

Trade-Transit Facilities to Nepal

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*427. { **Shri Sham Lal Saraf:**
Dr. L. M. Singhvi:
Shri Raghunath Singh:
Shri P. C. Borooah:
Shri B. P. Yadava:
Shri Dhaon:
Shri Bishanchander Seth:
Shri D. C. Sharma:

Will the Minister of **International Trade** be pleased to state:

(a) whether Indo-Nepalese talks on matters relating to trade and transit were held in October last; and

(b) if so, the outcome of these talks?

The Minister of Industry (Shri Kanungo): (a) Yes, Sir.

(b) The main decisions arrived at were (i) the abolition of bond system; (ii) removal of discrimination against India in the Nepalese Customs Tariff by Nepal and (ii) the transit facilities for Nepal's trade with Pakistan through India. A copy of the Joint Communique issued in this regard is laid on the Table of the House. [Placed in Library, See No. LT-2045/63]. The talks for the expansion of trade are expected to take place between the two countries in the next few months.

Shri Sham Lal Saraf: Since this agreement was signed, has it been given effect to? If so, how is it working now?

Shri Kanungo: It is working all right except that the Nepal Government has got to designate the particular routes through which the trade from Pakistan will pass through India. After they have done that, the question of warehousing and other facilities has got to be estimated.

Shri Sham Lal Saraf: Have Government retained the right to ascertain the routes and also the warehousing stations through which the trade coming from foreign countries and going to Nepal will pass?

Shri Kanungo: It is not all foreign countries. As far as the entire transit trade with Nepal from foreign countries is concerned, the points of designation are the ports. The arrangement was for bonding which has now been scrapped. Now the arrangement is that if the goods are carried by the Indian Railways to points on the Nepal border, they will not be required to execute bonds.

Shri P. C. Borooah: Has the attention of Government been drawn to the statement of a Nepal Government spokesman to the effect that even with the existing facilities afforded to Nepal by India, Nepal could carry on her trade with Pakistan? If this is correct, why are additional transport facilities now going to be given to Nepal?

Shri Kanungo: It is not additional facilities. Nepal has very little trade with Pakistan as such. To increase that trade, the trade has got to pass through India, and in that connection, the points of entry and the points of discharge of transit of goods have got to be designated.

Shri Indrajit Gupta: To what extent will the advantages that India is likely to derive from the abolition of these tariffs and the bond system be counteracted by the grant that we are making of transit facilities to Pakistan to export cheaper goods in competition with Indian goods to the Nepal market?

Shri Kanungo: According to international law and conventions, a landlocked country is entitled to transit facilities from its neighbours. It is not a favour we are doing; it is an obligation we have to discharge. As to how far it will affect our trade with Nepal, no one can foresee that. It is a question of competition between all countries and all goods.

Shri Hari Vishnu Kamath: Is it a fact that certain facilities have been agreed to at these talks or maybe earlier for the transit of Chinese goods through Indian territory on their way

to Nepal, and if so, on what basis and for what commodities?

Shri Kanungo: Nothing like Chinese goods, it is a question of a land-locked country having the right of transit. Nepal has been enjoying that for many years. The change which has been effected is this, that the bonding system has been abolished, and it has been abolished with regard to goods which are booked from Indian ports to Nepal by Indian railways at railway risk or planes flying direct to Nepal without any stoppage.

Mr. Speaker: His question was whether it applies to goods that are imported from China.

Shri Kanungo: Yes.

Shri Hari Vishnu Kamath: May I seek your protection? The point of the question was that since India declared war and since the Defence of India Rules came into operation, there must have been restriction, if not a ban, on the movement of Chinese goods through Indian territory on their way to another country. I want to know whether therefore at these talks or earlier facilities have been distinctly provided for the movement of Chinese goods through Indian territory on their way to Nepal.

Mr. Speaker: He says internationally we are bound to give those facilities to all land-locked countries.

Shri Hari Vishnu Kamath: That may be, but nationally we are at war with China. How can Chinese goods pass through India on their way to Nepal?

Shri Kanungo: I might mention there has been no movement in the past of trade goods from China to Nepal through India.

Shri Hari Vishnu Kamath: It is an enemy country under an act of Parliament.

Mr. Speaker: He should not declare war against the Chair.

Shri Hari Vishnu Kamath: I am sorry you misunderstand me.

Mr. Speaker: He should try to understand and appreciate the point that the Minister is giving.

Shri Hari Vishnu Kamath: What is the point he has made?

Mr. Speaker: No goods have passed through India to Nepal during the time he has referred to.

Shri Hari Vishnu Kamath: Earlier he said, if we heard him aright....

