

(a) whether it is a fact that one thousand Naga rebels are intending to go to China in small batches for training in guerilla warfare;

(b) the steps taken to stop their going to China; and

(c) whether it is a fact that Mulva, General Secretary of the Naga National Council who led a batch of hostiles to China last year is now in North Vietnamese capital of Hanoi and another leader Thinu Sellie has returned to Nagaland after having been in China for nearly eight months?

THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF PLANNING AND MINISTER OF EXTERNAL AFFAIRS (SHRIMATI INDIRA GANDHI) :

(a) to (c). Information regarding the Underground Nagas and their movements is classified. The Government of India have taken and are taking all necessary measures to prevent these and other unlawful activities by the Underground Nagas.

GIFT OF EYE-AIDS FROM WEST GERMANY

3106. **SHRI K. N. PANDEY :** Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether it is a fact that the citizens of West Germany made a gift of eye-aids to India two years ago;

(b) if so, whether this aid is still lying uncared for in West Germany; and

(c) whether our Embassy in West Germany has lost the letter of donation after having accepted the gift?

THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF PLANNING AND MINISTER OF EXTERNAL AFFAIRS (SHRIMATI INDIRA GANDHI) :

(a) No, Sir. The donation was made on March 15, 1967.

(b) No, Sir. Our Embassy arranged despatch of the consignment free of charge on the Indian Naval Ship "DEEPAK" and it arrived in India on the 29th January, 1968.

(c) No, Sir. Our enquiries indicate that the letter of donation is no record in our Embassy in Bonn.

12 HRS.

MESSAGE FROM RAJYA SABHA

SECRETARY : Sir, I have to report the following message received from the Secretary of Rajya Sabha :—

"In accordance with the provisions of rule 111 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Armed Forces (Special Powers) Continuance Bill, 1968, which has been passed by the Rajya Sabha at its sitting held on the 4th March, 1968."

ARMED FORCES (SPECIAL POWERS) CONTINUANCE BILL

AS PASSED BY RAJYA SABHA

SECRETARY : Sir, I lay on the Table of the House the Armed Forces (Special Powers) Continuance Bill, 1958, as passed by Rajya Sabha.

BUSINESS ADVISORY COMMITTEE FIFTEENTH REPORT

THE MINISTER OF PARLIAMENTARY AFFAIRS AND COMMUNICATIONS (DR. RAM SUBHAG SINGH) : I present the Fifteenth Report of the Business Advisory Committee.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

TWENTY-SECOND REPORT

SHRI KHADILKAR (Khed) : I present the Twentysecond Report of the Committee on Private Members' Bills and Resolutions.

ESTIMATES COMMITTEE THIRTY-SIXTH REPORT

SHRI P. VENKATASUBBAIAH (Nandyal) : I present the Thirty-sixth

Report of the Estimates Committee on the Ministry of Food, Agriculture, Community Development and Co-operation (Department of Agriculture)—Central Marine Fisheries Research Institute, Mandapam Camp.

12.02 HRS.

MOTION *RE* : REPORTS ON INDUSTRIAL PLANNING AND LICENSING POLICY

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : I beg to move :

"That the Interim and Final Reports on Industrial Planning and Licensing Policy by Dr. R. K. Hazari, laid on the Table of the House on the 7th April and 16th November, 1967, respectively be taken into consideration."

In July 1966, Prof. Hazari was appointed honorary consultant to the Planning Commission to review the operation of industrial licensing policy and to suggest in the light of the present stage of economic development where and in what directions modifications should be made in the licensing policy. Dr. Hazari submitted his interim report in December 1966 and this was followed by the final report submitted by him in September 1967. The recommendations in the interim report related mainly to the licensing system and procedure and the final report includes recommendations relating to tax, and credit policy. The analysis of licensing policy and framework as well as the major recommendations on licensing policy made in the final report are substantially the same as in the interim report.

Sir, the major recommendations made in the Interim Report are, firstly, Government should select certain basic industries for development as priority industries and should pre-empt foreign exchange, etc. for those industries. Secondly, any project with fixed assets of Re. 1 crore or above or having capital good imports of Rs. 25 lakhs and above should be considered for approval by

Government only if it is supported by a thorough feasibility report. Thirdly, licences in the priority sectors should be selected after inviting something like tenders. Fourthly, the non-priority sector should primarily look after itself so far as their foreign exchange requirements are concerned. Fifthly, as a measure to prevent the growth of monopoly, normally the big business-houses should not be given more than one licence and/or capital good clearance in each industry; and also that, as a matter of policy, certain traditional activities should be closed to specified larger industrial houses and their associates. Sixthly, industries amenable to regional allocation should be specified in advance and wherever feasible should be indicated at the beginning of each Plan period. Seventhly, the exemption limit for licensing of new industrial undertakings should be raised from Rs. 25 lakhs to Rs. 1 crore, and for substantial expansion it should be 25 per cent of existing licensed capacity or Rs. 25 lakhs whichever is more and for new articles it should be fixed at Rs. 25 lakhs. Lastly, an application for capital goods clearance should be deemed to have lapsed automatically if it is not approved two years.

In the Final Report, in so far as the licensing system is concerned, the following additional recommendations have been made : to reduce administrative delays, foreign exchange quotas should be allocated on an agency basis to the State Directors of Industries for disbursement to units below Rs. 7.5 lakhs. It has been further suggested that if the experiment is successful this may be followed for units up to Rs. 25 lakhs. Secondly, the concept of 'new articles' should be abolished. According to Dr. Hazari, there does not appear to be any meaningful or purposive distinction between substantial expansion and new article. He, therefore, recommends that, if the new article requires little or no investment except effective utilization of existing investment, issue of a licence would be a futile exercise. On the other hand, if the manufacturer of a new article requires a substantial investment, it should be treated as a case of substantial expansion. Thirdly, in so