

(b) the names of the Asian countries which he thinks can use their good offices to persuade China to stop developing nuclear arms ?

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH) :

(a) and (b) Answering questions by newsmen about the reported request by some MPs to the Government to sever diplomatic relations with China, the Minister of External Affairs had said that it would be useful to maintain contacts with the People's Republic of China through diplomatic channels. Replying to a separate question he had said that we should always hope that China would, one day, change her present policies and would cooperate with other Asian countries for peace and stop developing nuclear arms which constituted a threat to peace.

DEFEAT OF INDIAN CANDIDATE IN ELECTION OF JUDGES TO WORLD COURT AT THE HAGUE

300. **SHRI THILLAI VILLALAN :** Will the Minister of EXTERNAL AFFAIRS be pleased to state the circumstances and reasons for the defeat of the Indian candidate in the election of judges to the World Court at the Hague ?

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH) : The General Assembly and the Security Council held elections on 27th October, 1969 to fill five vacancies that will occur in 1970 on the International Court of Justice. The Indian candidate lost to the candidate of Dahomey by 62 votes to 69 in the General Assembly, and by 6 votes to 9 in the Security Council after six ballots.

The decision at the last moment of the African Group of 41 States to vote for the candidate of Dahomey on the ground that Africa is under-represented in the Court resulted in the loss to the Indian candidate of the African vote which were expected for him before the entry of the African candidate. Also the rival Asian candidate from Thailand reduced to some extent the support expected for the Indian from Asian countries.

12 NOON

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED FAILURE OF THE DEAL TO SUPPLY WAGONS TO THE U.S.S.R.

SHRI A. G. KULKARNI (Mahashtra) : Sir, I call the attention

of the Minister of Foreign Trade to the reported failure of the deal to supply wagons to the U. S. S. R.

THE MINISTER OF FOREIGN-TRADE (SHRI B. R. BHAGAT) : Sir, a Protocol was signed on 13-3-1968, between the State Trading Corporation and Machino-import of U.S.S.R., envisaging the supply of 54,000 wagons from India to the U. S. S. R. built to Russian specifications, during the period 1969-70 to 1975-76, starting with 2,000 wagons in the first year and going upto 10,000 wagons per year from 1972-73.

The STC forwarded their commercial offer to Machino-import on 15-9-68. Thereafter a delegation comprising representatives of the STC and the manufacturers visited Moscow during the month of November/December, 1968 and had detailed discussions with their Soviet counterparts. An agreement was arrived at on the technical aspects of the proposed transaction, but no agreement could be reached on the price.

However, negotiations at various levels continued, and eventually another Soviet team arrived in New Delhi on 19-10-1969 to resume the commercial talks with the STC and the wagon builders.

The Soviet delegation indicated that they would be prepared to contract for 26,000 wagons starting with 2,000 in 1971 and going upto 9,000 in 1975, with prices negotiated each year. However, no agreement could be reached on the price and the Soviet delegation has returned to Moscow.

It is true that as at present there is an impasse in the wagon negotiations. We expect nevertheless that the Soviet Delegation will on its return to Moscow submit its report to their Government. We will await their further reaction in the matter.

We are naturally disappointed that these negotiations have not yet yielded a satisfactory contract between STC and Machino-import. We are no doubt interested in this contract as a means of maximising our export earnings. But it would not be correct to say that in case this contract fails to materialise, our wagon building industry will be faced with unemployment or lean order books. We have

not built up any extra capacity to meet the Soviet order. The current export orders indicate a reasonably bright future for the wagon industry.

The prospects of our being able to compete internationally in meeting the rolling stock requirements of other countries gives us the hope that the installed capacity in the wagon building industry will be well utilised. As the House is aware many Asian, African, Latin American and East European countries are expanding their rail road capacities and the STC already has export orders of about Rs. 15 crores for the next two years. We expect to be able to augment, in the coming years, our export earning from this important and efficient industry.

SHRI A. G. KULKARNI: Sir, as far as this deal to supply wagons to Russia is concerned, the original announcement about this deal was made in the year 1966. So, for the last three years, the discussions are going on.

SHRI B. R. BHAGAT: Not 1966.

SHRI A. G. KULKARNI: The announcement was made in Delhi in 1966. Perhaps if you want, I can show it from my record.

