

highly exaggerated and that they are not borne out by facts?

SHRI MEHR CHAND KHANNA: We have set up no camp in Dandakaranya. That is one. Secondly, there is no question of child labour there. Thirdly, the workers have to do work to earn their livelihood. The system in Dandakaranya is that we provide every person—him or her—that we take from West Bengal to work in Dandakaranya with work. We have laid down certain minimum standard. If a man in a family can earn up to a particular limit and the number of family members is such that he can maintain the family, there is no question of any subsistence allowance being given to that family in addition. But if the number of family members is large, and the number of the earning members is small, we certainly give a certain amount of subsistence, in addition to the work that A or B does. But there are no camps.

SHRI BHUPESH GUPTA: I have got with me the cuttings from "Jugantar". Was the hon. Minister's attention drawn to the photographs of the people and the children who had been given work and who were made to work, especially the children who were made to do manual labour, without being paid anything?

SHRI MEHR CHAND KHANNA: I get a number of newspapers including "Swadhinata" "New Age" and others. But it is not possible for me to go through every paper.

SHRI BHUPESH GUPTA: Sir, this kind of answer will not satisfy me. May I know, Sir, whether the attention of the hon. Minister was drawn to the paper owned by Tusharkanti Ghosh and whether he noticed that some photographs had been published there illustrating the contention of the news item that appeared there?

SHRI MEHR CHAND KHANNA: The question relates to "Jugantar" and I have contradicted it and said that most of it is not borne out by facts.

EFFECT OF EUROPEAN COMMON MARKET ON INDIA'S EXPORT TRADE

*534. **SHRI BABUBHAI CHINAI:** Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether any discussions took place at the Session of the General Agreement on Tariffs and Trade in May 1959, with special reference to the implications of the European Common Market on India's export trade, if so, what are they; and

(b) whether at the next Session of the General Agreement on Tariffs and Trade to be held in Japan in October 1959, these discussions are expected to be carried further?

THE MINISTER OF COMMERCE (SHRI N. KANUNGO): (a) Yes, Sir. The discussions held on the subject have been dealt with in paragraph 20 of the report of the Indian Delegation to the 14th Session of the Contracting Parties to the GATT, a copy of which was laid on the Table of the House on the 25th August, 1959.

(b) Yes, Sir.

SHRI BABUBHAI CHINAI: May I know, Sir, what the main commodities of export to and import from the Common Market are?

SHRI N. KANUNGO: It will be a very long list. I have not got it handy with me. If the hon. Member desires, I will lay it on the Table.

SHRI BABUBHAI CHINAI: May I know, Sir, whether recently, the countries in the European Common Market have taken a decision not to allow imports of unprocessed cotton piece-goods and if so, what repercussions it will have on the export of our cotton piece-goods to the West European countries?

SHRI N. KANUNGO: In some West European countries there is a quota system. I have no information whether there has been any positive prevention of import of commodities

which the hon. Member has mentioned. But, by and large, there is no prohibition of import to these countries.

SHRI BABUBHAI CHINAI: May I know, Sir, whether the Director General of Foreign Trade, who is going to West Europe from Moscow, will discuss these implications of the European Common Market with various countries?

SHRI N. KANUNGO: The Director General of Foreign Trade is not going to West Europe from Moscow. He may go there later on. But, this matter is being discussed within the framework of the GATT.

SHRI BHUPESH GUPTA: May I know, Sir . . .

MR. CHAIRMAN: Mr. Chinai has got some question to ask.

SHRI BABUBHAI CHINAI: May I know, Sir, whether the Government have any proposal under consideration for entering into Special Trade Agreement with countries like France and West Germany to mitigate the hardship as a result of the Common Market for our exports?

SHRI N. KANUNGO: No particular hardship has been observed yet. Apart from the GATT efforts, we are trying to have special trade agreements with various other countries, including France.

SHRI BHUPESH GUPTA: May I know, Sir, whether the attention of the hon. Minister has been drawn to the fact that many articles by eminent economists have appeared on this particular subject, and that most of them point out that as far as countries like India are concerned, this European Common Market will have a very adverse effect on our foreign trade?

