

[Prof. D P. Chattopadhyaya]

one particular report of the Reserve Bank (Indian Bulletin) September 1975.

"Gross profit as percentage of total net assets as compared to other textile mills Jute 08 per cent

Profit after tax as percent of net worth Negative

Ordinary dividends as per cent of ordinary paid up capital 17 per cent"

These are the figures of the Reserve Bank and not Supplied by the mill owners These figures show that the industry is not in its best of health

SHRI DINEN BHATTACHARYYA

In view of the Committee that has been set-up whether it is in the knowledge of the Government that if rationalisation or modernisation takes place in the jute mills, what will be its impact on the employment position?

PROF D P CHATTOPADHYAYA:

If modernisation is effected it is Government's endeavour to ensure to the maximum possible that it does not lead to displacement of labour

11.21 hrs.

STATEMENT ON TALKS BETWEEN INDIA AND PAKISTAN HELD AT ISLAMABAD

THE MINISTER OF EXTERNAL AFFAIRS (SHRI YESHWANTRAO CHAVAN) As the House is aware, ever since the Simla Agreement was signed in July 1972, it has been the Government of India's policy that, in keeping with the Agreement, the severed links between India and Pakistan should be restored and the relationship between the two countries normalised. During this period, many problems have indeed been resolved. The telecommunications and postal services between the two countries

were re-established and a visa agreement was signed to facilitate travel from Pakistan to India and vice versa. In January 1975, agreements were also reached between the two Governments on shipping and trade. However, some other items from the Simla Agreement remained unresolved, these were air and land communications and the restoration of diplomatic relations. Two meetings between official delegations were held in November 1974 and May 1975 to discuss questions arising out of Pakistan's complaints with the International Civil Aviation Organisation but no agreement could be reached

On the 27th March Prime Minister of Pakistan in a letter to our Prime Minister, indicated that Pakistan would be prepared to withdraw its case from the International Civil Aviation Organisation. As the House is aware, India had previously urged such a course in order that the process of normalisation could maintain its momentum and the Simla Agreement could be fulfilled. Consistent with our firm belief that the Simla Agreement enjoins us to work for the establishment of durable peace and harmonious bilateral relations, our Prime Minister, in her reply of 11th April, suggested that the Foreign Secretaries of the two countries should meet and discuss pending matters such as air-links overflights resumption of rail and road communications and also the restoration of the severed diplomatic relations between India and Pakistan. The Prime Minister of Pakistan accepted these suggestions in his letter of 18th April. As a result the two Foreign Secretaries arranged for the delegations to meet in Islamabad between the 12th and the 14th May

After the meetings a Joint Statement was issued, which was simultaneously released to the press in the two capitals. The two governments have also agreed to make public the three letters exchanged between the two Prime Ministers. I am placing texts of the Joint Statement and letters on the Table of the House.

The Members will observe that the Joint Statement embodies an agreement to restore all the severed links between the two countries. In respect of some of these items, further technical level contacts may be necessary to work out the detailed arrangements for the resumption of the links. It has subsequently been agreed that this entire package embodied in the Joint Statement would be put into effect more or less simultaneously between the 17th July and the 24th July 1976.

I am confident that these positive developments will be welcomed by the House, the people of our two countries as also the friends of our two countries in the region and the world at large. Both countries must recognise the logic of their interdependence and the need for cooperative relations as between neighbours. If peace and mutual confidence prevail in the sub-continent, our nations could more fully bend their talents and energies to resolve the gigantic problems which confront us and play an even more effective role in the international sphere where we have so many interests in common.

JOINT STATEMENT

Pursuant to the letter written by Prime Minister Zulfikar Ali Bhutto on 27 March and the reply of Prime Minister Mrs Indira Gandhi of 11 April, the delegations of India and Pakistan met in Islamabad from 12 to 14 May 1976 with the objective of resuming normalisation of relations between the two countries as envisaged in the Simla Agreement. The discussions were held in a frank and friendly atmosphere.

2 His Excellency Shri J S Mehta, Foreign Secretary, led the Indian delegation. He was assisted by representatives of the Ministries of External Affairs, Tourism and Civil Aviation, Finance, Home Affairs, Railways, Shipping and Transport and Commerce. The Pakistani delegation was led by Mr Agha Shahi, Foreign

Secretary. He was assisted by the representatives of the Ministries of Foreign Affairs, Railways, Finance, Communications, Commerce Interior, Information and Broadcasting, Law, Aviation Division and the Departments of Civil Aviation, Ports and Shipping and Pakistan International Airlines Corporation.