SHRI B. R. BHAGAT: The protocol was signed in 1968.

SHRI A. G. KULKARNI: The protocol might have been discussed for another two years; I am not concerned with that. The announcement was made in 1966.

SHRI B. R. BHAGAT: It was signed in January 1968; I want to correct it.

SHRI A. G. KULKARNI: So, the announcement was made in 1966.

SHRI B. R. BHAGAT: No, no.

SHRI A. G. KULKARNI: Not the protocol; I said the announcement by the Russian Prime Minister was made in 1966 that they were going to purchase 54,000 wagons. But leave that aside. That is a very negligible point.

SHRI LOKANATH MISRA (Orissa): That was a political announcement to create a Russian lobby here.

SHRI A. G. KULKARNI: I am going to the most important point of it.

MR. CHAIRMAN: Please put your question.

SHRI A. G. KULKARNI: I am putting it, Sir. In a Calling Attention matter of such a serious nature, the Government has to be put in the proper perspective. Otherwise, they will not understand it and we will not understand it. What I wanted to say is that this is one of the classical examples of amateurish diplomacy and salesmanship, both, because right from 1966, the Ministers at the top of their voices have been saying "This has been done, that has been done, this has been sold" and so on. This is not a salesmanship indulged in by a mature Government like the Government of India or by a mature country like India.

MR. CHAIRMAN: Now, what is the question? There are other Members also who want to put questions.

SHRI A. G. KULKARNI: I am coming to the question. Unless that perspective is painted, the actual position cannot be highlighted.

MR. CHAIRMAN: No, Mr. Kulkarni, if you take a long time in painting the perspective, other Members will be denied their right to put questions.

SHRI A. G. KULKARNI: I am sorry Sir, I will take the minimum time. I shall now go to the more serious part of my question. What I want to know is, the specifications in this order are rigid because the temperatures and the tolerances mentioned were "minus 42 to plus 40" and some material has to be imported in this connection. So, why has not the Government of India, while negotiating this order highlighted this point that there would be some development expenditure to develop this prototype? The Government of India has not highlighted this point that even the Russians have not got the prototype and they are asking for some material which is not available here. Sir, in this connection, I want to know whether this hitch or difficulty arose on two grounds—one is the element of subsidy and the other ground is the political ground. I want to know from the Government what was the exact price offered by the Russians or the Machine-import to the Indian manufacturers or the S. T. C., as the price has been worked out at Rs. 1.16,000. And here is Government of India's amateurism in their export policy . . .

MR. CHAIRMAN: Mr. Kulkarni, this is not a discussion, please. You put the questions for clarification and get the answers. Other hon. Members also want to put questions. Otherwise, the whole day will be taken up.

SHRI A. G. KULKARNI: Again I submit, Sir, that I am prefacing my question with a certain . . .

(Interruptions)

MR. CHAIRMAN: I think the hon. Members are right; they are entitled to say that they should also have a chance of putting questions.

SHRI A. G. KULKARNI: If all these people sit silent and allow me to speak, I will finish in 5 minutes.

MR. CHAIRMAN: Please finish.

SHRI A. G. KULKARNI: They are encouraging me to reply to them.

MR. CHAIRMAN: But that is not the procedure for Calling Attention.

SHRI A. G. KULKARNI: Okay, Sir. I want to know whether the element of subsidy, which is 20 per cent as announced has created the hitch in the deal with Russia and, if so, whether henceforward the Government in its export policy will not at all disclose the element of subsidy, because it has become an open secret to all the foreign buyers—Russia, the U.K. and the U.S.A. And that is why in Japan they have got a policy . . .

MR. CHAIRMAN: You have to put the question.

SHRI A. G. KULKARNI: So, the question is, the Government of India should follow Japan in giving indirect subsidies and not announce subsidies in this way. Secondly, I want to know whether the Russian Government is utilising this deal to pressurise our Government for the purchase of aircraft from them. This has been widely reported in the Press. Sir, a committee of the Government of India appointed by the Civil Aviation Ministry has found that the TU-134 aircraft is not suitable for this country. I want to know categorically from the Government whether they will not at any cost budge in its policy to give preference to them in the matter of aircraft because of their pressure in the matter

of purchase of these wagons. Sir, my last point is though the Government says that there is no write-off of the order and that it is not going to create unemployment, the employment situation in West Bengal is very delicate. For the wagon-builders who have got orders, this would have given more opportunities of employment. I want to know from the Government whether it will take a serious view of this employment potential and sell its wagons to other countries instead of hankering after Russia.

