

SHRI SUKOMAL SEN: Sir, when I put the question, the honourable Minister said that there was no offer from the Soviet Union. But now he says that there is a current offer from the Soviet Union. There is a contradiction in his replies. Both are contradictory.

MR. CHAIRMAN: There is nothing contradictory in it. One relates to power stations and the other relates to technology. (Interruption). Yes, Mr. Kapil Verma.

SHRI DIPEN GHOSH: Is there a non-technology plant also? (Interruptions).

MR. CHAIRMAN: All right. Yes, Mr. Kapil Verma.

SHRI KAPIL VERMA: Sir, six Western countries, known as the London Club, have passed a resolution and taken a decision to ban the supply of certain items that might be helpful in producing delivery systems and they have also approached, according to the newspaper reports, the Soviet Union in this connection. Will the Government take a decision in principle not to collaborate with those countries which have taken such a decision in the field of atomic research?

MR. CHAIRMAN: The Minister has already stated that there is no question of having any safeguards and you are putting it in a different form. That is all. Yes, now the next question. Question No. 303. Mr. Chandresh Thakur.

Signing of technology transfer agreements by India

*303. PROF. CHANDRESH P. THAKUR:†

SHRI KAPIL VERMA:

Will the PRIME MINISTER be pleased to state:

(a) what was the number of bilateral transfer of technology agreements signed by India during the last three years and the names of the countries involved;

†The question was actually asked on the floor of the House by Prof. Chandresh P. Thakur.

(b) what was the progress in implementation of these agreements; and

(c) what are the major thrust sector technological gains to India in this process?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) The Government had approved about 2750 foreign collaborations for transfer of technology during the three years 1984—1986. The major countries involved in such technology transfer agreements were: U.S.A., U. K., West Germany, Japan, France, Italy, Switzerland and Sweden.

(b) After a collaboration proposal is approved generally it may take 2-3 years for project/activity to commence commercial production; and as such only a very few agreements approved during the last 3 years have so far resulted in establishing production.

(c) During the last three years technology transfer agreements were approved in major sectors such as: electrical equipments, industrial machinery, Chemicals, machine tools and Industrial Instruments.

PROF. CHANDRESH P. THAKUR: Mr. Chairman, Sir, technology transfer has become a very contentious issue in the North-South dialogue. It is emerging basically as a political issue. But our need for new technology and for updating our old technology for our industry, agriculture and other services is paramount. We have a technology policy and also a technology information forecasting and assessment system. The bilateral agreements do provide a very effective channel for acquiring technology. But my question to the honourable Minister is this:

(a) How far are such technologies which we are acquiring through these agreements consistent with our technology policy and reflect our priority needs?

(b) Are the actual transfers taking place within a time-frame that does not make them obsolete as we are discovering in the procrastinated process in the case of the Supercomputers from the United States? Then, part (c) of my question is...

MR. CHAIRMAN: No question of (c) because you have a second supplementary to put. If you want to lose it, then you can put the (c) part of your question. Yes, Mr. Minister.

SHRI K. R. NARAYANAN: Sir, we are entering into these technology transfer agreements strictly within the policy announced, especially under the Technology Policy Statement of 1983, and as the Member himself has said, it is a part of the policy. First of all, it is our need that has to be established and secondly, we have to ensure that indigenously we are not able to produce this equipment or process ourselves and, thirdly, there has to be a very urgent national need for it so that if we are not to imbibe this technology, there would be considerable delay in our developmental programmes. It is in accordance with the national priorities, particularly the emphasis on indigenisation and achieving of self-reliance that we are entering into various collaborations with various countries.

PROF. CHANDRESH P. THAKUR: Transfer agreements should include some countries for exporting our technology with advantage to us in terms of foreign exchange earning. We are spending today on R&D about 1 per cent of our GNP. But the Reserve Bank of India survey of companies involved in foreign collaborations indicates that such companies had become a drain on foreign exchange because their export earning is much less than the imports entitled to them under the technology transfer. Therefore, Mr. Chairman, the question is how far we have made progress in what we call reverse transfer of technology through such agreements? And if the progress is not satis-

factory, what is being done to improve our performance in this regard?

