

MR. SPEAKER: Shri Mohan Dharia.

THE MINISTER OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): I rise to place on the Table of the House the import policy of the Government

श्री भगत राम (फिल्डोर) : मेरा पार्यट चाफ़ आर्डर है ।

MR. SPEAKER: Every day I find that you get up and say something. When I called item 2 you never rose at all; you cannot raise it at any time.

SHRI DINEN BHATTACHARYYA (Serampore): You do not take any notice of us; I have seen it many times.

श्री भगत राम : मैने आइटम दो पर पासपोर्ट एप्लिकेट्स की डिफिकल्टीज के मामले को रोज़ करने के लिए 10 बजे से पहले नोटिस दिया था ।

MR. SPEAKER: It is under section 24 of that Act. He is referring to the difficulties of getting passport. This is not relevant to the papers to be laid on the Table. You must familiarise yourself with the rules; that is the difficulty. It is not admissible under the rules.

SHRI JYOTIRMOY BOSU (Diamond Harbour): The rules of Para Loka Sabha?

MR. SPEAKER: I have no knowledge of it; I do not know whether you have any knowledge of that.

(Interruptions)**

MR. SPEAKER: It is not admissible. Don't record. It is not admissible. You seem to think that for you everything is admissible and no rule is applicable. You must first study the rules. Then you will know what it is. Every time you are getting up and shouting. This is not the occasion. The rules do not permit it. One has to go according to the rules.

(Interruptions)

**Not recorded.

MR. SPEAKER: Don't record. (Interruptions)**

MR. SPEAKER: Shri Mohan Dharia.

12.10 hrs.

STATEMENT RE. FOREIGN TRADE
POLICY FOR 1979-80

THE MINISTER OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): Sir, I rise to place on the Table of the House, the Import Policy of Government for 1979-80, together with the Export Policy book for the same period, which in corporates the details of the Export Policy announced by me in the House on 30-3-1979 [placed in Library. See No. LT-4395/79.]

As the Hon'ble Members are aware, it has been our endeavour to impart greater stability to our foreign trade policy. With this objective in view, the structure of the policy has been retained but improvements have been made to give further impetus to indigenous production and exports and, at the same time, provided adequate and legitimate protection to our industry and agriculture.

I shall first outline some of the provisions made to stimulate export production and promote exports.

The scheme for the grant of Advance Licences with duty exemption benefit for the import of raw materials and components required for export production has been made more broad-based. Its coverage has been considerably expanded and the connected procedures have been rationalised to meet the requirements of our exporters. The list of materials eligible for duty exemption has been made comprehensive. It is expected that as a result of these changes, exporters would be

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able to make fuller use of this facility for timely execution of their export orders and expand their exporters.

In the case of Import Replenishment Licences issued to Registered Exporters, it was found that face value restrictions placed on some items had rendered their import uneconomical and unfeasible in the case of small value licences. To remove this disability, it has been decided that such face value restrictions will not apply in cases where the replenishment entitlement for quarterly period is not more than Rs. 10,000/-.

Government is still awaiting the full report of the Committee that had been set up in December, 1978 to review the role and working of Export Houses. The new policy applicable to them will be framed after Government receive its report and consider its recommendations. Meanwhile, the existing policy will continue with a few changes. These changes include:—

(a) exports of products carrying a replenishment rate of more than 50 per cent will not qualify for additional licences;

(b) the limit of Rs. 2 lakhs per item imposed under the general policy against Additional Licences, may be raised to Rs. 5 lakhs on the request of an Export House, if the item is required for the manufacture of its export product.

Project exports of diverse nature have become an increasingly important plank of our foreign trade. The Import Policy sets down the types of facilities available for Registered Exporters taking up such projects. These include imports made into the project country from third country sources as well as the re-import into India of used equipment after completion of the project.

The working of the Simplified Payment Scheme has been widely acclaimed by our exporters. The issue of Import Replenishment Licences relating to the same exports, which are

covered by this scheme, has posed some administrative problems, resulting into delays. The procedures have been simplified in the new policy, so that such licences can be issued more conveniently and speedily. Hereafter each Registered Exporter will be given a Certificate of Exports along with the cheque towards the disbursement of cash. He need only consolidate all such certificates and submit them with his application for the REP licence. No other export documents need be furnished. This new system will certainly help in removing the obstacles and the unwarranted delays.

Export of our cinema films in video taped form has been canalised since 30th March, 1979 through the Indian Motion Pictures Export Corporation. The Import Replenishment Policy in such cases permits the import of blank video tapes, to promote such exports further. I have every hope that in a few years this will prove to be an important segment of our export efforts, besides opening up new avenues for our own domestic cinema viewers.

