

what it was at any time in the last few years.

Shri Hari Vishnu Kamath: It is said in the statement laid on the Table that to a certain extent raw materials may not be available indigenously. Is there any concrete and well-defined plan before the Government to go wool-gathering and, if so, is the Government casting its net wide enough in many countries?

Shri Manubhai Shah: I can only say that climatically we are not well-suited like Australia and New Zealand and other cold wool-growing countries. But even so, in our hills and mountains—there are regions like Almora, Kulu and Darjeeling—the Food Ministry is trying to grow special breeds of sheep and have better type of sheep, with dairies, etc. We wanted to develop the Merino wool from Australia, but unfortunately there is a national ban on the export of Merino sheep. We have recently requested the Australian Government and also the Mexican Government to give certain high quality sheep to us for further breeding.

Shri Hari Vishnu Kamath: Good luck to wool-gathering.

श्री विभूति मिश्र : क्या माननीय मंत्री के ध्यान में यह बात आई है कि अभी जो हिल कांग्रेस हुई थी, उस में माननीय मंत्री, डा० राममुभा मिश्र, के सामने लोगों ने बताया था कि उन की वूल की बिक्री नहीं हो रही है और पहले जो वूल तिब्बत में जाती थी, अब इस का तिब्बत में जाना बन्द कर दिया गया है? क्या सरकार उस को खरीदेगी?

श्री मनुभाई शाह : जितना माल मिले, वह सब हम खरीदने के लिए तैयार हैं।

Shri Sham Lal Saraf: In view of the fact that there has been a country-wide demand from the industry that permission and assistance may be given in order to convert some wool

into lustrous wool, may I know what attempt has been made to help the industry that way?

Shri Manubhai Shah: I do not know in what manner we can help. I take the information from the hon. Member.

Shri Sham Lal Saraf: My submission is, a number of representations have come to the Central Government and to the State Government also that in certain cases, some wool can be converted into lustrous wool, provided the Central Government will give permission. May I know what attempt has been made in this regard?

Shri Manubhai Shah: If there is any scheme sponsored by the hon. Member or by anybody else, I am certainly prepared to help.

यूरोपीय आर्थिक समुदाय के साथ
भारत का व्यापार

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- S.N.Q. 6. { श्री प्र० र० चक्रवर्ती :
श्री सिद्धेश्वर प्रसाद :
श्री रा० शि० पाण्डेय :
श्री विद्याचरण शुक्ल :
श्री श्रीकार लाल बोरवा :
श्री दी० चं० शर्मा :
श्री प्र० चं० बरुआ :
श्री हरि विष्णु कामत :
श्री राम हरख यादव :
श्री ही० ना० मुकर्जी :

क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि प्रो० हाल-स्टाइन ने नई दिल्ली में उनके मंत्रालय के साथ जो चर्चा की थी उसका मुख्य विषय यूरोपीय आर्थिक समुदाय के साथ भारत के

व्यापार में बहुत घाटा होने की समस्या थी ;

(ख) क्या उनके व्यापार के सम्बन्ध में भारत और यूरोपीय समुदाय के आंकड़े भिन्न-भिन्न हैं; और

(ग) क्या साझा बाजार में ब्रिटेन के प्रवेश के सम्बन्ध में बुसेल्स में किये गये निर्णयों के बारे में, जो भारत के लिये लाभप्रद थे, प्रो० हालस्टाइन के इस वक्तव्य को ध्यान में रखते हुये भी कि उन प्रस्तावों की मान्यता एवं महत्व खत्म नहीं हुआ है, आग्रह किया जायेगा ?

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): (a) Yes, Sir. We had very hearty and detailed talks with Prof. W. Hallstein. We are very grateful to him that in spite of his heavy preoccupations, he took time off to visit this country in order to give us an opportunity to discuss very vital problems of India's foreign trade.

(b) There was some discrepancy in the trade statistics which Prof. W. Hallstein quoted during his discussions in the Ministry and with me and our trade statistics. His figures showed that from 1958 to 1962 India's exports to EEC had increased and our trade balance, though adverse, had been somewhat reduced. The fact, however, remains that these figures, according to our best knowledge—we have checked up from the Director-General of Commercial Intelligence's Statistics—we have one of the most modern systems of keeping trade statistics—are not borne out by facts. The fact remains that our exports for the last four years, as a matter of fact, for the whole decade, have generally remained static to these countries and we continue to have a heavy adverse balance of trade with this area. He has been supplied with our trade statistics and he has promised to investigate the reasons for this difference between our and his figures, immediately on his return to Brussels.

