

The Truth About Soviet-Indian "Economic Co-operation"

A LOOK at the reports and statistics about Soviet-Indian trade in Indian newspapers and publications reveals that behind the smokescreen of the much-vaunted Soviet-Indian "economic co-operation" are infuriating facts of Soviet social-imperialist exploitation, plunder and oppression of India.

Plundering by Deceit. One of Moscow's customary tactics in its trade with India is selling dear and buying cheap. It is revealed in the Indian press that, according to conservative estimates, Soviet exports to India are on the average priced 15 per cent higher than the price level of the world market while Soviet imports from India are 15 per cent lower.

The Indian paper *Statesman* disclosed that when negotiating a trade contract with India, the Soviet side always wants to know in detail the costs of production of Indian goods but refuses to let the Indian side know those of Soviet commodities. When a trade talk enters into the pricing phase, the Soviet side invariably wants the Indian products to be priced in terms of the Indian rupee. Owing to the lower exchange rate of the rupee against the ruble arbitrarily imposed by the Soviet side, the Indian side suffers great losses. On the other hand, when it comes to the pricing of Soviet commodities, the *Statesman* pointed out, prices have to be discussed in terms of the ruble. "Thus India loses both ways" in its trade with the Soviet Union, the paper said.

Sometimes, even when a trade contract containing fixed prices for certain items has been signed, the Soviet side bypasses the Indian agency concerned and approaches the Indian suppliers directly to buy the goods it needs. This is an attempt to take advantage of India's economic difficulty to further force down the prices. According to *Statesman*, in 1974, "the State Trading Corporation [S.T.C.] entered into a contract with a Soviet agency to supply 500 tonnes of shellac. After agreeing to a price with the S.T.C., the Soviet agency concerned got in touch with the actual Indian supplier, through Russian trade representation here [in India], and persuaded him to agree to a price which was Rs 5,000 per tonne less than that agreed to earlier with the S.T.C."

The "waggon deal" between the Soviet Union and India is a typical case showing how the Soviet revisionists exploit India by keeping down the prices of Indian goods. According to the book *Soviet Economic Aid to India*, these waggons were priced at about 120,000 rupees per unit, with the price of raw materials alone accounting for 74,000 rupees. Cashing in on the fact that there were not many waggon orders in India at the time, the Soviet side declared that it was only willing to pay 50,000 rupees per unit. "This is an illustration of how hard bargainers the Soviet trading organizations can be," said the book.

With a view to earning more foreign exchange which they urgently need, the Soviet authorities have deliberately imported some Indian commodities, which are hot in the world market, in greater quantities than are needed at home. These are then resold to other countries, thus cutting into India's export markets and foreign exchange sources.

India is losing much of its interest in the Soviet Union's main items of export — machinery and aircraft which are high in price but poor in quality. When negotiating annual trade protocols between the two countries in recent years, the Indian side has always suggested that the other side increase its supply of fertilizers, petroleum, petroleum products and some metal materials. However, the Indian demand has never been met because the Soviet Union is seeking Western convertible currencies.

Export of Capital. Another way of Soviet exploitation is through the development of so-called Soviet-Indian "co-operation in production." Factories are built in India, with machinery and equipment supplied by the Soviet Union and products shipped to it to repay the investment. This is the imperialistic way of capital export pure and simple. That is how the Soviet Union dumps its machinery and equipment and plunders India's natural resources and cheap labour force. In a commentary on Soviet-Indian "co-operation in production," the *Indian Express* pointed out: "More important in the Soviet scheme of things is the desire to tailor India's industrial development plans to Soviet trade surpluses. To this end, a strong bid has been under way to tie up the industrial development of India to Soviet technology."

An Odd Ally. Indian papers revealed that in 1974, in order to solve problems in the Indian-Soviet bilateral trade and ease India's economic difficulties, the then Indian Finance Minister Chavan went to Moscow and asked the Soviet authorities for a new loan of 3,000 to 4,000 million rupees, a rescheduling of India's repayments and a softening of the loan terms. The *Indian Express* disclosed that though India has concluded a "treaty of peace, friendship and co-operation" with the Soviet Union and is therefore a Soviet ally, Chavan received "no positive reaction" or at most a "non-committal response" to his requests.

That is how the Soviet social-imperialists "appreciate and are in solidarity with" India's efforts "to solve her difficult socio-economic problems." History will show that the Brezhnev clique's unscrupulous exploitation and bullying of India will eventually arouse resistance among the Indian people.