

LOK SABHA DEBATES

1

LOK SABHA

*Saturday, December 14, 1968/
Agrahayana, 23, 1890 (Saka)*

*The Lok Sabha met at Eleven of
the Clock*

[MR. DEPUTY-SPEAKER *in the Chair*]

COMMITTEE ON SUBORDINATE LEGISLATION

SECOND AND THIRD REPORTS

SHRI N. C. CHATTERJEE (Burdwan) :
I beg to present the Second and Third
Reports of the Committee on Subordinate
Legislation.

SHRI S. M. BANERJEE (Kanpur) :
Will it be circulated ?

MR. DEPUTY-SPEAKER : Yes.

SHRI S. M. BANERJEE : Before we
have the discussion on Monday, we would
like to have it.

MR. DEPUTY-SPEAKER : It would
be circulated along with Parliamentary
papers. Even now it will be available at
the Publication Counter.

SHRI UMANATH (Pudukkottai) :
We would like to have an opportunity to
discuss that.

MR. DEPUTY-SPEAKER : That, we
shall see.

SHRI TENNETI VISWANATHAM
(Visakhapatnam) : Are you ruling out
discussion on the reports?

MR. DEPUTY-SPEAKER : No.
Not now.

SHRI TENNETI VISWANATHAM :
We have a right to discuss it.

2

MR. DEPUTY-SPEAKER : Nobody
has seen it. I have myself not seen it. Now,
Shri F. A. Ahmed.

11.02 hrs.

STATEMENT ON MATTER UNDER RULE 377 RE : FOREIGN CAPITAL INVESTMENT AND COLLABORATION

THE MINISTER OF INDUSTRIAL
DEVELOPMENT AND COMPANY
AFFAIRS (SHRI F. A. AHMED) : Mr.
Deputy-Speaker, Sir, I regret that it was
not possible for me yesterday to reply as I
was replying to the Calling Attention
Notice in the Rajya Sabha over a statement
made by me, and some clarifications were
sought. My hon. friend Shri Madhu
Limaye raised some points. Unfortunately
I don't see him there. As I entered the
house he was closing his speech and there-
fore he was good enough to ask me that I
should go through his speech and make a
statement, today. And unfortunately, he
is not there. But I would like to say that
he has raised three or four points relevant
to the statement which I had made the
other day and I would like to make it clear
that at one time Government considered
whether it was necessary to revise our
Foreign Collaboration Policy as announced
by the late Prime Minister in 1949. After
careful examination it was found that all
the main elements of our policy have stood
the test of time and that it was not necessary
to revise or amend the policy. And, at
the same time it was decided that the proce-
dure of disposing of applications for foreign
collaboration would be streamlined. Even
this decision has been explained in the House
when the creation of a Foreign Investment
Board was announced.

Now, I would like the House to remem-
ber that in reply to an Unstarred Question
No. 548 on the 23rd July 1969, when the

[Shri F. A. Ahmed]

question was asked whether Government have taken any final decision regarding their policy in regard to foreign collaboration and if not when the decision was likely to be taken, I replied that no change in foreign collaboration policy is contemplated but Government have decided to constitute the Foreign Investment Board and to streamline the procedure for disposing of applications for foreign collaboration and investment. The latter portion it is not even necessary for us to inform the House because it is within the executive authority which can be done by the Government, but still we kept the House informed. Then again, in reply to Starred Question No. 190 in Rajya Sabha I again stated that no change in foreign collaboration policy is contemplated but Government have decided to constitute a Foreign Investment Board and to streamline the procedure for disposing of applications for foreign collaboration and investment. Again, in reply to an unstarred question in Lok Sabha on 27th August, 1968, I stated that Government propose to group industries into two lists, namely, those in which no collaboration should be allowed and those in which foreign collaboration would be required, and that these lists will be reviewed from time to time, at least once a year, in the context in which foreign collaboration is to be permitted, and where royalty rates are proposed, standardised rates of royalty will be indicated for the various industries to facilitate quick disposal of applications.

So, I beg to submit, so far as the question of issuing any new policy is concerned, no new policy statement has been made by me and even at the various stages when executive action was taken by us. I kept the House informed. I am therefore surprised that an allegation has been made that some policy statement has been made by me outside the House first of all without taking the House into confidence.

