

12.00 hrs.

**CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORT-
ANCE**

**EXPIRY OF INDO-TIBETAN AGREEMENT
AND THE CLOSING OF CHINESE TRADE
MISSIONS IN INDIA**

Shri Mohsin (Dharwar South): Sir, under rule 197, I beg to call the attention of the hon. Prime Minister to the following matter of urgent public importance and I request that he may make a statement thereon:—

“The expiry of the Indo-Tibetan Agreement 1954 with China and the closing of Chinese trade missions in India.”

The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru): As the House is aware, we have, since the beginning of December 1961, been in correspondence with the Government of People's Republic of China to find a dependable basis for negotiations between the two Governments in order to reach a new agreement in place of the Sino-Indian Agreement of 1954 which was due to expire on the 3rd June 1962. In our correspondence we urged upon the Chinese Government the necessity of laying a proper foundation and creating a favourable atmosphere for fresh negotiations between the two countries and suggested that, as a first step, the Chinese Government should, with a view to creating the proper atmosphere, withdraw their forces from Indian territory and restore the territorial status quo as it existed at the time of the signing of the 1954 Agreement. While these exchanges were continuing, the Chinese Government informed us on the 23rd May, through their Charge d' Affaires in Delhi, of their decision to recall their Trade Agencies in Calcutta and Kalimpong and asked for requisite facilities for the withdrawal of these Agencies. The Foreign Secretary assured the Chinese Charge d' Affaires that necessary facilities will be accorded. Foreign Sec-

retary also added that the Government of India will be taking a decision on the winding up of Indian Trade Agencies in Tibet on a reciprocal basis and will request the Chinese Government to give necessary facilities.

We received a report that the Chinese Trade Agency at Kalimpong had started moving out on the 27th May. A later report indicated that the officials of the Chinese Trade Agencies at Calcutta and Kalimpong had left India on the 1st June. The Chinese Embassy had informed us some time back that they had only two Trade Agencies at Kalimpong and Calcutta and there was no Trade Agency in New Delhi. The Chinese Embassy informed us after the withdrawal of the Agency at Kalimpong that the property and buildings of the Trade Agency at Kalimpong have been placed in charge of their Consul-General at Calcutta.

We informed the Chinese Charge d' Affaires on the 30th May, of our decision on withdraw our Trade Agency at Gyantse by 10th June and our Trade Agency at Yatung by the 15th June, and asked for facilities for the Trade Agencies to pack, crate and transfer records and stores. As regards the third Trade Agent who used to visit Gartok, we asked for facilities for him to visit Western Tibet as soon as the Lipulekh Pass was open so that he could wind up his Mission. We told the Charge d' Affaires that none of our Trade Agents will be functioning as such with effect from the 3rd June, but they will take some time to move out with their records and stores and asked that certain administrative facilities be given to the Trade Agents till the date of withdrawal. We also informed the Chinese Charge d' Affaires that we intended to place our property and buildings at Yatung in charge of our Consul General at Lhasa who would keep a small maintenance staff there and convert the place into a hostel for the use of our countries and officials proceeding to or returning from Lhasa. The

[Shri Jawaharlal Nehru]

Chinese Government have asked that the withdrawal of the Indian Trade Agencies in Tibet should be completed within a month. They have also stated that reasonable facilities will be guaranteed for such withdrawal. They have, however, regretted their inability to grant certain administrative facilities, like communications in cypher, with the Government of India until the date of the withdrawal of the Trade Agencies.

Apart from the withdrawal of the Trade Agencies of the two countries provided in the 1954 Agreement, the immediate consequence of the termination of the 1954 Agreement will be the termination of the facilities provided in the Agreement for trade and intercourse between India and the Tibet region of China. Such trade and intercourse in future will, to the extent permitted by each side, be regulated by national laws and regulations of the countries concerned.

Shri Moshin: What will be the effect of the closure of these trade agencies in both the countries on our trade and commerce specially in regard to exports and imports of our country?

Shri Jawaharlal Nehru: Obviously, the effect will be that such small trade as was carried on will be reduced still further.

Shri P. K. Deo (Kalahandi): Consequent upon the expiry of the Indo-Tibetan Agreement of 1954, it is learnt, Indian traders in Tibet are winding up their business. May I know if the Government are taking steps for the transfer of their assets to this country?

Shri Jawaharlal Nehru: There has been some correspondence about that. The House would have noticed, when I read out, certain facilities for withdrawal etc. That will be part of those facilities that we have asked for.

Shri S. N. Chaturvedi (Firozabad): Will our other Trade Missions in China continue to function?

Mr. Speaker: No, the statement makes that clear.

Shri Hari Vishnu Kamath (Hoshangabad): In view of the fact that the 1954 Agreement had an Appendix embodying what has since come to be known as the doctrine of *Panchsheel* in international relations, it having been enunciated for the first time in that context in modern history, may I ask whether the scrapping of this 1954 Trade Agreement will entail, as a regrettable consequence thereof, the snapping of the *Panchsheel* tie between India and China as well?

Shri Jawaharlal Nehru: Those principles embodied in what is called the *Panchsheel* agreement are basic principles which remain, whether anybody breaks them or not. So far as we are concerned, we shall try to abide by them in the changed circumstances. I do not know how far it will be possible altogether to act up to them. But we do not propose to contravene them unless we are compelled to do so.

Shri Hari Vishnu Kamath: Unilaterally we will stick to them?

Mr. Speaker: Papers to be laid on the Table.

Shri Hari Vishnu Kamath: It is bilateral, it is a two-way traffic.

Mr. Speaker: Order, order. Papers to be laid on the Table.

12.07 hrs.

PAPERS LAID ON THE TABLE

ANNUAL REPORT OF NATIONAL PRODUCTIVITY COUNCIL AND REPORTS OF INDIAN PRODUCTIVITY TEAMS

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): On behalf of Shri Nityanand Kannugo I beg to lay on the Table a copy each of the following papers:—

- (i) Annual Report of the National Productivity Council for the