

Shri F. A. Ahmed: I am not aware of any such discussion, and so far as I know no relaxation in the rules has been made.

Vivian Bose Commission

*94. Shri Jyotirmoy Basu:
Shri B. K. Modak:
Shri Mohammad Ismail:

Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) whether any steps have been taken on the basis of recommendations of the Vivian Bose Commission against Sarvashri S. P. Jain, J. Dalmia, V. H. Dalmia and others;

(b) the total amount involved in the embezzlement charges brought against the aforesaid persons; and

(c) the present position of the case as on date?

The Minister of State in the Ministry of Industrial Development and Company Affairs (Shri B. K. Modak): (a) Yes, Sir. SPE resumed investigations into Dalmia Jain Airways case on 18-6-1963 and, on completion of the investigations, filed a charge sheet in the court of District Magistrate against Sarvashri S. P. Jain, J. Dalmia, V. H. Dalmia and others for offences under Sections 120B/400, 405, 467, 477, IPC.

(b) Rs. 3,28,30,218 including Rs. 29 lakhs which were diverted to the overdrafts accounts of Shri S. P. Jain in two banks by means of cheques.

(c) Arguments are being addressed by the Public Prosecutor before the Additional District Magistrate, Delhi for framing charges and committing the case to the court of Sessions.

Shri Jyotirmoy Basu: May I know how many new licences, permits and expansion schemes have been granted and approved since 31-10-1962, the date of signing of the Vivian Bose Commission's Report?

Shri B. K. Modak: I would require notice.

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): So far as this question is concerned, it only deals with the steps taken, and if the hon. Member wants to know the number of licences that have been given, I am prepared to answer if the hon. Member tables a separate question.

Mr. Speaker: That is exactly what Shri Reddi said.

Shri Jyotirmoy Basu: May I know in how many civil and criminal cases inquiries are pending, since when they are pending and when Government expects that they will be completed? May I also know if any offenders have been punished so far?

Shri F. A. Ahmed: Again, if the hon. Member wants to know what are the allegations in the criminal proceedings which are pending on the subject about which he has framed the question, I can say that, as the hon. Member is aware, the Vivian Bose Commission had suggested about 41 items for examination. This has been done and in regard to all those allegations investigation proceedings are pending.

Shri Jyotirmoy Basu: Sir, five years have passed and we do not know if any offenders have been punished. What is the present position of the case?

Shri F. A. Ahmed: Unfortunately, the matter is beyond our control. It is true that this matter has been pending for a very long time. But, as the hon. Member is aware, from the investigation stage onwards, at every stage the order of the magistrate or of the authorities was challenged before the High Court and before the Supreme Court and it took several years before the matter was proceeded with. It was only in the year 1964 that the magistrate was allowed to

proceed with the case. Now, as the hon. Member has been informed by my colleague, arguments are proceeding and we hope the case will be finalised very soon.

Shri Mohammad Ismail: May I know with how many bank managements these S. P. Jain and Dalma are connected?

Shri F. A. Ahmed: I want notice to answer this.

Shri D. N. Tiwary: May I know whether this firm and these individuals have been blacklisted and every department intimated that no further licences should be given to them, and if such instructions have been given whether they are followed or not? May I also know whether the hon. Minister is aware that this man is going merrily everywhere and getting contracts on benami names?

Shri F. A. Ahmed: I am not aware whether any person is going on merrily or not, but so far as my information goes every Ministry has been informed about it and action is being taken by them.

Shri V. Krishnaswami: Sir, if an ordinary citizen violates the law he is immediately sent to jail, charge-sheeted, convicted and sentenced. Here are people who have embezzled more than Rs. 3 crores and their cases have been pending for years. May I know what action the Government has taken to see that they are sent to jail even if it is necessary to amend the Criminal Procedure Code or the Indian Penal Code to expedite matters?

