

Monday, April 8, 1963/  
Chaitra 18, 1885(Saka)

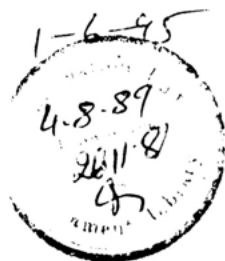
# LOK SABHA DEBATES

1619

**Third Series**

**Volume XVI, 1963/1885 (Saka)**

[*March 29 to April 11, 1963/ Chaitra 8 to 21, 1885 (Saka)*]



**FOURTH SESSION 1963/1884-85 (Saka)**

(*Vol. XVI contains Nos. 31 to 40*)

LOK SABHA SECRETARIAT  
NEW DELHI

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*N.B.*—The sign + marked above the name of a Member on Questions, which were orally answered, indicates that the Question was actually asked on the floor of the House by that Member.

## LOK SABHA

*Monday, April 8, 1963/Chaitra 18, 1885  
(Saka).*

*The Lok Sabha met at Eleven of the  
Clock.*

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### Ordnance Factory Workers

**\*759. Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) whether the Ordnance Factory workers throughout the country are working on Sundays and Holidays; and

(b) whether they are accepting less payment of overtime allowance than they are entitled to under the Factories Act?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) On the declaration of Emergency Ordnance Factories worked seven days a week including Sundays and holidays with only one day 'off' to each employee every fortnight. From February 1963 these Factories (except for continuous process section) work on alternate Sundays. Working on paid holidays is resorted to, whenever necessary, to maintain the production targets.

(b) No Sir. The workers are paid their full wages including overtime payments for Sundays and holidays admissible to them under the Factories Act.

**Shri S. M. Banerjee:** May I know whether it is a fact that out of their overtime pay and other allowances the ordnance factory workers are

contributing a lot to the National Defence Fund? If so, what is the total amount contributed by them?

**Shri Raghuramaiah:** About Rs. 26 lakhs up till now.

**Shri S. M. Banerjee:** May I know whether it is a fact that there is serious discontent among the non-industrial staff in the ordnance factories, specially in U.P. and Bengal, because of the discrimination in the payment of overtime allowance between industrial and non-industrial employees? Has this matter been taken up with the finance authorities and, if so, what is the result?

**Shri Raghuramaiah:** I presume the hon. Member is referring to the difference in the quantum of overtime wage between these two categories. If so, the matter is under examination.

**Shri Indrajit Gupta:** May I know whether it is not a fact that outside UP and Bengal, in all other ordnance factories, particularly in Madhya Pradesh, this distinction between industrial and non-industrial workers in respect of rate of overtime wage has been removed long ago and they are getting the same rate? If so, why this distinction only in these two States?

**Shri Raghuramaiah:** As I said, the whole matter is under examination.

**Shri Kapur Singh:** May I know whether in the background of the Chinese aggression Government have conducted a new political screening of these workers?

**Shri Raghuramaiah:** We always ensure that we have good and loyal workers in our various factories.

**Shri Kashi Ram Gupta:** May I know how many shifts these factories were working before the emergency?

**Shri Raghuramaiah:** Before the emergency, except in a few factories where it is necessary to work more than one shift to keep up the balance in production, in all other factories only one shift was there. Of course, the position has changed after the emergency.

**Shri Sham Lal Saraf:** Since the workers have begun to work overtime has the production, both qualitatively and quantitatively, kept pace with the target that has been kept after the emergency?

**Shri Raghuramaiah:** Certainly, there has been increase in production, both in quantity and quality. I am sure the workers are working with great patriotic zeal.

**Shrimati Sharda Mukerjee:** Have Government considered the question of replacing the ago-old practice of over-time allowance with a system of efficiency bonus so as to speed up production?

**Shri Raghuramaiah:** We have various schemes for achieving greater production and better efficiency. This over-time payment is in respect of over-time work, and that is governed by the Payment of Wages Act.

**Shrimati Savitri Nigam:** May I know the number of casual workers in these factories? Is it a fact that some of them have been working in that capacity for the last few years and they have not yet been made permanent?

**Mr. Speaker:** That is a different question.

#### Barahoti

\*760. **Shri Vidya Charan Shukla:** Will the Minister of Defence be pleased to state:

(a) whether the Chinese at any time after 20th October, 1962 occupied our frontier outpost at Barahoti; and

(b) in whose control Barahoti is at present?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):** (a) No, Sir.

(b) The control over Barahoti has been in dispute and was not resolved even in 1958 at a conference of officials of the two Governments.

**Shri Vidya Charan Shukla:** May I know whether the high grounds of Barahoti, which were in dispute, were actually in our physical occupation or not since 20th October?

**The Minister of Defence (Shri Y. B. Chavan):** As far as that area is concerned, the Chinese were sending their civilians and we were also sending our civilians to help our traders. That is the position.

**Shri Vidya Charan Shukla:** May I know whether our check-posts have been shifted from Barahoti after the Chinese have menacingly increased their numbers or they are still there?

**Shri Y. B. Chavan:** In the winter season there is no question of keeping the outpost because it cannot function.

श्री भक्त दर्शन : श्रीमन, पहले तो मैं यह संशोधन करना चाहता हूँ कि "बाड़ा-होती" उच्चारण करना गलत है बल्कि इस का सही उच्चारण "बड़ाहोती" है, जैसे कि बड़ा या छोटा होता है। क्या गवर्न-मेंट के ध्यान में यह बात आई है कि बड़ाहोती के दूसरी तरफ चीनी सेनाएं बड़ी संख्या में एकत्रित हैं और उस को देखते हुए अपनी रक्षा की व्यवस्था कितनी मजबूत की गई है क्या इस के बारे में मंत्री महोदय कुछ प्रकाश डाल सकेंगे ?

**Shri Y. B. Chavan:** I think that forms a part of the operational plan. I cannot disclose it.

श्री प्रकाश वीर शास्त्री : जैसाकि श्री माननीय सदस्य श्री भक्त दर्शन ने प्रश्न किया, क्या सरकार के पास इस सम्बन्ध

में कुछ विशेष आँकड़े भी हैं कि २० अक्टूबर सन् १९६२ को चीन की जितनी सेनाएं वहीं थीं, उस की अपेक्षा अब बढ़होतरी हुई है, यदि हाँ, तो सरकार की जानकारी में वह बढ़होतरी कितने प्रतिशत तक हुई है ?

**Shri Y. B. Chavan:** It is very difficult to say about the army on the other side.

**Shri S. M. Banerjee:** It is in a different form—I want to know whether....

**Mr. Speaker:** If only the form is different, I do not allow it.

**Shri S. M. Banerjee:** Without hearing me....

**Mr. Speaker:** I have heard him saying that it is in a different form.

**Shri D. C. Sharma:** May I know whether Barahoti is being treated like a check-post in Ladakh or in NEFA or it is being treated as a station where there is adequate military personnel?

**Shri Y. B. Chavan:** It is not a military post as such. I said this was a place where for the purposes of giving security to traders we used to send our civilians, and China also used to send their civilians.

#### Industrial Training Institutes in Delhi

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\*761. { **Shri Maheswar Naik:**  
           **Shri Subodh Hansda:**  
           **Shrimati Savitri Nigam:**  
           **Shri Sidheshwar Prasad:**

Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that there is a great shortage of technical hands in Delhi State;

(b) how many Industrial Training Institutes are at present imparting training to young people;

(c) whether it is a fact that suitable candidates are also not coming forward to join the Institutes; and

(d) if so, the steps taken to attract candidates to these institutions?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):**

(a) Yes; shortages are reported for experienced technical workers (skilled workers and operatives).

