

thing. This is the kind of understanding.

MR. DEPUTY CHAIRMAN: We go to the next item now. Mr. Ramakrishnan will continue.

### DISCUSSION UNDER RULE 176 Statement on Industrial Policy —contd.

SHRI R. RAMAKRISHNAN (Tamil Nadu): I would like to remind Mr. Patil, the hon. Minister that at 4.45, our hon. Prime Minister said that she is all for the propagation of Hindi. Many Members here raised questions in English and the Minister has replied in Hindi. Half-an-Hour Discussion is for the benefit of the whole House and not for a few Members.

MR. DEPUTY CHAIRMAN: They will take note of it.

SHRI R. RAMAKRISHNAN: Now on the socio-economic objectives of this beautiful Industrial Policy Resolution, I would like to compliment Dr. Chanana for having read all the text-books in Economics very well because from the first point of optimum utilisation of the installed capacity to consumer protection against high prices, they all look like having been taken out of the text-books. Nobody can find fault with these objectives in themselves. But the main objective should be to regulate investment and production according to some scheme of social priorities. Unfortunately, Sir, in our society as it has developed, the inequalities in income and wealth have resulted in gross distortions in the investment pattern. We find that in the non-essential sectors, the investment has gone up whereas everyday we are faced with shortage of essential goods. The accent of the industrial policy should be on the investment pattern in sectors which are essential and to step up consumer goods.

Now, coming to consumer protection against high prices, unfortunately we in India do not have a Ralph Nadar who would take up the cause. Recently, after the Minister made some statement about high prices, we were very happy to see that some tooth-paste companies had brought down the prices. Even the Minister said that it was going to be the beginning. But, unfortunately, after that, no prices, particularly in consumer goods, have come down. I would like to remind the Minister to take it up with these big consumer goods companies to see that prices are brought down to the lowest possible.

Sir, coming to the role of public sector which most Members here have talked about, I would like to state that the rehabilitation—and growth of the public sector will not come from platitude. Para 6 is full of very pompous statement that the public sector should be an effective and operational one. But, unfortunately, what is it that we find in the country today? A sum of Rs. 20,000 crores is the investment in public sector and the return is ridiculous. Perhaps, it is even shameful to see that the return is minus 145 crores. I am very happy that in the latter portions of the statement, in paras 7 and 8 he said that the Government is proposing to take effective steps. I think the Minister should emphasise upon these people, these chief executives of the public sectors, to go ahead to see that production is maximised, to see that profit is maximised, to see that infructuous and avoidable expenditure is brought down to the minimum and that they should not give the excuses that the Ministry is interfering with their day-to-day affairs. This is what they come and tell the people later. So I would like the House as well as the Minister to take note of it. Now, I come to a very important and critical thing. This is in regard to the role of the private sector, point number nine. Sir, this is a very obvious thing. Although nobody likes it, today, despite the growth

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of the public sector, despite all this talk of socialism, the multi-nationals as well as the big business houses, the Tatas, the Birlas, the Modis and whatever may be the names—there are so many names—are having a monopoly. Now, there is the MRTP Act, no doubt. Then, for the multi-nationals, there is the FERA. But all these Acts seem to have so many loopholes and there are many eminent lawyers who point out these loopholes and even if there are no loopholes, I think, there are lobbies working to see that these loopholes are created. I will give you one classic example. This is in relation to point number nine, private sector, and point number seventeen, village industries. There is the classic example of WIMCO. I have mentioned in this august House before the classic case of WIMCO. Sir, it is you and I and the housewives in our houses who are using match boxes. The entire country is self-sufficient in the match box industry. But despite all these ravings and rantings, WIMCO does not care a damn. They say 'You go on talking any amount; we have got the Minister, we have got the Government, we have got, above all, the demigods, the bureaucrats, who are with us'. You cannot do anything about WIMCO. Despite their producing the worst quality matches, their lobby is so powerful that the Government of India is only a servant of WIMCO. The WIMCO lobby is so powerful, I repeat again and again, *ad nauseum*; nobody can do anything about WIMCO. Sir, what is wrong with our match boxes and matches? The Finance Minister says so much protection has been given. Why should there be protection? You have driven out Coca Cola from this country. You should also drive out WIMCO from this country and give it to the Indian people. Our people are quite self-sufficient in this and they know the latest chemical technology. There is no need for WIMCO. There should be an Ordinance. You are issuing Ordinances for so many things. An

Ordinance should be there to see that WIMCO goes out of this country tomorrow itself.

Coming to this nucleus plants and the growth centre strategy, the Minister, of course, is aware that theoretically, this is a very sound concept. The statement in item no. eleven says that the nuclei will also ensure a widely spread pattern of investment and employment and will distribute the benefits of industrialisation to the maximum possible. The only thing is that the preconditions for the success of this growth centre strategy have not been enunciated. The only point is that the economic and social infrastructure of our rural and backward areas is such that the spread-effects will be minimised. Relevant to this is item number 11-A, ancillarisation effect. In regard to this, I would once again say that the growth of the small-scale sector, the industrial estates for which Tamil Nadu is a classic example, should be encouraged. They should be given all help for marketing along with production. No doubt, the statement says that marketing support would be given. But this should be spelt out in greater detail. I welcome the redefining of the small-scale units. This is only an acceptance of the reality of the situation.

Coming to village industries, optimum use of physical resources in our country should be emphasised in the industrial policy while carrying it out from day to day. There are examples like forestry, livestock, silk and sericulture hand-made paper, honey, organic waste, gobar gas plants and so on. The country is faced with the oil shortage, kerosene shortage and so on. If all these organic waste, the gobar gas plants and so on can be used on a wider scale, I am sure, this will result in considerable saving of foreign exchange and in regard to the question of village industries, I think, the Government should pay more attention. After all, India lives in villages and the rural economy is very

very important. I am sure, the Minister will take note of this.

I now come to point number 21. I can tell you that I am not an agent of the big business houses. In this connection, I am very happy that the economic policy had made a very fine gesture in realising the truth that the Government has to take certain decisions in regard to recognising the additional capacity. The point is, every now and then, both in this House and in the other House, there are so many complaints about this Bata, the Britannia and all these companies, which are producing goods in excess of their licensed capacity. I am very happy that the Government has realised the truth and in their desire for maximum production, they have come out with a statement on 30th August, wherein, they have notified some industries. I would like to sound a note of caution to the hon. Minister that he should put an end to these people getting further expansion and getting a stranglehold. These monopoly and big business houses have had their due share and they should not get much more than what is stated.

I now come to the export-oriented units. No doubt, export is a very important thing, in view of our oil bill which is mounting by leaps and bounds. But the domestic demand for essential goods should first be met and then only any export-oriented things should be started.

Now I will come to the point about pollution control. Paragraph 29 has no doubt, made a brilliant analysis of the situation, but you remember, there were some agro-chemicals, and due to lack of pollution control death of millions of fish had resulted. Also in the leather industry effluent disposal is very important. The Central Government should write to the State Governments to take proper safeguards to see that the effluent disposal is done properly because the ecologi-

cal problem is going to become a very big thing in the future.