Shri F. A. Ahmed: I wish I had the authority to send these people to jail, but this matter is not within my jurisdiction. There are the law courts, the High Courts and the Supreme Court, who have jurisdiction over these proceedings.

Shri M. Lakshminarayana: May I know whether in the case of these

companies which are blacklisted, any further licences have been given?

Shri F. A. Ahmed: As far as I am aware, no fresh licence has been given.

श्री हरदत्त देवकुमार: क्या यह ठीक है कि जो नाम इस में दिये गये हैं, उन की कम्पनियों के कांसेटको इलेक्शन फंड में 50 लाख रुपये मिले हैं ?

श्री ए. ए. अहमद : उन्होंने जितना आप को दिया है उस से कम मिला है ।

Mr. Speaker: Next Question. Before we take up the next Question, I may inform the House that the Minister has given notice of a discussion on Dr. Hazari's Report. I think, we should have a longer time to discuss this Report. A few supplementaries will not do. Anyway, I will allow the answer to be read and allow one or two supplementaries.

श्री ननु निम्बे : अध्यक्ष महोदय, इस के बारे में मेरा सुझाव है कि हजारी रिपोर्ट के पहले मोनोपली कमीशन की रिपोर्ट आई है, इसलिये जो भी बहुत हो वह दोनों रिपोर्टों पर हो। दो साल से यह मामला चल रहा है।

Mr. Speaker: I think, you are right. The Minister could put both of them together. We can discuss both the Reports together. We need not spend much time on this Question. He has already given notice of a discussion.

श्री बदल विहारी झाकसेनी: तबाल यह है कि मोनोप सरकार की तरफ से प्रायेण या हन लोगों की तरफ से ?

Mr. Speaker: The Minister has given notice of a discussion.

श्री ननु निम्बे : पहले हमारा नोटिस थाया है, इसलिये हमारी तरफ से प्रायेण चाहिये ।

Mr. Speaker: I am told, the rules say, that the Government motions have precedence. I don't mind, but the rules say that the Government motions have precedence.

श्री मधु लिमये : प्राप को सर्वाधिकार है ।

Shri S. M. Banerjee: I fully support Shri Madhu Limaye that both the Reports, Dr. Hazari's Report and the Monopoly Commission Report, should be taken up together. My submission is that either the Government brings forward both the motions together or our No-Day-Yet-Named motion should be admitted.

Mr. Speaker: I have conceded that.

Shri F. A. Ahmed: I have no objection to both these motions being taken up together.

Shri M. R. Krishna: Q. 118 may also be taken up along with Q. 95.

Mr. Speaker: All right.

Dr. Hazari Report on Licensing Policy

- *95. Shri D. N. Pateria:
 Shri Onkar Singh:
 Shri M. Rampure:
 Shri Ebrahim Sulaiman Salt:
 Shri S. Supakar:
 Shri N. E. Laskar:
 Shri Mohammad Ismail:
 Shri Umanath:
 Shri E. K. Modak:
 Shri Ganesh Ghosh:
 Shri Bhagaban Das:
 Shri Chintamani Panigrahi:
 Shri Ramachandra Veerappa:
 Shri Indrajit Gupta:
 Shri S. M. Banerjee:
 Shri Madhu Limaye:
 Shri Yashpal Singh:
 Shri S. C. Samanta:
 Shri Vasudevan Nair:
 Shri Yogendra Sharma:
 Shri N. K. Sanghi:
 Shri Kanwar Lal Gupta:
 Shri E. S. Vidyarthi:
 Shri Bibhuti Mishra:
 Shri Y. A. Prasad:

Shri K. N. Pandey:
 Shri F. Barua:
 Shri Sarjee Pandey:
 Shri G. S. Mishra:

Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) whether Government have considered the Report of Dr. Hazari on Licensing Policy with regard to setting up of new industries; and

(b) if so, the recommendations of the Committee which have been accepted by Government for implementation?

