

PROF. S. L. SAKSENA : May I know the amount of loss suffered by Government as a result of the strike and lock-out ?

DR. KARAN SINGH : As was mentioned earlier, there were a number of strikes during last year, and I must say that they have adversely affected the corporation. This particular lock-out resulted in a loss of Rs. 1.24 crores to the Corporation.

PROF. S. L. SAKSENA : What was the amount that the agreement had cost to the corporation ? What is the cost of the concessions given to the employees as a result of this agreement ?

DR. KARAN SINGH : The agreement covers a period of three years from 1969-70 to 1972-73 and the expenditure will be staggered over these three years. It is not possible for me to say any one quantified figure about the cost. If the hon. Member is asking what the financial implications of this agreement are, then I would say that the financial implications are going to be spread over three or four years, and it is not possible for me to give a definite figure. But whatever it is, I am happy that the agreement has come about, because it is in the interests of the workers as well as the corporation.

Increase in Freight on India's Exports

*277. **SHRI INDRAJIT GUPTA :** Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(e) whether the Japan-Arabian and Persian Gulf-Japan Conference has decided to increase freight on India's exports by 12.5 per cent from 1st June, 1971 ;

(b) whether the increase will adversely affect India's exports to Japan and Hongkong ; and

(c) if so, the action taken by Government in the matter ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) : (a) Yes, Sir. However, according to information available with Government the increase will take effect from 1st July, 1971.

(b) Shipping freight being one of the several factors which influence the foreign trade of the country, this increase in freight is apt to reduce the competitiveness of our exports. However at this stage it is difficult to say to what extent our exports to Japan and Hongkong will be adversely affected by this increase.

(c) While it is being urged on behalf of the shipping conferences that operational expenses in most of the liner trades have increased "on an unprecedented scale" in recent times during the process of consultation and discussion with the Conference lines, Government have emphasised the need to maintain at least a modicum of stability in freight rates and contain the rate of increase, if at all justified, to as low a level as possible and in particular to ensure that sensitive items of our exports are not, by and large, affected. With this objective in view the Freight Investigation Bureau lent support to the All India Shippers' Council in their discussions with the Conference. As a result, the rate of increase was scaled down from 15% to 12.5%, and oil cakes have been fully exempted from the increase. The Conference has also agreed in principle to accord special concessions to sensitive commodities on the shippers' making out a proper case therefor.

SHRI INDRAJIT GUPTA : Only a couple of days ago, the hon. Minister had admitted in reply to another question that the 15 per cent increase in freight charges had been imposed also by the India-UK-Continental Conference. So, it seems that both in the westward direction as well as in the eastward direction, our trade is being subjected to further freight increases. In the context of the Plan and so on that we are discussing at present in the budget, what is the total amount which we spend annually now by way of freight charges, and which we had to incur by having to pay these foreign shipping lines ? What is the total amount incurred ?

SHRI RAJ BAHADUR : I am sorry I shall not be able to give the total amount of freight that the country has incurred, without notice, because I do not have that figure here with me. But it is true that the other Conference also has increased the rates. For the first time, we have taken up the line that

there may be some basis for this increase, because they say that the stevedore charges have increased, the port charges have increased, the marine charges have increased, and the wages have been increased and that the bunkering charges have increased etc. We want to draw a distinction between the two types, namely those charges which are controllable by us and those charges which are not controllable by us. For example, take the bunkering charges. If the fuel charges are increased, they can also raise the rates; just as we increase the freight rates, they can also increase the rates if the fuel charges and bunkering charges go up. That is what our delegation which is going there on the 11th and 12th will discuss in London and will impress upon them.

SHRI INDRAJIT GUPTA : This position will continue to exist so long as our Indian shipping is at a very low level of growth. So, I would like to know whether Government have any specific programme in hand to increase our own indigenous capacity rapidly so that we shall not have to be haplessly dependent on foreign shipping all the time.

SHRI RAJ BAIADUR : We have been taking all possible steps to increase our shipping capacity, and we have registered a good deal of progress. Even during last year, we placed orders for about 6.05 lakhs tonnes DWT. This is a sizeable quantity of orders placed. As for our dependence on liner conferences, liner conferences are in vogue and they are useful in many ways for international trade because they provide a modicum of stability of services, stability of charges and also regularity of services which even chartering or even our own shipping may not in all cases be able to ensure or provide. So we have become members of the Liner Conference and yet we try to discipline them as much as we can to the best interests of our country.

SHRI INDRAJIT GUPTA : Are you members of the Conference ?

SHRI RAJ BAIADUR : We are members of some of these conferences, of course.

SHRI A. N. VIDYALANKAR : We are exporting quite a lot of iron ore to Japan. I want to know whether the extra cost will be

incurred by us as exporters, or by the Japanese importers ?

SHRI RAJ BAHADUR : Ultimately, all these increases really go to increase the cost of the commodities, and the buyer certainly comes to be prepared to pay for them. But then it has to be shared by the seller also in some cases. So, it is very difficult to say, but at any rate, I have already said that it is difficult to say at this stage whether it will have any appreciable effect on the quantum of our export, because they are governed by bilateral agreements about the quantities to be exported from India to Japan.

Fall in value of Indian Rupee

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*278. **SHRI BIREN DUTTA :**
SHRI CHANDRIKA PRASAD :

Will the Minister of FINANCE be pleased to state :

(a) whether the value of the Indian Rupee has gone down in recent months in the free market in foreign countries ;

(b) if so, the present rate of exchange in the free market outside India ; and

(c) the reasons for the fall in the value of Indian rupee ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a) to (c). The par value of the rupee has remained unchanged at 13.33 U.S. cents since 6th June, 1966. The Indian rupee today is stronger than it was some years ago as is evidenced by the substantial reduction in India's trade deficit and a sizeable accretion to her reserves that has taken place. Authorised foreign exchange transactions are carried out at rates varying within the permissible range of one per cent from the par value. The rates for unauthorised transactions, which are marginal and sporadic in character, may fluctuate over time or from one place to another so that it is not possible to indicate any rate which may be considered representative of illegal transactions outside India.

SHRI BIREN DUTTA : May I know whether it is a fact that the value of the Indian