

INDO PAK TALKS ON AIR SERVICES

1253. **SHRI RABI RAY** : Will the Minister of **TOURISM AND CIVIL AVIATION** be please to stated :

(a) whether it is a fact that talks between India and Pakistan were resumed at Rawalpindi on overflights and air links ; and

(b) if so, the details thereof ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI RAJ BAHADUR)

(a) and (b). In pursuance of the Simla Agreement and of the Joint Communiqué issued on the 14th September, 1974, India and Pakistan held talks in Rawalpindi from the 18th to 22nd November 1974, to discuss bilateral settlement of the resumption of overflights and airlinks.

The discussions were useful in bringing about better appreciation of each other's viewpoints. However, it was found necessary to continue the talks at another meeting to be held in New Delhi.

The text of the Joint Communiqué issued on the 22nd November, 1974 is being laid on the Table of the House.

JOINT COMMUNIQUE

Pursuant to the decisions of the Government of India and the Government of Pakistan as announced in the Joint Communiqué issued on September 14, 1974 the delegation of the two countries met in Rawalpindi from November 18 to 22, 1974 to discuss the 1971 case regarding overflights and the question of resumption of overflights and airlinks between the two countries.

2. The delegation of India was led by His Excellency Shri Narottam Sahgal, Secretary, Ministry of Tourism and Civil Aviation, Government of India. It included officials from the Ministries of External Affairs, and Tourism and Civil Aviation and representatives of Air India and Indian Airlines.

3. The delegation of Pakistan was led by Major General (Retd) Fazal Mueem Khan, Secretary, Defence and Aviation. It included officials of the Ministry of Foreign Affairs, Civil Aviation Division and Department of Civil Aviation and representatives of Pakistan International Airlines.

4. The leaders of the two delegations recalled with satisfaction the progress already achieved towards implementation of the provisions of the Simla Agreement for normalisation of relations. They expressed the hope that the negotiations on Civil Aviation matters would meet with the same success.

5. The two sides held detailed discussions with a view to evolving terms for the settlement of 1971 ICAO case. Discussions were also held for finding mutually acceptable principles for the re-establishment of air-links between the two countries and for the resumption of overflights.

6. The talks were held in a cordial atmosphere and the two sides had a frank exchange of views. The two sides agreed that the discussions had helped them achieve a better appreciation of each other's viewpoints. They decided to continue the talks at another meeting to be held in New Delhi on a mutually convenient date.

Rawalpindi, November 22, 1974

COMMERCIAL CO-OPERATION AGREEMENT WITH EEC

1254. **SHRI BHAIRON SINGH SHEKHAWAT** : Will the Minister of **COMMERCE** be pleased to state :

(a) what is the outcome of the first meeting of the Joint Commission set up under the Commercial Co-operation Agreement with the EEC ;

(b) the manner in which it is likely to benefit India ; and

(c) what advantages India is likely to obtain from the Community consequent upon U. K.'s joining it ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI V. P. SINGH) : (a) & (b) : The Indo-EEC Joint Commission held its first session in May, 1974. The Joint Commission considered the problems in regard to Sectoral Agreements (Jute, Coir, Cotton Textiles Handlooms and Handicrafts), tariff adjustments in regard to the products of export interest to India, non-tariff barriers, measures for development and diversification of trade, economic cooperation linked with trade etc. The first session set up two specialised sub-commissions for consideration of various issues in greater depth. The first sub-commission deals with Sectoral Agreements on Jute, Coir, Cotton Textiles,

Handloom and Handicrafts according to the specific mandates approved by the first session of the Joint Commission. The second sub-commission has been given a mandate covering cooperation measures concerning a wide range of activities such as possible liberalisation measures for trade in products of interest to India, the study of particular measures including technical assistance for trade promotion, joint research and economic cooperation with a view to encouraging the development and diversification of trade between India and the community. Certain items like continuation of duty free entry for Jute and Coir in UK and Denmark beyond 1974, improvements to the Community's GSP etc. were remitted by the Joint Commission to the appropriate authorities of the Community for further consideration.

The two sub-commissions have already met a number of times to consider the various issues remitted to them. The report of the two sub-commissions would be considered by the second session of the Joint Commission in Delhi from 16th to 18th December, 1974. Favourable decisions are expected from the Community regarding proposal for continuing duty free regime on Jute and Coir goods in UK and Denmark during 1975. The 1975 GSP of the Community also is expected to contain a number of improvements. The ways and means of more efficient utilisation of the GSP are also being discussed as a follow up of the first session of the Joint Commission.

(c) There is no over-all advantage accruing to India from UK's accession to the EEC.

DEVALUATION OF INDIAN RUPEE IN RELATION TO ROUBLE

1255. SHRI NIREN GHOSH : Will the Minister of FINANCE be pleased to state:

- (a) whether Soviet Union has since devalued Indian rupee in relation to rouble;
- (b) if so, to what extent it has been devalued;
- (c) whether India was consulted prior to devaluation;
- (d) if not, the reasons therefor; and

(e) what are the financial implications of the Soviet action in devaluing Indian rupee?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM) : (a) to (e) : There has been no devaluation of the rupee. However, since December 1971, the State Bank of the USSR has been announcing every month the rate at which it will carry out exchange transactions between the rupee and the rouble for noncommercial purposes. This rate is different from the exchange rate based on the gold content of the two currencies. The matter is under discussion between the two Governments.

It is difficult to indicate at this stage the financial implications.

REPRESENTATIONS REGARDING CHIT FUND COMPANIES

1256. SHRI NIREN GHOSH : Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any representations from Samyukta Sadachar Samiti, Gujarat alleging various irregularities about many Chit Fund Companies;

(b) if so, what are the names of those companies;

(c) whether any investigation has been made by Government into the allegations; and

(d) if so, the details of such investigations and the findings thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : (a) & (b) : A representation from Samyukt Sadachar Samiti (Gujarat) received in the Ministry of Finance has referred to the irregularities being committed by non-banking companies, by contravening the directions issued by the Reserve Bank of India to miscellaneous non-banking companies, while collecting monies for the benefit/chit fund schemes being conducted by them. The names of the companies referred to in the Samiti's representation are given in the statement enclosed.