country. *(Interruptions)*. I would like to know whether the follow-up action has been taken in the fields in which this agreement will operate.

MR. SPEAKER : It has already been answered on the floor of the House.

PROF. N.G. RANGA : It is not relevant to this question.

SHRI EDUARDO FALEIRO : It has not been answered and I would like to have an answer on this.

SHRI P.A. SANGMA : In any case, that does not relate to us because it is for the administrative Ministries to do. *(Interruptions)*

MR. SPEAKER : It does not concern him.

SHRI THAMPAN THOMAS : Two items, namely, cashew and coir, are exported to Russia mainly from Kerala. It is seen that the private traders are being promoted very much. There are two organisations under the Government —there is the Kerala State Cashew Development Corporation and we have also the cooperatives for the coir-manufacturing units. Both these are not supported by the Government. Instead, the private parties are being supported, and they are exporting at the cost of these government institutions. For these government-run cashew factories as well as coir factories, work is not available. I would like to ask the hon. Minister whether the Central Government will streamline the policy

in the matter of export of such items to foreign countries, especially to Soviet Russia.

SHRI P.A. SANGMA : It is our policy to support both the private and the public sectors.

SHRI INDRAJIT GUPTA : I would like to know what is the policy and preference of our Government in this respect. For example, everybody knows that tea is purchased from India by the Soviet Union and, both quantity-wise and value-wise, I think, they are the biggest purchaser that we have got. I want to know whether, during the negotiations that take place for these trade agreements between India and Soviet Union, our representatives, that is, the Government of India representatives have ever pressed for this or not that at least in the case of tea, a portion of it or a substantial portion of it will be offered for sale through their State Trading Corporation. A part, of course, if they want to take from some private traders with whom they have dealings, you cannot prevent them. That is true. But in tea and some other commodities like that, have our people shown any interest that they are prepared to supply good quality stuff, regular supplies and all that through the State Trading Corporation? Or, is it that we are not confident enough to make such an offer?

SHRI P.A. SANGMA : We can only impress upon a particular country that they should try to buy things from our country. As I said in the beginning, we do not tell the USSR or the USA or any other country that they should buy from this sector or that sector. We can at the most try to impress upon them to buy from our country which we normally do. We also try to promote our public sector undertakings in the field of exports. But, I think, it is ultimately their choice; if they prefer to deal with some organisations or some people, we cannot do anything about that. As far as tea is concerned, the Soviets buy tea through auctions only. So, the question does not arise.