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INDO-RUSSIAN TRADE

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INDIAN COUNCIL OF WORLD AFFAIRS

OXFORD UNIVERSITY PRESS

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First Published August 1948.

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* This Chapter was written by Mr. V. Ramakrishna Rao.

PROSPECTS OF INDO-RUSSIAN TRADE

INTRODUCTORY

The history of Indo-Russian trade can be traced back to the XVth century A. D. although 'Legend of the Kingdom of India' was popular in Russia in the XIIIth and the XIVth centuries. In 1466, a certain Russian merchant, Athanasius Nikitin by name, visited Iran with an embassy from Ivan III to Shirwan and heard of Indian trade there. He embarked at the Persian port Hormuz and sailed for India where he made a tour of the Bahmani kingdom. It took him seven years to perform the journey. But he could not complete his reminiscences as he died soon after his return; and we are in the dark about the trade conditions in those days. The XVIth century, when Russia's knowledge about India was still rudimentary, witnessed the arrival of Khwaja Hussain, an envoy from Sultan Babar, in Moscow in 1532 but the Russians, instead of signing a treaty, suggested a trade agreement. Distrust was still rife a century later and in 1676 Mohammad Yusaf Kasimov, a Russian Tartar, could not obtain a permit to enter India from Kabul. In 1695, in the reign of Peter the Great, a Russian merchant Semer Malinkov was sent to India and he landed in Surat and visited Agra and Delhi, having been received in audience by the Emperor Aurangzeb. But on his way, he died in Iran leaving no record of his journey. In the same century, however, an Indian colony was established in Astrakhan on the Volga estuary and Indian traders sailed up the Volga to Yaroslavl and Tver. The first travellers from India are stated to have entered Astrakhan about 1615-6 in the reign of Tsar Mikhail Fedorovich and a caravanserai is said to have been built for them there by the order of a Russian prince. The Indians, who thus came there, were traders, artisans (metal workers and weavers) and also *sadhus*. Baku with its Fire Temple was till recently a city of pilgrimage for the Hindus. These Indian artisans were asked to go to Moscow while Indian weavers were also invited from India to the Russian capital. Some of the Indian traders could speak Russian as well. Many Indians settled in Astrakhan, got married and became Russian subjects. But the majority went back to their country after

accumulating wealth followed by others. They never took their females with them.

Still, the distant past is shrouded in the dark and so is the recent past, as very little has been written or known in India about her northern neighbour, especially in the domain of trade, and very few contacts have been established with the exception of those of tourists. It is true that the Russians have shown increasing interest in Indology and in the writings of Indian philosophers like Swami Vivekananda and Tagore, but that is beyond the scope of our subject which is Indo-Russian trade and not Indo-Russian cultural relations.

The Indo-Russian trade is not of great magnitude from the point of view of either Indian or Russian foreign trade; and it is with a view to stress the need to explore the possibilities of increasing this trade that this pamphlet has been written. As the first consideration of fostering or augmenting trade relations with any country is the knowledge of its economic background, its national economy, its natural resources and the schemes adopted to exploit them, this pamphlet starts with a chapter on Russian economy which includes agriculture, industry and commerce. The second chapter deals with Indo-Russian trade as such. The conclusions and suggestions to improve this branch of India's trade are then embodied in chapter III. Seventeen appendices have been added at the end. The first five of these describe Russia's export and import trade in general and the export and import of certain selected commodities. Appendices VI and VII deal, respectively, with the total value of imports from the USSR to India and the total value of exports from India to the USSR during the period 1913-4 to 1944-5. Appendices VIII to XIV are devoted, respectively, to the principal imports from the USSR to India during the period 1913-4 to 1944-5 while appendices XV to XIX mention the principal exports from India to the USSR during the same period. The last Appendix (XX) deals with the custom duties on Russian goods in India, and Indian goods in Russia.

CHAPTER I

THE RUSSIAN ECONOMY

AGRICULTURE, AND INDUSTRY AND COMMERCE

The Russian Revolution of 1917 marks a landmark in the development and reorganization of Russian economy, the basic principle of which is the nationalization of industry and the whole of Russian foreign trade. This principle was proclaimed on 22 April 1918, and was later confirmed by one decree after another on 9 August 1921, 13 March 1922, 16 October 1922 and 12 April 1923, the last mentioned establishing the Government monopoly of foreign trade as a basic law of the USSR.

The stages of development through which the Russian economy and trade has passed since the Revolution may be divided into six, viz:—

1. The War Communism period (1918-20)
2. The New Economic Policy period (1921-4)
3. The period of reaction against the New Economic Policy (1925-7).
4. The First Five Year Plan (1928-33)
5. The Second Five Year Plan (1933-8)
6. The Third Five Year Plan (1938-43)

1. THE WAR COMMUNISM PERIOD (1918-20)

This period is called both War Communism and Civil War : war communism because experiments on communism were carried out during the war conditions and civil war because civil war broke out immediately after the coming to power of the Bolsheviks in October, 1917. 'It was a period of militant communism', in the words of Lenin. All surplus grain and sometimes also the grains required by the peasants for their own food were taken away from them to meet the requirements of the army. Private capitalism was advocated as leading to State capitalism and as an intermediate stage between small producers and socialism. This gave birth to the New Economic Policy which will be described next.

2. THE NEW ECONOMIC POLICY (1921-4)

The New Economic Policy was marked by certain characteristic features. For instance, private trade was re-established, grain quotas were substituted by grain tax and it was accepted that the work and the services rendered to the State and public institutions should be adequately paid for. Taxes and rates which had been abolished after the Revolution were re-introduced. Private enterprise was given stimulus and the wholesale nationalization of industry was modified with the result that certain nationalized industries were de-nationalized. Banks came into existence again and the activities of the co-operative societies of consumers and producers were not so restricted as before. The result of this policy was that private capital became fluid, industry, agriculture and trade became popular, private initiative and enterprise was encouraged and led to constructive work. But this private and individual freedom did not last long and criticism of the policy became rampant even among the Bolsheviks themselves who started wondering whether the pre-revolutionary capitalism was again going to be rejuvenated.

3. THE REACTION AGAINST NEW ECONOMIC POLICY (1925-7)

Private enterprise and private initiative were therefore restricted. The fear of return to capitalism was at work. The system itself lacked co-ordination as the different branches of national economy were not properly integrated. 77 different complicated schedules were in operation for collecting grain tax with the result that only 50 per cent. of the estimated grain tax was collected. Peasantry was supplied not only with inferior industrial products but goods which they did not need. Industrial concerns could not be leased to private individuals on a large scale as businessmen were not sure whether the capital invested by them would remain their own or would be taken away by the State as repeatedly professed by the press. There was no sound economic planning in trade. Currency was not stabilized. Prices were going up. Taxes and rates did not increase the revenue. Still the policy saved Russia from destruction and economic disorganization and raised the output

of industry and agriculture to pre-war level. In 1928 the government took the whole economic life of the country into its own hands and inaugurated an era of planning. In this task it is advised by the Gosplan Commission whose chief task is to prepare quarterly, yearly, or five-year plans and present them to the Council of Peoples' Commissars. The Commission also supervises the working out of the plans and co-ordinates different branches and schemes of the whole national economy of the USSR.

4. THE FIRST FIVE YEAR PLAN (1928-33)

This five year period is called the 'Machine Period' in which primary attention was paid to the production of capital goods, armaments and munitions. The production of oil, coal and steel was raised. Agriculture was collectivized. But transport facilities were not adequate and the plan did not succeed in entirety. The causes of the failure, however, were:—

- i Lack of transport;
- ii Low productivity of labour and higher cost of production due to a wage system which aimed at equal pay for nominally equal work;
- iii Shortage and even absence of experienced technicians;
- iv Lack of up-to-date machinery;
- v Lack of system and planning in the internal management of factories and workshops.

This was a period when, owing to these drawbacks, there was a great wastage of funds and raw materials and this affected badly the quality of goods. For instance, if thin glass was required to be produced ultimately thick glass was produced. Millions of roubles were overdrawn and were spent by factories as they did not observe the rates of pay and employed more men than estimated. The printing trade in Russia was far behind other countries owing to the existence of out-of-date machinery. The timber industry did not make sufficient progress because of unsatisfactory organization of labour and the absence of proper machinery. The metal industry could not develop according to plan for the same reasons. The oil industry was, however better equipped.

5. THE SECOND FIVE YEAR PLAN (1933-8)

The keynote of the Second Five Year Plan is consumers' goods, higher standard of living, and the extermination of well-to-do peasants and private profit-makers. Still the cost of construction was very high as there was a great waste of material and labour. For instance, granite sand and granite used to be brought from distant places while they were available in nearby localities. Taxes were imposed by local authorities as soon as local granite and sands were excavated and prices were consequently raised by 150 to 200 per cent. In the manufacture of locomotives different amounts of the same kind of raw material were used by different factories and more raw material was used in Russia than any other country for such purposes. But the chief achievement of the Second Plan was that Russia turned from an *agricultural* into an *agrigo-industrial* country.

The achievements of the plan in agriculture and industry will be described in full under Agriculture and Industry and it can briefly be mentioned that the period was one of technical reconstruction of the whole national economy.

6. THE THIRD FIVE YEAR PLAN (1938-43)

By 1938, i. e., 21 years after the Revolution, the USSR had a sound economic system by way of nationalized industry, collectivized agriculture, State-controlled banking, currency and trade. There was no deplorable lack of experienced technicians and no wastage of labour or raw material. But the third plan had hardly been inaugurated when the world war II broke out and upset all the plans of national economy. Strictly speaking, it was not until the Third Five Year Plan came into force that the Russian economy was established on a firm basis. In the preceding years following the Revolution, the internal policy of expecting the agricultural or industrial labourer to work all for the common good of the State made them indifferent as did the passion for over-fulfilment of the plan, and shortage of skilled, efficient workmen caused low quality of goods. Transport also suffered from bad management as admitted by the Soviet leaders themselves. All these factors resulted in a much lower productivity per head of population as compared with other

industrial countries in the world, as will be seen from the following table :—

PRODUCTION PER HEAD OF POPULATION *

	USSR	USA	Germany	England	France
Electric power (kilowatt th.)	215	1,160	735	608	490
Pig Iron (kilograms)	86.6	292.0	234.0	183.0	189
Steel	105.0	397.0	291.0	279.0	188
Coal	757.0	3,429.0	3313.0	5,165.0	1,065
Cement	32.0	156.0	173.0	154.0	86
Cotton Fabric (sq. metres)	16.0	58.0	a	60.0	31
Woollen Fabric (metres)	0.6	2.8	a	7.4	a
Leather footwear (Pairs)	1.0	2.6	1.1	2.2	a
Sugar (kilograms)	14.0	12.0	29.0	8.0	21
Soap	3.0	12.0	7.0	11.0	10

* The data for the U.S.S.R. refer to 1937, for other countries, 'to the latest published data.'

a : No data

AGRICULTURE

Russia is mainly an agricultural country and has predominantly been so for centuries. Prior to the World War I, 75 per cent. of the population was engaged on land while on the eve of the World War II that percentage was, according to the census of 1939, reduced to fifty.

There are a number of peculiarities characteristic of present-day Russia's agricultural economy. Firstly, the old pre-revolutionary division of the country into grain-consuming and grain-producing areas still holds good. The former area lies in the north and used to produce one-sixth of its demand, five-sixths of which used to be met from the producing areas. Secondly, 70 per cent. of foodstuffs is consumed by the producing areas and only approximately 30 per cent. is put on the market. Thirdly, despite collectivization since the Revolution, different branches of farming have maintained their pre-revolutionary importance. Grain and potatoes are worth two-fifths of the value of the total agricultural produce in Russia, live-stock 27 per cent. and industrial plants, gardens and pastures all 32 per cent. The Revolution of 1917 has thoroughly

revolutionized the whole agricultural economy of Russia. Requisitioning of grains was not confined only to surplus but was carried even to that which the peasants wanted for their own use. Heavy grain quotas and taxes were levied. Collectivization of farms was made obligatory. The defects of collectivization became, however, soon apparent to the Soviet leaders as sowing areas and the yield were reduced and live-stock destroyed. In 1935 Model Rules of Agricultural Artel (Co-operative) were framed and are in existence today. They have mitigated the evils of the earlier collective farming system.

No species have been added during the post-revolutionary period to the agricultural products in Russia and they are wheat, rye, barley, oats, maize and rice. Their production has increased but the population has also increased and there is not much left for export.

Wheat. Wheat was cultivated in 20 per cent. of the whole arable area before the Revolution but wheat growing has increased from 262.0 million centners in 1913 to 442.4 in 1937 under a more intensive system of work, mechanization of agriculture, enlargement of cultivating areas and the more healthy conditions of work while the exports of wheat shrank from 3,329,000 tons in 1913 to 57,000 tons in 1936 i.e., sixty times less though again in 1938 they rose to 1,275,000 tons.

Rye. 50 per cent. of the world's rye produce comes from Russia and it occupies 30 per cent. of the arable land in the rye area. Production has only slightly increased from 213.3 million of centners in 1913 to 277.4 in 1937 but export of rye decreased from 647,000 tons in 1913 to 106,000 tons, or one sixth of that in 1913.

Maize. The production has increased from 12 million centners in 1913 to 37 million centners in 1937. Still it does not meet the local industrial demand and much leeway has to be made.

Barley. Russia produces 16 per cent. of the world's produce. The output increased from 180.9 million centners in 1913 to 186.8 in 1937, although during the First Five Year Plan and till 1936 the output was very low amounting to 162.3 in the last mentioned year. This also affected the export of barley adversely and Russia, who was a great exporter of barley before

the Revolution, exporting 3,926,000 tons in 1913, was able to export only 105,000 towards the end of the Second Five Year Plan

Oats. In 1913, 268.6 million centner oats were produced in Russia and rose to 269.2 in 1937.

Rice. There has been very slight increase in rice production i.e. from 3.4 million centners in 1913 to 3.8 in 1937. The imports of rice also declined from 134,000 tons a year in 1913 to 52,600 tons in 1936. Excluding rice which is grown in very small quantities, the production of the four main food crops in Russia, viz., wheat, rye, barley and oats, has shown a marked increase since the Revolution and rose from 737,300,000 centners in 1913 to 1,028,200,000 centners in 1937, which is 39 per cent. Buck-wheat, millet, spelt, peas and lentils are also grown in Russia but not in large quantities.

Besides these, flax, hemp, cotton, potatoes, sugar sun-flowers and tobacco are also grown in Russia.

Flax. Its fibre is used for spinning; and its seeds are used for extracting oil. In the pre-revolutionary period Russia supplied 80 per cent. of the world's requirements of flax, exporting even 3,000,000 roubles worth of flax to England alone and both Scottish spinners and British manufacturers made the best use of it. But at present the flax production has been reduced to two-thirds of the pre-revolutionary period and the flax exports of Russia amount only to one-half of the total world demand.

Hemp. It is also used for making oil but hemp oil is much coarser than, and inferior to, flax oil. Its cultivation is 4 times less than that of flax. Its fibre was used long ago in making rope but, since the appearance of steel hawsers, wire and manilla fibre, it is no longer used for the purpose.

Cotton. The cotton cultivation has made unprecedented progress in Russia since the Revolution as prior to the Revolution the yield was 170,000 tons i.e. less than half of the country's requirements were of 350,000 tons. But during the Second Five Year Plan, i.e. within less than twenty years,

1 Centner is a German weight, about 1 cwt.

the output trebled; and the result is that Russia is not only able to meet her own cotton requirements but is capable of exporting it to the outside world. A remarkable feature of the Russian trade is, although, in some years as in 1940 Russia had to import cotton and feed her mills, she did not restrict cotton exports as she did not wish to lose the markets for her surplus cotton.