The Minister of State in the Ministry of Industrial Development and Company Affairs (Shri Raghunath Reddi): (a) and (b). The Interim Report on Licensing Policy submitted by Dr. R. K. Hazari is under the examination of the Government. An early decision is expected to be taken on the recommendations.

Issue of Licences to Industries

- *118. Shri M. R. Krishna:
 Shri Siddheshwar Prasad:
 Shri Ram Kishan Gupta:
 Shri Prakash V. Shastri:
 Shri Raghuvir Singh Shastri:
 Shri Mohsin:
 Shri K. N. Pandey:
 Shri Vishwa Nath Pandey:
 Shri Yajnik:
 Shri Atal Bihari Vajpayee:
 Shri Kanwar Lal Gupta:

Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) whether Government have decided to do away with licensing policy of Industries.

(b) whether this step was necessitated because the Industries and entrepreneurs desired it or whether it was based on any enquiry; and

(c) the benefits Government expect to achieve by the change in the policy?

The Minister of State in the Ministry of Industrial Development and Company Affairs (Shri Raghunath Reddi): (a) No such decision has been taken.

(b) and (c). Do not arise.

Mr. Speaker: Shall we go to the next Question? I think, it is better you reserve your comments for the discussion on both these Reports.

Compulsory Exports

496. Shri N. E. Laskar:
 Shri Liladhar Koteki:
 Shri Yashpal Singh:
 Shri S. C. Samanta:
 Shri Madhu Limaye:
 Dr. Ram Manohar Lohia:
 Shri George Fernandes:
 Shri S. M. Banerjee:
 Shri Ram Kishan Gupta:
 Shri Shri Gopal Saboo:

Will the Minister of Commerce be pleased to state:

(a) whether there has been a proposal to introduce an element of compulsion to export certain percentage of production of industrial units for increasing the country's exports;

(b) the broad features thereof;

(c) whether the results of this compulsion to export have been examined; and

(d) if so, the nature thereof?

The Minister of Commerce (Shri Dinesh Singh): (a) No, Sir. However the Commerce Minister has spoken of the need for the industry, as a whole, to appreciate their obligation to earn foreign exchange through further exports.

(b) to (d). Do not arise.

Shri N. E. Laskar: I would like to know whether Government have examined the question whether they can introduce such a compulsion.

Shri Dinesh Singh: I have not talked about compulsion. What I said is that the industry, as a whole, must feel a sense of obligation for earning the foreign exchange. After all, there is the obligation on the industry, as a whole, to earn foreign exchange. If they want to import things, they must be able to earn foreign exchange for that. It may be possible or may not be possible for each industry to earn foreign exchange. There are some industries which may find difficulty in exporting their products. But the industry, as a whole, should be able to earn foreign exchange which they require for their imports and for their other requirements.

Shri N. E. Laskar: In order to revitalise our export trade, I would like to know whether any attempt has been made towards the improvement of quality and diversification of the areas of our trade in different parts of the world.

Shri Dinesh Singh: Yes, Sir.

Shri Liladhar Koteki: The hon. Minister said that there is an obligation on the part of the industry to export a certain percentage of their products. May I know whether the Government has any control to see that the industry actually discharges that obligation of exporting their products?

Shri Dinesh Singh: As I said, we have not laid down any rigid rules. All that I have said is that the industry must look to the markets abroad. They have tremendous consumption at home and they are able to sell very easily everything they make. But that does not earn the foreign exchange which they need for their components and parts and for their raw materials. Therefore, they must consciously try to divert more and more of their products abroad.

श्री बहावल सिंह : जब तक यह कम्पल्सरी नहीं होगा, बुकि सरसभेदारों को हिन्दुस्तान में ब्रीक मार्केटिंग करने के लिये कच्चा बिक्रत

है, यह इस बात से विचकिचाते हैं कि यह अपनी चीजों को बाहर भेजें, जब तक इस के लिये डिफरेंट रूल्स नहीं होंगे तब तक यह काम नहीं चल सकता है, इसलिये क्या सरकार का खयाल है कि यह इस तरह की कोई नीति निर्धारित करे ?

