

Resolutions presented to the House on the 18th December, 1968."

The motion was adopted.

16. 13½ Hrs

RESOLUTION RE: FOREIGN TRADE POLICY Contd.

MR. DEPUTY-SPEAKER: The House will now take up further discussion of the following Resolution moved by Shri D. N. Patodia on the 6th December, 1968:

"In view of the adverse effect caused on India's foreign trade by the wrong pattern of trading adopted in the case of East European countries, including Russia, this House resolves that the foreign trade policy of the Government of India, particularly with East European countries and Russia, be suitably changed."

SHRI KANWAR LAL GUPTA (Delhi Sadar): I beg to move my amendment which is as follows:

That in the resolution, *add* at the end.

"and a Committee of members of Parliament to be nominated by the Speaker be set up to assess the exact problem and suggest ways and means to solve the same."

MR. DEPUTY-SPEAKER: The resolution and the amendment are now before the House.

श्री प्रबुल्ल गनी बर (गुड़गाँव): मैं वाक धाऊट करता हूँ इसलिए कि आपने डेमोक्रेसी का बिल्कुल धपमान किया है और स्पीकर साहब का भी किया है। कमा ऐसा नहीं देखा गया है कि स्पीकर साहब वादा करें और डिप्टी स्पीकर उसको तोड़ दे। आप धपमान कर रहे हैं हाउस का और पार्लिमेंटरी डेमोक्रेसी का।

شری عبدالغنی ڈار، میں واکا آؤٹ کرنا ہوں اس لیے کہ آج آپ نے یہ ڈیموکریسی کا بالکل ایمان کیا ہے اور سپیکر صاحب کا بھی کیا ہے، کبھی ایسا نہیں دیکھا گیا ہے کہ سپیکر صاحب واعدو کریں اور ڈپٹی سپیکر اسکو ٹوڑ دے۔ آپ ایمان کر رہے ہیں ہاؤس کا اور پارلیامینٹری ڈیموکریسی کا۔

MR. DEPUTY-SPEAKER: We have got just one hour and 40 minutes.

How much time would the Minister like to take for reply ?

THE DEPUTY-MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI): 20 minutes.

MR. DEPUTY-SPEAKER: So we have one hour and 20 minutes. I request hon. Members to be very brief, because there are a number of Members who would like to speak, and it should be taken note of by all. The time is limited. The next resolution is also equally important. After a good deal of consultation we have allocated this time.

SHRIMATI TARKESHWARI SINHA (Barh): Mr. Deputy-Speaker, Sir, I am grateful to you for giving me opportunity to participate in this discussion. Last time, when this discussion was initiated by Shri Patodia, I was in the House and I listened to the points that he mentioned. I think he could not make his case well because his arguments were loaded with certain prejudices. I would not really talk either in terms of favouring the eastern European trade or the western block trade.

16.15 hrs.

[SHRI GADILINGANA GOWD
in the chair]

But I would like to speak completely on economic considerations. It is a fact that the trade with East European countries including the Soviet Union has increased from 1 per cent to 18 per cent of our total exports. It is quite a substantial trade.

[Shri Gadilingana Gourd]

As any other trade, this trade also was changed by devaluation. As a result of devaluation, therefore, we have to re-assess the advantages and disadvantages of our trade with the western bloc as well as the East European Bloc. The Commerce Minister has argued many a time that in the case of any agreement entered into by us prior to devaluation, even if it has not been fulfilled and even if the goods have not reached one another's frontiers, the pre-devaluation price will be charged or paid mutually by the two countries. Even then, talking in terms of unit index numbers of major exports to USSR and the rest of the world, since devaluation, there has been a downfall in the unit value whatever figures the ministry may bring out. Invariably brochure are put out by the ministry showing that the trade has increased very much with the Western bloc or East European bloc.

I have got the latest figures in terms of unit value after devaluation. I am taking 1960-61 as the base year equal to 100. In 1965-66, our trade in tea was 94.9 with USSR while with the rest of the world it was 92.7. In black pepper, the figures were 85.6 for USSR and 87.3 for the rest of the world. In the case of coffee, the figures were 131.1 and 123.8 respectively and so on and so forth. In 1966-67, the unit value came down to 81.2 in tea, 62.4 in black pepper, 82.9 in coffee and 173.9 in tobacco. In 1967-68, the figures were 87.1 in tea, 66.5 in black pepper and 266.8 in tobacco. There has been an increase in tobacco, but in all the other things, there has been a downfall in unit value. Therefore, the argument of the ministry that there has been a rise in the real value of the trade is not proved by these figures.

There has been a linkage of commodities in which we are trading with East European countries and they are trading with us. But you know, Sir, there has been a rapid process of economic liberalisation in East European countries.

Now, suppose we link up our trade in terms of the rupee payment agreement, further liberalisation in those countries will make them more conscious to the economic feasibility of the things whether they import

from India or whether they import from other countries of the world. Now take for example Yugoslavia. To-day, Yugoslavia has been following a policy of liberalisation. It is their producing industries which decide as to what aid or what commodity or raw materials they need for their industry which they have to import. Because they have been given this facility of liberalisation, they can decide, as to whether they would like to get things from country A or from country B and whether they are going to take those goods from the Western countries, it is upto them to decide. This further liberalisation in those countries has made the rupee payment agreements rather out of-date. If I understand it right, even on rupee payment terms if we revise our agreements and made them upto-date by keeping economic feasibility as the primary concern for trading, I think that can work efficiently. But, what I am saying is that the best terms of agreements between those countries and us, the original rupee payment terms, will not be effective in the present context of import liberalisation practice that is being followed by those countries.

My third point is this. I am glad to note the criticisms about the past differentials in incentives between the rupee payment countries in which every rupee payment country was being provided with a different sort of differential Exchange rate about the capacity of the rupee to buy the goods has been stopped. With Yugoslavia we had different agreement; with Czechoslovakia, we had another different agreement and with the U. S. S. R. We have even today a different agreement. I am glad that after so much criticism was made, the Commerce Ministry has now been following a practice which they hitherto not followed, namely doing away with the practice of differential between rupee trading and trading in free foreign exchange. This is a healthy development and I really appreciate this move of the Commerce Ministry.

But, I would like to mention in this connection that when we talk in terms of equality between the rupee payment countries and also free foreign exchange, I would like to submit there was a study made by

the Institute of Economic Growth which was initiated by UNCTAD. Under the auspices of UNCTAD, they probably made a feasibility survey about the outcome, about the results and the economic utility of the trade of India with rupee payment countries.

Shri Narayanan, who conducted this survey, I understand, has mentioned that we have been paying very much higher prices for the machinery from U. S. S. R. I am not like Mr. Patodia who would try to deprive us of rupee payment agreement completely. This is neither practicable nor is it fair to say that nothing good has been done by the rupee payment trade. But, certainly, I would submit that when we feel that a particular agreement or a particular deal is not to our advantage, we should certainly keep our eyes open. I would only submit that we have to constantly go on balancing the advantages and the disadvantages of importing and exporting of commodities from the East European countries. Of course we pay higher prices.

MR. CHAIRMAN : The hon. Member should conclude now.

SHRIMATI TARKESHWARI SINHA : I have taken eight minutes only. I would take four more minutes only.

Now I would like to mention the case of Bokaro. Bokaro to-day is going to cost us more even according to the revised estimate of our Government itself. Taking all the steel plants-Bhilai, Durgapur and Rourkela-Bokaro is going to cost us much more than the costs of all the three plants together. Under the agreements, for Bokaro, we are paying a higher price for the Soviet machinery. Apart from that, there has been re-valuation of the Russian rouble and the devaluation of the Indian rupee. As a result the parity between the rupee and the rouble is much wider.

Here I would like to mention why we are going to pay more for Bokaro. When I raised this matter in the Congress Parliamentary Party meeting the Finance Minister was not fully aware of this. Now I got a note from the Ministry of Finance. In that

note I saw what I was saying was more or less correct that there was a difference of nearly 85.71% between the revalued rouble and de-valued Indian currency.

Therefore this is the additional price 87.71 per cent that is going to be paid by India for the Russian imports that we are going to make.

How do I come to this conclusion ? The Finance Ministry has given these figures; they say that it is not 87.71 per cent. According to them, the gold content of the Rouble, which was 0.222168 gramme of fine gold up to 31.12.1960 was increased to 0.987412 with effect from 1.1.1961, when the Russian Rouble was revalued. As far as the rupee is concerned, its gold content, which was 0.186621 gramme of fine gold up to 5.6.66 was reduced to 0.118489 with effect from 6.6.1966. According to them, the exchange rates of the Rouble and the Rupee from time to time were Rouble 1 = Rs. 1.1905 before 1.1.1961, Rouble 1 = Rs. 5.291 between 1.1.1961 and 5.6.1966 and Rouble 1 = Rs. 8.333 after 5.6.1966. That means, after devaluation one Rouble is equivalent to Rs. 8.333. This is the parity and the difference between the original value of the Rouble and the Rupee and the value of the Rouble and the Rupee after devaluation Finance Ministry says that the Change in the value of the Rouble in terms of rupees is about 70 per cent between 1961 and 1966 and not 86.5 per cent as I made out or 87.71 per cent as has been made out.

But I would like to mention that according to the Explanatory Memorandum on the Budget, page 118, the total Soviet credit prior to 1961 was 500 million Roubles; after 1961 it has become nearly 112 million Roubles and after 1966 it has become 71.43 million Roubles. This is the parity even according to the Explanatory Memorandum on the Budget. The difference according to my calculation is 85.71 per cent. But I have no quarrel that there is a little difference between the Finance Ministry's figure and my figure which I had taken from the Explanatory Memorandum. But even Finance Ministry's figure shows that there has been a parity difference of 70 per cent between the original valuation of Soviet imports and the Soviet imports now. That is why Bokaro is going to be so costly.

[Shrimati Terkeshwari Sinha]

I do not deny the benefit of the rupee trade; let us have it if it gives economic benefit to the country. But there are certain abuses which have to be checked. One abuse is the switch-over trade by the eastern European countries which, according to Government's own figures, was anywhere from 15 to 18 per cent. This switch-over trade is to be put a stop to because it is depriving us of free foreign exchange.

The second abuse is the dovetailing of the big buying from us by the Soviet Union and from the Soviet Union by us. If we make a long-term arrangement of big buying and selling, any international increase in the prices of Indian goods will not give us any advantage. If the price of anything that we export increases in the world market, because of the long-term linking with the Soviet demand and supply, we will not be able to take advantage of this. Therefore these two things have to be checked and stopped.

Before I sit down, I would say that there have been accumulations of the rupee reserves in various countries. We have rupee reserves in various countries. It has become a reserve either because we have been exporting them the goods or because things have been exported from those countries and the rupees are lying in this country.

Out of the total rupee currency, when we do not propose to buy from one country and that country is not in a position to convert that currency in foreign exchange, I submit, there should be a multi-lateral agreement that one country's reserve can be utilised in buying another country's goods and commodities if it suits us. Therefore, we must fight that we would not accept the Soviet contention of unconditional gold clause. Let the gold clause be conditional. According to the Ministries of Economic Affairs and Commerce and Industry, in a joint paper which they had prepared, they themselves accept that this unconditional gold clause is not ideal to us from any point of view. I would submit to the hon. Minister that let all the agreements of the

past, like that of Bhilai where you have an unconditional gold clause, be changed and put on the basis of conditional gold clause so that you can provide a safety clause in the agreements between East European countries and our country.