SHRI B. R. BHAGAT: Sir, the honourable Member has misunderstood the whole thing by confusing the dates. I tried to correct him that it is January, 1968, not January, 1966. I think many of the misunderstandings from which he suffered have arise from this confusion.

SHRI LOKANATH MISRA: No, not the decision. The political announcement was made in 1966.

SHRI B. R. BHAGAT: I say it is January, 1968.

SHRI LOKANATH MISRA: No, there was a political announcement . . .

SHRI B. R. BHAGAT: Why are you jumping up ?

SHRI LOKNATH A. MISRA: Mr. Chairman, Sir, he is misleading the House.

MR. CHAIRMAN: Please let him clarify.

SHRI B. R. BHAGAT: If I mislead the House, I will pay the penalty. I have to correct the statement made by him. I say the announcement was made for the first time in January, 1968, not January, 1966, and there has not been any undue delay. It is a very big order. Hundreds of crores of rupees over a period of ten years are involved. Therefore, protracted negotiations are very necessary. As I have explained there is no difficulty because we have orders from many other countries. As I have said, Rs. 15 crores worth of orders are coming. We will get orders from other countries. So, the question of meeting the unutilized capacity in the country is always there before us and we are trying to diversify our exports. We will take care of that. As regards the question of subsidy, we do not give any subsidy. I want to correct it. We do not give any

subsidy on any export. It is the export assistance to meet certain drawbacks and difficulties. We do not give any subsidy. There is a world of difference. I want the House to take it from me. Let us give up the idea of subsidy. Compensatory assistance will certainly be provided in order that the export takes place. We take the wagon industry as a whole. It does not go on contract to contract basis. It goes on the industry as a whole on the basis of any special difficulty that it may be facing. And in this the question of subsidy or any other thing was never in dispute. That is our own internal matter. That is not a question of dispute.

SHRI A. G. KULKARNI: Sir, . . .

MR. CHAIRMAN: Mr. Kulkarni, please sit down. Let him finish the answer. Has the Minister finished his answer?

SHRI B. R. BHAGAT: Yes, Sir.

SHRI A. G. KULKARNI: Sir, the Government is giving them an incentive. . .

SHRI M. V. KAUL (Nominated) : What is the incentive ?

SHRI C. D. PANDE (Uttar Pradesh) : Sir, the honourable Minister has made an assertion, has made a great point, by saying that the Protocol was signed January, 1968. But it is common knowledge, everybody knows, that the idea was mooted by the Russian Prime Minister three years ago and there was a great controversy. Even when Mr. Patil said something that this was not feasible, the people said, "Mr. Patil, you are a reactionary." That was in 1966. Therefore, do not go by the date of Protocol. . .

MR. CHAIRMAN: What is the question? Come to that.

SHRI C. D. PANDE: Sir, this is the background of the question. Now the question is whether the Government will make a fresh thinking, a fresh assessment, of the utility of the so-called rupee area. The rupee exchange is a fraud on this country. There are the East-European countries including Russia . . .

MR. CHAIRMAN : What is the question ? Put your question.

SHRI C. D. PANDE: . . . which are purchasing such things which can be passed on to other countries with profit. They are

purchasing things cheap here. And what after all is the rupee exchange ? The rupee exchange is nothing but a barter in international trade. Even the dollar exchange is a barter. Therefore, the whole question of trade and good relations with Russia should be re-examined.

As far as the order of the wagons is concerned, may I know from the honourable Minister what price was paid by South Korea? South Korea is the only country which has so far placed the highest order for wagons. The order has been for over 1,000 wagons. Now I want to know whether the same price is being offered by Russia or whether Russia is asking for less. Will the Minister also assure the House that in no case will this strangling character of Russia to purchase 26,000 wagons induce us to purchase their outmoded third class aeroplanes ?

SHRI B. R. BHAGAT: The honourable member speaks of the common knowledge about 1966. It may be his special knowledge, it is not common knowledge because the deal was not there before January, 1968. . .

SHRI C. D. PANDE: I will challenge it.

MR. CHAIRMAN: Please let him finish.