SHRI K. R. NARAYANAN: Sir, there is always an angle for export promotion in the import of technology. In certain fields, particularly in electronics software we have allowed import of technology deliberately with a view to export of software from India to other countries. Import here is geared to export promotion. Maybe, in some other areas we are getting this technology for indigenous development for improving our own current and long-term needs. Certainly they will lead to export promotion eventually. But in some cases like electronics we have built into the agreement an obligation on the part of the parties who import that they should export certain part of their products and of the money they have spent in importing this technology.

SHRI KAPIL VERMA: Sir, our capital goods industry is facing technological obsolescence. Is there any concrete evidence that technology transfer in respect of industrial machinery, machine-tools and industrial instruments is actually benefiting, in improving the efficiency of capital goods sector through our exports? What is being done to ensure that this is brought about faster?

SHRI K. R. NARAYANAN: Yes, Sir, that is one of the reasons. In the answer itself which has been given it is stated that any machine tools, industrial machinery, etc., are the fields in which we arrived at collaboration agreements with other countries, and certainly our export capability in the sector has been considerably improved with the introduction of new technology, leading to modernisation. In machine-tools, for example, I do not have the figures. India has emerged as a very important exporter even to some of the developed countries. I think our present capacity, increased capacity, to compete in world market is to a certain extent due to the modernisation of technology and upgradation that we have brought about in our industries, especially in the industries the hon. Member has mentioned.

SHRI DIPEN GHOSH: Mr Chairman, Sir, from the reply laid on the Table by the hon. Minister it is seen that during the years 1982 to 1986 as many as 2750 foreign collaborations for transfer of technology have been approved of. And the major countries involved in such technology transfer agreements were the USA, the U. K. West Germany, Japan, France, Italy, Switzerland and Sweden. Sir, the period for which this answer was asked for relates mostly to the period of our present Prime Minister. May be in his quest for taking the country to the 21st century that he has approved or his Government has approved of so many foreign collaborations regarding transfer of technology. But, Sir, when we see the major countries which have been named here, I do not know whether the present Government consider any socialist country a major country and, therefore, they have not included the name of any socialist country with which any such agreement has ever been arrived at. But, Sir, from this reply it is seen that with no socialist country has there been any agreement during these three years in connection with the transfer of technology. So, I would like to know from the hon. Minister the reasons which weighed with the Government not to approve of any agreement with any socialist country in this field of transfer of technology. Sir, part (b) of my question is that you are aware and even our Prime Minister is nowadays heard oftly quoting that even he wants a left-oriented President in our country.

SOME HON. MEMBERS: No, no.

THE PRIME MINISTER (SHRI RAJIV GANDHI): Sir, I do not know where he has got that quotation from. It is not mine.

SHRI DIPEN GHOSH: Then you agree that you do not want a left-oriented President. Thank you.

MR. CHAIRMAN: No, no. It does not follow. (*Interruptions*) That does not follow. I would not allow that.

SHRI RAJIV GANDHI: Sir, we would like to have a President who is oriented towards the country, India.

SHRI DIPEN GHOSH: I know. Sir, the question is that even the ruling party is also suffering from a kind of, I should say, obsession that the forces of destabilisation are at work at present...

SHRI SURESH KALMADI: Sir, what is the relevance? Is it relevant? (*Interruptions*)

SHRI DIPEN GHOSH: Sir, even the Prime Minister will surely agree with me that this technology transfer... (*Interruptions*).

MR. CHAIRMAN: I am very carefully following the question... If there is anything wrong, I will certainly stop.

SHRI DIPEN GHOSH: Sir, technology transfer is a cover for some of the western countries, particularly the United States to conduct their destabilising activities in the Third World, and in that background and in view of the increasing danger coming from such destabilisation forces to our country. Part (b) of my question is whether the Government has reviewed all these agreements and come to the conclusion that none of these agreements runs the risk of destabilising the internal system of our country.