Potatoes. Five per cent. of cultivated land in Russia is occupied by potato and USSR is the largest potato producing country in the world, her present output being 700 million centners or 35 million tons as against 27 million tons per annum before the World War I.

Sugar. Before the Revolution, Russia used to export sugar chiefly to England, Iran and Turkey even at the expense of her home consumption. But since the Revolution, owing to the investment of more capital in the industry, the enlargement of sugar-beet area and improved methods of work and labour, the sugar production has increased twice, the total amount being nearly 2.6 million tons in 1938. The sugar exports also slightly increased from 147,000 tons in 1913 to 178,000 tons in 1936, Iran and Finland being the chief importers of Russian sugar in pre-revolutionary period and also Great Britain, Holland, Belgium, Turkey, Afghanistan and Mongolian Republic in later years.

Sun-flowers. Sun-flowers are used for extraction of oil and their stalks for production of potash; and their production has increased four times since the Revolution.

Tobacco. Russian tobacco is not of a very good quality like Indian, USA or Chinese tobacco. It has a yellow leaf, is very coarse and is used for making a national tobacco called Makhorka but is not exported. Since the Revolution, its output has increased six times and stands at 608 millions lbs per annum.

Tea and Vineyards. Tea is not cultivated on a large scale in Russia, her total production amounting to a few thousand pounds a year as against her total consumption of about 35 million pounds. Russians are used to China tea and not to Indian and whatever little tea is grown in Russia, it is either Chinese (80 per cent. of the total production) or Japanese (20 per cent.).

INDUSTRY AND COMMERCE

Pre-revolution Russia was mainly an agricultural country with a few large-scale industries spread here and there in industrial centres in the vicinity of natural resources. No change was perceptible in the character of the Russian industry during the Revolution, the Civil War and the New Economic Policy periods but the introduction of the Five Year Plans in 1928 marked an era of rapid industrial prosperity in Russia and by the end of the Third Five Year Plan, Russian industries had almost doubled, trebled or even quadrupled in some cases. But the key industries of Russia are still located in the centres where they had flourished, though not to such an extent, in pre-revolution period. For this purpose, the USSR can be divided into three regions, viz., the Central Industrial Region, the Southern Region (Ukraine) and the North-Western Region (Urals). In the Central Region, textile industry occupies the foremost position as, owing to geographical and climatic conditions, the population of this region could not live on agriculture alone and the demand of manufactured goods coupled with transport facilities greatly accelerated the speed of this industry. The Southern Region which is rich in food supplies devoted itself to food industries such as sugar plantation, wine distilleries, flour mills etc. Metal industries flourished in the North-Western Region as it was full of minerals and raw materials from the neighbouring European countries could be easily obtained. But the output of Russian industries during the first decade after the Revolution did not show any sign of advance in the figures of pre-revolutionary period and while agricultural produce were worth 11,900 million roubles and industrial products worth 5,600 million roubles in 1913, the respective figures in the year 1927 were 11,900 million and 6,600 million roubles.

The introduction of the Five Year Plan, however, inaugurated a new era for the Russian industries. The first two Five Year Plans covering the period from 1928 to 1938 were rightly termed the machine era in which the whole attention of the Soviet reconstructionists was devoted to the manufacture of capital goods, war material and armament.

POWER-PRODUCING MINERALS AND METAL
AND METALLURGICAL INDUSTRIES

The most important minerals in the USSR are oil, manganese ore, iron and steel, coal and anthracite and alloy metals.

Oil. In the pre-revolutionary period, oil was found in the Northern Caucasus, Azerbaijan and Georgia. At present the most important oil regions are the same and, although new oil has been discovered in Siberia and in Moscow and Leningrad, still their output is insignificant in comparison with older regions. 9 million tons was the average annual production of oil before the Revolution but since the Revolution it has gone up to 30 million tons, which is more than three times. The period covered by the First Five Year Plan started with 11,749,000 tons of petroleum and culminated in 22,319,000 tons at the end of the period, showing an increase of nearly 100 per cent. But the Second Five Year Plan did not fare so well and the corresponding figures for the period were 22,458,000 and 30,600,000 tons. Still taking the year 1928, the beginning of the First Five Year Plan, as the base, oil production in USSR increased nearly three times. By the end of the Second Five Year Plan. But as the home consumption also increased correspondingly, i.e. from 5,913,000 tons in 1913 to 17,497,000 tons in 1935, there has been no corresponding increase in the export of oil products from the USSR. Out of 27 million tons of crude oil refined in 1938, Russia consumed 21 million tons, leaving a surplus of 6 million tons out of which three quarters went into war reserve and one quarter i.e. 1.50 million tons remained available for export with the result that while 6 million tons petroleum were exported in 1932 the figure went down to one million tons in 1938 and 500,000 tons in 1939. This shows that very little oil is available for export from Russia unless, in order to hold her markets, she allows a portion required for her home consumption to be exported and imports the balance of her requirements from abroad as she did in the case of cotton in 1940. Comparing the exports of oil products from Russia in 1913 with those in 1936 one would find a considerable increase in the figures which rose from 947,000 tons to 2,666,000 tons, more than two and a half times. But

that position is the story of the past and exports of Russian oil products will be greatly restricted in the future specially with Russia's own post-war planning and schemes of development.

Manganese Ore. The deposits of manganese ore in Russia are situated in Georgia, at Chiatry and in the Ukrainian Republic and contain 30 per cent. of metal. Russia is the largest producer of manganese ores in the world and her present average production is 3 million tons per annum, a three-fold increase over the pre-revolution period. A large portion of these minerals is consumed by the Russian iron and steel industry and only 25 per cent. of the total output was exported in each year of the Second Five Year Plan, the exports in 1913 and 1936 being respectively 1,194,000 and 606,000 tons. This shows that countries interested in Russian exports will have to go without them unless the Soviet policy is changed of which there is no sign.

Iron and Steele. According to Russian estimates, the reserve of iron ore in the USSR exceeds 10,000 million tons, five times more than in pre-revolution period and the total output was 30 million tons a year recently. The south of Russia and the Urals are the main sources of iron ore now as before with the only difference that while in pre-revolution period the former supplied 75 per cent. and the latter 25 per cent. the process has been reversed and the Urals produce 60 per cent. In 1934 Russia, instead of importing iron ore, started to export it, though in small quantities. The total production however, in 1937 was 27,743,000 tons as against 9,213,500 tons in 1913, an increase slightly less than three times.

Coal and Anthracite. In pre-revolutionary Russia 230,000 million tons of coal deposits were estimated but the figures supplied by Russia in 1937 put the present coal deposits of Russia at seven times more than the pre-revolutionary estimates. The annual production is four times as much as those before the Revolution and is computed to be 166 million tons in 1940. But exports are very small owing to heavy home consumption and were 470,300 tons of coal and 804,000 tons of anthracite in 1932 but towards the end of 1936 exports of coal and anthracite amounted to 1, 803,000 tons.

Alloy metals. Most of alloy metals especially non-ferrous metals such as copper, nickel, aluminium, lead, zinc and

tin were imported by Russia before the Revolution and until ten years after it although she has her own rich deposits of these metals.

In addition to these, two kinds of apatite are produced in Russia, crude and concentrated. The former is used chiefly for metallurgical purposes and the latter in production of super-phosphates, phosphoric acid, thermo-phosphates and other fertilizers and chemicals. In 1935, 1,555,300 tons of crude and 707,900 tons of concentrated apatite were produced and 152,854, and 233,095 tons respectively were exported.

Rubber. The manufacture of synthetic rubber was started in 1931 and the cultivation of natural rubber in 1937 when 30,000 tons of rubber was also imported. Neither the synthetic nor the natural rubber produced in Russia is sufficient to meet her requirements and she will continue to import rubber for some time to come.

The Textile Industry. The textile industry is the oldest in Russia and was confined to the home market and not for export. The flax industry was its oldest branch and flourished in flax-growing area, while the woollen industry prospered mainly round Moscow and Leningrad. The cotton industry owes its development to the capitalist system in Russia. Starting with 25 per cent. of the whole of Russian industry at the end of the New Economic Plan and the beginning of the First Five Year Plan and remaining standstill during the First Five Year Plan (1928-33), like agriculture, food industry and transport, the textile industry was sacrificed during this period to the development of heavy industries such as capital goods, military equipment and munitions with the result that textile goods were not only scarce and rationed but at times quite unobtainable in the market. But during the Second Five Year Plan, the industry made tremendous progress and the output increased almost double in 1937 in such products as cotton fibre, cotton yarn, cotton fabrics and cotton thread, flax fibre and socks and stockings. The introduction of automatic machinery and higher productivity of labour coupled with planned economy and large investments were responsible for this increase. Still heavy industry flourished at the expense of the textile industry and Russia is still unable to cope with

her local demand of textile goods, as the rate of the production of textiles per head of population in Russia is 16 metres while in France, USA and Great Britain it is 31,58 and 60 metres respectively. The export trade in textiles is also the same as in pre-revolutionary period i.e. 17,200 tons in 1913 and 17,400 tons in 1936, the importers of Russian textiles being also the same i.e. Afghanistan, Iran, China, Mongolia and Turkey, although the volume of these imports into these countries was not the same individually in 1936 as in 1913, Afghanistan's and Iran's shares almost being doubled.

Food Industry. The food industry in Russia is not only nationalized but highly mechanized right from mixing the flour to delivering the bread to the consumer. The flour, canning, meat and fish industries have been highly organized and the output has tremendously increased in the Second Five Year Plan. For instance, bread rolls increased from 8,065.1 (thousand) tons in 1932 to 19,131.0 in 1937, meat from 483.2 to 812.1, animal butter from 71.6 to 185.2 and canned goods from 906.1 (million conventional cans) to 1,371.9.

Gold Industry. The discovery of gold in Russia owes its origin to 1724 but it was not extracted till 1752. The average output of gold in Russia increased from 16.09 pounds to 3396.6 pounds in 1913 while in 1935 it was estimated at 5,831,000 fine ounces and in 1936 at 7,350,000.

Other Industries. It will not, however, be out of place to mention here that export of fertilizers has increased tremendously since the Revolution and while 38,200 tons were exported in 1913, the year 1936 witnessed the export of 606,000 tons. Chemicals, wool and cotton were imported in very much lesser quantities and the figures for 1913 were respectively 161,000, 55,500 and 197,000 tons and in 1938, 5,660, 15,318 and 16,128 tons,

Timber. The U.S.S.R. is the richest country in the world in timber with 1,400 million acres of forests which is 30 per cent. of the world's total forest area. Lack of planning was responsible for the terrific wastage of timber in pre-revolutionary period. During the First Five Year Plan, progress was slow owing to the absence of proper machinery, and of the proper assortment of the hand tools and the unsatisfactory organization of labour which was mostly conscript labour. Appreciable progress was made by the end of 1937 as the production of timber

cut was raised from 30 million cubic metres in 1913 to 201 in 1937, of sawn lumber and timber from 11.5 to 33.8. The output of plywood and veneer rose from 165,000 cubic metres to 672,000 and of paper from 205,000 to 832,000 while the capacity of saw frames went up from 15 to 74 million cubic metres. Still there is tremendous waste in transport as the distance between the places where timber is found and those where it can be used is enormous. Great Britain absorbed 40 per cent. of Russia's timber exports, and Germany 20 per cent.

Imports of metals and electric appliances increased greatly i. e. from 151,000 and 13,000 tons respectively in 1913 to 236,794 and 18,500 in 1938. The imports of non-ferrous metals, however, decreased from 108,000 tons to 94,900 tons in the same period. The imports, in general, from the tonnage point of view, considerably decreased during this period except the Japanese, Belgian and USA.

On the whole, both exports from and imports to the USSR have considerably decreased towards the end of the post-revolutionary period. There was a sudden fall in exports in 1921-2 from 24,112.8 thousand tons in 1913, more pronounced than in imports which fell from 15,342.8 thousand tons to 1,989.1 tons. From 1922-3 there was an onward tendency both in exports and imports till 1931 but afterwards both exports and imports showed a marked decline culminating in 1937 in 12,969.4 and 1,285.8 tons respectively. This decline and contraction was not due to any crisis or currency exchanges with foreign countries but entirely to the revolutionized Soviet national economy the basic idea of which is 'the rational utilization of natural resources'.

The following table will illustrate the progress made by Russian industry during the period 1913 to 1938 :—

	1913	1929	1933	1937	1938
Engineering & metal industries (milliard roubles, 1926-27)	1,446	3,054	10,822	27,519	33,613
Engines	418	602	941	1,581	1,626
Goods trucks (thousands)	14.8	15.9	18.2	66.1	49.1
Motor cars (thousands)	—	1.4	49.7	200.0	211.4
Electric power (milliard k. wh.)	1.9	6.2	16.4	36.4	39.6
Coal (million tons)	29.1	40.1	76.3	127.9	132.9
Iron ore (million tons)	9.2	18.0	14.4	27.7	26.5
Manganese ore (thousand tons)	1,245	702	1,021	2,752	2,273
Pig iron (million tons)	4.2	4.0	7.1	14.5	14.6
Steel (million tons)	4.2	4.9	6.9	17.7	18.0
Rolled steel (million tons)	3.5	3.9	5.1	13.0	13.3
Copper (thousand tons)	—	35.5	44.5	99.8	103.2
Aluminium (thousand tons)	—	—	7.0	37.7	56.8
Cement (Million tons)	1.5	2.2	2.7	5.5	5.7
Cotton textiles (million m.)	2,227	3,068	2,422	3,447	3,491
Woolen textiles (million m.)	95	100.6	86.1	108.3	114.0
Leather shoes (million pairs)	—	48.8	80.3	164.2	213.0
Raw sugar (thousand tons)	1,290	1,283	985	2,421	2,519
Oil (million tons)	9.2	13.8	22.5	30.5	32.2

The more detailed figures of certain industries during the years 1937 to 1941 are illustrated by the following table :—

	1937	1938	1939	1940	1941
Gross output of industrial production in milliard roubles	95.5	106.8	123.9	137.5	162.0
in 1926-7 prices of which :					
Capital goods	52.2	62.6	73.7	83.9	103.6
Consumer goods	40.3	44.2	50.2	53.6	58.4
Production of coal (million tons)	127.9	132.9	145.9	166	191.0
" oil (million tons)	30.5	32.2	*	31	38.0
" pig iron (million tons)	14.5	14.6	—	15.0	18.0
" steel (million tons)	17.7	18.0	—	18.3	22.4
" rolled metal (million tons)	13.0	13.3	—	13.4†	15.8
" aluminium (thousand tons)	37.7	56.8	—	59.9†	99.4
" copper (thousand tons)	99.8	103.2	—	104.7†	215.7†

* No figures for 1939 have been published. † Estimated.

The percentage of the increase in industrial output during the quinquennium 1937-1942 is revealed by the following table ;—

	1937	1942	1942 as per cent of 1937
Gross production of all industry (in 1926-7 prices), milliard roubles.	95.5	184.0	192
Production of means of production	55.2	114.5	207
Production of consumer goods	40.3	69.5	172
Machine-building and metal-working	27.5	63.0	229
Chemical industry	5.9	14.0	237
Production of electrical energy (milliard k wh.	36.4	75.0	206
Coal (million tons)	327.9	243.0	190
Crude oil and gas (million tons)	30.5	54.0	177
Pig Iron (million tons)	14.5	22.0	152
Steel (million tons)	17.7	28.0	158
Rolled metal (million tons)	12.9	21.0	162
Aluminium (thousand tons)	46.8	162.0	346
Cement (million tons)	5.4	11.0	202
Cotton fabrics (million m)	3,442.0	4,900.0	142
Woolen fabrics (million m.)	105.1	177.0	167
Leather footwear (million pairs)	164.2	258.0	143
Sugar, granulated (thousand tons)	2,421.0	3,500.0	144
Canned preserves (million tins conventional units)	863.0	1,800.0	206

CHAPTER II

THE STATE MONOPOLY OF FOREIGN TRADE

No account of Russian commerce and trade will, however, be complete without mentioning the State monopoly of foreign trade under which the whole foreign trade of the U.S.S.R. is entrusted to the exporting corporations under the guidance of the People's Commissariat of Foreign Trade. The decree of 14 November 1917 issued by the Soviet Government introduced state control over the activities of private trade in the key branches of the trade without immediate nationalization with the result that in the earlier days of state control of trade private trade was also co-existent.

