

STATEMENT

In pursuance of the decisions taken at the Third Ministerial Conference on Asian Economic Cooperation held in December, 1968, a series of discussions have been held in the forum of ECAFE and several studies have been initiated. On the basis of these discussions and studies, proposals have been formulated by experts of ECAFE on trade and monetary co-operation and circulated to member-Governments for preliminary consideration.

2. An ECAFE Consultative Mission is presently visiting national capitals in the region to assist in the consideration of these proposals, ascertain the views of national Governments on them, and clarify the technical issues involved. The Mission visited New Delhi from August 8, 1970 to August 12, 1970. It was headed by Professor Robert Triffin of Yale University.

Proposals for Regional Trading Arrangements

3. The main objective of the proposed trading arrangements is to promote economic development of the countries of the region through expansion of intra-regional trade by meeting to the maximum extent possible, import requirements of member countries with exportable surpluses of the region.

4. During the discussion between the ECAFE Mission and a team of senior officials of the Government of India, clarifications were sought on the details of the proposed arrangements. It was suggested to the Mission that measures should also be adopted for stimulating production in appropriate sectors and for development of a commercial and transportation infrastructure to support the trading arrangements. It was emphasized that the arrangements should be initiated on as broad a basis as possible and should be mutually beneficial to all participating countries. To this extent, ways and means should be devised for harmonising sub-regional efforts with the wider regional exercise. Specific difficulties relating to exports of Indian products to Asian markets were high-lighted and it was hoped that the regional arrangements would be able to provide adequate solutions. It was pointed out that while prospects are not very encouraging in regard to increased imports into India of capital goods, further consideration could be given to stepping up imports of intermediate goods and raw materials.

Proposals on Regional Monetary Cooperation

5. ECAFE's proposals on monetary cooperation include (a) an Asian clearing scheme and (b) an Asian reserve scheme. Through the clearing scheme, accounts will be maintained of the transactions between participating countries and the net credit/debit position of each country *vis-a-vis* the rest will be calculated at regular intervals. The reserve scheme aims at providing discretionary credit to participating countries in the light of their global payments position.

6. Discussions with the ECAFE Mission on the monetary proposals involved seeking clarifications in regard to technical details and exchanging ideas on the principles of the two schemes. It was impressed upon the Mission that the scope of the clearing scheme should include all intra-regional transactions between participating countries. It was emphasized that there should be a clear linkage between proposals for trade expansion and monetary cooperation in the region.

Further Programme of work

7. It is expected that on the completion of its visit, the ECAFE Mission will prepare final proposals on trade and monetary cooperation in the light of national views and concerns expressed to them. The final proposals would be considered in the national capitals and later discussed in a meeting of Government representatives and Central Banks to be held under the auspices of ECAFE before the end of the year.

SALE OF BRITISH ARMS TO SOUTH AFRICA

1425. SHRI K. L. N. PRASAD : Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether the Prime Minister of U.K. has sent another communication to the Prime Minister of India on the proposed sale of British arms to South Africa; and

(b) if so, what are the contents of the communication and the reaction of the Government of India thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH) (a) and (b) There has been an exchange of correspondence between

the Prime Ministers of Britain and India on the intended British move to resume arms sales to South Africa. As the correspondence is of a confidential nature, its contents cannot be disclosed.

FRIGATES BUILT FOR INDIAN NAVY

1426. SHRI K.L.N. PRASAD : Will the MINISTER OF DEFENCE be pleased to state :

(a) whether the Union Government's attention has been drawn to the recent Press reports to the effect that two frigates built for the Indian Navy in the Soviet Union had undergone modifications in the British Naval dockyard at Hong Kong; and

(b) if so, the reasons for such modification?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI NARENDRA SINGH MAHIDA) : (a) and (b) Yes, Sir. But there was no truth in the press reports. In fact only a small bearing of an air compressor of one frigate was remetalled by the Royal Naval Base at Hong Kong. It was a very minor maintenance work.

HOUSES OWNED BY ARMED PERSONNEL

1427. SHRI N.G. GORAY : Will the MINISTER OF DEFENCE be pleased to state :

(a) the number of personnel of the armed forces who are owners of houses in Lucknow and Poona and the number of such personnel who have hired their own houses; and

(b) the number of them who have desired to dehire their houses after their retirement?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI NARENDRA SINGH MAHIDA) : (a) and (b) The information is being collected and will be laid on the Table of the House.

DEHIRING OF HOUSES IN LUCKNOW AND POONA

1428. SHRI N. G. GORAY : Will the Minister of DEFENCE be pleased to state :

(a) the date of approval of dehiring of the houses at No. 6, Sardar Patel Marg, Lucknow Cantt. and No. 14, Right Flank Lines, Poona Cantt. ;

(b) whether this Ministry was the approving authority ;

(c) the date on which these houses were acquired by their owners ; and

(d) whether any of these owners belonged to the cadres of I.C.S. or I.F.S. ?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI NARENDRA SINGH MAHIDA) : (a) The dates are given below :

6 Sardar Patel 15th October, 1968
Marg, Lucknow

14 Right Flank 8th October, 1968
Lines, Poona

(b) Yes, Sir.

(c) The exact dates are being ascertained and a statement will be laid on the Table of the House.

(d) Yes, Sir.

SUPPLY OF POWER BY D.V.C.

1429. SHRI KALYAN ROY : Will the Minister of IRRIGATION AND POWER be pleased to state :

(a) whether it is a fact that the Damodar Valley Corporation has been supplying power both inside and outside the valley areas in accordance with the D.V.C. Act without drawing any line of demarcation between the above two areas and the said arrangement has now been changed by restricting the D.V.C. to supply power only within the Valley area leaving such arrangements to the uneconomical supply of power by the two State Electricity Boards of Bihar and West Bengal ;

(b) if so, the reasons therefor ; and

(c) whether the Central Government have any proposal under consideration to make the D.V.C. a regional power supply organisation under the Central sector to ensure supply of cheap power in an important area of Bihar and West Bengal ?

THE DEPUTY MINISTER IN THE MINISTRY OF IRRIGATION AND POWER (PROF. SIDDHESHWAR PRASAD) : (a) and (b) The Damodar Valley Corpn. is supplying electrical energy both inside and outside the valley the supply outside the valley is being made with the permission of the State Governments concerned as required under