

improvement at all. May I know, in the light of that, whether the Government is having specific talks with the Afghanistan Government with a view to promoting mutual trade and, if so, the nature of these negotiations?

SHRI MANUBHAI SHAH- In the first place, I would recall, for the information of the hon. Member, that the trade between India and Afghanistan is on C.C.I. basis, that is, it is a balanced trade where it is an entirely different method of taking and giving than with any other country in the world. It is also not true that the trade has not expanded. In 1959-60 the trade was hardly for Rs. 2½ crores and to-day it is about Rs. 7½ crores. Therefore both Afghanistan and India are satisfied at the rate of progress. The limiting factors are that the Afghans have very little to sell except fresh fruits and dry fruits to India. We cannot afford the luxury of importing too much because of our foreign exchange situation but to the extent possible we do. As I said from Rs. 2½ crores we have gone up to Rs. 7½ crores.

SHRI BHUPESH GUPTA: Anyway, even if you take Rs. 7½ crores, Afghanistan is a neighbouring country and the amount would seem very little compared to about Rs. 2,000 crores of foreign trade, imports and exports taken together. The Minister said that Afghanistan cannot offer us anything but fruits but we can offer them many things that they buy from others. It is a question of larger aspects also, not only economic but political also, of good relations between the two countries and also to overcome our difficulties which we are facing elsewhere. Why in that case there should not be certain arrangements between our country and Afghanistan on a credit basis, having regard to the larger consideration of the matter because Afghanistan-India relation needs to be improved and one of the surest ways of making it possible is by advancing the trade.

SHRI MANUBHAI SHAH: We have the best of cordial relations between Afghanistan and ourselves. To the extent that we can afford, we spend. All these goods which are to be sold by us are goods for which we get foreign exchange. With that limitation in this country we have spared ourselves to the maximum because of our affection, cordiality and political and other considerations which the Member mentioned and we are doing our best in that direction\*

#### RISE IN EXPORTS AFTER DEVALUATION

♦95. SHRI R. P. KHAITAN:†

SHRI SITARAM JAIPURIA:  
SHRI D. L. SEN GUPTA: SHRI  
CHITTA BASU: SHRI  
LOKANATH MISRA: SHRI V.  
M. CHORDIA: SHRI A. D. MANI:

Will the Minister of COMMERCE be pleased to state:

(a) whether there has been any increase in the exports of various commodities after devaluation of Indian rupee; and

(b) if so, to what extent and to which countries?

THE MINISTER OF COMMERCE (SHRI MANUBHAI SHAH): (a) and (b). The overall exports in the three months after devaluation have been somewhat lower than the corresponding three months of previous year. However, this is too short a period for a valid comparison and it will take some more time to establish firmer trends. We hope as the months go by, the exports will increase.

श्री आर० पी० खैतान : चाय के एक्स-  
पोर्ट में कमी हो रही है । इसका ज्यादा  
एक्सपोर्ट करने के लिए क्या इयूटी घटाने के  
बारे में सरकार विचार कर रही है ?

श्री मनुभाई शाह : चाय के बारे में आज  
में एक स्टेटमेंट देने वाला हूँ शाम को ।

†The question was actually asked on the floor of the House by Shri R. P. Khaitan.

SHRI BABUBHAI M. CHINAI: The Minister said that the trend is a little lower. How much lower it is from June 6, the day of devaluation, till the end of October and by how many crores the export has gone down? Has he any figures?

SHRI MANUBHAI SHAH: So far I have not got the figure for October. I have the figures up to August which I have placed on the Table of the House. Therefore I would request for a little more time to show the trend.

SHRI C. D. PANDE: The Minister said that there has been a slight lowering of exports. May I know what are the factors for it? Without devaluation Pakistan and Ceylon have improved their tea exports, whether the expectation that things will look up after devaluation has not gone up, for us. Why are Pakistan and Ceylon in a better position than us?

SHRI MANUBHAI SHAH: Firstly, Pakistan exports no tea. Pakistan imports some tea when there is failure. Pakistan is not a major exporter. When it exports, it exports about 24 to 3 million Kg. Ceylon is the main competitor to Indian exports. The real reason is that while our production has considerably increased in the last 10 years the internal consumption has increased, as I had the privilege to tell the House before from 70 million Kg. in 1956 to 194 million Kg. in 1966 because of the population and the living standard going up. In Ceylon during the last 10 years the average consumption is 11 to 12 million Kg. So they have a larger surplus. With respect to the difference in price and the effect of the various currency changes, as I said it is too early to give a judgment on the matter and I would therefore beseech the House to wait a little more.

श्री विमलकुमार मन्नालालजी चौरड़िया :  
बया श्रीमान यह बतायेंगे कि जो तुलनात्मक  
कमी हुई है एक्सपोर्ट में उसके विशेष कारण

बया है जबकि अवमूल्यन के परिणामस्वरूप  
एक्सपोर्ट बढ़ने की توقع की गई थी।  
दूसरी बात मैं यह जानना चाहूंगा कि इसी  
अवधि में गत वर्ष की तुलना में क्या इम्पोर्ट  
तुलनात्मक अधिक हुए हैं ?