(b) Six.

(c) No.

(d) Does not arise.

**Shri Maheswar Naik:** May I know whether the Government have assessed the requirements of the technical personnel which will be necessary for the rest of the Third Plan period?

**Shri C. R. Pattabhi Raman:** Yes, Sir. There is only a rough assessment. The number of seats has been increased. There are six institutes in Delhi and one more at Curzon Road which deals in engineering trade also. The number of seats has been increasing. I cannot say anything more than that.

**Shri Maheswar Naik:** May I know whether it is a fact that the requisite number of trainees are not forthcoming because the training facilities available under the employment exchange scheme are not sufficient?

**Shri C. R. Pattabhi Raman:** No, Sir. Actually, we have had an investigation in regard to the man-power requirements. The investigation revealed three things. Firstly, in a large number of cases the salary offered in the private sector was too low whereas the length of experience demanded ranged between 3 to 10 years. Secondly, in some cases multi-purpose experience was required such as fitter-cum-carpenter, etc. Thirdly, the employments offered were in short-term leave vacancies, filled on daily wages and they did not attract the technically qualified and trained personnel.

**Shri Vasudevan Nair:** May I know whether these Institutes are giving training to people who are already employed or whether fresh hands are also taken. In case fresh hands are also taken, may I know whether you recruit them from outside Delhi also?

**Sūri C. R. Pattabhi Raman:** The hon. Member is aware that there is the Apprenticeship Act. It provides for jobs after training which employers have to arrange after recruitment. Actually, the number of seats has gone up from 784 in 1956 to 4752 in 1963 and the target for 1966 is 5008. That is the position, so far as the seats are concerned and the equipment is concerned. Quite a number of people have applied and only a portion of them has been taken because of accommodation.

**श्री सिद्धेश्वर प्रसाद :** टेक्निकल ट्रेनिंग के लिए जो लोग आते हैं उन के प्रवेश के समय इस प्रकार की जो कठिनाइयाँ पेश आती हैं तो मैं जानना चाहता हूँ कि उन कठिनाइयों को दूर करने के लिए क्या कदम उठाये गये हैं ?

**Shri C. R. Pattabhi Raman:** These Institutes are well spread over in Delhi. They are in Pusa, Arab-ki-Sarai, Tilak Nagar, Malviya Nagar, Subzi Mandi and Curzon Road. All these are Industrial Training Institutes and anybody coming is admitted depending only on his equipment and nothing more.

**Shrimati Savitri Nigam:** May I know whether provision has been made in the Third Five Year Plan for extension of the Institute in Curzon Road which is specially meant for training women workers and why this extension has not been made according to the Schedule planned?

**Shri C. R. Pattabhi Raman:** In fact, women workers are given training there. It is being extended. Actually year after year, it is growing in strength. So far as women entrants are concerned, it has been related to

the requirements of the trade and employers. That is what I said.

**Shrimati Savitri Nigam:** I wanted to know . . .

**Mr. Speaker:** There was a target for women and that has not been kept. Women have been lagging behind.

**Shri C. R. Pattabhi Raman:** The position is, there are quite a few trained people who are not getting employment. I am not able to give the figures straightaway. It is possible that there are more applicants than even the seats available. But, the institute for women is being enlarged.

**Shrimati Savitri Nigam:** I wanted to know whether the Planning Commission has made this recommendation and whether it has been implemented or not.

**Shri C. R. Pattabhi Raman:** I am not able to answer that.

**Dr. Sarojini Mahishi:** Has it been brought to the notice of the Government that the syllabus followed in the Training institute is not in keeping with the demand of industries or ancillaries and the trained people here are treated as un-skilled labourers?

**Shri C. R. Pattabhi Raman:** The position is this. So far, nearly two-thirds of the applicants are matriculates or those who have passed higher examinations. In certain trades like blacksmiths, carpenters, sheet metal workers, moulders, painters, manufacture of suit cases, leather goods, the rush for admission for training is not so great as in the other cases. Even there, we are getting information from employers, who, normally, are not able to give full information, because they prefer to employ—they have got the Apprentices Act—people who are already in employment. These are usually given employment.

**श्री तुलशीदास जाधव :** क्या सरकार इस बात को देखती है कि इन इंस्टीट्यूट्स में जो विद्यार्थी प्रशिक्षण प्राप्त करते हैं, बाहर जाने के बाद वे उन्हीं पेशों को अपनाते हैं और उन्हीं कामों को करते हैं, जिन के लिए उन को प्रशिक्षण दिया गया था ?

**Mr. Speaker:** After getting training, when they go out, whether they stick to those jobs for which they have been trained?

**Shri C. R. Pattabhi Raman:** The position is this. I gave in the very beginning the reason. We find that quite a few employers offer only short term leave vacancies and not permanent vacancies to these people. That is the trouble.

**श्री यशपाल सिंह :** क्या यह सही है कि मैथेमैटिक्स के इंस्ट्रक्टरों के पेंडिंग रिवाइज नहीं किए गए और इसलिए भी यह शार्टेंज है ?

**Mr. Speaker:** He says that scarcity is due to the want of revision of scales of the instructors.

**Shri C. R. Pattabhi Raman:** I could not answer that. The fact remains that the instructors are there. So far as the institutions are concerned, I gave six institutes; one is an Engineering institute.

**Shri A. P. Sharma:** The hon. Minister just now stated that workers do not feel attracted because of the daily rated system in some of the factories. Has any step been taken in this direction that the daily rated system should be converted into the monthly salary basis?

**Shri C. R. Pattabhi Raman:** The attempt has always been to get people for a short period. That is the only discouraging factor. We are trying to cure that. The Apprentice Act is already there.

**Shri S. M. Banerjee:** I want to know whether it is a fact that even those trainees who are getting proper training in the industrial training

institutes in Delhi are still unemployed and if so, what is the number and what steps have been taken by the Government to employ them.

**Shri C. R. Pattabhi Raman:** They are more or less standing in a queue. These are employed as opportunities come. The scope for compulsion is limited so far as private employers are concerned.

**Sainik School in J. & K.**

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\*762. { **Shri Abdul Ghani Goni:**  
          **Shri Gopal Datt Mengi:**

Will the Minister of Defence be pleased to state:

(a) the number of Dogras recruited in the army during the past two years;

(b) whether any request has been received for opening a Sainik School in Jammu and Kashmir State; and

(c) if so, the action taken thereon?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):**

(a) It is not feasible to give figures of the recruitment community-wise.

(b) No, Sir.

(c) Does not arise.

**Shri Abdul Ghani Goni:** In view of the present emergency when we require men trained in mountain warfare, may I know whether any preference is being given to the Dogras because of their past history in mountain warfare?

**The Minister of Defence (Shri Y. B. Chavan):** Normal recruitment is being made. There is no question of giving any preference to any particular people, but certainly, in the new recruitment, the Dogras have their own share.

**Shri Inder J. Malhotra:** The hon. Minister has stated in the reply that no request has been received from the Jammu and Kashmir State. I do not know whether he is thinking



about the request from the Government or from other sources also, because I know personally that I myself, on behalf of the Jammu and Kashmir people, especially on behalf of the Jammu people represented this matter before the Ministry of Defence.

**Shri D. R. Chavan:** So far as the establishment of Sainik school is concerned, the initiative must come from the State Government. So far we have not received any request from the State Government.

**Shri Gopal Datt Mengi:** May I know whether any request for a Sainik school has been received from the ex-servicemen residing in Jammu and Kashmir?

