

दफ्ताने की जिम्मेदारी हम लेने जा रहे हैं। कम से कम इस के लिए तो कम्पनी से हर्जाना मिलना चाहिए था। आज जब हम कम्पनी को चलाने की जिम्मेदारी लेने जा रहे हैं तब उन का जो सालाना घाटा होता था, वह तो कम से कम नहीं होगा। जो सालाना घाटा हो रहा था, जो कारखाने बरबाद हो रहे थे, जिन की वजह से देश की एकानमी चौपट हो रही थी, वह नहीं हो सकेगा। हमारे देश की एकानमी पर इन कारखानों को चलाने की वजह से जो असर पड़ेगा, उस के लिए खुद कम्पनी को हर्जाना देना चाहिए था, लेकिन हम ने इस में उल्टे कम्पेन्सेशन की व्यवस्था रक्खी है। यह बात समझ में आने वाली नहीं है।

मैं समझता हूँ कि शायद यह व्यवस्था कम्पेन्सेशन देने के लिए नहीं रक्खी गई है क्योंकि मेरा अनुभव यह बतलाता है कि जितना भी कम्पेन्सेशन कोर्किंग कोल नेशनलाइजेशन ऐक्ट में रक्खा गया था, आज तक कोई मैनेजमेंट उस का पैसा लेने के लिए नहीं आया है। वह जानते हैं कि उन के कम्पेन्सेशन से ज्यादा तो उन की लाइविलिटी है। सब का सब पैसा घुमा फिरा कर सरकार के खजाने में आने की बात है। हाँ, अकाउंट का फर्क हो सकता है। अगर इस विधेयक के कम्पेन्सेशन की बात रखनी आवश्यक हो, तो कोई हर्ज नहीं है, मंत्री महोदय उस को रख सकते हैं, लेकिन मैं एक चीज का सख्त विरोध करता हूँ कि इस पैसे में से एक पैसा भी उस कम्पनी के अधिकारी को या प्रोप्रायटर को दिया जाये।

इस से ज्यादा अन्यायपूर्ण कदम आप का और नहीं हो सकता है।

दूसरी बात मैं यह कहना चाहता हूँ कि आखिर जब हम किसी कारखाने का अधिग्रहण करते हैं, उस का नेशनलाइजेशन करते हैं, तो उस के पीछे एक भावना काम करती है, और इस में भी रक्खा गया है कि मजदूरों ने आग्रह किया था कि इस कम्पनी की हालत खराब हो रही है, मजदूरों की हालत दयनीय हो रही है, इसलिए इस कारखाने को ले लिया जाये। इसी तरह की और भी वारदातें हुईं। जब इंडियन आयरन एंड स्टील कम्पनी को लिया गया तो आज डेढ़ साल हुए

MR. CHAIRMAN: The hon. Member may continue tomorrow. We shall now take up Half-an-hour Discussion.

17.29 hrs.

HALF-AN-HOUR DISCUSSION

UNAUTHORISED PRODUCTION BY FOREIGN FIRMS AND LARGE INDUSTRIAL HOUSES

SHRI JYOTIRMOY BOSU (Diamond Harbour): Mr. Chairman, Sir, at the very outset, I want to ask Shri Subramaniam—he is noting down—as to why these gimmicks of licences are issued if the two purposes were being defeated everyday namely, the planned economy and planned industrial economy. You have the Industrial (Development and Regulations) Act, 1951 in which the rule itself states that the capacity for which the licence is asked for has to be specified and in the Report of the Industrial Licencing Policy Inquiry Committee—main Report—it is stated as follows:—

“As indicated earlier, the Industrial Policy Resolution of 1948 en-

[Shri Jyotirmoy Bosu] visages that the private sector enterprises...."

MR. CHAIRMAN: Mr. Bosu, one thing I would like to draw your attention to is page 2. You might have got the reply—the last para. You will please read that out and then you argue.

SHRI JYOTIRMOY BOSU: I can. In my sequence, it is at flag 'C' and now it is at flag 'A'.

MR. CHAIRMAN: It is better that he reads flag C first.

SHRI JYOTIRMOY BOSU: I am under your command, Sir. If you say that I should start with flag C, I must do it, because what you say is actually a command to me.

SHRI SOMNATH CHATTERJEE (Burdwan): Not to be followed.

SHRI JYOTIRMOY BOSU: Even if you do your best, you cannot make the critics shut their mouths.

