

LOK SABHA

Tuesday, April 7, 1970/Chaitra 17,
1892 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair].

ORAL ANSWERS TO QUESTIONS

श्री० स० मो० बनर्जी : स्पीकर महोदय, मुझे एक बात कहनी है। हमें मालूम हुआ है कि 60 साल को उम्र के एक सज्जन जो कल जूलूस में थे श्री बिहारी सिंह, बाराबंकी के पुलिस की मार की वजह से उन का अस्पताल में देहांत हो गया है। मैं चाहता हूँ कि होम मिनिस्टर साहब इस के बारे में कोई बयान दें और जिस तरह से पार्लियामेंट के मेंबर की मृत्यु के बाद हम एक मिनट का साईलेंस करते हैं—उसी तरह से इन के लिये भी करें। वह भी पार्लियामेंट का दरवाजा खटखटाने के लिए यहां आए थे, 60 वर्ष की उन की उम्र थी मेरा निवेदन है कि हम सब लोग इस को कन्डेम करें।

डा० राम समग, सिंग : अध्यक्ष महोदय, इन की पालिसी इतनी गई गुजरी हो गई है—आप जा कर वहां देखें, मेंबर पार्लियामेंट को कह कह कर इन्हो ने पिटवाया है। फरनान्डो ज और राज नारायण को कौन नहीं पहचानता है। पकड़ पकड़ कर उन लोगो को पिटवाया है। बाराबंकी के जिस 60 साल के आदमी को मारा गया है, उस को दवा भी नहीं दी गई, उसी तरह स पड़ा रहा, बाद में उस के साथियों न उस को ल जाकर दाखिल करवाया। प्राइम मिनिस्टर उस को दखन के लिय कहाँ गई, उत्तर प्रदेश जाती है, सरकार को टापल कराने के लिये, लेकिन वह तो बाराबंकी का आदमी था, रफ़ी साहब के ज़िले का था, उस को देखने कहाँ गई।

MR. SPEAKER : I think the Minister will come here when he can explain the position.

SHRI DINKAR DESAI : Sir, Yesterday some of the hon. Members were injured and they are now in the hospital. We do not know what has happened to the injured Members. We would like to know about their progress.

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED) : I shall convey this to the Minister of Home Affairs after Question Hour when he will come and explain the position.

Pending applications for issue of licences for setting up industries in Kerala State

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*841. SHRI P. GOPALAN :
SHRI P. VISWAMBHARAN :
SHRI E. K. NAYANAR :
SHRI P. P. ESTHOSE :
SHRIMATI SUSEELA
GOPALAN :

Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) the total number of applications for the issue of Industrial licences for setting up industries in Kerala State which are pending before the Central Government;

(b) whether Government will consider to dispose of these pending applications within a specific time limit; and

(c) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH) : (a) Out of the 223 applications received from 1964 upto 31st December 1969, for grant of industrial licences of all types in respect of Kerala State, only 25 applications are pending disposal. Of these applications, 11 were received

during the latter half of 1969. The pending applications are expected to be disposed of shortly.

In addition, 9 applications have been received during 1970 (upto 31st March). These are also under examination.

(b) and (c). As far as possible applications are expected to be disposed of within a period of three months from the date of their receipt or the receipt of additional information from the applicant party, whichever is later. However, it is not possible to rigidly apply any time limit for their disposal in view of the detailed examination necessary in respect of many applications. Government are conscious of the need for expeditious disposal of all licence applications and efforts are being made to dispose of the applications as quickly as possible.

SHRI P. GOPALAN : The Minister has given a very innocent reply creating an impression that they are disposing of applications received by them expeditiously. He has stated that out of 223 applications received since 1964, only 25 are pending. I do not know how many applications were rejected, how many accepted and licences issued. I charge this Ministry with playing a foul game all along. This Ministry has been responsible for the concentration of industries in certain parts of the country. This has been pointed out very clearly by the Monopolies Commission Report, the Hazari report and later the Dutt Committee report.