**Shri D. R. Chavan:** As I have already said, the initiative must come from the State Government.

**Shri Bishwanath Roy:** May I know whether Government have received similar requests from any other State?

**Mr. Speaker:** The main question relates to Jammu and Kashmir State only.

#### **A.I.R. Station at Port Blair**

\*763. **Shri D. C. Sharma:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether the Port Blair Radio Station has started functioning; and

(b) if so, the capacity of the transmitters installed and the amount spent thereon?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) No, Sir.

(b) The capacity of the transmitter is 1 K.W. Medium wave. An amount of Rs. 6.49 lakhs has been sanctioned for this project including Studios and Receiving Centre.

**Shri D. C. Sharma:** May I know whether the Port Blair station is going to be a pilot station like Simla and Chandigarh stations or it is going to be a full-fledged station, and if the latter, how long it will take to set it up?

**Shri Sham Nath:** Regarding the second part of the question, I would say, Sir, that this station is expected to be commissioned into service by the end of April, 1963, and it will be a full-fledged station; there will be a receiving station, recording facilities etc.

**Shri D. C. Sharma:** What are the regions that this station is supposed to cater to?

**Shri Sham Nath:** It is a small transmitter and its listening range is expected to cover about a radius of 15 miles.

**Dr. L. M. Singhvi:** What are the particular areas to which the broadcasts of this station would be directed, and what are the particular reasons for having this station?

**Shri Sham Nath:** This station is mainly meant for the Andaman Islands.

**Shri Warior:** What are the languages that this station will cater to?

**Shri Sham Nath:** I have no information regarding that.

**Shrimati Savitri Nigam:** May I know whether it is a fact that this station because of its having a very weak transmitter will not be able to cater to the needs of the Nicobar Islands, which are only 40 miles from there and if so, whether Government propose to set up a stronger transmitter there?

**Shri Sham Nath:** That matter could be considered, but, for the present, we have been able to instal only an 1. k.w. medium wave transmitter.

लोक सहायक सेना

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†७६४. { श्री भक्त दर्शन :  
श्री सरजू पाण्डेय :

क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि लोक सहायक सेना योजना जो पहले स्थगित कर दी गई थी, उत्तर प्रदेश के पर्वतीय तथा सीमा जिलों में संशोधित रूप में पुनः आरम्भ कर दी गई है ;

(ख) यदि हाँ, तो संशोधित योजना का व्योरा क्या है ; और

(ग) संशोधित योजना के अनुसार किन स्थानों पर लोक सहायक सेना शिविर का संगठन किया गया था तथा निकट भविष्य में उन का किन स्थानों में संगठन किया जाने वाला है ?

The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):  
(a) Yes, Sir.

(b) Under the modified scheme, training is imparted in musketry and field craft in 15-day camps to civilians in Border States.

(c) 15-day camps have been held at the following places in Uttar Pradesh:—

Lohaghat.  
Bageshwar/Kupkot 2 camps.  
Chaukhatia.  
Kotdwara/Duggada.  
Bilkhet/Patisain.  
Pauri.  
Narendranagar.  
Simlasu/Ghansali.  
Simlasu/Narendranagar.

The names of the places where the camps will be held in 1963-64 have not yet been finalised.

(क) जी हाँ ।

(ख) रूपान्तरित योजना के अधीन सीमा राज्यों में असैनिकों को पन्द्रह दिनों के

शिविरों में बन्दूक चलाने और योद्धकला में प्रशिक्षण दिया जाता है ।

(ग) उत्तर प्रदेश में निम्न स्थानों पर १५ दिनों के शिविर लगाए गए :—

लोहघाट  
बागेश्वर/कुपकोट २ शिविर  
बोखटिया  
कोटद्वार/दुग्गडा  
बिलखेत/पटीसाई  
पौड़ी  
नरेन्द्रनगर  
सिमलासु/घनशाली  
सिमलासु/नरेन्द्रनगर

जिन स्थानों पर १९६३-६४ में विर लगाए जायेंगे, उन के नामों का निर्णय नहीं हुआ । )

श्री भक्त दर्शन : श्रीमन्, क्या माननीय मंत्री जी के ध्यान में यह बात आई है कि पंद्रह दिन के कैंपों में पूरी शिक्षा नहीं दी जा सकती है और क्या उन के पास इस आशय के ज्ञापन आए हैं कि इस की मियाद कम से कम एक महीना कर दी जाये, ताकि इन कैंपों से पूरा लाभ हो सके ?

Shri D. R. Chavan: What happened was that this scheme was suspended in the month of December. Out of 29 teams which were working 17 teams have been reactivated again, and for the time being, it has been considered that at the most what can be done is 15 days' camps.

श्री भक्त दर्शन : श्रीमन्, क्या गवर्न-मेंट के ध्यान में यह बात आई है कि इन कैंपों में जो युवक एक बार ट्रेनिंग ले लेते हैं, उन को फिर दोबारा ट्रेनिंग नहीं दी जाता है, जिस का परिणाम यह होता है कि वे इस को भूल जाते हैं ?

क्या गवर्नमेंट विचार कर रही है कि इन लोगों के लिए जिन को एक बार ट्रेनिंग

मिल जाती है, रिक्रेशर कैम्प लगाये जायें या इस तरह की कोई व्यवस्था की जाय ?

**Shri D. R. Chavan:** We will consider that.

**Shri Tyagi:** Are Government really satisfied that within 15 days they could train these recruits in all the techniques of warfare?

**The Minister of Defence (Shri Y. B. Chavan):** The training is not to teach them all techniques of warfare. It is to create a sort of sense of self-reliance, and for that some outline of training is given. I cannot say I am fully satisfied about the 15 days' training. But it is just a practical way out of the difficulty.

**श्री प० ला० बाबूपाल :** लोक सहायक सेना के कैम्प गाँवों में या शहरों में जब सरकार लगाने का विचार कर रही है, तो क्या उस के ध्यान में यह बात भी आई है कि राज्य सरकारों की तरफ से या जिलाधीशों या और जो दूसरे वहाँ अफसर होते हैं, उन की तरफ से उन को पूरा सहयोग नहीं मिलता है, यदि हाँ, तो इस सम्बन्ध में सरकार क्या कदम उठाना चाहती है ?

**श्री यशवन्त राव चव्हाण :** ऐसी कोई कम्प्लेंट्स नहीं मिली हैं कि उन को राज्य सरकारों की तरफ से सहायता नहीं मिलती है, सहयोग नहीं मिलता है ।

**Shri J. B. S. Bist:** Were any of these camps held in Pithorgarh district in Uttarkhand Division? If not, why not?

**Shri D. R. Chavan:** I have mentioned the names of places where camps were held.

**Shri J. B. S. Bist:** In the list of places he mentioned, I could not hear any such place mentioned.

**Mr. Speaker:** That is all right. He need not ask then.

**Dr. Sarojini Mahishi:** What is the nature of the co-ordination existing

between the Scheme of Lok Sahayak Sena of the Defence Ministry and the Village Volunteer Force of the Community Development Ministry?

**Shri Y. B. Chavan:** That is under examination.

**Shri P. Venkatasubbaiah:** May I know whether preference would be given to those people who have been recruited into this to enlist in the Army?

**Shri Y. B. Chavan:** If they are properly and legitimately qualified, certainly they can come.

**Shri Basappa:** When these camps for training were held, what was the response of the people? If there was a shortage of numbers, what inducements would be given?

**Shri Y. B. Chavan:** There is no shortage of numbers as such.

**Shri Bhagwat Jha Azad:** In view of the fact that Government has decided to train people in the border areas, how does Government propose to enhance the number of trainees, considering the small number of camps held and the very small number of persons trained so far?

