

interest in the economy of the railways that we do not have more men to man the same jobs.

*410. [The questioner (Shri R. P. Khaitan) was absent. For answer, vide col. 30 infra.]

APPLICATION FOR INDUSTRIAL LICENCES

*411. SHRI M. K. MOHTA : Will the Minister of INDUSTRIAL DEVELOPMENT/ औद्योगिक विकास मंत्री be pleased to state :

(a) what is the number of applications pending for industrial licences as on the 30th June, 1971, and the employment potential of the proposed projects ;

(b) the proposed employment of capital and the expected value of annual production of the said projects ; and

(c) the steps contemplated for early disposal of such applications ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT/औद्योगिक विकास मंत्री (SHRI MOINUL HAQUE CHOUDHURY) :
(a) to (c) A statement is laid on the Table of the House.

STATEMENT

Out of the applications received upto 30th June 1971, 2592 are pending for disposal. This number includes 690 applications received during April 1971 and subsequent months. It also includes 783 applications which have already been put up to the Licensing Committee and in respect of which decisions would be immediately communicated to the parties, except where prior clearance is required under the Monopolies and Restrictive trade Practices Act, 1970 or the matter requires to be placed before the Cabinet Committee for Economic Coordination.

2. Government is aware of the need for quick disposal of applications for industrial licences and a number of steps have recently been taken to speed up and rationalise the procedure. Action has also been taken to simplify and speed up the procedure for import of capital goods. Orders have, for example been passed to the effect that the Licensing Committee should meet every fortnight and, if necessary, more frequently to dispose of pending

applications. Steps have been taken to suitably augment the staff and equipment of the Licensing Committee Secretariat for handling the licence applications. This Ministry convenes frequently Ministerial and inter-Ministerial meetings to review the position of pending applications. The Minister of Industrial Development has himself been holding review meetings for this purpose. As a result of the concerted drive launched to clear pending applications, 374 licences and 542 letters of intent have been issued during this year, up to 30th June 1971. This figure compares favourably with the total number of 363 licences and 438 letters of intent issued during the whole of 1970. Steps have also been taken to further liberalise the exemption limit for industrial licences in respect of restrictions relating to imported equipment, components and raw materials. It is hoped that with all these measures, together with the steps taken to liberalise the allocation of scarce raw materials, the pace of industrial development will get speeded up.

3. Information in regard to the employment potential of the pending licence applications and total capital which would be invested as a result of these applications, is not being maintained.

SHRI M. K. MOHTA : Sir, it is very strange that in the last part of the statement the honourable Minister states, "Information in regard to the employment potential of the pending licence applications.....is not being maintained." I understand that there is a separate column in every application for an industrial licence giving the employment potential of that particular application. And it should have been a very easy matter for the Department to add up the employment potentials and inform the honourable House about it. It has been estimated that 1½ million is the employment potential of these 2,592 applications which are pending with the Ministry. That is of direct employment. Another equal number would be the indirect potential. That means 3 million people are deprived of jobs because these applications are lying with the Government. That is the extent of the problem. May I ask the honourable Minister in this respect whether the previous practice of completely delicensing several important industries such as paper or cement or pulp or some such important articles, is going to be revived by the

Government so that on the one hand the work load on the Ministry is reduced and on the other hand industrial development does not suffer? That is my first question.

SHRI MOINUL HAQUE CHOUDHURY : No.

SHRI N. G. GORAY : Is that the way to answer the question?

SHRI MOINUL HAQUE CHOUDHURY : The question was whether we are considering the further delicensing. My answer is 'no'.

SHRI M. K. MOHTA : The honourable Minister in his statement states that during the year ending on 30th June, 1971, 374 licences were issued. At this pace it will take seven years to clear this backlog. And still the statement says that it is hoped that with all these measures, the pace of industrial development will get speeded up. Will the honourable Minister spell out how exactly it will be speeded up and how these licences will be given in less than seven years?

