

[English]

MR. SPEAKER: Now the question is, there are District Boards on which M.L.As. are Members and are you going to advise the State Governments to have M.Ps. also on those Boards?

SHRI MANMOHAN SINGH: My information is that in several States Members of Parliament are there on these Boards.

### Decanalisation of Imports

\*166. SHRI INDRAJIT GUPTA: Will the Minister of COMMERCE be pleased to state:

- (a) whether the Government propose to decanalise almost all imports;
- (b) if so, the reasons therefor; and
- (c) the items canalised so far and those likely to be decanalised?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) The items, the import of which is presently canalised, are specified in Appendix 5 Part A & Part B of the Import and Export Policy, 1990-93 (Volume I). These lists are being reviewed to determine whether some of the items could be decanalised. A decision will be taken in the near future.

SHRI INDRAJIT GUPTA: Mr. Speaker, Sir, before I put my question, I must lodge a protest with him. Part (c) of the question is very clear and it asks for the items canalised so far and those likely to be decanalised. As far as those likely to be decanalised are concerned, the Minister can certainly say that they are considering the matter. But the information asked about the items canalised so far, is not given. He says, the items, the import of which is presently canalised, are specified in Appendix 5 Part A and Part B of the Import and Export Policy, 1990-93 (Volume I). This will not

do. This is a question asked on the floor of the Parliament. If some items are canalised at present, that appendix must be laid on the Table of the House. I am not going to hunt for Volume I. This is not the way to reply to the question. Do you have anything to say about that? Why are you not giving the list of items which are already canalised?

SHRI P. CHIDAMBARAM: Sir, when this policy was announced in 1990 effective from 1st April, 1990 it was laid on the Table of the House. This is a public document. If the hon. Member wishes to have a copy of that, I am willing to furnish him a copy of Volume I. But, let me assure him, it was laid on the Table of the House when the policy was announced on 1-4-1990.

SHRI INDRAJIT GUPTA: Sir, a new scheme has been announced under the new trade policy under which exporters will be permitted freely to sell their replenishment licences to importers and importers will no longer have to go through the labyrinth of Government offices and regulations. They can purchase directly from the exporters. What will be the impact of this on the fact that there will be actually no canalisation at all and these licences will be sold at a premium. I would also like to know as to what will be the result of this on the actual import and values of imports coming into this country because even people who have no import value in their exports can also buy these licences, as far as I am able to understand.

SHRI P. CHIDAMBARAM: Sir, with great respect to the hon. Member, I would like to say that they are really two separate issues. Although replenishment licences do not arise out of this question, I will answer that. The replenishment licences were always tradeable. It is not a result of the policy announced on the 4th of July, 1991. Now, what we have done is, we have made a large number of items importable

only against replenishment licences and not against free foreign exchange. This will result in import compression, not import enlargement and one of the objects of the new policy is import compression. I have answered earlier in this House that we are aiming at an optimal import compression of approximately Rs. 3,000 crores this year. But, this has to be seen after we set our targets, since the Budget was presented only day before yesterday and tariff rates have been made known only day before yesterday. We will have to set our targets for the current year. As far as the impact of replenishment licences on canalisation is concerned, this is where, I think, there has been some misunderstanding. Appendix 5 Part A contains non-sensitive items which, although canalised, are also available against replenishment licences. So, there is no change there. Appendix 5 Part B contains sensitive items which are canalised and which, therefore, cannot be imported by anyone except the canalised agency against free foreign exchange given by the Reserve Bank. I do not think that the policy of REP licences affects canalisation as such.

**SHRI INDRAJIT GUPTA:** Is it broad understanding of this Government that agencies like the State Trading Corporation and the MMTC should gradually, by stages be abolished altogether?

**SHRI P. CHIDAMBARAM:** Let me make it absolutely clear that we intend to strengthen the STC and MMTC and make them highly competitive international trading houses. If this policy is implemented, STC and MMTC will grow in strength, their volumes will grow, they will find new markets and will export new products.

**DR. DEVI PRASAD PAL:** I want to ask one question. In the case of decanalisation, will the importer be able to use the actual trading licence—

India's trading licence—or on the basis of general trading system he will be able to import the goods in the case of decanalised items?