**Shri Y. B. Chavan:** The difficulty is about finding necessary instructors. Because of this, the scheme was discontinued. But then, to meet the demand in the border areas, it was thought that we should certainly provide some instructors. So if more and more instructors are made available for these camps, that can also be considered.

**श्री भक्त वर्शन :** क्या गवर्नमेंट के ध्यान में यह बात आई है कि इन कैम्पों में जितने युवकों को ट्रेनिंग दी जानी थी, उससे कहीं अधिक संख्या में लोग ट्रेनिंग लेने आए और उन में से बहुतों को निराश होना पड़ा, यदि हाँ, तो क्या इन ट्रेनिंग कैम्पों को और भी अधिक संख्या में आयोजित करने का सरकार विचार कर रहा है ?

**Shri Y. B. Chavan:** I have answered it.

### Indians Employed in Ceylon

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\*765. { Shri Indrajit Gupta:  
          Shri Surendra Pal Singh:

Will the **Prime Minister** be pleased to state:

(a) whether the Ceylon Government have undertaken new legislation to virtually ban employment of Indians in mercantile firms in Ceylon;

(b) if so, whether Government of India was informed of the proposed legislation beforehand; and

(c) the approximate number of Indian nationals likely to be effected by the new "work-permit" system?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) and (b). No, Sir.

(c) Information is not available.

**Shri Indrajit Gupta:** I would like a clarification to the answer that the information is not available. Am I to take it that after seeing reports that have appeared in the press to the effect that the Ceylon Government has introduced, or propose to introduce, legislation of this type, our diplomatic representatives in Ceylon were not asked to enquire and find out the position?

**Shrimati Lakshmi Menon:** We have an enquiry made by our High Commissioner in Ceylon. The Ceylon Government itself denied that it has effected this. They have said that later on they propose to have a work-permit system in order to promote their policy of Ceylonisation.

**Shri Indrajit Gupta:** In case the proposed work-permit system is likely to affect adversely the position of Indians there, is Government proposing to take steps to see that it is adequately consulted before the scheme is actually introduced?

**Shrimati Lakshmi Menon:** Yes. All steps will be taken to see that we are consulted and our opinions referred to them. As the hon. Member might know, the process of Ceylonisation began in 1954 and we received a copy of their scheme in October 1957. We have asked for certain clarifications; these have not yet been received.

**Shri Hem Barua:** In view of the fact that the present mood in Ceylon, as evidenced from the discussions in the Ceylon Parliament to introduce a resolution like that, is also to drive out every Indians from Ceylon and to mobilise world opinion....

**Mr. Speaker:** Always "in view of". I have already asked the hon. Member to desist from this introduction.

**Shri Hem Barua:** May I submit you take objection to my expression "in view of"....

**Mr. Speaker:** Because the rules require; otherwise, I have got every sympathy with the hon. Member.

**Shri Hem Barua:** All right, Sir.... to mobilise world opinion, to compel India to accept the repatriated persons, may I know what steps Government propose to take commensurate with the urgency of the situation?

**Shrimati Lakshmi Menon:** We are trying to take steps by which the application of this law will not be harsh on the Indians who are stateless, because it is not supposed to be against only Indians, but against all non-Ceylonese. Since the majority of non-Ceylonese are Indians, we will try to see that these things do not affect them adversely, or the punishments given are not harsh.

**Shri Joachim Alva:** Close and friendly contacts have been established among the Colombo Powers, between Ceylon and us now. Is this problem going to remain perennial like this, is it not possible, because of the contacts, to have short and long term objects of settling this problem?

**Shrimati Lakshmi Menon:** The Ceylon Government is perfectly within its right to take such steps as it thinks necessary for Ceylonisation of the services. All that we can do is to see that those people who are persons of Indian origin, who are working in Ceylon are not affected adversely, and also that those who are engaged in the estates are not affected adversely.

**Shri D. C. Sharma:** What is going to be the nature of this work permit system? Are any details available with the Ministry of External Affairs here?

**Shrimati Lakshmi Menon:** The work permit system envisages that all people who secure work in Ceylon should have a permit from the Labour Ministry, and the purpose is to exclude under their law those people who are not Ceylonese.

**श्री प्रकाशवीर शास्त्री :** समाचारपत्रों में ऐसे समाचार प्रकाशित हुए थे कि भिन्न भिन्न सेवाओं में लगे इन व्यक्तियों का एक शिष्ट मंडल भारतीय हाई कमिशनर से जा कर मिला था और उसने एक जापन उनके सामने रखा था। क्या सरकार के पास वह चीज पहुंची है और अगर पहुंची है तो उस जापन को मुख्य मुख्य बातें क्या थीं और सरकार ने उनको उन कठिनाइयों को दूर करने के अब तक क्या यत्न किए हैं?

**Shrimati Lakshmi Menon:** I have already stated the answer as to what steps are taken. There has been discussion when the Prime Minister was in Ceylon, and there was discussion with the officers in October, 1962.

**Mr. Speaker:** What were the main points that they put before them in the representation?

**Shrimati Lakshmi Menon:** I have already stated that the main points are that we want to see that the measures taken do not affect the people of Indian origin adversely, because the original scheme of Ceyloni-

sation was meant only for Indians living in the urban areas, but now the new Bill will affect people of Indian origin who are employed in the estates, that means a large majority of people. Therefore, we take such steps as is possible by means of negotiation to make things easier for these people. That is all.

**Shri Nath Pai:** Apart from the exchange of diplomatic notes, in view of the fact that this question touches upon the whole gamut of Indo-Ceylonese relations, is Government contemplating making an effort on a level which went to improve our relations with Nepal recently and which met with a signal success?

**Shrimati Lakshmi Menon:** This is begging the question. The same question was asked and the answer was given.

**Shri Nath Pai:** What was the answer?

**Shrimati Lakshmi Menon:** The answer is that we had a conference with officers, and the High Commissioner is constantly in touch with the Ceylon Government trying to find out in what way we can minimise the adverse effects of whatever legislation they might contemplate against people of Indian origin.

**Shri Nath Pai:** That only shows she did not understand my question. I asked whether we are making efforts at a level which improved our relations with Nepal.

**Mr. Speaker:** Perhaps he desires that the Home Minister should go there also.

**Shri Nath Pai:** That is how we succeeded in improving our relations with Nepal.

**Shrimati Lakshmi Menon:** The question here is different, the status of people of Indian origin.

**Shri Nath Pai:** Let the Prime Minister reply.

**Mr. Speaker:** Shri Warior:

**Shri Warrior:** May I know whether the Government is taking any steps to get complete data about our workers employed there, whether they are offering any terms to the Ceylon Government to be within the law of Ceylon?

**Shrimati Lakshmi Menon:** This is for the purpose of Ceylonisation of the services in which non-Ceylonese are employed.

**Mr. Speaker:** Probably he means to ask whether our people living there have offered any conditions or terms on which they may be permitted by the Ceylonese Government to continue there.

**Shri Warrior:** They have been there for a very long time.

**Shrimati Lakshmi Menon:** That is the whole question. Many of them have remained in Ceylon for long years without Ceylon citizenship and are therefore stateless. That is the crux of the problem. We have been dealing with it all these years.

#### Purchase of Mules from Cyprus

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- \*766. { **Shri Maheswar Naik:**  
**Shri D. C. Sharma:**  
**Shri Ram Harkh Yadav:**  
**Shri Onkarlal Berwa:**  
**Shri P. C. Borooah:**

Will the Minister of Defence be pleased to state:

(a) whether India proposes to purchase mules from Cyprus to serve the army in the Himalayan regions; and

(b) if so, the number of mules to be purchased and the cost thereof?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):** (a) and (b). Yes Sir; Government propose to purchase mules from Cyprus. Negotiations for their procurement are in progress.

