

income groups. After the Janata Party came to power—and my friend, Dr. Subramaniam Swamy, took credit for it—they abolished the 20-point Programme, and the thing which the hon. Member complains arises out of the abolition of the 20-point Programme. That is why the benefit has not gone to the weaker sections. We have restored it, and in a very short time we will see that the weaker sections get it.

SHRI G. S. NIHALSINGHWALA: May I know from the hon. Minister whether he has received any complaints that the Bank managers and other officials of the banks do not disburse the money unless they get something from the parties.

SHRI BHAGWAT JHA AZAD: It is a fact everywhere.

MR. SPEAKER: The hon. Member wants to know whether it is a fact that the Bank managers take some bribe from the parties.

SHRI R. VENKATARAMAN: If I know or if my Department knows that there is corruption, they will take immediate action. If it happens without our knowledge, then I would like the members to bring it to our attention.

Engineering Goods Export Targets

*189. **SHRI NARAYAN CHOUBEY:** Will the Minister of COMMERCE be pleased to state:

(a) whether the current year's engineering goods export target has been fixed at Rs. 915 crores;

(b) whether the Association of Indian Engineering Industry has said that the target fixed was unrealistic; and

(c) if so, what is Government's reaction thereto?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) to (c). Engineering Export Promotion Council

has recommended target of Rs. 915 crores for 1980-81. Certain reservations about this target were expressed by AIEI. But there has been subsequent consultation between these two bodies and they are understood to have agreed that this target can be achieved if adequate infra-structural support is provided. The Government have adopted this target and are making all out efforts for its achievement.

SHRI NARAYAN CHOUBEY: What and when were the consultations made with these two bodies and what were the recommendations coming out of those consultations?

SHRI PRANAB MUKHERJEE: The hon. Member knows that when we fix an export target in a particular sector normally, we consult the Export Promotion Council and various other bodies connected therewith. Normally, when the Export Promotion Council fixes up a target, they discuss it through the various channels they have set up covering the various manufacturing sectors. Therefore, this is a continuing process and if the hon. Member wants to know at what particular point of time what discussions and what recommendations were made, it is not possible for me to give because we never ascertain it, we entrust this job to the Export Promotion Council and they discuss it with the individual manufacturers and or a group of manufacturers in various sectors and after that they give the decision. On the basis of that we discuss with the various connected Ministries and find out whether the target fixed is a realistic one or not and on the basis of that we fix it.

SHRI NARAYAN CHOUBEY: What are the difficulties that were expressed by the Indian Engineering industries regarding infrastructure and other difficulties which you tried to solve?

SHRI PRANAB MUKHERJEE: The difficulties which they pointed out in the infra structure are: non-availability of raw materials, mainly steel

and pig iron and coking coal, power, and transport bottlenecks. These are the major constraints due to which even the production targets of last year could not materialise. When we discussed with the concerned Ministries and projected our demand for the target which we have fixed at Rs. 915 crores, the various concerned Ministries have agreed to provide the necessary materials required for us. So far as steel sector is concerned, it has been agreed that 3,21,000 tonnes of steel will be provided; so far as pig iron is concerned 1,30,000 tonnes of pig iron will be provided and similarly, with regard to coking coal, power and high-speed diesel oil we discussed with the concerned Ministries and they have assured that the inputs necessary to reach this target will be provided.

SHRI NARAYAN CHOUBEY: How do you solve the power problem?

SHRI PRANAB MUKHERJEE: The Power Ministry has agreed. Let us see.

DR. SUBRAMANIAM SWAMY: One of the ways the Ministry is trying to reach the export target is by extending subsidies. This time the export subsidies have gone up to Rs. 319 crores. I want to know whether the Ministry has come across a study made in the professional journals in India that the problem with the Indian engineering industries was not one of competitiveness but we could not reach the target because of the quantity, reliability and marketability.

Therefore, I want to know whether the Minister would recommend to the Finance Ministry that we can save money on these export subsidies as subsidy is not going to meet the target. The question is how to raise the quality and reliability of the exports.

SHRI PRANAB MUKHERJEE: Sir, quality according to the standard specifications is one factor. The second important factor is the delivery. This is also an important factor. So, merely by providing subsidy, we cannot reduce the competitiveness of our products.

But, Sir, this is a complicated process. The hon. Member is well aware of it. Sometimes, because of the duty structure, we find that our products become non-competitive and we cannot simply do away with the duty part. Therefore, in order to compensate it, sometimes we resort to this type of mechanism. I agree with the hon. Member that merely by resorting to subsidies we cannot improve our export performance. We are laying more and more emphasis on it. The hon. Member is aware that a Committee appointed under the Chairmanship of Mr. Tandon have also looked into this aspect and they have made certain recommendations which are under the active consideration of the Government.

SHRI SANJAY GANDHI: Is it a fact that under the Janata Rule, I will say, in alliance with C.P.M. (*Interruptions*) the quantum of engineering exports have been reduced. If so, what is the reduction? (*Interruptions*).

MR. SPEAKER: All of you please sit down. Why are you agitated about this? I will give you freedom. You had your say. Let other Members have also their say. It should not be allowed like this. It is not parliamentary. You are not a youngman. (*Interruptions*). It is my job. Why are you doing it? Mr. Gandhi. I will give you full freedom. Nothing should be recorded without my permission.

** (*Interruptions*)

I am not listening; I am not allowing you. I will give you full freedom.