श्री कंचरलाल गुप्त (दिल्ली सदर) : सभा पति जी, मैं इस प्रस्ताव पर अपने सशोचन आपको आज्ञा से रखता हूँ। मेरा यह प्रस्ताव है कि अध्यक्ष महोदय पार्लियामेंट के सदस्यों को एक कमेटी बनायें जो हम बात का प्रसेस-मेंट करे कि प्राया ईस्ट यूरोपियन कंट्रीज से रूबी-नेमेंट के आधार पर जो हमारा व्यापार हो रहा है उसमें कितना हमें फायदा हुआ है और कितना नुकसान और वह कमेटी यह बात भी बनाएगी कि इस सरकार को क्या क्या कदम उठाने चाहिये जिससे कि देश को लाभ हो ? मैं उनमें लोगों में से नहीं जो यह कहते हों कि हमें किसी कीमत के ऊपर भी ईस्ट यूरोपियन कंट्रीज के साथ व्यापार नहीं करना चाहिये। मैं मानता हूँ कि ईस्ट यूरोपियन कंट्रीज से व्यापार करने में रूपी-नेमेंट के आधार पर हमें प्रायः में कुछ लाभ भी हुआ है क्योंकि हमें कुछ टेक्निकल नो-हाउ, कुछ फ्रेडिट फेसिलिटीज लम्बी अवधि की, और कुछ केपिटल गुड्स खरीदने में कुछ सुविधायें मिलीं। लेकिन सवाल है कि जो कुछ आज हो रहा है आया देश को उससे लाभ है या नहीं ? हमें इन फंडस में नहीं जाना कि कोई कम्युनिस्ट कंट्री है या केपिटलिस्ट कंट्री है। हमें तो यह देखना है कि भारत को इससे लाभ होता है या नहीं होता है। एक बात है और मंत्री महोदय भी इस बात को स्वीकार करेंगे कि काफी मात्रा में डाइवर्सन हो रहा है। जिसको स्विच ट्रेड कहते हैं वह स्विच ट्रेड काफी मात्रा में है और स्वयं अगर आप आँकड़े लेंगे तो 1960-61, 61-62 और 64-65, 65-66 में हमारा ट्रेड इन सोशलिस्ट कंट्रीज के साथ 11 परसेंट से 29 परसेंट हो गई है कैम्बून-नॉट्स की। बल्कि दूसरे देशों से यह ट्रेड गिर गई है। इसी तरह

से चाय का जो व्यापार है सोशलिस्ट कन्ट्रीज से इसी मुद्दत में 15 किलोग्राम ज्यादा हो गया है और बाकी जगह सब घट गया है। इससे साफ मालूम होता है कि स्विच ट्रेड होता है। हम जो वहाँ माल भेजते हैं वह सरकार उसी माल को दूसरी जगह भेज देती है ज्यादा दामों में और फारेन एक्सचेंज कमाती है। मेरा ख्याल है कि मन्त्री महोदय इस बात को स्वीकार करेंगे कि यह स्विच ट्रेड होता है। लेकिन अगर मन्त्री महोदय स्वीकार नहीं करते तो मेरे पास यह एस्टीमेट्स कमेटी की रिपोर्ट है जिन्होंने यूटिलाइजेशन आफ एक्सटर्नल असिस्टेंस के ऊपर एक नोट दिया है। वह लिखते हैं, में अपनी आज्ञा से पढ़ रहा हूँ :

“Cases of diversion and re-sale of Indian goods at and through Hamburg, Antwerp, Rijeka etc. have come to our notice from time to time through indirect sources. The items involved are cashew nuts, H. P. S. groundnuts, spices, E. L. tanned skins, coffee, tea, mica, jute goods etc. These diversions/re-sale were stated to have been resorted to by almost all the East European countries.....”

यह एस्टीमेट्स कमेटी हमारी कहती है और उसके अलावा हमारे व्यापार मन्त्री महोदय ने भी 20 अगस्त 1968 को स्वयं इस बात को स्वीकार किया है कि कहीं आइसोलेटेड केसेज आफ रि-एक्सपोर्ट होते हैं। लेकिन कितना उसमें है, क्या है, यह हमें मालूम नहीं। तो इसका मतलब साफ है कि काफी मात्रा में भारत का माल जो हम यहाँ से भेजते हैं इन देशों को वह दूसरे देशों को जाता है और जहाँ हम सीधे माल भेज कर के फारेन एक्सचेंज कमाते वह फारेन एक्सचेंज का हमें घाटा होता है और वह फारेन एक्सचेंज यह ईस्ट यूरोपियन कन्ट्रीज का भी मात्रा में कमाती है।

दूसरी बात में यह कहना चाहता हूँ कि शुरू में तो यह देश हमें अच्छी कीमत देते हैं। लेकिन बाद में जब हम उन पर डिपेंड करने लग जाते

हैं और आहिस्ता आहिस्ता हमारी कैंपेसिटी इतनी बढ़ जाती है कि हम उन पर निर्भर हो जाते हैं क्यों कि हमारी एक ब्रयोर्ड मार्केट हो जाती है तो वह आहिस्ता आहिस्ता स्वीच करने लग जाते हैं और कीमत देने में हिचकिचाहट करते हैं क्योंकि उन्हें लगता है कि इन्हें सस्ता बेचना ही पड़ेगा क्योंकि और कोई बायर नहीं है। इस तरीके से ऐसा भी कुछ सालों से हमारे देश के साथ हो रहा है जिस के कारण से हमारे देश की ट्रेड को काफी नुकसान हुआ है। इसी तरह से यह जो 60 हजार रेलवे बैगन्स का आर्डर हमारे पास आया है, मुझे डर है कि आज उन्होंने कीमत आदि तय नहीं की, स्पेसिफिकेशन वगैरह बताया लेकिन जब हमारी कैंपेसिटी बढ़ जायेगी तो आहिस्ता आहिस्ता एक्वीजिंग शुरू हो जायेगी। इसलिए मैं सरकार को बताना चाहता हूँ कि वह काशस रहे।

दूसरी चीज एक और कहना चाहता हूँ। इन कम्युनिस्ट कन्ट्रीज के साथ जो रूपी पेमेंट के आधार पर व्यापार होता है इस में एक खतरनाक चीज की ओर मैं इशारा करना चाहता हूँ। इन्होंने कुछ कमीशन एजेंट्स अप्वाइंट किए हुए हैं हिन्दुस्तान में और उन कमीशन एजेंट्स के द्वारा यह माल खरीदते हैं। इन को जो मार्केट में रेट होता है उस से ज्यादा पैसे देते हैं। कई बार दूसरे लोग इन को अपनी प्राइस कोट भी करते हैं कि हम कम कीमत पर माल दे सकते हैं लेकिन वह उन से नहीं लेते, उन कमीशन एजेंटों के जरिए ज्यादा पैसा दे कर लेते हैं। जो बीच का फायदा होता है बाजार भाव में और जो भाव वह देते हैं उन को, वह पैसा बटवारा कर के वह अपनी पोलिटिकल आइडियोलॉजी का इन्फ्लूएंस करते हैं। मैं सरकार को चैलेंज कर के कहना चाहता हूँ . . . (व्यवधान) . . . आप गलत कहें लेकिन मैं ने पेट्रियमट और लिंक के बारे में कहा था इसी तरीके से पैसा वहाँ जाता है। जो कमीशन एजेंट हैं मैं उन के नाम जानता हूँ, दिल्ली में जो

[श्री कंबरलाल गुप्त]

पिछले छः सात सालों में एक एक के पास पचास पचास लाख रुपये हो गए वह इसी तरह से हुए हैं। 10 रुपये एक चीज में ज्यादा वह देते हैं। उस में से 5 रुपये अपने पास रखते हैं और पाँच रुपये कम्युनिस्ट पार्टी में जाते हैं। कम्युनिस्ट पार्टी को फीड करने का, पैसा भेजवाने का अगर कोई एक साधन है तो यह रूपी पेमेंट के आधार पर जो ट्रेड होता है, इस के जरिए से यह होता है। और इस तरह से हमारी पोलिटिकल लाइफ के अंदर यह जो कम्युनिस्ट्स हैं यह इन्फ्लूट्रेट करने की कोशिश कर रहे हैं। यह एक जबर्दस्त खतरा है हमारे देश की सेक्योरिटी को। मैं थाइंगा मंत्री जी इस की एन्वयारी करें।

SHRI VASUDEVAN NAIR (Peermade)
He is making the most irresponsible allegations.

श्री कंबर लाल गुप्त : सी०बी०आई० के जरिए से इस की एन्वयारी होनी चाहिए। मुझे मालूम है कि मंत्री महोदय ने सी०बी०आई० की एन्वयारी करायी है और एन्वयारी के बाद यह एस्टैब्लिश हो गया है कि इस तरह से जो रूपी पेमेंट के आधार पर ट्रेड होता है उस में काफी पैसा कमीशन एजेंटों के द्वारा कम्युनिस्टों को जाता है। यह तरीका रोका जाना चाहिए। यह सब से ज्यादा खतरनाक चीज है। इस तरह से हमारे इंटरनल अफेयर्स में विदेशी दखल बँ यह अच्छी बात नहीं है। हमें कोई एतराज नहीं होगा अगर कम्युनिस्ट पार्टी यहां के लोगों के चन्दे से, यहां के लोगों की मदद से अपना प्रचार करे। लेकिन विदेशियों की सहायता से हमारे देश के अन्दर खतरा पैदा करना यह सब से ज्यादा खतरनाक चीज है।

मैं चाहूँगा कि इस के बारे में जांच की जाये।

SHRI VASUDEVAN NAIR : Jan Sangh is getting the CIA money.

श्री कंबर लाल गुप्त : जो बड़े बड़े व्यापारी हैं उन को मालूम है कि जो एक बार माल

रिजेक्ट कर दिया जाता है वही माल अगर उन कमीशन एजेंट्स के थ्रू दें तो वह एक्सपोर्ट कर लेंगे। अध्यक्ष महोदय, दिल्ली में कुछ लोग हैं इन के दलाल, कुछ आगरे में हैं, कुछ दूसरी जगहों पर हैं। उन के जरिए से वही माल दें तो वह एक्सपोर्ट कर लेते हैं। इन के उन के बीच में हिसाब किताब है।

आखिर में एक बात कह कर खत्म करूँगा। आज हमें पालिटिकल फैक्ट्स में नहीं जाना चाहिये, सरकार और देश को जिसमें फायदा हो वही काम करना चाहिये। आप ईजराइल के साथ ट्रेड नहीं करते, लेकिन रूस और जापान के साथ ट्रेड कर रहे हैं। रूस च्यांगकाई शेक के साथ बात करना चाहता है, अमरीका और चीन बात कर रहे हैं। कोई पोलिटिकल कन्सीड्रेशन बीच में नहीं आता, लेकिन हमारी सरकार के बीच में पोलिटिकल कन्सीड्रेशन आता है। ईजराइल हमें फटिलाइजर दे सकता है और उन्होंने रोक-फास्फेट, दूसरी जगहों से हम जिस रेट पर मंगते हैं, उस से दस परसेंट चीपर देने को कहा, लेकिन एस०टी०सी० को आपने मना कर दिया। मेरे पास तारीख है और उस लेटर का नम्बर है।

श्री इसहाक सम्भली (अमरोहा) : चेयरमैन साहब, ईजराइल के साथ व्यापार की बकालत कर के ये हिन्दुस्तान को नुकसान पहुंचाना चाहते हैं। ईजराइल के साथ चन्द लाख रुपये का व्यापार कर के अरब कन्ट्रीज के साथ अरबों रुपये के व्यापार को बरबाद करना चाहते हैं, इस तरह से ये हिन्दुस्तान के साथ दोस्ती नहीं दुश्मनी कर रहे हैं... (व्यवधान)...

