

and then return to Ceylon.

#### FOOD SUBSIDIES TO STATES

19. SHRI H. D. RAJAH : Will the MINISTER FOR FOOD AND AGRICULTURE be pleased to state the amounts paid as food subsidies to various States of the Republic ?

THE MINISTER FOR FOOD AND AGRICULTURE (SHRI RAFI AHMED KIDWAI) : A statement is laid on the Table of the House. [See Appendix I, Annexure No. 13.]

#### CUSTOMS UNION WITH FRENCH SETTLEMENTS IN INDIA

20. SHRI GOVINDA REDDY : Will the PRIME MINISTER be pleased to state :

(a) whether the Government of India have proposed a Customs Union with the French Settlements in South India; and

(b) whether the Customs Union Agreement of 1941 with those settlements, is still in force, or has been concluded or is proposed to be revised ?

THE PRIME MINISTER AND MINISTER FOR EXTERNAL AFFAIRS (SHRI JAWAHARLAL NEHRU) : (a) and (b). The Customs Union Agreement of 1941 with the French India Government terminated on the 1st April 1949. A referendum on the future of the settlements was at that time expected to be held at the end of the year. The Government of India had accordingly proposed to the French Government that as negotiations for a fresh Customs Union Agreement would take time, they were prepared to continue the 1941 agreement in force, as that could be done immediately; without any administrative reorganisation, which a fresh agreement would necessitate. Their offer was not accepted by the French Government and the old agreement lapsed.

Since then, the economic relations between French India and the Indian Union have deteriorated. There has been a widespread increase of smuggling, which has compelled the Government of India to take steps to check it. This has led the French India Government to complain of economic pressure by the Indian Government. The three neutral observers who visited French India on 1st April, at the request of the French Government, have also recommended the restoration of normal economic and commercial relations between these pocket territories and the Indian Union. The only practical method of doing this is by the resumption of the old Customs Union Agreement, modified to suit present conditions. The Government of India have accordingly emphasised the urgency of the problem to the French Government, and offered to enter into immediate negotiations with them; pointing out that in the absence of any such agreement they will be compelled to enforce measures to check smuggling from French India, which has increased to such an extent as to impede the Government of India's financial and economic policy. The reply of the French Government is awaited.

#### INDO-PHILIPPINES TREATY

21. SHRI GOVINDA REDDY : Will the PRIME MINISTER be pleased to state :

(a) whether negotiations for the signing of Indo-Philippines Treaty have been concluded and the Treaty signed; and

(b) if the reply to part (a) be in the affirmative, whether Government propose to place a copy of the Treaty on the Table of the House ?

THE PRIME MINISTER AND MINISTER FOR EXTERNAL AFFAIRS (SHRI JAWAHARLAL NEHRU) : (a) Yes, it will be signed shortly in Manila.

(b) Yes, after it has been signed\*