SHRI B. R. BHAGAT: Sir, here in a purely commercial matter, the honourable Member has introduced a political bias. I am not going to answer all that political bias. I want to maintain that whatever trading arrangement we have with any country, whether it is the rupee area or it is the hard currency area or South Korea or anywhere, it is absolutely based on our commercial interests, on the basis whether it is advantageous to our national economy or not. It applies to all. Therefore, to say that one arrangement is fraud and another is something else, is not a commercial judgment. It is a bias which the honourable Member has shown.

SHRI A. G. KULKARNI: Sir, on a point of order. My point of order is the last two speakers have been asking very specifically what price has been offered by Russia. The Minister is not at all replying to that. Does he not want us to remain here ? We will walk out if he is not going to reply to our specific question. What is he going to say on this ?

SHRI B. R. BHAGAT: Most of the questions of the honourable Members were not specific . . .

MR. CHAIRMAN: Now there is a specific question.

SHRI A. G. KULKARNI: He must reply to that.

MR. CHAIRMAN: The honourable Minister may consider this specific question.

SHRI B. R. BHAGAT: If honourable Members ask straightforward questions I can do it. If they go on with long things, they should expect a long reply. Let me clear the position. The wagons required for South Korea or any other place are of four wheels, but Russia wanted an entirely different type of wagons. These cannot be connected. But if the honourable Member wants to know the price paid by South Korea . . .

(Interruptions)

SHRIMATI YASHODA REDDY (Andhra Pradesh) : On a point of order. The honourable Member has asked a specific question. . .

SHRI B. R. BHAGAT: I am answering that.

SHRIMATI YASHODA REDDY: Will you assure us that whatever you are doing in this regard will not be political, but absolutely commercial and for the good of the country? Answer the question.

SHRI B. R. BHAGAT: I am answering that.

MR. CHAIRMAN: I have already put that question to him. There is no point of order in this.

SHRI A. G. KULKARNI: Sir, I have been asking that question from the very beginning and he is avoiding it.

MR. CHAIRMAN: Mr. Kulkarni, please sit down.

SHRI B. R. BHAGAT: For an agreement of 1,050 the total price paid was 8 crores. . . .

SHRI A. G. KULKARNI: What about the offer of Russia? I asked about the price of wagons for Russia. Mr. Chairman, Sir, you please ask him to place before us what Russia has offered. I am asking this question from the beginning.

MR. CHAIRMAN: You say whatever you want to.

SHRI B. R. BHAGAT: Yes, Sir. As for the price offered by the Soviet Union...

SHRIMATI YASHODA REDDY: It is the least.

SHRI B. R. BHAGAT: . . . it is our practice that we do not disclose the price till we sign the agreement and it is not in the national interest. Take any deal, private or public, of any country . . .

SHRI A. G. KULKARNI : What is the national interest?

SHRI B. R. BHAGAT: While negotiating any deal, they do not broadcast the price. It is not in the national interest. That is why I am not announcing it.

SHRI LOKANTH MISRA: Sir, on a point of order. The Minister, according to the Rules of the House, can only take protection under one pretext, that is, in the national interest. But here he does not take that. He has said that it is not in accordance with our practice. We do not want the exact price. . . *(Interruptions)* We do not want the exact price from him. What the House demanded to know was . . .

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION AND BROADCASTING AND IN THE DEPARTMENT OF COMMUNICATIONS (SHRI I. K. GUJRAL): The House never demanded.

SHRI LOKANATH MISRA: I am part of the House. If Mr. Gujral is sitting here with closed eyes and feels safe in his Government, I only bless him. Mr. Kulkarni is a part of his Party. A senior Minister of State proclaims on the floor of the House that the House does not demand it. I do not know what is his definition of the 'House'. The point is that there is almost a semi-unanimous demand in the House whether the price compares favourably with the price that was paid by South Korea. whether it is less or more; that must be disclosed.

SHRI B. R. BHAGAT: Sir, his question is different. He now asks whether the price is favourable as compared with other prices.

MR. CHAIRMAN : You clarify the position.

SHRI B. R. BHAGAT: As I said, the specifications of the wagons were entirely different, by the Soviet Union and other countries. Therefore naturally the prices cannot be compared. I can only say that whatever price was offered by us in the negotiations was an economic price and a correct price in our interests. I am not concerned with any other prices.