Coming to the backward areas, linked up with the industrial policy is the national thermal energy and power policy which is absolutely essential. Without power there will be no industry, nothing of the sort, and it is absolutely necessary that we have more power plants. In this connection, I draw the attention of the hon. Minister and also his other colleagues about the demand for two thermal stations made by the Tamil Nadu Government. We wanted two thermal stations in Tamil Nadu. This can be properly examined.

Coming to the monetary system which has been provided in paragraph 33, the Minister has assured that the monitoring cells have been set up. (*Time bell rings*) Just one important point about the industrial sickness. The statistics reveal that as on June, 1979 there were 345 units with bank finances of Rs. 1102 crores in the large-scale sector and 21,000 units with banks finances of Rs. 245 crores in the small-scale sector. In this connection, I would like to say that it is very good that there is a provision for devising a warning system, but I would like to bring, through you, Sir, to the notice of the hon. Minister a very important problem, which is concerning the Central Government also. This is regarding the question of the Buckingham & Carnatic Mills in Madras. There are nearly 13,000 people who have been given retrenchment notices. Recently, the hon. Minister, Shri Pranab Mukherjee, came there. The Tamil Nadu Government has recommended and advised the Central Government to take it over, but there are some inbuilt difficulties which the hon. Minister can discuss with his colleagues. Here I would like to point out that in Bengal, so many factories in the worst condition have been taken over in the interest of employment. So many factories have been taken over in other States also. Therefore,

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no exception should be made for Tamil Nadu.

Coming to a very important point, in paragraph 40 I think the hon. Minister has made a small error. These district industries centres should not have been scrapped because they are doing very good work, particularly in Tamil Nadu. Instead of this, they should have been streamlined. (*Time bell rings*) Before I conclude. I would like to mention one very important point that this industrial policy should be reviewed every year by both the august Houses of Parliament. For the unemployed educated youth of India there should be youngmen's cooperatives.

I hope the Minister will consider all these points. There are so many other points which I wanted to say, but since there are other hon. Members also to speak on this, I once again congratulate the Minister for bringing forward this statement and I hope this will give a good start to the economic growth in India.

MR. DEPUTY CHAIRMAN: Prof. D. P. Chattopadhyaya. Not there. Shri Ramanand Yadav—not there. Yes, Shrimati Mukhopadhyay.

SHRIMATI PURABI MUKHOPADHYAY (West Bengal): Mr. Deputy Chairman, Sir, at the fag end of the day I won't make a long speech, we are not in the mood. The Industrial Policy Statement that the Minister has presented before us needs a lot of change, change of priorities mainly, and, it has to be readjusted according to the need of the hour. Sir, public sector has been neglected, neglected mainly by the Janata Government because they did not believe in public undertakings. Now, this Government, which wanted public undertakings and public sector to get the highest economic place in our country, should see that this sector got that consideration at all levels. The public sector is now suffering from two ills. In the managing committees, you will find almost in all

public sector undertakings people and representatives of big business houses are represented on the Managing Boards, which is very wrong. It is evident from the new policy that we are seeing after this Government came in power. May be, previously also the Janata Government were trying to do the same, but it is a very wrong thing. This is very wrong. They may be experienced in running the organisation, but there is no lack of experienced technological people and technocrats in this country. If the big business is linked with the public sector, then the interests of the big business get a prominent place through their representatives on the Management Boards as compared to people's interests. That is why I object very much to the introduction of big business people in the working of the public sector. The Minister will not be able to deny that this is not being done.

The second point I want to make is that the public sector spends from the State exchequer money to develop some basic things, some basic industry, or some basic formulations. Who gets the benefit of it? They only have bulk formulations. Take, for example, the drug industry. Because it needs research, because the gestation period is quite long, the quick buck is not returned to the big business, or the monopoly houses. What they do is they purchase the bulk formulations from the public sector and then the brand names are given by these private sector companies. The whole market is captured by them. If we spend money for the basic things, we should also utilise the basic things for the welfare of the people, and not for the big business. I hope I am clear.

The third point that I want to say is this. This is supposed to be an egalitarian society that we are living in now. Twenty-two big business houses are still throttling the life-line of the poor people. Their stranglehold is on the total economy. They are denying benefits to the working class, they are denying benefits to the

people and their hunger for profit is going sky high day by day. Any kind of law or legislation that is already there has failed to bring them to do proper justice. Even in the industrial policy or in the licensing policy, these big business people have not been subjected to any kind of restrictions. Though we have so many restrictions supposed to be laid down in the industrial policy as well as in the licensing policy, the legitimate demands of the working class about bonus, working wages, provident fund benefits etc. have been completely ignored in the industrial policy statement. Not a single line has been written to incorporate in the industrial policy that if an industry fails to do justice to its working class in matters of payment of real wages in matters of payment of bonus, in matters of States Insurance policies, in matters of their everyday work and its compensation, its licence will not be renewed. Can you show me one line in the industrial policy in which they say this? No. I expect that the Minister for Industry while revising the policy after hearing our views will take note of this serious laps in the industrial policy.

Sir, there are monopoly houses in this country. We have also brought into the picture big multi-national corporations. We think we are getting benefited by bringing the multinational corporations into India. But they exploit our raw materials; they exploit our cheap labour. They come here because of the indigenous raw materials that will be cheaply available to them and also because of the cheap labour here. But who takes the profit? Where does the profit go? It goes to their own original country and to the places they come from. Our country is not getting the benefit. Their assets and their profits have gone up 400-500 per cent. Though on paper you can say that there are a few multi-national corporations in India, yet look at their assets; Look at the black money that is being generated in the country through these multi-national corporations! They are, with

this money, surreptitiously corrupting the political parties, the political elements in this country. You cannot deny that. Let us see the experience in other countries of the role of multinational corporations.

What did they do? What did they do in Chile, what did they do in Bangladesh and what did they do in Africa? Only yesterday I was reading a report of the FAO. They said that within two years the whole of Africa will be in the grip of hunger and famine, and its Secretary-General appealed to the whole world to help the third world countries. These third world countries, these under-developed countries are the most exploited, including India. If we think that we have ceased to be an under-developed country, we are wrong. Yes, I recognise the progress we are making in a few fields, no doubt. But what about the hunger of millions and millions in this country? Are we capable enough, through our industrial policy, to give jobs to our unemployed? Are we capable enough of utilising the maximum potential and utilise it for the welfare of this country? Have we brought down prices in any manner? They are sky high now.

Dr Zakaria has said—I quote his language—that the Opposition is having the slogan of socialism and romances, with populism. Sir, if anybody can be accused of this it is the ruling party, the ruling party leaders and the Government. The party which is running the Government is tinkering with socialism. Today we have heard from one of the speakers that socialism is not our goal. When have we revised our objective? We know that socialism is our goal. I do not want to mention Dr. Zakaria's name all the time. This is putting the whole thing in back gear. No, Mrs. Gandhi was not wedded to power for back-gearing the country. I think Dr. Zakaria—since his name has been mentioned—has done great injustice to his own

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leader by saying this, and to the Constitution and the will of the people.