The second point that he had raised was regarding the delegation of powers to the board. What has been done is not the delegation of power under statutory rules. These delegations of powers to the board have been done under the executive orders with regard to which also I had kept the House informed. The delegations of powers

to the board and its sub-committees have not been made under statutory rules but under the executive powers of Government. In view of the volume of work involved, distribution of work has to be made to the board and its sub-committees and to the Ministries concerned. Guidelines will be issued regarding the procedure to be followed. That is what we have indicated, that we shall give guidelines to these bodies also for the purpose of performing their duties.

The third question which the hon. Member had raised was about some collaboration in ice-cream, brassieres, and biscuits etc. In this respect, I would say that the hon. Member is correct in that in the past collaboration has been allowed in items like biscuits etc. But in future, if any application is received for foreign collaboration in any industry not included in any of the lists it will be considered on merit, taking into account all the relevant factors like availability of know-how, latest know-how indigenously, importance of the industry to your economy etc. Here also, I hope the hon. Member will be satisfied that it is not our intention to allow any know-how in items in which indigenous know-how is available in our country.

The fourth point which he had raised was :

“Will the hon. Member please assure the House that the Government will be alert to check outflow of foreign exchange by unnecessary foreign collaboration ?”

I would like to say that this is the policy of Government. Collaboration will be allowed only in those cases where it is in the national interest. Where indigenous know-how is available, no collaboration will be allowed.

These were the four points that he had raised, and I hope that the clarifications which I have given will satisfy hon. Members.

SHRI S. KUNDU *rose*—

MR. DEPUTY-SPEAKER : No discussion can be allowed on this.

SHRI C. C. DESAI (Sabarkantha) : We want to ask some questions.

MR. DEPUTY-SPEAKER : I am not going to allow any discussion on this now.

Yesterday, a point was raised on a specific issue namely that the House should not be ignored, and the House should be taken seriously, and an impression should not go round that the House was ignored. Now, the hon. Minister has clearly spelt out the policy, an indication of which had already been given to the House.

श्री देवन सेन (आसनसोल) : जो बोर्ड बनाया गया, उसके मेम्बर कौन है ?
 ... (व्यवधान) ...

SHRI S. KUNDU (Balasore) : I rise to a point of order. I know that this is not generally discussed. But when I rise to a point of order, you may kindly give me a patient hearing.

The hon. Minister has said that a question in regard to the foreign investment board had been answered here. That is true. It is up to you to decide whether it was a policy statement in the House or not. But that is not the question. What is done inside the foreign investment board also involves a great policy question. I may just point out one thing in this connection namely that the Government has also agreed to the establishment of a sub-committee of the foreign investment board and this sub-committee will include among others representatives of the Ministry of Industrial Development and Company Affairs, Finance, and the administrative Ministry concerned, and will deal with cases involving foreign participation up to 25 per cent with a total investment which does not exceed Rs. 1 crore. This is clearly a new policy. Merely by saying that the foreign investment board has been constituted, I do not think that the hon. Minister can be absolved of his duties. Thereby, a contempt of this House has been committed. I would appeal to you to kindly take these things into consideration.

MR. DEPUTY-SPEAKER : Anticipating what he might say, I have already observed that the hon. Minister has indicated before the policy direction in this regard. Actually, the spelling out of the policy was perhaps done outside. So, I

have said that the hon. Ministers should take precaution to see that they should not give an impression that the house is being ignored or that the House is not taken seriously. Beyond that there is nothing else.

श्री रवि राय (पुरी) : आप तो स्वयं मंत्री महोदय को सेन्सर कर रहे हैं।

MR. DEPUTY-SPEAKER : The hon. Minister has already given an indication to the House before.

11.15 hrs.

BUSINESS OF THE HOUSE

THE MINISTER OF PARLIAMENTARY AFFAIRS AND COMMUNICATIONS (DR. RAM SUBHAG SINGH) : Sir, Government Business in this House during the week commencing 16th December, 1968, will consist of :

- (1) Further discussion of the Resolution seeking disapproval of the Essential Services Maintenance Ordinance, 1963 and further consideration and passing of the Essential Services Maintenance Bill, 1968.
- (2) Consideration and passing of the Legislative Assembly of Nagaland (Change in Representation) Bill, 1968.
- (3) Discussion on the Resolution seeking continuance of President's Rule in Bihar.
- (4) Consideration and passing of the Indian Tariff (Amendment) Bill, 1968.
- (5) Consideration of a motion for reference of the Constitution (Twenty-second Amendment) Bill, 1968, to a Joint Committee.
- (6) Consideration and passing of the Customs (Amendment) Bill, 1968.
- (7) Further consideration and passing of the Registration of Births and Deaths Bill, 1968, as passed by Rajya Sabha.