SHRI K. R. NARAYANAN: Sir, I will make a general explanation because we had understood this question as relating to foreign collaboration.

MR. CHAIRMAN: Please do not go into all these things. You only answer two points which he has raised.

SHRI K. R. NARAYANAN: Sir, I want to...

MR. CHAIRMAN: Please hear me. Are there any socialist countries with which you have got technological collaboration? Secondly, are you reviewing your policy with regard to the western countries? Now these are two things you have to answer.

SHRI K. R. NARAYANAN: Sir, with regard to socialist countries, we have certainly collaboration. In terms of percentages, 80 per cent is with the countries I have already mentioned. The rest is with

countries like Czechoslovakia, Hungary, Poland, USSR, Yugoslavia and we have technological collaborations...

SHRI DIPEN GHOSH: Does it include in 2,750?

SHRI K. R. NARAYANAN: Yes.

SHRI DIPEN GHOSH: You have not considered them as major countries and you have not mentioned them in major countries.

SHRI K. R. NARAYANAN: This I wanted to explain. I have not included in the answer the bilateral co-operation between the Governments in the technological and economic fields. For example, we have collaborated with the Soviet Union in building the MIG plant. This is not one of those between firms and corporations. Transfer of technology has taken place from Socialist countries. There is tremendous increase in the number of industrial technological agreements which we have executed with the Socialist countries. But the question was more limited with regard to collaborations between firms and corporations. But even between firms and corporations we have collaboration with the countries which I have already read out. I can send the list to you later on, as to what the content of these collaborations is. But please do not confuse the collaborations at the state level in the economic and technological field between the socialist countries and the collaboration between firms and corporations, between India and western or other countries. And second part with regard to destabilisation, I think these collaborations.

SHRI RAJIV GANDHI: Sir, if I may add to the answer already given, I would like to reiterate that our collaboration with the socialist countries is very substantial and like the Minister has said these are relating basically to collaborations in the private sector and the State sector. There is very substantial co-operation with the socialist countries and I would also like to add that after General Secretary Gorbachov's visit last year we have opened a totally new phase in our technological co-operation with the Soviet Union. Academician Marchuk visited India with a group

of scientists, the level of which has never or rather a group of that level has never gone out of the Soviet Union before. We have also put together a group of scientists and our group will now be visiting the Soviet Union and I have no doubt that this will be the beginning of a totally new era in the level of cooperation between the Soviet Union and India. On the second point that was raised whether we are compromising on our society and opening up chances for destabilisation in any way, let me assure the Member that there is no question of allowing any destabilisation through these channels. The controls that we have are very strict and we do not allow any of these things to open up areas where we can be destabilised. He should not be afraid or worried. Our Government will not allow that to happen.

SHRI A. G. KULKARNI: I am, Sir, reassured by the views expressed just now by the Prime Minister but I have got a doubt whether the Government is aware that the engineering association of India along with the World Bank has made a study particularly in this country, and reported that the capital goods industry cement, fertilizer, power in the public sector itself is languishing because of the indiscriminate foreign collaboration. I will give the latest example. I am myself surprised. Perhaps the Prime Minister will make it very clear. I have read a news item here that the Government of India has sanctioned a collaboration with the Metal Ltd. of USA for manufacture of Leo type toys called Barbie doll which are to be brought here from the USA. In this context, where does the Prime Minister's assurance stand if permission for manufacture of Barbie dolls under a collaboration is granted? I would like to have a categorical reply on this question. Barbie doll is a toy which is used by rich girls in America to play with. *(Interruptions)* Sir, Salve must have purchased on for his grand-daughter. So, Sir, I want to know very seriously from the Minister that these are not the things and such collaborations should never come in this country.

SHRI K. R. NARAYANAN: With whom is this collaboration?

SHRI A. G. KULKARNI: This is between Parimal and Metal Ltd. of USA.

MR. CHAIRMAN: The Minister will look into it and then give his answer. How can you expect him to give the answer straightaway? (*Interruptions*). You have drawn his attention.