श्री कंबर लाल गुप्त : समापति जी, कम्युनिस्टों का दोस्ती का तरीका भ्रमण है और जनसंघ वालों का भ्रमण है। आपकी रूसी दोस्ती है और हमारी हिन्दुस्तानी दोस्ती है। अगर हमारा दांव चला तो मैं यह कहना चाहता हूँ... (व्यवधान)...

ये लोग कहीं चीनी बोलते हैं, कहीं रूसी बोलते हैं, हिन्दुस्तानी को नहीं बोलने दे रहे हैं।

सभापति जी, ईजराइल ने हमारे देश की सरकार से कहा कि हम को 200 बगन्च चाहिये, लेकिन हमारी सरकार ने स्पेसिफिकेशन तक देने से इन्कार कर दिया। हमें हर देश के साथ जिसमें हमारे देश का हित हो, व्यापार करना चाहिये—चाहे रूस हो, अमरीका हो, ईजराइल हो, कोई भी देश हो, लेकिन देश का हित होना चाहिये।

दूसरी बात में यह कहना चाहूंगा कि जितने एग््रीमेन्ट्स हैं, इन को रिवाइज करना चाहिये और दोबारा उन एग््रीमेन्ट्स को करना चाहिये। जो एग््रीमेन्ट्स अभी फलरूदीन अली अहमद साहब ने किया है—वहां व बोकारो के लिये मशीन लायेंगे, यह बहुत खतरनाक है। जब हमारे रांची कारखाने में वे मशीनें बन सकती हैं, तो उन का ग्रांडर कंसिल कर के प्राप वहां से मशीनें मंगा रहे हैं, यह गलत चीज है।

SHRIMATI SUCHETA KRIPALANI (GONDA): Mr. Chairman, Sir, after the very exciting speech of my previous speaker my speech, I am sure, will fall very flat. I want to speak on the basis of facts and figures. I am not motivated by political thinking or considerations. Our trade with east European countries has registered a phenomenal increase, during the last 12 or 15 years. This was a new field where our exports had gone. It gave us in the beginning an advantage in bargaining also. When we got new areas we could bargain with other countries for better prices. Therefore, since 1950, our trade has increased in actual terms. From Rs. 3 crores of exports it has gone up to Rs. 220 crores and from Rs. 4 crores of imports it has gone up to Rs. 203 crores. These figures are of 1967-68. If you take the rate of growth, the rate of growth with eastern European countries increased much beyond some of our very traditional partners as United Kingdom. But we have to see in our trade dealings that while the trade

increases the national interest does not suffer.

Now, what is the composition of our trade? Most of the items exported are traditional items like black pepper, cashew-nut, coir yarn, cotton waste, coffee, tea, tobacco, jute and hides and skins. The value of these things constitute 75% of the total export to this region. This trade increase is good in a way but some of this increase has been at the cost of fall of our trade with free foreign exchange areas. This point has already been referred to by the previous speaker. So I need not dilate upon it. Some of these commodities, which we could have sold to the hard currency areas, which is a free foreign exchange area, instead of being sold there, had to be sold to this area. To that extent, the country has suffered.

Then there are instances where these East European countries after buying from us sold the same goods to third countries to our disadvantage. Shri Gupta has referred to it. Thus they have competed with our goods in those markets which are of value to us. The free foreign exchange area is today certainly a very valuable area from the point of view of our trade. In these areas, they have acted as our competitors to our detriment.

Then there is also a tendency in the East European countries not to take our manufactured goods. Of late, under very great pressure, they have agreed to buy some of our manufactured goods. Therefore, now 20 percent of our total trade with these countries is in manufactured goods like fans, lamps, machine tools and other things.

Then I come to the import position. What do we import from these countries? We import capital goods, machinery, equipment. For these we have paid comparatively higher prices than those prevailing in western countries. In some cases, the price we have paid is 25 percent over the international price. These are the points of criticism in the public.

The quality of some of these goods

[Shrimati Sucheta Kripalani]

coming from that area is also not good. Because of the facility of import under rupee payment and the import control being less rigid there, our STC has sometimes purchased goods from there which we do not need, goods which we are ourselves producing. Therefore, dumping all their goods here has operated against the interests of our own manufactures.

What is the main problem? The difficulty, to which Shrimati Tarkeshwari Sinha also referred, arises because we have bilateral agreements. This means that the two partners have to balance their trade. We have no freedom to buy from or sell to any other country. The trade must be properly balanced. This position keeps on from year to year till we are able to equalise. Therefore, we are compelled to buy from those countries goods to the value of whatever is the surplus on our side.

As Indian industries develop, our import requirements are becoming different from what they used to be. For instance, now India is looking forward to purchasing industrial raw materials such as non-ferrous metals, flat steel products, fertilisers, etc. We want these things from the East European countries. But they are unwilling to sell these goods to us, or taking advantage of our difficult position, sell them to us at very high rates,

The other disadvantageous feature of this trade is that we are very often pressurised to buy their high-priced products. Very recently the deal for the purchase of 'planes has come to notice. It has been criticised in this House and outside in the press. We wanted to buy 'planes from elsewhere, but because of Russian pressure, we had to give up that idea.

Another item of trade, to which reference has been made in detail earlier- which operates to our disadvantage is that after we expand our capacity for the production of a particular commodity to be exported to them, they start pressing us to reduce price for example, like the case of rolled steel products from the Bhilai plant and also railway wagons which Soviet Russia

is going to purchase from us. In order to build up this trade, our industrial capacity has had to be expanded on that basis, for those particular patterns. After we have increased our capacity in those items, they start squeezing us, because we cannot sell these products to anybody else.

Once we have invested money in order to build up capacity to produce these goods, once we are ready to do it, we are tied to their market for a number of years, and seeing that we cannot sell them anywhere else, they start squeezing us. Already some of our products have suffered on this account. For instance, our footwear, cotton yarn, garment and woollens. In all these, we have had a comparatively flourishing trade for the last few years. Now we are beginning to feel the squeeze; because of the built-in market there we have geared our production to that market and seeing that we cannot turn elsewhere, they have started squeezing us.

Why? Because Russia is very anxious to have a continued assured market for their goods here. In order to have continued assured market for their goods- it is long term plan- and by this kind of bilateral arrangements they want to keep no tied to them.

What are the main points of criticism? The criticism is that we are importing at higher prices from the East European countries, that we are importing non-essential goods, that we are importing such goods which compete with our production in this country, that diversion of trade is effected at the cost of our free foreign exchange, that we are compelled to sell to them things which we could sell to the free foreign exchange area, and that East European trade practices have not been above board, because they have imported our goods and at a disadvantage to us and sold them in the free foreign exchange area to our detriment.

Therefore, what is the conclusion? The conclusion is that we do not want to close this trade. This a new area and we

want to develop the trade with this area, but the increase in trade should not be so much that we have so much surplus balances that we are compelled to buy anything that they have to sell with out any regard to the real requirements of the country. That is, we should not be compelled to give special privilege to the rupee area in order to have trade with them, they must also realise that if they want an assured market for their products in India they should not

SHRI VASUDEVAN NAIR : Why are you anxious ?

SHRIMATI SUCHETA KRIPALANI : We want to trade with the whole world, we are not thinking in terms of Mao and Russia, we are thinking in terms of our country, and we want our trade on fair terms, non-exploitative terms.

SHRI JYOTIRMOY BASU (Diamond Harbour) : How convincing that you are a socialist !

SHRIMATI SUCHETA KRIPALANI : I am not a socialist, I am an Indian.

Another very peculiar systems that obtains in our trade with Moscow is that our goods can be rejected by them after it has landed in Russia. The usual arrangement is that there is a pre-shipment inspection, and on the basis of the pre-shipment inspection report trade goes on with the other countries, but Russia is the only country where they can reject after it has landed there. I think you will all remember how much we suffered in our shoe trade when one such transaction took place.

Sometimes when we wish to purchase commodities in short supply, very valuable commodities like nickel, from countries with which we have a sizeable trade, they charge exorbitant prices. Therefore, I suggest that every year when the trade plan is made with these countries, it should be not merely on a governmental basis, but representatives of trade should also be associated. If representatives of trade are associated, then some of the snags which we suffer from can perhaps be avoided.

If these countries want trade with us, and we want trade with them, they must also realise that with the changing pattern of our development, they should not try to peep us only to the traditional items. They should try to take some of our manufactured goods, they should allow alteration in the items of trade. Otherwise, we should curtail our trade with them, we should not expand it to such an extent but only seek a balance at the natural level of trade.

Dr. RANEN SEN (Barasat) : I rise to oppose the resolution moved by Shri Patodia and to reject the speeches just now made by Shri Kanwar Lal Gupta and Shrimati Sucheta Kripalani because both the resolution and the speeches are born out of political and ideological bias.

It is a well known fact that in India the big business which is connected with Western capital and collaborating with it, does often raise objections to this trade with the East European countries, but there is a section of the industrialists who are for this trade.

Today the *Statesman* has brought out an article by one Dr. R. K. Singh, Secretary of the Engineering Export Promotion Council, in which he not only approves of this trade, but says that engineering goods export to the East European countries should be increased from 18 to 40 per cent and that the Indian industrialists should try for that.

I want now to refer to some of the questions raised by Shri Patodia.

I do not want to go into the question of industrial collaboration as raised by Shrimati Tarkeshwari Sinha. That is a matter completely outside the scope of this resolution. It is said here that India is exporting only traditional items to these East European countries. Here is an article published in the *Statesman*, written by the Secretary of the Engineering Export Promotion Council. Not only that I have got figures to show that in 1955-66 India exported to the East European countries

[Dr. Ranen Sen]

Rs. 747 crores worth of goods. The share of the traditional goods comes to Rs. 216 crores. In 1967-68 India's export was Rs. 226 crores and the share of the traditional goods came down to Rs. 171 crores. This clearly shows that the statement made by some speakers here that we are simply diverting our traditional goods to these countries is totally unfounded and not based on facts. The items of Indian exports to these countries to-day constitute not only some of the traditional items but also engineering goods. We are exporting quite a number of electrical engineering goods and then importing capital goods which are necessary for the industrialisation of our country. Secondly, we are getting industrial raw materials even from small countries like GDR or Hungary, leave alone USSR which is a big country. They are giving us certain industrial raw materials. These are the figures given by the Government reports.