The decree of 27 December 1917 marked the establishment of state control of foreign trade which eventually developed into the state monopoly of foreign trade. A decree of 21 November 1918 instituted the nationalization of all trade and so ended the period of the co-existence of the private and state trading. The decree of 29 December 1919 had, however, established a system of licensing for exports and imports under which trade organizations which were in existence before the Revolution of 1917 were allowed to carry on trade but had to obtain licences from the Foreign Department of the Commissariat of Trade and Industry without which foreign trade was regarded as smuggling and thus was punishable. But the system did not work satisfactorily, and only after four months of its existence another decree dated 22 April 1918, was issued introducing a system of state monopoly of foreign trade. The whole foreign trade was thus nationalized and could be conducted only by the appropriate department of the 'Soviet Foreign Trade'. The main object of the state monopoly of foreign trade was, in the words of its originator L. Krasin : 'The Red Army must defend our country against possible military attack. The monopoly of foreign trade must repulse all economic and financial intervention from abroad'.

The financial and economic intervention from abroad could not, however, be averted, although exports and imports were brought under state monopoly. The leading French, English,

American, Scandinavian and Estonian banks refused to take part in any transactions involving the U.S.S.R., even though the payment was made in Russian gold money. This blockade continued till the middle of 1921, which together with the lack of export goods available in the U.S.S.R. caused an almost complete isolation of the Russian trade from the world markets. The volume of exports declined tremendously while imports were restricted to emergency purchases to meet the requirements of the army relief supplies for the civilians. The following table will illustrate to what extent the Russian foreign trade had suffered from 1913 to 1920 and how gradually the balance of trade was declining against the U.S.S.R. Figures in this table and the next are based on 1913 prices and those for later years on current prices.

(In millions of roubles, 1913 value)

	Exports	Imports	Balance
1913	1,520.1	1,374.0	-146.1
1914	835.0	1,109.0	-274.0
1915	274.0	870.0	-596.0
1916	237.0	862.0	-625.0
1917	137.0	802.0	-665.0
1918	7.5	61.1	-53.6
1919	0.1	3.0	-2.9
1920	1.4	28.7	-27.3

As already explained, private trade was re-established in the New Economic Policy era and a number of leading Communists advocated the abolition of state monopoly of foreign trade as it had led to the deterioration of the Russian foreign trade to a most uneconomic level. Still Lenin was in favour of the monopoly and advocated its retention in the following vein :

No tariff policy can be really effective in an era of imperialism, an era of enormous discrimination between poor countries and very rich countries. In such circumstances any rich industrial country can completely defeat tariff protection. To do so it need only introduce an export bounty on the goods exported to Russia on which we levy a duty. Any industrial country has more than enough money to finance such a bounty, and consequently any industrial country can, with absolute certainty, defeat our home industries.

Krasin, who organized the monopoly and who was the first Soviet Ambassador to Great Britain, was equally vehement on the necessity of monopoly as would appear from the following remarks made by him

Soviet monopoly of foreign trade is simply the application of the general Soviet principle of planned state regulation to the sphere of the foreign trade relations of the Soviet Union. Thus there is the closest natural connexion between the foreign trade monopoly and the planned economy of the Soviet state. Without a foreign trade monopoly, the Soviet state could not carry out the state planning scheme.

Both Lenin and Krasin were justified in their insistence on the retention of the monopoly as the commercial, economic and financial advantages of the system are enormous and some of them may be enumerated:—

In the first instance, the monopoly affords complete protection against the competition of foreign countries and against world prices interfering and lowering the internal prices. The same object could not be achieved by heavy prohibitive tariffs as in that case the other countries would raise similar prohibitive duties against Russian exports and Russia's export trade would be at a standstill. The Foreign trade monopoly has thus all the advantages of prohibitive tariffs but none of their disadvantages. For instance, in spite of monopoly, the U. S. S. R. can contract commercial agreements with foreign countries with a 'most-favoured nation' clause and can, at the same time, control imports and the means of internal licences and quotas. The import duties can profitably be used as a means of bargaining with other countries at the time of contracting commercial agreements with them.

Secondly, the state monopoly of foreign trade helps to regulate imports strictly in accordance with the plan without any change in the commercial agreements or in the tariff rates as under the monopoly, import licences are issued by the People's Commissariat of Foreign Trade or its subordinate bodies according to a plan.

Thirdly, exports can also be carried out according to a plan. Under a system of free foreign trade, exports and imports are treated as two separate organizations but under the state monopoly both exports and imports are regarded as two parts of the same organization. This eliminated the danger of

exports being stopped if there has been a loss in their prices but the loss in exports can be made good by the profit in exports and *vice versa*. The capital of both the exports and the imports is a part of the state finance and the loss on one side can be made up by the profit on the other.

Fourthly, the state monopoly has been instrumental in not only fulfilling the economic and commercial aims of the country but also the political and social aims. If the USSR desire to develop economic or political relations with a particular country with a view to meet their own political ends, they can do so by transferring purchases from one country to another without any change in the trade agreement with the country concerned.

Fifthly, under the state monopoly it was no longer necessary to link the internal currency to the foreign currency; and when the Soviet rouble disappeared from the foreign exchange markets the Soviet Government used a special rouble for the calculation of foreign trade and for the purpose of converting foreign currency in private foreign transactions such as for travellers and for money orders from foreign countries. This special rouble served as a counting unit for all transactions in foreign currency.

In March 1921, when the economic and financial blockade of the USSR referred to previously was lifted and the first temporary trade agreement was signed between USSR and Great Britain and later on with other countries, the foreign trade of the USSR began to operate through central co-operative organizations and through mixed joint-stock companies of Soviet and foreign capital under the People's Commissariat of Foreign Trade. Two kinds of companies were created—one to deal with special goods and the other with particular countries. The object was to attract foreign capital and foreign experience, but these joint companies did not attract any considerable amount of foreign capital and the Soviet foreign trade was carried, during the New Economic Era, almost exclusively by Soviet co-operatives and state trade organizations. There was no strict co-ordination of these co-operatives and organizations in the beginning and it was only after the People's Commissariat of Foreign Trade and the People's Commissariat of Internal

Trade were fused into one body called the People's Commissariat of Trade that special joint-stock export and import organizations and syndicates were created

Still the monopoly did not secure a favourable balance of trade for Russia as many would have expected as would be seen from the following table.

Foreign trade between 1913 and 1930
(Mill. roubles)

	Exports	Imports	Balance
1913	1,520.1	1,374.0	-146.1
1920	1.4	28.7	-27.3
1921	20.2	208.3	-188.1
1922	81.6	269.8	-188.2
1923-4*	373.2	233.5	-138.7
1924-5	558.6	723.5	-164.9
1925-6	676.6	756.3	-79.7
1926-7	780.2	713.6	-66.6
1927-8	777.8	945.5	-167.7
1928-9	877.6	836.5	-41.3
1929-30	1,002.3	1,068.6	-66.8

The reason was that the chief aim of the foreign trade of the USSR is not to export and import with a view to obtain profit but to assist the country in the development of national economy. The need for consumer goods was great but that for capital goods, for developing industry was still greater and continued to increase as industrial development proceeded. The exports were to provide as much foreign currency as possible in order to enable Russia to pay for the imports of capital goods even if the exports were not profitable.

The Russian exports could not pay for the imports since 1913 and the main reason was that the volume of exports of agricultural products, specially foodstuffs, could not be increased sufficiently as would be illustrated from the following tables of exports and imports during the years 1913 to 1930 :—

* During the economic years, i.e. from 1 October to 30 September of the following year.

Exports and imports of USSR; of foodstuffs, raw materials and semi-manufactured goods, animals and manufactured goods :

YEARS	Foodstuffs	Raw materials and semi-manu- factured goods	Animals	Manufactured goods
Exports in million roubles				
1913	878.5	522.3	34.3	84.9
1920	0.3	1.1	0.0	0.0
1921	1.5	18.1	0.0	0.6
1922	4.5	74.0	0.1	5.1
1923	125.2	79.0	0.1	1.6
1924-5	174.0	365.4	2.4	16.9
1925-6	289.4	354.1	2.9	30.3
1926-7	367.6	370.7	3.2	38.7
1927-8	234.7	455.2	3.2	84.4
1928-9	215.7	559.3	3.3	99.3
1929-30	274.3	625.4	1.0	101.6
Imports in million roubles				
1913	237.9	668.0	17.6	450.5
1920	1.1	4.4	0.0	23.0
1921	33.8	19.4	0.0	155.1
1922	93.3	31.9	0.0	136.6
1923	10.5	74.2	0.0	59.4
1924-5	203.5	347.2	5.1	167.6
1925-6	265.7	405.3	8.7	276.7
1926-7	58.4	425.3	8.6	221.3
1927-8	108.2	507.9	10.4	318.9
1928-9	72.1	455.9	11.0	279.3
1929-30	92.9	412.6	13.8	549.4

It was, at any rate, due to the state monopoly of foreign trade that more goods were mobilized for export than would have been possible otherwise. It was due only to the monopoly that some goods were exported even at the expense of the Russian consumer and not only without profit but also at a loss.

The system was not, however, free from drawbacks. It was not always easy to sell the mass products, or to sell particular goods at a time when rates were most favourable or to execute prompt orders for industrial equipment. The centre was also overburdened with small and cumbersome orders. These and other defects were tolerable as long as the country's economy was being built up but when reconstruction started synchronizing with the world crisis the rationalization and the decentralization of the state monopoly of foreign trade was considered necessary.

In February 1931, the export and import joint-stock companies were reorganized into export and import monopolistic corporations, the organ of the People's Commissariat of Trade. The functions of these newly-constituted monopolistic corporations were to perform all the functions so far performed by the People's Commissariat of Trade and the Trade Delegations to deal in definite kinds of goods whether for export or import and to place orders abroad which used to be done by trade delegations so far. Within the domain of the People's Commissariat of Foreign Trade fell the questions dealing with planning, general direction and control over foreign trade operations. The Commissariat was split up into two Commissariats—the People's Commissariat of Supply of the USSR dealing with the home market and the People's Commissariat of Foreign Trade of the USSR whose chief function was to specialize exclusively in the problems of foreign trade. The main functions of the export corporations, as reorganized in 1935, are:—

(a) to prepare export plans for goods in which they specialized and to work out annual control figures and operational plans and to submit them for approval;

(b) to put into effect approved export plans;

(c) to work out and put into effect measures for fulfilling export plans, improving the quality of the goods exported and raising the profits on exports by such means as the standardization of export goods, reduction in trade and overhead charges, better utilization of foreign markets etc. and

(d) to study prospects of foreign markets and firms contracts.

These export corporations deal mainly with the following branches of exports:—

1. Grain, butter, poultry, bacon, fish products, canned goods, beans, sugar, oil cakes and fruit.

2. Animal products, matches and carpets.

3. Timber.

4. Petroleum oil and their by-products.

5. Coal and anthracite.

6. Industrial products including fat products, chemicals, fertilizers, asbestos, manganese ore and magnesite.

7. Flax and flax yarn.
8. Cotton.
9. Automobiles.
10. Machinery tools, electrical equipment and pig iron.
11. Medicinal herbs, drugs and tobacco.
12. Cinema films.
13. Books, music works of art and antiques.

The functions of import corporations are similar to those of export corporations, They act as brokers to the Soviet economic organizations. They study the achievements of foreign production and techniques and carry out measures which had proved successful elsewhere and which have been adopted in the USSR.

The People's Commissariat for Foreign Trade has its Commissioners in allied and autonomous republics and regions as well as at various points of importance to foreign trade. The main functions of these Commissioners are:—

- (a) to study local exporting potentialities, particularly with new items of export in view;
- (b) to carry out measures designed to secure the fulfilment of the plans for the delivery of export goods designed by republic, regions etc;
- (c) to supervise the fulfilment of export plans by local industry and procurement organizations; and
- (d) to supervise the quality of goods earmarked for export and the work of state institutions controlling quality.

The commissioners are assisted in their work by export 'Conferences' which exist in all administrative centres where these Commissioners are appointed.

The People's Commissariat of Foreign Trade does not carry out any actual operations but regulates controls and directs the country's entire export and import trade and performs the following functions:—

- (a) To examine and ratify plans of export and import submitted by the Corporations.
- (b) To direct and control the sale policy of export and import corporations abroad and also to direct work connected with trade agreements.

(c) To promote the study of new export and import items and to substitute the home-produced goods in place of imported goods.

(d) To scrutinize the corporations' financial and foreign exchange plans, to ratify their estimates of administrative and maintenance expenses and to draft plans consolidating these various financial items.

The extent to which the foreign trade monopoly has succeeded in USSR can be seen from the following table from which it will appear that, although the balance of trade was considerably against Russia in the years 1930, 1931 and 1932, it showed a considerable improvement after 1933 :—

Year	In Million roubles*		
	Export	Import	Balance
1909-13	6,513.9	4,994.1	+1,519.8
1913	6,569.4	6,022.5	+573.9
1929	4,045.8	3,857.0	+188.8
1930	4,539.3	4,637.5	-98.2
1931	3,533.1	4,839.9	-1,286.8
1932	2,518.2	3,083.5	-565.3
1933	2,167.5	1,525.1	+642.4
1934	1,832.4	1,018.0	+814.4
1935	1,609.3	1,057.2	+552.1
1936	1,359.1	1,352.5	+6.6
1937	1,728.6	1,341.3	+387.3
1938	1,331.9	1,422.9	-91.0

CHAPTER III.

INDIA'S TRADE WITH RUSSIA

The foregoing account of the agricultural, industrial and commercial conditions of the USSR has made it clear what commodities are required by the USSR and what goods the USSR is capable of supplying to other countries. A similar account of the economic conditions of India should also have been useful but as readers in this country are well aware of the agricultural, industrial and commercial data in this country it does not seem necessary to overwhelm this small pamphlet with all that information and brief references to the exports and imports of principal commodities from and to India are given here and there wherever necessary.

The principal commodities of export from India to the USSR have, from time to time, been tea (black and green),

* The rouble here has been recalculated on the basis of the rate of exchange of the rouble fixed by the State Bank on 1 April 1936. One 1936 rouble=4.38 pre-1936 rouble.

jute and jute manufactures such as jute twist and yarn; gunny bags, gunny cloth, rope and twine; oil seeds (castor, coconut kernel or copra), groundnut, sesamum (*til*); oil cakes; hides and skins (raw); gums and resins; rice (in husk and without husk); cotton (raw); hemp (raw); paraffin wax; wax of all kinds; lac and shellac; metals and ores such as lead pig and manganese ore; imitation jewellery imported from foreign countries; dyeing and tanning substances such as myrobalan; tobacco manufactures; and spices.

The articles of import from the USSR to India are *Oils* (mineral, kerosene, fuel, diesel, petroleum); tea chests; wood and timber for match-making; paper and pasteboard; packing paper, printing paper, writing paper and envelope; drugs and medicines, chemicals and chemical preparations; cotton manufactures including twist and yarn; flax manufactures including twist and yarn; sugar (beet); wool manufactures (yarn and knitting wool); dyeing and fanning substances (Congo red and glue); machinery and millwork; seeds (essential), manures (sulphate of ammonia).