SHRI A. G. KULKARNI: Sir, let him say that he will stop Metal Corporation or he will encourage the Metal Corporation. I want that reply and not any other reply.

SHRI K. R. NARAYANAN: About this particular instance, I think I will have to enquire into it but it appears to me to be an aberration.

SHRI N. K. P. SALVE: For accelerating the growth and modernisation, importing technology is just unavoidable. The countries which are mentioned here, are known to be great exploiters whenever they supply technology to the developing countries, and to a certain extent, Mr. Dipen Ghosh is right when he indicated that technology imported from the socialist countries—with the limited experience I have of the public sector—is more honest and reasonable... (*Interruptions*). Since it costs us so much, we have to pay through our nose for importing technology, and that is not bad enough. But the technology which they transfer is not advanced technology but something which is older a little. All that is there. All of us know. But my question to the hon. Minister is this. India possesses tremendous talent in technological field. Our scientists, our technicians and our engineers are there but, perhaps, research and development requires greater encouragement. Therefore, I would like to know from the hon. Minister or the hon. Prime Minister whether Government of India is certain that maximum encouragement presently is available to industries in the public and private sectors for their research and development, especially, the incentives are adequate to have greater research and development so that dependence on foreign technology may be less.

SHRI K. MOHANAN: The tragedy is that Mr. Salve is arguing for a lost case.

MR. CHAIRMAN: Interruptions may be ignored

SHRI K. R. NARAYANAN: As regards research and development, even with regard to collaborations for which I have given the list in the House, we insist on certain obligations and assurances from the importing firms and corporations to develop R&D for the same technology so that they may improve upon it and do not have to go on importing it and be dependent on it. We spend a lot of money and give a lot of encouragement for R&D. I want to mention the general fact that unless the infrastructures of the economy is developed to a certain stage, we would not get very serious efforts in research and development and today we have reached a stage when we can very meaningfully place emphasis on research and development.

With regard to western technology itself, I believe that technology is international and there is no western colour or eastern colour to it. And I have been impressed by the fact that the socialist countries like China are on a very massive effort in importing western technology today and, therefore let us not make distinction between western or eastern technology. Even the Soviet Union expressed interest in getting technology from the western world. Let us not, therefore, make this distinction. We are really wanting to get the best technology available in the fields in which we are interested and we want to get it without strings and in such a way that we can develop indigenous capability by absorbing and adopting this technology. The policy.

SHRI N. K. P. SALVE: Did he answer to my query?

SHRI NIRMAL CHATTERJEE: Probably, there is some mass. The question never said or I never enquired about the deals between the private corporate sector and foreign corporate sector. The question was about signing

of technology transfer agreements by India. I do not know what led our hon. Minister to interpret it in that manner to be amended by the Prime Minister. But my question is, have we got information—I am just slightly expanding the question of Kulkarniji. I would like to know, how many technology transfers have taken place in the area of production of luxury goods. That is, of the collaboration agreements how many relate to this area? This is one part. The second part is, is there any technology transfer which refers to our R&D, that is, a technology transfer which includes development of further technology through R&D within India? I would like to know, is there any such technology transfer. Then,....

MR. CHAIRMAN : No. You had two.

SHRI NIRMAL CHATTERJEE: Sir, it is not even (b) It is (a) (1) and (a) (2).

MR. CHAIRMAN: No. Mr. Minister please.

SHRI K. R. NARAYANAN: Sir, majority of the technology agreements are in the field of electrical equipment, as we have said, industrial machinery, chemicals, machine tools industrial instruments all of which do not belong to the luxury sector, but to the basic sector of industry and engineering. We should not be detracted by the one example given by our hon. friend, Mr. Kulkarni. This is not the pattern of the collaboration agreements as a whole. Take, for example, TV. You may call TV a luxury. But we have imported technology for TV manufacture. We do not think TV to be a luxury. We think it is a major instrument for education and all that and we are today manufacturing...