SHRI MOINUL HAQUE CHOUDHURY : In the whole of 1967 the total number of licences issued in this country was 293; in 1968 only 221; in 1969 again 221; in 1970 the figure was 363. If that be the performance year-wise from 1967 to 1970—in 1971 during six months we have issued 674 licences—I can reasonably hope that the pace of industrial development will be speeded up. Certainly, we are taking further measures as indicated in my answer as a result of which we will be able to clear much amount of backlog.

SHRI M. K. MOHTA : I seek your protection, Mr. Chairman. At the rate of 374 licences, to clear 2,592 applications it will take 7 years. Yet the hon. Minister says that the pace of industrial development will get speeded up. How can it get speeded up? In the past, performance has been very bad. That is no consolation to us. Three million people are not getting employment...

MR. CHAIRMAN : That you have already said. That is a matter of opinion.

SHRI M. K. MOHTA : Arithmetic cannot be a matter of opinion. It will take seven years. How will it get speeded up?

MR. CHAIRMAN : He has answered that.

SHRI PRANAB KUMAR MUKHERJEE : The present arrangement is that every application for licence is scrutinised by two committees—one by the Industrial Development Ministry and the other headed by the Secretary of Company Affairs Department. As a result of this arrangement, much time is wasted because the nature of scrutiny is more or less identical. In view of that, may I know from the Hon. Minister as to what is the necessity for getting every application scrutinised by two committees and whether he will examine the question of getting it scrutinised by one committee which will save much time for the issue of licences?

SHRI MOINUL HAQUE CHOUDHURY : The examination by the Company Affairs Department is completely from a different angle, namely, from the angle of the M.R.T.P. Act which was passed by the Parliament. Every case does not go to them. Only cases of certain nature where we want to know whether the petitions are from dominant undertakings, large houses, etc. go to the Company Affairs Department. These cases are not many. Their number is limited. Even there, I have been assured by the Company Affairs Department that they will cut down the delay as far as possible.

SHRI A. G. KULKARNI : May I know whether the government is aware that during the last 1½ years, various liberalisations have been made in the industrial licensing procedure, particularly, industries up to Rs. 1 crore do not need licences. The government thereby thought that the investment would be increased. But are the government aware that by doing this, they are also threatening the existence of small-scale sector? Apart from reservation of certain fields, are there any other schemes with the Government to protect the inherent vitality of the small-scale sector against competition from the big sector? Secondly,...

MR. CHAIRMAN : One question is over.

SHRI A. G. KULKARNI : I am not putting any other question. I am coming to another part of the same question. The licensing policy in the Industrial Policy Resolution stipulates that certain things should be reserved for public sector, certain things for private

sector and certain things for small-scale sector. Does not the Minister think that giving licences for mini-steel plants is a deviation from this policy and if so whether Government will ultimately amend the Industrial Policy Resolution to include all these liberalisations?

SHRI MOINUL HAQUE CHOUDHURY : Despite liberalisation, there has been a great spurt in the petitions for licences. As against 1,420 petitions received in 1969, the figure for 1970 is 3,033 and up to 30th June of this year, we have received 1,455 petitions. That is the position. Therefore, Sir, the air of investment is good, I should say, if it is to be judged from the number of petitions we are receiving.

Then, Sir, as a result of the liberalisation, I do not think, the small-scale sector had suffered. But this is under our constant review, to give all possible protection to the small-scale industries and we shall keep further in mind the suggestion given by the hon. Member to give protection to the small-scale industries.

SHRI A. G. KULKARNI : About statutory protection?

SHRI MOINUL HAQUE CHOUDHURY : About the statutory protection also, my friend, the Deputy Minister had already said in the House that the Report given by the Study Team after coming from Japan is under our examination and we will certainly look into it.

With regard to the mini-steel plant, Sir, this has been sufficiently answered and I do not want to go into it which is within the domain of another Ministry.

SHRI A. G. KULKARNI : No.

SHRI MOINUL HAQUE CHOUDHURY : But, so far as I am concerned as the Minister concerned administering the Industrial Licensing Policy, I think the policy has not been watered down and I again reiterate that I stand by this policy and it shall be my endeavour to give effect to the policy of the Government.