I spoke about hunger. Mr. Salve said that the Opposition is launching a movement for higher prices for the agricultural products and at the same time they are asking that consumers should get things at lesser prices. Where is the contradiction? He said, with regard to sugar, you have to pay more to the growers and you also want sugar at a cheaper rate. Do you know how much a kilo of sugar costs today? Or what was the prevailing price of sugar a week ago? I did not expect to hear this from the Prime Minister. She said in one of her statements that if people have developed a sweet tooth, they will have to pay more for it. I am very unfortunate to hear this. Do you mean to say that we will bring this country to that stage without sugar, molasses or without tea or anything like that? Then what is the progress? If we have developed a sweet tooth, do not accuse us. It is a sign of progress of the country. It is the responsibility of the Government of the country that elects it to give us things at cheaper prices. Where is the link between the agitation for higher prices for sugarcane and the price of sugar at Rs. 12 a kilo? When sugar was selling at Rs. 12 a kilo, sugarcane was not being grown at that time of the year. It was not in the fields. So why try to conclude like that? You are not addressing a public meeting that you can get away with anything. When Parliament is having a serious discussion, coming as it does from a person like Mr. Salve who knows the economic affairs—he has the expertise for the whole thing—giving an argument like that is something strange. What about the profiteers? What about the profiteering? What about the middle men? What about the sugar lobby itself? They have a strangle-hold on the ruling party also. Can you deny that? One of the Ministers in the

Maharashtra Government—I do not want to mention names; only one case I would mention—is the representative and her husband, who is a monarch of the sugar lobby, is the General Secretary of the ruling party.

You accuse us of asking you to pay higher prices to the growers. Is Mr. Sharad Pawar alone responsible for the increase of the sugar prices? This was long before Mr. Sharad Pawar that the khetkari mazdoors started their agitation. So this is nothing but tinkering with the problem by the Government. Then we come to. (Time bell rings) Sir, I remember it when you told me to speak for ten minutes only.

What about the cottage industry? I think there should be more safeguards for the cottage industry to flourish and the monetary system, the nationalised banks, the energy crisis and the needs of the people, all should be co-ordinated, all should be taken as a whole instead of in isolation or compartmentalised, to try to solve the problem. I am confident that the Minister being very young and very energetic will take a serious note of whatever we have said and in future try to put priorities in his policy.

MR. DEPUTY CHAIRMAN: May I ask the Minister to reply? Or, is there anybody wanting to speak?

SHRI SYED SHAHABUDDIN (Bihar): Sir, I wanted to speak.

MR. DEPUTY CHAIRMAN: But be brief.

SHRI SYED SHAHABUDDIN: I would be very brief.

As I was listening Mr. Deputy Chairman, to the very eloquent speech of Mr. Salve, I recalled that once upon a time about 15 years ago we used to call ourselves the seventh industrial power of the world and he mentioned that we are the ninth. I wonder whether it is a sign of progress.

एक माननीय सदस्य गलती से  
कह दिया, सातवां ही है।

SHRI SYED SHAHABUDDIN: Well, I do hope that we do not drop to the ninth position. He very conveniently quoted the index of industrial production for the years 1975-76 and 1976-77. But surely Mrs. Gandhi did not come to power on the eve of the Emergency. She was in power from 1966 onwards. If the growth rate is to be taken, it should be taken for the whole period. If my memory does not fail me, Mr. Deputy Chairman, the average inter-annual rate of growth of industrial production has been of the order of about 1 per cent. To my mind, that is not a very high rate of growth, even for an industrially starved country like India. Another thing that he quoted—again very conveniently—was the figure of investment in public sector. But this time of course, he took the entire period of ten years. I think the hon. Members on the ruling side should exercise a little discretion when they parade all these statistics. I do not think they should use the forum of this House to mislead the nation.

Mr. Deputy Chairman, I come to my point. I find generally—and I am not making this criticism from a partisan angle—that in our policy on industrial production what is basically wrong is its elitist approach. The industrial production must be primarily geared to meet the people's requirements of consumer goods, goods of mass consumption. And there we know that in our country the *per capita* availability of some of the basic things of life, without which there can be no human dignity at all, has fallen in the last thirty years; and that is something that the planners of our industrial growth must take into account in order to give it the right orientation. We naturally do not have unlimited industrial capacity, neither in resources nor in technology nor in skills and, therefore, they have to be utilised with a definite sense of prio-

rity, as to what we wish to produce and for which sections of the people. Therefore, this elitist burden of our industrial growth should be eroded and discarded intentionally, deliberately, if it is possible for this Government to do so.

The second point I would like to make, Mr. Deputy Chairman, is this. I find that the control on industrial production is diffused, dispersed, over a wide range of authorities whether at the State level or at the Central level. Many departments, many ministries, come into this game of industrial production. I believe industrial production is a discipline by itself. It is different from primary production, and it is different from the techniques involved in distribution. Therefore, some definite attempt should be made to revise the Allocation of Business Rules of the Government of India so that specific groups, scientifically classified, of industrial production and facilities fall under the purview of a particular department, and it should be concerned with the production aspect alone. I would not go into the details, but I believe that this sort of rationalisation will bring about a certain specialised control over production and will certainly mean elimination of wastage and also optimisation of efficiency.

Mr. Deputy Chairman, I have been told that the import licensing for some of the essential inputs which are imported from outside, is done on a periodical basis. I am not sure whether it is done on a week to week basis or a month to month basis. But it is obvious that this sort of thing produces a constraint on production and also places enormous power both in the hands of the bureaucracy and in the hands of the political executive and provides scope for unlimited corruption. I think it is in the interest of continuity of production that when we talk about licensing, we should not talk merely about industrial licensing as such, but we should talk

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about all licensing controls and issue replenishment licenses for as long a period as it is possible within a rational planning system.

Mr. Deputy Chairman, another point that I would like to make is that we must take a view of the region as a whole. I think, in our bid for self-sufficiency or self-reliance—I know this point of mine might attract the attention of the hon. Minister because he is a great votary of the principle of regional co-operation—we seem to go in for self-sufficiency in every respect. I think we must keep the vision of the region as an economic unit before our eyes when we go in for industrial planning. I am afraid today in the quantum of industrial imports of our neighbours our industrial exports are minimal. I think there has to be a two-way traffic, a matching juxtaposition, and I think the Government should make reliberate effort under the present Industry Minister to maximise this exchange, so that the entire region will grow industrially as a whole as an integrated unit.

I would like to comment, with your permission, Mr. Deputy Chairman, on a few paragraphs. In para 3 there is talk of revival of infrastructure because of 'great damage' that has been done by the previous regime and of how anxious this Government is to revive it. I am told that an Inter-Ministerial Committee, a high-level body, was created. Recently I asked for some figures. Mr. Chairman, here in this House, about the increase in coal production, coal movement and coal distribution and about the increase in power production and the power supply, and in all these, I find that virtually the situation remains unchanged one year after this Government came to power. There may have been a very, very marginal difference of 1 per cent. 2 per cent. in some cases, but that surely is not adequate. I hope that the objective of this statement

shall actually be implemented in practice.

