

[श्री रामकुमार भुवालका]

क्रियान्विति पर मतभेद रहे हैं। सौभाग्य से, अब कृषि में सर्वोच्च प्राथमिकता देने की बात स्वीकार कर ली गयी है। वस्तुतः खाद्यान्न का उत्पादन बढ़ाने को सर्वोच्च प्राथमिकता दी ही जानी चाहिए ताकि खाद्यान्न का आयात बन्द हो। यह कार्य एक दिन में नहीं होगा। लेकिन यदि हमारे देश के लोग इस सकल्प को पूरा करने के लिए लगन से जुट जाएं तो कोई कारण नहीं कि कुछ ही वर्षों में हमारा देश खाद्यान्न में आत्मनिर्भर हो जाए। हम लोग गत सन् 1964 में अमरीका गए थे तो वहाँ न्यूयार्क में डा० बर्न्स से हमारी भेंट हुई थी। डा० बर्न्स करीब 10 वर्षों तक भारत में रह चुकने के कारण यहाँ की स्थितियों से बहुत कुछ परिचित हैं।

उपसभापति आप और कितने मिनट लेगे ?

श्री रामकुमार भुवालका सात आठ मिनट और लूंगा।

उपसभापति सात आठ मिनट और

लेगे, then you can finish your speech tomorrow. We have now got a Half-an-Hour discussion

HALF-AN-HOUR DISCUSSION
REAMERICAN COLLABORATION
FOR MANUFACTURE OF
BISCUITS IN INDIA

DIWAN CHAMAN LALL (Punjab)

Madam Deputy Chairman, the half-an-hour discussion that I have asked for is to raise a discussion on the points arising out of the answers to starred question No. 259 given in the Rajya Sabha on the 4th August 1966 regarding American collaboration for the manufacture of biscuits in India ?

The questions and answers are as follows

“Will the Minister of Industry be pleased to state

(a) whether the Government have received any proposal from any Indian Company for collaboration with an American Company for the manufacture of biscuits in India, and

(b) if so, what are the details of the scheme ?”

The Minister of Industry replied

“(a) Yes, Sir

(b) Government have approved of a proposal for foreign collaboration between an Indian Company and an American Company for the manufacture of biscuits. The scheme involves manufacture of special varieties of biscuits, and the investment in equity capital of the new company by the foreign company will be limited to 40 per cent which will cover the cost of the necessary import of machinery and equipment. There is also a provision in the scheme that the repatriation of dividends on this foreign capital will be covered by the adequate export earnings.”

Now, may I draw the attention of the Minister to the fact that he mentioned that the scheme involves manufacture of special varieties of biscuits but there is absolutely nothing in the agreement between the Government and this particular firm in regard to this particular matter ? This is something that the hon. Minister has evolved out of his own brain. The reply that the Minister gave to the questions put to him on August 4th talks of special varieties of biscuits but as said there is nothing

SHRI ARJUN ARORA (Uttar Pradesh)
Which special variety ? Dog biscuits ?

DIWAN CHAMAN LALL I do not know. After all, you must ask the Minister as to what special varieties are

SHRI BHUPESH GUPTA (West Bengal)
The variety that our Ministers will eat

THE DEPUTY CHAIRMAN Please, let him continue

DIWAN CHAMAN LALL I do not know what the special varieties of biscuits are but I do know this fact, Madam, that there are more than 20 Indian firms in India which are manufacturing biscuits

SHRI BABUBHAI M. CHINAI (Maharashtra) Twenty-nine

SHRI S S MARISWAMY (Madras) Twentysix.

THE DEPUTY CHAIRMAN That is all right, carry on.

DIWAN CHAMAN LALL Maybe twentysix or twentynine. These firms are already exporting biscuits abroad and biscuits of all varieties and they are exporting not only to the Middle East countries but exporting to countries throughout Asia. And they are earning, Madam, nearly Rs. 25 lakhs a year.

SHRI S S MARISWAMY No, no. That is not the correct figure.