SHRI A. G. KULKARNI : Sir, on a point of order. . . . (Interruptions). Sir, I am on a point of order. Sir, how can the Minister state in the House that by granting the licences to the mini-steel plants the policy as enunciated in the Industrial Policy Resolution has not been

watered down, because if you go into the Industrial Policy Resolution, you will find that it has been stated therein. . .

MR. CHAIRMAN : This is no point of order.

SHRI A. G. KULKARNI : No, Sir, How can he say that?

MR. CHAIRMAN : No, this is no point of order.

SHRI BABUBHAI M. CHINAI : How does it arise? Sir, I am on a point of order. . .

(Interruptions)

SHRI A. G. KULKARNI : I am asking on my point of order. You ask on your point of order. . . . (Interruptions). I get the ruling from the Chair on my point of order. I do not want your giving supplementary information to the Chair.

MR. CHAIRMAN : Mr. Kulkarni, this is no point of order and I overrule it.

SHRI A. G. KULKARNI : Sir, I am asking only one thing that if you go into the Industrial Policy Resolution. . .

MR. CHAIRMAN : No, I am not going.

SHRI A. G. KULKARNI : . . . You will find that the steel plants are in the public sector and giving it to the mini-steel plants is a deviation from the Industrial Policy Resolution. . .

(Interruption)

MR. CHAIRMAN : I overrule this. There is no breach of procedure and I need not go into it.

SHRI C. D. PANDE : The question does not arise.

SHRI A. G. KULKARNI : Mr. Pande, everything is re-rolling mill for you.

SHRI C. D. PANDE : It does not arise. . .

(Interruptions)

MR. CHAIRMAN : Yes, Mr. Chinai.

SHRI BABUBHAI M. CHINAI : Sir, may I know from the hon. Minister the backlog of the applications for industrial licences when the hon. Minister and his colleague took charge of this Ministry and, will he also let us know, after taking over charge, within 2½ months, how many applications have been cleared by the Ministry ?

Sir, I would also like to know, arising out of the statement, how many applications are pending before the MRTP Commission out of the 783 applications which he has already put before the Licensing Committee.

SHRI MOINUL HAQUE CHOUDHURY : Sir, 1,325 petitions received up to...

SHRI BABUBHAI M. CHINAI : Why do you say 'petition' ? People do not come with petitions. Please say, 'applications'.

SHRI MOINUL HAQUE CHOUDHURY : Sir, I am sorry. It should be 'applications'. Please do not take advantage of the mistake in English.

SHRI BABUBHAI M. CHINAI : All the while you have said 'petitions'. I think it is a slip, if I am not mistaken. It is not petition, it is application.

MR. CHAIRMAN : All right.

SHRI A. G. KULKARNI : Mr. Choudhury being a pleader, he uses that word....

(Interruptions)

MR. CHAIRMAN : Yes, Mr. Minister.

SHRI MOINUL HAQUE CHOUDHURY : Sir, the number of applications pending up to the end of 1970 were 1,325 and there might be some more petitions received... sorry, applications received...

(Interruptions)

MR. CHAIRMAN : Please let him finish.

SHRI MOINUL HAQUE CHOUDHURY :There might be some more applications received.

SHRI A. G. KULKARNI : Sir, the court procedure is still weighing in his mind which he has not forgotten yet.

SHRI MOINUL HAQUE CHOUDHURY : I have to accustom myself, Sir. I plead a little mercy for it.

Sir, in the meantime, in the three months before I became Minister, there might have been a few more; there is no break-up with me of those figures.

SHRI BABUBHAI M. CHINAI : The hon. Minister has not answered my question. I asked him how many applications he had when he took charge of this portfolio; how many he has disposed of within these 2½ months. I wanted to know out of these seven hundred and odd applications which have been before the Licensing Committee how many applications are before the Monopolies & Restrictive Trade Practices Committee.

SHRI MOINUL HAQUE CHOUDHURY : As I said, up to the year 1970, 1325 are pending even today, and with regard to the applications received up to June 1971, 1267 are pending. Actually, it is very difficult to say how many of them were received and how many were pending on the day when I actually took over; there is no break-up for that.

MR. CHAIRMAN : He is referring to the Monopolies Commission.