Para 6 is about the public sector. Somehow the first sentence is beyond my comprehension. It seems to put the cart before the horse or confuse cause with effect. It says:

"An unfortunate development during the recent political vacuum in the country has been an erosion of faith in the public sector which has been reflected in its rather poor performance in recent years."

I do not know which comes first, the poor performance comes first or the erosion of public confidence comes first. I think this particular statement does not bear scrutiny. I do not wish to speak in a doctrinaire manner, but I certainly feel that the role of the public sector, after a long period of random, almost unplanned, growth, has to be restated. The focus has to be brought back to what exactly is the role of the public sector in our economy. Once upon a time we defined it in terms of controlling the heights of the economy. Today it seems to be coming into every thing, every sector of production, and that has led to diffusion of control, that has made it a haven of corruption, that has made it inefficient beyond description. Mr. Deputy Chairman, its accountability has to be looked into. Unless it is made fully accountable for its performance—along with it goes responsibility which must be vested in it—it cannot make any progress. In this connection, a reference has been made in the statement to the Fazal Committee. I hope one year after the constitution of this committee, this committee is able to diagnose the ills that plague at least some of the units in the public sector and I do (plead with the hon. Minister that the interim report of the committee, one year after its constitution, should be brought out and placed before the House.



Mr. Deputy Chairman, they have talked about the creation of a management cadre. In the debate on the UPSC report, I had myself pleaded that there should be an Indian Management Service. But in creating management cadres, which would be functional, I presume, one has to keep in view the legitimate claims of promotion from the internal cadres of these units because otherwise we shall be faced exactly with the situation which today we find regrettably in the IB or RAW or CBI or the Border Roads Organisation, because 20 years after coming into maturity, they naturally collide against these elements at the top. A compromise has to be found and some balance and adjustment has to be made.

Mr. Deputy Chairman, in para 10 the hon. Minister has stated the principle of economic federalism. I wish he had used the phrase 'decentralisation'. 'Economic federalism' is perhaps beyond my comprehension. I would plead with him that the location of a productive unit, of a big unit, should be primarily based on economic considerations, because unless it is based on economic considerations, the cost will have to be borne by the nation. But that does not mean that disadvantaged areas should be starved of industrial production. Each area has got its own advantages and disadvantages. The units to be located there need not be very big in size, but there can be many more of these. This is my plea. Mr. Deputy Chairman, and it is in this way that the objective of para 18, that is to say, the removal of regional imbalances, can also be achieved.

**SHRIMATI PURABI MUKHOPADHYAY:** They say in the absence of infrastructure, there cannot be industries there.

**SHRI SYED SHAHABUDDIN:** Why not build it? Mr. Deputy Chairman, I would like to remind the hon. Minister that there have been occasions in my knowledge

when State Government leaders have gone abroad to plead for location of industries in their own areas. I think this is a rather obnoxious practice which I hope the present Government shall try to discourage. I do not want to give instances. If the hon. Minister needs, I shall give some instances in private. It is surely wrong on the part of anybody going abroad to attract investment to this country and to plead for his little parish.

Mr. Deputy Chairman, the incentives that have been mentioned in para 19 are rather general. I think they should be specified and the period of availability should also be specified because our industry cannot grow, cannot mature, if it is going to live on crutches for all time. Therefore, the nature of the incentives, e.g. subsidies, and the period for which they are to be available have to be stated in very clear terms.

In para 21, Mr. Deputy Chairman, they have talked about recognition of actual capacity. One really wonders how this anomaly has arisen. But this anomaly has to be recognised, has to be corrected. But please, for God's sake, don't do it on a selective basis. This selective basis is bound to introduce corruption, is bound to introduce mismanagement, is bound to introduce a preferential treatment, is bound to introduce politics. If you want healthy economic growth, and if you recognise that by virtue of modernisation, by virtue of renovation, a particular unit has been able to produce more than what was originally sanctioned go in for a review of its capacity and make the necessary changes in your notebooks about their actual capacity. But do it for all units and not on a selective basis.

In para 24 they have talked about foreign investment. They have not used these words, but actually they have talked about foreign investment. About the entry of multinationals through the backdoor. I am in favour of foreign investment but the area of foreign investments must be specified. It should be an area of

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sophisticated technology which is not available in the country. It should be an area in which a real capital investment is being made by the foreign partner. The foreign partner should not be permitted to play with the money of our own people, with the local deposits in this country. The local deposits should be used by local entrepreneurs. If a foreign entrepreneur comes in, he must bring his own capital, his own share of equity capital as well as his own working capital. And to my mind, the 40 per cent limit under FERA is not enough. I would like to draw the attention of the honourable Minister to the practice in some South American countries where they are in need of foreign investment and invite foreign investment, but then they tell them, there should be an inbuilt clause that there is progressive indigenisation of the equity over a specified number of years. That is to say, we may start with 50 per cent but state in the contract that over the next ten years there shall be indigenisation in a phased manner till at the end of the specified period of ten years the unit becomes 100 per cent Indian and we have complete control over the technology that has been imported and over the unit that has been built... (*Time bell rings.*) Mr. Deputy Chairman, just half a minute more I need.

Coming to para No. 40—District Industries Centres—I find to my surprise, perhaps it is not known to the honourable Minister that the Ministry has been issuing beautiful brochures almost every month and every week about the great work being done by the DICs. There seems to be some anomaly somewhere; perhaps either the Minister does not know how his department is working or the department does not know how the Minister is functioning. All I would say: if the DICs are not functioning well, learn from the experience and improve them. There is need for them and there should be a total industrial planning for an entire dis-

trict. A district is a big enough area for such planning, macro as well as micro planning. Let that be done by the DIC and let it be a responsibility of the DIC to execute it. Let not the DIC wait to take up new projects only when an entrepreneur comes and then they do what is supposed to be done. No. They should take the initiative to plan and implement. The responsibility of the DIC should be to formulate a district plan and to implement it. And of course, there should be a constant review of their performance.

And finally I would love to come to the point of pricing. Pricing in the public sector is an illusory concept particularly where it happens to be a monopoly item. What is the price? Whatever the Government says, shall be the price. Therefore, in deciding the price you have to take social inputs into consideration, as Mrs. Mukhopadhyay has pointed out. I find in the paragraph on pricing there is not a word on limiting the profit content of the entrepreneur. How do you work out what should be the price of a product? There has to be a social philosophy that the profit whether it is public sector unit or a private sector unit shall not exceed a particular limit. I do not want to be very stringent, I want to be very generous. I want to give incentive and encouragement. Let there be a social limit that the profit of an industrial unit shall not exceed 10 per cent or let it be 6 per cent or let it be 15 per cent. Whatever it is, let it be known publicly that there is a limit. And it is only after keeping that limit in view that you can resolve such a contradiction as was pointed out by Mr. Salve. Even if the price of the input to the primary producer goes up you can still provide the finished product, make it available to the consumer at a cheaper price. Mr. Deputy Chairman, this is not a battle which is restricted to India alone. This is an international battle. In the north-south dialogue we are all the time talking of a higher price for the

primary producer and a lower price for the industrial finished produce. And it is possible to resolve this contradiction so long as you have got a clear social thinking on this point.