SHRI M. N. KAUL: Sir, on a point of order. The hon. Minister is quite correct when he says that the prices that are being negotiated in commercial transactions by one side or the other are not disclosed. But certainly the House is entitled to know what is the percentage or the margin of difference.

SHRI B. R. BHAGAT: The difference is quite large, I can say that (*Interruptions*).

SHRI N. SRIEAMA REDDY (Mysore): Sir, I would like to ask the hon. Minister through you whether I am right in taking that this wagon deal which has been advertised for the last 3 or 4 years as coming to the help of our engineering industry in a very big way and saving us from recession has been given up for good. Am I correct in that? That is number one. Secondly, the papers have already reported that we have insisted on the price of Rs. 1 lakh but the Russian Government is prepared to pay only Rs. 50,000. May I know whether this report is correct or not? Thirdly, I would like to know whether this deal was in any way connected with the purchase of TU-154 planes which are outdated. I want answers to these three things.

SHRI B. R. BHAGAT: Sir, I will not comment on the price that has been mentioned in the press because it is another way of giving it. As I said, we have already built up export orders and our field is diversified and our industry is in a position to meet the expanding export demand. So the danger to the industry is not there and the unutilised capacity can be utilised. Then there was no connection between the wagon deal and the planes at any time.

SHRI M. S. GURUPADASWAMY (Mysore): Sir, I am sure that this wagon deal would have meant a significant stride in the expansion of our trade with the Soviet Union. (*Interruption*) I want trade with all the countries of the world, so far as I am concerned, I do not make a distinction. The Minister just now said that we have reached an impasse. May I

take it that this impasse is not an eternal impasse or there is any scope for further negotiation with the Soviet Union? As I understand, the price is linked with the specifications given by the purchasing party; they are not divorced from each other. Therefore, I assume that in all such negotiations efforts have to be made by Government in respect of the price according to specifications and there is link between the price and other matters. But I do maintain that there is a link...

MR. CHAIRMAN: Mr. Gurupadaswamy, he has said that there is no link. You please put your question.

SHRI M. S. GURUPADASWAMY: I am making out my case, Sir; I hope you will bear with me for a while. There is a link. After all a protocol has been signed; it is a normal practice and specifications have been suggested by the Soviet authorities. A certain assumption has got to be made in respect of the price factor. I take it that all these things have been gone into as a preliminary exercise. Now we have been told that there has been a breakdown in the negotiations, at least a temporary breakdown. As the Minister has put it, there is great disparity between the prices quoted by both the parties. I understand there is a report recently that since the negotiations have failed on the commercial plane, the Government of India or the Soviet authorities are trying to take it up at the political level. This is just importing politics through a wagon deal. But I might submit that this is a very dangerous practice to follow. Therefore I want to be assured by the Minister whether it is a fact...

MR. CHAIRMAN: That is all right. Please put a question.

SHRI M. S. GURUPADASWAMY: It is a very important matter, Sir. I am not asking questions unnecessarily. Therefore I would like to know from the hon. Minister whether there is such a danger of importing politics through the wagon deal.

SHRI B. R. BHAGAT: I can only request the hon. Member not to believe newspaper reports or other rumours. As I said, there has never been any politics. If there is any politics, it is from the interested quarters. This is merely a commercial deal and it will be finalised only if it is in our national interests.

SHRI K. S. CHAVDA (Gujarat): Sir, the main question is regarding the price. I will put a straight question to the hon. Minister. Will the hon. Minister of Foreign Trade assure this hon. House that the Government of India will not enter into the contract with Russia if the prices offered by Russia are not economical? Secondly, how many Russian delegations came to India and how many more are likely to come? How many Indian delegations were sent by the Government of India and how many more are expected to be sent for the export of these 54,000 wagons? Also, how much time was taken and is likely to be taken to enter into this contract? Then how much expenditure was incurred for that up till now?

SHRI B. R. BHAGAT: Sir, he has asked four questions. He wants an assurance that we will not give an uneconomic price to the Soviet Union. I think the record and the protracted negotiations with the delegations going there or their delegations coming here will show that we are doing nothing but entering into a commercial deal. The price that we have offered is an economic price and we will accept only an economic price. What more does he want? Then he asks: What is the expenditure? Sir, the STC is negotiating this commercial deal and I am not in a position to give the information about the actual expenditure they have incurred on this particular thing. It is rather difficult to isolate this from other items of expenditure. *(Interruptions)* About the number of delegations that will be going from here or that will be coming here from there, how can I say about the future? If there is any necessity, a delegation might go or come; but there may not be any necessity also.

