

**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:**