This is Parliament. You can have your own views and let them have their own views. Why do you object to this? Mr. Choubey, I deplore this. Let him say so. It is his way. Mr. Gandhi.

SHRI SANJAY GANDHI: Will the hon. Minister kindly say whether it is a fact that our export was reduced in the three years of Janata rule and that there has been a reduction in the exports? If so, what is the extent of reduction and how many years will it take for the engineering industries to recover and get back to the stage where we were in 1976?

SHRI PRANAB MUKHERJEE: Sir, the first part. . . . (*Interruptions*)

MR. SPEAKER: Order please. You ask your own supplementaries. Why are you interrupting like this? This is not Parliamentary Practice. We have agreed to this. I will ask the leaders to do. . . . (*Interruptions*)

SHRI PRANAB MUKHERJEE: Sir, so far as the first part of the question is concerned, it is true that while we were having the export growth rate in the order of 25 to 27 per cent upto 1976-77, it was reduced to 6 per cent in 1979-80. This is a hard fact of life. This cannot be denied and it is known to the hon. Members. We had a surplus in the trade account in 1976-77 in the order of Rs. 69 crores and we have ended with a trade deficit of Rs. 2,000 crores this year.

So far as engineering industry is concerned, even this year, there has been a reduction of 8 per cent negative growth, and, in absolute terms, it was Rs. 700 crores in 1978-79 and this year it came down to Rs. 650 crores. In the engineering exports, from 1968-69 to 1976-77 we were having a growth rate of 44.4 per cent. These are the hard facts of life. Then, Sir, I am sorry, I cannot give an

assurance how much time. I will require to improve the situation.

SHRI JYOTIRMOY BOSU: May I congratulate the Minister, (*Interruptions*)

MR. SPEAKER: Order please. (*Interruption*) Please sit down.

SHRI SOMNATH CHATTERJEE: May I know from the Minister. . . .

PROF. MADHU DANDAVATE: We have no objection; everything he brings in the Janata Party. . . . (*Interruption*)

MR. SPEAKER: We have to follow the parliamentary practice. Order now. This is not the way.

SHRI SOMNATH CHATTERJEE: May I know from the Minister what will be the projected share of the small-scale industries in this export performance, in regard to the target which has been fixed? I believe he knows the constraints which the small scale industries are facing—especially in the matter of supply of pig iron and steel items. Will the Minister make special efforts to see that the small scale industries are given their required supply of these materials so that they may make their contribution toward the export of these engineering goods?

SHRI PRANAB MUKHERJEE: So far as the supply of pig iron to the small-scale industries is concerned, it is true that certain difficulties were faced by the small scale industries. They also made certain complaints to us. Therefore, in consultation with State Governments, we have decided that the entire raw material required for the small scale units will be provided through the Small-Scale Industries Development Corporation under the supervision of the State Governments.

And, so far as the supply position is concerned, I have already mentioned this in reply to earlier questions. We will have production at the level of 15 lakh tonnes in the current year. Our total projected demand will be a little less than that.

Therefore, in regard to the supply of these raw materials, we will not be in difficulty.

SHRI SOMNATH CHATTERJEE: Share of the small-scale sector..

SHRI PRANAB MUKHERJEE: I don't have the ready figure here. But normally it varies between 35 to 40 per cent. Sometimes it gets beyond that. But I will have to carry the figure from year to year.

SHRI SOMNATH CHATTERJEE: So they need your help more..

SHRI PRANAB MUKHERJEE: Yes, certainly.

SHRI INDRAJIT GUPTA: Is it not a fact that one of the major factors which are now operating against our exports of non-traditional goods like engineering goods is that many of the developed countries (which in earlier years were providing a ready market for our goods) including the USA and so on, have recently started imposing countervailing duty on the plea that the subsidy being given by the Indian Government is an unfair sort of protection or help being given to our industry here, and therefore, in order to protect their own markets, they are imposing this countervailing duty? Is it a fact? I think it is quite a serious situation which is developing now. It is not a fact that this is becoming a major constraint on the export of non-traditional goods? The Government has sent out a team recently to try to persuade those governments and

those countries not to discriminate like this, against exports from developing countries.

SHRI PRANAB MUKHERJEE: It is true that protectionism is being resorted to by some of the developed countries (either in the form of countervailing duties or by fixing a quota) in the way of our exports for some of these countries. So far as the countervailing duty imposed by the USA is concerned, the hon. Member is aware that their team came here and we had a discussion with them. Our team also recently visited the USA. But still we have not been in a position to reconcile. We have explained our case. It is not merely the question that we are going to give a subsidy and as a result of that they are opposing it. They have mentioned other difficulties also. And some of these goods are competitive, even otherwise also; but, in order to protect their own domestic industries they would like to resort to all these things.

SHRI INDRAJIT GUPTA: Target has to be fixed.

SHRI PRANAB MUKHERJEE: So far as engineering goods are concerned, the position is this. What you talk is perfectly relevant in the case of garments and in certain other cases. But so far as engineering goods are concerned fortunately in the market where we are trying to penetrate, there is not so much resistance. So, perhaps it would be possible for us to reach the target.

SHRI M. S. SANJEEVI RAO: We are fully aware of the effective steps the Minister is taking for supplying sufficient quantity of steel and billets; but these industrialists are not properly utilising these subsidised steel billets and other things. They are selling that in the black market. What effective steps is the hon. Minister going to take to check this?