Did the Kerala State Industrial Development Corporation put up an application for grant of a licence for the setting up of a scooter manufacturing unit with a capacity of 4500 numbers per month? This is a wholly indigenous project. I understand since the last five years Government has not taken a decision on this. It is a very important project for Kerala. This is the only proposal made in the whole country for a wholly indigenous scooter project. What has happened to the application for this factory?

Secondly, what has happened to the application of the zinc factory? Government had recommended in 1965 licence for expanding the capacity in this factory from 20,000 tonnes to 40,000 tonnes. This is also pending since the last five years.

Then what has happened to the recommendation for a licence to set up an industrial complex in Kerala based on the ilmanite resources of Kerala.

SHRI BHANU PRAKASH SINGH : The total number of applications received from 1964 upto 31 March 1970 is 232, the number of licences issued 26, number of letters of intent and permission letters issued 37, number of applications rejected, withdrawn and those of exempted categories 135, and number of pending applications 34.

Regarding the Kerala State Industrial Development Corporation, there has been one application pending with the Ministry since 3-4-69 for a nickel cadmium plant. This is a new undertaking. Further development of this industry is being reviewed.

Another application of the Kerala State Industrial Development Corporation is for a scooter plant. This is a new undertaking and is under examination. This came on 6-12-69.

SHRI P. GOPALAN : This was submitted in 1965.

SHRI BHANU PRAKASH SINGH : The Corporation has sent another application on 30-3-70 for a polyester staple fibre licence. This is also under examination.

One application is pending from 18-9-65 from Messrs. Gominko Benani Zinc Ltd. of Calcutta for a plant at Alwaye. This has been cleared by the Licensing Committee. It is pending for Cabinet decision.

SHRI P. GOPALAN : Recently the Kerala State Industries Minister has issued a press hand-out saying that a large number of licence applications are pending before the Central Government and that this is creating great difficulties in the development of industries in Kerala which is one of the most backward States as far as industries are concerned. In view of the declarations made by this Ministry off and on that they want to create industries in backward areas and that they want to give incentives to industrialists to start industries in those areas, may I know what sort of incentive Government have given to the entrepreneurs who are prepared to invest their resources in

the backward States and whether Government have given any special consideration for the applications which are coming from the backward States like Kerala, and if so, how far the charge made by the Kerala State Industries Minister is correct because he has clearly stated that this Government is putting difficulties in the way of industrial development?

SHRI BHANU PRAKASH SINGH : I have already said in my earlier reply that there are only 34 applications pending with the Government of India, out of which nine are from January 1970 to 31st March, 1970. Therefore, in fact, actually there are only 25 applications of last year still pending with us. Therefore, it is not right to say that things are being held up. Regarding the backward regions, the Government have their policy which is well known to the House, and in the new Industrial Licensing Policy so many facilities have been given, and Kerala can certainly take advantage of this liberalisation of policy.

SHRI P. VISVAMBHARAN : Now the cat is out of the bag. Out of 223 applications that were received during a period of five years, only 26 licences have been issued.

SHRI PILOO MODY : That is better than the all-India average.

SHRI P. VISVAMBHARAN : I would like to have further information from the Minister as to the total capital outlay proposed in these 223 applications that were filed, and the capital outlay involved in the 26 licences issued. Further, in view of the new industrial licensing policy and in view of the fact that no licence is now required for setting up factories or industrial units with a capital up to Rs. 1 crores, may I know how the backward areas are going to be affected? The new policy means that the industrially advanced States will have all the industries which will come under this category of less than Rs. 1 crore and because the curbs have been lifted there will be further expansion of industries now functioning in the industrially advanced areas. In that context I would like to know from the Minister how the new policy will help the industrially backward areas.