MR. CHAIRMAN: I am not shutting out any criticism. That is not my purpose.

SHRI JYOTIRMOY BOSU: In the last paragraph, the hon. Minister had said:

"It is not the intention of Government to discourage production in the country."

I know this song. He further says:

"At the same time, it is not Government's policy to permit production in contravention of existing rules and regulations, particularly of articles of luxury and elite consumption."

This thing is known more through its breaches than by its compliance. I would like to ask of Shri C. Subramaniam whether he does not know that there are industries like those in

the priority sector, those in the non-priority sector, industries in the banned sector industries in the superfluous sector and things like that. If he talks like this, why is it that he has to go through the gimmicks of licensing? We want to know the answer to this.

The Industrial Licensing Policy Inquiry Committee in its main report says:

"The important provisions of the Act were:

(i) all the existing industrial undertakings in the scheduled industries had to be registered within a prescribed period;

(ii) no new industrial unit could be established or substantial expansions to existing units effected without a licence;

(iii) Government could order an investigation in respect of any scheduled industry or under taking if, in its opinion, there had been or was likely to be an unjustifiable fall in the volume or production in the industry or undertaking or if there was a marked deterioration in quality or an increase in price for which there was no justification; a similar investigation could also be ordered in respect of any industrial undertaking being managed in a manner likely to cause serious injury or damage to consumers;

(iv) in the event of an industry or undertaking not carrying out the directions issued after such an investigation, Government could take over its management."

We want to know in how many cases, Government have taken over the management of those industrial concerns which have continuously violated the provisions as far as the capacity of production is concerned.

Then it has been stated in regard to the new Industrial Licensing Policy that:

"However, after the Reports of the Monopolies Inquiry Commission (1965) and the Industrial Licensing Policy Inquiry Committee (1969), changes in the industrial licensing policy and streamlining of official procedures have been considered necessary with a view to achieving more effectively the economic and social objectives of industrial development."

Towards the later part of my speech, I shall try and tell you how Government have performed in that sphere.

Then, what has happened? I do not want to enter into a controversy by saying that this whole thing has been used as a gadget for collection of funds for a particular political party. I do not want to say that at the moment.

PROF. MADHU DANDAVATE (Rajapur): Let him say it at the fag end.

SHRI JYOTIRMOY BOSU: I shall mention the amounts also. The private sector and foreign and Indian monopolists took full advantage of this attitude of Government and this was never enforced, and that was to a great extent for a consideration. Then, it was only a reverse action.

The same report further says:

"Our studies, however, show that when there was a choice between the public sector on the one side and the private sector on the other, the licensing authorities in some important cases took decisions in favour of the private sector.

Finally, what can be clearly stated about the licensing system is that even within the limits of the system, the attempt to ensure the attainment of its specific objectives was half-hearted. Licences were issued in

excess of capacity targets even in non-essential industries. Influential parties and large houses were permitted to pre-empt capacities.....

To recapitulate our general conclusion in the earlier Chapters, the licensing system worked in such a way as to provide a disproportionate share in the newly licensed capacity to a few concerns belonging to the large industrial sector."

This is what the main report has said quite clearly.

Then we come to the glaring instances of violations. When was this Report published? In 1969. Shri Subramaniam will kindly tell the House as to what happened after this Report was published. We want a detailed report on this.

Take, for example, the Indian Tobacco Company. Its licensed registered capacity was 24,260 million cigarettes. They have been producing more than 32,000 millions more than that. Another concern of the same group, Vazir Sultan's licensed capacity is 8,880 million cigarettes, but they are producing over 13,000 million cigarettes.

There are cigarette companies, Indian and foreign. We want all figures to be placed before the House, as to what is their installed and registered capacity and how much they are producing. This Report is something which will really alarm anybody.

There have been cases of production of 100 per cent more than licensed capacity. British India Electric Construction Co., Calcutta 100 per cent. Universal Electric Ltd., Calcutta 541.50 per cent, Gwalior Rayon Silk Manufacturing (Weaving) Co. Ltd. 119.95 per cent, Containers & Closures Ltd., Calcutta 112.58, Carona Sahu Co., Bombay 313.33 per cent and Bimetal Bearings Ltd., Madras 184.85 per cent.

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): From which document are you reading?

SHRI JYOTIRMOY BOSU: From the Report of the Industrial Licensing Policy Inquiry Committee, Appendices, Vol. III.