SHRI MOINUL HAQUE CHOUDHURY : I want notice for that.

SHRI K. CHANDRASEKHARAN : In view of the fact that very large number of applications are pending and a very small number of them was disposed of last year, Sir, there appears to be a sense of complacency so far as dealing with industrial licences applications is concerned, projected in this answer. It is also obvious from the facts available with us that so far as particular South Indian States are concerned—Kerala, Tamil Nadu and Mysore—there has been a great discrimination, as a large number of applications are pending. May I know, Sir, (a) what exactly is the number of applications out of these 2592 applications, pending from out of the States of Kerala, Tamil Nadu and Mysore; and (b) whether is view of the recommendations made by the Rajamannar Committee in its report that industrial licensing should be given over to the States the Government of India would at least consider that committee's report on account of the fact that there is a feeling of

discrimination as far as some of the States are concerned; whether more association on the part of the State Governments would be invited in the matter of dealing with and disposing of applications as for industrial licences.

SHRI MOINUL HAQUE CHOUDHURY : Sir, there is no complacency in the Department. I have already said that as many as 783 petitions have already been processed...

(Interruption)

SHRI PITAMBER DAS : I suggest a way out. Whenever during the tenure of his office the hon. Minister says "petitions", it shall always be taken to mean "applications"....

(Interruptions)

MR. CHAIRMAN : 'Petitions' means 'applications'...

SHRI SUNDER SINGH BHANDARI : Let it be in the Rules of Procedure.

SHRI MOINUL HAQUE CHOUDHURY : Already, about 783 applications have been processed, and probably within a short time they would be disposed of. And if we can work at that rate, I am sure we will be able to do much better this year.

I can also assure the hon. Members that there has not been any discrimination with regard to the States he mentioned. So far as Kerala is concerned, there are only 34 applications pending, of which 12 are already before the licensing committee. With regard to Tamil Nadu, there are 209 applications, out of which 65 are already before the licensing committee. So far as Mysore is concerned, there are 135 applications, out of which 57 are before the licensing committee.

SHRI K. CHANDRASEKHARAN : The second part of my question has not been answered—association of State Governments in the matter of disposal in view of the Rajamannar Committee's recommendations.

MR. CHAIRMAN : That does not really arise out of this.

SHRI K. CHANDRASEKHARAN : It comes under (c). I am not saying about the Rajamannar Committee; I said that was the recommendation made by the Rajamannar Committee.

MR. CHAIRMAN : He said that steps for the early disposal of such applications will be taken.

(At this stage Shri A. D. Mani stood up.)

MR. CHAIRMAN : Now, Mr. Mani, why are you standing?

SHRI K. CHANDRASEKHARAN : The steps taken for early disposal is something different from the present point. I did not ask him to take action on the Report of the Rajamannar Committee just because...

MR. CHAIRMAN : That does not arise.

SHRI JOACHIM ALVA : Has the hon. Minister read the past history of the licences which has to be read with the present chapter in the light of the statement that I have made? Between the Third Plan and the Fourth Plan, over one hundred licences were issued by the Government and over 50 of those licences worth over Rs. 1 crore were issued to one house, namely, the Birlas.

Secondly, we have issued nearly 125 licences to industrial companies and we have got only Rs. 1 crore out of them. We allow 125 houses to go out of India with those licences and many of them have got wonderful houses all over, I have seen in Ethiopia the houses of the Birlas; they have lavish houses.

MR. CHAIRMAN : The question of these houses does not arise.

SHRI MOINUL HAQUE CHOUDHURY : With regard to the first part of the question, I am grateful for the information given by the hon. Member. I can only say that as a result of this a revised licensing policy was announced in February, 1970 and it takes the question of

bigger houses. Parliament had also passed the Monopolies and Restrictive Trade Practices Act and that also looks after the question of monopoly. About the second part, it does not arise.

SHRI NIREN GHOSH : Sir, I would like to know the State-wise break-up of the applications pending. A large number of companies have built in excess of the licensed capacity, illegally and, with regard to that, do you propose to take any steps against those who have done so, illegally? Thirdly, I would like to know whether the Government would consider allowing the States making it a concurrent subject or allowing the States to issue licences or having any say in the matter.

