

RAJYA SABHA

Monday, the 11th March, 1968/the
21st Phalguna 1889 (Saka)

The House met at eleven of the
clock, MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

IMPORT LICENCE TO HIND CYCLES

*521. SHRI M. P. BHARGAVA: Will the Minister of COMMERCE be pleased to refer to the answer to Unstarred Question No. 598 given in the Rajya Sabha on 30th November, 1967 and state:

(a) whether investigations about the irregularity in the import licence issued to Hind Cycles Ltd., Bombay in 1963 have since been completed;

(b) if so, what is the result of the investigations; and

(c) whether any punishment has been given to Hind Cycles Ltd., for violation of import licence rules?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI): (a) No, Sir.

(b) Does not arise.

(c) Appropriate action will be taken after the completion of the investigation.

SHRI M. P. BHARGAVA. May I know, Sir, for what item was he given the import licence?

SHRI MOHD. SHAFI QURESHI: Sir, the party was given licence for Rolled Nickel Anodes.

SHRI M. P. BHARGAVA: May I know, Sir, whether he imported the same thing or did he import anything else and whether under the rules it is a fit case for prosecution?

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SHRI MOHD. SHAFI QURESHI: As I have already stated, the party was permitted to import Rolled Nickel Anodes but, instead, the party imported Cast Nickel Anodes. Subsequently it was found that this item was banned and they could not import it. Now, as I have already stated, Sir, that matter is under investigation. After the investigation report comes in the Government of India will be able to take appropriate action.

SHRI A. D. MANI: May I ask the Minister how many cycles the Hind Cycles produces every year because this is a very well known brand of cycle? If it has done some irregularity what is the nature of the irregularity? What is the offence they have committed? We would like to have some more details about this matter.

SHRI MOHD. SHAFI QURESHI: I do not have the actual figures of the production of cycles by Hind Cycles. The irregularity that has been committed by this firm is that they have imported an item which was banned. But this item is also used by the industry.

MR. CHAIRMAN: Next question.

SHRI NIREN GHOSH: Sir, may I . . .

MR. CHAIRMAN: Next question.

SHRI NIREN GHOSH: I am sorry you did not catch my eye.

MR. CHAIRMAN: I am sorry. I have called out next question and I hope you will allow me to go to the next question.

IMPACT OF RECESSION ON THE ENGINEERING INDUSTRY

*522. SHRI CHITTA BASU: Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have so far undertaken any survey on the

impact of recession on the Engineering Industry; and

(b) if not, the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH): (a) While no formal survey has been undertaken Government is keeping a close watch on the production trends in the various sectors through the normal means and also through a Special Reporting System introduced early last year.

(b) The existing sources of getting the required information, are considered adequate.

SHRI CHITTA BASU: Of course, the hon. Minister has not given the reasons for not making a survey on the impact of recession on the Engineering industry as such. May I know, from the hon'ble Minister if recession had some effect upon the Engineering workers as well and if so, whether the Government of India knows as to the number of factories which have been closed due to recession, as to the number of workers involved by way of retrenchment or lay-off and also the agreements, bipartite or tripartite, which could not be implemented on the plea of recession?

SHRI FAKHRUDDIN ALI AHMED: We have already pointed out in our reply to the question that it is not necessary for us to have another survey because under the special reporting system, which we have introduced and under which nearly 300 top executives of selected units are asked to give us the causes of recession it is possible for our committee to consider and decide what measures are necessary in order to overcome the recession. It is not necessary to have a special survey for that purpose.

Now so far as the question of lay-off of labour is concerned, Sir, it is true that on account of recession there

has been some lay-off. But it is not only on account of recession but also on account of other factors such as gheraos in several places. We do not consider that for that purpose any survey is necessary. We are taking all the measures necessary in order to overcome this recession on account of both these factors.

SHRI CHITTA BASU: May I know, Sir, from the hon. Minister whether it is a fact that a number of employers declared closures of their factories and retrenched workers simply on the plea of recession when there was no reason for closing down the factories on account of recession as such?

SHRI FAKHRUDDIN ALI AHMED: There have been instances of lay-off of workers but whether it is only account of slow growth of production in a factory or whether it is due to gherao it is difficult for me to say unless I know the specific industry which the hon'ble Member has in mind.

MR. CHAIRMAN: Mr. Kulkarni.