श्री विवेक सिन्हा : अगर हमारे उद्योग इस की तरफ कदम नहीं उठावेंगे तो हम इसके बारे में सोचेंगे ।

Shri S. C. Samanta: While the Government is making the industry to export more, is it not a fact that the incentives that were promised to them are not coming to the extent they should?

Shri Dinesh Singh: We have felt that the incentives they have are sufficient. It is not only the question of incentives. The incentives also come out of the common pool. It should be possible for them to have some kind of incentive in the industries themselves instead of Government having to go on giving more and more incentives from public funds.

Shri Narendran Singh Mahida: May I know the names of the countries which have brought about an element of compulsion in the matter of exports?

Shri Dinesh Singh: I could not say off-hand. But in many countries, the economies are State controlled and they are able to strike the balance of being able to promote exports.

श्री जॉर्ज शरकेन्डीच : मैं समझता हूँ कि सरकार किसी चीज के आयात के बारे में कोई निबन्ध लगाये—जब किसी मुल्क से निर्यात आयात होता है तो दूसरे मुल्क के लिये आयात आयात होता है—कि किस मुल्क को कौन सी चीज किस देश से आयातनी चाहिये, इसकी तय करने का अधिकार किसी

मुल्क ने अपने मंत्री को नहीं दिया होगा । ऐसी हालत में जब हमारे कारखाने बिल्सवर दिल्ली के किसी एजेंट्स पर चढ़े हो कर बिल्सवते हैं कि हम वहाँ आयातियों पर या कारखानेदारों पर सख्ती करने वाले हैं कि यह निर्यात आयात हिन्दुस्तान से चलाने तो मैं उन से जानना चाहता हूँ कि क्या किसी मुल्क के साथ हमारे मंत्री प्रयोग का पहले से फैसला हो चुका है, कोई समझौता हो चुका है कि वह हिन्दुस्तान से क्या चीज आयातेंगे ? बचाने इसके कि और लोगों के मुँह से यह बात निकले, आप के मुँह से यह बात निकलनी चाहिये ।

श्री विवेक सिन्हा : मैं माननीय सदस्य को आश्वासन देना चाहता हूँ कि बिल्सवते की हमारी धातव नहीं है । अपनी तरह सब को नहीं समझना चाहिये . . .

श्री जगु सिन्हा : आप इन्हें बलाते हैं, इसलिये आप को बिल्सवता नहीं चाहिये । आप तो इन्हे बलाते हैं ।

श्री विवेक सिन्हा : जहाँ तक आयात और निर्यात का सवाल है बाहिर है कि आपने कोई बात नहीं कही है, जो निर्यात वहाँ से होगा वह दूसरी जगह आयात होगा ।

हम कोई जबरदस्ती नहीं कर सकते हैं । लेकिन सवाल तो इसका है कि हमको विदेशी मुद्रा अगर लेनी है तो वह बाहर से ही लेनी है । जब हम बाहर से चीज आयातते हैं तो वहाँ को चीज बनी है उसको ही हम उनको दे कर विदेशी मुद्रा हासिल कर सकते हैं । जो चीज भी बिलानी है उसको हमें इस प्रकार में बिलाना है कि हम बाहर भी उसको लेब सकें । इस में कोई खाल बात कहने की नहीं है । यह तो आम समझ की बात है । किन्तु आपको ध्यान दिखाने की जरूरत थी और बहुत धीरे से मैंने उसकी बात बिलाना है ।

Shrimati Sharda Mukerjee: We have not been able to gather from the Minister's reply whether the Government has any definite policies for promoting exports. Our exports have been dropping down so rapidly. It is no use the Minister's either exhorting the private sector or compelling the private sector to export. What specific policies have Government got to improve our exports?