**SHRI P. CHIDAMBARAM:** I am not quite sure what the hon. Member wants to know. But today we have abolished supplementary licences and additional licences. The only licences that are available to importers are advance licences for duty free imports against an export obligation and REP licences which will now become EXIM scrips. If hon. Member wishes to know that if an item after being decanalised, whether the importer will be allowed to import it, the answer is 'Yes'. If it is decanalised, anyone can import it. But how he will finance the import will depend upon which route he is taking. If he is an exporter who is willing to perform an export obligation, I assume, he will go by the route of advance licences. If he is an importer for domestic production or domestic consumption, which is more unlikely, he will go by the route of EXIM scrips. If the hon. Member has any specific commodity in mind and specific kind of importer, I will be able to help him more.

**SHRIMATI GEETHA MUKHERJEE:** Sir, is it a fact that paragraph 9 of the policy statement of Shri Chidambaram, as reported in the newspaper, contain the following:

"in three years time objective we will be to remove all import licensing for capital goods and raw materials except for a small negative list".

If so, I would like to know what is the necessity of having all the raw materials also imported when our country is potentially rich in raw materials?

**SHRI P. CHIDAMBARAM:** Do you allow Q. No. 180 to be taken up now?

**MR. SPEAKER:** This is a supplementary to Q. No. 166.

**SHRI P. CHIDAMBARAM:** This is an entirely different question. This has nothing to do with decanalisation as such. This is a question about the import policy one should follow. Now, import restrictions are of different kinds. One kind of import restriction is by licensing. Another kind of import restriction is by tariffs. The third kind of import restriction is by quantitative restriction. We believe that the most effective way to control imports is by tariffs and not by licensing or by quantitative restriction. But this is a long term goal. What I have said in that statement is that we will control imports by the method of tariffs and this is what has been attempted by the Finance Minister in his Budget. This is a continuing exercise. So far as licensing is concerned, we would like to remove it over a period of time. Whatever raw materials that are not available in this country will not be imported and they will be controlled by high tariffs. Tariff barriers will be there to control imports.

#### Ferry Service between Bombay and Goa

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\*167. **SHRI SHANKARJI VAGHELA:**

**DR. A. K. PATEL:**

Will the Minister of **SURFACE TRANSPORT** be pleased to state:

(a) whether Government propose to resume the ferry service between Bombay and Goa for the convenience of the people of these areas as also of tourists;

(b) if so, the details thereof;

(c) whether any proposal for acquiring new ships for service between Bombay and Goa has also been considered; and

(d) if so, the outcome thereof?

**THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER):** (a) No, Sir.

(b) Does not arise.

(c) and (d) Government have permitted M/s. **SATYA GIRI SHIPPING COMPANY** to acquire two high Speed Catamarans for plying on the Bombay-Ratnagiri-Panaji route. This Shipping Company has since deposited initial payment to the seller in respect of the first catamaran while the sanction for acquisition of the second catamaran is valid upto 14-8-1991. The Government have also permitted M/s. **LINK-on-SEA-LINK** to acquire a Catamaran to ply on Bombay-Goa route, and this sanction is valid upto 31-10-1991.

[Translation]

**SHRI SHANKARJI VAGHELA:** Mr. Speaker, Sir, the hon. Minister has thought about Goa and Bombay technically only. Had he given the reply after applying his mind, probably the reply would have been something else. I would like to say through you, that the condition of railways is well known, and so is the condition of the roads. Very recently the hon. Minister of Finance increased the prices of petroleum products. That also you know. You also know the condition of the entire transport system. In view of the above, will the hon. Minister be pleased to state whether the Government is going to accord priority to water transport over the road, rail and air transport as the former will be cheaper and the distance will be cut short?

**MR. SPEAKER:** Vaghelaji, you are going from specific to general. It should not be so.

**SHRI JAGDISH TYTLER:** There was such a scheme but we had to suffer heavy loss on it. So it was withdrawn. We are granting permission to State Governments and private parties. Permission had been granted even before I took charge of this Ministry as Minister. There are about five such companies who had sought permission and it has already been granted to them. We want that permission should be granted throughout the country, not to speak of Bombay and Goa alone.