3 In regard to matters relating to civil aviation, the two delegations discussed the modality of withdrawing the cases and counter claim pending before the Council of the International Civil Aviation Organisation and agreed to send a joint letter to the Council for the purpose. They further agreed to the resumption of overflights and the restoration of airlinks between the two countries. It was decided that expert delegations from the two countries will meet to work out the necessary details.

4 The two delegations agreed to resume goods and passenger traffic by rail through the Wagah/Attari border. In this connection, the Pakistan delegation stated that the rail track on its side was already functional. The Indian delegation undertook to carry out the necessary repairs on its side as soon as possible.

5 The two sides recognised the advantage that would accrue to trade between the two countries with the resumption of freighting of goods by rail.

6 It was decided that the experts of the two countries should meet urgently to work out a detailed agreement regarding inter-change freight rating, compensation claims, custom formalities, the creation of a wagon pool etc for the goods and passenger traffic between the two countries.

7 The two sides agreed to grant multiple journey visas valid for one year to the members of the railway staff operating on scheduled services along the specified route.

8. The two delegations agreed that goods meant for the other country could also be transported by road upto the Wagah/Attari border. For this purpose, they undertook to make necessary arrangements for the transshipment, warehousing, bonding and customs clearance etc.

9. The two delegations discussed the question of early re-establishment of diplomatic relations between their countries. They agreed that each country should be represented by an Ambassador with supporting staff in the capital of the other country. In view of the problems which had been faced in the past in the functioning of their respective diplomatic missions, the two delegations reaffirmed their adherence to the Vienna Convention on Diplomatic Relations 1961 to which they were party and agreed on a basis of reciprocity, to grant each other's Missions all facilities and courtesies for their normal functioning.

10. The two delegations reviewed the working of the Indo-Pakistan Trade Agreement of 23 January 1975, and the Shipping Protocol of 15 January 1975. They agreed that in terms of Article 3 of the Trade Agreement, in addition to state trading organisations, the private sector be also enabled, with effect from 15 July 1976, to participate in the trade between the two countries subject to the laws, rules, regulations and procedures in force in their respective countries from time to time.

11. The two delegations also agreed that the Joint Committee envisaged under Article 9 of Trade Agreement should be constituted immediately to review the working of that Agreement and that the first meeting of the Joint Committee should be held at the Commerce Secretaries' level as soon as possible and, in any case, before the end of 1976.

12. The two sides decided that a further meeting of the respective shipping experts should be held, as early

as possible, to review the Protocol on Shipping as provided in Article 22 of that Protocol.

13. The two delegations reviewed the existing visa agreement for regulating travel between the two countries. They noted that the arrangements envisaged in that agreement were working satisfactorily and required no change.

14. The two delegations discussed measures for promoting cultural and scientific exchanges as envisaged in the Simla Agreement. They agreed that further discussions on these measures could be undertaken in due course.

15. The two sides held discussions on the question of the detainees and agreed that this humanitarian issue needed to be resolved expeditiously. They also agreed to make efforts to locate persons still untraced and repatriate them with all possible dispatch in accordance with the existing working arrangements.

16. The leader of the Indian delegation, His Excellency Shri J. S. Mehta, was received by the President of the Islamic Republic of Pakistan.

17. The Indian delegation warmly thanked the delegation of Pakistan for its hospitality.

(Jagat S. Mehta)

Foreign Secretary

Ministry of External Affairs,
Government of India

Islamabad, May 14, 1976.

(Agha Shahi),

Foreign Secretary.

Ministry of Foreign Affairs,
Government of Pakistan.

COPY OF PRIME MINISTER OF PAKISTAN
MR. Z. A. BHUTTO'S LETTER DATED 27TH
MARCH 1976 TO OUR PRIME MINISTER

Dear Madam Prime Minister,

I feel it necessary to take the initiative to write to you on the question of normalisation of relations between India and Pakistan. For a variety of reasons, this process appears to have come to a standstill. The mutual advantage for breaking the stalemate is self-evident. Despite the setbacks, the people of Pakistan stand committed to the objectives of durable peace between our countries.

2. It is regrettable that the process in part at least, should have been interrupted by our inability to reach agreement on the resumption of civilian air communications and overflights. We should have thought that the momentum of normalisation generated by the agreements to restore other communications, would have facilitated an agreement on this issue. It seems pointless to enumerate here the various stages through which these negotiations have passed without achieving results.