**Shri Maheswar Naik:** May I know whether Government have assured themselves as to the capabilities and qualities of these mules and whether these qualities will enable them

to sustain themselves to the rigorous and other conditions of our Himalayan regions?

**Shri D. R. Chavan:** We have got the specifications and if they are according to our specifications they will be imported.

**An Hon. Member:** We do not hear or know what he says.

**Mr. Speaker:** He says: we have given the specifications of the classes that we require and if they are according to them we will purchase them.

**Shri Hem Barua:** Mules have classifications?

**Mr. Speaker:** Yes, of course; even men have.

**Shri Maheswar Naik:** May I know whether Government have taken any steps so far for breeding mules in our country suiting to the conditions in the mountainous regions?

**Shri D. R. Chavan:** We have breeding studs, one at Babugarh and another at Saharanpur. There is also an 'unbound' system of breeding animals at 4 centres in Rajasthan, U.P. and Punjab.

**Shri D. C. Sharma:** We are trying to import mules from Cyprus. From what other countries have we been importing mules so far and why have we not gone to these countries this time?

**Shri D. R. Chavan:** I will not be able to give the names of the countries from which we have imported them so far. But we have imported so far certain number of mules.

**श्री तुलशी दास जाधव:** क्या अपने देश में गधे नहीं हैं?

**अध्यक्ष महोदय:** मेरा खयाल है कि अब आप बैठ जाइये।

प्रधान मंत्री तथा वैदेशिक-कार्य मंत्री तथा अणुशक्ति मंत्री (श्री जवाहरलाल नेहरू): इस का अन्दाजा माननीय सदस्य खुद कर सकते

है। लेकिन सवाल गधों का नहीं खच्चरों का है।

**Shri Shivaji Rao S. Deshmukh:** The Hingoli stud farm used to meet all our army and police requirements of the Hyderabad State. What steps have been taken in order to have local hybridisation of mules?

**Shri D. R. Chavan:** I have stated that we have got stud farms at Babugarh and Saharanpur.

**Mr. Speaker:** Shri Onkarlal Berwa: I find he has changed his place.

**श्री ओंकार लाल बेरवा :** पहाड़ों में सेना के लिये जो खच्चरों का दिक्कत दिखलाई देती है उसको रेडो हूण क्या सरकार खच्चरों की पैदाइश देश में बढ़ाने के लिये कोई प्रबन्ध कर रही है।

**Mr. Speaker:** Shri Pratap Singh.

**Shri D. R. Chavan:** I may say....

**Mr. Speaker:** Order, order. He ought to see to me to find out if I do not allow a question.

**Shri Pratap Singh:** Do the Government propose to raise a special mule corps for the Himalayan region?... (Interruptions.)

(No answer was given.)

**श्री ओंकार लाल बेरवा :** पैदाइश के लिये क्या कोशिश की जा रही है?

**अध्यक्ष महोदय :** इस सवाल का जवाब जब दिया जा चुका है तो मैं क्या करूँ?

**Shri Basappa:** Besides importing mules from Cyprus, may I know what steps have been taken to establish more breeding farms to increase the number of mules for the army?

**Mr. Speaker:** It is very unfortunate that Members do not listen to the answers. They repeat the same questions again and again. Shri Tyagi.

**Shri Tyagi:** As these mules are expected to operate upon the hills, is

there any plan to acclimatize them before they are sent to the front line?

**The Minister of Defence (Shri Y. B. Chavan):** A certain number has arrived already, and it is being acclimatized.

**श्री बसजीत सिंह :** मैं जानना चाहता हूँ कि पहाड़ों में माल लाने और ले जाने के लिये चूँकि खच्चरों का इस्तेमाल किया जाता है, जैसे कि लाहोल और स्पीती में, इस लिये क्या सरकार ने वहाँ से कुछ खच्चर खरीदे हैं या खरीदने का विचार है?

**Shri Y. B. Chavan:** The hon. Member has misunderstood the whole problem.

**अध्यक्ष महोदय :** शायद माननीय सदस्य का यह कहना है कि खच्चर लाहोल और स्पीती से भी मिल सकते हैं।

**श्री बसजीत सिंह :** जो वहाँ पर आलरेडी हैं उन में से।

**श्री यशवन्त राव चव्हाण :** जिस तरह के हमें चाहिये वैसे वहाँ नहीं मिलते हैं।

**Raid by Hostile Nagas**

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\*768. { **Shri Hem Barua:**  
**Shri N. R. Laskar:**

Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that a party of Naga hostiles raided the Teachers' Colony at Kohima Headquarters station of Nagaland on the 20th March, 1963; and

(b) if so, the extent of damage caused to life and property as also the nature of the attack?

**The Parliamentary Secretary to the Minister of External Affairs (Shri S. C. Jamir):** (a) Yes. The actual time of the raid was 10.00 p.m. on 19th March.

(b) Cash, wrist watches and clothing worth Rs. 1,200 were stolen. No one was injured.

**Shri Hem Barua:** May I know if it is a fact that our Government's periodic flirtations with Mr. Phizo, a fugitive from Indian justice at present in London, and with Rev. Scot, are working as a psychological stimulus to the hostile Nagas as evidenced from this particular incident and, if so, may I know what steps Government have taken to reappraise the situation in the light of the facts and forces?

**Mr. Speaker:** I have listened to him. May I just remind him of an incident? When an English politician was here—a Member of the House of Commons—he told me that their politicians, when they talk, talk only politics, but when Indian politicians talk, they talk mostly of philosophy and not of politics!

**Shri Nath Pai:** This is a land of poets and philosophers, Sir.

**Shri S. C. Jamir:** This has no relevance to this question, because this incident has been continuing, and it is continuing sometimes, because they have got arms. So, whenever they like, they will do it.

**Shri Hem Barua:** It has relevance because this happened in the capital of Nagaland State in broad daylight. This shows that they have intensified their activities. I wanted to know whether our flirtations with Mr. Phizo—not the past but the present flirtations—and Rev. Michael Scott are working as a psychological stimulus for these hostile Nagas to intensify their activities as evidenced from this incident.

**Mr. Speaker:** That will be a matter of opinion only.

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** I do not know how the two can be connected. The hon. Member refers to flirtations. There is no flirtation with anyone, because if we receive letters we send answers to them. As I have told this House, undoubtedly, for two or three months, the situation in Nagaland had a little worsened. There were more such kidnappings and attacks, partly due to the forces having been withdrawn from there largely, and now the situation is getting under control. As for having a reappraisal of the situation we are constantly doing that.

**Shri N. R. Laskar:** May I know whether the affected persons are all from Nagaland, or from various other parts of the country and if so to which part of the country they belong?

**Shri S. C. Jamir:** They are persons from our side.

**Shri P. C. Borooah:** May I know if, since the announcement of the Prime Minister's willingness to see Mr. Phizo, the hostile activities are on the increase?

**Shri Jawaharlal Nehru:** No, Sir; there has been nothing; it all happened previous to that.

**Shri Hem Barua:** May I know if it is a fact that the hostile Nagas have secured active support and cooperation in arms and ammunition from Pakistan and from China and they are showing a pro-Chinese leaning of late? If so, may I know what steps Government have taken to counteract this dangerous portent in the frontier?

**Shri Jawaharlal Nehru:** I cannot say whether it is a fact that they are drawing their arms from Pakistan or China. They have obtained some new arms recently, maybe from some other country. As to what Government is doing, Government is dealing with the situation; I cannot give particulars as to how Government deals with a number of hostiles.