SHRI K. S. CHAVDA: How much time is he likely to take to enter into the contract with Russia for these wagons? I mean, how much time was taken so far?

SHRI B. R. BHAGAT: As I said, if you can count the number of months from January, 1968, up to this day, you can have it. I have to count it also now.

SHRI M. K. MOHTA: May I know from the hon. Minister whether the Government of India would insist on the Russian Government that the Russian Government may invite global tenders? In that case we may have a chance of giving

our own tender along with the competitors from all over the world and of convincing them that our prices will not be out of line with world prices. Secondly, is it a fact that this is an absolutely new type of wagon which has not been manufactured even in Russia and that the Russians want us to develop something new without even paying the development costs? Is it a fact or not?

SHRI B. R. BHAGAT: The hon. Member is right when he says that so far there has been no such offer from any other country. This is a very special type of wagon and I would like the house to appreciate this. His information is correct; no other country has come forward. I would not venture to advise the Russian Government in the matter of their commercial practices, but if they go in for global tenders, certainly we will see that we participate in it.

SHRI LOKANATH MISRA: The hon. Minister said that the protocol which was signed in 1968 did not materialise. May I know, Sir, whether this is the only protocol which was signed by the Government of India and the Russian Government but was not honoured, or are there any other specimens of this type—number one—and number two, may I know, Sir, whether the Government of India has given sufficient thought to the matter of giving assistance even to exports to countries which earn only Indian rupees and not foreign exchange? I can understand their subsidising or giving assistance in the matter of exports to countries to earn hard foreign exchange, but in the case of countries, which only give you back or pay money in your own currency, or trade on the basis of the barter which is imposed on you, what is the particular significance of giving special assistance in such export trade?

SHRI B. R. BHAGAT: It seems the hon. Member is questioning the varacity of our rupee trade arrangements. This has been going on since it was entered into and it is a fact that this has provided for the opening up of our exports to an enormous extent. The House should appreciate that in the matter of free market economy, which the hon. Member is very fond of, whereas with the free trade countries we have had trade deficits to our disadvantage with the free trade countries, there is at least a balance of trade with these

other countries. So we should not pick out one aspect here unnecessarily.

(Interruptions)

Let him hear the answer I do not want to be interrupted. If the hon. Member does not appreciate the economic significance of what I am saying, I cannot help it. I am saying, Sir, that the arrangements with the free market economies or with the rupee trade areas have their own advantages and disadvantages. Therefore, Sir, to pick out one and say that this is bad and that is all right is not fair. If we have only been dependent upon free market economies, our trade deficit would have been gaping still, and the hon. Member would come up again and say, "Beg money from outside." So we do not want to depend on any one country or a set of countries. We are aiming at self-reliance in days to come. We are diversifying our trade with all countries so that we achieve a viable economy and there is at least a balance in our external trade. It is a factor which is in our favour to trade with the other countries.

SHRI LOKANATH MISRA : My point was that your exports are going to earn only Indian rupees and not any foreign currency, also hard currency. If they only want to throw them away, then they can throw them away at throwaway prices in any country and dump them there.

SHRI M. N. KAUL : They are not doing it.

SHRI LOKANATH MISRA : They are doing it. That is what they are doing. But what I wanted to know was this. If they are going to earn foreign exchange, which we so much need, then there is some justification for giving export assistance. But to countries, which give us only Indian money, what is the special significance of giving assistance? That was my question and if he does not understand my question, he is naturally incapable of giving a proper reply on the floor of the House.

SHRI B. R. BHAGAT : It is wrong to say that we are sending our goods out to these Rupee payment areas at throwaway prices. Time and again it has been said in the House that the terms of trade with these areas are purely commercial and economic. There is nothing like throw away prices. Right from the day now it is a decade we began to trade with the socialist countries the objection is being raised.

The objection was raised ten years ago and the same objection is raised today and I am quite sure that in the next year, in 1970, this same objection will be raised.

SHRI LOKANATH MISRA : Well truth is truth and it has to be repeated, or people indulging in falsehood.

