

## TRADE WITH U.S.S.R.

2845. SHRI S. R. DAMANI :  
 SHRI BENI SHANKER  
 SHARMA :  
 SHRI D. C. SHARMA :  
 SHRI RABI RAY :  
 SHRI SRADHAKAR SUPA-  
 KAR :

Will the Minister of COMMERCE be pleased to state :

(a) the outcome of his recent discussions with the U.S.S.R. Government in Moscow; and

(b) the modifications brought about in the nature of Indian imports from the Soviet Union and in the items of exports to that country ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) and (b). The talks which were held in Moscow from 23rd to 26th June, 1968, between the Commerce Minister of India and the Minister of Foreign Trade of U.S.S.R., covered a wide range of subjects and centred around particular steps to be taken towards increased and diversified trade exchanges.

The subjects discussed could be divided into two parts :

(a) trends in current trade exchange and

(b) new perspectives in commercial and economic cooperation.

Both sides noted that the spectacular growth in Indo-Soviet trade was a result of the desire on the part of India and Soviet Union to expand the area and volume of trade exchange on the basis of mutual benefit and close cooperation. The import of machinery and equipment from Soviet Union to meet India's growing developmental requirements had been matched with, and given impetus to, the exports of a whole range of traditional and non-traditional products from India to the Soviet Union.

The two Ministers analysed at length the current trends in trade and came to the conclusion that there was scope for further expansion in the exports of traditional items from India to the Soviet Union. At the same time, growing trade

contracts and better knowledge of each others export potential had opened up new vistas of exports from India of such items as Railway wagons, steel complete machinery etc. to U.S.S.R. and imports from U.S.S.R. of ships, aircrafts, helicopters and other sophisticated machinery and plants into India. The discussions indicated a growth pattern which would result in the increase of both the volume and the range of goods exchanged between the two countries.

One of the important subjects touched upon during the talks was the possibility of providing to Indian Trade Organisations better facilities to obtain better information about the taste and preferences of the Soviet consumer for different kinds of Indian goods thus facilitating the supply of popular and better quality products from India.

The two Ministers also discussed the possibility of industrial collaboration between the two countries and agreed that immediate possibilities existed in the field of leather and leather products including footwear, garments, fruit juices and tractors. It was decided that both sides will explore ways and means to give effect to the desire of the two countries to collaborate in the production of these items. Further discussions will be held to explore other fields of collaboration also.

The Soviet side also expressed its desire to buy more consumer goods such as garments, footwear, jute, textiles and fruit juices from India.

These new perspectives in commercial and economic cooperation between the two countries were stressed by the two sides and it was agreed that all practical steps should be taken to strengthen contacts, facilitate exchange of information and bring about such adaptation in production and trading patterns as may be needed to maximise the trade exchange and economic cooperation between the two countries. The decisions arrived at will be progressively implemented by the enrichment and adaptation of the commodity composition of the trade exchanges, as suited to the changing requirements of the two

countries. For this purpose and for finalising a new Trade Agreement, covering the years 1971-75, negotiations are likely to be held late this year or in the beginning of the next year.

The Soviet side reaffirmed its interest and desire in purchasing a large number of railway wagons from India. It was noted that there had been satisfactory progress in the exchange of information about the technical specifications of the wagons required by the Soviet railways and confidence was expressed that other details will be finalised soon with a view to reaching a final agreement on the supply of railway wagons to U.S.S.R. In the specific case of railway wagons, the Indian side expects to make its commercial offer shortly.

The Government of India is also considering a proposal to set up an export-oriented Show Factory with Soviet collaboration. Government is also examining what items of equipment and machinery needed by the country can be bought from the Soviet Union.

#### EXPORT DUTY ON IRON ORE

2846. SHRI S. R. DAMANI : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Minerals Ores Advisory Committee have urged Government to revise the export duty on iron ore to enable the exporters to compete in the International markets; and

(b) if so, the action Government propose to take in the matter ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI) : (a) and (b). Yes, Sir. The question of revision of export duty on iron ore is under examination.

#### INCENTIVES FOR EXPORT OF HANDLOOMS

2847. SHRI S. R. DAMANI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have announced any new scheme of cash incentives for the export of handlooms; and

(b) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI) : (a) and (b). The Indian Cotton Mills Federation are giving a cash assistance for exports of handloom products varying from 7½% of the f.o.b. value of exports to 20% of the f.o.b. value, depending upon varieties of cloth exported and the countries to which these are exported. This scheme will be in operation for one year from 1st April 1968.

#### DEPOSITS OF PHOSPHATE

2848. SHRI S. R. DAMANI :

SHRI D. C. SHARMA :

Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether it is a fact that a 50-mile long rock phosphate belt has been discovered recently in Mussoorie-Dehra Dun area;

(b) whether a large scale exploitation of the mineral has started; and

(c) the extent to which it is going to help country's fertilizer industry and saving of foreign exchange on imports of phosphate every year ?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI RAM SEWAK) : (a) Yes, Sir.

(b) The belt is still under exploration by Geological Survey of India for assessment of reserve and grade of the phosphate rock and exploitation can be done only after proving the deposit.

(c) As the Geological Survey of India are still conducting investigations, it is too early to indicate at this stage the extent to which these deposits would help the country's fertilizer industry and saving of foreign exchange.

#### OVERCROWDING IN PUNJAB MAIL ON DELHI-FEROZEPUR SECTION

2849. SHRI YAJNA DATT SHARMA : Will the Minister of RAILWAYS be pleased to state :

(a) whether Government are aware that there is too much of rush and