

SHRI BABUBHAI M. CHINAI: May I know whether there is any subsidy element of price in this? May I also know how does it compare with other countries' products so far as our products are concerned?

SHRI P. C. SETHI: As far as the subsidy is concerned, there is an element of subsidy ranging from 10 per cent to 25 per cent on the f.o.b. value on items on which subsidy is given. As far as the quality is concerned, our quality compares quite favourably with others. As far as the price is concerned, the subsidy itself shows that there is an element of difference in price.

SHRI SURJIT SINGH ATWAL: May I know whether it is a fact that the steel materials exported by us have been returned by some of the countries saying that these are not of proper size and they are of defective quality?

SHRI P. C. SETHI: No, Sir. There was an old case when the packing was not properly done. We have now overcome all those difficulties.

SHRI NIREN GHOSH: Is it a fact that recent reports have appeared in the Press that there is a glut of steel products in the Indian market, whereas the installed capacity is not being fully utilised, and the production has not picked up this year at all? May I know whether we have stopped importing steel and whether the demand for steel in the country has gone down? >

SHRI P. C. SETHI: There is a glut in certain varieties or categories especially in structurals, rails, bars, etc. As far as the import is concerned, that is, in the flat products, we are still short of flat products and therefore the import content is not reduced. Because there is a glut in certain categories, that is why we are trying to find an export market for these.

SHRI SITARAM JAIPURIA: After the decontrol of steel, may I know from the Minister whether the total

quantum of subsidy has increased or decreased? If so, what is the total quantum of subsidy and whether it is met by the Hindustan Steel themselves or it is met by the Government?

SHRI P. C. SETHI: Actually as far as export is concerned there are two schemes. For engineering goods the J.P.C. makes good the loss. As far as the other exports are concerned, they are being subsidised with the concurrence of the Commerce Ministry and the Finance Ministry. The range is anything between 10 per cent and 25 per cent, on items on which subsidy is given.

SHRI V. V. RAMASWAMY: May I know whether the machinery manufactured in the Bangalore factory is exported to other countries? If so, may I know the value and the countries to which we are exporting?

SHRI P. C. SETHI: I have no idea about the machines which are being exported because they are being dealt with by the other Ministries. As far as the engineering industry is concerned, we are giving a subsidy.

#### IMPORT LICENCES FOR CAPITAL GOODS AND COMPONENTS

\*357. SHRI P. K. KUMARAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that licences are issued for the import of capital goods, components and raw materials which are either available in the country or for which industrial capacity exists remain unutilised;

(b) if so, whether considerable amount of foreign exchange is lost every year due to such imports; and

(c) what steps have been taken by Government to prevent the import of equipment and raw materials which are either available in the country or which can be provided indigenously?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) No, Sir.

lb) Does not arise.

(c) The domestic demand, indigenous production and all other relevant factors are taken into account before allowing the import.

SHRI M. M. DHARIA: The hon. Minister has stated that all these factors are taken into account. But is the hon. Minister aware that it is possible in our country to manufacture rice mills? The Rice Mill Manufacturers Association have also represented to the Government in the year 1964 and the Ministry of Food and Agriculture wrote to this Association as follows: "I am directed to acknowledge receipt of your letter No. such and such dated the 22nd July 1964 addressed to the Ministry of Food and Agriculture and to inform you that it is not the intention to import all rice mills from abroad. Only six pilot mills will be imported." Then afterwards it was again assured that these manufacturers would be given all possible opportunity to manufacture rice mills in the country. In spite of this assurance given in 1964, is the Government aware that the Food Corporation of India will be importing 24 rice mills from Japan and we shall be losers of Rs. 32 lakhs by way of foreign exchange? Why are these permits given when the Indian manufacturers are prepared to manufacture rice mills here? Why is there no co-ordination between the Ministries and how can we afford to spend or waste our foreign exchange in this way?

SHRI DINESH SINGH: I entirely share the concern of the hon. Member, but I would not jump to the conclusion that he has drawn from the information that he has. As I said, we have the Director General of Technical Development. He goes into the question of import of machinery and other goods and he decides in consultation with the Ministries concerned whether a particular item to be imported should be allowed or whether we are manufacturing it in sufficient quantity to meet our demands. So far as

the particular question of rice mills is concerned, I have no doubt that this would have been examined and there would have been some technical reasons to allow any import that may have been done. But I am sure that my colleague, the Minister of Industrial Development, will be very glad to go into the question of licensing of these rice mills if hon. Member would pass the information on to him.

SHRI A. G. KULKARNI: As per the Government practice, while issuing the licence the Government takes into consideration the requirement of particular products to be manufactured, and those products are required as an integral part of another manufacture for another licence to another firm in the country. Now it has been found that another firm whose integral part can be obtained from the licensed capacity in the country is allowed to import such goods, and a particular case in instance is some diesel engines of 200 to 300 h. p. which are required for certain military equipment have been licensed in this country for manufacture. But the Government has also allowed certain other firms to import such engines at the cost of the indigenous industries suffering from lack of orders.

SHRI DINESH SINGH: I shall be very glad to have this matter examined if the hon. Member would make me available the particulars.

SHRI K. SUNDARAM: Is it a fact that the Government has called for applications from hosiery manufacturers to import cotton yarns from Hungary and may I know from the Minister what is the indigenous capacity of the textile industry to produce that particular kind of yarn?

SHRI DINESH SINGH: We are importing some yarn from Hungary under our trade agreement with Hungary. We are also exporting some yarn to them. We are importing a particular kind of yarn and we are exporting to them a particular kind of yarn.