SHRI MANUBHAI SHAH: I have covered this question of the Member. Firstly I said it is only 3 months past . . .

SHRI V. M. CHORDIA: Why is it lower in comparison to the previous years?

SHRI MANUBHAI SHAH: As soon as devaluation took place there were so many economic contracts to be negotiated, the price structure had to be stabilised, the foreign buyers had to know the value of their own goods, all these unstable factors do call for a major economic reform. Now that conditions have been stabilised, we will know in due course.

SHRI BHUPESH GUPTA: No school teacher's lecture.

SHRIMATI SHAKUNTALA PARANJPYE: He said that the overall position is the export had gone down. We would like to know if there is one single item where exports have gone up?

SHRI MANUBHAI SHAH: If the Lady Member is interested, there are several items like cashew nuts, iron ore, manganese ore—there are 4 or 5 items of major importance where the exports have gone up.

SHRI ARJUN ARORA: May I know if it is not a fact that the real reason for the dwindling of our exports is the abolition of the export incentives so scientifically and laboriously built during the years which were all of a sudden abolished? The exporters were denied the benefits which they earned because of the exports. This folly of abolition of export incentives is responsible for this.

SHRI MANUBHAI SHAH: Well, Sir, I had earlier placed a statement, in August, giving the new cash assistance and other assistance programmes that had also been worked out laboriously and scientifically and, therefore, I would request that, before a judgment is passed on the new assistance programmes, we might wait a bit more to know the future trends. Then we can really compare.

SHRI BHUPESH GUPTA: It is quite clear now; the trends are quite clear now. Any economist would let us know from the trends, from a correct study of the trends how things are going to move unless interrupted by very unforeseen circumstances in our favour. This is the realm of economics. May I know, Sir, whether it is not a fact that the conclusion in this country among the economists, and elsewhere also, the West included, is that as a result of the devaluation the Indian export market has very little possibilities of looking up, that unit exports will go up but the price received in foreign currency will be lower than before? And then the restrictive laws are operating in some countries, specially West Germany, England, and the United States with whom we have the bulk of our external trade both in imports and exports. Now, Sir I should like to know as a result of these things what steps the Government is taking in order to counter the influences already in operation which presage very bad things for our future in order to improve our position and I would also like to know from the Government, the quantum of goods that we have sent, the quantum of goods in terms of units that we have sent since June this year up to now or up to the latest date for which the figure is available, and in relation to the quantum how much foreign exchange we have earned, and what we would have earned for the same quantity but for devaluation.

SHRI MANUBHAI SHAH: It is all, as I said, in the figures. The unit values are being maintained in the

three months' figures. The unit values we have got in several commodities. They have fallen in certain commodities. The primary function of devaluation is that commodity prices must go down in order to give an edge to competition by our exporters. Now regarding the emerging trends, as I said, three months, with all the due types of post-devaluation measures that we had to rush in, is too short a period to make a valid comparison.

SHRI BHUPESH GUPTA: Heads are rolling in the country . . .

SHRI MANUBHAI SHAH: If the hon. Member has a particular set of theories, I am not here to argue the theories. What I say is this. Every measure is being taken to take advantage of devaluation on the one hand and to offset any other type of disadvantage that might flow by supplementary assistance programmes.

SHRI LOKANATH MISRA: It appears from the reply of the hon. Minister that there has been no increase in our exports. May I know, Sir, whether before devaluation he was consulted and whether he visualised that there would be no increase in exports of Indian goods, and whether it is true or not, the publication in the newspapers that he has become too rigid after the devaluation and he insists too much on export subsidy?

SHRI MANUBHAI SHAH: I could not quite follow. As, far as we can see, devaluation is going to bring about larger exports and therefore larger export earnings. In the first three months it is too early to really make a valid comparison.

SHRI A. D. MANI: Even though the Minister says today. . .

SHRI LOKANATH MISRA: He has not replied to my question. It was very relevant. Yesterday it has appeared in the papers, that he is too rigid after the devaluation and he insists more on export subsidy rather

than on the effects of devaluation. That is a very relevant point. He should clarify the point.

SHRI MANUBHAI SHAH: It is rather difficult for me to reply to whichever things appear in the papers. As a matter of fact, assistance programmes are not the question, nor insistence or non-insistence is the question. If an exporter can export without any assistance, he does not come to Government for assistance. So there is no relation of assistance to that effect.

SHRI A. D. MANI: Even though the Minister may assert on the floor of the House today that three months are too short a period to judge the effects of devaluation, he himself had addressed a memorandum to Government complaining that devaluation had not improved export trade. Reports to this effect have already appeared in the Press. Can he deny that he had submitted a memorandum on the subject?

SHRI MANUBHAI SHAH: I am replying to that denying it totally; it is coming up in this morning session. There is no question of generalisation at all. The trends as appear from month to month have to be adjudged. So far we have got three months' total position and in that, as I said, the export in almost all is somewhat lower, but we do hope that in the coming months it will go up.