The value and tonnage of these exports and imports have, however, been varying from time to time. Some of them are no longer required by the country importing them and some are in greater demand than others. For instance jewellery is no longer exported to Russia while she has increased her exports of dyeing and tanning substances as well as chemicals and chemical preparations (soda compounds) and also of manures (sulphate of ammonia).

PRINCIPAL EXPORTS FROM INDIA TO THE USSR

Jute. The volume of India's jute trade with the USSR is almost negligible in consideration of the total jute exports of India. For instance in 1931, raw jute exported to Russia represented less than 1 per cent. and gunny bags 3 per cent. of the total exports of jute from India. Still as Russia has not yet started growing jute, the jute exports of India to the USSR will continue for some time.

With the exception of the period of six years (1918-9 to 1923-4) when Indo-Russian trade was almost non-existent, jute, raw and manufactured, has been consistently in demand by the USSR.

Jute manufactures represent about one-fourth of the total export trade of India and raw jute and gunny bags are perhaps the largest exports of India to the USSR, their total trade in 1937-8 amounting to Rs. 3.966 million in 1938-9, the share of the USSR being in raw jute worth Rs. 5.050 million in 1937-8 and nil in 1938-9 and in gunny bags worth Rs. 6,000 during that period. The Indian exports of these commodities have been rising slowly and continued to be in great demand by the USSR during the whole war period unlike so many other commodities as will be seen from the following table:—

(A) Raw Jute

Year	Quantity (in thousand tons)	Value in thousand rupees
1934-5	4	488
1935-6	15	2,761
1936-7	16	22,843
1937-8	25	5,050
1938-9	19	3,561
average	16	2,941
1939-40	1	1,48
1940-1	—	—
1941-2	14	4,096
1942-3	7	1,883
1943-4	—	—
1944-5	2	8,94
Average	6	1,718
Eight months ending November 1945.	3	1,146

(B) Gunny Bags

Year	Quantity (in thousand tons)	Value (in thousand rupees)
1934-5	1,310	3,13
1935-6	15	4
1936-7	—	—
1937-8	26	6
1938-9	—	—
Average	270	65
1939-40	—	—
1940-1	—	—
1941-2	3,117	1,469
1942-3	5,332	1,803
1943-4	—	—
1944-5	1,849	1,340
Average	2,574	1,153
Eight months ending November 1945	—	—

Tea. Tea is by far the most important commodity of export from India to Russia, coming only next to China. In the post-revolution period Russia reduced her imports of tea heavily, affecting the Indian exports to a certain extent as would be seen from the following table:—

Year	Quantity of imports in tons	Value in 000 roubles
1913	9,806	10,767
1929	5,292	7,269
1931	2,670	1,925
1932	5,171	2,915

Prior to the world war I, India had quite a large share in the tea exported to Russia and, according to the figures of 1913, 11.1 per cent. of the total tea exported from India went to Russia but the percentage heavily fell in 1931-2 when only 0.7 per cent. of India's total tea exports went to the U.S.S.R. The reason for this decline is that, in the first place, the Russians prefer the Chinese tea to the Indian and, secondly, under the five year agricultural plans, Russia has started Indian tea plantation in Georgia the climate of which is exceedingly suitable to Indian tea.

A more economic development took place in India's trade with Russia in tea when the necessity of dealing direct with Russia was felt by the Indian tea growers and exporters. For a considerable time, the British tea merchants and commission agents had a substantial share in India's export of tea to Russia as part of the tea was exported direct and part through the United Kingdom. But for some years past the Indian tea growers have been trying to deal with Russia directly through the Russian *controsyuz* office in London and even to Russia direct.

As will be seen from the following table, the re-exports of Indian tea from the United Kingdom to the USSR in 1928-9 which exceeded the direct exports by more than a million pounds, were much less in 1930-1 and were almost equal to direct exports in 1931-2.

	In million lbs			
	1928-9	1922-30	1930-31	1931-2
Direct exports	4.1	5.3	6.2	3.5
Re-exports from United Kingdom	5.3	9.6	4.9	3.8
Total	9.4	14.9	11.1	7.3

The Indian tea exports to Russia have been quite regular since 1913-4 with the exception of the years 1920-1 to 1923-4 when export trade from India to Russia was at a standstill and there were only a few restricted imports from Russia.

The value of the tea exported from India in 1937-8 and 1938-9 was Rs. 2.439 million and Rs. 2.342 million respectively, or 19 per cent. of the total export trade of India. Out of this exports to Russia amounted to Rs. 582 thousand in 1937-8 (24 per cent. of total tea exports of India) declining to Rs. 50 thousand in 1938-9 and to Rs. 17 thousand in 1939-40 but rising again to Rs. 629 thousand and Rs. 937 thousand in 1942-3 and 1943-4 respectively. The following table will give an idea of the quantity and the value of the Indian tea imported by the USSR during the period of eleven years ending 1944-5:

Year	Quantity lbs. in thousand	Value Rs. in thousand
1934-5	40	20
1935-6	976	751
1936-7	1667	1,333
1937-8	647	582
1938-9	75	50
Average	681	547
1939-0	35	17
1940-1	—	—
1941-2	—	—
1942-3	799	629
1943-4	—	—
1944-5	1444	937
Average	561	391
Eight months ending November 1945	34	44

Oil Seeds. The exports of such seeds as castor, coconut kernel or copra, groundnuts, sesamum (*til*) and others were abundant in the quinquennium 1913-14 to 1917-18 but none during the following years with the exception of the years 1929-30 as the following table will show:—

1913-4	L 1,21,815
1914-5	1,51,060
1915-6	38,396
1916-7	34,513
1917-8	8,729
1929-30	1,82,525
1930-1	5,41,825
1931-2	4,21,025

The reason for this is that Russia not only cultivates oil-seeds but also exports them, their exports in 1938 amounting to 5.193 million tons. During the recent years, however, the value of the exports of oil-seeds to Russia was reduced to Rs. 6,37,000 in 1942-3 and again to Rs. 1,000 in 1944-5.

Cotton, raw, manufactured and waste. Exports of cotton manufactures form nearly one-fifth of the total exports of India. The two quinquennia—1913-4 to 1917-8 and 1929-30 to 1933-4—were prominent in India's cotton exports to the USSR while the quinquennium 1919-21 to 1923-4 and the following years were almost devoid of any exports of Indian cotton to the USSR, with the exception of 1938-39 when cotton waste worth Rs. 1,000 was exported to Russia and the year 1944-5 when the value of Indian cotton manufactures exported to Russia was Rs. 236,000. This was the highest figure for the exports of Indian cotton manufactures to Russia because, confronted with the Nazi invasion, she could not afford to manufacture all her cotton cloth locally. Otherwise she is a cotton growing country and is the chief supplier of cotton to Afghanistan, Iran, China, Mongolia and Turkey. The figures for the preceding years will, however, be seen from the following table:—

1913-4	L	72,474
1914-5	"	1,40,443
1915-6	"	1,520
1916-7	"	74,799
1917-8	"	178,386
1924-5		Rs 80,528
1928-9		" 9,750
1929-30		" 74,680
1930-1		" 33,980
1931-2		" 23,525
1932-3		" 12,875

Dyeing and Tanning substances. Dyeing and tanning substances such as cutch and gambier, indigo, myrobalans and turmeric were exported to Russia in the years 1913-4 to 1916-7 and again in 1929-30 and 1930-1 but none in between or afterwards and instead of importing these substances Russia began to export dyeing and tanning substances to India as will be seen under the chapter of Principal Imports from USSR to India. The following table will give an idea of the value of these exports in the years mentioned above:—

1913-4	L	18,930
1914-5	„	3,720
1915-6	„	25,818
1916-7	„	39,116
1929-30	Rs	937
1930-31	„	18,250

Provisions and Oilman's stores. The value of exports of these articles to Russia was Rs. 620 thousand in 1942-3 but came down to Rs. 48 thousand in 1944-5. In no other year during the period of eleven years under review were these commodities exported to Russia,

The total value of exports from India of these commodities was Rs. 5.992 million in 1942-3 and Rs. 5.848 million tons in 1943-4, Russia's share being 10 and 8 per cent. respectively.

Tobacco Manufactures. Russia has been a casual buyer of Indian tobacco manufactures, her purchases amounting to Rs. 630, Rs. 1,396 and Rs. 29,855 in 1925-6, 1927-8 and 1928-9 respectively. After that there is again a long pause and it is only in the years 1942-3 and 1944-5 that, under the war-time pressure, Russia imported tobacco manufactures from India worth Rs. 311,000 and Rs. 1,005,300, respectively.

Thus in 1942-3 Russia's share in India's total tobacco exports amounted to 2 per cent. This was due to the fact that tobacco production in the USSR had increased more than six times since 1913 and although Russian tobacco is not of a very high quality, the Russians want to be self-sufficient in this as in almost every other industry.

Rubber (raw). The only year during the period of eleven years under review in which raw rubber was exported to the USSR was 1942-3 when the value of the exports of this article stood at Rs. 443 thousand and the tonnage at 885 thousand pounds or 4 per cent. of the total exports of raw and manufactured rubber from India in that year. But there is a great future for rubber in the USSR as, although Russia both cultivates rubber and manufactures synthetic rubber, her requirements are far in excess of her produce or manufactures. The Netherlands East Indies will, at any rate, be an almost invincible competitor India will have to face.

The following table shows India's shares in the rubber imports of the USSR since 1913:—

Imports of Rubber to the U. S. S. R.
In Tons

Chief countries of origin	1913	1929	1939	1932	1933
England					
India	4,079	2,059	1,661	273	5,806
Germany	1,474	7,078	3,941	2,737	2,157
Dutch colonies	3,023	118	344	31	24
		153	5,484	19,785	27,401
Total (including other importing countries)	12,761	12,827	16,408	30,569	31,270

Woollen Manufactures. Russian imports of wool and woollen manufactures have tremendously decreased since 1913 owing to Russia's own wool industry. That is why woollen manufactures were imported by the USSR under the great pressure of the war only in the year 1942-3 valued at Rs. 34 thousand and so representing 0.1 per cent. of the total exports of raw and manufactured wool from this country.

Drugs and medicines. In the year 1943-4 India exported drugs and medicines including chemicals to the value of Rs. 6.633 million and in 1942-3 to the value of 5.852 million. But exports to Russia were confined to the years 1934-5 and 1942-3 when their value reached Rs. 7 thousand and Rs. 33 thousand respectively, showing 0.6 per cent. of India's total export of this commodity in 1942-3. The same tendency of decreasing imports is also manifest in this branch of Russian imports.

Grain, Pulses and Flour. Being an agricultural country herself Russia does not stand in need of foreign imports of cereals, her total exports of wheat, rye, barley, oats, maize and flour amounting to 1.275 million, 365.5, 406.1, 208, 37.9 and 52.2 thousand tons respectively in 1938. But she also imports rice, though chiefly from Iran. That is why exports of rice from India to the USSR has been negligible and that is only after importing rice worth £38,462, £26,020 and £1,114,784 in the world war I years 1913-4, 1914-5 and 1915-6, Russia ceased to purchase any rice from India until, with the exception of 1924-5 when she bought rice worth Rs. 9,461, she again started buying Indian rice in 1927-8 but only to discontinue it after 1933-4. The figures for these seven years are as follows—

1925-8	Rs.	60,271
1928-9		4,757
1929-30		4,31,667
1930-1		5,16,646
1931-2		1,26,914
1932-3		3,27,563
1933-4		1,08,277

Sugar During the whole of the period under review, in 1942-3 sugar worth Rs. 24 thousand was exported by India to the USSR whose share in the total Indian exports of this commodity amounted to 0.4 per cent. This was due to the pressure of war-time requirements; otherwise Russia exports sugar to Iran, Finland, Great Britain, Holland, Belgium, Turkey, Afghanistan and Mongolia even at the expense of her home consumers.

Hides & Skins. Starting with imports of Indian hides and skins with L 564 in 1914-5, Russia has been intermittently importing them for her leather industry, the year 1925-6 being the peak year when hides and skins worth Rs. 100,130 were imported by Russia from India: otherwise her imports have been varying from Rs. 12,000 to 47,000 a year.

In 1936-7 Russia imported raw hides and skins from India worth Rs. 33 thousand but the figure came down to Rs. 13 thousand in 1942-3 when Russia had 0.04 per cent. share in India's total exports of these articles. It is interesting to note that no sheep-skins were exported from Russia to the outside world during the years 1937 and 1938 as she needed them for her own leather industry,

Oils. The exports of vegetable oils from India have been slowly decreasing from Rs. 26.372 million in 1941-2 to Rs. 13.684 million in 1942-3 and to Rs. 8.284 million in 1943-4. In 1942-3 Russia imported these oils worth Rs. 9 thousand but her imports in 1943-4 rose to Rs. 66 thousand the tonnage of the oils also increasing from 6 thousand gallons to 18 thousand gallons. In other words, while the value of Indian exports of these oils to Russia increased over seven times, their tonnage increased only three times.

Shellac. The exports of shellac to the USSR have rather been sporadic. After the years 1913-4 to 1916-7 there have been no exports of shellac to Russia until 1938-39 when they represented 7 thousand cwt valued at Rs. 142 thousand falling to 2 thousand cwt valued at Rs. 44 thousand in 1939-40 but rising again to 20 thousand cwt valued at Rs. 1,548 million in 1941-2 and falling in tonnage in 1942-3 (18 cwt) but rising slightly in value (Rs. 1,597 million).

There were no exports during the years 1934-5 to 1937-8 1940-1 and 1943-4 to 1944-5.

Metals and Ores. Russia has been in immense need of raw material for her growing industries; and in the pre-Revolution period she imported lead pig to the value of L 3,000 to L 39,000 as will be seen from the following table

	L	—
1913-4		
1914-5		2,000
1915-6		22,328
1916-7		85,423
1917-8		6,733

But after the Revolution her imports of metals and ores totally ceased until in 1929-30 she again imported manganese ore to the value of Rs. 60,454.

Spices. Since 1913-4 and 1914-5 when the total exports of spices from India to Russia amounted to L 1,099 and L 102 respectively, no Indian spices were imported by Russia until in the quinquennium beginning with 1929-30 she again started importing them. The figures for the quinquennium are as follows:—

	Rs.	
1929-30		29,993
1930-1		39,949
1931-2		9,101
1932-3		21,862
1933-4		10,763

PRINCIPAL IMPORTS FROM USSR TO INDIA

Mineral Oils. Prior to 1932 Russian oil products i.e. crude oil, kerosene and petrol were either imported into India by the Russian Oil Products Co. of London or marketed as American by Socony. In 1913, imports of Russian kerosene oil represented 2 per cent. of the total Indian imports of this commodity. But in 1929-30, 34 per cent. of the kerosene imported by India was Russian while in 1930-1 the share of Russia in all the imports of oil products in India was 12½ per cent. The establishment of the Western India Oil Distributing Company in 1932 with the object of importing and distributing Russian petroleum products in the Indian market was an important development in Russian oil trade with India; and the Soviet oil products imported into India rose from 149,088 tons in 1931 to 191,425 tons in 1932 and 176,425 tons in 1933.

Since then, the figures of the oil imports from Russia were rising every year until, declining in 1938-9, oil imports from Russia suddenly disappeared from the Indian market as Russia

herself needed these products for the successful prosecution of the world war II. The following table will illustrate this statement :—

1934-5	1,51,51,139
1935-6	1,57,32,271
1936-7	1,20,91,632
1937-8	69,19,374
1938-9	962,532

It will be seen from the above table that during the last two years of the quinquennium (1937-8 and 1938-9), the imports of Russian oils (fuel oil, diesel oil, kerosene and petroleum, amounted to Rs. 6.919 million and Rs. 1.300 million respectively while the total imports of these oils into India during these two years were worth Rs. 17.45 lakhs and Rs. 14.67 lakhs respectively. The figures for the other years will be seen in the appendices,

Tea Chests. While India exports tea to the USSR, the latter provide her with woollen tea chests. The trade in this commodity has been consistent throughout since 1915-6 with the exception of 1918-9 and 1926-7. The value of these imports was the highest in 1920-1 amounting to L 13,85,709 when, curiously enough, Russia did not import any tea from India while it was the lowest (Rs. 7,958) in 1938-9.

