

supplying, they are paying twelve per cent interest on the investment of the industrialists. I specifically wish to know from the hon. Minister whether he also would like to go scot free in the name of the *poorjaries* or the officials or will he take into account the 12 per cent interest being paid to the fertiliser industry and then pay similarly to the farmers also, keeping in view the cost of the land, in addition to the sweat or the labour put in by them.

[Translation]

SHRI DEVI LAL: Mr. Speaker, Sir, I appreciate the points raised by the hon. member but one thing I would like to tell him that the persons who toil hard this side. Their hand labour managerial skill, interest on the cost of the land, all these things will be taken into account while fixing the prices. Not only this, village and small scale industries will also be looked into and we will grant agriculture the status of an industry. However, this will be done only when the report is submitted to us.

Indo-Soviet Friendship Treaty

*44. SHRI YADVENDRA DATT: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the Indo-Soviet Peace, Friendship and Cooperation Treaty signed in 1971 is to expire in 1991;

(b) the views expressed, if any, by the USSR on the working of this treaty;

(c) Whether the first Deputy Foreign Minister of the USSR on his recent visit to India proposed a review of the working of the treaty; and

(d) if so, the changes proposed and the response of Government of India thereto?

THE MINISTER OF EXTERNAL AFFAIRS(SHRI I.K. GUJRAL): (a). The Treaty of Peace, Friendship and Cooperation between USSR and the Republic of

India was signed on 9th August, 1971 for a period of twenty years with the provision for automatic extension for a period of five years.

(b) The Soviet Union has consistently been of the view that the Treaty is an outstanding milestone in Indo-Soviet relations. It provides a reliable and time-tested framework for the development of Indo-Soviet relations and for promoting peace and stability in Asia and the world.

(c) No, Sir,

(d) Does not arise.

SHRI YADVENDRA DATT: Sir, I put the question that keeping in view the fag end of the treaty and the events developing in Europe and in Soviet Russia itself, have the two Governments made any exercise or talks on the treaty, keeping in view the present context of the power equation in Europe and the needs of our security.

SHRI I.K.GUJRAL: Sir, as I have said, the question of discussion regarding the treaty does not arise because there is an automatic provision for extension, and when the time comes we will look into it. At the moment, I understand and I agree with you that there are far-reaching changes in Europe and elsewhere. The Treaty holds its own and, therefore, we abide by the Treaty. The question of extension will arise only next year. So, we will see at that time. But let me say that there is no doubt in our mind that the treaty has served the best interests of India and the mutuality of interests.

SHRI YADVENDRA DATT: Sir, in view of the developments in Europe and within the Soviet Union, may I know—because the time is very short; August, 1991 is not very far off—whether the Minister will go into the depth keeping in view our needs, keeping in view the power equation and, above all, our security needs and the economic needs. Secondly, will the Foreign Minister consider that with the change in the political atmosphere of the whole globe, we can think of other parts in the interest of economic devel-

opment to have similar treaty with us in the future?

SHRI I.K.GUJRAL: Sir, I will answer the last point first. The question of treaties is not the issue at the moment. I take notice of the fact that the world is changing very fast. I have recently been to Europe and I have had long discussion with the Community of Europe. It was very satisfactory. Also during my stay in Belgrade, I called all our Ambassadors in East Europe and took cognisance of the changes that are taking place. Our policy is being framed and all this is tailored according to the changing environment. I can assure my hon. friend that our Government is cognisant of the fact that our security needs must always be reviewed and kept in mind. I am very confident that the Indo-Soviet Treaty is as valid and is still very relevant to our security needs.

SHRI EDUARDO FALEIRO: Sir, there are fundamental policy changes taking place in the Soviet Union which go broadly by the name of 'perestroika'. My question is basically on the impact of 'perestroika' on the Indo-soviet economic relations keeping in mind that in the present Soviet perceptions, economic relations are decided not so much at the Kremlin as in the market place. What is the impact and what is the assessment of Economic Division in the Ministry? What is your assessment, Mr. Minister, of the impact of 'perestroika' in the economic relations of our two countries, keeping in mind particularly the parity of the rouble and the rupee. The rouble is over-valued in the competitiveness of Indian industry with the Soviet Union. What is the impact of the 'perestroika' in the Indo-Soviet economic relations?

SHRI I.K. GUJRAL: So far as rupee-rouble parity is concerned, the value is concerned, it is under discussion. Recently, the Soviet Delegation came here and we had the first round of discussion and I think they will

continue. I see the validity of the hon. Member's point that the rouble-rupee parity needs to be reviewed because I think the rouble is definitely out of context in the sense of rupee. The second point, I must say, is that 'perestroika' is helpful to us because the needs of the Soviet Union, particularly consumer goods, are increasing and that offers us more opportunities for enhanced trade.

SHRI S. KRISHNA KUMAR: Sir, the Indo-Soviet friendship has been one of the major bedrocks of India's foreign policy and this friendship had been taken to ever greater heights at the Government level and at the level of the people by Pandit Jawaharlal Nehru, Shrimati Indira Gandhi and Shri Rajiv Gandhi. The Soviet Union has been India's time-tested friend in all national and international issues including Kashmir. Sir, we are pained to find that there are certain tangible differences, changes in the attitude of the Soviet Union in the Kashmir problem. All along they have been saying that Kashmir is an integral part of India. But recently in some of the pronouncements of the Soviet Union, the point has been diluted to say that the differences between India and Pakistan on Kashmir have to be discussed and settled on the basis of the Simla Agreement. What is the Government's view on this? Will you stand by our commitment?

SHRI I.K.GUJRAL: So far as our Government is concerned, we are aware that the Soviet Union continues to recognise that Kashmir is an integral part of India. I do not think there is any change in that context. So far as Soviet Union's statement regarding settlement of issues between India and Pakistan within the framework of Simla Agreement is concerned, it is on the same line and we have pleading for the same thing.