

EXCHANGE OF LETTERS REGARDING TRADE ARRANGEMENT BETWEEN INDIA AND FRANCE

Paris, the 19th October, 1959

Your EXCELLENCY,

During the course of discussions held in Paris from the 13th to the 17th October, 1959, between the representatives of the Governments of the Republics of France and India, the trends in the progress of commercial relations between France and [...] were reviewed and the following conclusions reached :

(1) The two Parties are concerned by the recent slowing down of the exchanges of goods between the two countries. They recognise the possibilities of larger exports from France to India in consequence of Indian development plans and note in this connection the need to devote themselves most specially to bring the imports of Indian products into France to the highest possible level. The two Parties accordingly consider that all possible efforts should be made on a basis of reciprocity to promote both purchases in France of Indian products and importation into India of French products, and to take such practical measures as may be found to be necessary to overcome the difficulties in the achievement of these common objectives.

(2) The French representatives declare their firm determination to abolish progressively in respect of India and all other Member-countries of the G.A.T.T. discrimination in the application of quantitative restrictions on imports into France with a view to furthering the expansion of international trade on a sound and durable basis. Questions of interest to the two Parties in regard to the extension of liberalisation on a non-discriminatory basis will fall within the purview of the Commission envisaged in paragraph 6 below.

In addition, the French representatives declare themselves ready to examine in this Commission ways and means of facilitating importation into the French Republic of products, of special interest to India in a manner compatible with the best interests of the two countries.

(3) The representatives of France have also declared that they will examine with the authorities of different States in the French Community the possibilities of freer importation of Indian products into their respective Areas.

(4) On their side the Indian delegates have given the assurance that within the scope of their general scheme of imports and subject to the Foreign Exchange Regulations in force from time to time, imports originating from the French Republic and the States of the Community would not be subjected to any discrimination, and that every effort will be made to safeguard the interests of traditional French exports in the Indian market. In the event of the Indian Foreign Exchange Regulations being amended to the disadvantage of French imports into India, the two parties will engage themselves in discussions with a view to carrying out consequential modifications in this agreement.

(5) Recognising the importance of closer trade relations and of augmenting their respective sales in each other's countries, the representatives of the two Governments are resolved:

(a) to strengthen mutually beneficial co-operation between the industrial enterprises, sales organisations and banking institutions on both sides;

(b) to give the most efficient support to the promotional measures which may be undertaken by the exporters of both countries, and, in particular, to accord facilities to make their respective products known in each other's market; and

(c) to examine, in the best spirit of reciprocal goodwill, the practical suggestions presented to the parties by the representatives of business

houses, trading corporations, trading associations and other private and State organisations and enterprises on both sides for facilitating the exchange of goods.

(6) To this end, and in order to facilitate the implementation of this understanding, it has been agreed that a Commission composed of the representatives of the two Governments will meet at the request of either party at a place and time to be mutually agreed upon. The Commission will endeavour to take steps, such as may

be found necessary, to widen and deepen the economic relations and to enlarge the trade between the two countries on a mutually beneficial basis.

(7) This arrangement comes into effect upon signature and will remain in force for a period of one year thereafter, and is renewable for such period as may be agreed upon in this behalf.

I shall be grateful if your Excellency would kindly confirm that the foregoing correctly sets out the understanding reached between the representatives of our two Governments. The French text of this arrangement is annexed.

Yours sincerely,

Sd/- K.B. LALL,

Additional Secretary to the Government of India,
Ministry of Commerce and Industry and Leader, Indian Government Trade
Delegation.

His Excellency M. MAX FLECHET,
Secretary d'Etat aux: Affaires Economiques, PARIS.

Paris, the 19th October, 1959

MR. PRESIDENT,

I have the honour to acknowledge receipt of your letter, dated October 19th, 1959, which reads as follows

(Notprinted)

I confirm that the foregoing correctly sets out the understanding reached between the representatives of our two Governments.

Yours sincerely,

Sd/- MAX FLECHET.

K.B. LALL, I.C.S.,

Additional Secretary to the Government of India, Ministry of Commerce and Industry, and

Leader, Indian Government Trade Delegation.