SHRI CHITTA BASU (West Bengal) : May I know, Sir, from the hon. Minister whether it is not a fact that orders were placed with the wagon builders in West Bengal in anticipation of the finalisation of this deal and subsequently certain orders have been cancelled? If it is so, what steps Government propose to take so that the wagon-building industry in West Bengal is not starved of orders?

SHRI B. R. BHAGAT : Sir, the five suppliers were all the time involved in the negotiations. There were no orders placed for this particular deal which have been cancelled.

SHRI CHITTA BASU : I have asked another question whether they are being starved of some orders.

MR. CHAIRMAN : Mr. Banka Behary Das.

SHRI CHITTA BASU : Sir, he has not answered fully. He was still answering but he was stopped.

SHRI B. R. BHAGAT : As for the orders, I have said that we have orders worth Rs. 15 crores and this order is distributed to all the wagon builders and it is not a question of any particular concern starving.

SHRI BANKA BEHARY DAS (Orissa) : Sir, the Minister is correct when he says that politics should not be brought into commerce. I entirely agree with him but is it not a fact that both the wagon deal with the Soviet Union and the aircraft deal with America or Soviet Union are not being finalised and that gives ample scope for everybody to think that there is political link-up in it. If they had finalised one at least, we could have understood. Now it has been said by the press in the country that the Russians are offering a little more than Rs. 50,000 while the actual cost of production is above one crore of rupees. Even if they are not prepared to give a figure just now would they deny that there is this margin of about 100

[Shri Banka Behary Das]

per cent between the cost of production and the price offered by the Soviet Union and say that this is far from the truth? The moment he gave the figures in respect of South Korea he gave an indication that this is the figure though it is of a different type. Is it the proposition of the Government that only in the case of deals which have been finalised they will divulge the rates and in the case of deals which are under negotiation they will not divulge the rates? May I also know if it is not a fact that the representatives of the Heavy Engineering Corporation, which is a public sector undertaking, were called to Delhi and they were asked to diversify their production? They were pressurised I know, because the officers connected with production in the Heavy Engineering Corporation has told me that they were pressurised to lower the price only to suit the interest of the Soviet Union and this was when the Heavy Engineering Corporation is already in difficulties and they will be in further difficulties if this was done. I want to know whether this is a fact or not.

SHRI B. R. BHAGAT : There is no question of pressurisation and we will not accept any pressures.

SHRI BANKA BEHARY DAS: It is not that I am asking. My question was about your pressurising the . . .

SHRI B. R. BHAGAT : Kindly hear the answer. Even if the Heavy Engineering Corporation were asked, well, they are an institution and we can ask the advice of any organisation, particularly of an organisation which is directly in the public sector. So the question of pressurisation is not there. Similarly, there is no relation between the non-purchase of aircraft and the wagon deal not going through. It is for entirely different reasons. The hon. House knows that there has been delay in the purchase of the aircraft. Offers from not only this side but from that side also have come in. Technical examination is going on; detailed evaluation is proceeding. And whenever a proper proposal comes up a decision would be taken. So to say that the two are linked is absolutely incorrect. The two are not linked at all.

What was the third point? I forget just now.

SHRI BANKA BEHARY DAS: That was about the price published in the press. Are you going to say that that is completely wrong?

SHRI B. R. BHAGAT: I have said that the difference between the price we have offered and the price they have offered is large and if we accepted that price it will mean quite a heavy loss to us.

MR. CHAIRMAN: Mr. Godey Murhari and that will be the last. We have had enough.

DR. BHAI MAHAVIR (Delhi): You assured me, Sir, that I will be given a chance.

SHRI GODEY MURHARI (Uttar Pradesh) : I would like to know from the Government the number of countries to which the Government is supplying wagons and their names and also whether the prices that they are offering us are comparable to the prices that are being offered by the Soviet Union considering the fact that the type of wagons the Soviet Union wants is completely different from the wagons probably that we are supplying to other countries. I would like to know the comparable prices and also the countries to which we are already supplying and also the countries to which we are likely to supply.

SHRI B. R. BHAGAT: We have so far supplied to Hungary, Ceylon and South Korea. The offers which we have accepted are from Burma, Poland, Hungary again, Sudan and Iran. Although I can give the total value and the number I would like to say that the price in each case is commercial price which has been determined by us, negotiated and agreed to. These two cases are not comparable because it is just like a donkey and a horse. You cannot compare the two.