SHRI NIREN GHOSH: Sir . . .

MR. CHAIRMAN: No more. The turn of Mr. Chitta Basu is over. He has already put two questions. And on my list Mr. Kulkarni's name is first. I have noted all the names. Would you like to see Mr. Kulkarni?

SHRI A. G. KULKARNI: May I know, Sir, from the Government whether the survey undertaken has come to the conclusion that the recession is not due to paucity of funds but because of lack of investment by which I mean that the forestall of the Plan has accentuated recession? May I know, Sir, from the Government what steps do they propose to take to accentuate the Plan and make more investment in the industry?

SHRI FAKHRUDDIN ALI AHMED: Sir, I do not know how to describe recession but it is our recent experi-

ence so far as the industrial growth is concerned, I would only like to point out that, while it is true that for the three years, in 1960 our industrial growth was in the vicinity of about 8 per cent, it fell down in 1965 to about 5.4 per cent and, later on, to about 2.6 per cent in 1966. It varied from industry to industry. It was mainly because there was slackening of internal demand and also because some of the new projects were finding difficulty in getting proper finances. We have taken necessary steps to provide for the internal demand and also some financial measures have been announced by the Finance Minister which will enable the new projects to overcome financial difficulties.

SHRI NIREN GHOSH: Sir, is the hon'ble Minister aware that the Engineering Association has been saying that closures on their part generally were not due to labour trouble but due to want of orders and all that, though generally when they were asked by the Government they said that it was due to labour trouble. And may I know whether West Bengal is being discriminated against in the matter of Engineering industries for foreign exchange quota for import of essential raw materials and all that, and whether it is also a fact that the Central Government is discouraging the investors and the present business houses not to start engineering units in West Bengal thereby intensifying the unemployment problem there?

SHRI FAKHRUDDIN ALI AHMED: Sir, the insinuation and allegation regarding discrimination is completely denied. I may tell the hon. Member that it is the desire of the Central Government to treat every unit, every State on an equal footing. It is true that in certain cases the recession was due to slackening of internal demand. But this was also accentuated by labour trouble in certain areas which the hon'ble Member is not mentioning.

MR. CHAIRMAN: Mr. Chordia.

[Some hon. Members got up in their seats]

MR. CHAIRMAN: I have got a list of names before me of people who caught my eye one after the other. I am going by that. Therefore, kindly leave it to me to decide.

SHRI BHUPESH GUPTA: On a point of order, Sir. It may mean, Sir, that some of us may have caught your eye prematurely. Therefore, Sir, you should not read out the names in that order. Allow us also to catch your eye . . .

MR. CHAIRMAN: I am trying to see that justice is done to everybody.

SHRI BHUPESH GUPTA: . . .
If you read out . . .

MR. CHAIRMAN: I am not reading out. Mr. Chordia.

श्री विमलकुमार मन्नालालजी चौरड़िया:
क्या श्रीमान् यह बतलायेंगे कि आज भी यह बात सही है कि मन्दी का जो प्रभाव हमारे आर्थिक ढांचे पर ही नहीं सारे राष्ट्र पर पड़ रहा है उससे आप ज'गरुक हैं ? आपने कहा कि हमने कुछ कदम उठाए हैं, मगर वह कदम उठाने के बावजूद भी हमारे यहाँ की मन्दी बढ़ती जा रही है। ऐसी स्थिति में ये जो अभी तक कदम उठाये, इससे क्या लाभ हुआ इसको बताने का कष्ट करें और क्या आप यह आवश्यक नहीं समझते हैं कि इसके बावजूद भी हमें कोई ऐसे ठोस कदम उठाने चाहिये और ऊँचे स्तर पर कोई काम करना चाहिये जिससे मन्दी हमारे यहाँ रुक सके और उसके घातक परिणामों से बच सकें ?