SHRI BHUPESH GUPTA: What is the hope based on?

MR. CHAIRMAN: You have put several questions, Mr. Gupta. There is a limit.

SHRI MULKA GOVINDA REDDY: I would like to know from the Minister what was the foreign exchange earned during the same period in 1965, and what is the foreign exchange earned now during this period this year. And if there is any fall does the Government now admit that devaluation is a failure and because of that we have suffered this shortage?

SHRI MANUBHAI SHAH: So many assumptions are being included in a statistical exercise. As I said, our hopes are not based on some assumptions. Hopes are based on facts that in these three months all the requirements of the old contracts—Rupee agreements with Rupee payment countries; Rupee agreements with Burma, Ceylon, Indonesia, Pakistan and other West European countries where the Rupee was being held as a valid currency—have been streamlined. Export promotion measures had been taken in hand. The post-devaluation follow-up measures have all been implemented and, therefore, three months is the period in which the various measures had to be taken. Now we are quite confident that as a result of the stability that has come up, exports will increase.

MR. CHAIRMAN; Mr. Vajpayee.

SHRI MULKA GOVINDA REDDY: He has not answered my question at all.

MR. CHAIRMAN: Mr. Vajpayee.

SHRI MULKA GOVINDA REDDY: I agree, but he has not answered my question. I asked for the foreign exchange earnings in the same three months in 1966 and in 1965. Does it mean that the Minister can go without answering the question?

MR. CHAIRMAN: I have asked already Mr. Vajpayee to put his question.

SHRI ATAL BIHARI VAJPAYEE: Sir, I hope the Minister will give a precise reply to my question at least. I should like to know whether the attention of the hon. Minister has been drawn to a report appearing in a Bombay Weekly in which the hon. Minister is reported to have described the devaluation decision as the biggest folly committed by the Government since independence.

SHRI BHUPESH GUPTA: Have courage and say.

SHRI ATAL BIHARI VAJPAYEE: Has he contradicted the report and, if not, why not?

SHRI MANUBHAI SHAH: I am doing the contradiction here. I have been telling repeatedly, but if somebody prefers to write something out of context, I cannot be held responsible for that. No such letter has been written. Therefore I flatly deny it. What more do you want?

SHRI BHUPESH GUPTA: On a point of order.

MR. CHAIRMAN: On what?

SHRI BHUPESH GUPTA: Now the trend is quite clear. Please hear the point of order. You need not assume that I am not having any point of order. The point is, when we ask a question, it is for you to see. The question was put by Mr. Mulka Govinda Reddy asking, "Give us the comparative figures of last year and this year." He can say, "I have got the figures." He can say, "We do not have the figures." The other things are not called for. They do not answer the precise question. He "can say other things; I don't mind, but here a Member, when he asked a question on facts giving the exact period in exact months, the Minister is expected to say whether he has got the figure and, if so, divulge the figure. If he does not say, he has to seek your protection. He cannot circumvent the question. It is our privilege to ask the question, and it is the Minister's privilege to give the exact reply subject to your, well, ruling. If you protect him, it is a different matter—Now are you protecting him in this case?"

SHRI MANUBHAI SHAH: These are published figures. This is what I have repeated. These are the published international figures published month to month. If the hon. Member has observed the newspapers and the journals of the Government of India, these have been published. I am repeating them here. There is nothing secret about them. Again you can have them. June, 1965—143.19 million dollars; June, 1966—100.39 million dollars, July, 1966—13.00 million dol-

lars: July, 1966—102.22 million dollars; August, 1965—141.77 million dollars; August, 1966—142.93 million dollars. They are all published figures. What is the problem there?

MR. CHAIRMAN: Next question.

#### DISPOSAL OF T.S.S. GOSCHEN

\*86. SHRI T. V. ANANDAN: Will the Minister of RAILWAYS be pleased to refer to answer given to the Starred Question No. 256 in the Rajya Sabha on the 4th August, 1966 and state:

(a) whether any reply has since been received from the Ministry of Transport about T.S.S. Goschen offered to them; and

(Co) if so, the decision taken on the final disposal of the vessel?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (DR. RAM SUBHAG SINGH): (a) Yes, Sir.

(b) The reply of the Ministry of Transport -received on 5-11-66 suggests that the vessel may be disposed of in "as-is-where-is-in-a float condition", i.e. after undertaking temporary repairs to float the same. This suggestion is under consideration.

#### DURGAPUR STEEL PRODUCTS

\*97. SHRI BABUBHAI M. CHINAI: Will the Minister of IRON AND STEEL be pleased to state:

(a) whether it is a fact that there has been a fall in the demand for the steel products of the Durgapur Steel Plant; and

(b) if so, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF IRON AND STEEL (SHRI P. C. SETHI): (a) Yes, Sir.

(b) There appeared to be a lull in industrial activity and falling of demand for some products, including those of the Durgapur Steel Plant. This is expected to be a passing phase.