

LOK SABHA DEBATES

1

LOK SABHA

Wednesday, March 4, 1970 | Phalguna 13,
1891 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Setting up of Textile Mills in Nepal by Indian Industrialist

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*211. SHRIMATI SUSEELA
GOPALAN :
SHRI K. M. ABRAHAM :
SHRI E. K. NAYANAR :
SHRI MOHAMMAD ISMAIL :

Will the Minister of FOREIGN TRADE
be pleased to state :

(a) whether it is a fact that the Nepal
Government had offered to an Indian
Industrialist to set up two textile mills in
Nepal;

(b) whether it is also a fact that the
Industrialist first agreed and then rejected
this offer; and

(c) if so, the reason therefor ?

THE DEPUTY MINISTER IN THE
MINISTRY OF FOREIGN TRADE (SHRI
RAM SEWAK) : (a) to (c) . The Ministry
of Foreign Trade has no information of

2

any recent offer made by H. M. G. of
Nepal to any Indian industrialist for setting
up textile mills in Nepal. However, in 1967,
two Indian parties explored the possibilities
of setting up textile mills in Nepal. The
projects did not materialise. Precise and
authentic information on the reasons for
abandonment of these projects is not
available.

SHRIMATI SUSEELA GOPALAN :
This is the statement by the Nepalese Amb-
assador to India, which has been published
in the *Patriot* of 7th January. The following
is the report :

"He denied that preference was given to
Pakistan to set up two textile mills.
Mr. Pande explained that the first offer
of these mills was given to a private
industrialist in India. India had demand
adequate power and Nepal spent nearly
£ 4 lakhs on import of generator. Later,
the industrialist backed out and Nepal
had to go to Pakistan."

This means that the negotiations had
gone on to a certain extent and later on it
was cancelled. I would like to know whe-
ther any definite procedure is followed in
regard to these negotiations by private
industrialists with other countries, and
whether Government knows the position at
the various stages of the negotiations be-
tween these private parties and the other
countries.

THE MINISTER OF FOREIGN TRADE
(SHRI B. R. BHAGAT) : There is a
definite procedure laid down for these
investments outside. Even in this matter,
the two parties which were negotiating with
the Nepal Government came to us for

certain facilities. This was considered, and we agreed to give some. But as my colleague has said, their negotiations with Nepal did not materialise.

SHRIMATI SUSEELA GOPALAN : If Government are not a party at the various stages of these negotiations, then our image abroad suffers. We are having negotiations with various African countries, and if negotiations with any country get cancelled in this manner, then the African countries also will think that we are not very much interested in these things and this will have a bad effect on our negotiations with those countries. Therefore, at least for the future, will Government see that they are also a party at the various stages of the negotiations so that there is no last-minute cancellation of the negotiations ?

SHRI B. R. BHAGAT : Government are not directly a party because these are investment by private parties. But as I have said, there is a well laid-down procedure. Particularly with Nepal, our economic co-operation and relations are good, and, therefore, we encourage such things. Our Ambassador is also some times involved in these things. But in this case, whenever they came to us for certain facilities, we considered the request and we extended to them whatever facilities were possible under our policy. But probably in their negotiations with the Nepalese Government, they could not come to any agreement, and that was why this did not materialise. At that stage, we could not do anything about it.

SHRI R. K. BIRLA : May I ask the hon. Minister whether the units in Nepal could not be installed, because while the Government of India had given them the assurance that they would supply adequate quantity of cotton, they had finally refused to supply the cotton ? I had a discussion with the present Governor of Gujarat when he was our Ambassador in Nepal, and I myself had discussions with him, and the units were not coming up because the Government of India were not prepared to supply adequate cotton.

MR SPEAKER : Is the hon. Member asking a question or supplying information ?

SHRI R. K. BIRLA : I am asking a question to this Government. My question

is whether the Government of India had refused to supply adequate quantity of cotton, with the result that the units could not be installed there ?

SHRI V. KRISHNAMOORTHY : That is criminal conspiracy.

SHRI B. R. BHAGAT : No. The House is aware that there is shortage of cotton, and we are not allowing any additional installed capacity in the country, and it is banned. But in this case, because of our relations with Nepal, we agreed that a major part of the cotton requirements will be supplied, and we agreed to give them 12,000 bales of cotton per year, provided a part of the other requirements was met from other sources. We gave this concession because of our relations with Nepal, although we do not allow any additional spindleage or loomage in the country.

SHRI NARENDRA SINGH MAHIDA : Textile mills have been established by the industrialists in Ethiopia. There are also negotiations with other countries. In spite of our closeness with Nepal, may I know the reasons why Indian industries do not go in for textile mills or other business in Nepal ?

SHRI B. R. BHAGAT : It is not true to say that our industrialists do not go in for business; they are going in for business and they are doing business. This particular project may not have gone through.

Commonwealth Prime Ministers' Conference 1970

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- * 212. **SHRI MAYAVAN :**
SHRI SAMINATHAN :
SHRI NARAYANAN :
SHRI DHANDAPANI :
SHRI N. R. LASKAR :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether any decision has been taken to attend the Commonwealth Prime Ministers' Conference this year;

(b) whether India has been requested to arrange this meeting in India itself;