**SHRI CHARANJIT CHANANA:**

Mr. Deputy Chairman, this has been a very interesting debate and the absence of people who indulged in some abuses also is a very interesting and conspicuous thing, although I am not going to abuse them back even if they were present here, because the age factor, the seniority factor, these factors do not allow me to do that. Even if they were here, I am not going to abuse them (*Interruptions*) What I am saying is people like Mr. Kulkarni might abuse me but even if they were here, I would not abuse them back. That is not the kind of discipline under which I have been brought up. But I would also take the benefit of honourable Members like Mr. Shahabuddin. But I really appreciate the former bureaucrat pointing out the negative points of bureaucracy. I am glad that we will take all the benefits of your experience both now and afterwards also.

**SHRI NARASINGHA PRASAD NANDA:** He is a bureaucrat-turned-politician.

**SHRI CHARANJIT CHANANA:** That does not require the negative part of it at all.

I would like to cover practically as many points raised by the hon. Members, as possible. If still something is left, I shall appreciate if those who are present raise it also. I welcome that.

I personally feel that there are quite a few things which only need clarification or only need, even at the cost of repetition, reiteration of the points which I have been making here even in the process of answering questions raised by hon. Members. If you raised the question of promoting monopolies or multi-nationals and foreign capital,

just as a slogan it is all right and I can always appreciate that. The Members do need some slogans because slogans are an incentive. They are not subsidies. Just now an hon. Member was mentioning about subsidies and incentives. There is a difference between subsidies and incentives. When something is correlated to the result, then it is not a subsidy. It is an incentive. I have talked about incentive and regular evaluation of incentive. In the past we have seen some incentives being given which were not used. Even when they are used, we have to do constant evaluation of incentives and in this we have to change the whole content of incentives which vary from area to area.

First I will take up the question of correction of regional imbalance. I am not going by the order of the thing. Before that I would like to clarify the point which the hon. lady Member said. She wanted me to change the priority schedule. I would remind her that I am under the same umbrella under which the priority schedule frame was made. I respect the same ever since I have been under that umbrella. A few things I have to clarify. We are giving due importance to that and how and why we are doing it. For example, friends have talked about my mentioning about the erosion of the concept of public sector. I know you do not like my mentioning it as nobody's sector. I am closer to the performance of each and every unit in the public sector. We are not only going to raise the slogan of optimising the working and efficiency of the public sector. We have the pricing also in view. We are not excluding or exempting public sector from anything. But public sector has to survive in the interest of the public. Public sector belongs to the public. Everybody must understand that the public sector belongs to the nation. Once we have that faith, that means revival of the public sector. In that we do not have ready-made solutions. We just cannot develop capsules.

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No. We have to develop systems and work out and diagnose ailments in each and every public sector. You do not like my having said that we inherited a public sector which had damages. I would give the figures, which I know are not very pleasant ones to my friends. My friends said that the public sector did behave during the Janata period. Others said that the public sector did not do anything during Janata period. In the 33 months' time they had done nothing. I agree. I wish they had not done anything. They have undone many things and one of the things that they have undone is the public sector. The total net losses in the public sector, of all the public sector undertakings, during the last three years came to Rs. 1,539.65 crores. If this figure touches Rs. 1,600 crores and if it does not pinch you, it means you have no faith in the public sector and whomsoever it does not pinch, he does not have faith in the public sector and this is the first and the most important thing. Then, if I go from unit to unit and give you the unit-by-unit figures, they will be staggering figures and you will be surprised to know what had happened to such units where the utilisation had once been sixty or seventy per cent and when we inherited them it was only 20 per cent. My dear friend, I agree with you, on the 23rd July a statement was made and till today those units have not started functioning and they have not touched the figure of sixty or seventy per cent, but they are well below that figure. That is one reason. Then, Dr. Bhai Mahavir was quoting Professor Collin Clark and other people. You have to understand the things first. I have nothing against Collin Clark or Adam Smith or the other economists or even Chanakya who wrote the Artha Shashtra. There are many things which are true even today in the field of economics and in the application of economic theories and principles. But I think that we should

not have any allergy at all to new theories, to new concepts and new systems to cure a particular disease. Now, my main point is this: He was talking of the take-off stage and I need tell the House the definition of the take-off stage. He was quoting figures and trying to tell what the take-off stage was in 1976-77. But kindly tell me one thing: If the addition of losses to the extent of Rs. 1,539.65 crores is not a thing known as the infrastructural damage done to the runway on which the economy was to take off, then what else is it? Tell me one particular indicator. You are talking of the 1.4 per cent growth rate. That rate is the total growth rate. But I am talking of the industrial growth and the industrial growth rate in 1976-77 was 7.4 per cent. This is one thing and it is the annual growth rate that I am talking about.

SHRI SYED SHAHABUDDIN: Take the average for ten years.

SHRI CHARANJIT CHANANA: If you want to play with the statistics or indulge in the game of statistics that is a different thing. I may also say that we should take ten years or fifteen years, or twenty years, or whatever suits me and talk on that basis. But I will not make use of the statistics to my convenience. No. I will not do that and I am not doing that. I am just quoting statistics only to clarify certain things and where necessary.

SHRI NARASINGHA PRASAD NANDA: Sir, let us not go into the question of statistics, because like the swimming suit they reveal what is not real and conceal what is real.

SHRI CHARANJIT CHANANA: I have said in the House that as far as the large houses are concerned, as far as the monopoly houses are concerned—they have talked of excess utilisation of capacity, etc.—I have said there will be selectivity and selectivity was to be and it has to be and it will be in the interest of the

small-scale industry, of the tiny sector, and both the sectors we want to see as the growing sectors. There is already a legal frame, there are laws, to see to the proper behaviour of these big units. We are not at all interested in the big ones becoming bigger. We are interested in the tiny ones, we are interested in the small-scale units, in their being and becoming growing units, growing sectors. Therefore, when I have talked of modernisation in this policy statement, modernisation does not have to be limited to the larger units only. No; it is not at all to be so. We want modernisation to travel down to the tiny sector and here our friend was quoting Mahatma Gandhi and Jawaharlal Nehru to say that there is a clash between what Mahatma Gandhi said and what Jawaharlal Nehru said. I am a student of Gandhian economics myself and I would only like to say that between the two persons, there was one philosophy which was one of complementarity rather than of clashes and I would only remind the Members of what Gandhiji said. He said: "What I am saying today may not be true tomorrow." But, in spite of that, Sir, his philosophy is found to be immortal. We did learn from the philosophy of Gandhiji and, therefore, when I talk of the village industries, I would like to mention one thing. I would like the honourable Members of the House to visit the nuclear plants or the other complexes which are developing. I am not at all against any nomenclature and I am not against the "DIC" at all. I have asked only what you are doing about them at all. We are not against it. We only want that the honourable Members should see and then talk about the functioning of the DICs. We won't give it any name. I do not have the phobia about the nomenclature at all. But we want that industrialisation should mean industrialisation and the impact of industrialisation must reach the common man, and it must go down to the village. Villages cannot prosper unless and until we convert each and every vil-