The following table will illustrate the value of tea chests imported by India during the quinquennium 1934-5 to 1938-9.

1934-5	22,711
1935-6	11,503
1936-7	28,138
1937-8	38,114
1938-9	7,958

Wood and Timber. Logs and timber are exported from the USSR for making match and as such the quantity could not be very large; although timber exports form one of the largest items in Russia's foreign trade.

The imports of wood and timber including plywood from the USSR to India have, however, been continuous since 1926-7 till 1938-9 when almost all exports from Russia ceased. The figures for this period as well as for the preceding years in which wood and timber were imported from Russia are mentioned below:—

1927-8	90,276
1928-0	68,677
1929-30	1,84,772
1930-1	66,991
1931-2	32,339
1932-3	50,715
1933-4	1,57,178
1934-5	30,890
1935-6	63,125
1936-7	73,870
1937-8	79,532
1938-9	—
1939-40	10,189
1940-1	—

Plywood. The imports of plywood are still small as the chief supplier of plywood to India has throughout been Finland. The figures for the quinquennium ending 1938-9 are as follows:—

Year	Quantity	Value
1936-7	—	0.1
1938-9	0.1	21
Average for the quinquennium	—	4

Paper and Pasteboard. Russian paper and paste-board have always been in great demand in India and during the period of twenty one years starting with 1913-4, it was only for four years, namely, 1917-8, 1918-9, 1924-5 and 1925-6 that no paper was imported from Russia by India. The figures for the quinquennium ending with 1933-4 are as follows:—

1929-30	8,378
1930-1	2,420
1931-2	3,100
1932-3	—
1933-4	2,876

Dyeing and Tanning Substances. In pre-Revolution period and also to some extent, after it, Russia used to import dyeing and tanning substances from India but the position reversed soon after the Revolution and since 1930-1 she has been exporting dyeing and tanning substances such as Congo red, glue and others to an amount varying from Rs. 1,084 in 1930-1 to Rs. 12,000 in 1938-9 when the outbreak of the World War II caused discontinuance of Russian exports to India. The following table gives figures relating to the imports of these commodities in India:—

	Rs.		Rs.
1926-30	1,084	1934-5	3,33,435
1931-1	2,746	1935-6	1,13,011
1931-2	6,847	1936-7	2,95,656
1932-3	4,422	1937-8	1,52,143
1933-4	24,016	1938-9	69,303
		1939-40	18,970

Chemical and Chemical Preparations. The two quinquennia-1929-30 to 1933-4 and 1934-5 to 1938-9 are the only years during the period from 1913-4 to 1943-4 during which Russian chemicals and chemical preparations, mostly soda compounds were imported into India, the value of exports slowly deteriorating in the second quinquennium as will be seen from the following table:—

1930-1	1,20,046	1934-5	82,162
1931-2	6,90,048	1935-6	773
1932-3	10,12,558	1936-7	16,794
1933-4	2,42,377	1937-8	42,000

Nitrogenous Manures Sulphate of ammonia is the least of all the Russian exports to India, its quantity value being 7 thousand tons and 777 thousand rupees in 1938-9 and rising to 13 thousand tons and 1,607 thousand rupees in the year 1939-40 after which Russian exports to India stood at a standstill. Other nitrogenous manures exported to India in 1939-40 were valued at Rs. 276,000.

Sugar From 1926-7 till 1932-3 sugar was regularly imported by India from the USSR with the exception of 1928-9 and 1929-30 when there were no sugar imports from the USSR. But since 1933-4, owing to over-production of sugar in India, sugar imports from the USSR completely ceased and it was not until 1942-3 that sugar imports started to find their way again to India, although the value of these imports did not amount to more than Rs. 24,000 - which again dwindled to Rs. 1,000/- in 1943-4. The following table will illustrate the value of sugar imports from the USSR during the years 1926-7

to 1926-3:—	
129-7	51,04,771
1927-8	23,82,585
1929-9	—
1929-30	—
1960-1	44,77,306
1931-2	86,85,041
1932-3	11,53,723

Cotton (raw). The imports of cotton from the USSR into India are negligible amounting to L 929 in 1913-4, L, 1,852 in 1914-5 and L 1,362 in 1915/6. Since then there have been no imports except in 1937-8 when their value was Rs. 15,000.

Wool Manufactures. The wool manufactures imported from Russia into India are also negligible, their value in 1919-20 and 1920-1, the only years during which these commodities were imported by India, being Rs. 21,720 and Rs. 14,203 respectively.

Rubber Manufactures. Tyres for motor cars and motor cycles are the only Russian rubber manufactures imported by India and that too, only, in 1914-5 (L 1,747) and 1915-6 (L 320), the United Kingdom and the United States holding the field in this line.

Drugs and Medicines. With the exception of the year 1915-6 and 1916-7 when Russian exports of drugs and medicines amounted to L 768 and L 2,490 respectively, no drugs or medicines have been imported by India, the lion's share in the trade of these commodities being held by the United Kingdom and the United States of America.

Provisions and Oilman's Stores. Since 1934-5, Russia started exporting canned and bottled provisions to India and the value of these Russian exports to this country was Rs. 30,890, the figures rising slowly until in 1940-1 Russia, engrossed in her own defence against Nazi invasion, was no longer in a position to spare these commodities for India. The figures for the years concerned are as follows:—

1934-5	8,149	1937-8	8,321
1935-6	12,866	1938-9	9,787
1936-7	12,309	1939-40	311

Metals and Ores. The Indo-Russian trade in metals and ores is very restricted and it was only in 1923-4 that steel nails, rivets and washers worth Rs. 16,177 and lead sheets for tea chests worth Rs. 37,546 were imported by India from Russia.

Seeds (essential). The Imports of essential seeds from the USSR to India started in 1937-8 but discontinued after 1939-40, their value during the period as follows:—

1937-8	6,667
1938-9	18,292
1939-40	5,187

Machinery and Mill-works. The position of the United Kingdom machinery and millwork in India was so strong that there was no place for Russian manufactures. Still the year 1930-1 witnessed the import of Russian machinery and mill-work valued at Rs. 29,383 only falling to Rs. 235, Rs. 181 and Rs. 548 in 1931-2, 1933-3 and 1933-4 respectively.

CHAPTER IV

PROSPECTS

From the foregoing account, it is seen that India's export and import trade with Russia is small. In 1937, Soviet exports to India formed about 0.5 per cent. of her total exports while her imports were still smaller. In 1937-8, in India's total export trade, Russia's share was only 0.3 per cent. while imports therefrom amounted to only 0.4 per cent. The main obstacle that prevents closer trade relations between these two countries is the distance at which they are situated and the difficulties of communication; possibly Russia finds it more advantageous to deal with her neighbours rather than with distant countries like India. Till late thirties, Soviet Russia's economy was mainly agricultural and her exports consisted largely of agricultural and livestock products in exchange for machinery and industrial raw materials. India's economy was much more agricultural than Russia's. It is well known that countries with primitive types of economy have low propensity to import. As India and Russia were similarly situated in regard to the economic development, the scope for mutual trade between them was naturally limited. With the completion of the first and second five year plans, Russia's industrial advancement was achieved to a large extent and the contents of her foreign trade just before the war were changing: she began to export more and more finished goods.

Another reason for this insignificant development of trade is that very little is known about Russia in this country and similar is the case in that country about India. With the attainment of freedom, the impediments which have stood in the way of a free flow of trade will disappear soon. The vested interests of the foreign rulers will not be present in this country to inhibit our trade relationship with Russia. The exchange of ambassadors between the two countries, which has now taken place will pave the way to a closer understanding.

On the Russian side, there are some hopeful signs which augur well for an expansion of foreign trade. In her transactions with

her eastern neighbours, Russia has not strictly adhered to the principle of monopoly of foreign trade. Trade with these countries is no doubt planned, controlled and directed by the Eastern Department of the People's Commissariat of Foreign Trade. But the principle adopted since 1935 that all trade transactions and payments must be effected in the U. S. S. R. territory is not being applied so rigorously in the case of these Eastern countries as is being done in respect of the Western nations. For example, trade transactions with Iran and Turkey take place in the territories of these countries. The chief reason why Soviet Russia adopts this lenient attitude towards these countries is due to the fact that she does not fear any competition from them. She sells finished goods, including agricultural and other machinery, in exchange for livestock, livestock products and agricultural raw materials. Before the war, she imported from these countries rice, dried fruits, cotton, wool, hides, certain other livestock products and furs, raw silk, and exported in return cotton tissues, thread, sugar, paper, iron and steel, oil products, agricultural machinery and equipment for industrial plants. India, like other Eastern countries, can expect similar favourable treatment. Indian and Russian economies are not competitive but to a large extent complementary.

Imports into Russia of consumer goods, which were permitted before the war in meagre quantities were further drastically curtailed during the war. Therefore, there is now a great pent up demand for large quantities of these goods in that country. For the next five years at least, she is likely to import them in considerable quantities. Before the war, Germany was one of the most important suppliers mainly through re-export of tropical commodities like tea, hides and skins, castor seed and oil, etc. With the disappearance of that country from the market, a void is created which can be filled by India to a certain extent.

Under the fourth five year plan which covers the period 1946-50, both industrial and agricultural output is being greatly increased. The targets to be attained at the end of the period are given below. For purposes of comparison actual production in 1940 is also shown:

Commodities	Actual Production in 1940	Target for 1950
Food grains (Miln. Metric tons)	191.0	127.0
Sugar beet (Miln. Metric tons)	21.2	26.0
Sugar (Miln. Metric tons)	2.1	2.4
Raw Cotton " " "	2.5	3.1
Sun-flower seed ('000 Metric tons)	3.3	3.7
Coal (Miln. Metric tons)	166.0	250
Pig Iron " " "	15.0	19.5
Steel " " "	18.3	25.4
Crude Oil " " "	31.0	35.4
Cement " " "	5.8	10.5

The production of fertilizers is to be increased from 30 per cent. in the case of potash to 100 per cent. in respect of phosphate fertilizer. Nitrate fertilizers will be stepped up by 80 per cent. Machinery production will be raised by 100 to 220 per cent. Paper output will go up by 65 per cent. The targets of production for cotton tissues, woollen goods and leather footwear are 4.7 million metres, 159 million metres and 240 million pairs respectively. During the execution of the plan, Russia will be requiring large quantities of raw materials like hides and skins, oilseeds and jute. Rising output of agricultural and industrial goods will make it possible for that country to export larger quantities of these goods. As India's position is statistically strong in respect of many of the raw materials, here is a great scope for expansion in our exports of these commodities.

With the incorporation of Bessarabia, the Baltic States and the several districts of Ukraine into the Soviet Union, all of which have surplus agricultural produce, especially foodgrains, the resources of the Soviet Union stand very much strengthened. This will make it possible for that country to part with foodgrains.

With the suspension of the multi-convertibility of sterling, it has become necessary for India to economise her use of dollar exchange. She will have, therefore, to find alternate sources for essential supplies of foodgrains, industrial raw materials and if possible, to some extent of machinery. Russia is one of the possible countries to which India can look up to for supplies of these commodities.

Before we proceed to review the trade prospects commodity by commodity, it is necessary to discuss briefly the latest pattern of Russia's trade and her trade policy. Her trade policy is closely related to the needs of its economic development. During the execution of her successive five year plans, she imported mainly those articles which she required in order to further her plans and sent out goods to the extent needed to pay for her essential imports. The planning of foreign trade is only one of the component parts of several plans for economic development of that country.

An idea of the pattern of Russia's foreign trade in the post-war period can be had by an examination of the various bilateral barter agreements she has entered into with a number of countries, the latest of which is with Pakistan. Under these bilateral agreements, she obtains her requirements by supplying those countries with certain specific articles. Since the end of the war, she has concluded agreements with Poland, Hungary, Bulgaria, Rumania, Yugoslavia, Finland, Norway, Pakistan and Britain. In most of the cases, she has contracted to receive basic or essential raw materials in return for foodgrains and certain other raw materials as also capital goods, mainly agricultural machinery. The agreement with Sweden cannot strictly be called a barter, for under it, the U. S. S. R. would get a credit of \$ 278.5 million with the aid of which she would pay for her imports of machinery. In the trade pact with the United Kingdom, she has undertaken to supply that country with coarse grains in exchange for certain kinds of machinery. Under the reported agreement with Pakistan, Russia has contracted to purchase cotton and to sell in exchange foodgrains and other valuable goods required by that Dominion. To give an idea of the nature of commodities that would be exchanged between Russia and the other contracting nations, we give below a table:

Trade Agree- ment with	Commodities to be imported by Russia	Commodities to be exported by Russia
1. Poland	Coal, steel, zinc and other raw materials and manufactured goods	Cotton and certain other raw materials
2. Hungary	Cement	Raw materials
3. Czechoslovakia	Rolling mill products, textiles and boots	Raw cotton, flax, manganese iron ore, zinc, petroleum products, asbestos, & chemicals
4. Finland	Nickel, cobalt, sulphur ore, paper products, metal etc.	Grains, fertilizers, sugar, coal etc.
5. Norway	Whale fats, fish etc.	Coal, coke, foodgrains, minerals, timber, chemical products, furs etc.
6. Sweden	Equipment for electric power stations, power works, locomotives, high quality steel etc.	Chromium manganese, mineral oils, cotton, pig iron, fertilizers
7. Pakistan	Cotton	Foodgrains and other valuable articles
8. United Kingdom	Narrow gauge locomotives, fleet trucks, plywood equipment, timber mill equipment, light rails with fish plates, bolts and nuts for narrow gauge railway, scientific and laboratory apparatus, oil purifying apparatus, etc.	450,000 metric tons of barley, 200,000 metric tons of maize and 100,000 metric tons of oats

It is seen from the above table that Soviet Russia has undertaken to supply raw cotton to some of her neighbours. To fulfil this part of the concluded agreements, she has been competing recently for cotton in Pakistan, Egypt and East Africa.

With the above observations we may now proceed to review the prospects of trade between India and Russia commodity by commodity. In the first instance we shall examine what commodities we can export to that country.

FOOD ARTICLES GROUP

Tea. Soviet Russia is a great tea drinking nation. As seen from figures given below tea imports have been fairly large, although there has been a tendency to decline in the later years.

Tea imports into the U. S. S. R. from all sources (excluding brick and tablet tea) :

		(Million lbs.)
1930	...	40
1931	...	27
1932	...	25
1933	...	25
1934	...	29
1935	...	28
1936	...	30
1937	...	24

Taking into consideration the domestic production the apparent consumption in the period noted above varied from 26 to 54 million lbs which gives an average per capita consumption of 0.24 lbs.

Although direct imports from India were small, the trade was quite regular since 1913-4 save in the two years 1940-1 and 1941-2 when there were no imports. To ascertain the possibilities of expansion of trade in this commodity we give below the sources from which Russia drew her supplies of tea in 1936 and 1937.

		1936	(Million lbs.) 1937
India	...	1.7	0.8
Ceylon	...	0.1	0.1
N. East Indies	...	0.7	0.6
China	...	2.3	2.7
Japan	...	13.1	6.2
U. K.	...	10.0	9.0

The exports from the U.K. to the U.S.S.R. were re-exports. From 1930 to 1937, these re-exports averaged about $7\frac{1}{2}$ million lbs. India, which is the world's largest producer and exporter of tea, should be able to capture this business from the U. K. The other sources, viz. Japan and China, and the Netherland East Indies, are for the time being out of the market. Therefore there is now an opportunity for India to increase her exports.

