

**ESTABLISHMENT OF AN ECONOMIC  
BRANCH**

\*420. SHRI GOVINDA REDDY: Will the PRIME MINISTER be pleased to state:

(a) whether Government are considering the setting up of an Economic Branch in the Ministry of External Affairs to provide the Indian Embassies abroad with data regarding Indian trade and industry;

(b) if so, the stage at which these proposals are at present; and

(c) whether there is any machinery existing now to supply such data to the Indian embassies abroad?

THE PARLIAMENTARY SECRETARY TO THE PRIME MINISTER (SHRIMATI LAKSHMI MENON): (a) and (b). An Economic Affairs Division was established in the Ministry of External Affairs in 1948 to make an intensive study of, and to advise the Ministry on, economic questions having a bearing on foreign policy. The Division was wound up as a measure of economy in 1951. The question of its revival will be taken up when the financial situation improves.

(c) Matters relating to economic and commercial problems in all their aspects, internal and external, are primarily the responsibility of the various Ministries dealing with economic affairs, commerce and industry and purchase of stores; where dealings with foreign countries are concerned, those Ministries act generally in consultation with the Ministry of External Affairs. The Ministries concerned supply Indian Missions abroad with the necessary information on such matters.

SHRI GOVINDA REDDY: Before this Division closed down, may I know whether its work was satisfactory?

SHRIMATI LAKSHMI MENON: Its work was satisfactory. It was closed down for financial reasons.

SHRI GOVINDA REDDY: Is it not a fact that there is no special Division in any Department which looks to this work particularly?

SHRIMATI LAKSHMI MENON: I have already given my answer in Part (c).

SHRI GOVINDA REDDY: There may be general sections. Are there any specific sections?

SHRI D. P. KARMARKAR: There is a specific Section in the Ministry of Commerce and Industry which looks after specially this matter.

SHRI GOVINDA REDDY: Am I to understand that there is no necessity for any such Section in the External Affairs Ministry?

SHRI JAWAHARLAL NEHRU: Speaking as the Minister for Foreign Affairs, I think it is very desirable to have an Economic Branch to keep an over-all view of the economic conditions, not only economic conditions but in relation to political conditions. The two are rather inter-allied and I don't think there is any Foreign Office in the world which has not got a strong Economic Division of its own.

PROF. G. RANGA: The Board of Trade in England does all the work for Foreign Affairs.

SHRI JAWAHARLAL NEHRU: It is in the Foreign Office itself. There is an entirely separate Division which is a very strong and powerful one.

SHRI GOVINDA REDDY: Are Government aware that prominent businessmen visiting foreign countries have expressed the opinion that there should be an Economic Branch in the External Affairs Ministry?

SHRI JAWAHARLAL NEHRU: That is the view of the External Affairs Ministry itself. They need not go to the Indian businessmen.

**FINANCIAL AID GIVEN TO STEEL COMPANIES  
FOR THEIR EXPANSION PROGRAMMES**

\*421. SHRI S. MAHANTY: Will the Minister for COMMERCE AND INDUSTRY be pleased to state what amount of financial assistance Government have