SHRI MADHU LIMAYE (Banka): Old figures.

SHRI JYOTIRMOY BOSU: We want the latest figures. Government have not published the latest figures.

MR. CHAIMAN: What is the use of quoting old figures?

SHRI JYOTIRMOY BOSU: This is the only document available. Government have not published any other. Afterwards I will give new figures. We have got our own figures.

Look at the wonderful performance. Larson and Toubro, very good friends of Government; 966.605 per cent. Can you imagine it? There are 45 such cases. If I remember correctly, the highest is about 2793.41 per cent in one case.

Is it true that this matter was referred to the concerned Cabinet Sub-Committee for decision? According to reports, the Committee did take some decisions, but these have not been implemented. Is that also true?

Certain points arise out of these things. These, briefly, are as follows and I would want answers to these.

How long each firm has been indulging in unauthorised production? Were the periodical production returns sent to the Director General, Technical Development? If so, the details thereof? If not, the reasons therefor? What action did DGTD take in the matter? Did DGTD sanction imported

raw materials on the basis of unauthorised production or the licensed capacity? If the former, under what authority? Did the unauthorised production compel smaller units in production to curtail their production or prevent them from applying for industrial licences? What profits have been made by these firms from unauthorised production? To what extent, the profits have been repatriated? These are the specific questions which I would require the hon. Minister to answer.

The rules and regulations are meant for smaller firms, and those who have influence and contacts are given complete immunity. Contrarily not only could Government not take any action; but they gave new licences to these offenders. The illegality was accepted by the Government and legalised by them. Planned production cannot be increased through unwritten licences.

We want a thorough probe into the whole matter of unauthorised production by a commission. Even COB licences and exemption orders in force with effect from 1969-70 were flouted. Many diversified and expanded their capacity. No detailed report on this was made out by DGTD as required under the rules they had themselves framed. This unauthorised operation was shielded through this carry-on-business. During 1952-65, certain permission letters were also issued for expansion. May I ask under what legal authority was it done?

Then here is a very interesting piece of document. As usual, I get these documents. This is a Notification dated 18 April 1970 signed by a gentleman called Mr. K. M. Rajpal, Under Secretary to the Government of India, no doubt in Shri Subramaniam's Ministry. This is notification No. S.O. 2443|IDRA|20B|70|5. It says:

'Undertakings which propose to go in for manufacturing 'new articles' or increased production will

have to inform DGTD or other appropriate Technical Authority concerned. They will furnish particulars of their revised manufacturing programme, the "new articles" they propose to manufacture and the value and nature of minor balancing equipment, if any, which may be added."

Now, I want to know what was the outcome and what did you get as a result of this letter.

On the 14th April, 1972, the then Minister of Industrial Development had assured the Rajya Sabha that no unauthorised expansions made by any industrial unit had been allowed to be legalised; however, if any instances of such unauthorised expansions were brought to his notice, he would take action. It was given a very good coverage in the *Economic Times*. But we do not know how many instances were brought to your notice, and in how many of them you have taken action. I presume that nothing was brought to your notice. You did not want it, and no action was taken against anybody.

Then, in reply to Starred Question No. 141, dated 9th August, 1972, it was stated that 45 cases of unauthorised production over the licensed capacity were referred to by the Industrial Licensing Policy Inquiry Committee in its report.

MR. CHAIRMAN: The hon. Member's time is up. He has already taken 14 minutes.

SHRI JYOTIRMOY BOSU: Sir, I have just started. You are very considerate whenever you are in the Chair. But what about the time that was consumed in that dialogue? (*In interruptions*).

MR. CHAIRMAN: It is a half-hour debate.

SHRI JYOTIRMOY BOSU: I know; they are getting terribly exposed.

MR. CHAIRMAN: You should be reasonable. Every subject is important, but you should be reasonable. In a half-an-hour debate, if I give you 15 minutes, I am not unreasonable. If you take half-an-hour yourself, how is it possible?

SHRI JYOTIRMOY BOSU: Kindly allow me some more time. I humbly request you. In a similar reply you said the same thing. Let us see what is happening. For one company, Pfizer & Co., the amounts remitted by them towards dividends are as follows: 1959: Rs. 5,88,000. In 1971, because of this wonderful control exercised by Mr. Subramaniam and his Ministry, the remittances came to Rs. 68,28,450. That is a wonderful performance.