Coffee. Before the Revolution, Russia imported some quantity of India coffee but later on this commodity did not figure in the Indo-Russian trade. Russia however, has continued to import coffee, presumably from Brazil.

Imports of coffee before the war were as under :—

		(000 lbs.)
1933	.....	132
1934	.....	836
1935	.....	1,123
1936	.....	704
1937	.....	748

There was considerable expansion in the import of coffee. As the Indian coffee bean is far superior to the Brazilian and other competing varieties there is no doubt that it would find favour with the Russian if an effort is made.

Spices. There has always been a regular trade in Indian spices with Russia, although the quantities involved were small. Before the Revolution, India exported all kinds of spices to the value of Rs.10,00,000/- per annum. At that time, Russia's total imports from all sources amounted to Rs. 57,75,000. After the Revolution, too, the trade continued.

Of the spices imported, pepper is the most important one. In 1913, Russia imported to the value of Rs. 36,40,000 of which India's share was Rs, 7,80,000. In the recent period, her imports from all sources amounted to 673 metric tons. The figures below give imports of pepper into Russia from 1933 to 1937.

		Imports in metric tons
1933	.....	12
1934	.....	133
1935	.....	329
1936	.....	744
1937	.....	673

There is a tendency to import more quantity in recent years. With the elimination of the Netherland East Indies which was our most successful competitor in pepper and other spices, India can now make a bid to capture the Russian market.

Fish. Russia, before the war, was importing considerable quantities of fish. In 1937, she imported 14,600 tons from all sources. This item upto now has not entered into Indo-Russian trade. Although our capacity to export is limited, still we have been exporting considerable quantities. In 1938-9, India exported about 17,000 tons of fish to Ceylon and HongKong and in 1945-6 this rose to 20,000 tons. If Russia desires to have Indian fish it is possible to a certain extent to meet her demand.

Pulses. In 1942-3 India exported to Russia 150 tons of pulses valued at Rs.28,000. Annually our exports to all destinations before the war amounted to 81,000 tons valued at Rs. 92 lakhs. In 1945-6 our total exports were of the order of 29,000 tons valued at Rs. 92 lakhs. We can meet small demands from Russia in this direction.

Cashew Kernels. From the thirties, India has been building up a lucrative export trade in cashew kernels. Indian cashew kernels are increasingly becoming popular in the U. S. A., Canada, England and other European countries. We may ascertain whether there is any market for this commodity in Russia.

Provisions and Oilmen's stores. As Russians are reported to be keepers of good table, market for Indian chutnies, pickles, sausages, vinegar etc. may be investigated.

Tobacco. Soviet Russia is one of the leading producers of tobacco. She however, imported before the war, small quantities of this commodity. Her imports for the period 1933 to 1937 are shown below:

		(Metric tons)
1933	.....	1058
1934	.....	3287
1935	.....	2217
1936	.....	1289
1937	.....	1329

Her sources of supply were Turkey, Greece, Bulgaria and Brazil. At present production in most of the countries is far below the pre-war level. There is, therefore, keen competition on the part of European nations like France, Spain and Russia to secure adequate quantities of leaf. In 1946-7, almost all the Latin European countries, England, Russia were purchasers of the Brazilian leaf, which is of air-cured cigar type. In that year, Russian purchases amounted to 50,000 bales of 75 kilos each (7.5 million lbs). This shows that there is a good market for Indian tobacco leaf. Exports from India were not regular, but the quantities involved were considerable. In each of the years 1942-3 and 1944-5, India exported to Russia about 1.3 million lbs. As production in almost all the Balkan States, Turkey and Brazil is far below the pre-war level and as export demand has increased considerably from non-dollar areas, in the immediate future there is considerable scope for expansion in the export of Indian tobacco to Russia.

In regard to foodgrains, fruits and vegetables and sugar, as India herself is experiencing shortages, it is not possible to export any one of these articles on any appreciable scale.

Raw Materials : Shellac. This is one of the commodities in which India enjoys a virtual monopoly. She imports seed lac from Siam, Burma and Indo-China and manufactures it into shellac. Shellac made from the Indian produce is reported to be superior to that manufactured from foreign imported lac.

This is one of the articles in which there has been a regular trade between India and Russia. The latter's imports from the former in recent years are shown below:—

1938- 9	...	650 Cwts.
1939-40	...	2,000 ..
1941- 2	...	20,000 ..
1942- 3	...	18,000 ..

The maximum quantity that has been imported upto now has not exceeded 20,000 Cwts. Shellac is an important ingredient in the manufacture of paints and varnishes. As this industry is to be expanded under the fourth five year plan, import demand from Russia may as well exceed this figure.

Raw Hides & Skins. Soviet Russia does not possess sufficient cattle and therefore domestic production of hides and skins has always been inadequate to meet her industrial needs. She has therefore been importing considerable quantities of this commodity. The figures below give her imports for the period 1931 to 1938 :

		(000 tons)
1931	...	31.0
1932	...	20.0
1933	...	9.6
1934	...	15.3
1935	...	21.7
1936	...	21.7
1937	...	17.5
1938	...	19.0

During the war, Russia sustained heavy losses of cattle and sheep. Her domestic production now must be far less than what it was before.

Under the 1946-50 plan, production of leather footwear is to be stepped up to 240 million pairs a year. Output of other industries is also to be increased considerably. Hides and skins are needed in a number of industries. Therefore with reduced

production of the commodity and with larger industrial demand, imports on a scale heavier than before the war would be necessary.

Our trade with Russia in this commodity has been irregular and small. The highest value of imports so far was in the year 1926-7 when they amounted to Rs. 47,896. In 1942-3 they were valued at Rs. 13,000. There is at present a world-wide shortage of this commodity. Argentina, which was before the war the world's largest exporter of hides, is now in a position only to supply to the extent of 70 per cent. of the pre-war level. The demand in the U. S. A. is so high that she is unable to resume exports on the pre-war scale. Production in other countries is far below the pre-war level. India therefore, has a best potential market at her disposal for her surplus hides and skins, particularly in Russia. Export restrictions on heavy types have been removed. Further, Indian hides are reported to possess better tanning qualities than those produced in other countries. There is, therefore, a large scope for considerable expansion in the export of raw hides and skins to Russia.

Tanning substances and tanning extracts. In 1937, Russia imported 800 tons of tanning substances. For the execution of her 1946-50 economic plan, she would require larger quantities than before. India is rich in tanning substances, notably myrobalans, which are exported extensively abroad. In 1938-9, exports amounted to 12,20,852 Cwts. the recipients being almost all the European countries, the U. S. A. and Australia. It is worthwhile to investigate whether Russia would import myrobalans.

Magnesite. Russia before the war imported magnesite valued at 1.2 million roubles. India is one of the largest producers of this commodity and exports annually 150,000 Cwts. It may be investigated whether Russia would take Indian magnesite.

Turpentine. Before the war, Russia imported 5.6 million roubles worth of turpentine. This article is extensively used in the paints and varnishes industry. As production of this industry is to be increased considerably, requirements of this commo-

Vegetable oilseeds and oils. Russia's place in the oilseeds economy is seen from the figures given below. The figures relate to 1938:

Commodity	(000 quintals)	
	Soviet production	World production
Cotton seeds	18,300	1,29,100
Linseed seed	7,500	32,400
Hemp seed	2,100	2,800
Rape seed	48	14,000
Copra	—	18,650
Groundnut	—	62,500
Soya beans	681	71,400

From the above table, it is seen that she is rich in hemp seed. But the oil made from it is quite inferior.

In regard to cotton seed, the production appears to be adequate to meet her requirements as there have not been any imports.

In respect of linseed, her production is about 24 per cent. of the world's total. Russian linseed is considered to be the best in the world. Linseed oil, which is used in the paints industry, has superior drying qualities. At present there is a serious shortage of linseed and its oil. In Argentine, which was the world's main supplier of the seed, the production is just 60 per cent. of pre-war level. In Russia, the demand for the seed is going up with the advancement of production of paints and varnishes. Her home production is becoming inadequate and she is forced to import. Recently it has been reported that she has been negotiating with Argentina for linseed. In view of what is mentioned above, there is *prima facie* a market for Indian linseed in that country.

Regarding other oilseeds, Russian resources are extremely meagre. Rape, sesamum, copra and groundnut can be used for edible purpose as well as for the manufacture of chemicals like soap.

From 1933 to 1937 imports of sesamum into Russia are shown under:—

	(000 quintals)	
1933	...	42
1934	...	2
1935	...	5
1936	...	79
1937	...	105

The trend of imports was thus upward. India produces more than 75 per cent. of world's total output of sesamum and exports small quantities to many European countries. As the sources from which Russia was getting before the war are now out of market, there is now an opportunity for Indian sesamum to capture Russian market.

Indian groundnut is eagerly being sought by all the industrial nations, excepting the U. S. A. which produces her own groundnut or imports from Argentine. This commodity is in short supply all over the world. Due to the inadequacy of imports of groundnut, soap ration in the United Kingdom has to be reduced to a considerable extent. In 1942-3, Russia imported 1990 tons of Indian groundnut valued at Rs. 6,37,000. The soap industry in Russia is to be increased to 870,000 tons or 65 per cent. more than before the war. She may therefore, require large quantities of groundnut for her soap industry. India is the world's largest producer and exporter of this commodity. She is therefore very well placed to meet Russian import demand on a large scale.

Caster oil was being imported by Russia before the war. Her imports were as under:-

		(Metric tons)
1935	...	110
1936	...	838
1937	...	127

This shows that there exists a market in Russia for Indian castor oil.

Raw Hemp. Before the war, Russia was importing considerable quantities of hemp. Her imports were as under:-

		(000 tons)
1933	...	0.9
1934	...	4.0
1935	...	3.7
1936	...	2.1
1937	...	0.8

Her main sources of supply were Italy and some of the Balkan States, whose production now is quite below normal.

Imports from India were irregular and small. In 1934-5 they amounted to 54 tons valued at Rs. 14,000. The statistical position

of the Indian hemp is much superior when compared with its rivals. The demand in Russia for this commodity must now be higher than before, as industrialization according to the fourth five year plan proceeds apace. The offtake of this commodity, under the existing circumstances, can be increased to the advantage of India and Russia.

Raw Cotton. The partition of the country has grievously affected the resources. Russia herself is one of the largest producers of cotton. Her imports before the war were mainly confined to finer varieties. Recently, she has been purchasing Egyptian, East African and Pakistan cottons. As India's production of finer types of cotton is quite inadequate to meet her own requirements and as she has to depend on imports from abroad there is no prospect of trade in this commodity between the two countries.

Raw Jute. About 74 per cent. of jute production in the undivided India was from the areas which now form Eastern Pakistan, but of the exported varieties, India's share was 50 per cent. As Pakistan has neither jute presses nor jute mills, raw jute produced in her territory has to be sent to the Indian Dominion for processing or manufacture. In the near future, therefore, the supply position in India is not likely to be seriously affected as a result of the partition, although ultimately, Pakistan may have her own arrangement to trade directly in this commodity with foreign consumers. From September 1947 to June 1948 the export quota fixed is 18 lakh bales of 400 lbs. each or about 3,30,000 tons.

Russian imports of raw jute, as is seen from the figures below, are not large,

	Retained imports from all sources (000 tons.)
1930	29
1931	23
1932	4
1933	10
1934	8
1935	25
1936	21
1937	23

The average for the period 1930 to 1937 comes to 18,000 tons. The largest quantity imported so far was only 29,000 tons. The average direct imports from India before the war were only 10,500 tons. The maximum demand for jute has not so far exceeded 20,000 tons which is just 6 per cent. of the quota for the period September 1947 to June 1948. Import demands of this size from Russia can be easily met.

Raw Wool. Out of a total production of 96 million lbs. of wool in undivided India, the Indian Dominion's share would be about 65 million lbs. The type of wool produced is coarse and is fit for the manufacture of carpets. Before the war, Russia produced 1,39,000 tons of wool and imported 30,000 tons which was about 6.4 per cent. of the value of her total imports. It is for investigation whether that country requires our wool.

Coir Yarn. As a moist resisting fibre, coir yarn has no rival and, among the coarse it holds a place of pride. Ropes, cordage, mats and mattings made out of it are best suited to cold climates. A little propaganda work in Russia about Indian coir is likely to create a market for this commodity.

Paraffin Wax. In 1936, Soviet imports were valued at 6 million roubles. In 1938-9, India exported to all destinations 8,000 tons of wax valued at Rs. 36 Lakhs. In 1945-6 they were about 14,000 tons valued at Rs. 1 crore. Therefore, India is in a position to supply this article to Russia to some extent.

Raw Rubber. Our exports to Russia in 1943-4 were small and formed 0.17 per cent. of the total value of all our exports. Our production of raw rubber is quite small and inadequate to meet the needs of our own rubber manufactures industry. Malaya, the chief rubber producing country in the world, has almost regained its pre-war level of production. With the availability of Malayan rubber, Russia would have no need to import this commodity from India and all cannot possibly spare it either. Regarding other raw materials like raw silk, paper-making materials etc. India is not in a position to cater any export demand.

Manufactured Articles. Under this group we would consider only tanned hides and skins and leather and cotton and jute manufacture

Tanned hides and skin and leather. Before the war Russia imported from all sources 1, 200 tons of leather. The demand for this commodity must now be greater than before as the leather-manufacturing industry under the fourth five year plan is geared up for higher production. In India, during the war the leather tanning industry has made considerable progress and hence she is well equipped to meet export demands on a large scale from Russia than before the war.

Cotton Textiles. The partition of the country has improved the supply position of cloth in the Indian Dominion. The share of mills in Pakistan in the total production of cloth is less than 3 per cent. With more or less the same level for production and about 70 million people less to clothe, there is bound to be an appreciable surplus for export. Moreover Indian cloth prices compare very favourably with those of the American, British and the continental countries.

Russia, on the other hand, is not self-sufficient in cloth and will require to import till the target of 4,868 million metres is reached. India is therefore in a position to supply cloth to Russia at competitive prices.

Up to the year 1932-3 India was supplying Russia with cotton yarn and later on the trade stopped. In view of the shortage of cloth in that country, if she so requires yarn, India may be in a position to supply her with some quantities of cloth yarn too.

Jute Manufactures. Russia was taking regularly jute manufactures from India till 1944-5. These were in the form of gunny bags. After that year, imports would appear to have dried up altogether; and even during the war there was no revival of this trade from India.

As Russia would be requiring large quantities of bags to transport foodgrain, sugar, cement etc., all of which are being produced in large quantities than before, it is necessary to investigate whether trade in this commodity can be revived. The prospects for such revival are now indeed bright as Germany and some other European countries which had flourishing jute manufacturing industry before the war are now out of the picture.

Other Consumer Goods. In regard to this category of goods,

especially products of Indian cottage industries and handicrafts, it is necessary to inquire whether there are not prospects in Russia. In the U.S.A., Europe, Australia and Canada, these goods find great favour. Floor coverings made out of Indian coir are increasingly in demand in almost all the countries. For durability and artistic finish Indian coir goods have no rival and they are very well suited to cold climates. Market for these goods in Russia may be investigated.

Imports from Russia. Foreign trade cannot be one way traffic. If we are to increase our exports to Russia, we must also import correspondingly more. Moreover, we have seen that the foreign trade of Russia is becoming more and more a barter trade. Happily, we find that there are many commodities which we can import from that country. India is experiencing a serious shortage of foodgrain, chemicals, wood and timber, electrical goods and machinery. After the suspension of the convertibility of sterling, it has become necessary for this country to import its essential requirements as much as possible from non-dollar areas. In almost all the commodities mentioned above Russia has surpluses to export. We shall examine below in detail commodity by commodity.