lage of ours into economically viable villages. I will give you examples of such complexes. My hon. friend raised a very important issue that economic models must be raised in such a way which are viable models according to the infrastructure of that particular area. Many industrially backward areas do not have the infrastructure. We are going to create the infrastructure. I have written to all the Chief Ministers of all the States in the country to at least identify two such districts in a particular State—at least two; may be three or four—We have already started with the State of Punjab, in my State, the question of district may not arise. We have to identify more areas or we will identify viable areas. We are expecting the Sivaraman Committee Report. Your point is a very relevant point. That point is also under the consideration of this Committee and we are expecting that report. But till that Report comes, we have already requested them to identify two districts in that particular State. The most important thing we will see about that is what is the economic infrastructure of that particular area, what is the potential there. I will give you the example of District Banswara in Rajasthan. There is another district of Shri Ram Niwas Mirdha. It is not that he belong to that district, but it is just by chance that we have it. Nagpur is the district where we had 700 families involved in hand-tools. And you would be surprised that hand-tools exported dominated those made in Nagaur till two or three years back. Today, I am told, there are only 178 families. Many people have gone away. We want to regenerate the economics of that particular area. The HMT is doing a report on that particular area, and we want that township to acquire that industrial life once again. Mr. Deputy Chairman, Sir, there are clusters of villages which have the skill to make hand-tools. I would only like them to get back their jobs. We have no phobia at all. My friend mentioned

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about Gandhiji. Gandhiji never wanted villages to be synonymous with backwardness. In many parts of the country, I know, if somebody wants to call you backward, he will say 'तुम मंदार हो' In Punjab if somebody wants to call you backward, he will say, 'तुम रूढ़ हो' I do not want synonyms to remain at all. I want the people to have pride in the villages. And that is possible only—our villages are rich in social and cultural viability—when they regain economic viability; we want the villages to regain economic viability.

My friend mentioned about the poverty line and the ratio of poverty line. My dear friend, the poverty line is a very relative thing. Today if you decide: Look, we do not have to do family planning, where the poverty line will reach, I think it might be beyond your imagination. If you try to work out economic formulae, try to build up models, it may not be there at all. What is very important here is this. I am talking of the optimum utilisation of resources. Man-power is a very important factor of production. I must say this. What we are doing today is, after getting those areas identified by the Chief Ministers of different States, as I have said,—I am not saying theoretically 50 districts, 50 areas will be identified. After they are identified, we will have the industrial plans prepared, not theoretical but practical ones. We are having the monitoring system. We do not go only after the Press photographs. Of course, such things are also an incentive to the people of that area once their photograph comes in newspapers. That also plays a very important role and that is a positive incentive also. For example, Khanna in Punjab used to be, once upon a time about 60 years ago, the commercial capital of Punjab. We have identified that area as an industrially backward area to be developed as a nucleus plan complex. Now, where

is the need for foreign capital to come in? I have no phobia about foreign capital. My policy is committed to one thing. It is advancement of technology and the advancement of technology has never to hit the employment aspect at all. We want that type of technology. It does not have to be imported from outside. It has to be developed. I want systems which can give me larger productions, higher production, higher efficiency, lower cost of production and higher *per capita* income. This is the system which can generate larger and larger spread effect.

SHRI M. KALYANASUNDARAM:  
Employment potential.

SHRI CHARANJIT CHANANA: My friend asks about employment potential. I want systems which can generate more and more employment and the systems which generate more and more employment are only such systems which have an employment potential. There might be some areas where, for example, they have problem of man-power.

SHRI NARASINGHA PRASAD NANDA: Are you really carrying out the exercises on those systems or you want us to suggest those systems?

SHRI CHARANJIT CHANANA: The systems are never suggested. The systems are always evolved. They do not have to be imported. You can always suggest. Your suggestions will be one of the most important parameter to build those systems. Now, what I am going to do is this. My friend's comment is very good. I would like your participation in respect of your State. Your wisdom would be my parameter. These systems do not have to be imported at all. These systems have to be evolved by the people. They must own the systems. Let each villager say that this is my plan and my system and that I have done it. (*Interruptions*)

श्री हुसैन दवे नारायण यादव: काहे का है...

(Interruptions)

श्री चरणजीत चानना: इसलिए है, स्याए है, उनकी जो आवश्यकताएँ, जो कमियाँ हैं उनको पूरा करने का काम काहे को नहीं कि उस सिस्टम से जो सम-आपका और हमारा है इक्कटठा मिलकर।

Now, I would like the House to note one thing. The rate of inflation has come down from 20 per cent to 13.4 per cent during January to November 1980. These are the indicators which are there for the House to interpret. These are the symptoms. I do not know if some friends have their own interpolations. The negative rate of industrial growth has been reversed and a positive rate of growth has started. Some figures were given by friends. I have also got figures. It is not 9th. We are sometimes 6th or 7th. In October 1980, compared to October 1979, there is 4.9 per cent increase in the index of industrial production. One very important indicator is that the capital goods industries have recorded a growth of 12.8 per cent during April to September 1980 as compared to the same period in 1979. Whenever you have capital goods industries and the growth rate in that industry, the impact of capital goods industrial growth rate on the general growth rate is after about 18 months or more depending from industry to industry. Consumer goods industry recorded a growth of 3 per cent in April to September 1980 compared to the same period last year. Now, there is the question of industrial infrastructure. My friends generally don't like to accept one particular thing and it is that there were some damages done. My friends should know that when they damage the environment that is the biggest damage. When the investment environment is damaged, it is very difficult to cure it. You know it. (Interruptions) My friend wants me to give him the figures. I will give

the figures. I am talking of the investment environment...

MR. DEPUTY CHAIRMAN: Mr. Minister, please do not reply to the present points.

SHRI CHARANJIT CHANANA: He is only helping me in replying. That is an uncommitted understanding between us. Now, Sir, one of the indicators is the issue of letters of intent. And here I would bring up the issue raised by the hon. Members earlier, the bureaucratic delays, etc. As far as corruption part is concerned, nobody is going to tolerate it at all, at any stage, at any cost.

SHRI SYED SHAHABUDDIN: Except at the higher level.

SHRI CHARANJIT CHANANA: Well, the hon. Member is probably conversant with the higher levels better than anybody else. I would not like to talk in those terms. Sir, the first thing that we did about the registration of medium-sized units which are up to an investment of Rs. 3 crores—between Rs. 25 lakhs and Rs. 3 crores—was that the minimum period used to be 45 days. We brought it down to seven days. And we made it clear that on the 8th day, if the applicant does not receive a reply, then the receipt of the application will be recognised as the registration certificate for that. Now this particular process has generated a higher rate of registrations. Similarly, in the case of industrial licences, there also, the rate of industrial licences has gone up from the year 1978. It was 440 in 1978; 550 in 1979; and 733 in 1980 from January to November. The total number of industrial licences issued that is the letters of intent, is 342 in 1978; 765 in 1979, and 439 in 1980. Sir, the friends here talked about the policy and the MRTP increase. I would only like them to note down these figures so that they need not have to put this question again. In 1978 the letters of intent issued to the MRTP comprised of 14.8 per cent; in 1979, 14.5 per

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cent, and in 1980, in 11 months, it has come down to 10 per cent. Similarly, the industrial licences in 1978 was 16.4 per cent.