**Shri Kapur Singh:** May I know whether these particular Nagas are under the instigation of Phizo or the



Chinese or some other foreign powers? May I know whether it is known?

**Shri Jawaharlal Nehru:** Mr. Phizo is not a foreign power, so far as I am aware.

**Shri Hem Barua:** He is a foreign citizen.

**Shri Jawaharlal Nehru:** How can I answer that question about their being instigated privately? Publicly I have no such definite information.

**Mr. Speaker:** He added at the end "Is it known?" He wants to know if Government have any information.

**Shri Jawaharlal Nehru:** I have no particular information about any instigation. Maybe that some people recently came from Pakistan. Some Nagas had gone there and they might have received encouragement there. They might have received some supplies of arms also.

#### Indians in South Africa

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\*769. { **Shri S. N. Chaturvedi:**  
           { **Shri Sidheshwar Prasad:**  
           { **Shri P. C. Borooah:**

Will the **Prime Minister** be pleased to state the effect of the operation of the Group Areas Act in South Africa on the economic life of the Indians settled there?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** Authoritative information on this subject is not available because we have no Mission in South Africa. However, from the reports contained in South African and other newspapers it is evident that the Group Areas Act continues to have deleterious effect on the economic life of the South African Indians. A recent newspaper report states that in the Transvaal province alone out of the total Indian population of 48,892, no fewer than 38,367 face eviction from their premises in terms of Group Areas Act proclamations.

**Shri S. N. Chaturvedi:** Is it a fact that as a result of the enforcement of this new Act, thousands of people will have to abandon their prosperous business and will be reduced to the level of low-paid manual workers?

**Shrimati Lakshmi Menon:** That is true, Sir. They will be subjected to all kinds of hardships. They will lose their business, their land and the facilities they have for the education of their children, etc.

**Shri S. N. Chaturvedi:** May I know what steps Government propose to take to avoid such an economic disaster to the Indian community?

**Shrimati Lakshmi Menon:** Besides taking up the matter with the United Nations, there is nothing else that we could do. But the local Indians and Indian leaders are doing everything in their power to see that the Group Areas Act is not enforced and if it is enforced that they are not put to hardships.

**Shri P. C. Borooah:** May I know whether the Government propose to take up, the matter with the International Court of Justice that a case of genocide or racial discrimination has been committed?

**Shrimati Lakshmi Menon:** This is not a case of genocide. (Interruption)

**Shrimati Savitri Nigam:** May I know what was the reaction of the various nations when this question was raised in the United Nations and what recommendations it has made to redress this?

**Shrimati Lakshmi Menon:** The reaction is that it is an unjust Act. If the hon. Member reads the various debates in the General Assembly, she will have a fair idea of the whole thing.

**Shri Joachim Alva:** May I know which friendly power represents our interests in South Africa at present? Is it Great Britain or UAR? If any one of them represents our interests there,

are they not communicating to us any information in this regard?

**Shrimati Lakshmi Menon:** I do not follow the question.

**Mr. Speaker:** He wants to know whether any other power is representing our interests in South Africa and whether some information is being received through them on this question?

**Shrimati Lakshmi Menon:** At present we have no mission in South Africa, as I have already said. Our High Commission in London represents our interests there.

**Shri Nath Pai:** Mr. Speaker, has Government's attention been drawn to current Press reports that having successfully defied the mandate of the United Nations and the pressure of public opinion on the issue of Group Areas Act the Government of South Africa has now proceeded to create labour concentration camps; if so, may I know to what extent Indian citizens are being affected?

**Shrimati Lakshmi Menon:** Persons of Indian origin are affected adversely I have already pointed out that they are evicted from the places where they have been living for decades, they lose the goodwill of their business, they lose almost all the other things that they have been able to get as a result of their hard labour all these years.

**Shri Nath Pai:** My question was whether any Indians have been driven into labour concentration camps.

**Shrimati Lakshmi Menon:** I do not know anything about labour concentration camps; but they are evicted to separate areas.

#### Training of Armed Forces

\*770. **Shri P. C. Borooah:** Will the Minister of Defence be pleased to state:

(a) the present Army, Air Force and Navy personnel training capacity available in the country; and

(b) how far it is proposed to be increased during the ensuing year?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):** (a) and (b). The capacity of the various training establishments, which was adequate before the present emergency to meet the needs of the then Services, is being expanded progressively to meet the needs of the increased forces. The exact capacity of the training institutions, need not be disclosed now. For specialist training in certain field, however, we still rely on sending our officers for training abroad.

**Shri P. C. Borooah:** May I know what are the main outlines of the scheme for increasing the training capacity as referred to in the second part of my question?

**Mr. Speaker:** He has stated that probably it is not proper to disclose it.

**Shri P. C. Borooah:** May I know whether compulsory military training will be introduced in the universities and colleges all over the country under this scheme?

**Shri D. R. Chavan.** No, Sir; no compulsion in the form of legislation.

**Shri Indrajit Gupta:** May I know whether the report is correct that after the current training course at the National Defence Academy at Khadakvasala is completed further courses are going to be discontinued; if so, why?

**The Minister of Defence (Shri Y. B. Chavan):** I do not think that the report that the hon. Member has heard is correct.

श्री श्रीकार लाल बेरवा : मैं जानना चाहूंगा कि इस समय देश में कितने प्रशिक्षण केन्द्र सेना के खुले हुए हैं, और कहाँ कहाँ ?

**Shri D. R. Chavan:** बहुत से हैं।

It is very difficult to give all the details concerning the centres.

**Shri Nath Pai:** Is it a fact that there is, on the whole, because of the emergency, a paucity of officers to train personnel; if so, if the answer to this question is "yes", may I know whether the Government are having before them a proposal to recall on a short-term, on a specific term basis the retired officers?

**Shri Y. B. Chavan:** Persons who are qualified to take the job of instructors have been called back on the services.

**Shri Sham Lal Saraf:** May I know if training facilities are available for all the armed forces, more particularly after the emergency?

**Shri Y. B. Chavan:** Yes, Sir.

**श्री तुलशी दास जाधव:** क्या सरकार के पास यह शिकायत आयी है कि इसमें ट्रेनिंग के लिए जो विद्यार्थी लिए जाते हैं उनको अग्नेजो का योग्यता पर जोर दिया जाता है, इसलिए जो बहादुर युवक अग्नेजो नहीं जानते वे इसमें नहीं लिए जाते?

**श्री यशवन्त राव चव्हाण:** ऐसी कुछ लोगों में भावना है इस तरह की शिकायत तो सुना है।

**श्री तुलशी दास जाधव:** इसके लिए क्या उपाय किया है?

(उत्तर नहीं दिया गया)

**Shri Hem Barua:** May I know if the Government proposes to invite American Missions to train our personnel as disclosed by Shri Patnaik in Washington to the *Baltimore Sun*?

**Shri Y. B. Chavan:** I am not aware of what exactly Shri Patnaik said there, but it is none of our intention to invite anybody to train our officers.

भारतीय सेना में पहाड़ी डिवीजन

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\*७७१ { श्री सिद्धेश्वर प्रसाद :  
श्री प्र० ० बरुआ :  
श्री श्रीकारलाल बेरवा :  
श्री यशपाल सिंह :  
श्री सुबोध हंसवा :  
श्री स० चं० सामन्त :

क्या प्रतिरक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारतीय सेना में छः नये पहाड़ी डिवीजन बनाने का निर्णय लिया गया है ;

(ख) यदि हाँ, तो क्या इस कार्य के लिये जवानों का भर्ती शुरू हो गई है ; और

(ग) उनका प्रशिक्षण कब तक पूरा हो जायेगा ?