Foodgrain. As has been already mentioned, Russia's position has been strengthened by the incorporation of Baltic and other states into the Union. Under the bilateral agreements with some of the European countries Russia undertook to supply foodgrain. In the first unsuccessful negotiations for trade pact with the United Kingdom, one of the conditions was that she should supply 2 million tons of wheat in exchange for British machinery and other essential goods. In the latest successful agreement, Russia has undertaken to supply Britain 7,50,000 metric tons of foodgrain in 1948. All these facts show that Russia has substantial quantities of foodgrains to spare. It may be mentioned here that in 1937 she exported more than 850,000 tons of wheat and 200,000 tons of barley. India may negotiate with her for an appreciable share of the exportable surpluses.

Petroleum Products. Before the war, India was importing from Russia considerable quantities of kerosene and other petroleum products and in value they formed more than 85 per cent. of

total imports therefrom. The average imports for the period 1928-9 are as follows. Fuel oil 1.34 million gallons valued at Rs. 2,38,000, kerosene oil, 31.21 million gallons costing Rs. 1,22,13,000 and petroleum 490,000 gallons valued at Rs. 208,000.

Under the fourth five year plan, mineral oil production will be increased to 35.4 million tons. It is reported that her present output is much higher than before the war.

Before the war Russian exports to all destinations amounted to 1.9 million tons and with higher domestic production she must now be in a position to export more.

Our mineral oil imports from the U.S.A. in 1945-6 cost us more than Rs. 30 crores and as there is need to restrict imports from there, it is necessary to seek other sources particularly as America has recently cut down her export quota of mineral oil. Production in Burma is still far below the pre-war level. Therefore, it would be welcome if Russia agrees to spare us some quantity of mineral oil.

Chemicals. Russia in the past supplied this country with some chemicals such as soda compounds, sulphate of ammonia, dyes including coal tar dyes etc.

In 1938, total Russian export to all destinations of chemicals and pharmaceuticals were 20,000 tons. Her production under the 1946-50 plan is being increased, the target of production for superphosphates, nitrates and potash being fixed at 5.1 million tons or 50 per cent. more than before the war. India is particularly anxious to import fertilizers in as large a quantity as possible from Russia so that her food production may be stepped up.

In regard to coal tar dyes, we require larger imports than we are getting now. Germany before the war was our principal supplier and in 1936-7 she supplied us with 14.9 million lbs. of coal tar dyes. In 1945-6 our imports from England, the U.S.A. and Switzerland amounted to only 14.5 million lbs. As Russia has surplus coal tar dyes we can import from her a part of our requirements of this article and thus save our hard currency expenditure.

Wood and Timber. Russia has the world's largest timber resources. By 1950 she intends to increase production of felled timber by 59 per cent. more than pre-war and of sawn timber by

14 per cent. Her exports in 1938 to all destinations amounted to 3.34 million tons and in value formed 21.2 per cent. of her total exports.

India requires from her:-

1. Wood for matches. Before the war we were importing from that country some quantity of this type of wood.
2. Soft wood for plywood manufacture.
3. Wood for tea chests. This was also being imported from her before the war.
4. Mechanical wood pulp for paper and rayon industries.

All the above items have figured prominently in almost all the trade agreements entered into by Russia. India, too, may negotiate with that country for the supply of the above items.

Agricultural Machinery. India requires considerable supplies of various kinds of agricultural machinery including tractors.

Before the war, Russia was exporting considerable quantities of agricultural machinery. In 1937, they amounted to 3.8 million roubles. In her export trade with the Eastern countries, this item was prominent. In accordance with the 1946-50 plan, output of agricultural machinery is being increased to a considerable extent. Hence, large scale trade in this item can be built up between the two countries.

Other Machinery. Before the war, exports of equipment for industrial plants from Russia were large, the destinations chiefly being the near East countries. In 1937, her total exports were valued at 7.4 million roubles of which textile machinery was 4.3 million roubles and sewing machinery 1.9 million roubles. The new five year plan envisages considerable expansion in the production of all kinds of machinery. In view of our urgent need to import industrial equipment, it is worth while to investigate to what extent Russia can give us machinery.

Paper. This was one of the articles exported by Russia to the Near East countries before the war. As Indian production is quite inadequate to meet her internal demand large quantities of paper are being imported. mostly from the U.S.A., the United Kingdom and Canada. In 1945-6 we imported 1,024,613 Cwts. of paper valued at Rs.4,18,92,997. As it is necessary to minimize

hard currency imports efforts should be made to get supplies from Russia.

Other Commodities. In pre-war years, Russia was able to export large quantities of coal, pig iron, asbestos and cement in all of which we are in short supply. Her pre-war export of some of these items were as under:-

Pig iron.....	16.3	Million	roubles.
Coal.	30.9	::	::
Asbestos.	9.1	::	::

Possibilities of India obtaining supplies of these commodities from Russia may be investigated.

The above brief survey reveals bright prospects for Indo-Russian trade, To facilitate trade expansion, an Indian Trade Commissioner may be appointed in Russia. The 1946-7 trade returns show record Indian exports to Russia amounting to more than Rs.3.4 crores. This is just beginning of the bright era in Indo-Russian trade relations.



APPENDIX I
EXPORTS OF U. S. S. R. TO VARIOUS COUNTRIES
(IN THOUSAND ROUBLES)

Countries	1933	1934	1935	1936	1937	1938
Australia	4	92	39	52	29	7
Austria	3,837	1,778	6,269	1,150	6,919	2,236
Great Britain	380,936	303,017	377,797	361,688	566,145	375,124
Argentina	3,894	10,113	9,075	1,533	499	312
Afghanistan	30,949	13,591	15,194	16,777	17,017	14,763
Belgium	121,046	75,467	80,457	88,235	129,576	116,803
Brazil	—	18	—	—	—	—
Hungary	311	942	561	753	219	103
Germany	375,572	431,128	289,290	110,634	107,658	88,327
Holland	113,398	97,341	70,636	53,863	111,888	92,848
Greece	28,667	13,622	27,051	13,152	11,057	17,344
Denmark	40,953	33,183	28,177	19,839	16,879	27,432
Danzig	5,269	2,243	775	523	215	—
Egypt	17,713	13,609	19,938	14,029	12,395	12,074
India	14,984	12,128	13,254	13,349	8,711	3,626
Iran	52,595	51,618	68,595	63,393	91,737	57,984
Ireland	20,310	16,245	21,431	5,542	8,092	18
Spain	24,226	32,692	12,198	29,932	92,444	52,420
Italy	97,350	83,189	53,031	42,014	16,572	—
Canada	101	1,025	1,077	783	4,240	1,547
China-East	31,409	9,001	2,229	573	623	767
China-West	47,549	50,717	26,495	36,145	34,753	43,381
Latvia	10,490	2,825	3,482	3,380	6,374	8,797
Lithuania	11,940	5,243	7,358	13,021	15,831	11,646
Mongolia	168,902	196,250	50,953	50,433	65,822	60,838
New Zealand	753	675	2,212	2,099	42	7
Norway	16,775	13,696	10,919	9,685	17,583	21,626
Poland	18,707	15,948	14,691	14,568	13,046	7,822
Portugal	13	48	223	6	5	—
Rumania	425	622	707	286	2889	577

Countries	1933	1934	1935	1936	1937	1938
U. S. A.	61,167	62,533	116,263	130,091	134,412	96,749
Java	24,068	30,875	11,839	6,171	6,507	5,893
Turkey	16,635	23,818	38,863	19,575	33,809	22,746
Finland	23,766	20,599	15,501	7,624	9,357	10,815
France	100,271	95,830	79,020	102,957	87,255	59,745
Czechoslovakia	4,796	3,666	5,733	10,247	16,600	13,231
Switzerland	1,056	2,151	8,856	4,442	5,190	12,179
Sweden	25,930	24,677	19,097	21,151	19,420	13,453
Estonia	8,580	3,767	2,733	7,430	7,268	7,099
Yugoslavia	145	258	810	496	729	107
Japan.	39,963	25,325	24,068	27,679	11,743	6,086

APPENDIX II
IMPORTS OF U. S. S. R. FROM VARIOUS COUNTRIES
(IN THOUSAND ROUBLES)

Countries	1933	1934	1935	1936	1937	1938
Australia	482	4,612.0	19,592	24,969	23,362	50,855
Austria	5,606	6,785.0	3,040	3,332	5,733	4,556
Great Brit. in	133,934	202,641.0	190,013	204,263	191,992	240,309
Argentina	977	2,952.0	3,872	6,467	7,106	4,226
Afghanistan	24,629	12,058.0	17,231	22,034	16,995	17,716
Belgium	11,230	31,681.0	40,042	47,058	67,329	64,249
Brazil	70	1,042.0	2,102	5,107	7,961	4,198
Hungary	753	1,507.0	3,478	337	2,475	—
Germany	648,507	125,990.0	95,055	308,463	200,501	68,193
Holland	26,166	68,989.0	85,520	72,722	105,299	102,535
Greece	2,284	3,999.0	3,885	2,445	2,390	1,474
Denmark	7,556	6,290.0	915	8,680	103	5,143
Danzig	—	—	—	83	—	—
Egypt	—	—	—	—	—	279
India	12,855	2,755.0	—	—	—	—
Iran	3,661	6,274.0	90,613	91,106	84,780	63,772
Ireland	—	144.0	—	—	—	—
Spain	5,221	1,515.0	477	2,813	22,728	26,307
Italy	74,026	51,767.0	24,747	5,833	4,237	56
Canada	3,333	1,783.0	9,382	3,243	54,936	30,649
China-East	11,559	15,067.0	15,501	12,791	14,958	33,302
China-West	82,440	26,039.0	19,029	25,671	25,774	35,159
Latvia	1,472	3,298.0	4,507	5,813	6,619	8,440
Lithuania	2,391	5,957.0	11,905	13,105	10,624	12,695
Mongolia	75,638	90,057.0	34,650	32,120	33,694	38,510
New Zealand	2	—	—	—	—	—
Norway	37,274	12,794.0	7,994	2,257	3,206	9,883
Poland	56,822	22,997.0	11,462	8,664	4,468	1,460
Portugal	92	280.0	1,283	2,220	5,338	5,034
Rumania	—	0.4	13	15	1,816	805

Countries	1933	1934	1935	1936	1937	1938
U.S.A.	72,620	78,293.0	129,140	209,025	241,305	405,858
Java	7,564	8,843.0	5,747	5,193	3,150	267
Turkey	20,398	12,571.0	18,343	18,059	28,630	22,740
Finland	12,649	12,667.0	6,040	3,637	3,833	3,441
France	22,938	50,966.0	77,180	42,117	28,311	39,396
Czechoslovakia	21,322	8,502.0	25,968	45,219	13,611	19,422
Switzerland	14,953	9,794.0	9,448	11,033	7,208	11,846
Sweden	20,109	21,440.0	14,029	17,985	17,408	27,390
Estonia	1,634	2,575.0	3,456	4,106	5,956	7,080
Yugoslavia	—	6709	4	—	1,428	—
Japan	32,189	30,244.0	47,615	61,968	54,375	17,597

APPENDIX III
EXPORTS FROM USSR DURING THE TWO
(IN THOUSAND TONS AND

Articles Exported.	1927-8		1931	
	Tons	Roubles	Tons	Roubles
Wheat	111.0	50,232	2,499.0	337,751
Rye	115.0	44,321	1,109.0	140,072
Barley	4.9	1,726	964.0	117,669
Oats	36.7	12,027	387.0	52,836
Maize	20.6	5,948	97.0	9,452
Flour	28.8	22,062	31.4	23,429
Oil seeds	5.1	3,018	75.1	13,779
Peas, beans, lentils	54.9	28,457	122.0	28,063
Timber	2987.0	411,313	6,033.0	497,542
Bacon	15.5	42,201	1.8	3,215
Butter	32.9	171,522	30.9	106,355
Eggs (thousand cases)	863.0	177,232	190.0	24,927
Sun-flower oil	10.8	16,124	22.2	17,187
Tinned fish & crabs	8.4	25,071	26.9	66,326
Caviar	0.19	22,618	0.4	19,027
Sugar	133.0	1149,656	320.0	143,178
Furs	3422.0	522,635	2,964.0	246,191
Sheepskin (in pieces)	834.0	6,202	2,227.3	7,420
Coal	389.0	13,946	1,000.0	28,711
Anthracite	114.0	5,401	674.0	23,802
Oil products	2783.0	64,452	5,224.0	1,090.0
Manganese ores	499.0	60,234	742.0	506,604
Iron ores	428.0	19,828	1,119.0	42,810
Asbestos	11.0	14,055	13.2	28,750
Cement	60.6	5,309	46.7	10,884
Chemicals	25.1	28,238	99.4	2,834
Fertilizers	11.7	2,348	8.9	35,640
Cotton	—	—	40.2	407
Cotton materials	12.5	227,952	15.9	48,862
Cast iron products	51.2	24,327	38.0	203,096
Machines & accessories	—	3,802	—	25,570
				19,999
				10,381.0
				6.4
				19.2
				384.0
				2.2
				78.3
				4.2
				30.4
				10.2
				156.0
				688.6
				42.6
				719.0

FIVE YEAR PLANS 1928 TO 1938
THOUSAND ROUBLES)

1935		1936		1937		1938	
Roubles	Tons	Roubles	Tons	Roubles	Tons	Roubles	Tons
91,288	57.9	9,472	846.0	186,032	1,275.9	187.8	
4,180	106.0	204.0	204.0	35,451	356.5	50.6	
45,802	105.0	8,691	221.0	35,206	406.1	48.4	
18,825	52.4	7,210	6.2	648	2.8	0.3	
823	—	—	—	—	37.9	3.9	
4,919	56.4	9,151	57.6	9,369	52.0	8.5	
997	4.5	682	40.6	5,191	3.7	1.0	
15,431	70.6	8,062	26.2	5,909	131.4	22.9	
3,460	2.6	4,456	2.2	4,292	0.6	1.0	
367,425	6,044.0	359,466	5,103.0	437,790	3,344.7	283.4	
42,981	23.2	42,119	14.4	31,203	0.3	0.6	
13	1.4	65	3.0	243	—	—	
1,314	2.1	67	0.2	125	—	—	
3,609	6.5	13,254	6.9	13,584	—	—	
7,998	0.3	5,415	0.3	8,404	—	—	
23,897	163.0	33,140	134.0	35,139	114.5	35.8	
132,013	2,599.0	155,133	1,778.0	153,643	1.7	131.9	
5,260	1,537.2	4,755	—	—	—	—	
15,720	799.0	13,830	470.0	9,426	426.9	13.9	
25,641	1,004.0	27,516	804.0	20,695	1,388.2	105.7	
193,034	2,666.0	160,834	1,929.0	150,051	446.2	30.7	
21,988	606.0	21,843	1,001.0	50,857	7.2	0.1	
2,755	25.9	267	351.0	9,255	7.2	5.0	
9,960	26.1	9,118	27.3	9,143	14.4	8.0	
6,399	90.5	5,818	75.7	4,865	—	—	
17,765	30.3	15,759	27.1	15,252	20.9	8.6	
19,241	606.0	23,585	704.0	28,997	800.0	36.6	
4,494	6.0	3,332	45.3	55,766	34.3	71.3	
70,591	17.4	61,425	20.0	71,810	15.7	56.7	
31,567	87.0	42,559	239.0	45,670	73.5	22.3	
30,568	13,625.0	25,495	24,532.0	48,976	10.2	12.8	

APPENDIX IV
EXPORTS OF PRINCIPAL MINERALS FROM U. S. S. R.
(LONG TONS)