MR. CHAIRMAN : Mr. Ghosh, I am not allowing the last part of your question. The Minister may reply to the rest.

SHRI MOINUL HAQUE, CHOUDHURY : I would give him the break-up of the rest of the States other than those which I have already given.

Andhra Pradesh : 92 applications are pending out of which 26 are before the Licensing Committee. Assam : 29 applications are pending out of which 6 are before the Licensing Committee. Bihar : 95 applications are pending out of which 19 are before the Licensing Committee. Chandigarh : 7 applications are pending out of which 4 are before the Licensing Committee. Delhi : 38 applications are pending out of which 14 are before the Licensing Committee. Dadra and Nagar Haveli : 3 applications are pending. Goa : 18 applications are pending out of which 6 are before the Licensing Committee. Gujarat : 290 applications are pending out of which 75 are before the Licensing Committee. Haryana : 194 applications are pending out of which 49 are before the Licensing Committee. Himachal Pradesh : 10 applications are pending out of which 3 are before the Licensing Committee. Jammu and Kashmir : 16 applications are pending out of which 4 are before the Licensing Committee. Kerala : 34 applications are pending out of which 12 are before the Licensing Committee. Madhya Pradesh : 75 applications are pending out of which 24 are before the Licensing Committee. I have already given the figures for Tamil Nadu.

| State | No. of applications pending | Applications which have already been placed before the Licensing Committee. |
|-------------|-----------------------------|-----------------------------------------------------------------------------|
| Maharashtra | 625 | 188 |
| Meghalaya | 2 | |
| Manipur | 1 | |
| Mysore | (already given) | |
| Orissa | 30 | 8 |
| Pondicherry | 7 | 3 |
| Punjab | 63 | 31 |
| Rajasthan | 102 | 28 |
| U. P. | 209 | 62 |
| West Bengal | 139 | 41 |

13 applications have been received from the States not indicated in my list of which 3 are before the Licensing Committee. The number of applications which concern more than one State is 167 of which 55 are before the Licensing Committee. I have Already mentioned Assam. 20 applications are pending of which about only 6 are before the Licensing Committee.

With regard to the other question that there are a number of companies which are producing in excess of their licensing capacity, this is receiving the attention of the Government and we will shortly take a policy decision with regard to this question.

SHRI C. D. PANDE : May I know whether the Government, when it previously said that they are going to take.....(Inter.uptious)

MR. CHAIRMAN : You cannot interrupt like that. Do not answer that.

SHRI C. D. PANDE : ...when public sector companies are not paying...

MR. CHAIRMAN : Please sit down. This will not go on record. I have called Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA : Sir, we have been given facts and figures. According to the report of the decisions of the Licensing Committee, there are larger business houses and there are 53 large business houses. We find, Sir, that a large number of these houses belonging to them are being given licences freely and some of them are even being allowed to export capital. 127 such licences, according to our information, have been given to the Birlas, Tatas, Singhania, Mafatlal Rayons and some other concerns to export capital outside. How is it that despite the fact that there is the so-called Monopolies Commission and all that, still these big business houses continue to get most of the licences allotted to them and they are very quickly disposed of? What steps the Government is going to take with a view to stopping such licences, especially in favour of those who are well-known for their malpractices, corruption and other bad business practices?

SHRI MOINUL HAQUE CHOUDHURY : It is not correct that the Government is freely giving licences to the larger houses. There are a number of checks. There are a number of built-in checks in the giving of licences to the larger houses. Apart from the Licensing Committee going into them there is an obligation on the part of the Minister to look into these cases, then there is an Economic Sub-Committee of the Cabinet, then there is the Company Affairs Minister who administers checks.

SHRI BHUPESH GUPTA : This is not the question. The question is that I have given the facts and figures that 127 licences have been given in favour of these big business houses and large houses in order to export capital from our country apart from what they are getting at home.

SHRI MOINUL HAQUE CHOUDHURY : As against two licences and three letters of intent for new undertakings issued in 1970, this year, up to the month of June only two licences and 2 letters of intent have been issued to the larger houses for setting up new undertakings. Whatever else has been done with regard to...