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED) : Two questions have been posed by the hon. Member. One is how is it that so many applications were rejected. May I inform him that most of these applications referred to matters which were either under the banned list or for which licence was unnecessary, and therefore they were rejected? If hon. Members want to know the details, I can give it from the long list that is with me. So far as the second question is concerned, I think now it will be easier for entrepreneurs, particularly in backward regions, to set up industries as the provision of licensing has been clarified that investment up to Rs. 1 crore requiring foreign exchange element of 10 per cent does not require any licence. A number of industries can come up in these areas. The State Governments have to give the necessary facilities for the purpose of establishing these industries, such as provision of infrastructure, power, water and communication facilities for their area and some exemptions also can be given from tax. If these things are done, I am sure that industries in those areas will come up. We have also made some statutory reservation of a large number industries to the small-scale sector.

SHRIMATI SUSEELA GOPALAN : I should like to ask the Minister why an application made in 1965 for a scooter factory has been delayed so much. The State Government has acquired 200 acres of land for setting up a factory and have complied with all the other formalities. Why has it taken so much time? Secondly, because of lack of electronic components, the Government of India have invited applications for setting up factories and eleven applications had been made and nothing has been done so far about them. Why is there so much delay?

SHRI F. A. AHMED : The question of scooter factory has come up for discussion in this House as well as in Rajya Sabha and the Government have taken a decision recently that any unit set up entirely with indigenous effort would be welcome and for that purpose a press note was issued. Applications have been invited. If there is any unit from Kerala which is prepared to manufacture scooters indigenously, it will be welcome to do so.

SHRI BHANU PRAKASH SINGH : As regards the electronic factory, there are five units and all of them have applied to the Government in 1969. These had been considered by the Licensing Committee on 16-3-1970 and their minutes are awaited.

SHRI A. SHREEDHARAN : Kerala is a step-daughter of the Government of India. We have always been receiving step-motherly treatment from the Government of India.

SHRI PILOO MODY : Illegitimate.

SHRI A. SHREEDHARAN : Not illegitimate, very legitimate indeed. The answers given by the Minister take us to the inevitable conclusion that the Government are not prepared to do anything drastic to remove regional imbalances in this country. Arising out of the answers given by the Minister, I should like to ask him what steps are the Government taking to remove regional imbalances that exist in this country as far as industrialisation is concerned. Kerala has already made a request that Kerala should be permitted to set up a steel plant in Kerala in view of the fact that there are huge deposits of iron ore in Calicut district and also in certain parts of my constituency. I should like to ask this categorical question. Keeping in view that there is a request by the Kerala Government for setting up a steel plant in Kerala what steps do Government propose to take to industrialise areas which are not industrialised, where there is industrial imbalance?

SHRI F. A. AHMED : The question of removing regional imbalances was discussed in the National Development Council and also by a sub-committee of Chief Ministers set up by the NDC. As a result of the recommendations made by the Sub-Committee it has been decided that in backward areas two districts will be picked out where a ten per cent subsidy will be given for the purpose of investment in those regions; in other States it will be one district each as against two districts in backward areas where they will get a subsidy for the purpose of making investment in those areas. I hope the State Governments concerned will take advantage of this facility.

SHRI RANGA : What about the steel plant?

SHRI F. A. AHMED : It will be taken into consideration on merits.

Shortage of Photographic Paper

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*842. **SHRI S. M. KRISHNA :**
SHRI SAMINATHAN :
SHRI DHANDAPANI :
SHRI CHENGALRAYA NAIDU :
DR. SUSHILA NAYAR :

Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have seen the press reports in the Hindustan Times dated the 14th March, 1970 wherein it has been stated that there is an acute shortage of photographic paper in the country;

(b) if so, the reasons for the shortage;

(c) whether Government propose to establish any plant to manufacture photographic paper to meet the shortage; and

(d) the other steps taken or proposed to be taken to meet the shortage?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI BHANU PRAKASH SINGH) : (a) Yes, Sir.

(b) The main cause of the shortage is that the existing units have not reached the rated capacity of their production.

(c) No, Sir.

(d) (i) Import licences have been issued to the state Trading Corporation to import about 0.3 million sq. meters of photographic paper from rupee area.

(ii) Steps have been taken to issue more import licences to small scale units to import raw material for manufacture of photographic paper.

(iii) Photographic Paper was hitherto on the 'banned' list. But now with the