श्री फ़ख़रुद्दीन अली अहमद : जो हमने कदम उठाये हैं उसमें जरूर हमको फायदा हुआ है और मैं इन बात को मानता हूँ कि इन कदमों के अलावा हमें और भी देखना चाहिये कि किस तरह से और भी कदम उठाये जाएं

जिनकी वजह से इण्डस्ट्रियल ग्रोथ बढ़े। हमें खासकर ऐसी चीजों का डेवेलपमेंट करना है जो इस समय रुक गई हैं और जिनकी वजह से रिसेशन हुआ है। और साथ ही हमें डेवेलपमेंट एकटीविटीज को दुगुना और तिगुना करना है जिसकी वजह से हमारा इण्डस्ट्रियल ग्रोथ बढ़ सके और साथ ही एक्सपोर्ट भी बढ़ाया जा सके। इन चीजों के लिए भी बहुत सारी बातें सोच रहे हैं। अभी चंद दिनों में हमारे पास जो आर्डर आये हैं उससे मालूम होता है कि इससे हमारा काफी एक्सपोर्ट बढ़ेगा जो कि रिसेशन की वजह से रुक हो गया था और हम उम्मीद करते हैं कि बहुत दूर तक हम इसमें चले जाएंगे।

SHRI BABUBHAI M. CHINAI: Sir, in view of the fact that the **Ministry** has a system of getting quarterly returns from the industries concerned, may I now whether the Ministry has come to the conclusion that the recession in the last part of 1967 is less than in the previous quarters? Also, Sir, in the cable industry which produces the total requirement of the country, only 10 per cent of the production is being taken up. But the Electricity Boards are permitted to import these cables. So, may I know whether the Government has taken a decision to stop the import of these cables?

SHRI FAKHRUDDIN ALI AHMED: Sir, it is true that so far as production of cables in our country is concerned, it is enough to meet our internal requirements. It is also true that some cables have been imported from outside because they were tied up with the general aid and unless we were prepared to decline the aid, it is not possible for us to do away with such import. But we are looking at these matters and in future such items as are being indigenously manufactured will not be allowed to be included in such arrangements.

SHRI BABUBHAI M. CHINAI: Sir, the hon. Minister has not answered the first part of my question. The first of my question was whether in view of the quarterly returns to be given by the industries concerned to the Ministry, the recession in the last quarter of 1967 is less than in the previous quarters or not.

SHRI FAKHRUDDIN ALI AHMED: That is true.

SHRI BHUPESH GUPTA: How can he answer the first part of the question when he is in the last days of his political life?

SHRI P. C. MITRA: Is it a fact that about 40,000 engineering graduates and diploma-holders are unemployed and Government has got a scheme under which about 10,000 to 12,000 engineers and diploma-holders will be employed and within the next six months, all the rest of the engineer also will be employed?

SHRI FAKHRUDDIN ALI AHMED: Sir, it is true that in regard to engineers who have been trained on the basis of certain developmental activities which on account of various reasons had to be slowed down during the last two years, their intake was not as was expected on the basis of the planning. And only recently the Minister in charge of Education has issued a statement indicating the arrangement to help unemployed engineers.

SHRI M. V. BHADRAM: May I know whether the recession as far as the engineering industry is concerned is due to the fact that the Railways have refused to place orders which was due to the Plan holiday? This has been confirmed by the Engineering Association. Secondly, according to press reports, the Soviet Government has offered to purchase all the stocks that are going to be produced by the engineering concerns. May I know whether the Government is going to make use of that offer or not?

SHRI FAKHRUDDIN ALI AHMED:

Sir, I think this question has been answered on more than one occasions—The Railways, which had earlier placed an order for 10,000 wagons have increased the order to 16,000 wagons. This to a great extent, will relieve the engineering industries. Apart from that, we have already orders of exporting wagons to Hungary and to South Korea alone worth about Rs. 8 crores. Further there are also enquiries from Soviet Russia and other countries. So far as those industries which are engaged in the construction of wagons are concerned, I think they will have adequate work to keep them busy for a number of years.

SHRI SANTOKH SINGH: I would like specifically to know what the effect of the recession is on the engineering industry particularly in regard to foreign collaboration. Have they also been affected? Did they take these factors into consideration when they got collaboration in India? Or, did they get collaboration only for the sake of collaboration?

SHRI FAKHRUDDIN ALI AHMED: Sir, the question of foreign collaboration is considered on the basis whether for a particular item that foreign collaboration is necessary or not. And if we are actually producing things indigenously, we do not encourage foreign collaboration in that kind of industry.

SHRI BHUPESH GUPTA: Sir, the hon. Minister in the course of his reply to a supplementary said that certain concerns are importing foreign cables when at the same time there is lack of demand for this article in our country. May I know how many industries are behaving in this manner when there is a recession on in this country? They are importing the same kind of thing with a view to depleting the demands on the indigenous goods of this type. May I know whether the Government has made any survey of such concerns especially where foreign collaboration operates?

