

SHORT NOTICE QUESTION AND ANSWER

Trade Cooperation among ESCAP Member countries

7. SHRI SITARAM KESRI :
Will the Minister of COMMERCE,
CIVIL SUPPLIES AND COOPER-
ATION be pleased to state :

(a) whether it is a fact that the recent Conference of the Economic and Social Commission for Asia and Pacific (ESCAP) stressed the need for greater trade co-operation among the member countries ;

(b) if so, what are the details of the proposals discussed in this regard and to what extent it would help India in its various developmental programmes ; and

(c) what is the outcome of the Conference ?

THE MINISTER OF STATE
IN THE MINISTRY OF
COMMERCE, CIVIL SUPPLIES
AND COOPERATION (SHRI
ARIF BEG) : (a) to (c) A
statement is laid on the Table of
the House.

Statement

Trade Cooperation among ESCAP member countries.

The Economic and Social Commission for Asia and Pacific (ESCAP) in its 33rd Annual Session adopted a resolution at the initiative of India to convene a meeting of the Trade Ministers of ESCAP countries to review the developments in the field of intra-regional trade since the Kabul Declaration of 1970 and to give new directions to the same. India offered host facilities for this Conference. The ESCAP secretariat prepared a blueprint for intra-regional trade expansion consisting of a number of measures for promotion

of trade within the region which was presented to the meeting of the Trade Ministers that took place in Vigyan Bhavan from August 21-23, 1978 under the Chairmanship of Shri Mohan Dharia, Minister of Commerce, Civil Supplies and Cooperation. This meeting was preceded by a meeting of senior trade officials from August 16-20, 1978 and the Ministers had before them the recommendations of the senior officials on the various components of the blueprint.

The meeting unanimously adopted a programme of action consisting of :—

(a) the establishment of a continuing programme for collection storage, retrieval and dissemination of information for the promotion and expansion of mutually beneficial trade and to identify complementarities by utilising the existing institutional arrangements of the Trade Promotion Centre and by building up a network of national trade promotions centres linked to the ESCAP Centre ;

(b) the promotion of trade creating joint ventures ;

(c) the encouragement and promotion of long-term contracts ;

(d) the provision of necessary assistance to commodity associations/communities to enable them to enlarge the scope of their activities and the promotion of new associations/communities for commodities of interest to the region, particularly those of interest to the least developed, land-locked and developing island countries ;

(e) the improvement of monetary and credit co-operation between the countries of the region, including the strengthening of existing institutional arrangements, in order to provide support to intra-regional trade ;

(f) the encouragement and liberalisation of trade within the region through the reduction, removal or modification of tariff and non-tariff barriers at the appropriate time :

(g) improvement, including efforts towards harmonisation of trade statistics, customs tariff nomenclature and customs and transport facilitation procedures and documentation.

In order to give effect to the above programme the Conference decided to set up a Trade Co-operation Group with a number of sub-groups in regard to particular measures.

A copy of the decisions taken at the Conference is at Annexure 'A'.

11 By ensuring fuller exploitation of the potential created by the fast growing productive and absorptive capacities in the region, the programme of intra-regional trade expansion would contribute to the development effort of India as also of other countries. The endorsement of this programme by developed countries within the region and also by non-regional members of ESCAP who happen to be the major developed, socialist and market economy countries would ensure their co-operation for the success of the same.

A significant feature of the Conference has been the affirmation of the conviction and the expression of a political will on the part of ESCAP countries that intra-regional trade expansion and co-operation was urgently needed to accelerate economic development of the participating countries and that sufficient scope existed for the same. Another positive gain is the unanimous understanding expressed in the Conference that the developed countries would strive to improve

their non-reciprocal and non-discriminatory concessions in regard to the products of interest to all the developing countries of the region, which would facilitate greater demand and better unit value realisation in respect of such products.

The lead given by India in the field of regional cooperation in trade has been widely acclaimed and the Conference has created a fund of goodwill amongst the participating countries which it is hoped will lead to closer bilateral trade and economic cooperation with these countries and result in greater trade exchanges to the mutual benefit of India and our trading partners. A list of the names of countries and organisations who participated in the Conference is at Annexure 'B'.

