

(d) the steps taken to reopen these units?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE (SHRI M. R. KRISHNA) : (a) and (b). Yes, Sir.

(c) The reasons for closure vary from unit to unit. In a number of cases, an important contributory cause has been growing labour indiscipline while in other cases, financial stringency, lack of orders and problems of raw material availability have led to closure (either wholly or partly) of industrial units.

(d) The reopening of some of the closed units would depend on the general industrial climate in the state, which continues to be unsatisfactory. At the same time, steps are under consideration to meet the specific problems of some of the closed units as also improvement of the order position in respect of some of the engineering units in particular. These include proposals for increased allocations of raw materials, and facilities to cover interest liabilities. Steps are also being taken to ensure more effective maintenance of law and order in the State.

#### Setting up of Consumer Industries in Public Sector

264. DR. RANEN SEN:  
SHRI BHOGENDRA JHA:  
SHRI NARAYANAN:  
SHRI KOLAI BIRUA:  
SHRI MAYAVAN:  
SHRI DHANDAPANI:  
SHRI DHIRESWAR KALITA:  
SHRI N.R. LASKAR:  
SHRI YOGENDRA SHARMA:

Will the Minister of INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state:

(a) whether the proposal to set up consumer industries in the public sector has been finalised by Government; and

(b) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE (SHRI M. R. KRISHNA): (a) and (b). It has been decided in principle that the role of the public sector might be expanded and extended to new fields where major production gaps are likely to develop in coming years. This would also include consideration of manufacture of certain consumer items through State enterprises. The selection of such items, however, together with the further details in this regard are still under examination.

#### Appointment of Committee to Enquire into Affairs of Standard Motors Company, Madras

265. DR. RANEN SEN:  
SHRI INDRAJIT GUPTA:  
SHRI K. LAKKAPPA:  
SHRI C. JANARDHANAN:  
SHRI ESWARA REDDY:

Will the Minister of INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state:

(a) whether Government have appointed a three-man Committee to enquire into the affairs of the Standard Motors of Madras;

(b) if so, the personnel of the Committee; and

(c) when the Committee is expected to submit its report?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE (SHRI M. R. KRISHNA): (a) Yes, Sir.

(b) The composition of the Investigating Body is as under:-

#### Chairman

Shri T.A. Varghese, ICS (Retd.),  
Ex-Chief Secretary,  
Govt. of Tamil Nadu,  
Madras.

**Members**

- (1) **Shri N. Krishnan,**  
 Chief Cost Accounts Officer,  
 Ministry of Finance,  
 Department of Expenditure,  
 New Delhi.
- (2) **Shri T.V. Jansukhani,**  
 Joint General Manager,  
 Hindustan Machine Tools Ltd.,  
 Pinjore.
- (c) The Investigating Body, which was constituted on the 1st, June, 1970, is expected to submit its report within six months of the date of its constitution.

**Foreign Collaboration Policy**

266. **SHRI MADHU LIMAYE :** Will the Minister of INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state :

(a) whether it is the declared policy of Government not to permit foreign collaboration which involves a drain on foreign exchange in sectors where sufficient indigenous knowhow is available and especially which are not top-priority industries;

(b) whether in spite of this, it is not a fact that such agreements have been cleared or are about to be cleared in respect of biscuits, ice-creams brassieres and so on;

(c) whether foreign collaboration agreements are being cleared in respect of breweries also in spite of the fact that this industry has been in existence in India for more than 100 years;

(d) if so, the reasons therefor; and

(e) whether it is also a fact that bogus export conditions are also being laid down and in the event of failure, whether the State Trade Corporation is to become the Export Promotion Managers for the defaulting firms ?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE (**SHRI M. R. KRISHNA**) : (a) Foreign collaboration is normally permitted in fields where technological gaps continue to exist, particularly in sophisticated and essential sectors, as also in respect of export oriented projects.

(b) Collaboration in industries like biscuits, ice-cream etc. was permitted in earlier years but even in those cases, export obligations sufficient to cover the outgo of foreign exchange were stipulated.

(c) and (d). Although beer is being manufactured in the country, primarily for internal consumption, yet to improve the quality of beer, particularly for competing effectively in international markets, Government have considered and are considering proposals for foreign technical collaboration in this field on merits, provided there is an export angle and guaranteed exports would substantially exceed the foreign exchange outgo.

(e) It is proposed to enforce the export conditions laid down in approvals for foreign collaboration. The enforcement of the export obligations in such cases shall rest upon either a legal undertaking backed by a suitable bank guarantee or by a similar undertaking providing for surrender of twice the value of the shortfall in stipulated exports to the State Trading Corporation or such Agency as the Government may nominate who shall export at the risk and cost of the party in the event of failure of the party to export directly, with an additional penalty by way of "liquidated damages".

**Dispute in Bharat Heavy Electricals at Hardwar**

267. **SHRI MADHU LIMAYE :** Will the Minister of INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state :

(a) whether there was a dispute in the Bharat Heavy Electricals at Hardwar