SHRI FAKHRUDDIN ALI AHMED:

Sir, this matter is under our constant supervision and we are trying to re-examine all the contracts and agreements entered into and wherever no commitment has been made, it has been possible for us to persuade even where . . .

SHRI BHUPESH GUPTA: Sir, I seek your protection. You ask us not to ask questions. We do not mind. But when we put a question, a round-about reply is given. My question was a simple one. In the light of the position in the case of these cables, have they made any survey? Recession is not a new development. It has been on for some time now. Have the Government made any survey of similar situations in the industry to find out how many industries are being affected as a result of the import of intermediate materials, raw materials or certain other goods tied up with the so-called non-project aid under collaboration agreements? Either the Government has made a study or it has not. If it has not made a study, let it say "We have not." If it has made a study, let us have the results of that study.

SHRI FAKHRUDDIN ALI AHMED: This question does not arise . . .

SHRI BHUPESH GUPTA: Sir, the question arose before when he gave an evasive answer. How does it not arise . . .

MR. CHAIRMAN: The Minister is replying.

SHRI BHUPESH GUPTA: Sir, he says now that the question does not arise. He should have said it before. But he gave an evasive answer. He cannot say the question does not arise. It is for you, Sir, to say whether the question arises or not, not for the Minister. He is not the Pope to issue sermons from the pulpit.

MR. CHAIRMAN: The Minister will reply.

SHRI BHUPESH GUPTA: He should say whether a study has been made or not. If it has been made, what are the results, and if not why not?

SHRI FAKHRUDDIN ALI AHMED: Sir, I had not completed my reply when the hon. Member stood up. He must give me the same indulgence as I have given him. So far as the question is concerned, I again repeat that the question does not arise because we have taken a decision that so far as items which are indigenously produced in our country are concerned, and so far as technical know-how which is indigenously available in this country is concerned, we do not allow any import . . .

SHRI BHUPESH GUPTA: I know that . . .

MR. CHAIRMAN: Next question.

SHRI NIREN GHOSH: Sir, there should be a half-an-hour discussion on this.

MR. CHAIRMAN: I shall consider it.

SHRI BHUPESH GUPTA: Sir, this is a serious matter. There should be a half-an-hour discussion . . .

MR. CHAIRMAN: I shall consider it.

SHRI BHUPESH GUPTA: Sir, it is a serious matter. Foreign collaboration has been responsible for recession in our industry in certain fields.

MR. CHAIRMAN: Next question.

DEMAND FOR INCREASE IN PRICE OF PAPER

*523. SHRI BABUBHAI M. CHINAI: Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state:

(a) whether the paper manufacturing units have demanded an increase in selling price of paper;

(b) if so, on what grounds; and

(c) what is the reaction of the Government in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH): (a) Yes, Sir.

(b) The paper industry's demand for increase in the paper price is based on increase in cost of production.

(c) The matter is under consideration.

SHRI BABUBHAI M. CHINAI: In view of the fact that the production of paper in this country is sufficient to meet the demand, may I know whether the Government is thinking of decontrolling this?

SHRI FAKHRUDDIN ALI AHMED: The entire matter is under our consideration.

श्री रामकुमार भुवालका : क्या मन्त्री जी बतायेंगे कि पेपर के दाम किम वर्ष में बढ़ गये थे और कितने बढ़ गये थे ।

श्री फ़ख़रुद्दीन अली अहमद : 1960 में जो टैरिफ़ कमीशन की रिपोर्ट थी उसकी बेसिस पर दाम फ़िक्स किये गये थे और उसके बाद 1962 में 60 रु० पर टन बढ़ाये गये थे । उसके बाद से ही नहीं बढ़ाये गये हैं ।

SHRI NIREN GHOSH: Sir, paper is in scarce supply in our country and the paper industry is a highly profitable industry. So I would like to know why the Government wants to consider at all the question of decontrol of paper. Is it in order to give more profits to the paper industry? This will make the prices sky-rocket and the educational institutions, the boys and teachers, will unnecessarily suffer. It is strange that he is considering the matter. What is there to consider about this matter?

SHRI FAKHRUDDIN ALI AHMED: I do not know wherefrom the hon. Member has got the impression that paper is a scarce commodity in our