These bilateral agreements are helping the stabilisation of prices of the traditional items that we used to export to the Western countries. It is a well known fact that on the question of jute exports how the Americans were squeezing us trying to reduce the price of jute. But since we have started exporting jute goods to the East European countries, the prices have become more or less stabilised. Therefore, I want to say that our trade with the East European countries are balanced or sometimes in our favour. There are figures. In 1966-67 they imported from India Rs. 247 crores worth of goods. In 1967-68 they imported Rs. 226 crores and exports to India were Rs. 203 crores. That means it is to the advantage of India. Not only that let us examine our trade with West Germany and USA. In 1967-68 they (West-Germany) imported from India 20.9 million US dollar worth of goods. India had to import 190.8 million US dollar worth of goods. U. S. A. is another example where the difference is much more. Therefore, our trade with these East European countries has been beneficial to us.

Now I come to the question of prices. I do not know wherefrom Shrimati Kripa-

lani or the other lady who spoke about prices got the figures. There is a report—a study made by the Indian Institute of Foreign Trade. I will give you one or two figures. 1960-61 was the base. The unit index of the Soviet Union was 99.1 in 1961-62, and 101.4 in 1963-64 and 99.7 in 1964-65. The unit value index for export to the rest of the world was between 78.8 to 83.9.

Therefore, we are losing our trade with the west European countries I do not say, "Do not trade with them," but I am in favour of stating that it is very beneficial for us to trade with east European countries.

Let us take certain items in which we are trading. I would again quote certain figures. USSR paid Rs. 4.99 per kilo for black pepper, while the rest of the world paid Rs. 4.19. For tea, USSR paid Rs. 7.07 per kilo, while the rest of the world paid only Rs. 6.16 per kilo.

17 hrs.

MR. CHAIRMAN : You have taken seven minutes. Please conclude.

DR. RANEN SEN : I shall conclude in a minute. Therefore, with regard to the price, we are benefiting by our trade with east European countries. Secondly there is the question of export and import trade. In regard to our trade with east European countries, what happened? The shipping agreements with the Soviet Union, the German Democratic Republic and Poland are there. In those agreements, either India places her ships for the transport or they place their ships for the transport, and the whole agreement is carried on in rupees, whereas if we are to trade with the USA, even for the wheat that we import from USA, we have to pay in dollars and the USA will supply the ships necessary for transport. Therefore, I say that it is very beneficial for India to trade with east European countries and it is not against the interests of India. Only those people who by means of trade with west European countries are capable of resorting to under-invoicing and over-invoicing and thereby cheating our ex-

chequer by nearly Rs. 300 crores every year, they alone would be anxious to carry on their trade or expanding their trade with west European countries. I am afraid that certain people belonging to the Swatantra and the Jan Sangh parties are earning money that way, and that is why they are so much opposed to our trade with east European countries.

With these words, I conclude.

SHRI JYOTIRMOY BASU (Diamond-Harbour): In this resolution, we see another effort on the part of the sales promotion lobby to the right of us, and their counter parts in disguise on the left side of us, those people who have been pressing and canvassing that we should purchase American planes for our use here. This is the second effort in the current session. If they want us to believe that by having trade with the west this country has economically gained, they are trying to take us to the fools' paradise. Our business with east European countries has upset those entrenched exploiters who had the monopoly of exploiting the natural resources and the man-power of this country for centuries.

Trading in this country is noted for many things: firstly, for underselling and overbuying. I will give an instance. A famous sewing machine manufacturer in this country exports sewing machines without painting and without the brand to an importer in Britain for £5 landed London. The same sewing machine, after it is being painted and given the trade-name, is sold for £25 each. How generous the western importers have been with us, you will be the best judge to understand.

Then again, there is the racket of under-invoicing and over-invoicing, the monopoly is of the gentlemen there, and the interests which our friends cover here. Now, the Administrative Reforms Commission had to say that under-invoicing and over-invoicing are damaging this country to the tune of no less than Rs. 300 crores every year in terms of foreign exchange. The income-tax collection will also be proportionately damaged.

We have known famous companies like Bird and Company, Bunge and Company, Jardine Hendersons, Mathison and Company and hundreds others, where certain leaders in Government are hand in glove with the offenders and they cannot lift a finger to stop them. We are losing money by billions every year.

There is a very interesting recent case-import of *nirodh*, the rubber contraceptive from South Korea, for which Government is subsidising to the tune of Rs. 30 lakhs. I am told that a prominent man in the Congress Party, a minister's son is involved in the deal. You can verify it and satisfy yourself. Rs. 16 lakhs were spent by the Government of India in foreign exchange in subsidising four condoned factories in the country and they have gone out of production. That is the wonderful thing we are getting from countries under the grip of Washington and London.

A lot of things have been said about misuse. There are many other paradises for them. There is what is known as the over-board port. May I explain it? In South Africa, if someone wants to buy a packet of tea, because you have no trade relations with them, they pay a lot of money. The tea chest goes from here for being sent to Norway. In Ramburg when the steamer arrives the steamer belongs to the so-called western democratic world—the chest is taken out and put in some other steamer and taken somewhere. Mr. Qureshi's book of account and Mr. Morarji Desai's book of account will show that the tea has gone to Norway and the Norwegians have paid for it. But the Norwegians have never seen this chest.

What is Government's policy with regard to trade with countries who have been good to us-socialist friends like Cuba and Vietnam? The whole trade and fiscal policies of this country are controlled by Washington, by the Bell Mission who dictated devaluation and many other things. You know, Sir, about the circular issued by the Maritime Conference Unit in America. The Americans have declared that if you have any trade relation with Vietnam or Cuba, those steamers which

[Shri Jyotirmoy Basu]

carry such commodities will not be allowed to touch the foodgrains that will come to India from America. These are the black-mailing tactics adopted by the western countries and you want us to yield to it and say nothing about it !

Under these circumstances, I say that India must formulate a policy to sell its own commodities, which are the produce of our natural resources and human labour combined together, to any customer who pays the best price. We opposed any effort in this House to canvass business for some country or the other, as we see in this resolution, which seeks to canvass business for America or other western countries.

SHRI S. KUNDU (Balasore) : Sir, the paramount consideration of our foreign trade should be how for it serves our internal and international interests and how far it helps up to bring about international understanding. Looking at it from these premises, foreign trade is a matter which has become very much complicated. During the last 20 years, certain new things have come up, partly due to politics and partly due to other things like competition, technical know-how, efficiency to sell our goods, getting credit and other factors.

It is not time to view the entire matter from a closed angle or with a closed eye. We shall have to look at this matter in a dispassionate manner.

I know that our trade relations with Soviet Russia have given us a lot of benefits and advantages. I know that we have got credit of about Rs. 1,4000 crores from Soviet Russia and that as much as 40 public undertakings have been financed by them, technical know-how has been given by them and implements and machinery have been given by them. Also, our rupee agreement with the eastern European countries and Soviet Russia has given us an initial advantage. But I would like to look at these problems from another perspective.

There has been some talk for the last few years that we have not been able to match with technological development in

the world due to our one-track trade with particular countries. Some economists have also said that after devaluation the gap between the value of the rupee and the rouble has increased to about 86 or 87 per cent. This has increased the price of goods which we buy from Soviet Russia and the price of the machinery which we bought for the Bokaro steel plant. The Minister will say that they are adjusting it by mutual talks and all that, but, as I started by saying in the beginning, the paramount consideration of such international trade should be how far it serves our national and internal interests.

Therefore now there should be a reappraisal of our entire attitude or policy as regards trade. I do not agree with the Resolution which say that it should be suitably changed. I do not say that it should be suitably changed but I think that taking all these things into account there should be a reappraisal, a rethinking. How it should be done is for the Ministry to find out. Quite possibly, a committee of experts may go into it and see how far it serves our national and international interest.

Unfortunately, the entire world has been divided by these two super powers. On the one side is America and the Western European countries and on another side is Soviet Russia and its satellites. These super-powers have used small developing countries to further their own political interests. Sometimes the developing countries are really exasperated as to how to build up an independent trade policy which has no link with international politics. I know that the developed countries, particularly the capitalist countries, have not been responsive to the needs of the developing countries. So for no country in the world has been able to give 1 per cent of its national income to the developing countries in spite of the United Nations' resolutions. The Government of India has miserably failed to see through the UNGTAD that the developed countries adhere to the Algiers Charter which demand that there should be a favourable trade agreement between developing countries and the western and capitalist countries.

If you look at the international trade market you find that taking advantage of the new demands of the developing countries the *Per capita* income of the developed countries is on the increase by about \$60 a year while our *Per capita* income of the developing country is increasing at the rate of only \$2 a year. The western European countries have increased their trade to quite a large extent particularly during the last six or seven years.

There international trade, I am told, is about 46 per cent of the total global trade. What I am going to say is this. We must have a re-appraised, re-thinking, and we must know where actually our exports do not catch up with the demands of other countries and where are the difficulties.

I feel that our Embassies in Europe or in other places are not working properly. Last August, I had been to Europe and I had an opportunity to look at the working of our Embassies closely. They still have a bureaucratic attitude and they have not been able to convey or project the needs of our country. I may just tell you a little conversation that I had with some of the people. Recently, the Government of India had some sort of an Export Promotion Fortnight of Handicrafts in Europe and they put up a number of stalls, some sort of an exhibition. Then one of these Embassy officials with a sense of glee told they should continue for about a month and that, when that they took some stalls for seven days but the big departmental store wanted that they wanted about 7 or 8 stalls, they gave them about 200 stalls. He said that a very favourable climate has been created "Why for handicrafts in Europe. I asked him, did not you do it 5 or 10 years back?" He replied saying, "Do you think that 10 years back there were these handicrafts in India?" I was sorry to know that the officer thought 10 years back there were no handicrafts in India. The point is that there is this kind of bureaucratic attitude on the part of the people and the real irresponsible persons are the Government of India who are sitting here and the embassies are just its carbon copy. They are doing routine work which the British people used to do.

In the matter of trade, I think, there should be a outlook. We have to take a new jump. Otherwise, we will not be able to meet the competition which we are facing today from different countries. I agree that there should not be politics connected with trade. But it does not mean that we should sell our goods to South Africa. I am told that China which boasts of communism has trade with South Africa through other countries. This has very consequences. It poses a challenge to us. Japan has trade with communist China. Japan is a capitalist country. How we will protect our trade while maintaining our own national interest, is a question also to be thought of. Therefore, I conclude by saying that even in Asia, except Japan, Indonesia and Isreal and East Africa are confronting us with new challenges by producing cheap and quality consumer goods and their materials. They have improved their technology and know-how. They are building new materials, with new design and quality. I think, there cannot be any barrier in trade. If you produce good, cheap and qualitative goods, they will go anywhere. For example, Chinese pens are being smuggled into India in spite of lot of restrictions because Chinese pens are cheap and of good quality.

The paramount consideration of trade should be the interest of our country and we should see how far there should be re-appraisal, re-thinking, of our trade policy, particularly, with East European countries, and how far as are going to improve our trade.