I now turn to the salient features of the import policy for domestic manufacture.

The system of granting automatic and supplementary licences to Actual Users for the import of raw materials, components and spares will continue. However, the 10 per cent increase over actual consumption of imported inputs which was automatically allowed to all Actual Users, would now be available only to—

(a) small scale units having a consumption of not more than Rs. 7.5 lakhs in a year; and

(b) units having an annual export turnover of at least 5 per cent of their production.

In other cases, requirements of restricted raw materials and components in excess of actual consumption in the previous year should as

far as possible, be met through indigenous sources. Government would not like to allow any such imports without meticulous scrutiny by technical authorities under the supplementary licensing procedure.

It was found that the provisions of the Import Policy had resulted in excessive imports of scientific and measuring instruments to the detriment of indigenous industry. Such instruments are being produced by many of our technically qualified persons in the small scale sector. Hence, suitable provisions have been made in the Import Policy to restrict their import. However, jigs, fixtures, moulds and press tools being essential adjuncts to manufacturing assets and their indigenous availability being limited, their import has been allowed under Open General Licence. Similarly the existing formula for licensing the import of essential spares required by our manufacturers for rendering after-sales service to the customers, has been modified and a maximum value limit of Rs. 50 lakhs has been imposed. A watch will be kept on the service rendered by the manufacturers using this facility.

The gap created in our import policy, by the abolition of the erstwhile Established Importers, in meeting the diverse requirements of the small users, for operating and maintaining various types and models of electrical, electronic and instrumentation items, has been filled by a new provision which permits each Export House to import such spares upto a limit of Rs. 2 lakhs against the additional licence granted to it.

A provision was made in the Import Policy last year, permitting fourteen identified projects and industries to resort to global tenders for the import of Capital Goods required by them with the object of facilitating speedy installation of additional capacity in the priority sectors. While the scheme will continue, it has been decided to

introduce suitable safeguards to adequately protect the interests of indigenous manufacturers.

The policy for the import of samples has been considerably liberalised, so as to provide wider opportunities for scientific and technological advancement and export competitiveness. The limit applicable to a Registered Exporter in such cases against his REP licence has been raised from Rs. 10,000/- to Rs. 50,000/- and that for a manufacturer-exporter, even without a licence, from Rs. 500/- to Rs. 5,000/-.

Samples of drugs and medicines, human vaccines and sera, veterinary including poultry vaccines and insecticides will be allowed under Open General Licence, on the approval of the technical authorities concerned.

There had been a long standing request from the photographic trade for allowing the import of modern cameras for their professional requirements. This has been acceded to and a provision has been made in the policy which permits each such user to import one camera, to certain specifications laid down in the policy, if he has not imported a camera in the past five years.

Indigenous production of aluminium and natural rubber fell short of our requirements and *ad-hoc* arrangements for their import had to be made in 1978-79. To ensure timely supplies in future their import has been canalised through the MMTC and STC respectively. Copper continues to be canalised and the arrangements for its distribution from indigenous sources as well as imported stocks have been streamlined and incorporated in the procedures accompanying the Policy. To relieve the pressure on copper, imports of brass scrap and zinc and zinc alloy scrap have been permitted under Open General Licence by all persons. This will go a long way in meeting the demands of our small units and handicraft manufacturers.

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While announcing the foreign trade policy for 1978-79 in the House in April, 1978, I had observed that efforts would be made to see that the prices charged for the materials supplied to the small scale, tiny and cottage sectors by canalising agencies are equal to those payable by the large users on high seas sales. With a view to meet this requirement, it has been decided that State Small Industries Corporation or other designated State enterprise may purchase on the high sea from the canalising agencies concerned, non-ferrous metals and stainless steel, for distributing them to small-scale units located in their State. This will bring the small scale units on par with the big users.

In my Statement in the House on 30th March, 1979, I had referred to the necessity for a review of the arrangements made for giving interpretation and clarifications to the Import Policy, particularly in regard to the items for import under Open General Licence. Accordingly, the new policy lays down a special time-bound procedure for seeking and issuing proper clarifications expeditiously. I am sure that these arrangements would help in cutting down delays and removing uncertainties.

