

cannot generally be substituted for hard boards where hard boards are used.

Shri Damodara Menon: May I know whether the Government of Madras has recommended the representation made by the South Indian Plywood Manufacturers' Association regarding the adverse effect of the import of hard boards?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The mere fact that a State Government makes a recommendation does not alter facts. The facts are that plywood cannot always be substituted for hard boards.

Shri Damodara Menon: May I know whether it is a fact that hard board is competing with plywood here and they are selling at very cheap rates and therefore locally manufactured plywood finds it very difficult to sell in the local market?

Shri T. T. Krishnamachari: The position, really, is that they are not used for the same purposes. It may be that plywood manufacturers think that if hard board is shut out altogether plywood will sell more, but the purposes for which they are used are different and they are used under different conditions. In fact hard board does not absorb moisture whereas it is not the same case with plywood. It is not always that one can be substituted for the other.

Shri Damodara Menon: May I know whether Government will take steps to see that hard boards which are put to the same use as plywood are not imported into this country?

Shri Karmarkar: The licences issued for hard board imports are valid only for insulation boards and not for others.

Shri Damodara Menon: May I know if plywood is also used for that purpose?

Shri Karmarkar: Plywood can perhaps also be used but plywood is a much costlier material and it is not considered reasonable to substitute

the hard board by the use of plywood where a cheaper material is available.

IMPORT POLICY

*1056. **Shri Morarka:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of Government has been drawn to the recommendation of the mission of the International Monetary Fund that Government should set up a long term import policy based on average expectation over the next three or four years; and

(b) if so, whether Government have considered this recommendation?

The Minister of Commerce (Shri Karmarkar): (a) and (b). Yes, Sir. It has always been Government's aim to have as stable an import policy as possible; and over a large field of import trade, the policy has remained stable in recent years.

Shri Morarka: May I know if the Government's attention has been drawn to the criticism made by this mission that the Government policy is not stable and that it encourages speculative tendencies?

Shri Karmarkar: I am aware of their appreciation of the policy and of certain suggestions.

Shri Morarka: May I know if the Government intends to liberalise the import policy in order to utilise our sterling balances?

Shri Karmarkar: Our import policy is based on the necessities of the situation and it is being liberalised in so far as it is advisable when it is considered necessary.

Shri Morarka: In view of the fact that we are going to have a lot of deficit financing, may I know whether Government intends to liberalise its import policy, particularly of consumer goods?

Shri Karmarkar: I think I might refer my hon. friend to the very able statement made by the hon. Finance Minister in this behalf.