For the information of the House, I may say that he quoted the exports of the ECC countries to India, i.e., our imports from them, as 430 million dollars in 1958, which according to him, went down to 298 million dollars in 1962. Our exports to these six countries, according to the figures of Prof. Hallstein were 103 million dollars in 1958, which went up to 150 million dollars in 1962. Actually, as far as our figures are concerned, the import from the six countries really was 344 million dollars in 1958, which in 1962 stood at 325 million dollars. Actually previously it was 358 million dollars. The exports of India to these six countries were round 82 million dollars in 1958. In 1962 it was 98 million dollars. The adverse balance of trade is practically stagnant. It was 262 million dollars in 1958 and it was 227 million dollars in 1962. Actually speaking it might be that they are taking some CIF calculations or, what is done in some countries is, the third country imports are added. That is, whatever is going from here to U.K. and other countries and re-exported after blending, re-packing or re-processing to these countries might have been added. But the fact remains that as far as our exports to these countries are concerned, they are at a stagnant level. In 1960-61, our exports to the community were Rs. 51 crores. In 1961-62 they were Rs. 52 crores and currently they are Rs. 48 crores. The House will appreciate that there has been no rise, as mentioned by Prof. Hallstein. If anything, there is a slight decline. This decline is not necessarily due to the coming in of the Community. What we urged before Prof. Hallstein was that the Community should see that large opportunities of trade with EEC are offered to us by removal of tariff duties and removal of restrictions on our products. So that in these newly emerging prosperous industrial areas which are some of the richest areas of the world and where consumer goods and other goods are consumed in a very large quantity, India should have a due share.

I am grateful to the Chairman of the Commission because he has kindly agreed to place our points of view before the European Community and we will have a further opportunity to discuss it with them when I visit Brussels in the month of May.

(c) This will require the concurrence of the member states of the community who are signatories to the Rome Treaty. The matter is proposed to be taken up with the Commission of the Community and the member states at a suitable occasion.

Mr. Speaker: Are there further supplementaries required?

Some hon. Members rose—

Shri P. R. Chakravertti: In view of the fact that Professor Hallstein made two pronounced statements in his news conference in New Delhi where he said that the ECM was basically a manufacturing area and had to import most of the raw materials from outside countries and, secondly, he described the basic policy of the ECM countries and, secondly, he described as being international division of labour meaning thereby that certain countries would specialise in the manufacture of certain goods to avoid duplication, may I know how far the Minister could give an indication as to where the preference of India lies?

Shri Manubhai Shah: In answer to the first part of the question, I may say that the Professor did mention in his public speeches also that these countries of the European Community being highly industrialised they have to buy primary raw materials from other developing countries. But, as the House is aware, there is a protocol in the Rome Treaty where an associate status has been given to many African countries and it is only after meeting their requirements from the associate countries among the under-developed world that the share will be left to countries like us,

Pakistan, Ceylon and a host of other countries who are not associates and who would not like to be associates of the community. That has to be appreciated, where the emphasis of the Professor is different from the approach that we have tried to place before him.

Secondly, on the question of international division of labour, we are very grateful to the Commission and Chairman because in his personal capacity he did suggest this approach that between the developing countries and industrialised countries there should be an understanding of division of labour, that is, the simpler articles of manufacture should be planned and produced in our countries and the more complex goods which they with their technology can produce we can buy from them. But to give it a concrete shape it will require a lot of work on their part and our part, and we hope that as a result of comprehensive agreements on economic and trade policies of the Community these ideas of the Professor and of the community will be put into action.

Shri Hari Vishnu Kamath: In respect, Sir, of which among the ECM countries has India's export trade shown a tendency to decline and in respect of which a tendency to stagnate or improve after the initiation of the plan for the European Economic Community? Does Government propose to hold bilateral talks with these countries separately to maintain and improve our export trade with them?

Shri Manubhai Shah: In answer to the first part of the question, among the six West Germany is the country with which we have the most adverse balance of trade. The total deficit as I said is Rs. 130 crores. But in order to improve the deficit we have to increase our exports with each of the countries of the community. With Germany alone we have suffered a further loss of Rs. 6 crores. Therefore, with this country we will have to work more. Regarding the second part

of the question about our having bilateral talks, this is not only our approach but also the approach of the community. On suitable occasions, we will have multi-lateral approach to the Commission and bilateral approach to the member countries who are signatories to the Rome Treaty.

श्री श्रीकार लाल बेरवा : मैं यह जानना चाहता हूँ कि प्रोफसर हालस्टेन भारत में कितने समय तक रहें और उन्होंने किन किन मंत्रियों से यूरोपीय साझा बाजार के बारे में बातचीत की।

श्री मनुभाई शाह : सारे अखबारों में ये सब बातें आई हैं। वह प्राइम मिनिस्टर साहब से मिले, फिनांस मिनिस्टर साहब से मिले, मूझे भी मिले और काफी वान-चीन हुई। वह यहाँ पर एक हफ्ता रहे।

अध्यक्ष महोदय : मेम्बर साहबान को यह भी देख लेना चाहिए कि जो सप्लीमेंटरी दे करते हैं, उनका कुछ मूद्दआ और निशाना होना चाहिए। उनको देखना चाहिए कि उनसे कोई फायदा भी पहुँचेगा।