SHRIMATI PURABI MUKHOPADHYAY: The number may be less. But what about the money involved?

SHRI CHARANJIT CHANANA: In the case of industrial licences, the letters of intent would be a thing after the investments are made. That figure also, we would give you. In 1979, it was 19.5 per cent—it went up. And in 1980, it is 14.8 per cent. And I can only assure the House that this figure will always be going down and down because we would work under the same priority schedule as the hon. Member had talked about.

Sir, I would not like to leave the points raised by the hon. Members.

SHRI NARASINGHA PRASAD NANDA: About economic federalism.

MR. DEPUTY CHAIRMAN: He cannot reply to every point.

SHRI CHARANJIT CHANANA: Sir, Mr. Kulkarni and Mr. Kalyanasundaram also talked about one particular thing. And that is very interesting. Immediately after the Policy Statement was made, friends came up with one particular criticism that this 1956 Resolution has been ignored. And they later discovered that they had left out reading the first paragraph. After they had read the first paragraph, since they had made a mistake, they still stuck on to it with different arguments. I would only tell my friends that if they want to make a statement on the deviation of our policy, of our operation, of our implementation of the policy anywhere from the 1956 Resolution, they will be highly disappointed and their criticism would be found baseless. I am coming to the instances that have been quoted here. Shri Kulkarni quoted the 1956 Resolution and Pandit Nehru. The only

fault that we had in our Policy Statement was that we did not attach the 1956 Resolution as an appendix to the Industrial Policy Statement. I would only clarify that the copies of the Policy are available in the Ministry. My friend should take them and compare and see that they would not...

SHRI M. KALYANASUNDARAM: Let me put the record straight. My point is that the implementation of the 1956 Resolution was done in the opposite direction which led to the growth of multi-nationals and monopoly houses. I have given facts.

SHRI CHARANJIT CHANANA: Now I am coming to your point. The hon. Member has taken the figures between 1972 and 1977. And here he is talking of absolute figures. I would suggest to take the totals. Then out of the totals the share of the M.R.T.P I have already given. I just now talked about decreasing percentages. My request is that these figures are absolute figures and absolute figures are not as meaningful. My friend, Mr. Ramamurti, told me that our friend, Mr. Kalyan Roy is very fond of statistics. But my only suggestion is that kindly take the total figures, have the relative figures, then quote them rather than the absolute figures of 1972 and 1977. Take the total investments then out of that see what is the role played by them.

Then, when you have talked about the biscuit companies, we are taking action. I have already said this thing.

MR. DEPUTY CHAIRMAN: What about fisheries? It is very important.

SHRI CHARANJIT CHANANA: Our friend had said that we do not do anything to avoid the concentration. Mr. Ramamurti said this thing and a few other Members also said this thing. I would only like you to read the para connected with nucleus plants. I have not said this to give it a new nomenclature. You call it by any name. We can even rechristian it. The only thing is that



we want minimum concentration of investment in the nucleus plants. We want the nucleus plants to generate two things. One is the backward linkages and the other is the forward linkages. If HMT stamp can help, may be the tiny industries, small-scale industries, I would like to do it. I have asked all my public sector units to help me in developing these 50 to 55 industrially backward districts. How shall I do it, I will tell you. I have asked all my public sector units to prepare the list of such products which are today being imported. I want indigenisation of all the products. Now, the small-scale industries would be doing it without making a slogan or announcement. I would be setting a process in motion. With that process in motion they would not only be generating ancillaries, creating ancillary effect but increasing this effect also and what is the most important thing is that it will not lead to concentrating at all. It will be a spread effect of all that and the marketing of these small units, these tiny units, will be there, so that they do not die. The one reason why in these industrially backward areas, the momentum of start could take place was this particular thing. This was the result of analysis made by all of us, by various committees. That is why we thought that the most important thing for industrially backward areas is to gain the momentum of start. What we should do is that we must have a few nucleus plants and here, I may tell you, the public sector units would play the most important role in this particular thing. It is because the public sector has the benefit of being the most reliable sector for re-generating the economy. I have said it time and again and even at the cost of repetition, I would like to say this.

**SHRIMATI PURABI MUKHOPADHYAY:** What about standardisation when you take the HMT stamp?

**SHRI CHARANJIT CHANANA:** This is a very interesting issue that

the hon. Member has raised. Ancillarisation means, suppose I identify that nuts and bolts will be manufactured by an ancillary unit. It would involve raising infrastructure of the unit, telling them that it is their own raw material and it would be inspected stage to stage so that my product remains under the statistical quality control also, and we do it right from the beginning so that in this exercise, the small unit does not suffer at all. Now, why am I involving the Chief Ministers of the States? Our friend, Syed Shahabuddin may have something against a Chief Minister in import commitments but he is not against the Chief Minister developing his constituency and—if the Chief Minister comes along with proposals for 2 or 3 districts which are industrially backward, because they also belong to our country, and I do not want the Chief Minister's constituency to suffer only because it is Chief Minister's constituency.

**SHRIMATI PURABI MUKHOPADHYAY:** The Chief Ministers seem to be going for their own State through you.

**SHRI CHARANJIT CHANANA:** Each State Chief Minister is trying for his own State. Now, friends had mentioned about industrial relations. They would be happy to know—even if they criticise in the House, there is one plus factor that whenever there is something good, they always recognise it—that industrial relations have shown tremendous improvement. There is a fall of 75 per cent in mandays lost due to industrial unrest during January to October 1980 compared to January to October 1979. Mandays lost during January to October 1980, were 8.85 million as against 35 million during January to October 1979. But this is not the end of it. My leader had one particular method of appreciation and he always said: It is good but it is not enough.

**SHRI SYED SHAHABUDDIN:** Why did Mr. Salve complain?

SHRI CHARANJIT CHANANA: I am clarifying all these things for the benefit of the House.

MR. DEPUTY CHAIRMAN: Many Members have gone out. So those who are present here, to them he is replying.

SHRI CHARANJIT CHANANA: Production in the public sector units in the Department of Industrial Development is up by 27 per cent in January to October 1980 over the same period last year.

Now, friends, we are trying to look at some important industries like cement, paper etc., both from the immediate problem of development as also perspective development. For perspective development, what we are trying to promote is, we are trying to promote modernisation of the whole plant because 280-ton per day plant is a plant of yesterday, an obsolete plant. We want to get rid of the obsolescence and in getting rid of it is a part of the plan for modernisation of our plants. We are asking each and every unit in the industry. Friends would appreciate one thing that while we have recorded a 27 per cent rise in the industrial growth in our Ministry, in the Department of Industries, the damages done are reflected in the heavy industries. If you demolish a big building, it will take longer time to raise that big building. Now, there also, in the Department of Heavy Industries, Jessop and MAMC have shown increased production of 10 per cent during January to October 1980 over the same period last year while other companies improved performance is as follows:

Lagon Jute—144 per cent.