DIWAN CHAMAN LALL Rs. 24 lakhs 87 thousand a year. I had the figures from these firms, from the Federation of Biscuit Manufacturers but if my hon. friend has got any other figures he can quote them. My hon. friend will find the figures on page 8 of the Promotion Scheme regarding this. Now, originally only Rs. 10 crores was allowed of foreign collaboration but now it is Rs. 20 crores. Why is this figures suddenly increased and who are these people in Madras for whose benefit this is being done? All the technical know-how, Madam, in regard to the manufacture of biscuits is already known to us in India. Why then does my hon. friend want an American firm to come in and exploit this country for this particular purpose?

Now, my hon. friend, the Minister, in his reply said that there will be adequate export earnings. This is all nonsense.

SHRI BHUPESH GUPTA : Utter nonsense

DIWAN CHAMAN LALL Within seven years the export will be Rs. 20 lakhs practically three lakhs a year as against Rs. 25 Lakhs worth already exported by the biscuit manufacturers throughout India. Why this sudden change in the policy? Originally this firm was refused collaboration. Why has the hon. Minister changed this policy? For what particular reason has he changed the policy? I would like my hon. friend to give us answer to all these questions that I have put because this is a very serious matter, considering that we have all the know-how and all the technical experience of manufacturing biscuits in India which are available

in all sorts of varieties, why it is that this particular firm has been allowed to seek American collaboration for this particular purpose?

THE DEPUTY CHAIRMAN : Mr. Chinai. The rules of procedure for the half-an-hour discussions are that the mover speaks and the rest of the Members who have given notice to the Chair may ask questions.

SHRI BABUBHAI M. CHINAI : Madam, I would like to be enlightened on two or three points. The intent licence which was given to the Century Flour Mills stated that they will have to export Rs. 20 lakhs worth of biscuits, seven years after they came into production. If a company has to go into production, it requires a couple of years and then for seven years they are not obliged to do it. Therefore, for about eight or nine years they are free to sell their products here and they will start exporting only after nine or ten years. I had written a letter to the hon. Minister and in his letter he says that the provision is not for Rs. 20 lakhs, but it is for Rs. 50 lakhs? I would like to know whether it is the Government which has raised it from Rs. 20 lakhs to Rs. 50 lakhs and if it has raised it, whether it has been raised now, whether it was originally Rs. 20 lakhs and it has been corrected now. The second thing which I want to know is this. In the answer we were told that specialised biscuits would be manufactured. May I know whether in the intent letter, which has been given to the party, any specific types of biscuits have been mentioned? If not, what are the biscuits which are going to be manufactured by this company? I also want to know whether any particular guarantee has been taken from this company that they will positively export biscuits worth Rs. 20 lakhs, even after eight or nine years. There is no specific mention in the intent letter. Nor do we know of any guarantee or undertaking given by the party in writing to the Government. Suppose for some reason or other the performance does not take place after nine or ten years, how is the Government going to deal with this company, if there is no guarantee taken from this company? There are 29 units working in this country and these 29 units are

[Shri Babubhai M. Chinai]

manufacturing biscuits practically of all varieties and these biscuits are being exported. In spite of this fact, the party has written a letter to Members of Parliament, which says

"The performance of the existing factories as far as the exports are concerned requires much improvement. Is the annual export at present is only about Rs. 7 to 8 lakhs."

This is a misstatement and it has been sent to most of the Members of Parliament of Rajya Sabha. I would like to contradict this saying that it is not a correct statement. The correct position, according to the Processed Food Export Promotion Commission's Report and Accounts for 1965-66 at page 8 it has been mentioned in item No. 6—Biscuits—is 9,88,488 kg. of the value of Rs. 24,87,389. Is it not a fact that our biscuits during war-time were sent all over Asian and African countries and it was said that in respect of quality they were perfectly all right? "The quality of Indian biscuits is acceptable and compares favourably with other brands available in overseas markets." This is a quotation from the December, 1965 Journal of the Indian Institute of Foreign Trade, Bangalore. In view of this, what was the necessity of saying that some other varieties of biscuits will be manufactured? Their performance will be after ten years and instead of Rs. 20 lakhs now it has been said by the hon. Minister that it will be for Rs. 50 lakhs. We do not know which is correct. In the intent letter it has been given as Rs. 20 lakhs and now the hon. Minister has said that it would be for Rs. 50 lakhs. The Minister has said that the scheme involves manufacture of special varieties of biscuits. Which are the special varieties which are mentioned in the licence or intent letter? We shall be grateful if all the information is given.