SHRI BAKAR ALI MIRZA (Secunderabad) : In the matter of international trade the political philosophy or the policy of a country is not really very important. In fact, during the First World War when England and Germany were at war, there had been charges framed against some armament-manufacturing firms that they were secretly supplying arms to Germany. My hon. friend, Shri Kundu, has pointed out that China, after promising that it will not trade with South Africa, is still trading with it. So, the fact that the Government is hostiled and it is following a policy which is not really approved by us is not very re-

[Shri Bakar Ali Mirza]

levant; still, the trade can go on. So, we have to keep this thing in mind. It is not a question of comparing the policy of the United States or the policy of Soviet Russia. The point is that we should expand our international trade. Even though we may be running at a loss to have a bigger area of trade is important. Everybody knows that Japan has been subsidising its exports; they were selling goods outside at cost price by subsidising because they wanted to capture the world market so that they will reap the benefit later on. Therefore, the idea that because the country is hostile as far as some policy is concerned we should not trade with that, is not relevant here.

Then I come to the question of price. Take the case of trade with the U. S. A. They lend us money, charge interest on that and they ask us to buy from very same market, i. e., America, at their price. Naturally we pay interest plus the price. The difference which I want to point out is this. In the case of trade with Soviet Russia whether the quality of goods is good or not, whether we get the type of goods or not, there is the balance of trade. We send goods to them and we get goods from them. We have also got the choice. The choice is with the Government of India. Exercising that choice, the Government could say that they do not want a particular thing and they want something else. By this, the problem of balance of payment is removed. What is happening with trade with freedom-loving countries is that we are accumulating so much of debts. A time may come when, at whichever price they may sell, we may not be able to buy. . . .

MR. CHAIRMAN : He will conclude.

SHRI BAKAR ALI MIRZA: I will conclude by saying that the trade with the Soviet Union is important because of the type of trade which is different from that with the U. S. A. Take the case of China. The whole world has been helping her. Russia also helped China. China is free of debt. Why can't we be so? The population of China is 700 million whereas ours is only 500 million.

Therefore, I disapprove of this Resolution,

SHRI RAJARAM (Salem) : I am really happy to participate in this discussion. My hon. friends, Shri Basu and Shri Kundu. have said something about this Resolution. Whatever they may say, in the case of our country, the trade is simple going down and down. This is because the politicians are taking to trade. That is the real difficulty. If they go out of the trade, then everything will settle down to normal. The first thing that a trader must know is how to sell his goods. India is a trading country. We must develop our trade abroad. Then, we must know how to sell our goods, whether in eastern countries or western countries or even in the Moon. wherever there is a possibility. Whenever we want to go abroad, the Ministers just laugh at us and say, 'What can we do? There is no foreign exchange.' Now take the case of Japan. Japan, which has no iron ore at all, manufacturing wonderful cars and selling them to the U. S. A. and getting Dollars from them. We know America is a fancy country. They leave their cars on the road every second year. People collect those cars, take them to the stores, crush them and send them to Japan as dumping things. Japan purchases those things and from out of those scraps, they again manufacture cars and send them back to America. That is how Japan is thriving. We do not know the 'A. B. C.' of that. We know only one thing. We must support either China or America. We do not know how to support ourselves. That is the real difficulty. Nobody is thinking about our own country. Somebody is making under-invoicing, somebody is making over-invoicing, whatever it may be. The fellow is doing like that because the Government is an impotent Government. That is why they are doing all these things. Rightly or wrongly we are losing the trade. In those days we have sent lot of things to America like 'bleeding Madras'. There is no 'bleeding Madras' now. Only Madras is bleeding there. Even now there was a Trade Delegation which went to Europe. We have got wonderful embassies all over the world. Even if the United States captures the moon, we will send one ambassador there because we have got ready men here to become ambassadors. But they do not know the A. B. C. D and trade. We must select trained people in the trade and we must

send them and we must give due publicity abroad.

This Government itself appointed a Committee. That Committee has suggested the same thing. That Committee has said that we must give due publicity abroad. There is complete lack of publicity. There is no publicity at all about our manufactured things.

We started selling all of a sudden all the raw materials available in the country to foreign countries. Take for instance the groundnut market. We have now completely lost the groundnut market. In those days groundnut market was a wonderful market, for our country. It brought us dollars and sterlings. Now there is no groundnut market at all. It has collapsed.

Whether you talk of communism or capitalism, you may talk as you like. But whatever you talk, whatever your policy is, you try to bring some trade, bring something into our country. That is the main idea. Whether you talk of north or south or east or west, it does not matter. What is important is, developing your trade.

Look at Japan. Japan, though it is a smaller country, have developed its trade very much. Taiwan is a small country. It is the smallest nation in the world. It is just like Tiruchirappalli and Salem districts put together. They are manufacturing cement and growing paddy and other things and exporting them to other countries.

AN HON. MEMBER : They do not have Congress Government there. That is the reason.

SHRI RAJARAM : Mr. Chang-Kai-Shek has understood where he has failed. But our people have not understood where they have failed so far. Any how the future will teach them a lesson.

श्री यशवन्त सिंह (देहरादून) : प्रविष्टाता महोदय, मुझे बहुत ज्यादा ताज्जुब इस बात पर है कि 21 साल की मतवातर कमिश्नों के बाद

हम आज दुनिया में जो सब से पिछड़े हुए देश हैं, उन में गिने जाते हैं। हमने खयाल नहीं किया इसके बारे में कि ऐसा क्यों है। अगर हमने इस पालिसी को इससे पहले संशोधित कर लिया होता तो आज हमारी यह हालत न होती। मैं माननीय पटोदिया साहब को इस बात के लिए बधाई देता हूँ कि उन्होंने सरकार का इस तरफ ध्यान दिलाया है आज तक सरकार फारेन एक्सचेंज की खातिर अपनी इंडस्ट्री को, अपनी एग्रिकलचरको खत्म करती गई है और करती जा रही है हिन्दुस्तान के नागरिकों को जो चीज, जो वस्तु 180 रुपये में हासिल होती है वही फारेन एक्सचेंज के नाम पर दूसरे देशों में सौ रुपये भेजी जा रही है। बजाय इसके कि हम अपना एग्रिकलचर की तरक्की करते अपनी इंडस्ट्री की तरक्की करते, हम दूसरे देशों के पीछे दीवाने हो गए और हमारी कोई किसी तरह की नीति निर्धारित नहीं हो सकें।

प्रविष्टाता महोदय, मैंने बार-बार याद दिलाया है कि यह न्यूट्रेलिटी की पालिसी है इसके कोई माने नहीं हैं। न्यूट्रल मीज फेथफुल ट्रान्ज, न आप इधर हैं और न ही आप उधर हैं। अनगाडली चीन में या अनगाडली रशिया में आप जाते हैं तो आप कहते हैं कि हमारी ट्रेडीशंज आपके साथ मिलती है और ईश्वर विश्वासी अमरीका में आप जाते हैं तो वहां जा कर कहते हैं कि हमारी ट्रेडीशंज आप से मिलती है। उन दोनों के साथ हमारी ट्रेडीशंज नहीं मिल सकती हैं। यह सरकार दोनों बोटों पर मैं हम लूजर हो सकती है। पिछले इक्कीस सालों संस्था नहीं रहे हैं वर्ल्ड बैंक कोई पोलिटिकल सवार नहीं है उस के फ़िगर्ज के मुताबिक संसार में पाकिस्तान का नम्बर 14 वां है, और हिन्दुस्तान का नम्बर 63 वां है। इस सरकार से पूछना चाहिए कि वह इक्कीस साल तक क्या करती रही है। उस ने सिवाये तटस्थता की रट लगाने के कुछ नहीं किया है, जिस का नतीजा यह कि वह न इधर की रह सकी है और न उधर की।

[श्री यशपाल सिंह]

तटस्थ के कोई मानी नहीं हैं। तटस्थ के मानी हैं किनारे पर बैठा हुआ। दरिया के किनारे पर जा कर कौन बैठता है?—वह जो अपने घर वालों से नाराज होता है, वह जो सूसाइड करना चाहता है, वह जिस का मस्तिष्क विक्षिप्त होता है, जिस के दिमाग के पेच ढीले होते हैं। तटस्थता कोई पालिसी नहीं है।

जब साढ़े तीन करोड़ लोगों का देश, मिश्र, स्वेज कॅनल का नैशनलाइजेशन कर सकता है, तो 52 करोड़ लोगों का यह देश यहां पर लगे हुए वैस्टर्न कन्ट्रीज के रुपये को नैशनलाइज क्यों नहीं करता है, जिस से वे घरबंदी रुपये कमा चुके हैं। अगर यह आज नहीं होगा, तो कब होगा? बजाये इस के कि 52 करोड़ इन्सानों के इस मुल्क से दुनिया भीख मांगती, यह सरकार दूसरों से भीख मांग रही है।

जब रशा से हमारा कोई ताल्लुक नहीं था, तो रशा कहता था कि काश्मीर सौ फ्रीसदी हिन्दुस्तान का है। जब हम उस से अपनी ट्रेड बढ़ाने लगे, तो रशा ने कहा कि काश्मीर के मामले में हम न्यूट्रल हैं जब हम ने उस के साथ ट्रेड में और इंजुफ़ाकिया, तो अपने जिस इलाके को हमारे जवानों ने खून में तैर कर हासिल किया था, रशा ने ताशकंद में बुला कर हम से वह इलाका पाकिस्तान को वापिस दिलाया। जब इस सरकार ने रूस के साथ और तिजारत बढ़ाई, तो उस ने पाकिस्तान को हथियारों से माला-माल कर दिया। जितनी यह सरकार रूस की तरफ बढ़ती जा रही है, उतनी ही यह लूजर होती जा रही है।

मैं इस सरकार को यह भी याद दिलाना चाहता हूँ कि जापान में येन की कोई कीमत नहीं रह गई थी, लेकिन जापान ने मेहनत की और अपनी इंडस्ट्री को बढ़ाया, जिस का नतीजा यह हुआ है कि नौ करोड़ बाशिन्दों का वह छोटा संप्रदाय, जो यू० पी० से भी छोटा है, इस देश को मदद दे रहा है, कर्ज दे रहा है। इसी

तरह जर्मनी ने मेहनत की, अपने पैरों पर खड़ा हुआ और आज वह दुनिया के समृद्ध देशों में से एक है।

लेकिन यह सरकार तो नारों के पीछे दीवानी है। पाटियों, वादों और इज्म के पीछे उस ने हिन्दुस्तान का पटरा किया है। आज हमारी जमीन पार्टी नहीं मांगती है, पानी मांगती है। आज हमारे खेत खाद नहीं मांगते हैं, मेहनत मांगते हैं। जापान में कोई इज्म नहीं है। वहां न कैपिटलिज्म है, न कम्यूनिज्म है, न सोशलिज्म है, न गरीब-इज्म है और न तूफाने-वदतमीजो-इज्म है। वे रात-दिन काम करते हैं और अपनी मेहनत की बदौलत माला-माल हो गये हैं। इस के मुकाबले में इक्कीस साल की आजादी के बाद भी हमारा देश कंगाल है।

