

Shri Nambiar: May I know why Government are not encouraging the production of coarse and medium cloth for the use of the vast masses?

Shri T. T. Krishnamachari: I am unable to accept that proposition.

Shri M. A. Ayyangar: May I know, Sir, if the removal of control to the extent of 80 per cent. over coarse and medium cloth and permitting the mills themselves to sell cloth to their own nominees is a first step in the process of removing the control altogether?

Shri T. T. Krishnamachari: Well, Sir, if the hon. Member draws any conclusions which will have a lasting bearing on control policy I think he is mistaken. As I have said before, the present removal of certain type of controls is for a limited period and therefore is of a tentative character. If conditions continue as they did before the relaxation was made, well, perhaps the period might be extended. In any event Government have not decided on any policy of decontrol and I can say nothing more about it now.

INDIAN AND FOREIGN UNDERTAKINGS

*105. **Shri S. N. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of the Government of India has been drawn to the resolution passed by the twelfth Annual Conference of the All-India Manufacturers' Organisation regarding modification of Government's policy of non-discrimination between foreign and Indian undertakings;

(b) if so, whether the question has been reviewed since then; and

(c) whether there has been any change in the policy since then?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Yes, Sir.

(b) and (c). No, Sir.

Shri S. N. Das: What are the important features of the policy of non-discrimination adopted by the Government that these All-India Manufacturers require modification of?

Shri T. T. Krishnamachari: The position is, the Government every day gets copies of resolutions passed by bodies of varying importance, and I think it is almost an impossible task if whenever a resolution is passed by any body and communicated to Government the Government sits down

to review its policy in relation to the contents of that resolution. I would therefore refer the hon. Member to the existing policy of the Government as indicated in the Government of India's Resolution on industrial policy dated 6th April, 1948 and amended or amplified by the statement made by the hon. Prime Minister on April 6th, 1949 in regard to foreign capital.

Shri S. N. Das: May I know to what extent the adoption of this policy of non-discrimination has been able to attract foreign capital in this country?

Shri T. T. Krishnamachari: I would require notice.

Shri T. S. A. Chettiar: May I know whether Government have a definite policy of encouraging Indian industries and what is their policy so far as foreign capital is concerned?

Shri T. T. Krishnamachari: In regard to the first part of the question the Government are always ready to do whatever is in their power to encourage Indian capital going into industries. As regards foreign capital the present policy is covered by those two documents, the Government of India's industrial policy statement and the Prime Minister's statement in regard to foreign capital.

Shri S. N. Das: May I know whether it is a fact that the adoption of this policy has made Indian capital shy and scarce?

Shri T. T. Krishnamachari: I am unable to accept that proposition.

Shri T. S. A. Chettiar: May I know whether Government have received any applications from South India for the starting of certain big industries in that area for which we understand Government have not given support?

Shri T. T. Krishnamachari: The particular question does not arise in regard to the one that is being answered, but if the hon. Member would point out any specific instance where the Government has not given due encouragement to entrepreneur from South India I am prepared to look into it.

Shri T. K. Chaudhuri: May I know if the documents referred to by the hon. Minister do not refer to the policy of the Government with regard to foreign companies incorporated in India, that is invitation to foreign companies which are operating in India?

Mr. Speaker: That would be more or less a matter of opinion.

Shri T. K. Chaudhuri: What I want to know is whether companies which had invested capital in India but are incorporated in foreign countries are being encouraged to compete with Indian concerns.

Shri T. T. Krishnamachari: I am not able to understand the purport of this question but I would nevertheless say that the position is somewhat different in regard to companies which are already established. What these two statements refer to are in regard to companies that have been sought to be established after 1948 and 1949. So, if the hon. Member has in mind companies which were established earlier the policy indicated would not apply to them.

CLOSURE OF MILLS

*106. **Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that some cloth mills of Western India had expressed fear of the closure of the mills because of water scarcity; and

(b) if so, where those mills are located?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). Four Mills of Western India have given notice of closure because of water scarcity. One is in Jalgaon, the other at Baroda, and two in Bhavnagar. None of these four has actually closed.

Dr. Ram Subhag Singh: May I know whether any arrangement has been made by the Central Government or the State Governments to remove the water scarcity in those mills?

Shri T. T. Krishnamachari: These mills have merely given notice but they continue to work. Apparently the scarcity is not so acute.

Shri Kasliwal: Is it not a fact that certain mills have closed down for want of power instead of water supply?

Shri T. T. Krishnamachari: Maybe.

DEVELOPMENT OF ASSAM VILLAGES

*107. **Shri S. C. Samanta:** Will the Minister of Planning be pleased to state:

(a) whether the pilot project for development of Assam villages has been launched;

(b) if so, when and where;
(c) what is the primary object of the Scheme; and

(d) how the expenditure of the Project will be met and how long it will take to complete the Scheme?

The Minister of Planning and River Valley Schemes (Shri Nanda): (a) and (b). I presume the hon. Member is referring to Community Projects. Assam has been allotted two Community Projects, one in the Cachar District and another in the Darrang District, and two development blocks in the tribal area. Work on these is expected to commence early in October in time for the Rabi season.

(c) The central object of a Community Development Project is to secure the fullest development of the material and human resources of the area. The attainment of this object in rural areas demands urgent measures for a rapid increase in food and agricultural production.

(d) Expenditure in foreign currencies will be met through allotments from Fund A under the Indo-U. S. Technical Cooperation Agreement. Rupee expenditure will be met partly by the Central Government from the Special Development Fund, called Fund B, and partly by State Governments. It is expected that work on the projects will be completed in three years.

Shri S. C. Samanta: May I know what other development projects for villages are to be launched by either the State Governments themselves or in co-operation with the Central Government?

Shri Nanda: There is another project under an agreement reached with the Ford Foundation and that was expected to start in February this year.

Shri S. C. Samanta: May we know whether Government contemplate to take the assistance of non-official bodies in the execution of these works?

Shri Nanda: Yes, Sir, in as large a measure as possible.

Shri T. S. A. Chettiar: May I know what kind of work the Ford Foundation propose to contribute in this area?

Shri Nanda: In those projects, work of practically the same nature but of a restricted kind is going to be carried out—it will be mostly agricultural extension work.