So far as the exact figures are concerned, if the hon. Member would write to me, I would be very glad to give them to him.

SHRI NIREN GHOSH: May I know whether the Minister is aware that the Fertiliser Corporation of India is now completely in a position to fabricate indigenously all the machinery and it has developed the technical know-how to manufacture plants to meet the fertiliser needs of the entire country by and by? So, in view of this fact, why is valuable foreign exchange being lost in importing large quantities of capital goods from foreign countries? And is the Minister aware of the complaints that the Fertiliser Corporation of India is being deliberately soft-pedalled and is being curbed so that indigenous know-how may not develop and foreign know-how and capital goods may get a grip over the country? There are complaints from the Corporation itself, from the Planning Division of the Fertiliser Corporation of India.

SHRI DINESH SINGH: I am sure, Sir, that my colleague the Minister for Petroleum and Chemicals can give an effective answer to this. So far as I am concerned, about the issue of import licences, as I mentioned, these are examined by the Director-General to find out if there is indigenous capacity. For instance, last year we banned about 10 items from the import list, items for which there is capacity here now in this country. This year, in the new Import Policy that I have announced, we have banned about 75 items which we feel can now be manufactured here.

SHRI M. M. DHARIA: I am thankful to the hon. Minister for this assurance that if the papers are forwarded to the hon. Minister for Industrial Development, he will look into them. But the point is that this Association made representations, the representatives came from Bombay to Delhi, they met the Minister concerned and a categorical assurance was given by the Government that only six pilot

projects will be imported and that no further projects will be imported. That assurance was there and in spite of all that, the Food Corporation has been allowed to import 24 rice-mills at the cost of Rs. 32 lakhs of foreign exchanges. Is it not absolutely essential that there should be some co-ordination among the Ministries? And again to say that if the papers are forwarded to that Minister he will look into them, is that the way of functioning? May I request the hon. Minister to look into all the grievances and see that this foreign exchange is not wasted as it is being done today?

SHRI DINESH SINGH: That is what exactly I said. The hon. Member gives me the instance of a particular kind. I have not got all the particulars. If it had been mentioned in the body of the question, I would have got the facts. I hope the House will kindly bear this in mind. We have this Controller of Imports who functions under the Ministry of Commerce. But imports are allowed on the recommendations and on the policies laid down by different Ministries. There-offhand, I do not have all this information. If there has been any assurance made by the Government, of course, we shall honour it. But the point is this—unless we have these facts, offhand how can I say what assurances have been made and why we have not been able to implement them fully? So far as I am concerned, we have not dishonoured any of our commitments.

SHRI A. G. KULKARNI: Sir, I object to the policy of the Government in replying: "Please send us certain information". I was making out a point—as a policy, the Government must know and have co-ordination. Before an industrial licence is given by the Industrial Development Department, you say that the Directorate of Technical Development takes all those things into consideration and issue the licence. The fact shows that the material is available in the country, it is already being produced indige-

nously. I want to know what is the policy of the Government. The people are agitated over this; people do not find import substitution. How is this being done? May I know from the Government whether it will put some stop to such type of bungling by the Directorate of Technical Development?

SHRI DINESH SINGH: The point is that the hon. Member takes the facts for granted. He said that the fact has been established. Where has it been established?

SHRI A. G. KULKARNI: We know it.

SHRI DINESH SINGH: He knows it. This is what I am saying. If he shares his information with me, I will also share it and I will look into it.

SHRI P. K. KUMARAN: There are a number of engineering goods which the engineering industry claims that they are in a position to manufacture indigenously, rice-mill of the domestic type being one of them. We have the capacity to undertake the manufacture of the rice-mill probably of the older variety. But there are firms in Bombay which can fabricate the most modern machinery. I want to know whether, before giving licences to import rice-mill machinery from Japan, the possibility of expanding the capacity of such firms had been examined. There are other engineering goods which are also in that category.

SHRI DINESH SINGH: That is examined.

**इकाफे सत्र में भारत और जापान के प्रतिनिधियों के बीच झड़प**

**\*358 श्री राजनारायण : क्या वाणिज्य मंत्री यह बताने की कृपा करेंगे कि :**

(क) क्या यह सच है कि टोकियो में इकाफे के सत्र में भारत और जापान के प्रतिनिधियों के बीच झड़प हुई थी; और

(ख) यदि हां, तो इस बारे में विवरण क्या है ?

#### CLASH BETWEEN THE REPRESENTATIVES OF INDIA AND JAPAN AT ECAFE SESSION

\*358. SHRI RAJNARAIN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that there was a clash between the representatives of India and Japan at the ECAFE Session at Tokyo; and

(b) if so, what are the details in this regard?]

**वाणिज्य मंत्री (श्री दिनेश सिंह) :**

(क) तथा (ख) जी, नहीं। परन्तु प्रारम्भिक अवस्था में एशियाई व्यापार मंत्रियों का सम्मेलन आयोजित करने के सम्बन्ध में कुछ मामूली मतभेद थे। हर्ष की बात है कि उनका समाधान हो गया और एक सर्वसम्मत संकल्प स्वीकार कर लिया गया। हमें अत्यन्त हर्ष है कि जापान के साथ हमारे आर्थिक सम्बन्ध बहुत घनिष्ट हैं जो और भी दृढ़तर हो रहे हैं।

††THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) and (b) No, Sir. However, there were at an early stage some minor differences regarding the holding of the Asian Trade Ministers' Conference. This was happily resolved and a unanimous resolution was adopted. We are very glad that we have very close economic ties with Japan which continued to be further strengthened.]

[ ] English translation.