

12.45 hrs.

STATEMENT RE AGREEMENT WITH CENTRAL PROVINCES MANGANESE ORE COMPANY LIMITED.

The Minister of Mines and Fuel (Shri K. D. Malaviya): It is a long statement. Have I your permission to lay it on the Table?

Mr. Speaker: That may be laid on the Table.

Shri K. D. Malaviya: Sir, I beg to lay on the Table of the House, a statement regarding agreement with the Central Provinces Manganese Ore Company, Limited. [See Appendix IV, annexure No. 26].

12.46 hrs.

STATEMENT RE NEGOTIATIONS BETWEEN UNITED KINGDOM AND EUROPEAN ECONOMIC COMMUNITY

The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah): During the budget debate on the Demands of the Ministry of Commerce and Industry a few days ago, several hon. Members referred to the negotiations currently in progress in connection with the United Kingdom's application for membership of the European Economic Community. At that stage, I had indicated that I would be making a short statement on the subject as soon as possible.

Even before the Common Market was formed, we had many outstanding problems of trade with Western Europe and these have assumed even greater importance since the signing of the Treaty of Rome. We have been negotiating with the European Economic Community to secure suitable changes in their tariffs and commercial policies both under the GATT and bilaterally. As a result of these negotiations we have obtained some concessions. Germany for instance has

already agreed in the GATT to abolish the quantitative restrictions on our jute goods by the middle of 1964. There has also been some relaxation in the quota restrictions and reduction of tariffs applicable to us. In relation, however, to our trading problems with the Common Market countries, these concessions are not of meaningful significance. The balance of our trade with the Six Common Market countries has been going steadily adverse. While in 1950 India had a surplus of about Rs. 5 crores in its trade with them, in 1960 she had a deficit amounting to Rs. 135 crores approximately. This deficit is thrice the value of Indian exports to the Community. No other country has a deficit of this order with the Community. We are hoping that substantial concessions would be made available to us by these industrialised countries in pursuance of the Ministerial Declaration unanimously adopted in the GATT for expansion of the trade of the less developed countries.

U.K.'s joining the Common Market would create a fresh set of problems for us because of the fact that our trade with the U.K. has been built over a long period of years on the basis of freedom from tariffs as well as quotas and certain guaranteed margins of preference. It is clear that if our long established rights under the Indo-U.K. Trade Agreement are replaced by a restricted regime, our trade will suffer great damage. While we have always conceded that it is primarily for the U.K. to decide whether or not to join the Common Market we shall be less than fair to ourselves if we did not insist on adequate safeguards for the large volume of trade we have with the U.K. The U.K. Government has taken note of our points in negotiating with the Common Market. In her negotiations, however, U.K. has to take into account its own interests as well as the interests of other Com-