ANNEXURE 'A'

Decisions taken at the ESCAP Conference

1. The Conference affirmed its conviction that a programme for intra-regional trade expansion and co-operation was urgently needed to accelerate economic development of the participating countries and that sufficient scope existed for this to be done. It emphasized that the primary objective of a programme for regional trade expansion and co-operation in Asia and the Pacific should be the growth of trade generally and the increased economic development of all countries of the region, particularly the developing countries. It also recognized that the programme would further promote the objectives of the establishment of a New International Economic Order. It further agreed that promotion of intra-regional co-operation should be based on the principles of independence, sovereignty, equality and mutual benefit. It reaffirmed with emphasis the need for special measures for least developed, land-locked and developing island countries of the region. It recognized that such

co-operation should be trade creating and should not be inconsistent with the international and regional obligations of the participating countries.

2. The Conference considered the report of the Meeting of Senior Officials and approved the conclusions contained in that report. In implementing the programme of action contained in the following paragraphs, the principles outlined above should be taken fully into account. It believed that in order to give effect to these conclusions, participating countries should consider measures in respect of all or any of the following :—

(a) the establishment of a continuing programme for collection, storage retrieval and dissemination of information for the promotion and expansion of mutually beneficial trade and to identify complementarities by utilizing the existing institutional arrangements of the Trade Promotion Centre and by building up a network of national trade promotion centres linked to the ESCAP Centre;

(b) the promotion of trade creating joint ventures;

(c) the encouragement and promotion of long-term contracts;

(d) the provision of necessary assistance to commodity associations/communities to enable them to enlarge the scope of their activities and the promotion of new associations/communities for commodities of interest to the region, particularly those of interest to the least developed, land-locked and developing island countries ;

(e) the improvement of monetary and credit co-operation between the countries of the region

including the strengthening of existing institutional arrangements in order to provide support to intraregional trade;

(f) the encouragement and liberalization of trade within the region through the reduction, removal or modification of tariff and non-tariff barriers at the appropriate time;

(g) improvement, including efforts towards harmonization, of trade statistics, customs tariff nomenclature and customs and transport facilitation procedures and documentation.

3. Recognizing that improvement of transport facilities, related to shipping, including coastal shipping, inland water ways, air and over-land transport, is of great importance to the expansion of trade in the region, appropriate bodies within ESCAP should give full consideration to this aspect.

4. In implementing various measures under the programme, the special needs of least developed, land-locked and island developing countries should receive particular attention, including assistance in reducing their regional trade imbalances where they exist. Developed, and developing countries in a position to do so, should consider granting concessions on a non-reciprocal basis on products of interest to least developed countries; including land-locked and developing island countries among them.

5. In consideration of the provisions of paragraph 4 above, and in regard to non-reciprocal and non-discriminatory concessions of the developed countries, it is understood that the developed countries would also strive to improve these concessions in regard to the products of interest to all the developing countries of the region

6. The Conference agreed that a Trade Cooperation Group (TCG) should be constituted as a forum to consider how effect should be given to the programme based on the measures outlined above. This programme would be complementary to the work being carried out in bilateral, sub-regional and regional arrangements in the ESCAP region.

7. The TCG shall report to the Commission through the Committee on Trade.

8. The membership of the TCG will be open to ESCAP member and associate member countries which wish to participate in the implementation of any of the measures enumerated above.

9. Bearing in mind the possibility that countries may not be able to participate in all the measures, sub-groups of the TCG may be constituted of countries desirous of implementing particular measures.

10. The Executive Secretary of ESCAP shall convene the first meeting of the LCG before the thirty-fifth session of the Commission.

11. The Executive Secretary is requested to take appropriate measures to facilitate the implementation of the regional programme.

12. The Executive Secretary is requested to establish and maintain contact with relevant U.N. bodies and other organizations for the implementation of this regional programme.

13. UNDP is urged to provide financial assistance to the regional programme and other UN agencies concerned are requested to co-operate with ESCAP in the implementation of the programme.

14. The executive Secretary is also requested to seek from other sources, including the participating countries, technical and financial assistance required for the implementation of this programme.

ANNEXURE 'B'

List of the names of Countries and Organisations which participated in the ESCAP Ministerial Conference on Cooperation in Trade

Member and Associate Member countries of ESCAP.