Shri Dinesh Singh: Not very long ago we had here a meeting of the Export Councils and I shall be very glad to send to the hon. Member a copy of the resolutions passed. We are now in the process of discussing commodity-wise with industries on how we can increase exports.

Shri Virendra Kumar Shah: Ours is a high-cost economy which is mainly due to the high incidence of direct and indirect taxes which increases the cost of production of every item, and that retards export efforts. Would the Government consider as to how this high rate of taxes can be reduced so that our exports can increase?

Shri Dinesh Singh: As the hon. Member knows, quite a lot of our taxes do not apply to exports. Even yesterday when the Finance Minister presented the Budget, he did say that even in the case of excise duties, there is a rebate for export and there are other incentives and facilities. We are conscious of the fact that some of the goods manufactured in this country are more expensive and we are trying to discuss with the industry of a particular commodity to see how best we can encourage exports.

Mr. Speaker: Qn. 97.

Qn. 105 can also be taken with that.

Import substitution

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***97. Shri S. R. Damani:**
Shri Hem Barua:
Shri Surendranath Dwivedy:
Shri A. Sreedharan:

Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) whether Government have examined as to how far the liberalization of import control has given a set-back to the efforts towards import substitution; and

(b) if so, the result thereof?

The Deputy Minister in the Ministry of Industrial Development and Company Affairs (Shri Bhanu Prakash Singh): (a) Yes, Sir.

(b) Generally speaking, liberalisation of imports of raw materials, spares and components has not adversely affected the progress of import substitution. In a few cases where there were complaints of possible adverse effects, remedial action, as necessary, has been taken.

Import substitution

***105. Shri S. S. Kothari:** Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) whether it is a fact that import substitution and the trend towards "swadeshi" in regard to manufacture and use of stores, raw materials, capital equipment and technical know-how have received a set-back during the recent months; and

(b) if so, the steps Government propose to take to encourage the same?

The Deputy Minister in the Ministry of Industrial Development and Company Affairs (Shri Bhanu Prakash Singh): (a) No, Sir.

(b) Does not arise.

Shri S. R. Damani: May I know whether Government have received representations from indigenous manufacturers about slackness of demand and, if so, from which industries and what action have Government taken?

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): Wherever we have received complaints, remedial measures have

been taken by us. If the hon. Member wants to know the names of such industries, I am afraid it is a very long list and I can only place it on the Table of the House.

Mr. Speaker: It can be placed on the Table of the House.

Shri S. R. Damani: May I know whether ball-bearing industries are still casting industries and are affected by imports?

Shri F. A. Ahmed: So far as ball-bearing industry is concerned, the information is that the import which was of the order of Rs. 4 crores has now been brought down to Rs. 1½ crores. So, we have benefited.

An hon. Member: What about steel?

Shri F. A. Ahmed: I am not aware of that. So far as ball-bearing industry is concerned, I had the information which I have given.

Shri Hem Barua: There is a terrific slump in our exports in spite of devaluation. One of the ostensible purposes of devaluation was to boost up our exports so as to revitalise our exports. In that context, may I know what specific steps Government have taken to revitalise exports?

Shri F. A. Ahmed: Export depends on increased production and also on bringing down the cost of production so that it may be in a position to compete with outside market. Together with devaluation, other steps have been taken to liberalise import so that our production may go up and that production may be able to compete with the market outside.

Shri A. Sreedharan: In view of the fact that imports of rubber and copra have adversely affected the price of rubber and coconut produced in this country and also in view of the fact that huge stocks of rubber are lying accumulated with cultivators in various part of the country, particularly in Kerala, I would like to know whether the Government will restrict the import of rubber and copra and also whether Government will freeze the stock of imported rubber till such time that a substantial portion of the

stock accumulated with rubber cultivators are sold.