Then there are tax consequences, because through this, they have been able to inflate the cost of production artificially. The Report of the Tax Evasion Enquiry Committee, 1968, clearly indicated at page 20, "Inflation of cost and expenses and claiming of bogus losses." I want to ask if you had at any point of time consulted the tax authorities.

Then there are cases where they had allowed an increased production outside the licensing capacity. I want to know if Mr. Subramaniam had looked into this matter and whether he had consulted the Board of Indirect Taxes and if they have advised him in this regard. I want Mr. Subramaniam to explain this phenomenon. The Government spokesman said in the Rajya Sabha that "concerning the increase in the assets of the monopoly houses, certain studies have been made in the Department, by the Research and Statistical Organization of the Department and not by the Commission. The study indicates that there is an annual average increase of about 10 per cent. . . ." etc. According to the Reserve Bank of India Survey, the industrial growth rate has been six per cent. How does he explain that there has been a growth

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rate of 10 per cent in their assets and how can they justify that this six per cent growth is enough?

I take one case, Godrej. There, the growth rate of assets—annual—is about 40 per cent. But the rate of growth of production is hardly nine per cent. In spite of that, they are reluctant to pay even a meagre bonus to their employees. All these are patched up. An assurance which was given was forgotten.

If you come to the reply given to unstarred question No. 1345, they say that Government have recognised enhanced capacity in respect of 54 industrial undertakings belonging to larger industrial houses and foreign majority companies. Then they say, that 45 cases have been referred to the Commission of Enquiry into larger houses, the Sarkar Commission; and they add that permission that may be granted now for fuller utilisation of licensed capacity would be without prejudice to the action that the Government may decide. On the one hand you say that you do not want them to produce in excess of licensed capacity which is stipulated in the licence that you grant to them; on the other hand you catch up and regularise the whole thing. But in the vital sectors, Mr. Subramaniam must be aware of this fact, capacity utilisation is going down every year. I will quote from the Reserve Bank Survey which shows that capacity utilisation in basic industries has come down from 88.7 in 1960 to 77.40 in 1961. Capital goods showed 76.8 in 1960 but it has come down to 56.9 in 1971. But when you come to beverages and tobacco industries, it was 86.5 in 1960 and it has gone up to 90.2 in 1971. For basic industries it is going down; for consumer goods it is going up. Mr. Subramaniam knows it; he said so many things. We know his political philosophy. He has been a friend of the Americans and he has been a friend of big business; we know

that; he has allowed India to become the paradise for plunder.

President Johnson's Memories about people in the United States Lobby says: "Certain responsible persons in the Government of India have been working to further the cause of the United States." The then Food and Agriculture Minister was Mr. C. Subramaniam; the then Food Secretary was Mr. Dias. We know Mr. Subramaniam. He says something today, and the next day if he finds a different master he will say something tomorrow. He said many things yesterday. All that I can say is: empty vessel sounds much.

SHRI C. SUBRAMANIAM: That is what is happening now.

SHRI JYOTIRMOY BOSU: The proof of the pudding is in the eating; I do not change masters, as you know. Things were said yesterday. Why and under what circumstances?

Mr. CHAIRMAN: Please conclude now.

SHRI JYOTIRMOY BOSU: I am concluding. What he said in the debate on that Bill is wholly untrue. He said something at the time of devaluation. I want to know about this. I am asking Mr. Subramaniam how in his wonderful management these people in the non-priority sector—or, he thinks priority sector?—Chicklet manufacturers, Hindustan Warners, Cadbury, Palmolive, Colgate, Indian Tobacco....

MR. CHAIRMAN: How many times? You repeat it every day.

SHRI JYOTIRMOY BOSU: Every day.... Merrit Sewing Machine, Coca-cola, they are prospering, every day, every year. The growth rate is 30-40 per cent at least in theory; in practice it may be three times more. They are allowing them to diversify—deep sea fishing, hotels, Union Carbide,

Imperial Chemical Industries, Britannia Biscuits, etc. Why have they not done it in the public sector? Sarkar Commission had already taken three years on this. Why has not even an interim report been given?

I shall conclude now. This is a very disturbing piece of news. It says here that despite two decades of industrialisation, the indigenous position has not improved technologically; today the country is as much dependent on foreign know-how as it was in the early fifties. That is the finding of the Economic and Scientific Research Foundation. Its latest study highlights that in the early 70s foreign collaboration companies remitted profits in return for the know-how 3 to 4.5 per cent of the estimated value of the output.