	1935	1936	1937
Pig Iron	325,958	689,437	135,104
Aluminium Sulph.	69	153	—
Asbestos manufact.	19	8	78
.. unmanufact.	24,713	25,734	26,868
Chrome Ore	11,299	—	—
Chromates	2,638	3,079	—
Anthracite	1072,322	987,775	790,320
Other coal	1075,599	785,961	462,275
Lignite	—	9,889	—
Briquettes	64,912	62,615	38,362
Tar & Pitch	73,258	87,714	118,240
Solvent Naphtha	835	240	—
Benzol	3,201	6,568	8,820
Carbolic Acid	142	814	291
Naphthalene	4,971	4,881	3,753
Crude petroleum	203,424	183,924	67,469
Motor spirit	647,860	412,583	370,000
Kerosene	409,630	376,798	237,000
Fuel Oil	1115,775	811,941	641,000
Gas Oil	507,915	536,410	390,000
Diesel Oil	90,055	49,618	—
Lubricating Oil	303,041	249,172	225,000
Petroleum Jelly	20	32	—
Asphalt	10,083	10,437	—
Paraffin wax	14,269	11,837	—
Ozakerite	227	197	1138
Potash fertilizer salts	61,435	10,012	28,937

APPENT V
IMPORTS OF MINERAL OILS INTO U. S. S. R.
(PRINCIPAL MINERALS)
(LONG TONS)

	1935	1936	1937
Alumina	31,916	744	—
Antimony	2,340	2,337	—
Other coal	35	1,960	11,856
Copper Ingots	29,123	44,545	—
" Sheet Wire	2,587	960	64,765
Ferrochrome	2,898	—	—
" Molybdenum	10,030	1,387	—
" Tungsten	1,878	848	—
Lead, pig, led sheets	30,679	29,194	41,753
Nickel	5,494	7,101	8,933
Motor spirit	42	46,208	—
Fuel Oil	645	38	107,925
Tin	7,311	9,644	12,309
Tungsten Ore	1,039	1,499	2,179
Zinc	1,451	86	2,893

APPENDIX VI (a)
TOTAL IMPORTS FROM U.S.S.R. TO INDIA
 (1913-4 TO 1918-9)

	(L)
1913-4	38,695
1914-5	24,408
1915-6	57,478
1916-7	164,501
1917-8	87,375
1918-9	—

APPENDIX VI (b)
TOTAL IMPORTS FROM U. S. S. R. TO INDIA
 (FROM 1919-20 TO 1923-4)

1919-20	1,53,148
1920-1	21,78,600
1921-2	4,71,060
1922-3	1,44,502
1923-4	15,20,147

APPENDIX VI (c)
TOTAL IMPORTS INTO INDIA FROM U. S. S. R.
 (1924-5 TO 1928-9)

	(Rs.)
1924-5	58,174
1925-6	21,78,600
1926-7	4,71,060
1927-8	1,44,502
1928-9	15,20,147

APPENDIX VI (d)
TOTAL IMPORTS INTO INDIA FROM U.S.S.R.
 (1929-30 TO 1933-4)

	(Rs.)
1929-30	1,98,56,193
1930-1	2,89,97,578
1931-2	2,79,32,858
1932-3	1,96,59,813
1933-4	1,63,83,332

APPENDIX VII (a)
TOTAL EXPORTS FROM INDIA TO U.S.S.R.
 (IN L)
 (1913-4 TO 1918-9)

1913-4	1,649,890
1914-5	1,245,953
1915-6	3,622,934
1916-7	3,783,295
1917-8	490,861
1918-9	—

APPENDIX VII (b)
TOTAL EXPORTS FROM INDIA TO U.S.S.R.
 (IN Rs.)
 (1919-20 TO 1923-4)

1919-20	1,127
1920-1	3,060
1921-2	35,417
1922-3	99,000
1923-4	26,287

APPENDIX VII (c)
TOTAL EXPORTS FROM INDIA TO U.S.S.R.
 (1924-5 TO 1928-9)

	(Rs.)
1924-5	12,54,262
1925-6	19,43,611
1926-7	9,12,763
1927-8	49,51,676
1928-9	24,96,856

APPENDIX VII (d)
TOTAL EXPORTS FROM INDIA TO USSR,
 (1929-30 TO 1933-4)

	(Rs.)
1929-30	59,48,848
1930-1	74,45,045
1931-2	66,91,300
1932-3	37,69,865
1933-4	8,09,22

APPENDIX VIII
PRINCIPAL IMPORTS FROM U. S. S. R. TO INDIA

Articles	1934-5	1935-6	1936-7	1937-8	1938-9	Average
Dyeing and Tanning Substances	Lbs. 510	194	501	268	109	316
	Rs. 3,33	1,13	2,96	1,52	69	1,93
Sulphate of Ammonia	Tons. ...	...	...	...	7	1
	Rs. ...	...	...	...	7,77	1,55
Fuel Oil (including Diesel oil and other oil)	Gals. 912	2,117	2,306	...	2,382	1,543
	Rs. 131	2,92	3,86	...	5,41	2,60
Kerosene	Gal. 43,363	46,855	40,770	20,903	...	30,578
	Rs. 14,765	14,439	11,755	6,919	...	9,576
Petroleum dangerous other than motor spirit	Gal. 882	1,555	...	...	844	656
	Rs. 2,20	1,091	...	...	4,22	3,47
Cotton Raw	Tons. ...	...	...	...	0,02	...
	Rs. ...	...	...	...	15	3
Logs and Timber for match making.	Tons. ...	...	1	1	2	1
	Rs. ...	...	74	80	1,03	51
Ply wood	Tons. ...	...	0.1	...	0.1	...
	Rs. ...	...	0.1	...	21	4
Others	Rs. 223	163	112	102	56	132
Grand Total	Rs. 15,672	16,103	12,573	7,253	2,004	10,721

* In lakhs of Rupees.
% Approximate.

APPENDIX X
IMPORTS FROM RUSSIA TO INDIA
1919-20 TO 1923-4 (IN RS.)

Years	Oils	Wood and Timber	Metals and Ores.	Wool Manu- factures	Paper	Tea chests
1919-20	...	...	...	21,720	3,37,790	1,49,597
1920-1	4,09,700	21,720	...	14,203	17,871	13,85,709
1921-2	...	14,203	...	...	4,002	4,30,085
1922-3	...	...	...	...	4,672	93,415
1923-4	10,33,068	...	37,546	...	...	4,14,835

APPENDIX XI
IMPORTS FROM RUSSIA TO INDIA
1924-5 TO 1928-9 (IN RS.)

Years	Oils	Wood and Timber	Sugar	Paper	Tea chests
1924-5	...	...	...	...	56,218
1925-6	...	...	...	...	11,617
1926-7	16,045	...	51,04,771	27,628	...
1927-8	530	90,276	23,82,585	1,678	86,713
1928-9	...	68,677	...	22,845	106,848

APPENDIX XII
IMPORTS INTO INDIA FROM U. S. S. R.
1929-30 to 1933-4 (IN Rs.)

Years	Oils	Wood and Timber	Sugar	Paper	Machinery and Mill Work	Dyeing and Tanning Substances	Chemicals and Chemi- cal prepara- tions	Essential Seeds	Tea Chests
1929-30	1,92,63,436	1,84,772	...	8,378	...	1,084	...	3,102	1,99,689
1930-1	2,42,04,936	66,991	44,77,306	2,420	29,383	2,746	1,20,046	20,959	42,995
1931-2	1,87,70,416	32,339	86,85,041	3,100	235	6,847	6,90,048	...	27,055
1932-3	1,63,61,820	50,715	11,53,723	...	181	4,422	10,12,558	...	32,561
1933-4	1,50,18,305	1,57,178	...	2,876	549	24,016	2,42,377	2,876	36,988

APPENDIX XIII
IMPORTS FROM RUSSIA INTO INDIA
(1934-5 to 1938-9)
(Rs)

Years	Chemical and Chemical preparations-Sodium compounds.	Dyeing and Tanning Substances	Others	Oils	Provisions, oilman's stores
1934-5	82,162	3,33,435	5,464	1,51,15,130	8,149
1935-6	773	1,13,011	..	1,57,32,271	12,866
1936-7	16,794	2,95,656	..	1,20,91,682	12,309
1937-8	42,000	1,52,143	..	69,19,374	8,928
1938-9	..	69,303	..	9,62,332	9,787

IMPORTS FROM RUSSIA INTO INDIA

Years	Wood and Timber	Sugar (Beat)	Tea chests.	Manures Sulphate of Ammonia & Others	Seeds Essential	Textiles (cotton raw)
1934-5	30,890	..	22,711	..	..	..
1935-6	63,125	..	11,508	..	..	..
1936-7	73,870	30,050	28,138	..	..	..
1937-8	79,532	..	38,114	..	..	..
1938-9	..	..	7,958	77,673	18,292	15,371

APPENDIX XIV
IMPORTS FROM RUSSIA TO INDIA
(Rs)

Year	Chemical and Chemical Preparations Sodium compounds	Dyeing and Tanning Substances.	Provisions and Oilman store.	Wood and Timber	Precious Stones	Manures Sulphate of Ammonia & Others. (Essential)	Textiles (cotton raw)
1939-40	976	18,070	318	10,189	...	18,83,702	5,184
1940-41
1941-42
1942-43
1943-44	3,97,578	...	...

APPENDIX XV
PRINCIPAL EXPORTS FROM INDIA TO U. S. S. R.
QUANTITY AND VALUE IN (000)

Articles	1934-5	1935-6	1936-7	1937-8	1938-9	Average	1939-40
Shellac	...	...	...	...	7	1	2
Tea black	Rs. 40	Rs. 976	Rs. 1,667	Rs. 647	1,42	28	44
	Lbs. 20	Lbs. 751	Lbs. 1,333	Lbs. 5,582	75	681	35
Cotton waste	...	...	...	...	50	547	17
Jute raw	Rs. 4	Rs. 15	Rs. 16	Rs. 25	1	4	...
	Tons. 488	Tons. 2,761	Tons. 2,843	Tons. 3,050	18	16	1
Gunny bags	Rs. 1,310	Rs. 15	Rs. 26	Rs. 26	3,561	2,941	148
Drugs & Medicines	Rs. 313	Rs. 4	Rs. 6	Rs. 6	...	270	...
Grain, Pulse and flour	Rs. 7	Rs. 1	Rs. 1	Rs. 1	...	65	...
Total of Hides and Skins	Rs. 7	Rs. 1	Rs. 1	Rs. 1	...	1	...
Raw (excluding cutting of Hides and skins Raw)	Rs. 7	Rs. 1	Rs. 1	Rs. 1	...	...	...
Oils Vegetables non-essential	...	...	...	...	...	...	...
Provision and Oil-man stores	...	...	...	...	...	6	...
Rubber raw	...	...	...	...	...	...	...
Total of seeds	...	...	...	...	...	...	...
Sugar	Rs. 30	Rs. 30	Rs. 30	Rs. 30	...	6	...
Cotton Manufactures	...	...	...	...	...	...	...
Woolen Manufactures	...	...	...	...	...	...	...
Tobacco Manufactures	...	...	...	...	...	...	...
Others	...	...	...	...	...	...	...
Grand Total	Rs. 14	Rs. 6	Rs. 60	Rs. 3	Rs. 3,771	Rs. 3,608	Rs. 210
	Rs. 4,2	Rs. 3,522	Rs. 4,266	Rs. 5,641	...	...	...

PRINCIPAL EXPORTS FROM INDIA TO U. S. S. R.

Articles	1940-1	1941-2	1942-3	1943-4	1944-5	Four years (Average) 1944-5		Eight months ending Nov. 1945
						(Average)	9	
Shellac	...	20	18	...	...	...	786	...
Tea black	...	1,548	1,597	...	1,444	...	561	34
Cotton waste	7,99	...	9,37	...	391	44
Jute raw	6,29	...	...	...	...	...
Gunny bags	...	14	...	...	2	...	...	6
Drugs & Medicines	...	4,096	1,883	...	8,94	...	1,718	3
Grain Pulse and flour	...	3,117	5,332	...	1,849	...	2,574	1,146
Total of Hides and Skins raw (excluding cutting of Hides and skins raw)	...	1,469	1,803	...	1,340	...	1,153	...
Oils Vegetables non-essential	33	...	...	...	8	...
Provision and Oil man stores	01	...	...	...	...	...
Rubber raw	28	...	...	...	...	...
Total of seeds
Sugar	13	...	...	...	3	...
Cotton Manufactures	6	18	...	...	6	...
Wollen Manufactures	9	66	...	...	19	...
Tobacco Manufactures	6,20	48	...	...	167	...
Others	8,85	...	...	...	221	...
Grand Total	...	72,00	4,43	...	...	...	111	...
	2	...	...	...	...	...
	6,37	...	...	...	159	...
	24	1	...	...	6	...
	236	...	...	...	59	...
	84	...	...	...	21	...
	1,350	...	1,340	...	672	...
	311	...	1,005	...	329	...
	260	51	2,172	...	...	...
	8,618	166	6,348	...	...	...

APPENDIX XVIII
EXPORTS FROM INDIA TO U.S.S.R.
FROM 1924-5 TO 1928-9

(In Rs.)

Years	Tea	Jute	Dyeing and Tanning Substances	Hides and Skins	Grain, pulse and flour (rice)	Lac	Metals and Ores	Seeds	Cotton textiles or raw	Spices	Rubber	Tobacco unmanufactured
1924-5	8,38,175	3,18,016	...	...	9,461	...	...	...	80,528	...	...	...
1925-6	12,01,740	16,560	...	1,00,130	...	...	...	...	...	...	...	630
1926-7	88,287	7,74,500	...	47,896	...	...	...	...	...	...	...	...
1927-8	34,23,757	13,88,400	...	43,272	60,271	...	...	...	...	...	...	13,963
1928-9	23,71,548	...	...	18,975	4,757	...	...	...	...	...	...	28,855

APPENDIX XIX
EXPORTS FROM INDIA TO U.S.S.R.
FROM 1929-30 TO 1933-4

(In Rs.)

Years	Tea	Jute	Dyeing and Tanning Substances	Hides and Skins	Grain, pulses and Lac Flour (rice)	Metals and Ores	Seeds	Cotton textiles or raw	Spices	Rubber	Tobacco unmanufactured
1929-30	43,19,121	5,93,452	937	...	4,31,667	60,454	1,82,525	74,680	29,303	7,078	...
1930-1	50,24,027	12,24,276	18,250	...	5,16,646	...	5,41,825	33,980	39,949	3,941	...
1931-2	25,41,134	35,59,981	...	...	3,27,563	...	4,21,025	23,525	9,401	...	...
1932-3	16,51,140	16,28,562	...	...	1,26,914	...	...	12,875	21,862	2,737	...
1933-4	3,66,778	3,15,714	...	...	1,08,277	...	...	...	10,768	2,157	...

APPENDIX XX
CUSTOMS DUTIES ON RUSSIAN goods IN INDIA AND INDIAN
GOODS IN RUSSIA
PRINCIPAL IMPORTS FROM U.S.S.R. INTO BR. INDIA
(ad valorem incidence in brackets)

S. No. Name of article	Rate of import duty in India.
1. Sulphate ammonia	free
2. Dyes obtained from Coal Tar	12% ad valorem
3. Fuel Oil	15% ,,
4. Cotton, raw	1 anna per lb plus additional duty of 1 anna per lb (10.6%)
5. Petroleum dangerous other than motor spirit-	30% ad valorem
6. Logs and timber match making	,,
7. Plywood	,,
8. Kerosene Oil.	4 annas 6 pies per Imp. gal. (36.9%)

EXPORTS FROM BRITISH INDIA TO USSR

S. No. Name of article	Rate of Export Duty in USSR
1. Shellac	30 Roubles per 100 kilos (23.7%)
2. Tea	190 R. -do- -do- (183.6%)
3. Cotton Waste	12 R. ,, ,, (37.4%)
4. Jute, raw	12 R. ,, ,, (37.7%)
5. Dyes obtained from Coal Tar	12% ad valorem.