मेरी अर्ज है कि यह सरकार दूसरे देशों की परमुखापेक्षा छोड़ कर अपने पैरों पर खड़ी हो। जब तक वह इस देश के 52 करोड़ लोगों को आगे बढ़ने का मौका नहीं देगी, तब तक यह देश तरक्की नहीं कर सकता है। आज तो 52 करोड़ इन्सानों में से एक करोड़ इन्सानों को भी आगे बढ़ने का मौका नहीं है। सिर्फ थोड़े से खानदान आगे बढ़ रहे हैं, जनता पीछे हट रही है। इस सरकार का फर्ज है कि वह इस देश को अपने पैरों पर खड़ा करे और परमुखापेक्षी न हो कर इस देश के 52 करोड़ इन्सानों को हिमालय की तरह मजबूत बनाये। तभी इस देश की तरक्की होगी।

श्री महाराज सिंह भारती (मेरठ) : सभापति महोदय, किसी भी देश के स्वदेशी व्यापार की जरूरत को पूरा करने के लिए विदेशी व्यापार की जरूरत हुआ करती है। लेकिन जिस देश की स्वदेशी व्यापार की नीति ही गलत हो, उसका विदेशी व्यापार क्या कर पायेगा? इसके अलावा इस सरकार के दिमाग में कई कामपलेविजस भी काम कर रहे हैं। आज पूँजीवादी देशों में सबसे बढ़ा

देश अमरीका है, दूसरे नम्बर पर आ गया है जापान और उसके बाद है जर्मनी। लेकिन यह सरकार अभी तक यह समझ रही है कि जिस देश के हम लोग मुद्दत तक गुलाम रहे, वह इंग्लैंड ही दुनिया के पूँजीवादी देशों में सबसे बड़ा है और इस लिए इस सरकार का सबसे अधिक व्यापार इंग्लैंड के साथ ही है। इस सरकार को न तो जर्मनी दिखाई देता है और न जापान।

एशिया और अफ्रीका के पिछड़े हुए देशों को ज्यादा जहरत बुनियादी उद्योग धंधों की है। और बुनियादी उद्योग-धंधों को सप्लाई करने की सबसे अधिक क्षमता अमेरिका में है और दूसरे नम्बर पर रूस है। लेकिन अमेरिका से बुनियादी उद्योग-धन्वे लेने के बजाय हम उससे अनाज लेते हैं, जिससे अमेरिका का एहसान तो हम पर रहता है, लेकिन उससे हमें कोई लाभ नहीं पहुँचता है।

स्टालिन के जमाने में रूस दुनिया में अकेला पड़ गया था, लेकिन खूबचेव ने अकार विदेशों के साथ व्यापार करना शुरू किया। साम्यवादी देशों में उपभोक्ता सामग्री चाहे बहुत न बनती हो, लेकिन बुनियादी उद्योग-धन्धों के मामले में वे अपने पैरों पर खड़े थे और इस लिए वे हमें बुनियादी उद्योग-धन्वे दे सकते थे। यही वजह है कि हमें बुनियादी फौलाद का कारखाना रूस से ही मिला था।

ठीक उसी तरह जब कि अमरिका में पब्लिक सेक्टर के बिहद एक प्रोजेक्टिस था और वह औद्योगीकरण के सम्बन्ध में पब्लिक सेक्टर को नहीं, बल्कि केवल पूँजीपतियों को ही सहायता देना चाहता था, तब कॅनेडी ने अमरीका का राष्ट्रपति बनने के बाद उस प्रोजेक्टिस को समाप्त करने की कोशिश की। कॅनेडी ने यह समझ लिया था कि न हिन्दुस्तान में कोई अरबपति होगा और न फौलाद का कारखाना लगेगा, तो फिर अमरीका किस को मदद देगा। यहाँ पर जब टाटा ने अपना फौलाद का कारखाना बढ़ाया,

तो उसने वर्ल्ड बैंक से सहायता ली। एशिया और अफ्रीका के सब देशों की यही हालत है। कॅनेडी ने अमरिका का यह प्रोजेक्टिस समाप्त करने का प्रयत्न किया, लेकिन वह कामयाब नहीं हो सका। वह हमें बुनियादी उद्योग-धन्वे नहीं दे सका और न ही इस सरकार ने इस दिशा में कोई प्रयत्न किया। इस सरकार को अमरीका को स्पष्ट रूप से कह देना चाहिए था कि हमें अनाज की जहरत नहीं है, हमारे साथ व्यापार किया जाये और हमें बुनियादी उद्योग-धन्वे दिये जायें। इस सरकार ने ऐसा नहीं किया और अमेरिका से हमें रुपये में केवल एक इकन्नी ही बुनियादी कल-कारखाने मिलते हैं और पन्द्रह अरब उपभोक्ता सामग्री मिलती है।

सरकार की इस नीति का परिणाम यह निकला है कि उस के सामने बुनियादी कल-कारखानों की सिर्फ एक दुकान रह गई है, अर्थात् साम्यवादी देश और इस देश को भ्रष्ट मार कर उसी के पास जाना पड़ता है, क्योंकि और कोई देश बुनियादी कल-कारखाने देने वाला है नहीं।

वास्तव में सरकार को इस बारे में किसी दूसरी दुकान का पता लगाना चाहिए था—उसे अमरीका को कनविन्स करना चाहिए था, कॅनेडी की हत्या के पश्चात् अमरीका के दूसरे नेताओं को समझाना चाहिए था कि वे हमें अनाज देने के बजाये यहाँ पर कल-कारखाने स्थापित करने में सहायता दें। मैनुफैक्चरिंग कॉन्फेडरिटी अमरीका के पास है। वह हमें सबसे ज्यादा कल-कारखाने दे सकता है, लेकिन अपने प्रोजेक्टिस की वजह से वह हमारी मदद नहीं कर रहा है और न ही यह सरकार इस बारे में कोई कदम उठा रही है।

अब हमें यह सोचना पड़ेगा कि जिस तरह का व्यापार हम दूसरे देशों के साथ कर रहे हैं, उससे इस देश को कोई बड़ा लाभ नहीं हो रहा है। इस देश का व्यापार अनाज-शानाज तरीके से,

[श्री महाराजसिंह भारती]

बिना किसी हिसाब-किताब के हो रहा है। जिसके घर में कोई हिसाब-किताब नहीं होता है, उसके विदेशी व्यापार में हिसाब-किताब होगा, इसकी कल्पना हम नहीं करते हैं।

व्यापार के सम्बन्ध में दूसरे देशों की क्या नीति होती है, यह भी हमें देखना चाहिए। जो चीन एक ही सांस में पूँजीवादी देशों को एक साथ गालियाँ देता है और रूस को भी रीए-वशनीर कहता है, वही चीन संसार के पूँजीवादी देशों से व्यापार करता है और हांगकांग के द्वारा जर्मनी, जापान और फ्रांस आदि देशों के साथ बड़े ठाठ के साथ बिजिनेस करता है।

इस मुल्क का हित किस में है, इसकी तस्वीर सरकार के दिमाग में नहीं बन पाई है। अगर सरकार इस देश के हित को दृष्टि में रखेगी और कुछ हिसाब-किताब लगा कर काम करेगी, तो उसे अपने विदेशी व्यापार का भ्रवर-हाँसिलग करना पड़ेगा। किसी देश के साथ व्यापार करने की कसौटी यह नहीं है कि वह देश साम्यवादी है या पूँजीवादी। हो सकता है कि कुछ लोगों को साम्यवादी देशों से व्यापार करने में फायदा पहुँचता हो और कुछ लोगों को पूँजीवादी देशों से व्यापार करने में फायदा पहुँचता हो। लेकिन हमें तो किसी से घेला भी नहीं मिलता है और न ही हम लेना चाहते हैं। हमें देखना है कि इस देश का फायदा किस में है। सबाल पूँजीवादी देश और साम्यवादी देश का नहीं है। अगर कोई पूँजीवादी देश हमें केवल भनाज देता है और यहाँ पर बुनियादी कल-कारखाने स्थापित करने में हमारी सहायता नहीं करता है, तो यह देश प्रगति नहीं कर सकता है।

इस सरकार की गलत नीतियों का यह नतीजा है कि हम अमरीका के पल्लू में बन्धे चले जा रहे हैं। यही हाल रूस का है। जिस तरह से वह कीमत बढ़ाता है, उससे माँझम होता है कि इस सरकार में सौदा करने की क्षमता नहीं है। कम्पी-वैमेंट को तो मैं भ्रष्टासन करता हूँ।

जितना हम उनसे लें, उतना ही वे हम से लें, यह तो ठीक है। लेकिन उसमें जो सोने वाली शर्त है, वह गलत है। अगर दूसरे देश भी व्यापार-संतुलन के इस सिद्धान्त पर चलें, तो अच्छा है। लेकिन वे ऐसा क्यों करेंगे? यह सरकार तो बंधी हुई है अग्रजों से। उसको बढ़ता हुआ फ्रांस, जर्मनी और जापान दिखाई नहीं देता है। उसको यह भी नजर नहीं आता है कि हम साम्यवादी देशों के साथ भ्रविकाधिक व्यापार कर सकते हैं और उन्हें अपना माल बेच सकते हैं। अमरीका की मेन्यूफैक्चरिंग कंपैसिटी सबसे ज्यादा है और उससे पब्लिक सेक्टर के लिए बुनियादी कल-कारखाने लिये जा सकते हैं, यह भी इस सरकार को दिखाई नहीं देता है।

इससे साफ़ जाहिर है कि असल में दोष इस सरकार की स्वदेशी नीति और उसके नियोजन में है, जिसका परिणाम इस देश को भुगतना पड़ रहा है। जो थोड़े बहुत नतीजे निकल सकते हैं, इस सरकार की कमजोर इमेजिनेशन की वजह से उनका निकलना मुश्किल है।

इन शब्दों के साथ मैं इस प्रस्ताव का विरोध करता हूँ, क्योंकि इसमें भारत के हित की गन्ध कम आती है और माननीय सदस्य की आइडियालोजी की और राजनीति की गन्ध ज्यादा आती है।

SHRI BEDABRATA BARUA (Kaliabor): So far as the resolution is concerned, it demands ineffect reduction of trade with the Soviet Union and the East European countries. Even China or for that matter any other country, however ideologically inclined, is now seeking trade relations with a wider and wider area and it is already known that even Britain is carrying on a sort of trade with China and would also like to increase it and also there are talks going on between USA and China, under the table, for expansion of trade and other relations or at least with the purpose of changing that type of relations that they have had of extreme antagonism. So the question of reduction of trade with the

Soviet Union or for that matter with the East European countries, is essentially inspired by ideological considerations. I would rather say that it is an allergy that we tend to develop in our ideological considerations. It is not important that we have a particular ideology. In spite of our ideology all self-respecting countries in the world, whether it is China or U. K. or any other country, have considered trade as apart from ideology. Japan has never tried to mix up trade with ideological considerations. We must first get rid of this ideological considerations we must consider trade as such. The allegation that has been made that the trade with the Soviet Union has not been favourable to us is not borne out by facts. It is not possible to go into all the facts. There has been a sort of barter agreement. If we are prepared to purchase from them they are prepared to purchase from us also. The position of trade with Western countries is intolerable. When we want to purchase from them, whatever it is and in terms of so many things, we cannot sell anything to them. That is the position. In spite of whatever happened in the Kennedy Round, I think it was a failure in spite of the little success that was achieved and the Second UNCTAD also was a failure. So far as the opening up of the trade from this side is concerned, it was a one way traffic. Even all these much wanted foreign collaborations are mere export promotions from their side. That is what an European Commentator had to say. The imports from West Germany should be reduced and so far as the balance of payments is concerned it is good that we should certainly try to maximise our trade with the Soviet Union. Countries like Czechoslovakia have a vast potential. They do not have this type of experience of exploiting the people of other countries for 100 years or so. There may be something which may need correction. But these people in East Europe and the Soviet Union do not have the experience of exploiting the people or extending their tentacles or control over other people. We should extend our trade with these countries. That is the only way by which we can balance our independence with our necessity for development.