(Interruptions)

MR. CHAIRMAN : You cannot object to the opinion of the Minister. You can have your own opinion.

SHRI PARVATHANENI UPENDRA: It is a lop-sided opinion.

(Interruptions)

MR. CHAIRMAN : No democracy can prevail in the country if everybody objects to the opinion of the other. It is his opinion. (Interruptions) Please hear me. It is his view that in the modern context, TV is not a luxury, it is an instrument for education etc. It is his view. You may differ. But then, you cannot object to his stating his views. (Interruptions)

SHRIMATI RENUKA CHOWDHURY : If it is not a luxury, we want concession for MPs. (Interruptions)

SHRI NIRMAL CHATTERJEE : When there is a conflict of opinion, you have to reject the wrong opinion by the right one.

MR. CHAIRMAN : You are entitled to reject, but not object.

SHRI MURASOLI MARAN : Sir, as the hon. Minister rightly pointed out, technology is international. In fact, it has no ideological colour. I am sorry, Mr. Ghosh has forgotten that recently, the UUSSR has started making coca cola. That is why the People's Republic of China is accusing the USSR of following coca cola communism. Moreover, the USSR is manufacturing automobiles in collaboration with the Italian Fiat.

MR. CHAIRMAN : You cannot put a question to Mr. Dipen Ghosh.

SHRI MURASOLI MARAN: Sir, I am supporting the view-point of the hon. Minister. Technology is international. I am taking the lead from Mr. Nirmal Chatterjee for my question. We have permitted thousands of technology transfers. But if you go into them, you will find that they are all catering to the top ten per cent of the society. Mr. Abid Hussain, Planning Commission Member, has recently said that top ten per cent of the people

form the consuming classes of population. Therefore, my question is whether the collaborations are meant only for the benefit of the top ten per cent of the society. Mr. Kulkarni pointed out about dolls. Should we go in for collaboration for chewing-gum? Should we go in for collaboration for underwear? In view of the foreign exchange crisis we are facing, will the Government review its policy to see that we have collaboration agreements which are essential for the common man and not those agreements where the benefit goes to the top ten per cent of the population?

SHRI K. R. NARAYANAN : Sir, it is based on our experience and on facts. I think, the hon. Member is aware that the major technology transfer which has taken place is in the field of agriculture. Our green revolution is the product of transfer of technology in the field of agriculture.

SHRI MURASOLI MARAN: I am asking about the last two years.

SHRI K. R. NARAYANAN: I am giving the background. To say that technology transfer has benefited only the top ten per cent is not justified. Even in other cases, whether it is industrial machinery, chemicals, machine tools, industrial instruments they may be in a business man's factory but these are the major instruments of development which will produce goods and services for the people and it will give self-reliance and strength to the nation.

Setting up of Financial Corporation to finance Shipping Industry

*304. **SHRIMATI RENUKA CHOWDHURY:** Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have decided to set up a Financial Corporation to finance the ship-

ping industry, consequent upon the winding up of the Shipping Development Fund Committee;

(b) if so, whether the new corporation would be manned by professionally qualified persons or by the staff of erstwhile SDFC; and

(c) whether the loan amount to be paid by the shipping companies which were getting liberal treatment from the SDFC, would be recovered in full by the new financial corporation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI) : (a) to (c) A Statement is laid on the Table of the House.

Statement

The Shipping Development Fund Committee has been wound up with effect from 3rd April, 1987 on the coming into force of the Shipping Development Fund Committee (Abolition) Act, 1986 and its assets and liabilities vest in the Central Government. ICICI, in association with other financial institutions and banks, has promoted a new organisation by the name of Shipping Credit and Investment Company of India (SCICI) on 8th December, 1986 for undertaking financing of *inter-alia* merchant shipping vessels. SCICI will be managed by professionally qualified people. It may also consider employing some of the staff of the erstwhile SDFC, depending on their suitability. SCICI would prepare rehabilitation packages in respect of those sick shipping companies which are found to be viable. Recovery of dues in respect of defaulting companies would be pursued in accordance with law.