Government has recently allocated additional responsibility, to the Chief Controller of Imports and Exports. While placing on the Table of the House the Import Policy for 1978-79, I had stated that, in furtherance of the decentralisation of the working of this organisation, new offices would be opened at Agartala, Chandigarh, Cuttack, Gauhati, Jaipur and Patna, while the existing offices at four other places would be up-graded. I am happy to inform the House that this programme has been fully implemented. Besides, Export Promotion Offices have been set up as assured in cities having a population of over one million. Powers have also been given to the Directors of Industries in Jammu and Kashmir, the Andaman and Nicobar Islands, Arunachal Pradesh, Lakshadweep, Manipur, Mizoram,

Nagaland, Tripura and Goa, Daman & Diu to register exporters of all items other than gem and jewellery without going through the concerned Export Promotion Councils. As a further measure of facility to our exporters, it has been decided that all the licensing offices will handle all types of Import Replenishment licensing work and necessary arrangements towards this end are being made.

The Import Policy for 1978-79 was one of the major factors in the attainment of balanced growth, with relative stability of prices. The objective of self-reliance has always been upper-most in our minds and all possible safeguards have been taken to protect Indian industry and agriculture. There may be still some cases where it would be necessary to render further protection to indigenous industry and agriculture. In this context I propose to have a permanent Review Committee to examine such cases for necessary action from time to time.

In the statement made on this occasion last year I had indicated that the new dimensions given to the Import Policy will bring about a 60 per cent reduction in the number of import applications. The House will be happy to know that the number of import applications has come down to 96,000 in 1978-79 as against 2,50,000 in the year 1977-78.

The Simplified Payment Scheme, by which the cash compensatory support is paid across the counter to eligible exporters, has proved immensely popular. The number of such applications has doubled in 1978-79, to over 2 lakhs as compared to the previous year, simultaneously, our efforts to bring down pendencies have also yielded good results. At the end of March, 1979, the number of pending cases was about 4 per cent of total receipts. Out of this too, more than a half was less than a month old. So, hardly 2 per cent pendencies are there and they are there be-

cause certain requirements have not been fulfilled by those who have applied for. We have virtually brought down the number of pendencies.

Sir, those are the major aspects of our import-export policy for the year 1979-80. In designing this policy, Government has taken due cognizance of the recent trends in the world economy, the development needs and capabilities of the national economy and the increasing gap in Foreign Trade. This policy is directed to meet the basic inputs and requirements of the country, acquire new science and technology, strengthen the production base both in agricultural and industrial sectors, and attain the objective of self reliance as quickly as possible. Sustained production, particularly sustained exportable production is the main key for sustained exports. This approach will help in expanding our exports, increasing our export earnings and reducing the widening trade gap. The foreign trade policy and this approach, I am confident, will give a new impetus to our efforts in fulfilling our long cherished national objectives.

MR. SPEAKER: Item No. 7.—Mr. George Fernandes is held up in the Rajya Sabha. Therefore, I go to item No. 8. Mr. Rabi Ray.

SHRI JYOTIRMOY BOSU (Diamond Harbour): On a point of order, Sir. How many Ministers are there in the Ministry of Industry? There is a procedure under which he could have authorised some junior Minister.

MR. SPEAKER: He did not expect to be held up. Sometimes, unexpected things do happen. He was expecting that there will be a Calling Attention and, therefore, he will come at a particular time.

Item No. 8. Mr. Rabi Ray.

12.28 hrs.

STATEMENT RE. FINDINGS OF
INQUIRY COMMITTEE ON DR.
RAM MANOHAR LOHIA'S TREAT-
MENT AND ACTION TAKEN BY
GOVERNMENT THEREON

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI RABI RAY): Dr. Ram Manohar Lohia, then Member of Parliament was admitted to the Willingdon Hospital on 28th September, 1967, an operation was performed on him on 30th September, 1967 and after certain complications developed; he unfortunately passed away on 12-10-67. Soon after his death the Parliament had been concerned about the matter and in reply to questions, the Government had declared that the "treatment record was examined by the senior medical officers and no negligence in the operation or the subsequent treatment of Dr. Ram Manohar Lohia was found" No formal enquiry was, however, conducted at that time in 1967.

SHRI HARI VISHNU KAMATH (Hoshangabad): Who was the Health Minister then?

SHRI RABI RAY: At that time, I think the Health Minister was Shri Satya Narayan Sinha.

After the new Government assumed office in March, 1977, a two-Member Enquiry Committee was constituted on 18th June, 1977 to probe into the pre-operative, operative and post-operative care provided to Dr. Lohia during his terminal treatment in the then Willingdon Hospital from the 28th September, 1967 to 12th October, 1967, when he passed away. This Committee consisted of Dr. H. S. Bhat and Dr. K. C. Gangwal. The Committee looked into the relevant records, examined various persons connected with the treatment and submitted its report to the Government on the 30th October, 1977. Copies of this