MR. CHAIRMAN: Please conclude now.

SHRI JYOTIRMOY BOSU: I am concluding. I have given some categorical questions and I shall beg of you to get a reply from the hon. Minister. Otherwise we would be very disappointed. We shall consider that Mr. Subramaniam is taking the shape of the vessel which contains him. . . (Interruptions).

डा० कौलास (बम्बई दक्षिण) : सभापति महोदय, इसमें कोई शक नहीं है कि देश को आवश्यकता है आवश्यक वस्तुओं की, और जब आवश्यक वस्तुओं का कम निर्माण होता है, तो उसमें वृद्धि की जानी चाहिए। लेकिन देश को यह भी ध्यान रखना है कि देश की नीतिगत न नीचे गिर जाये।

सभापति महोदय : माननीय सदस्य सवाल करें।

डा० कौलास : मैं मंत्री महोदय से यह जानना चाहता हूँ कि ऐसी कितनी फारेन और हिन्दुस्तानी कंपनियाँ हैं, जिन्होंने अनपेक्षित प्रोडक्शन किया, और उनके

खिलाफ सरकार ने क्या कार्यवाही की है। इसमें कोई शक नहीं कि देश में निर्माण होना चाहिए, लेकिन अगर सरकार ने नीतिकता को खत्म कर दिया और उन लोगों की सहायता करने की कोशिश की, जो देश को नीचे गिराना चाहते हैं, तो यह हमारे देश के भविष्य के लिए अच्छा नहीं होगा। इसलिए हम चाहते हैं कि जिन कंपनियों ने, चाहे वे बाहर की हों और चाहे देश की, अनियमित ढंग से अराना प्रोडक्शन बढ़ाया है उनके विरुद्ध कोई कार्यवाही की जाए। कल हमने इस हाउस में एक एमेंडमेंट पास किया है और उससे भी ऐसा लगता है कि हमें निर्माण की तरफ जाना है। परन्तु क्या ऐसी कंपनियों को भी कल के एमेंडमेंट का लाभ मिलेगा।

सभापति महोदय : माननीय सदस्य भाषण न दें। वह क्या जानना चाहते हैं?

डा० कौलास : मैं जानना चाहता हूँ कि ऐसी कंपनियों के नाम क्या हैं और उनके खिलाफ क्या कार्यवाही की जाएगी? तथा नए एमेंडमेंट का उन पर क्या असर होगा?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): Sir, I have listened with some attention to Shri Bosu. Time and again he has brought in my functioning as Food and Agriculture Minister and the comments made by President Lyndon Johnson with regard to that. As far as the part I played as Food and Agriculture Minister is concerned, I am not ashamed of it. The country knows what part I played in building up the agricultural economy of the country. I leave it to the House and posterity to judge the part I had played. The hon. member has been saying that I am a friend of the Americans. I am a friend of the Americans. I am a friend of the Russians. But my ultimate loyalty and the only loyalty is to my country. I do not

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know whether the hon. member can claim that. Therefore, there is no use bandying words. He said, empty vessel makes much noise. And that is what he was demonstrating when he was speaking here.

With regard to the ILPC report, it is past history. The report has been submitted, and the whole matter has been referred to the Sarkar Commission. After all, what else can we do? We have been writing to the Commission to expedite its report, at least with reference to the increased production, so that we may initiate some action with regard to that. (*Interruptions*). This hon. member is talking all sorts of non-sense and goes on interrupting also. He can say whatever he likes when he is speaking, but certainly he should allow others to speak.

SHRI JYOTIRMOY BOSU: Why is he losing temper?

MR. CHAIRMAN: You have brought so many allegations against the minister. Now he has a right to reply. You must have the patience to hear him.

DR. KAILAS: The hon. Member should have thick skin to bear the reply.

SHRI JYOTIRMOY BOSU: Sir, on a point of order. Why was the Sarkar Commission not asked to submit an interim report? In fact, they have been asked not to submit a report.

SHRI C. SUBRAMANIAM: I was saying that the whole matter has been referred to the Sarkar Commission and we have been trying to find out whether the Commission could submit an interim report, particularly with reference to production beyond the capacity and what sort of action they would recommend. Unfortunately, the Commission has taken the stand that it would not be possible to submit an interim report, but it will try to expedite the report rather than submit an interim report. Certainly, we will force a Commission of this

status, which is presided over by an ex-Chief Justice of the Supreme Court, and dictate to it that it should submit a report within such and such time, but we are giving it all possible help to expedite the formulation of the report.