3. On our part, we have earnestly explored the question of how we can increase our trade and have, in that context, restored the rail link with India at Wagah and have also agreed to delimit the maritime boundary between the two countries. We have thereby sought to keep intact the process of normalisation. However, so long as there is no progress on other outstanding issues such efforts can be only of partial value and attain peripheral results.

4. In order, therefore, to impart to the normalisation process the impetus that it needs and in keeping with our sincere desire to improve relations with India we would be prepared to go to the length of withdrawing Pakistan's case from ICAO. How else can the impasse be broken?

5. I trust that now the problem of overflights should stand resolved. This

ought to enable us to turn our attention to the remaining issues envisaged in the Simla Agreement.

With regards,

Yours sincerely,
(Sd.) Zulfikar Ali Bhutto

COPY OF OUR PRIME MINISTER'S LETTER
DATED APRIL 11, 1976 TO PRIME MINISTER
OF PAKISTAN, MR. Z. A. BHUTTO

Dear Prime Minister,

Thank you for your letter of the 27th March. You have referred to the present impasse in the normalisation of relations between Pakistan and India. This stalemate is not of India's making. We have been acting on our firm belief that the Simla Agreement enjoins us to persevere sincerely in our efforts towards the establishment of durable peace and harmonious bilateral relations between our countries. I welcome the prospect opened up in your letter of restarting the process of normalisation of relations which would pave the way for reconciliation and the promotion of peace and stability on our sub-continent.

2. I am glad to learn that you now find it possible to offer to withdraw the case pending before the ICAO. The Civil Aviation problem has indeed come in the way of the process of normalisation and your willingness to withdraw it is helpful.

3. I am prepared to instruct our Foreign Secretary to get in touch with his counterpart in Pakistan and arrange for a meeting at a mutually convenient date for joint deliberations to discuss pending matters such as airlink between our countries, overflights and the resumption of rail and road communications. We are prepared to go further and discuss measures for the restoration of diplomatic relations with your representatives.

4. On hearing from you, the schedule for holding such meetings, particularly those arising out of the provisions of the Simla Agreement, can begin. But, in the meantime, I think it is important to make renewed and purposeful efforts to improve the climate of our relations by firmly curbing propaganda which creates mistrust of each other, and desisting from steps which may be hostile to the interests of the other country. The recent statements and observations about India emanating from your side have caused us concern and have given our people the impression that Pakistan wants to arouse suspicion regarding India's policies and intentions towards her neighbours. This is regrettable and hardly conducive to the fulfilment of the Simla Agreement to which you have referred in your letter. We are convinced that none of the countries on the sub-continent can benefit from tensions. In order to progress more purposefully towards the promotion of the welfare of our peoples, we should recognise the logic of our inter-dependence and the need for a cooperative relationship.

With regards,

Yours sincerely,
(Sd.) Indira Gandhi.

COPY OF PRIME MINISTER OF PAKISTAN
MR. Z. A. BHUTTO'S LETTER DATED 18TH
APRIL, 1976 TO OUR PRIME MINISTER

Dear Madam Prime Minister,

I thank you for your letter of 11th April.

I was impelled to write to you in an earnest effort to resume the process of normalisation of our relations by resolving the impasse over the issue of overflights and airlinks.

Your response suggests that we should now be able to take another step towards that objective. We would welcome your Delegation to visit

Islamabad to conclude an agreement on restoration of overflights and airlinks and to discuss resumption of diplomatic relations and other matters mentioned in your letter. My Foreign Secretary has been instructed to contact his counterpart to arrange a mutually convenient date.

I agree that both countries should eschew hostile propaganda against each other. How can we not share the view that causes of tension in our relations should be removed.

However, I regret to note that you think that it is Pakistan which is at fault. On our side, we are not unmindful of a number of statements which have recently emanated from India and which cannot possibly help in creating a climate conducive to the fulfilment of the objectives of the Simla Agreement.

This notwithstanding, I believe that, given goodwill on both sides, we should be able to overcome impediments to the normalisation of our relations as envisaged by that Agreement.

With regards,

Yours sincerely,
(Sd.) Zulfikar Ali Bhutto

DR. RANEN SEN (Barasat): A statement regarding Maulana Bhashani's march to Farakka is also to be made.

11.25 hrs.

COMMITTEE OF PRIVILEGES
EXTENSION OF TIME FOR PRESENTATION
OF REPORT

SHRI M. C. DAGA (Pall): I beg to move;

"That this House do further extend upto the last day of the next session the time for the presen-