SHRI S. S. MARISWAMY: Madam, I am thankful to the movers of the motion, for they have given us

THE DEPUTY CHAIRMAN: You will please restrict yourself to questions. You can ask questions.

SHRI S. S. MARISWAMY: Firstly, I want to know whether the attention of Government has been drawn to the fact

that out of 26 biscuit manufacturing companies in India, not even one is in Madras State. Secondly, may I know from the hon. Minister whether there is a concerted move by the monopolistic interests of Bombay and Kanpur to sabotage this project with a view to maintaining their monopoly in the industry and avoiding competition, which is a healthy factor in a free economy, I want to have answers from the Minister.

SHRIMATI TARA RAMCHANDRA SATHE (Maharashtra): I want to know whether there is any definite target fixed by the Government and is it obligatory for the company to meet it? Secondly, how much dividend is expected to be repatriated? In the reply the Minister has stated that there is already a provision in the scheme that the repatriation of dividend on the foreign capital will be covered by adequate export earnings. I do not understand the meaning of this, whether it will be in terms of biscuits exported in respect of the dividend or what is the arrangement for that? I would like to know whether there is any necessity to import foreign materials for this company, when we are short of foreign exchange. How much foreign capital is involved in this? May I know whether the company is allowed to sell its products in the country or whether, as soon as production started they are to export them? We do not understand it from the reply. It is not clear whether as soon as production starts, they are to export it or what and it is not clear from the reply. If the company does not export it, what is the guarantee taken from the company?

SHRI ARJUN ARORA: Madam, I want to know whether the Government has ascertained that the technical know-how needed for manufacturing the special varieties of biscuits is available in the country. My information is that the know-how for manufacturing all types of biscuits is available. If such know-how was available, why was foreign collaboration permitted? The Government's declared policy is that foreign collaboration is permitted only where Indian know-how is not available. And may I also know what are the special varieties of biscuits, for which this crime has been committed and who are the people eating them?

जरा उन नाजूक लोगों के नाम मालूम हों ।

SHRI BHUPESH GUPTA : Madam, I would like to know from this capitulating Minister whether his attention has been drawn to the fact that during the World War of 1939 to 1945, Indian biscuit concerns supplied every month thousands of tins of biscuits, produced according to specifications, to the allied forces stationed in the Middle-East, Burma and the Far East and later whether his attention has been drawn to the fact that a seminar was held in the place where he comes from, namely, Bangalore. In December, 1965 the Indian Institute of Foreign Trade published a journal in which it was stated that the quality of Indian biscuits is acceptable and compares favourably with other brands available in overseas markets. Now, from the material available to us it is clear that the Indian concerns are doing well in this line, within the limited sphere. They have been struggling hard and have been specially meeting our export requirements. Suddenly how is it that it became necessary for the Government to bring in foreign collaboration to the extent of 40 per cent, even in this field ?

DIWAN CHAMAN LALL : After having refused it originally.

SHRI BHUPESH GUPTA : They originally refused it. Now, suddenly that original thing has gone. Now, you have got Mr. Asoka Mehta running the show, instead of Jawaharlal Nehru. It is quite obvious. Now, therefore, why suddenly it became necessary for them to make a *volte face* in the matter and provide for this agreement to be signed, to bringing in 40 per cent. equity capital worth of shares and participation from the Americans and so on ? This has to be properly explained to us. First of all, biscuit is not a strategic industry, nor is it a nation-building project, so that we need the technical know-how or foreign collaboration of the kind sometimes we need for the building up of the nation or for laying the foundations of our industry.

THE DEPUTY CHAIRMAN : Now on the statement, only questions.

SHRI BHUPESH GUPTA : They should know that these biscuits are not consum-

ed by the average people here—high quality biscuits. Therefore, we would like to know why it became necessary. Now, they say that a special variety will be produced. Which variety is that ? What type of biscuits, we would like to know ? Who will eat them ?

THE DEPUTY CHAIRMAN : That will be enough. No more questions.

SHRI BHUPESH GUPTA : I have not finished. Mr. Chinnai asked a long question. I will not exceed that. I would like to know which are the varieties. They should explain it because it is a serious thing. I put it to the Government that somebody has been bribed, some people in high authority have been bribed in order to make this sell-out deal, and the Minister should tell us why the Government wants this agreement. Who took the bribe ?

THE MINISTER OF INDUSTRY (SHRI D. SANJIVAYYA) : Madam, Deputy Chairman, let me first give the details of the special varieties of biscuits of which my hon. friend, Shri Bhupesh Gupta, was very particular :

Low Calorie Biscuits.
Diabetic Biscuits.
Nutro (Nutrition) Biscuits.
Vitaminised Biscuits.
Special Biscuits for Army Rations.
Slimming Biscuits.
Dietary Biscuits.

(*Interruption*) I have not finished.

SHRI BHUPESH GUPTA : What are slimming biscuits ?

SHRI D. SANJIVAYYA : When they spoke, I listened to them very patiently, and I naturally expect the hon. Members to give the same kind of patient hearing. Even before I finish if hon. Members try . . .

THE DEPUTY CHAIRMAN : You continue with your calories.

SHRI D. SANJIVAYYA : Although India is already producing biscuits, it has not been possible for the Indian units to keep pace with the revolutionary changes taking place in the world.

SHRI BHUPESH GUPTA : What is that revolutionary change ?

THE DEPUTY CHAIRMAN Mr Bhupesh Gupta order, order I would request the hon Members to please let him finish This is a Half-an-hour discussion and the Minister must be heard without interruption Yes, Mr Sanjivayya

SHRI BABUBHAI M CHINAI Will you allow us to ask him questions ?

DIWAN CHAMAN LALL I do not want to interrupt my hon friend, but will he tell this House whether there is a word in the agreement or in the letter of intent that he has issued in regard to these ?

SHRI D SANJIVAYYA The same question was posed by my hon friend a little while ago when he held the floor, and I am trying to explain and answer those questions Why they are so impatient I am unable to understand. Let them hear fully what I am going to say. If any question remains unanswered after my reply, hon Members are free to remind me of the question that they have put, and I will do my best in order to allay their fears, in order to dispel any misconceptions or misunderstandings in the minds of hon. Members

THE DEPUTY CHAIRMAN It is merely a Half-an-Hour discussion

SHRI D SANJIVAYYA I know. That is why I expect I would get ten minutes at least In those ten minutes three minutes have gone

SHRI BHUPESH GUPTA He has said

THE DEPUTY CHAIRMAN I will not allow interruptions any more I think Members know the rules of procedure and they must observe decorum when a Half an Hour discussion is going on The House cannot function in this manner I have read out the rules

SHRI BHUPESH GUPTA But the point is

THE DEPUTY CHAIRMAN I have given an opportunity for those names that were before me to ask questions The questions were fairly long and they were not simple questions Let the Minister give his reply to all the questions No more interruptions

SHRI BHUPESH GUPTA He said revolutionary change in biscuit manufacture

THE DEPUTY CHAIRMAN That should not worry you so much

SHRI BHUPESH GUPTA I want to know what is revolutionary

THE DEPUTY CHAIRMAN You continue, Mr Sanjivayya

SHRI D SANJIVAYYA I have mentioned the names of certain varieties of special biscuits which this concern is going to manufacture

With regard to export figures, my hon friend, Shri Chinai, mentioned some figures, whereas the figures with me are like this

Year	Quantity exported tonnes	Value in rupees
1962-63	397 3	8,58,696
1963-64	434 9	10,32,000 odd
1964-65	397 0	11,30,176
1965-66	210 5	7,07,187

But my hon friend, Mr Chinai, said and quoted also those figures from the publication which shows that the export of those biscuits is worth Rs 24 lakhs I must say here that both are correct The figures that I have quoted are correct and the figures quoted by my hon friend, Shri Chinai, are also correct (*Interruption*) I am unable to understand why they are so impatient Let me clarify

THE DEPUTY CHAIRMAN Mr Sanjivayya, you please keep on answering, do not heed the interruptions

SHRI D SANJIVAYYA I can answer every question and I have also said that if any question remains unanswered, the hon Members are free to remind me and I will again try to answer It is my duty and responsibility to see that all doubts are dispelled A proper understanding of the problem is really necessary both by the hon Members as well as myself. These two figures are correct, I said so because that figures that I have quoted do not include the value of biscuits that we are exporting to our nextdoor neighbour, namely, Nepal We have not included it because the payment here is in

rupee currency, whereas the figures that I have quoted are in foreign exchange. Therefore, I said that both are correct.

With regard to the technical know-how, we have satisfied ourselves that indigenous technical know-how in this regard is not available.

SHRI ARJUN ARORA : You have been fooled.

SHRI D. SANJIVAYYA : We will find out whether we have been really fooled. It is very easy to say that somebody has been fooled by somebody.

THE DEPUTY CHAIRMAN : You are supposed to carry on.

SHRI D. SANJIVAYYA : But how is it possible for me ? After all I am a human being. I have got ears, and from this side and from all sides Members go on shouting.

THE DEPUTY CHAIRMAN : You have to finish. It is a Half-an-Hour discussion.

SHRI D. SANJIVAYYA : I have been trying to reply. Then, with regard to foreign exchange, the equity capital is 40 per cent. out of Rs. 60 lakhs; it is Rs. 24 lakhs, and this amount is equal to the value of the machinery being imported. So, the entire foreign machinery is being bought by the equity capital, namely, Rs. 24 lakhs that is being invested.

SHRI BHUPESH GUPTA : Why ?

SHRI D. SANJIVAYYA : Then again, with regard to the dividends, it has been made very clear that dividends will not be repatriated unless foreign exchange is earned. This is a condition imposed.

SHRI BHUPESH GUPTA : But who will look ?

SHRI D. SANJIVAYYA : There is the Government of India, the Ministry of Finance and so many Ministers, without the knowledge of which not a pie can go.

SHRI BHUPESH GUPTA : What is he talking ?

AN HON. MEMBER : He is talking English.

SHRI D. SANJIVAYYA : Mr. Mariswamy stated that there was no big unit

in the South. It is a fact. There are quite a large number of units in our country. The present production capacity is 45,000 tonnes per annum, and it is expected that during the Fourth Five Year Plan 75,000 tonnes per annum would be produced.

The licenced capacity of this unit is only 3,000 tonnes. There seems to be an apprehension not only in the minds of hon. Members but also in the minds of the manufacturers in this line in the country. When the production capacity is 75,000 tonnes per annum during the Fourth Five Year Plan, I do not know why the biscuit manufacturers are afraid of the small unit of 3,000 tonnes..

DIWAN CHAMAN LALL : They are not.

SHRI D. SANJIVAYYA : Yes, yes. ..and that this unit is going to swallow the entire industry.

AN HON. MEMBER : They are against collaboration.

SHRI D. SANJIVAYYA : If they are against collaboration, I would like to remind hon. Members that already there is a firm which has foreign collaboration. I am going to give the details of that firm also if hon. Members have patience. That company is Messrs. Britannia Biscuit Company.

Their foreign equity capital is 48 per cent., whereas it is 40 per cent in this. Then, dividends repatriable without any condition in the other firm, here repatriable only against export earnings.

SHRI ARJUN ARORA : In which year did that company come ? It was in the British Empire days.

SHRI BHUPESH GUPTA : The firm was here even before independence.

SHRI D. SANJIVAYYA : Then, in that firm there was no export obligation, here the obligation is that they should export biscuits worth Rs. 20 lakhs within seven years of going into production.

SHRI BHUPESH GUPTA : Who started that firm ?

THE DEPUTY CHAIRMAN : You have to hear the answer to the question.

SHRI D. SANJIVAYYA : Capital can be repatriated at any time with regard to the Britannia Biscuit Company. Here, capital will not be repatriated, in any case not before 20 years. Then about technical know-how, in both the cases we do not pay anything for technical know-how.

These are some of the facts. And if there are any other questions which have been left unanswered, I am prepared to answer them.

DIWAN CHAMAN LALL : Is there anything in the agreement..

(Interruptions) I ask about..

(Shri Rajnarain rose)

THE DEPUTY CHAIRMAN : Names are here, no one else.

SHRI BHUPESH GUPTA : About the agreement. . . .

श्री राजनारायण (उत्तर प्रदेश) : अरे, जरा हमको भी सुनिये ।

SHRI BABUBHAI M. CHINAI : Has any guarantee been taken..

THE DEPUTY CHAIRMAN : One at a time.

SHRI D. SANJIVAYYA : We have issued a licence. We have also approved . . .

श्री राजनारायण : माननीया, हमको भी कुछ कहने दीजिए ।

SHRI D. SANJIVAYYA : of this foreign collaboration and the period is fixed, I think, some time in March, 1967. If they do not fulfill the part or play the part that they are expected to according to the conditions of the licence, certainly the Government is free to review the whole position.

श्री राजनारायण : संजीवैया साहब, देखिये, आप जरा उत्तर देने की कृपा करें कि जब भारत की आजादी को हमने गिरवी रख दिया तो फिर बिस्कुट कोलेबोरेशन की क्या बात है । खाली इसका उत्तर दे दें ।

THE DEPUTY CHAIRMAN : Mr. Rajnarain, your name is not here.

श्री राजनारायण : हमने रूल पढ़ लिये हैं । आपने रूल को गलत 'कोट' किया है ।

THE DEPUTY CHAIRMAN : There is no rule.

श्री राजनारायण : आपने जिस रूल को कोट किया है वह गलत कोट किया है । मैंने रूल को पढ़ लिया है ।

THE DEPUTY CHAIRMAN : Mr. Rajnarain, please let Shri Bhupesh Gupta speak. Mr. Gupta, do you want to ask any question ?

SHRI ARJUN ARORA : I want to ask one question.

श्री राजनारायण : मेरा सवाल यह है कि आप बिस्कुट कोलेबोरेशन के बारे में एक ही जवाब दे दीजिए कि . . .

THE DEPUTY CHAIRMAN : Mr. Arora, ask the question.

SHRI BHUPESH GUPTA : Madam, you called me.

THE DEPUTY CHAIRMAN : I have called Shri Arora because you were not asking the question.

SHRI D. SANJIVAYYA : A first.

SHRI ARJUN ARORA : A first, B later.

I understand that this wonderful deal which the Minister of Industry has so ably tried to defend but so miserably failed to defend..

SHRI D. SANJIVAYYA : That is what you feel.

SHRI ARJUN ARORA : will involve the import of certain raw materials also. May I know whether he knows this that the project is such that many other things will continuously be imported and that he is committing a crime in the name of increasing production by permitting these things for..

THE DEPUTY CHAIRMAN : Only a question. Mr. Sanjivayya, have you any answer ?

SHRI BHUPESH GUPTA : Will you tell us when the Britannia Biscuit Company was started ? You are misleading the House by bringing the analogy of the

Britannia Biscuit Company. Who took the bribe ?

THE DEPUTY CHAIRMAN : Please tell us when the Britannia Biscuit Company started manufacturing and exporting.

SHRI D. SANJIVAYYA : I think about 20 years ago.

SHRI ARJUN ARORA : He is wrong.

THE DEPUTY CHAIRMAN : Number two of Shri Arora's question.

SHRI D. SANJIVAYYA : About twenty means, twenty or thirty..

(Interruptions)

THE DEPUTY CHAIRMAN : We do not have time. If you do not have the information, please give it later on. Do not say, twenty or thirty.

SHRI D. SANJIVAYYA : Madam, let me explain. If I do not have a certain information, I am certainly prepared to collect that information and lay it on the Table of the House or read it out according to the desire of the Chair.

SHRI BHUPESH GUPTA : On a point of order..

SHRI BABUBHAI M. CHINAI : He is prepared to read the statement.

THE DEPUTY CHAIRMAN : Shri Arora asked about the raw materials that may be imported for this. For that, have you any answer ?

SHRI D. SANJIVAYYA : I have no answer now. I said, Rs. 24 lakhs is the equity capital investment and that will be utilised for the import of machinery. That is all. With regard to raw materials, I have no information. I will certainly collect it and place it on the Table of the House.

THE DEPUTY CHAIRMAN : That will do.

The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at thirty-seven minutes past five of the clock till eleven of the clock on Tuesday, the 23rd August 1966.