SHRI D. K. PANDA (Bhanjanagar): When was the interim report called for?

SHRI C. SUBRAMANIAM: In January 1973 we attempted to find out from the Sarkar Commission whether it could submit an interim report, particularly covering cases relating to production in excess of the licensed capacity. But, unfortunately, it was not possible. It has not agreed to submit an interim report, but it has agreed to expedite the report as best as possible. I am sure the hon. Members would have noticed that public hearing has already started, and let us hope we would be able to get the report as quickly as possible.

SHRI SHYAMNANDAN MISHRA (Begusarai): What is happening to the additional excise duty on the production that they have been bringing out clandestinely?

SHRI C. SUBRAMANIAM: It is not clandestine production in the sense that it does not come into the accounts at all. These are production which are entered in their accounts, on which not only the excise duty but also income-tax and corporate tax are paid. What is produced outside the accounts is quite different. Fortunately, all these have come into the accounts.

SHRI SHYAMNANDAN MISHRA: Is the unauthorised production yielding additional excise duty?

SHRI C. SUBRAMANIAM: I do not know what the hon. Member means by unauthorised production. We do collect excise duty on that. It is not as if we take the stand that they are not liable to pay the excise duty because they have produced beyond the

licensed capacity. They pay excise duty on whatever they produce and whatever goes into the market.

SHRI SHYAMNANDAN MISHRA: How do you ensure that every production enters into their accounts?

SHRI C. SUBRAMANIAM: They have to report to the DGTD their monthly production. We also make cross checks with reference to the raw material and electricity used and other factors. Some sort of check is always kept. But here the position is, they have admitted they have produced beyond the licensed capacity. So, the Sarkar Commission is going into it as to how to deal with this situation.

SHRI SOMNATH CHATTERJEE (Burdwan): What is the time-limit for the Sarkar Commission?

SHRI C. SUBRAMANIAM: I am sorry, we cannot fix any time limit. We have extended the time-limit upto April 1974. I hope they would be able to submit a report before that. But if the Chairman of the Commission ultimately comes to the conclusion that he cannot complete it by April 1974 and asks for further time, we have to grant it. Certainly, I cannot accuse the Chairman, who is an ex-Chief Justice and who is not drawing any remuneration from the Government. We can understand if somebody is being paid for it, if somebody is taking salary and, therefore, is interested in dragging this on. But he is not such a gentleman....

18.00 hrs.

SHRI JYOTIRMOY BOSU : He has said, 'He is not such a gentleman'. This is very serious matter. The Minister cannot say that. He said this about justice Sarkar.

SHRI C. SUBRAMANIAM: He is not such a gentleman who will drag on the work. If this is the sort of interruption the hon. Member goes on making, then I will refuse to answer any of his questions.

Now, we have to await the report to decide on what sort of action should be taken. Even after that, reports are being submitted with regard to production in various units which is admittedly in excess of the licensed capacity. Now, shall we take action without reference to what the Sarkar Commission is going to recommend with regard to this—take our own action? Then we need not have referred to the Sarkar Commission at all to make recommendations as to what sort of action should be taken in cases where there has been production in excess of the capacity. Therefore, we have taken a consistent stand that, having referred it to the Sarkar Commission, we shall await the report of the Commission, and whatever action they recommend we shall take in respect of all cases where there has been production in excess of the licensed capacity. That is why everywhere, even when we say that they can go on producing, we say that it is subject to action which we might finally take with regard to breach of the licensing conditions. We always retain that clause. There is no question of condoning it. On the other hand, we are keeping this open till the recommendations of the Sarkar Commission are available so that action can be taken on that basis.

SHRI SOMNATH CHATERJEE: The Minister has said that the matter has been referred to the Sarkar Commission and that they are waiting the report of the Sarkar Commission. But, when there are cases of breaches which have been found to have happened, would you wait for the Sarkar Commission report because that will help the Government in arriving at a particular policy? It may be that for years the report may not come. When cases of admitted breaches are there, why don't you exercise your right?