Standard Wagon—36 per cent.

Scooters India—25 per cent.

Bharat Heavy Plates & Vessels—59 per cent.

Tungabhadra Steel Project—30 per cent.

Bharat Pumps & Compressors—18 per cent.

Bharat Wagon Engineering Ltd—86 per cent.

3 P.M. These percentages are quite encouraging percentages. But even then, we are asking them to go ahead and try to see that optimum utilisation is made of the installed capacity in each and every public sector undertaking. And, as a matter of policy, we have taken up unit by unit examination of the performance of each and every public sector undertaking under the Ministry of Industry.

Now, I would also like to say that the performance in regard to industrial licensing has shown a tremendous improvement during the period January to November, 1980, as compared to the period, January to November, 1979. Letters of intent—percentage increases I am talking about—74 per cent; industrial licences issued—36 per cent; capital goods approval—60 per cent; foreign collaboration approvals—82 per cent; letters of intent for backward areas—50 per cent. I would also like the House to know about the pending cases. Pendency, beyond time-limit, of non-MRTP applications—only 11 per cent. Pendency, beyond time-limit, of MRTP applications—23 per cent. Then, sanctions and disbursements by financial institutions during the period, January to September, 1980. Why I am talking about the financial institutions is that it is a part of the monitoring system. In regard to the issue of licences, we are going to monitor the implementation of licences, translation of licences into plants. This is very important, as has been pointed out by hon. Members that we should not allow the pre-empting of the capacity licensed and allow the vested interests to sit on it. I have mentioned as a par-

of the industrial policy statement, that we would not only cancel the licences, but we would also penalise those people who are pre-empting these things. We have also started a process of prescribing a particular date in regard to the back log of untranslated licences, unutilised licences, and we would cancel all those licences up to a particular date. I am not going into the details because it is an inter-ministerial process. We have advised all the Ministries to adopt this process and the impact of this process would be known very soon. (*Interruptions*).

**SHRI NARASINGHA PRASAD NANDA:** Please also look at your watch.

**SHRI CHARANJIT CHANANA:** I would like to reply. I cannot do what you can do. You can always go, as per your sweet will.

**SHRI NARASINGHA PRASAD NANDA:** Take your own time. (*Interruptions*).

**SHRI CHARANJIT CHANANA:** In regard to the reservation for the small-scale sector, even at the cost of repetition, I would say that the policy of reservation remains as alive as possible. Mr. Kulkarni mentioned about some code numbers. He forgot one thing. Earlier on, in this House, I requested him to give me a list of all such encroachments and I would take immediate action in the matter. He probably forgot the later part of the sentence I uttered in the House. I would only like this to be recorded so that when he goes through my reply, if at all he does, his attention is drawn to this particular thing. (*Interruptions*).

**SHRI M. KALYANASUNDARAM:** Sir, we are discussing a policy matter. All these local issues need not be discussed here. I would suggest to the hon. Minister that he may send replies to the hon. Members concerned.

**SHRI CHARANJIT CHANANA:** I have already replied to all these things. Now, the question of foreign companies and so on has been mentioned. I would like hon. Members to know one thing and this is a very important thing. One important aspect of the industrial policy is that we want the industries in our country to live today for tomorrow to come. We do not at all want that our industries should live in yesterday. For this, one very important thing is that we must keep on updating technology. Initially, may be, we have to have transfer of technology. But in the process of transfer of technology and distributing the technology, what is very important is, we must give top priority to R&D in our own country because our major interest lies there. As our friends have mentioned about South Asia, it is one economic region. In fact, he knows it that from the strategy point of view we want the friendly countries to get as much help as they want in this matter for mutual economic development. We do not want clashes to be there. We want complementaries to develop. What we wanted is the advancement in technology and in this respect our Government gives the top-most importance to the transfer of technology in such a way that there is a transfer of software, because our country has two big advantages today and we must see that those advantages are acquired in the interest of the nation. Therefore, we have to be alert, alive to the situation. Just now our friend was saying that the foreigners come here, get the benefit of low cost. It is there, but along with the benefit of low cost there is the benefit of infrastructure which has the highest capacity of absorbing the latest technology. So, the process may not only be importing software, it is being linked up with two things. One is the import of software and the other is the buy-back system. As my friend knows about it, we export hardware and we do another thing that is we export software to the developing countries. Now my Communist friends may not like my saying this at all, but even

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if it is a little bitter, I would only request them, in the interest of the country to see that whenever they talk of the public sector, it should be taken as their own sector. It should not be like that that Russia is adopting one technology or China was adopting another technology. I do not want that. Wherefrom I get the advantage of an exercise, whether it is China or Russia or any other country. I would like to take it I may refuse to take the benefit of an exercise, for example importing Coca Cola by China. I would not like to take that example to be there at all, but the acquisition of the latest technology in the interest of the country in such a way which suits us the most and more so because we are today facing a crisis which again we inherited. I would like to mention one very important thing, that is, the Janata period was slightly less cumbersome for them because they also inherited one thing. Besides the chair they inherited two big shock absorbers. One shock absorber was the huge foreign exchange reserves.

SHRI SYED SHAHABUDDIN:  
They made it bigger.

SHRI SYED SHAHABUDDIN:  
says that they made it bigger. He forgets one thing that when the foreign exchange earning starts, there remains the pipeline also. Yes, they did make it bigger because they got the benefit of the things in the pipeline also. They immediately added to that. But that was added only up to a few months of the first year. After that they did not start. They only ruined things. At least we are interested in creating and transferring technology, but they did nothing. What they were transferring to the nation was a liability. I am not trying to abuse. I am just stating the factual things. What they did was, they converted the national assets into national liabilities, not knowing how difficult it would be for the future generations.

What they inherited the other thing was in the shape of the foodgrains storage for at least two or three failures of the crops.

SHRI SYED SHAHABUDDIN:  
There also they made it bigger.

SHRI CHARANJIT CHANANA:  
There also they did one thing. I repeat, having mentioned in the House also, that what they did was that all the Janata people went to pray the *Indra Devta*. He sent rains and he came to their rescue. My dear friend, you did not add anything at that time. Unfortunately they were experts in substracting things and I cannot congratulate them for having permitted such exercises which led to national substractions. No, That has not even done at all. If you had made some addition, I would have had definitely the privilege of congratulating the Government. But unfortunately, I do not have any background, nor could my friend give me any statistics to praise them.

So, my friends, if you want I can take up one by one whatever points you want, but I have, in fact, tried to cover the main points. And I would only like to say . . .

SHRI SYED SHAHABUDDIN:  
What about progressive Indianisation?

SHRI CHARANJIT CHANANA: . . .  
Thank you very much. Thank you. Mr. Deputy Chairman.

MR. DEPUTY CHAIRMAN: Thank you very much, hon. Members, for the interesting discussion and thank you, hon. Minister, for the reply.

I adjourn the House till 11 O'clock tomorrow.

The House then adjourned at eleven minutes past eight of the clock till eleven of the clock on Tuesday, the 16th December, 1980.