1. Afghanistan
2. Australia
3. Bangladesh
4. Bhutan
5. Burma
6. China
7. France
8. India
9. Indonesia
10. Iran
11. Japan
12. Lao People's Democratic Republic
13. Malaysia
14. Mongolia
15. Nepal
16. Netherlands
17. New Zealand
18. Pakistan
19. Philippines
20. Republic of Korea
21. Singapore
22. Sri Lanka
23. Thailand
24. Tonga
25. U.S.S.R.
26. U.K.
27. U.S.A.
28. Vietnam

Countries attending as observers

1. Canada
2. Czechoslovakia
3. Federal Republic of Germany
4. German Democratic Republic
5. Poland

International Organisations

1. United Nations Conference on Trade and Development (UNCTAD).
2. United Nations Development Programme (UNDP)
3. International Trade Centre (ITC)
4. General Agreement on Tariffs and Trade (GATT)
5. Asian Productivity Organisation (APO)
6. Council for Mutual Economic Assistance (CMEA)
7. Commonwealth Secretariat.
8. European Economic Community (EEC)
9. International Chamber of Commerce (ICC)

श्री सीताराम केसरी: सभापति जी, हमारे प्रश्न के उत्तर में वाणिज्य मंत्री ने सविस्तर वस्तुव्य दिया है। मान्यवर, यह जो एस्कोप कांफ्रेंस भारत की भूमि पर हुई, निस्सन्देह सारी दुनिया की, सारे देश की नजर उस पर लगी रही। मगर कांफ्रेंस की कामयाबी के सम्बन्ध में वाणिज्य मंत्री ने ठीक ही कहा है। मगर कुछ ऐसे प्रश्न सामने उभर कर आते हैं जिनकी ओर मैं वाणिज्य मंत्री का ध्यान आकर्षित करना चाहूंगा।

जैसा कि आपके सामने जो विकासशील देश हैं और विकसित राष्ट्रों ने विकासशील देशों की प्रगति के लिए एक परसेंट का जो कमिटमेंट, जो बायदा किया था उसकी पूर्ति विकसित राष्ट्रों ने आज तक नहीं की। उसके अलावा विकसित राष्ट्रों ने संरक्षणवाद का, जो इधर

कुछ चंद वर्षों से एक ओर तो उनका एक प्रतिशत विकासशील राष्ट्रों को सहयोग देने का कमिटमेंट और दूसरी ओर संरक्षणवाद अपने देशों में अपनाना, यह जो सिलसिला है वह स्पष्ट नहीं होता। जो सामान दूसरे राष्ट्र का जाता था उसको उन्होंने संरक्षण, प्रोटेक्शन इंटीड्यूस करके विकासशील राष्ट्रों के बीच में एक असंतोष ही नहीं, एक अविश्वास की भावना भी पैदा की। आप जानते हैं, जैसा कि हमारे मंत्री महीदय ने कहा कि काबूल में जो सम्मेलन हुआ था उसी के आधार पर यह सम्मेलन किया गया जिसका एक विशाल रूप रहा। सबसे बड़ी खुशी की बात यह है कि 28 राष्ट्रों ने, साउथ-ईस्ट एशिया और एशिया के देशों ने इसमें भाग लिया और इसको महत्ता भी इस बार अधिक दी है क्योंकि उन अधिकांश देशों के मंत्रियों ने भी भाग लिया। इस बात की भी खशी है कि एस्कोप के अधिकारियों ने चार दिन पूर्व बैठकर जो कार्यक्रम बनाया विकासशील देशों की प्रगति और अंतर-क्षेत्रीय सद्भावना को बढ़ाने के लिए, व्यापार की उन्नति के लिए, बढ़ोत्तरी के लिए, इन सब बातों को मद्देनजर रखते हुए जब हम यह देखते हैं, जैसा कि प्रधान मंत्री ने अपने वक्तव्य में कहा, कि, साउथ ईस्ट एशिया के देशों में जो छोटे-छोटे ग्रुप बन गये हैं, जैसे कि एशियन, वैसे ही ईस्टर्न, वेस्टर्न साइड में देशों का एक ग्रुप बन गया, इन देशों के ऊपर बड़े राष्ट्रों का बहुत बड़ा हाथ रहता है जिसकी वजह से आपकी इस बृहत्सभा में प्रस्ताव पारित किये गये हैं, जो निश्चय किये गये हैं, जो निर्णय लिये गये हैं वह उन निर्णयों के आधार पर मैं आपको बधाई जरूर दूंगा। मगर उनकी कामयाबी में मुझे गहरा सन्देह है। इसीलिए मैं आपसे स्पष्ट प्रश्न करता हूँ कि विकसित देशों ने जो संरक्षण की भावना या जो कदम उठाया है जिसकी वजह से विकासशील देशों के हित पर बहुत बड़ा आघात पड़ा है उस पर क्या आप रोशनी डालेंगे? यह मेरा पहला प्रश्न है।