SHRI C. SUBRAMANIAM: As a matter of fact, these are cases of admitted breaches which are referred to the Sarkar Commission, and we have asked them to find out whether

there is justification for taking any action and if action has to be taken, what action will have to be taken, because, these are cases where production has taken place on the basis of exhortations made by the Government from time to time and during times of crisis that production should be increased, full utilisation should be made of the capacity; even beyond the capacity. Further production should be made. Particularly in times of crisis we have to make such exhortations. It was on that basis that this has taken place. Now, what sort of action should we take? Unfortunately, in our country, we can take action for producing more, and if a person does not produce, there is no question of taking any action; perhaps we should give an award; he has not produced anything and, therefore, he is following the progressive policy of the hon. Member of not producing anything. When we are interested in more production and we had exhorted them to produce more and they have produced by going even beyond the capacity, in what cases it could be justified and in what cases it cannot be justified, all that will have to be gone into. That is why we referred the whole matter to the Sarkar Commission and the matter is pending. In no case have we condoned the breach of licensing condition; we have always kept this question open that, as soon as the recommendations are available, we will take action according to the recommendations.

SHRI SHYAMNANDAN MISHRA:

You have suspended the operation of the law.

SHRI C. SUBRAMANIAM: We are taking other action. I shall indicate that. We are trying to see how to limit them to the licensed capacity, and one way of tackling that is in respect of allocation of raw materials, where raw materials have to be allocated.

Therefore we have recently taken a decision that raw materials will not be allocated more than 125 per cent

of the licensed capacity because everybody is entitled to increase the capacity by 25 per cent, which is stipulated, provided it is not substantial expansion. And, we have always given this option, that they can increase by 25 per cent over and above the licensed capacity. Therefore, Sir, we are now restricting the allocation of raw materials only to 125 per cent so that they may not be able to produce more than that. Of course, if there are raw materials available otherwise without allocation, then, it is a matter of free availability of raw materials and they produce a little more than what is possible, these cases will have to be dealt with.

Therefore, Sir, it is not a case that we are unwilling to take action. It is a case where we have to await the guidelines to be provided by the Sarkar Commission with regard to the action to be taken in these cases. And, we shall try our best to get the report as quickly as possible, and as soon as the Commission's report is available we shall take action. It will be almost contempt of the Commission—having referred this to them, having asked them to make recommendations—if we now unilaterally, on our own, take some action; and if we do that, I am afraid, all this inquiry by the Sarkar Commission for the last two or three years will become infructuous. And that is why, having waited for two or three years, I would respectfully submit, even to Mr. Bosu, to wait for a few months more so that we may get the recommendations of the Commission on the basis of which we can take action....

SHRI SHYAMNANDAN MISHRA: What possibly could have come in the way of your taking action against excess liquor production? These are obvious cases where you could have taken action against the violations.

SHRI C. SUBRAMANIAM: It is also one of the cases....

SHRI SHYAMNANDAN MISHRA: Why did you think it fit to refer the case to the Sarkar Commission?

SHRI C. SUBRAMANIAM: You cannot make a distinction between excess production in one area and excess production in another area. That is why all the cases which were referred to in the IPLC report, all the 45 cases, have been referred to them and these are before the Commission. Therefore, unless we are able to get the Commission's report with regard to the action to be taken, I am afraid, it will be premature for us to consider any action to be taken in this regard.

As I said, we are trying to take all the other precautionary methods like allocation of raw materials and other things to see that the excess production does not take place continuously and that continuing breach does not take place. Therefore, Sir, we are in this position and, that is why, we are not in a position to take action just at the moment. And, here and now, categorically I may state that it is not a question of condoning this. It is a question of trying to find out how to deal with the cases. Even if hon. Members go through the provisions of the Industrial Development and Regulation Act, it is not as if the case is so clear that you can always bring to book the persons who have produced in excess of the capacity. There

are certain legal difficulties also. That is why the Commission should go into the entire things and let us know what sort of proceedings should take place.

Therefore, this is a case where we have to await the submission of the Report by the Commission, and before that, however much hon. Members may be aggrieved with regard to greater production in the country. We will have to wait for some time more.

18.09 hrs.

BUSINESS ADVISORY COMMITTEE

THIRTY-FOURTH REPORT

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS (SHRI K. RAGHU
RAMAIAH): Sir, I beg to present the
Thirty-fourth Report of the Business
Advisory Committee.

18.10 hrs.

*The Lok Sabha then adjourned till
Eleven of the Clock on Thursday, De-
cember 2, 1973/Agrahayana 15, 1895
(Saka).*