प्रतिरक्षा मंत्रालय में उपमंत्री (श्री 10 रा० चव्हाण) : (क) सरकार ने सेना का वर्तमान शक्ति के अतिरिक्त छः नए डिवीजन खड़े करने की स्वीकृति दी है। वर्तमान डिवीजनों में से एक और चार नए डिवीजन पार्वतीय डिवीजनों के रूप में होंगे।

(ख) जी हाँ।

(ग) प्रशिक्षण यथाशीघ्र सम्पूर्ण करने का हर प्रयत्न किया जा रहा है।

[(a) Government have sanctioned the raising of six new divisions in addition to the existing strength of the Army. One of the existing divisions and four of the new divisions will be in the form of mountain divisions.]

(b) Yes, Sir.

(c) Every effort is being made to complete the training as early as possible.]

श्री सिद्धेश्वर प्रसाद : यह जो नये ६ माउटेन डिवीजन बनाये जा रहे हैं यह काफी

हैं या निकट भविष्य में इन को और बढ़ाये जाने की सम्भावना है ?

**The Minister of Defence (Shri Y. B. Chavan):** This is the present position. If it is necessary, it can certainly be expanded.

**श्री सिद्धेश्वर प्रसाद :** इन सैनिकों को जो शिक्षा दी जायगी वह भारतीय पद्धति की अर्थात् शिवाजी पद्धति की तरह होगी या वह नवीनतम पद्धति की होगी ?

**श्री यशवन्त राव चव्हाण :** वह शिक्षा आधुनिक पद्धति की होगी ?

**श्री श्रींकार लाल बेरवा :** मैं जानना चाहूंगा कि हमारे सैनिकों को गुरिल्ला युद्ध की ट्रेनिंग देने के लिए अब तक क्या प्रबन्ध किया गया है ?

**Shri Y. B. Chavan:** Guerilla warfare and mountain warfare are two quite different things.

**Shri P. C. Borooah:** May I know whether it is a fact that Yugoslavia is offering arms and ammunitions for our mountain armies and, if so, whether their supplies will be adequate for these six divisions which we propose to set up?

**Shri Y. B. Chavan.** I require notice for this question.

**श्री यशपाल सिंह :** ये लोग स्पेशल सर्विस कंडांस में ही रकबे जायेंगे या इन्हें आईएस लाइफ़ के लिए कोई खास टी०ए० या डी०ए० भी दिया जायगा ?

**श्री यशवन्त राव चव्हाण :** वह जब माउंटेंट में ड्यूटी करेंगे तब उन को स्पेशल एलाउंस मिलेगा ।

**Shri S. C. Samanta:** May I know what other special qualities will be required to join this mountain division?

**Shri Y. B. Chavan:** No special qualities; special training would be required.

**Shri Tyagi:** In the recruitment to those divisions will any preference be given to those who are better acquainted with the topography of the local areas and who are fully acclimatised to the biting climate of the high altitude of the hills?

**Shri Y. B. Chavan:** These considerations are always kept in mind when recruitment is made, particularly when we are raising these divisions. There is nothing like particular preference for this.

**Shri Kapur Singh:** May I know whether the recruitment to this force will be on class basis or on a simply individual quality basis?

**Shri Y. B. Chavan:** Individual quality basis.

**Shri Hem Barua:** May I know if those six divisions contemplated by Government are those six divisions spoken of by Shri Patnaik in Washington? If so, may I know whether Government propose to back up those six divisions with guerilla forces, as disclosed by Shri Patnaik in Washington?

**Mr. Speaker:** That is not relevant to this question.

**Shri Hem Barua:** We were at a loss to know whether those six divisions....

**Mr. Speaker:** Even if Shri Patnaik has spoken about those divisions, just at present we are not concerned with that in this question.

**Shri Hem Barua:** He must have spoken with some authority.

**Mr. Speaker:** That is a separate thing altogether. Now we are discussing the six divisions which are proposed to be set up. Shri Nath Pai.

**Shri Nath Paim.**

**Shri Hem Barua:** I wanted to know whether these six divisions.....

**Mr. Speaker:** Order, order.

**Shri Bhagwat Jha Azad:** I think the hon. Member is haunted by the Patnaik ghost. (*Interruptions*).

**Mr. Speaker:** Order, order.

**Shri Hem Barua:** He says that Patnaik's ghost is in me. I do not want him to act as a conjurer to drive out that ghost... (*Interruptions*).

**Shri Bhagwat Jha Azad:** Sit down.

**Shri Hem Barua:** Who are you to say that? (*Interruptions*).

**Mr. Speaker:** Order, order. I have called Shri Nath Pai. (*Interruptions*).

**Shri Hem Barua:** Sir, we always submit to you. You have the right to abuse and we will submit to it. But now one hon. Member has asked me to sit down. Who is he to say that?

**Mr. Speaker:** Order, order. I do not claim I have any right to abuse anybody.

**Shri Hem Barua:** I will submit to it if you do that.

**Mr. Speaker:** I would not do that. At the same time, I would ask other members also not to indulge in this mutual abuse. Certainly, when I call a member to order, if he submits and just resumes his seat, there might not be any occasion for any other member to step in. But when I call upon a member to order, or ask him to resume his seat, if he does not do it, then there is that provocation (*Interruptions*) Order, order. Would he kindly resume his seat and kindly listen to me? I called him to order twice or thrice. When he did not stop even then, possibly from that side there was some shouting. Therefore, I would request hon. Members just to allow me to keep or maintain order. I have confidence that I will be able to do it and Members will obey me. But when other members come to my aid, confusion is created and I am rather put into difficulties. Whereas, I expect every hon. Member to obey—I should use that word—when I ask him to do a thing, if he does not do it,

then other Members should give me some time to see whether I can manage him. They should not at once get provoked.

**Shri Hem Barua:** On a point of clarification... (*Interruptions*).

**Mr. Speaker:** Order, order. There is nothing more now to be said. The hon. Member may sit down. Shri Nath Pai.

**Shri D. N. Tiwary:** In view of the fact that the Member did not listen to the Chair.....

**Mr. Speaker:** Order, order. I have called Mr. Nath Pai.

**Shri Nath Pai:** Mr. Speaker, Sir, may I ask the Defence Minister whether it is a fact that the Government of the People's Republic of Yugoslavia has offered to supply equipment specially suited for use in mountain warfare?

**Shri Y. B. Chavan:** I think I answered that question. I said, I require notice for that question.

**Shri Swell:** Sir, I have been trying to catch your eye but I have not been successful so far.

**Mr. Speaker:** I am sorry, there might be sometimes great uproar elsewhere and I might not have seen him. I would call him now. Furthermore, I shall get my eyes examined also in the evening!

**Shri Swell:** Does the Government have in mind to recruit a large number of hill people of Eastern India into these new Mountain Divisions and do they contemplate to have one complete Division consisting of the hill people of Eastern India?

**Shri Y. B. Chavan:** I would request the hon. Member to repeat his question.

**Shri Swell:** Does the Government have in mind to recruit a large number of hill people from Eastern India and do they have anything in their mind like one complete Division which shall consist of these hill people?

**Shri Y. B. Chavan:** That is not a feasible proposition. But certainly we are trying to take more and more people from hill areas also. To have exclusively one Division of merely hill people is not desirable also.

### Employment and Guidance Bureaux in Universities

\*772. **Shrimati Jyotsna Chanda:** Will the Minister of Labour and Employment be pleased to state:

(a) whether Government propose to open Employment Assistance and Guidance Bureaux in all the Universities; and

(b) if so, when the proposal is expected to be implemented?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) and (b). The proposal at present is to set up 38 such Bureaux by the end of Third Plan. So far, Bureaux have been opened in 20 Universities.