SHRI MOHAN DHARIA :
Sir, the hon. Member has raised

very vital issues. It is not only affecting the interest of our country but of all the developing countries in the world. Perhaps, it was in this background to mobilise the developing countries in Asia and Pacific that I had myself suggested at Bangkok in April, 1977 that Ministers of this ESCAP region should meet to discuss all these important aspects, including the protectionism and also the reluctance on the part of the developed countries to co-operate with the developing countries. That suggestion was further pursued by the ESCAP Secretariat. A blue-print for the discussions was prepared and prior to the meeting of these Ministers, the meeting of the Secretaries was also held and this was, perhaps, one of the rare occasions when the blue-print was adopted unanimously by the Secretaries which came up before the meeting of the Ministers which was attended both by the representatives of the developing countries and also the developed countries and the decisions are as narrated in Annexure A—to the statement laid on the Table of the House. It will be observed that in the context of the various issues raised by the hon. Member, several important decisions have been taken. I do agree that unless and until they are implemented, they have no meaning. But the best symptom is that there is a realisation, particularly among the developing countries, that ultimately we shall have to stand together; we shall have to mobilise our own resources and shall have to strive hard for the attainment of self-reliance. Even the developed countries which attended this conference have accepted this view. Under the circumstances, it shall be the endeavour of India, it shall be the endeavour of this country to see that these decisions taken unanimously are implemented and that would be a befitting reply to protectionism.

श्री सीताराम कंसरी : सभापति जी, एक दूसरा गहरा प्रश्न यह उठता है, जसा मैंने मंत्री महोदय से आग्रह किया और उन्होंने उत्तर दिया कि राजनीतिक इच्छा के अभाव में जो आपके सामूहिक व्यापारिक प्रगति के संबंध में विचार व्यक्त हुए हैं उसको कितना बल मिलता है। आप जानते हैं कि जो आर्थिक सुलभता या आर्थिक, व्यापारिक चीजों का उपार्जन है उसके पीछे राजनीतिक चालबाजी बहुत बड़ा काम करती है। निःसन्देह भारतवर्ष टेक्नोलोजी में, इंडस्ट्रीयल डेवलपमेंट में और दुनिया के बहुत सारे देशों से प्रगति में, विकसित राष्ट्रों के मुकाबले तो नहीं, मगर विकासशील देशों के बीच में हमारा राष्ट्र बहुत आगे बढ़ चुका है और हम अपनी जो तकनीकी जानकारी है उसको अपने से छोटे विकासशील राष्ट्रों को हस्तांतरित कर सकते हैं। ये सारी बातें हैं। यूनाइटेड नेशन्स ने 24 अक्टूबर, 1977 को प्रस्ताव पारित करके आपको यह शक्ति दी है मगर कष्ट इस बात का है कि जहां तक बड़े राष्ट्र हैं वे अपने हित को सामने रख कर के आपका समर्थन करना चाहते हैं मगर समर्थन करने के पीछे उनका एक अल्टीरियर मोटिव है, राजनीतिक हस्तक्षेप करने की भावना होती है। जैसा मैंने आपसे कहा कि साउथ ईस्ट एशिया के देशों में उनकी बहुत बड़ी गहरी चालबाजी होती है इसलिये मैं आपसे यह कहना चाहता हूँ कि जिस समय रूस की सरकार के मंत्री आपके यहां आएँ, यूनाइटेड नेशन्स के प्रतिनिधि आएँ, अमेरिका के सेक्रेटरी आएँ और चीन के उपमन्त्री महोदय ने जो एक दूसरे की भावनाओं पर आक्रमण किया आपकी कॉफिस में। इससे बड़े राष्ट्रों की भावनाओं का पर्दाफाश होता है। इसलिए मैं यह जानना चाहता हूँ कि इस दिशा में आप कौनसा राजनीतिक कदम उठाने जा रहे हैं जिसमें आर्थिक व्यापार के सहयोग में आपको शक्ति मिले और ये राष्ट्र अपना योगदान दें ?