श्री बलराज मधोक (बंकिण दिल्ली) : उपर्युक्त महोदय, विदेश नीति की तरह विदेशी व्यापार भी मुख्यतः राष्ट्रीय हितों पर आधारित होना चाहिए। इस मामले में वैचारिक मतभेदों को लाना या बादों को लाना कभी राष्ट्र के हित में नहीं हो सकता। साथ ही हमें इस बात का भी ध्यान रखना चाहिये कि भारत एक लोकतंत्रीय देश है। हमारे यहां स्वतंत्र संस्थायें हैं और लोकतंत्र के लिए यह आवश्यक है कि आर्थिक ढांचा भी स्वतंत्र रहे। Free institutions cannot go with regimented economy and regimented trade. इन दो मुख्य बातों पर हमें विचार कर के अपने विदेशी व्यापार का विचार करना है। कुछ समय पहले तक हम केवल कच्चा माल या कुछ परम्परागत चीजें पटसन और चाय ही बाहर भेजते थे। लेकिन अब हमारे मुक्त के अन्दर भी कुछ उद्योग बढ़े हैं और इसलिए हम अधिक तरह का माल भी बाहर भेज सकते हैं। मगर विदेशी मुद्रा की कमी की वजह से अब हम कुछ दिनों से अधिकधिक पूर्वी यूरोप के देशों के साथ या रूस के साथ नयी हो रहे हैं। जैसे हम विदेशी नीति में रूस के साथ नयी हो रहे हैं उसी प्रकार व्यापार में भी रूस के साथ नयी हो रहे हैं। उनके प्रश्न में सबसे बड़ा तर्क यह है कि क्योंकि हमारे पास विदेशी मुद्रा नहीं है और वह रुपये में भुगतान लेते हैं, इसलिए उनसे ट्रेड की जाय। इसमें कुछ लाभ जरूर है। परन्तु यह दोहरी तलवार है। दोहरी तलवार इसलिए कि एक तो वह जो रुपये लेते हैं उसका दुरुपयोग हमारे देश के अन्दर हमारी ही लोकतंत्रीय संस्थाओं को नष्ट करने के लिए करते हैं। उन्होंने उसके लिए हमारे देश के अन्दर अपने बढ़ते कायम कर रखे हैं। और दूसरे जो अन्न हमारा जाता है, उसे वे द्विचक्र ट्रेड करते हैं, दूसरे मुक्तों को हमारा माल भेजते हैं और हमें जो विदेशी मुद्रा मिल सकती है, वह वहीं मिलती है। इसलिये हमें इस पर सोचना चाहिए। क्योंकि वे रुपये में भुगतान करते हैं, केवल इसीलिए उनके साथ ट्रेड करें, यह ठीक

[श्री बलराज मधोक]

नहीं है। एक दूसरा खतरा यह भी है। फिनलैंड की विसाल हमारे सामने हैं। फिनलैंड का अधिकांश व्यापार रूस के हाथ में घा गया और फिनलैंड स्वतन्त्र देश होते हुए भी आज रूस के कन्ट्रोल में घा गया है। हिन्दुस्तान के व्यापार पर भी और इसके आर्थिक जीवन पर भी रूस का प्रभुत्व हो गया तो वह कल को हमारे पोलिटिकल इन्स्टीचूशन को भी खत्म कर देंगे। हमें उस प्रकार भी वह गुलाम कर सकते हैं इस बात का हम विचार नहीं करते हैं। इसलिये मेरी प्रार्थना है हम अपनी ट्रेड को डाइवर्सिफाइड करें। यह जो टू-मच डिपेन्डेंस रूस और ईस्टर्न यूरोप पर है, यह ठीक नहीं है। दुनिया के और बहुत से मुल्क हैं, जापान है, ईस्टर्न एशिया है, आस्ट्रेलिया है, फ्रान्स है, जर्मनी है, लेटिन अमेरिका है, अगर हम प्रयत्न करें तो वहां पर हमारा माल जा सकता है और यदि हम उनके साथ ट्रेड करें तो हमारा व्यापार बढ़ भी सकता है। संसार में कम्पीटीशन चलता है, हमारा माल अच्छा होगा तो दुनिया के लोग उसको खरीदेंगे, अगर अच्छा नहीं होगा तो कोई नहीं खरीदेगा। क्यों कि हमारा माल अच्छा नहीं है, इसलिए रूस पर निर्भर हों, यह ठीक नहीं है, अपना माल ठीक करिये, ताकि दुनिया भर के अन्दर यह बिक सके।

एक बात कह कर खत्म करता हूँ—हमारे कम्युनिस्ट भाई हर समय रूस की दुहाई देते हैं, उनके विनाग पर रूस चढ़ा रहता है। मैं उनसे कहना चाहता हूँ परमात्मा के लिए न रूसी बनो न अमरीकी बनो, भारतीय बनो। हमें भारत के हित में विचार करना चाहिए। चीन कम्युनिस्ट देश है, मगर चीन का सबसे ज्यादा व्यापार जापान के साथ हो रहा है। हांगकांग के द्वारा उसका बहुत बड़ा व्यापार होता है। कोई इस मामले में आइडियोलोजी न मिडायें। जो देश का हित है उसका विचार करके, हम अपने व्यापार को चलायें। इन शब्दों के साथ मैं इस प्रस्ताव का समर्थन करता हूँ।

THE DEPUTY-MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI) : Sir, I am very grateful to the hon. Members who have spoken on this resolution. One thing has emerged from the discussions, that at least every one has agreed that our foreign trade has to develop and diversify considerably if our economy has to become viable and strong. This is a very good thing which has emerged from out of this discussion. I would like to inform the House that for the economic viability of this country, a minimum target of Rs. 2,000 crores is a must during next decade.

Trade with east European countries has been discussed not only once but manytimes in this House, but to understand the real significance of this trade, one has to understand the historical background of this trade. We have to take two periods into consideration; One is the pre-Independence period and the other is the period after Independence. Before 1947, our foreign trade was deeply involved with the British Empire, and was conducted on the basis of multi-lateralism in which the convertibility of currency played a chief role as a means of clearing the balance of trade. At that time, because we had no industries and we were mostly exporters of raw materials, before independence, there was a small balance of trade in our favour. That is one aspect.

After independence, it was recognised that for widening our industrial base, we had to be more and more dependent on western countries for import of capital goods machines and spares. This would automatically mean depletion of our foreign exchange resources. It was at this stage that the East European countries, including USSR, who had gone through fire and hell during the war, came together and formed a small group known as the COMICON, and tried to evolve their own pattern of trade. After our independence, these countries have made a very significant increase in their industrial activities. Although the socialist countries accounted only for one-tenth of the world population, their share in world trade increased to 30 per cent which was

equal to the strength of USA and much more than the combined strength of the whole of Europe.

It was at this stage that we tried to develop our trade with East European countries including USSR. Large scale possibilities of trade with these countries were opened and the trade agreement which we signed with them revealed that this trade was beneficial not only to them but to India as a whole. Short of becoming a school teacher to explain what bilateral trade means. I hope hon. members who participated in the debate fully know that it is a balanced trade, a trade to be balanced over a period of time. Whatever balance of trade remains, whether it is adverse or favourable, has to be balanced by imports from or exports to other countries. It is a benefit which we should not ignore. At a time when India was going to develop its industrial base, countries like the USSR and east European countries came to the rescue of our industrial development and gave us equipment for which we would have had to pay in much needed foreign exchange. It is in this context that we should look at it.

I am sorry certain hon. members from both sides have tried to bring in politics. It is not a trade in ideology or in political concepts. I do not believe in importing certain ideas and exporting loyalties. That must be the privilege of a particular section on the opposite side. I can say with force that the Government of India is doing this trade not under the pressure of any country. The only power which can dictate terms to us is the conscience of the Government of India and the will of its people and our desire to see that a bright economic future is ushered in for our people and our trade and commercial development.

There has been a phenomenal growth in our trade with the East European countries. As compared to Rs. 8.4 crores in 1953, it has risen to Rs. 440 crores in 1967. With USSR, which is the largest country in the group, the increase was from Rs. 7.1 crores in 1953 to Rs. 227 crores in 1967. This has considerably improved our trade and commercial relations with those countries.

I am sorry the mover, Mr. Patodia, is not here and he was involved in some accident. He said that our trade with East Europe has grown, but it has grown at the expense of our trade with West Europe. This is not correct. Whereas India's global exports rose by about 18 per cent between 1960-61 and 1967-68, the corresponding increase in the case of exports to the East European countries and USSR has been in the vicinity of 200 per cent.

The only country outside this region to which exports have shown a considerable increase is Japan, where our exports have gone up by 100 per cent. Whereas exports to East European countries constituted only 7.7 per cent of our global exports in 1960-61 the percentage rose to 18.8 in 1967-68. It has not been merely a quantitative increase. The growth of exports has been faster in non-traditional goods.

I must emphasize and make it clear that India is no longer an exporter of traditional commodities only but along with traditional commodities we have now expanded our field in non-traditional commodities also. Our exports in engineering goods have been steadily going up and our monthly exports are now to the tune of Rs. 7 crores to Rs. 8 crores. This is a very big stride so far as our exports are concerned.

While it is true that the share of non-traditional goods in our global exports increased by 10 points from 28 per cent to 38 per cent between 1961-62 to 1967-68, Shri Patodia, who is not here, said that our trade with East European countries has gone up by only 2 points. The actual increase has been from 14.3 per cent to 27.8 per cent, that is, an increase of 13.5 points. Moreover, there has been a seven-fold increase in the exports of engineering goods between 1964 and 1967. Between 1966-67 and 1967-68 the growth has been by 135 per cent from Rs. 28 million to Rs. 66 million to East European countries and USSR. In contrast, our exports of engineering goods to West Europe have increased from Rs. 28.50 million to Rs. 32 million only. Exports of these goods to East European countries now constitute 15 per cent of our global exports.

{ Shri Mohd. Shafi Qureshi }

One point was made out by Shri Kanwar Lal Gupta. He was very fond of cashew kernels. He said that because of exports to East European countries, our exports to West European countries have decreased. I do not know wherefrom the hon. Member got his figures. The authentic figures that I have are as follows.

SHRI JYOTIRMOY BASU : Provided by the American lobby.

SHRI MOHD. SHAFI QURESHI : I am not talking of any lobby at this stage. I am giving our own figures.