Mr. Speaker: The facility is there, but it is not exercised.

Shri Hari Vishnu Kamath: Secretly they are passing, he does not know perhaps.

श्री क० ना० तिवारी : पाकिस्तान और चाइना को जो ट्रांजिट फ्रैसिलिटीज दी गई हैं, उस से हिन्दुस्तान की ट्रेड पर कितने परसेंट असर पड़ा है और किन किन वस्तुओं पर असर पड़ा है ?

श्री कानूनगो : मैं ने अभी कहा है कि आज से नहीं, बल्कि बहुत पहले से नेपाल को इंडिया से ट्रांजिट फ्रैसिलिटीज दी गई हैं ।

श्री क० ना० तिवारी : मेरा प्रश्न यह है कि पाकिस्तान और चाइना को जो ट्रांजिट फ्रैसिलिटीज दी गई हैं, उन से, हिन्दुस्तान की जो ट्रेड नेपाल से होती थी, उस को कितने परसेंट धक्का लगा है और किन किन वस्तुओं पर असर पड़ा है ।

अध्यक्ष महोदय : यह जवाब पहले दिया गया है कि अभी यह कहना मुश्किल है, अभी कुछ नहीं कहा जा सकता है ।

श्री क० ना० तिवारी : किन किन वस्तुओं में कमी हुई है ?

Shri Kanungo: We cannot anticipate it now because Pakistan facilities have not been established.

श्री यशपाल सिंह : नेपाल और पाकिस्तान के बीच जो व्यापार-समझौता हुआ है, उस की वजह से हमारा माल हमारी मर्जी

के खिलाफ पाकिस्तान में पहुंचता रहेगा । सरकार ने इस के लिए क्या कदम उठाये हैं कि नेपाल दोनों किशतियों में सवार न हो सके ?

Shri Kanungo: Nepal is a sovereign country. It has a right to insist upon the passage of trade goods through India.

श्री रामेश्वरानन्द : मैं जानना चाहता हूँ कि नेपाल सरकार का पाकिस्तान और चीन के साथ सम्बन्ध होने से क्या भारत के साथ व्यापार में कुछ कटुता आ गई है ?

अध्यक्ष महोदय : अभी बतायेंगे, थोड़ी देर के बाद ।

श्री रामेश्वरानन्द : अभी बता देते, तो अच्छा होता ।

अध्यक्ष महोदय : अभी उन को मालूम नहीं है, तो वह कैसे बतायें ?

Mr. Speaker: Next question.

Shri Kapur Singh: I wanted to put a supplementary.

Mr. Speaker: I am sorry I have passed on.

Shri Kapur Singh: I had given a calling attention notice on this very subject, and I thought it could be disposed of now if you allowed me to put a supplementary.

Mr. Speaker: I will find out.

Shri Daji: Even Shri Kapur Singh is not able to catch your eye. That is the surprise.

Mr. Speaker: There was a Member in the Communist group. He was the chairman of the heavyweights. When I did not allow him an opportunity, he said his physical volume was the only disability in catching my eye.

Hindustan Steel Limited

*428. **Shri Indrajit Gupta:** Will the Minister of Steel, Mines and Heavy

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Engineering be pleased to state:

(a) whether a detailed plan for decentralisation of the Hindustan Steel Limited organisation has now been drawn up;

(b) if so, the main features of the plan affecting different departmental offices of Hindustan Steel Limited; and

(c) whether decentralisation will be applied to such offices also whose centralised functioning has produced satisfactory results in efficiency and economy?

The Deputy Minister in the Ministry of Steel, Mines and Heavy Engineering (Shri P. C. Sethi): (a) The Hindustan Steel Limited have delegated further powers to the General Managers of the Steel Plants.

(b) The General Managers have been given authority to make appointments by promotion or otherwise to all the posts excepting those for which approval of the Government is to be obtained and of the initial cadre of Graduate Engineers/Junior Engineers in the grade of Rs. 400—950 who will continue to be centrally recruited. They will also be the disciplinary authority in respect of employees excepting for those whose appointments are made by the Government or with the approval of the Government. The General Managers can also make appointments of foreign personnel subject to approval of the terms and conditions of their employment and their number by the Board of Directors/Chairman of the Company and release of foreign exchange by the Government. Purchase functions have been made the responsibility of the Steel Plants. Sales will continue to be centralised but each General Manager will have a Commercial Manager to ensure that proper liaison with the Central Sales Office and Production Department is maintained.

(c) No, Sir; but as mentioned above the Central Purchase Organisation has been wound up and the purchase functions in respect of each Plant