SHRI MOHAN DHARIA :
Sir, before I answer the other aspects, I would like to draw the atten-

tion of the hon. Member to para 6 of the statement at page 3. It says:

"A significant feature of the Conference has been the affirmation of the conviction and the expression of a political will on the part of ESCAP countries that intra-regional trade expansion and cooperation was urgently needed to accelerate economic development of the participating countries and that sufficient scope existed for the same. Another positive gain is the unanimous understanding expressed in the Conference that the developed countries would strive to improve their non-reciprocal and non-discriminatory concessions in regard to the products of interest to all the developing countries of the region, which would facilitate greater demand and better unit value realisation in respect of such products."

Therefore, it is very clear that from the point of view of political will, this has been the resolve of all the ESCAP countries. However, I must confess and concede that all the developed countries are not necessarily playing a fair role. They are trying to utilise the developing and the underdeveloped countries to serve their own interests and it is against that that we have to fight. It is not that simple. I do realise the importance of it. I may only say that in that direction, some efforts have already been started. The centre which has been established at Bangalore for the transfer of technology—we are trying to see how the technology which has been achieved by the developing countries could be transferred mutually in the interest of the developing countries—is one of the efforts in that direction.

SHRI ARVIND GANESH KULKARNI : Sir, I would like to

draw the attention of the hon. Minister to page 2, para 2(d), which says:

"the provision of necessary assistance to commodity associations/communities to enable them to enlarge the scope of their activities and the promotion of new associations/communities..."

I would also like to draw the attention of the hon. Minister to page 3, para 6, the last two sentences, which he also mentioned. It says:

"...products of interest to all the developing countries of the region, which would facilitate greater demand and better unit value realisation in respect of such products."

In this connection, I would like to know from the hon. Minister whether he is aware that Dr. Maqbul Ahmed, who was a Pakistan economist and who is now with the UNO Secretariat as an economist, has, in a lecture and in a paper published, said that all the Asian countries are exporting commodities, agricultural commodities, raw materials like manganese, iron ore and so on, worth about 32 billion dollars to the Western countries. Out of this, according to a study made by the UNO, the developed countries, the Western and the European countries, particularly, the U.S.A., France and the Common Market countries, have manufactured goods worth 200 billion dollars. The exported commodities worth 32 billion dollars have been converted into goods worth 200 billion dollars. Some of these goods are imported by our Government also as consumer products. I would like to know from the hon. Minister whether the ESCAP Conference has ever considered this that the primary commodities have to be converted, have to be transferred, into the manufactured products. This was the intention of the previous Government. This is also the intention of this Government; in fact,

this is the intention of all the developing countries, the UNCTAD countries and so on. The intention is that we should use our manpower to convert the primary commodities into the manufactured products. I would like to know specifically from the hon. Minister what steps the ESCAP has taken in this direction. He has said that a centre has been established at Bangalore for technology transfer. This is not enough. Actually, the technology is a costly technology and to disseminate it to the other developing countries, India has to take the lead, because India has already reached a stage where the technology of this country is highly developed compared to the other Asian countries. I would like to know what the Minister has to say on this.

SHRI MOHAN DHARIA : There is nothing to differ with the hon. Member. I will only say that the UNCTAD have already taken a decision for the creation of a common fund. India has been insisting that this common fund should not only be for the buffer stock of the commodities, but it should also be for other purposes. It should take care of further processing so far as these commodities are concerned. All these efforts are being made, but ultimately all these countries which are to be taken together and a lot of more efforts are needed. I do share the concern of the hon. Member and India shall always remain in the forefront. India would very much like to have leadership in these matters so that these developing countries got justice as against economic exploitation.