SHRI BHUPESH GUPTA : I submit, whether it is not a fact that the hon. Minister said in the Lok Sabha that in the course of the first four months of this year 67 licences have been issued.

SHRI MOINUL HAQUE CHOUDHURY : I am not keeping any information from this House. This is with regard to the new undertakings. After the Policy Resolution was taken up in February, 1970, a large number of carry-on business licences had to be issued to the larger houses because there was a decontrol period.

In the decontrol period if anybody had set up an industry or had taken effective steps, then under the law on the advice given by the highest legal authority we are bound to give them the carry-on business licence and if that is added then this looks a large number but I am making a distinction between the carry-on business licence...

SHRI A. G. KULKARNI : Sir, he is saying...

MR. CHAIRMAN : Mr. Kulkarni, will you stop please?

SHRI MOINUL HAQUE CHOUDHURY : ... for something which had already been set up during the delicensed period and which under the law we have got to recognise. If after an enquiry we are satisfied that certain effective steps have been taken or the industry has already been set up during the delicensed period that is a situation out of which one cannot get out under the rights created in favour of the user.

With regard to the other question about setting up industries abroad I cannot answer it in reply to this; I want notice for that.

श्री सीताराम केसरी : सभापति जी, मैं मंत्री महोदय से यह जानना चाहूंगा कि जो लाइसेंस आपने इश्यू किये या इश्यू करते हैं तो क्या उसमें कोई इस प्रकार की कंडीशन रखते हैं कि एक लाइसेंस पर एक ही कम्पोजिट बनानेवाला या अगर एक लाइसेंस पर डिफरेंट कम्पोजिट बनाना चाहता है तो उसको आप डिफरेंट लाइसेंस देते हैं। दूसरी बात यह है...

श्री सभापति : आप एक ही सवाल पूछिये।

श्री सीताराम केसरी : एक ही क्वेश्चन है, लेकिन उसके दो पार्ट्स हैं, ए एंड बी। तो जिन लोगों को आपने पहले लाइसेंस दिया है और

उनके लाइसेंस काकी दिनों से बेकार पड़े हुये हैं तो अगर वे उनको इम्प्लीमेंट नहीं करते हैं, उनको क्रियात्मक रूप नहीं देते हैं तो उन लाइसेंसेज को कैसिल करके क्या आपकी उन लाइसेंसेज को किसी और को देने की योजना है ? अगर ऐसा नहीं है तो इससे नुकसान होता है। इसलिये क्या इस पर आप सोचेंगे ?

SHRI MOINUL HAQUE CHOUDHURY : Sir, generally a licence is given for one item but there can be an item to which another item is so inter-connected that licence in such cases can be given for more than one item.

With regard to the letters of intent which are being given to the parties my instruction to the Department now is that if no steps are being taken these letters of intent should be cancelled and the party should not be allowed to have a free hand to have it for an indefinite period of time.

SHRI K. CHANDRASEKHARAN : What is the time limit imposed ?

SHRI MOINUL HAQUE CHAUDHURY : Normally six months' time given. In case there is any difficulty some extensions are given. For instance if there is some difficulty in the procurement of land or in the matter of foreign collaboration, in such cases extensions are being given. I have said that in cases where foreign collaboration has got to be negotiated—it is a long and protracted matter—instead of giving letters of intent for six months, they should be normally given for one year so that our work is cut down. In case of licences I agree with the hon. Member that if the party does not set up the industry within a reasonable time the licence should be cancelled.

श्री निरंजन वर्मा : क्या श्रीमन् यह बतायेंगे कि आपने स्टेटमेंट में जो बताया है कि अभी तक 2,592 आवेदन पत्र अनिर्णीत पड़े हुये हैं तो क्या आपने कोई ऐसी धारणा बना रखी है कि किसी खास किस्म के कारखानों को बहुत ध्यानबीन करके लाइसेंस दिये जायें और किसी खास किस्म के कारखानों के लिये जल्दी से उनका निर्णय कर दिया जाय ? अगर इस प्रकार की कोई धारणा है तो वे कौन से किस्म के कारखाने हैं जिनमें

अधिकांश में आप देर लगाते हैं। उदाहरण के लिये मध्य प्रदेश में 75 कारखानों के आवेदन पत्रों में से केवल 19 कारखानों की अप्लीकेशन आपके यहाँ आई हुई हैं और इनमें से सबसे पुरानी अप्लीकेशन किस सन् की पड़ी हुई है और क्यों पड़ी हुई है ?