SHRI N. KANUNGO: Yes, Sir. There are two opinions about it. Some writers mentioned that it will have adverse repercussions. Others main-

tain that there will not be any repercussions. But we are discussing the general effect. In the next session of the GATT in Japan, the matter is put on the agenda for discussion there.

SHRI BHUPESH GUPTA: May I know, Sir, as long as this European Common Market question is being discussed and put into operation also, what steps the Government is taking with a view to offset the adverse effects of this arrangement?

SHRI N. KANUNGO: No adverse effects have been noticeable yet. But, irrespective of that, we are trying to diversify our trade to other countries in the world.

SHRI BHUPESH GUPTA: He has come to the point, at least somewhere near it. May I know, Sir, in view of the European Common Market, what practical steps had been taken with a view to reducing our dependence on the trade with the West, especially the countries covered by the European Common Market? What has been the percentage of the reduction . . .

MR. CHAIRMAN: Yes.

SHRI BHUPESH GUPTA: It is an economic question involving volume of trade. It is rather difficult to finish it in one or two words.

SHRI N. KANUNGO: We are not intending to reduce our trade anywhere.

SHRI B. K. P. SINHA: May I know, Sir, what are the countries that constitute this European Common Market? And, is there any East European and Asian Common Market also?

SHRI N. KANUNGO: No, Sir. There is no Asian country in the Common Market. There is no Asian Common Market, and East European countries are not in the Common Market.

SHRI MAHESWAR NAIK: Is it not a fact that some time back there was a proposal from Asian countries to

form an Asian Common Market? May I know, Sir, whether Government have examined that proposal and, if so, what is the Government's reaction to that?

SHRI N. KANUNGO: Except the Chambers of Commerce, who met in Cairo, no Government has made such a proposal. The Chambers of Commerce had one item on the agenda, but we have not been approached by anybody on this subject.

SHRI BHUPESH GUPTA: Is the hon. Minister aware that the United Nations surveys, especially the Economic Survey, published from Geneva has pointed out that as far as the major items of Indian export going to the West in those countries are concerned, there has been a steady decline in the trade affecting Indian economy adversely?

SHRI N. KANUNGO: No, Sir. I do not think there has been a steady decline.

SHRI JASWANT SINGH: The hon. Minister stated in his reply that so far the European Common Market has not shown any adverse effect on India's export trade. When this scheme was started, I am sure, the Government examined as to what

effect it would have on our export trade. May I know, Sir, whether it is likely to have an adverse effect or it will have no effect at all from their point of view?

SHRI N. KANUNGO: On several commodities it is likely to have an adverse effect.

SUBSIDY TO HANDLOOM INDUSTRY

***535. SHRI BABUBHAI CHINAI:** Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the amount of subsidy that has been given to the handloom industry in each financial year since the subsidy came to be granted;

(b) the total amount actually disbursed and utilised; and

(c) the total sale value of the handloom cloth which got the benefit of the subsidy?

THE MINISTER OF COMMERCE (SHRI N. KANUNGO): (a) and (b). A statement is laid on the Table of the House.

(c) Information is not available.

STATEMENT

Rebate on Sales of Handloom Cloth: sanctions and expenditure

| Year | Amount sanctioned | Expenditure reported by States |
|---------|-------------------|--------------------------------|
| | Rs. | Rs. |
| 1953-54 | 84,71,950 | 3,48,164.18 |
| 1954-55 | 4,18,490 | 54,61,192.89 |
| 1955-56 | 92,98,126 | 1,69,08,063.30 |
| 1956-57 | 2,30,25,243 | 2,23,23,991.78 |
| 1957-58 | 2,13,18,879 | 2,59,35,499.04 |
| 1958-59 | *1,72,69,000 | 3,20,68,382.54 |
| TOTAL | 7,98,01,688 | 10,30,45,293.73 |

*The amount of Rs. 1,72,69,000 sanctioned during 1958-59 was intended only to meet the arrear claims pending with State Governments up to 31st March 1958. No separate amount for expenditure on rebate was sanctioned for 1958-59 to meet the expenditure on the scheme incurred by State Governments in 1959-59 as this was included in the total grant assistance, sanctioned to various State Governments of Rs. 2,58,28,000.