

in Geneva, made any suggestions towards mitigating the effects of the European Common Market as also those of European Free Trade Association on the trade and economies of Asian countries, particularly those of India; and

(b) if so, what are these suggestions?

**The Minister of Commerce (Shri Kanungo):** (a) and (b). A statement is laid on the Table of the House.

#### STATEMENT

During the Seventeenth Session of the GATT, the Indian Delegation, jointly with the Delegations of 18 other less developed countries in the course of a joint representation to the highly developed countries, made a special appeal to the countries who were members of the European Economic Community and the European Free Trade Association to adopt liberal tariff and commercial policies towards the trade of less advanced countries. These member countries were also particularly requested to bear in mind during the course of the Tariff negotiations that are in progress, the need to help the less developed countries to increase their export earnings and the difficulties that they would have in offering reductions in their import tariffs so as fully to match any concessions that might be granted on their exports.

#### European Common Market

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\*886. { Shrimati Ila Palchoudhuri:  
Shri Vidya Charan Shukla:  
Shri Kalika Singh:  
Shri Aurobindo Ghosal:  
Shri B. Das Gupta:  
Shri P. C. Borooah:  
Shri Hem Barua:  
Pandit D. N. Tiwari:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government of India's attention has been drawn to the reported news that Britain is stated to

be under great pressure to join the European Common Market;

(b) whether the Government of the U.K. have referred this matter in recent months to the Commonwealth countries including India; and

(c) if so, the reaction of the Government of India thereto?

**The Minister of Commerce (Shri Kanungo):** (a) to (c). A statement is laid on the Table of the House

#### STATEMENT

Yes, Sir. There was a general exchange of views between the representatives of the U.K. and those of the other Commonwealth Governments on the question of the proposed association of the U.K. with the European Common Market (ECM) at the Commonwealth Finance Ministers' Conference held in London during September, 1960. As the negotiations between the U.K. and members of the European Economic Community (EEC) on the above question are still continuing, it is not known what form the proposed association of the U.K. with the European Common Market will ultimately take. The question of the Government of India having certain reactions in the matter does not, therefore, arise at this stage. The developments in this connection are, however, being watched.

**Shri Hem Barua:** Was a suggestion made at this conference that arrangements should be made by some selected Asian countries on the lines of the European Common Market to counteract its influence or effects; if so, what was the response of the other participating countries to this suggestion made by India?

**Shri Kanungo:** No, Sir. Neither at the GATT nor the Commonwealth Finance Ministers' Conference was such a suggestion made. Obviously, it should not be made. This proposal is being considered by several countries in the ECAFE conference. The ECAFE, after deliberation of about three years, has taken the line that

they should try for the present to intensify intra-regional trade and watch the experience because Asian countries are not competitive with European markets, they are competitive only among themselves.

**Shri Hem Barua:** Is it a fact that a suggestion was made for reduction of the tariffs imposed at present by the Western countries; if so, what was the response to this suggestion?

**Shri Kanungo:** According to the Rome Treaty tariffs between the European community countries are being reduced by stages. The next reduction will come on 1st January, 1961. That is among themselves. That may result in the members of the community countries getting their supplies from among themselves or from their territories. It may have an effect upon exports from other countries, but in the last GATT conference this matter has been put up to other countries by 18 countries of Asia and Africa, and this question of tariff negotiation is being pursued. The main point we have in our favour, so to say, is this, that unless the European countries buy a larger quantity of goods from our area, we will be incapable of buying more from their area.

**Shrimati Ila Palchoudhuri:** Since the Commonwealth is also an economic entity, what safeguards will India ask for if Britain enters the European Common Market as a full-fledged market?

**Shri Kanungo:** As the statement shows, that point has been discussed preliminarily. The U.K. has not yet made up its mind. When it does, that point will be considered because trade ties are so intimate that they cannot be diverted so quickly.

**Shri Yadav Narayan Jadhav:** The statement refers to an appeal to the European Economic Community and the European Free Trade Association to adopt liberal tariff and commercial policies towards the trade of less

advanced countries. In view of this, may I know whether the commercial policy of this country will be changed?

**Shri Kanungo:** Yes, that is what I said earlier, that the policy between the countries of the Rome Treaty is to reduce their tariffs gradually and bring them to nil. Then they have to orient their policy with other countries within the framework of GATT, and those negotiations are now taking place in Geneva.

**Shri Raghunath Singh:** Sir, 885 is an important question, it should be taken up. It relates to Chinese propaganda on the NEFA border.

**Mr. Speaker:** Shri Raghunath Singh should have given notice earlier.

**Shri Raghunath Singh:** I thought that it will be taken up in the normal course.

**Mr. Speaker:** I have already said that five minutes before the close of the Question Hour, I would be prepared to take up any questions which are very important, if the House generally desires that they should be taken up.

**Shri Raghunath Singh:** There is no short notice question today. Therefore, this may be taken up.

**Shri Hem Barua:** Yesterday, I wrote to you at about 10.30 a.m. for taking up a similar question, but I was neglected.

**Mr. Speaker:** But, we were so much interested in the other questions that the hon. Member himself forgot to mention it again.

**Shri Hem Barua:** I just tried to raise it again, but I was brushed aside.

**Mr. Speaker:** It is too late now. The Question Hour is over.

#### WRITTEN ANSWERS TO QUESTIONS

##### Reports of Public Undertakings

\*871. **Shri Vidya Charan Shukla:**  
Will the Minister of Commerce and