Shri F. A. Ahmed: As far as I am aware, there is shortage of rubber in our country and the question will have to be examined whether it is in the interest of the country or in the interest of production that the import of rubber should be stopped or should not be stopped.

Shri S. S. Kothari: The Finance Minister is here and I would like to draw his attention also.

Does the Government consider giving any fiscal incentives to those who bring about import substitution, i.e., those who develop new products and try to reduce imports? If the Government provides some stimulus, it will assist in encouraging people to substitute for imports.

Shri F. A. Ahmed: That is inherent in the policy which we have adopted. On account of restriction of imports, a large number of indigenous technical knowhow and indigenous production was encouraged and the producers have actually derived benefit. Where the cost of production is less than the cost of imported material, that has actually benefited the producers.

Shri H. N. Mukerjee: In regard to import substitution, it was highlighted during the Indo-Pakistan confrontation that Government had a specific scheme for a self-reliant economy in this country which implies considerable advance or at least programmatic advance towards import substitution. May I know if that has been put on the shelves or continuous efforts are being made in this regard so that at a particular point of time we can have some idea as to when import substitution can considerably help us in regard to self-reliant economy?

Shri F. A. Ahmed: The indication was already given yesterday in the Finance Minister's speech and we shall

see how the policy will be implemented.

Shrimati Tarkephwari Shaha: One of the incentives for exports was that in respect of import-substitution commodities available in this country, some industrial licences were given to some industrialists to get imported material in order to export because that would have improved the standard of exports. In view of this, may I know what were the commitments which those industrialists made in regard to exports and after getting import licences, whether those commitments were fulfilled and if those commitments have not been fulfilled, whether any action has been taken on them for not having fulfilled the commitments?

Shri F. A. Ahmed: The period allowed to them is so short that no estimation can be made whether they have actually implemented or not. We are closely watching whether the purpose for which the import has been allowed has been served or not.

Shri Ebrahim Sulaiman Sait: My hon. friend Shri A. Sreedharan had asked a question about restricting the import of copra and rubber because that is adversely affecting the producers of rubber and copra. While the hon. Minister had answered the question regarding rubber, he had not answered the portion relating to copra. May I know whether Government are considering the question of restricting the import of copra in order to help the poor copra producers in Kerala?

Shri F. A. Ahmed: I would examine this question, and if the hon. Member so desires, I shall inform him later.

WRITTEN ANSWERS TO QUESTIONS

Audit Report on the Accounts of NCDC

*99. **Shri P. K. Ghosh:** Will the

Minister of Steel, Mines and Metals be pleased to state:

(a) whether the Commercial Audit Department of the Comptroller and Auditor General of India reviewed the working of the National Coal Development Corporation Ltd., for a period of three years ending March, 1966 and has submitted a report;

(b) if so, whether a copy of that report will be laid on the Table along with the reply furnished by the Corporation; and

(c) whether Government are satisfied with the reply given by the Corporation regarding various lapses and omissions and commissions?

The Minister of State in the Ministry of Steel, Mines and Metals (Shri P. C. Sethi): (a) and (b). The Commercial Audit Department of the Comptroller and Auditor General of India conducted review of the working of the National Coal Development Corporation for the period ending 31st March, 1966. It is understood this review has since been finalised and is being included by the Comptroller and Auditor General of India in Central Government Audit Report (Commercial), 1967. In terms of Article 151(1) of the Constitution of India, this report will be submitted to the President who shall cause the report to be laid before each House of the Parliament. Government, no doubt, will look into alleged lapses, omissions and commissions etc. wherever necessary and take further suitable action in the light thereof.

(c) Does not arise at this stage.

Import of Cotton

*99. **Shri M. Rampure:**
Shri Ebrahim Sulaiman Sait:
Shri Ramachandra Veerappa:
Shri N. K. Sanghi:
Shri Madhu Limaye:
Shri S. M. Banerjee:
Dr. Ram Manohar Lohia:
Shri George Fernandes: