

cargo seized by India during the 1965 conflict, Pakistan has not done anything to release our vessels or our cargo? In these circumstances, may I know what steps Government will take to influence Russia or any other authority so that Pakistan also carries out the Tashkent spirit?

SHRI DINESH SINGH : As you, Sir, very rightly mentioned in the beginning, we have exhaustively discussed this question. If I may say so, the hon. Member is now mixing up two issues here, one regarding the vessels and cargo seized during the 1965 conflict and the other the question of some intrusions into Kutch. The two are entirely different questions.

SHRI HIMATSINGKA : Certain vessels of Pakistan seized by India have been released, but Pakistan is not taking any steps to release either our cargo or our vessels. On the contrary they have disposed of most of the cargo seized by them; that is the information that we have, and the vessels seized by them are being used by them for their own purposes. In those circumstances, will Government take any steps to ascertain whether that is a fact, and if it is a fact, then what steps do Government propose to take to see that the amount realised is paid back to India?

SHRI DINESH SINGH : I had given all these answers during the course of the discussion here on the last occasion.

MR. SPEAKER : Next question.

SHRI TRIDIB KUMAR CHAUDHURI : May I make a submission?

MR. SPEAKER : I have got the hon. Member's letter. But first let us hear the hon. Minister because there is also some overlapping between the Centre and the States.

SHRI HEM BARUA : How could there be overlapping?

MR. SPEAKER : Let us hear the hon. Minister first.

GOVERNMENT CONTROLLED INDUSTRIES IN MADHYA PRADESH

*454. **SHRI D. N. PATODIA :** Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether Government are aware that by an order issued on the 12th December, 1967, the Madhya Pradesh Government have reserved 12 products manufactured and processed by departmentally run and other Government controlled industries in the State exclusively for Government purchases without inviting tenders;

(b) whether Government consider that such a practice results into a loss to the Exchequer as in the absence of open competitive tender the suppliers are given higher price to protect and cover their inefficiency and high cost of production.

(c) whether Government are aware of any such discrimination being practised anywhere else in other States or in the case of Centrally controlled projects and, if so, the particulars thereof; and

(d) what steps Government propose to take to end such discriminations?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH) : (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) and (b). The Federation of Indian Chambers of Commerce and Industry have recently brought to the notice of the Government that such an order has been issued by the Government of Madhya Pradesh. The matter has been referred to the Government of Madhya Pradesh and their comments are awaited.

(c) and (d). It has been reported to Government that a system of price preference has been introduced by some of the State Governments, by which goods manufactured within the State, either by Public Sector Units or others, are

given preference in Government purchases to those manufactured outside the States, even though the latter may be more favourably priced. As this is a major issue of policy, which affects several States, it is necessary to have full consultation between the Centre and the States before any practical solution can be evolved. The matter is under examination in consultation with the State Governments.

MR. SPEAKER : The hon. Member's contention is that it is a State subject and it should not be allowed in Parliament. But let him read the answer laid on the Table of the House.

SHRI D. N. PATODIA : The reply given by the hon. Minister does not exactly meet my question. I want to know whether it is a fact that there is a growing tendency both at the Centre and in the State Governments to give patronage to State-owned industries and in that process the Central and the State Governments and public sector projects have in several cases placed orders on the public sector undertakings or sub-contractors without inviting tenders?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : The reply has been given already. I would like to point out in this connection that particularly such industries which are State-owned are set up by a particular State for the purpose of meeting their own requirements. It may be difficult for us to persuade them not to have this policy of purchasing their requirements from their own industries.

At the same time, certain criticisms and objections have been raised from various quarters, and I have already taken up the matter with the State Governments pointing out that such measures run counter to the policy of dispersal of industries and national integration and that in the interests of industrial development of the country as a whole, it is necessary to ensure that such discriminatory practices are eliminated. I am waiting for their replies. Some replies have come from some

States, but replies from the other States are yet to come. After all replies are received we shall take up this matter with the State Chief Ministers.

SHRI D. N. PATODIA : The second part of my question has not been replied to. What about the Centrally governed projects?

SHRI F. A. AHMED : So far as I am aware, there is no such discrimination.....

SHRI HEM BARUA : How could this question have been tabled here? How could you accept this question? This puts us in a very false position. We get letters from our constituencies, and people are asking us to put certain questions here but we are writing back to them saying that this is not possible because the Speaker would not allow such questions. It is a State subject..

श्री मधु लिमये : इसको थोड़ा सा रिड्राफ्ट कर देते तो नियम के अन्दर आ जाता ।

MR. SPEAKER : I would request hon. Members to kindly read the statement where it is said :

"As this is a major issue of policy which affects several States, it is necessary to have full consultation between the Centre and the States before any practical solution can be evolved".

If it related to one single State then I would have disallowed it; even if it had been printed by mistake, I could have disallowed it even at this stage. But the answer is clear. This matter relates not only to one State but to several States and this is a policy matter, which Government themselves have accepted.

SHRI HEM BARUA : But you have ruled so many times that policy matters should not be asked during the question hour.

SHRI D. N. PATODIA : I would like to caution the hon. Minister before he makes a commitment. Is it not a fact that Bokaro and other steel projects and also the railways have placed orders

in such a manner that tenders have been eliminated and the private sector has been eliminated, and the orders are being placed exclusively on the public sector projects ?

SHRI F. A. AHMED : I have already explained that where a public sector undertaking has been set up for the purpose of meeting their requirements of Government, this question of preference is relevant. The Heavy Engineering Corporation, the MAMC etc. are all public undertakings which have been set up for the purpose of providing capital equipment which will be necessary for Bokaro. Therefore, there is no harm in giving some preference to these public undertakings.

SHRI D. N. PATODIA : Why at the cost of the private sector ? Why should they not compete with the private sector ? Where is the answer to that point ? The hon. Minister has not replied to my question at all. Why does he want to eliminate competition from the private sector ? Let the public sector compete with the private sector.

SHRI F. A. AHMED : That fact is taken into consideration. At the same time, as I have said, a certain preference has certainly to be given because Government have made heavy investment for the purpose of manufacturing these capital equipments.

SHRI D. N. PATODIA : They want to shut out the private sector. It is not a question of preference. I am not at all satisfied with the answer.

SHRI CHINTAMANI PANIGRAHI : What is the policy of the Central Government when a private industrialist belonging to the Swatantra Party has been favoured with lands for 2 lakhs of rupees whose worth is Rs. 3.02 crores for setting up an industry at Rourkella ? (*Interruptions*).

SHRI F. A. AHMED : We do not do it on a party basis.

AN HON. MEMBER : Why should there be reference to the Swatantra party in the question ?

SHRI CHINTAMANI PANIGRAHI : All right, I would only say 'private industrialist'.

MR. SPEAKER : That portion was irrelevant. The hon. Minister may answer only the relevant portion.

SHRI CHINTAMANI PANIGRAHI : I shall change it to 'private industrialist'.

MR. SPEAKER : I think the hon. Minister has no answer.

SHRI CHITAMANI PANIGRAHI : Are we to understand that industrialist minus the Swatantra Party does not exist ?

SHRI F. A. AHMED : We do not do it on a party basis.

SHRI TRIDIB KUMAR CHAUDHURI : The hon. Minister appears to be rather shamefaced in regard to preference being shown to public sector industries in the matter of purchases for so long. But I would submit that preference to public sector undertakings in the matter of purchases has been the accepted policy of Government. Is there any intention on the part of Government, or has any new decision been taken to depart from the accepted policy so far that so far as Government purchases are concerned, these will preferably be from government-owned industries ?

SHRI F. A. AHMED : There has been no such departure.

SHRI NITIRAJ SINGH CHAUDHARI : Is there any constitutional or other prohibition in terms of which State Governments or departments cannot patronise local production ?

SHRI F. A. AHMED : In so far as States set up units for their own requirements, it will be very difficult for us to prevent them from purchasing things required for their own purposes.

SHRI TENNETI VISWANATHAM : It is not a question of difficulties. Is it not a matter of policy that when pub-

lic sector undertakings are started by Government, it is only natural that they should use the products of such undertakings in preference to the products of any other sector, unless, other things being equal, private sector undertakings give better stuff? That being so, why is the Minister hesitating and saying that he will consult all the Governments? Why are public sector undertakings started? They are not started to compete with the private sector or to oblige them.

SHRI RANGA : They have to compete.

SHRI TENNETI VISWANATHAM : If the public sector is not meant to oblige the private sector, why is the hon. Minister hesitating?

SHRI F. A. AHMED : As I have already pointed out, this question has to be split into two parts. Where a particular State has set up a unit for its own requirements, it will be very difficult for us to persuade the State Government not to allow a policy of preference for its own requirements. But where a unit has been set up not to meet the requirements of the State as such but for other purposes, there I have indicated the lines on which I have addressed the States and I am awaiting their reply. If necessary, I shall further discuss the matter with the Chief Ministers.

SHRIMATI TARKESHWARI SINHA : How much are the total purchases being made by Government from the public sector and the private sector in proportionate terms? Is it not a fact that a large part of government purchases is from the private sector and very much less from the public sector?

SHRI F. A. AHMED : A good deal of the purchases goes to the private sector. I have not got the actual figures.

SHRIMATI TARKESHWARI SINHA : Could he give them later?

SHRI F. A. AHMED : Yes.

श्री यशवन्त सिंह कुशवाह : क्या मंत्री महोदय बतायेंगे कि वे बारह उत्पादन कौन से हैं, जिन को मध्य प्रदेश सरकार ने सरकारी उपकरणों के से खरीदने का निर्णय किया है? क्या यह सही कि चूँकि उन उत्पादनों का संग्रह अधिक हो गया था, इसलिए उन को खरीदने को प्राथमिकता दी गई? क्या यह भी सही है कि इस बारे में शिकायत केवल उन कर्मियों को ओर से की गई है, जिन का माल पहले बड़ा मात्रा में खरीदा जाता था और जिन के माल को खरीद अब कम हो गई है, क्योंकि सरकारी उपकरणों से खरीदने को प्राथमिकता दी गई है?

SHRI F. A. AHMED : It is a long list. I can lay it on the Table.

MR. SPEAKER : He may lay it on the Table.

Next question—455.

SHRI SITARAM KESRI : 469 may also be taken along with this, as it is similar.

MR. SPEAKER : Not so similar. Let us see when it comes.

IMPORTERS' ASSOCIATION OF INDIA

*455. SHRI PREM CHAND VERMA :

SHRI R. BARUA :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Importers' Association of India have submitted a representation to Government regarding their position *vis-a-vis* that of the State Trading Corporation;

(b) if so, the main points of the representation and whether these have since been examined;

(c) whether Government have taken any decision in the matter and, if so, the details thereof; and

(d) whether these decisions are in any way likely to react on the import policy and, if so, in what manner?