PROF. D. P. CHATTOPADHYAYA : Sir, it is heartening that India has hosted such an important conference where our hon. Minister has given a very positive lead, but what is disturbing is the figure I was looking at in response to a question of mine dated 1st of August. I find that India's own performance in the trade field with

ESCAP and other Asian countries is very discouraging. I find that this figure last year was Rs. 1,803 crores, whereas till December 1977 it was only Rs. 1,348 crores. I do not know what is the total figure till the end of March. So, I think to justify our lead and initiative that we have taken and very rightly taken in promoting trade between Asian and Oceanic countries we should improve our own performance. In that context, I would like to know whether the Government is actively following up the resolutions that have been reiterated—I should not say 'adopted' because this sort of resolutions had been adopted earlier also. Sir, a reference has been made to Tea Board and credit facilities in hon. Minister's answers to our questions. May I ask as to what further steps you have taken in evolving a sort of tea arrangement with the tea producing countries of the ESCAP region? India, Sri Lanka and Indonesia combined together perhaps account for 85 per cent of the world tea. What are we doing about that? That is very important.

Secondly, Sir, to involve the Asian Bank itself I would humbly submit to the hon. Minister to consider if the Asian Bank could be persuaded to set up an export and import division in the bank itself. This will be very helpful for the less developed countries of the ESCAP region. Finally, Sir, I would like to know whether the hon. Minister would be kind enough to consider the setting-up of an export and import bank of our own countries. This would help them and also this would facilitate the export and import credit for the exporters of these countries.

SHRI MOHAN DHARIA : I do share the feeling of the hon. Member. It is in this context that with a view to having more trade arrangements with these countries I myself toured these countries—many of them if not all. There are

several difficulties because it is very easy for the the developed countries to make credit facilities available at a very cheap rate of interest, but even then we have made several concessions. We are encouraging joint ventures. We are also trying to have better arrangements of import and export. A mention has been made to tea or even it could be made to jute because Bangladesh, India and Thailand are producing jute. The House will be happy to know that along with this Conference which was held here, I took the advantage of discussing personally with the Ministers concerned from the various countries and today a meeting is going on at Colombo so far as tea is concerned. It is going on at this moment at Colombo. We are making all possible efforts so that the developing countries should come together and see that they get a better unit value and they are not exploited as in the past.

A suggestion has been made for for requesting the Asian Bank to have an Import-Export Division of its own. Certainly I shall take up the issue with the Asian Bank. So far as the starting of an Export-Export Bank here is concerned, the matter is very much under discussion. It is being considered from two aspects: whether the Reserve Bank should ask certain banks to the a separate division of their own.....

PROF. D.P. CHATTOPADHYAYA : They will not, unless you persuade and pressurise them.

SHRI MOHAN DHARIA : Which should deal with export and import exclusively; or whether there should be a separate bank. This matter is being considered by the Government. But here also, with a view to facilitating the import

export trade, some special arrangements are very much necessary and I can assure the hon. Member that it shall be my endeavour to pursue the matter.

PAPER LAID ON THE TABLE

The Cardamom (Licensing and Marketing) Amendment Rules, 1978

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE CIVIL SUPPLIES AND CO-OPERATION (SHRI ARIF BEG): Sir, with your permission, on behalf of my colleague, Shri Krishna Kumar Goyal, I beg to lay on the Table, under sub-section (3) of section 33 of the Cardamom Act, 1965, a copy (in English and Hindi) of the Ministry of Commerce, Civil Supplies and Cooperation, Notification G.S.R. No. 1000, dated the 12th August, 1978, Publishing the Cardamom (Licensing and Marketing) Amendment Rules, 1978.

[Placed in library See No. LT-2708/78]

REFERENCE TO THE REPORTED IMPRISONMENT AND PERSECUTION OF INDIAN SEAMEN IN U.K.

SHRI BHUPESH GUPTA (West Bengal): Sir, I have got only four minutes before 12 o'clock.

MR. CHAIRMAN : There are four Members to speak.

SHRI BHUPESH GUPTA : Don't worry, I will keep my word.

Sir, I invite your attention to the newspaper report published in the Indian Express today—"Indian