श्री श्रीकार लाल बेरवा : मैं यह जानना चाहता हूँ कि यूरोपीय साझा बाजार के बारे में उन्होंने किन किन मंत्रियों से क्या क्या बातें कीं। शायद अलग अलग बातें की हों।

अध्यक्ष महोदय : क्या माननीय सदस्य चाहते हैं कि मिनिस्टर साहब सप्लीमेंटरीज के जवाब में बतायें कि हर एक मंत्री के साथ क्या क्या बातें हुई।

Shri Indrajit Gupta: In our anxiety to increase trade with ECM countries, is the Government cautious to see that in the name of this division of labour, to which the Minister just now referred to, we would not be forced to accept a position where manufacture in this country of technologically ad-

vanced and superior type of articles will be retarded?

Shri Manubhai Shah: I am rather surprised at the question of the hon. Member. The division of labour is what the Cairo declaration of the under-developed countries is trying to put before the world forum in 1964 when the United Nations, is calling a world trade conference at our request. It is precisely we, people from the underdeveloped countries, that tell others of the developed countries: please do not produce textile, jute goods, processed food, biscuits or sewing machines; they should be left to the developing countries and the advanced countries should produce goods which only technologically advanced countries can produce. So, if at all, it is an outward, looking approach, not an inward looking approach.

Mr. Speaker: Shri R. S. Paney.

Shri R. S. Pandey: My question has been covered.

Shri Ramanathan Chettiar: According to the reply of the hon. Minister, the adverse balance of trade in 1962 was 227 million dollars. I want to know whether during the discussions which our Government had with Professor Hallstein he had suggested any concrete proposals to improve our trade relationship with some of the advanced countries in order to bring down this deficit of 227 million dollars?

Shri Manubhai Shah: The talks we had with him were of a friendly and informal nature. Professor Hallstein is certainly the Chairman of the Commission of the Community, but neither he alone, nor the Community alone can do it; it is a multilateral approach. We will have to make our own efforts, and we are pleading for a policy of low tariffs or no-tariffs, a policy of no restrictions in quotas or no quantitative restrictions. These basic policies have to be modified, and we hope the Community will do it. That will be our constant endeavour in our talks with them and then, perhaps, our

adverse balance of trade will get much bridged.

Shri H. N. Mukerjee: In view of some developments having already taken place in regard to the Asian Common Market idea—our Government has also taken part in that idea—may I know if in the talks with Professor Hallstein anything was found out so that in actual fact there would not be that kind of division of labour, which the Minister has just now referred to, which would lead to our countries continuing to be the economic hinterland?

Shri Manubhai Shah: I would like to take the last part of the question of the hon. Member first. The international division of labour is not our or others recent or new proposal with the European Community. Even Mr. Khrushchev has been kind enough to propose this to the East European countries when the Secretary-General visited Moscow. Earlier, when I had also occasions to talk with him in the past, we were all the time pleading that the trade policies should be irrespective of ideologies and the under-developed countries should be allowed a share in the growing economies of the industrialised countries. That is point No. 1. Regarding the second question, I do not think any Asian Common Market scheme as such has been formally either proposed or sponsored. What happened in Manila was decision on regional economic planning and cooperation to see that the Asian countries trade between themselves, between each other in an expanding manner rather than all the time exclusively looking to industrialized country's markets. That is the proposal that was worked out. There has been neither a forum nor a gamut for any Asian Common Market.

WRITTEN ANSWERS TO
QUESTIONS

Automobiles for Defence

*952 **Shri Harish Chandra Mathur:**
Will the Minister of Economic and De-

fence **Coordination** be pleased to state:

(a) whether defence requirements for Automobiles have been finalised and purchase orders placed with local manufacturers; and

(b) whether any manufacture and supply programme for further has been drawn up?

The Deputy Minister in the Ministry of Economic and Defence Coordination (Shri Jaganatha Rao): (a) Yes, Sir.

(b) Yes, Sir. The present manufacturing capacity of the progressive manufacturers of automobiles in the country is being utilised to the maximum extent to meet the current and future Defence requirements.

Heavy Electricals Ltd., Bhopal

*958 { **Shri P. R. Chakraverti:**
Shri Maheswar Naik:
Shri Mohammad Elias:

Will the Minister of **Steel and Heavy Industries** be pleased to state:

(a) whether an incentive bonus scheme has been devised for introduction in the Heavy Electricals Project at Bhopal; and

(b) whether the Union Government have suggested to the State Governments to examine the possibility of introducing uniform labour laws in the Centrally sponsored projects, including the Heavy Electricals?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Yes, Sir.

(b) No, Sir.

Manufacture of Tractors

*959. { **Shri Subodh Hansda:**
Shri Samnani:

Will the Minister of **Steel and Heavy Industries** be pleased to state:

(a) whether any licence has been issued to the Good Earth group of