SHRI MOINUL HAQUE CHOUDHURY : There is nothing like taking up the case of certain individuals or of certain houses. Only I had recently passed an order that the cases of West Bengal, in view of the very grave difficulties, should be dealt with expeditiously. For this the Licensing Committee at its next meeting will consider the cases of West Bengal in particular, in view of the very serious unemployment situation that has developed there. That is the only case in which special attention is sought to be given, in view of the political and unemployment situation developed there. With regard to Madhya Pradesh I will certainly look into the matter. I have already received some communication from the Government there and I am looking into it.

SHRI ARJUN ARORA : What is the mechanism that this Ministry has evolved to check deviations from the Industrial Policy Resolution, particularly by a sponsoring Ministry ? I may give him one example. The mini-steel plant licences in 1970 are a definite departure from the Industrial Policy Resolution. What mechanism has he evolved to check such deviations ? Secondly...

MR. CHAIRMAN : Only one question.

SHRI ARJUN ARORA : Sir, it is connected. Another deviation is with regard to excess production by units of their licensed capacity. May I know...

MR. CHAIRMAN : That is another question.

SHRI ARJUN ARORA : May I know if any import content is also involved in the excess production and how has it been found ?

SHRI MOINUL HAQUE CHOUDHURY : With regard to the mini-steel plants, that has already been sufficiently answered by the Minister-in-charge...

SHRI A. G. KULKARNI : He is administering the Industrial Policy Resolution.

MR. CHAIRMAN : Let him answer. Please do not interrupt like this.

SHRI BHUPESH GUPTA : What was the need for adding the word 'sufficiently'? He can say : "To my mind sufficiently". It is not sufficient according to us.

SHRI MOINUL HAQUE CHOUDHURY : It is sufficient to me, but it may not be so to Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA : I should like to know...

MR. CHAIRMAN : Mr. Bhupesh Gupta, please sit down.

SHRI BHUPESH GUPTA : You have allowed him. Is there anybody in the House who is satisfied with this reply?

MR. CHAIRMAN : Let him complete his answer.

SHRI MOINUL HAQUE CHOUDHURY : It has been pointed out that there has not been any deviation from the licencing policy..

SHRI ARJUN ARORA : There has been deviation.

SHRI NIREN GHOSH : That is your interpretation. There has been deviation.

SHRI BHUPESH GUPTA : I suggest let a committee of deviations be appointed here..

MR. CHAIRMAN : I will not deviate into that kind of thing.

SHRI BHUPESH GUPTA :..by you or under your Chairmanship.

SHRI MOINUL HAQUE CHOUDHURY : I am entitled to give my views on the matter and hon. Members are entitled not to accept them. I submit that according to us there has not been any deviation. With regard to excess production, that does not come within this question.

SHRI ARJUN ARORA : Yes. On a point of order. When a Minister is not cautious and volunteers information we do require the right to put supplementaries on information given by him voluntarily. This Minister is very good. He gives information voluntarily.

MR. CHAIRMAN : Please sit down. Please allow the business to go on.

SHRI ARJUN ARORA : He has said that his Ministry contemplate action on excess production. It does arise.

MR. CHAIRMAN : No, please.

SHRI ARJUN ARORA : Will he also examine whether the import content in the excess production...

MR. CHAIRMAN : No. Mr. Thillai Villalan, last question.

SHRI NIREN GHOSH : I would like to know whether it is because the bureaucracy is there and the Congress Ministers are there...

SHRI MOINUL HAQUE CHOUDHURY : I strongly refute this kind of insinuation about Congress Ministers. This is not a monopoly of Congress Ministers.