In 1963-64 the exports were valued at Rs. 520 crores to East European countries while they were to the tune of Rs. 1,623 lakhs to the rest of the world. In 1965-66 they increased from Rs. 520 lakhs to Rs. 781 lakhs in the case of East European countries and from Rs. 1,623 lakhs to Rs. 1,959 lakhs to the rest of the world. This aptly reveals that there has been an increase both in our traditional markets and in the non-traditional markets also.

Our trade, as I have made out, with East European countries has not grown at the cost of trade with West European countries. What has happened is that there has been diversification of trade. It has been the constant endeavour of the Ministry of Commerce and the Government of India to diversify the trade. Unfortunately, whenever we develop our trade with East European countries it is said that it has been done on the basis of ideology or whenever we develop our trade with West European countries or the United States, it is said by some people that we are doing it on the basis of ideology. In trade ideological barriers do not come; we are not trading with these countries on the basis of ideology but we are trading simply on one principle, that it gives benefit to our country. Interdependence of nations so far as trade is concerned is a must these days. We cannot live in isolation. If we have to exist in this world, we have to trade not only with the West but with the East also.

Some people said that we are giving most of our raw materials to East European countries and are taking junk machinery from them. This is absolutely wrong. The whole pattern of trade is changing and so it is changing with the East European countries also. There was a time when we had nothing to export but only traditional goods like tea, coffee, jute, cashew and groundnuts. With the development of our industry, our dependence on the machinery and the components of these countries has decreased because of our own self-sufficiency in these things.

18 : hrs.

Now, we have been able to push through certain very good sophisticated engineering goods in these markets. If we look at the goods, what new things we have been able to push through, we can see that from raw skins, we are sending finished leather to these countries. We are also sending textile machinery, machine tools, tipper trucks, railway wagons, electric fans, auto-ancillary equipment, electrical equipment, and other engineering goods. This is real diversification. These are non-traditional goods. It is not that because we are not able to sell our goods in Western markets that we are trying to sell goods to these countries. It is because we find these markets for our goods. We are selling our goods there.

Then, we have to see the pattern of imports from these countries. Taking the imports from these countries, there has been a considerable change. Certain machinery which we were importing from these countries we are not importing now. What we are importing from these countries is ships, equipment, oil drilling machinery and we have imported large quantities of urea and sulphur from these countries. I would like to give figures which will convince my friends who say India is exporting raw material and getting useless machinery from these countries.

Under the recent trade agreement with Poland, Hungary, Romania and Bulgaria, we have increased the import of urea from these countries by 75,000 tonnes.

We are having an agreement with Poland for the supply of 100,000 tonnes of urea and it will go upto 200,000 tonnes in 1973. Then, we have got an agreement with Poland for sulphur. 100,000 tonnes of sulphur will be supplied in 1969 and it will be doubled by 1973. For These goods, urea and sulphur, which are required for our fertiliser factories we should have spent a lot of foreign exchange. But because of bilateral agreements, we are not spending any foreign exchange. What we are selling to these countries is sophisticated machinery and engineering goods. So, it is not a question of only exporting traditional commodities as is being said by members opposite.

Coming to the switch trade, much has been said about switch trade by these countries. It is true, unscrupulous traders on both sides have indulged in some sort of switch trade. But the magnitude of the trade is so small that we can ignore it. After all, all trade in the world is not without any faults. There is hardly any trade, whether it is East or West, where we do not find faults. There is a yearly review of the trade between the countries. It is being impressed upon these countries that the goods destined for these particular countries, for the consumption of these countries, should be consumed within these countries. A vigil is kept that whatever goods are exported to these countries are utilised within these countries. Sometimes it so happens that the people who do not see eye to eye or those who want to ruin the trade indulge in unscrupulous things and bad name is brought to this particular trade. In the interest of mutual trade and friendship which we have developed in these countries, we have taken this matter into consideration and wherever it is possible, wherever the switch trade is possible, we see that the goods which are destined for any particular country are not switched over to other countries.

Then, the hon. Minister, Mr. Raja Ram raised a point which is not concerned with this at all, about the sending of trade delegation connected with Bleeding Madras. He

rather gave a word of advice to me that we should draw delegations not from politicians but from the people who know the trade very well. From his Party, we sent one person who led a trade delegation, not because he belonged to the D. M. K. Party or he was a politician, but because he knew about the handloom trade. That is why he was sent and he led a trade delegation. He should not have said about that. So far as Bleeding Madras is concerned, I do not know who is bleeding whether my friend should bleed or Madras should bleed--that was the sort of state of affairs at that time. It is not connected with this.

SHRI S. KANDAPPAN (Mettur) :

Even according to our delegate who went there, the trader representatives in various Embassies do not know the business properly. I was given to understand that in Germany, in one place we have got good market, in one particular city, whereas our offices are located in some other place, 100 or 200 miles away from that. If that is going to be the practice, I am afraid, we cannot promote our trade. That was the point made by our delegate who went there.

SHRI MOHD. SHAFI QURESHI :

These are suggestions. This is not within the scope of this discussion.

There was an allegation from the Jan-Singh side that the Communist Party is getting funds from certain traders and agents.

SHRI VASUDEVAN NAIR : It is an irresponsible allegation.

SHRI MOHD. SHAFI QURESHI : I do not know. Government do not subscribe to it--that some sort of a trade is going on between the Communist Party here and the Soviet trading agency. I do not want to go into this. I wanted to avoid this. Mr. Basu also said certain things and he claimed that the Government takes dictates from Bell or Hell, I do not know; I do not want to touch on that.

[Shri Mohd. Shafi Qureshi]

One point was raised by Mrs. Tarkeshwari Sinha. She said that we are getting less price for our commodities; whenever we offer things to them, those countries dictate the price to us. If we take one example, between 1958 and 1965, the sale of tea to USSR increased from Rs. 8.2 to Rs. 17.3 crores while the total exports of the commodity fell from Rs. 136 to Rs. 115 crores. During 1960-61, the price which the USSR paid was Rs. 7.01 per kilogram as compared to the price in the rest of the world, i. e., Rs. 6.16. We have not been selling our commodities at cheap rates.

The other thing which has been said and the logic of which I do not understand is this. They say that, after the liberalisation of imports, we are being forced to purchase from these countries certain goods which we do not require. Hon. members know that our trade is not centralised. Our traders are free to make their choice. We must give credit to our traders that they can at least purchase those very goods or the machinery which they require for themselves; they will not purchase junk machines. After the liberalisation of the import policy, the disadvantage is to these countries because our traders are free to make their purchases from other countries also.

Then, within these East European countries also, there is an element of competition they are also producing the same things and hence, there is an element of competition. If we can get tractors cheaper from Rumania than from Bulgaria or Poland, naturally we will purchase from Rumania. So, within these countries there is also an element of competition.

We are not purchasing those goods which are not required by us. This idea must be given up completely that we are only purchasing things which are being thrust on us. The same is the case with regard to exports. In our exports also, these countries are free to purchase from anybody they like. Then, the prices which have been paid for imports, for sulphur urea or tractors or other materials, are exactly on the international level; may be, a little higher or lower, but to say that we have been

paying much more than the international prices is not correct.

I will not like to touch upon the other points which are extraneous to this debate. I would like to end by saying that our trade with East Europe and USSR is a unique experiment which has created new hopes and aspirations for expansion of mutual trade. The new dimensions and vistas of collaboration at different levels augur well for the future of these countries and for India's commercial development. With mutual confidence and trust, the new co-operation will ultimately benefit millions of people in East Europe, USSR and India.

SHRI S. K. TAPURIAH (Pali) : He has not replied to one valid point. One very important point was raised. As a result of de-valuation of rupee or rouble, the price parity has not been re-fixed. After the devaluation of the rupee and the rouble we will have to pay over Rs. 70,000 more to Bokaro. That charge was made by Mrs. Sinha.

SHRI MOHD. SHAFI QURESHI : It is a very intricate matter and the hon. Member does not understand the intricacies of these matters.

SHRI S. K. TAPURIAH : Are we paying more ? (Interruption)

MR. DEPUTY-SPEAKER : I will now put Shri Kanwar Lal Gupta's Amendment to the vote of the House. The question is :

That in the resolution-

add at the end--

"and a Committee of members of Parliament to be nominated by the Speaker be set up to assess the exact problem and suggest ways and means to solve the same."

The amendment was negatived

MR. DEPUTY-SPEAKER : I will now put Shri Patodia's Resolution to the vote of the House. The question is :

"In view of the adverse effect caused

on India's foreign trade by the wrong pattern of trading adopted in the case of East European countries, including Russia, this House resolves that the foreign trade policy of the Government of India, particularly with East European countries and Russia, be suitably changed."

The motion was negatived.

18.12 hrs.

RESOLUTION *RE* : FUNCTIONING
OF CENTRAL SERVICES

MR. DEPUTY-SPEAKER : We are pressed for time. Your Resolution is very important. In fact, every Resolution is important, no doubt. But today, as we are pressed for time, may I request you to make a reference and just confine your remarks for five minutes? Just confine yourself for five minutes and you may continue later on.

SHRI SHRI CHAND GOYAL (Chandigarh) : 2½ hours has been provided for Private Members' business. I don't think the House should take away any part of that time. We should spend full time, that is 2½ hours and we should continue. ...

MR. DEPUTY-SPEAKER : That is outside Private Members' purview. It has been said that all sorts of complaints are there. Certain grievances are to be ventilated.

AN. HON. MEMBER : Free for all.

MR. DEPUTY-SPEAKER : That is also Private Members' time in a way.

SHRI SHRI CHAND GOYAL : The Speaker said something else could be done after the non-official hour . . .

MR. DEPUTY-SPEAKER : I am guided by the House. I don't want to impose decision.

SHRI SHRI CHAND GOYAL : He was specific on that.

MR. DEPUTY-SPEAKER : The Mover is agreeable. But if the House agrees then alone I can do it. This is my suggestion.

SHRI S. R. DAMANI (Sholapur) : There is a Half-an-Hour Discussion. I want to submit certain points.

MR. DEPUTY-SPEAKER : That matter is totally different. Because, after Private Members' Business is over, there is a Zero-hour, if I may put it that way; there is some time for Members. Whatever you call it, that is there. It is a good thing. Due to procedural things certain matters could not be brought up on the floor of the House. So the Speaker has said that. So, the House now agrees with my suggestion. The hon. Member may just move.

SHRI NAMBIAR (Tiruchirappalli) : I just want about fifteen minutes. At about 6-30 I will finish.

SHRI SAMAR GUHA (Contai) : I want to make a submission. It is not free for all. In the morning we made a representation to the Speaker on certain specific points. On the basis of those specific points, he said, you can rise and speak for just a few minutes. Therefore it is not free for all. . .

MR. DEPUTY-SPEAKER : Others also will come forward.

18.13 hrs.

[MR. SPEAKER *in the Chair*]

SHRI NAMBIAR : Free for all, at 6-30. Sir, I move the following Resolution :

"In view of the serious situation created by the policy of victimisation that is being pursued by the Central Government following the one-day token strike by the Central Government employees on the 19th September, 1968, resulting in the removal from service, launching prosecution against, issue of suspension orders on and issue of orders effecting break in service of a very large number of Central Government employees, this House is of opinion that a serious threat has arisen to the smooth and efficient functioning of the Central services spread all over India in the prevailing