SHRIMATI YASHODA REDDY: Mr. Chairman, Sir, you said you will give me a chance.

MR. CHAIRMAN: No more. We have had enough. Papers to be laid on the Table.

DR. BHAI MAHAVIR: You said you will call me after him. None from our side has been permitted.

श्री जगदम्बी प्रसाद यादव (बिहार) :

चेयरमैन साहब, आप किसी किसी पार्टी के नाम पर पूरी पार्टी में से एक को भी चान्स नहीं देते। एक आदमी को भी आप नहीं बुलाते।

श्री सभापति : वक्त हो चुका, कोशिश की गई है मगर हा सवाल पर सारे लोग नहीं बोल सकते हैं । (Interruptions)

श्री जगदम्बी प्रसाद यादव : कार्लिंग अटेन्शन पर आपने दर्जनों अदामियों को सवाल पूछने का टाइम दिया लेकिन एक भी आदमी हमारी पार्टी से बोलने नहीं पाया । (Interruptions)

यदि हल्ला करके ही बोलने में मौका ले लिया जाये तो हर समय खड़े होकर हल्ला किया जायेगा ।

(At this stage, Shri B.R. Bhagat left the House)

DR. BHAI MAHAVIR: I would like to know just two or three things.

AN HON. MEMBER : But the Minister has gone away.

MR. CHAIRMAN : Let us stop it here

DR. BHAI MAHAVIR: When you have permitted me, how is it that the Minister is not here ?

(Interruptions)

MR. CHAIRMAN: We are taking such a long time over this that. . .

DR. BHAI MAHAVIR: But the question is, when the Chair has permitted me, how can the Minister go away ?

(At this stage, Shri B. R. Bhagat came back)

SHRI AKBAR ALI KHAN (Andhra Pradesh) : You had called for papers to be laid on the Table.

MR. CHAIRMAN: Yes, I had called for papers to be laid; that is why he left. Now, let us get along with the business.

(Interruptions)

DR. BHAI MAHAVIR: Are you withdrawing the permission that you gave me ?

REFERENCE TO DEMONSTRATIONS INSIDE THE COURT

SHRIMATI YASHODA REDDY (Andhra Pradesh) : Sir, I would like to draw your attention to what was done

yesterday at the court. Sir, the courts are temples of justice in the country. You are a great luminary and you know what will happen if the temples of justice are interfered with in this way. I appeal to the Prime Minister that this sort of thing should not be done. I say democracy is not safe in the country. If even the courts are interfered with, it is a matter of great shame. (Interruptions). There were demonstrations held yesterday inside the court and it is very...

MR. CHAIRMAN: I have not allowed you to mention this matter.

SHRI K. S. CHAVDA (Gujarat) : But this is a very serious matter.

MR. CHAIRMAN: No, no. So far as the Calling Attention is concerned I think we have finished. But if the House desires, we can have two more questions by those two Members and nothing more.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED FAILURE OF THE DEAL TO SUPPLY WAGONS TO THE U. S. S. R.—contd.

श्री जगदम्बी प्रसाद यादव : मैं मंत्री महोदय से जानना चाहता हूँ कि जब रशिया से वैगन के बारे में कान्ट्रेक्ट चल रहा था, उसकी एन्टिसिपेशन में अपने यहां वैगन बनाने वालों को कितनी जगहों में और कितना वैगन बनाने की, स्पेशल वैगन बनाने की, अनुमति दी और अभी तक कितने वैगन बन कर तैयार हो चुके हैं । आपने अभी कहा है कि अगर रशिया न भी ले तो हमको दूसरे देशों से आर्डर है और आपने साथ ही साथ यह भी कहा है कि रशिया ने जो स्पेशल वैगन बनवाया उस तरह के वैगन की किसी जगह से डिमान्ड नहीं है । तो अगर रशिया से वैगन के करार में फलियर हुआ तो उसका क्या निराकरण होगा । एक बात और साथ में जानना चाहता हूँ कि आपने अभी तक कितने वैगन एक्सपोर्ट किये हैं ?

श्री बी० आर० भगत : सवाल यह है कि रशिया से अग्रीमेंट साइन नहीं हुआ तो हम वैगन काहे को बनायेंगे ।