SHRI THILLAI VILLALAN : I would like to know from the hon. Minister whether this Government is having in its view the giving of the entire powers of licensing to the States? Is that being contemplated....

MR. CHAIRMAN : I have disallowed it.

SHRI THILLAI VILLALAN : It is coming within this question...

MR. CHAIRMAN : I have disallowed it. It is not a step being taken—some matter going from the Centre to the States. I have disallowed it.

SHRI THILLAI VILLALAN : Part (c) states : "The steps contemplated for early disposal of such applications." My supplementary is regarding this.

MR. CHAIRMAN : No, please. This will not be allowed.

SHRI THILLAI VILLALAN : I want to know...

MR. CHAIRMAN : I have already ruled it out of order.

SHRI THILLAI VILLALAN : It is one of the contemplated things. Let him answer.

MR. CHAIRMAN : I have ruled it out of order. Next question.

*412. [*The questioner (Dr. B. N. Antani) was absent. For answer, vide cols. 30-31 infra.*]

DIRECTION TO BIRLAS TO REOPEN THEIR
HEAD OFFICES IN CALCUTTA

*413. SHRI KALYAN ROY : Will the Minister of INDUSTRIAL DEVELOPMENT/औद्योगिक विकास मंत्री be pleased to refer to the reply to Unstarred Question No. 27 given in the Rajya Sabha on the 27th April, 1970 and state :

(a) whether the Government of West Bengal have since taken any steps to direct the Birla concerns to reopen their Head Offices in Calcutta ; and

(b) if so, the details thereof ?

THE DEPUTY MINISTER IN THE
MINISTRY OF INDUSTRIAL DEVELOPMENT/औद्योगिक विकास मंत्रालय में उपमंत्री

(SHRI GHANSHYAM OZA) : (a) and (b) The West Bengal Government have held a series of discussions with the Birla concerns in this regard. The ex-Chief Minister and the ex-Labour Minister of West Bengal had also intervened in the matter. The discussions so far have been inconclusive.

SHRI KALYAY ROY : Sir many companies of the Birlas were located in two big places ; one is the Industry House and the other is India Exchange Place, and about five thousand employees were there. They were thrown out of employment. And in reply to the last question out of which this question arose, Mr. Fakhruddin Ali Ahmed said that the Birlas were seen removing records from their premises in Calcutta to their respective new locations. So, what are the new locations

where these papers of the Birlas were taken out? Now, may I know whether the Minister would agree with me that this closing down of the offices at Calcutta and the shifting of these offices to the other places is actually encouraging the flight of capital from West Bengal where massive unemployment is there? In other words, does he not think that it is a serious matter? And when the Chief Minister has failed to bring about a settlement, what steps the Government are considering to direct the Birlas to reopen their offices and stop removing their records?

SHRI GHANSHYAM OZA : Sir, the *modus operandi* is something like this. Where the registered offices are outside the State, the Birlas are closing down their offices in Calcutta and taking their offices to other States. For example, take the Orient Mills whose registered office is situated in Orissa. They shift the office—they are entitled under the law to Orissa. Or take Hindalco. Their registered office is situated in Bombay. They are entitled to shift there and they are shifting their offices to Bombay. But where the registered office is situated in Calcutta the *modus operandi* seems to be like this that they keep a skeleton staff in the Calcutta office and shift the office to the site of the factory.

So far as the flight of capital is concerned I do not think it is on a very large scale. As it is, before they can shift the location of an industry, they have to take the permission of the Central Government which has issued the licence. No such case has come to the notice of the Government.

SHRI KALYAN ROY : The Minister has just now stated that a skeleton staff is being maintained in Calcutta to run the various industries belonging to the Birlas which are located in West Bengal. Where is the skeleton staff functioning? When the Government is aware that all the employees have been taken back, on what ground are the Birlas allowed to recruit new people?

SHRI GHANSHYAM OZA : This is exactly the problem with which the West Bengal Government is concerned. They are entering into negotiations with the Birlas. The ex-Chief Minister and the ex-Labour Minister intervened—the negotiations are inconclusive to see that those employees are not thrown out of jobs.