

primary gold. A group of ministers has been formed by the Hon. Prime Minister and they are going into the details.

SHRI SRIBALLAV PANIGRAHI: From the answer it seems that the work done in this area of seizure of illegal gold is quite appreciable during the last three months. I would like to know from the Hon. Minister as to how does this figure and quantity compare with the quantity of gold seized in the year 1985-86. To get a comparative picture, how was it when this Government took charge in 1985-86 when everybody know who was the Finance Minister as compared to now?

SHRI A.K. PANJA : The value of the gold seized in 1985-86 in crores is Rs. 51.89 in 1988 upto December, the value of gold seized is Rs. 200.51 crores. The rate of increase is 544.11%

Counter Trade with Bofors

*226. **DR. A.K. PATEL:** Will the Minister of COMMERCE be pleased to state:

(a) the objects kept in view in signing the Memorandum of Understanding on counter trade with Bofors; and

(b) the items being exported through Bofors and which of them are non-traditional?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). A statement is given below.

STATEMENT

- (a) The Memorandum of Understanding between State Trading Corporation and M/s. Bofors was signed with a view to setting down operational procedures for implementing the Counter-Trade provision in the main Agreement under which Bofors had agreed to purchase commodities from India to the extent

of not less than 50% of the value of the contract.

- (b) A list of items exported under the Counter-Trade with Bofors is given in the annexure below. This includes non-traditional items like chemicals, pharmaceuticals, yarn/drill, terry towels, hand tools, galvanised pipes, Bicycle spares, packet tea, computer components, Dyes/stripped sheet/High carbon ferromanganese, polypropylene bags etc.

List of Items Exported Under the Counter-Trade MOU with Bofors Till 31.12.1989.

1. Chemicals
2. Pharmaceuticals
3. Yarn/Drill
4. Terry Towels
5. Hand tools
6. Galvanised pipes
7. Mango Kernel Oil
8. Guargum Powder/splits
9. Psyllium husk
10. Niger seed
11. Pressure stoves
12. Bicycle spares
13. Sewing thread
14. Green Cardamom
15. Groundnut extraction
16. Coffee
17. Packet tea

18. Jute goods
19. Computer components
20. High Carbon Ferromanganese
21. Cashew kernels
22. Dyed/Striped sheeting
23. Soyabean meal
24. Cotton sheeting
25. Frozen shrimps
26. Crushed tomatoes
27. Tobacco
28. Mango pulp/Slices
29. Polypropylene bags
30. Black pepper
31. Finished leather
32. Spices
33. Rice.

DR. A.K. PATEL: Is it a fact that the Secretary (Expenditure) told the Joint Parliamentary Committee on Bofors Contract Enquiry that the proposal for counter trade came at a very late stage when negotiations had been completed? Why did this happen?

SHRI P.R. DAS MUNSI: The entire counter trade agreement is made as per Clause 31 of the basic agreement. The agreement was signed on 24th March 1986 and the counter-trade agreement was signed in March 1987. The delay did not take place in the sense that the details of the counter trade planning and operation took time because we had to find some agency which is STC and they had to go into the detailed aspects as to how the counter trade operations will start and the modalities

would be fixed. Therefore the memorandum of understanding which is signed between STC and Bofors took some time. Otherwise the entire phasing out programme was as per schedule.

DR. A.K. PATEL: What increases in quantum have come about in the export to Sweden after this counter trade agreement?

SHRI P.R. DAS MUNSI: If I may inform the Hon. Member, the companies which are engaged as the nominees of Bofors to deal with the counter trade, all of them are not based in Sweden. Though some of them have their base in Sweden, a few of them have their operations in various parts of the world like West Germany and England... (*Interruptions*)... There are various companies nominated by Bofors. As regards the additionality, what we have witnessed is that we first made a negative list of the countries where our things should not be exported at all, where we have traditional base such as marine products in Japan and carpet backing in North America and also the rupee trade areas. This ensured us certain amount of additionality.

In so far as Sweden is concerned, the export figure of Sweden is 0.63 crores and the total counter trade operations with Bofors upto the end of December is 96.... (*Interruptions*)... I should read out the figure and give it to you.

Our total counter trade operations till December is about 661.50 million completed and order booked in hand which will come to operation to meet the target is about 956.20 million. But the actual quantum executed till now is 661.50 million.

SHRI M. RAGHUMA REDDY: Why is he covering himself? Is he feeling cold because of the Bofors gun?

SHRI P.R. DAS MUNSI: Not at all. We are giving the figures. It is you people who feel like that. In trade nothing is secret. We have to tell the truth.

PROF. MADHU DANDAVATE: Mr. Speaker, Sir, when the balance of payment position in the country is very bad—admitted even by the Economic Survey—it is necessary that we should have some counter-trade agreement by which we should be able to augment the export so that whatever we lose by way of imports in terms of foreign exchange we will be able to make up the loss. Therefore, this is a welcome move to having this. But I would like to know from the hon. Minister after this counter-trade provision has been arrived at, what is the total quantum value-wise as well as volume-wise because if you give it only value-wise in view of the adjustment of the currencies we are likely to get a wrong picture. Therefore, will you tell us quantum-wise also and value-wise also what is the total export we have *been able to achieve? Has that export been able to upset in a substantial measure the great expenditure that we had to incur as a result of the imports?*

Lastly taking our past experience into account, I hope, all the State arrangements will be directly done with the companies concerned and there will be no middle man utilised who is likely to create trouble.

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): So far as this question relates to the question that we are discussing, may I say that we had targeted an export on this account of Rs. 95.6 crores which is cumulative for the last three years. Out of this by December 31, 1988 goods worth Rs 66.1 crores had been exported and accounted for. Goods worth Rs 30 crores more had been exported before December 31, 1988 but their papers had not come and, therefore, it had not been accounted for. That has since been reconciled and the total export that has taken place is Rs. 96.15 crores as against the target of, Rs. 96.62 crores. So the target has been fulfilled by the active interest that STC has taken in this regard.

As my colleague explained this would be an additionality. This will not eat into our normal trade with the countries which had

been designated. I have checked up and there is an increase in the trade with all those countries which had been targeted. Therefore, one could assume that there has been additionality.

So far as the volume is concerned, that would be a long list and I do not think that would help the hon. Member. But what would help is that this is taken into account in terms of the present parity between the Swedish kroner and the rupee and not the earlier parity. So, this would reflect the real value now.

Hon. Member knows that there is no such word as 'strait trade'. There is trade in the normal commercial sense and this is the *normal commercial transaction*.

Cauvery Water Dispute

*277. SHRI P. KOLANDAIVELU: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Government of Tamil Nadu has sent a memorandum to Union Government for solving the problem of Cauvery water dispute in February, 1989;

(b) if so, the steps taken in this regard; and

(c) whether Government are considering to form a tribunal for solving the dispute?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRI KRISHNA SAHI): (a) No, Sir.

(b) Does not arise

(c) The matter is under consideration.

SHRI P. KOLANDAIVELU: Sir, the answer is always routine and a usual one from the Ministry of Water Resources. This matter has been raised in this House seven times. I have already drawn the attention of the Minister by means of mention under Rule 377 three times and by means of special