**Shrimati Jyotsna Chanda:** May I know in which Universities such Bureaux have already been opened?

**Shri C. R. Pattabhi Raman:** There are 56 Universities in all. So far, Bureaux have been opened in 20 Universities. I can give the names—it is a big list. The Bureaux that have been opened are in Andhra Pradesh, Assam, Delhi, Gujarat, Madhya Pradesh, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh, West Bengal.

**Shrimati Jyotsna Chanda:** May I know the financial implications that will arise from this scheme?

**Shri C. R. Pattabhi Raman:** The financial implications are that we have a regular staff, a University professor in charge of a Bureau. We have also provided accommodation. The scheme provides for an expenditure of Rs. 10,500 per annum as recurring and Rs. 3,000 as non-recurring. So far, a

total number of 5825 graduates are on the live register in 20 Bureaux that are functioning in the country.

**Shri Vasudevan Nair:** May I know what are the specific functions of these bureaux and whether these will not overlap with the functions of the general employment exchange scheme?

**Shri C. R. Pattabhi Raman:** It is for that purpose that we had a committee which has examined the whole situation. So far as University man-power is concerned, there are, what is called, specialised graduates who are registered and ordinary graduates are also registered side by side. We try to prevent the graduates registered in Universities also registering themselves in the employment exchanges and to avoid any duplication.

**Shri Bhagwat Jha Azad:** May I know whether there is any proposal to open similar bureaux in the so-far-left-out States as stated by the hon. Minister just now?

**Shri C. R. Pattabhi Raman:** As I told the hon. Members, the idea is to have 38 such bureaux by the end of the Third Plan out of 56 Universities.

**Shri D. C. Sharma:** There are about 6000 persons on the live registers. How many of them have got any jobs?

**Shri C. R. Pattabhi Raman:** It is a very large question.

**Shrimati Savitri Nigam:** May I know whether this experiment has been successful and what has been the percentage of placement?

**Shri C. R. Pattabhi Raman:** It has been successful so far as the specialised graduates, with special qualifications, are concerned. So far as the general run of graduates are concerned, it has not been so successful. We are studying the question.

**Mr. Speaker:** The question-hour is over.

# WRITTEN ANSWERS TO QUESTIONS

## Interest on Provident Fund

**\*767. Shri Eswara Reddy:** Will the Minister of Labour and Employment be pleased to state:

(a) whether Government have arrived at a decision on the recommendation of Board of Trustees, Coal Mines Provident Fund to grant 4½ per cent interest on the Provident Fund accumulations;

(b) if not, the reasons for the delay; and

(c) when a decision is likely to be arrived at?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):**

(a) Yes, Government's approval was issued on the 27th March, 1963.

(b) and (c). Do not arise.

## National Highway from Jammu to Kashmir

**\*773. Shri M. L. Dwivedi:** Will the Minister of Defence be pleased to state:

(a) whether the National High-way from Jammu to Srinagar has been damaged and as a result thousands of passengers have been stranded between Banihal and Ramban;

(b) whether steps have been taken to provide relief to them; and

(c) the reasons for not making adequate arrangements for transshipment for the stranded passengers for about a week?

**The Minister of Defence (Shri Y. B. Chavan):** (a) The National Highway from Jammu to Srinagar was blocked a number of times during March 1963 due to landslides caused by unusually heavy rains, snow-fall and loosening soil due to blasting carried out for widening the road. On all days except the 9th March, the buses were sent

back to Srinagar and Jammu as the case may be. No passenger was stranded between Banihal and Ramban. On the 9th March, however, 13 buses carrying passengers from Jammu side were stranded at Batote. 8 buses returned to Jammu. The remaining 5 buses carrying Kashmiri labourers at Batote, as the passengers refused to return to Jammu. 6 buses carrying passengers from Srinagar to Banihal were sent back to Srinagar on the next day.

(b) Stranded passengers were rendered all possible assistance by the State Government.

(c) Transshipment of passengers, which is primarily the responsibility of State Government, is not feasible when there are many intervening major slides.

## फ्रांस सरकार के स करार

\*७७४ { श्री यशपाल सिंह :  
श्री प्रकाशवीर शास्त्री :  
श्री जसवन्त मेहता :  
श्री इन्द्रजीत गुप्त :

क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत तथा फ्रांस की सरकारों के बीच भूतपूर्व फ्रांसोसी बस्तियों के बारे में एक करार हुआ है ;

(ख) क्या यह भी सच है कि यह करार २८ मई १९५६ को हुए करार का पूरक है ; और

(ग) क्या इस करार के अधीन उन लोगों को विशेष सुविधाएं दी गई हैं जो १ नवम्बर, १९५४ से पहले वहां बसे हुए थे ?

वैदेशिक कार्य मंत्रालय में उपमंत्री (श्री विनेश सिंह) : (क) और (ख). १६ मार्च १९६३ को एक 'नोट' पर दस्तखत किए गए, जिसमें भारत और फ्रांस की सरकारों के प्रतिनिधियों की बातचीत का व्योरा दिया

गया था। विसर्जन संधि (ट्रैटी ऑफ सीशन) के फलस्वरूप जो मामले उठे थे, उनके संबंध में यह बातचीत की गई थी और यह एक तरह से संधि की कुछ व्यवस्थाओं का स्पष्टीकरण था। २६ मई १८५६ को जो विसर्जन संधि हुई थी, उसका यह नोट परक नहीं है।

(ग) जो नहीं। सिवर्जन संधि, १९५६ के अंतर्गत विशेष सुविधाओं को व्यवस्था की गई थी। बहरहाल, संधि का सत्यांकन (रेटिफिकेशन) करने में जो देरी हुई थी, उसको ध्यान में रखते हुए, ये सुविधाएँ उन लोगों को भी दी गईं जो पूर्व फ्रान्सिसो बस्तियों में पैदा हुए थे और जो १ नवम्बर १९५४ के बाद से लेकर १६ अगस्त तक वहाँ स्थायी रूप से बस गए थे।

## New Army Command

\*755. { Shri D. C. Sharma:  
Shri Indrajit Gupta:

Will the Minister of Defence be pleased to state:

(a) whether a new Army Command is proposed to be set up by splitting the Eastern Command into two; and

(b) if so, the details thereof with the reasons for the same?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes, Sir.

(b) For operational and administrative reasons it has been decided to raise a new Headquarters Central Command and to reorganise the existing Eastern Command. The former will be located at Lucknow and will be responsible for U.P., Bihar, Orissa and Madhya Pradesh and the latter with its Headquarters at Calcutta, will be responsible for West Bengal, Assam, Nagaland, NEFA, Manipur, Tripura and Sikkim.

## Exodus of Indians from Burma

**\*776. Shri Subodh Hansda:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that Indians are leaving Burma in large numbers;

(b) if so, the reason therefor;

(c) whether they are allowed to bring all their belongings; and

(d) if not, the steps Government propose to take in the matter?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) No, Sir. There has been no marked increase in the number of Indians leaving Burma.

(b) Does not arise.

(c) Indians who leave Burma for good are allowed to take with them all their legitimate belongings.

(d) Docs not arise.

### फिल्मों का सेंसर किया जाना

\*७७७ { श्री भक्त दर्शन :  
श्री प्रकाशवीर शास्त्री :  
श्री जगदेव सिंह सिद्धान्ती :

क्या सूचना और प्रसारण मन्त्री १८ अगस्त, १९६२ के तारांकित प्रश्न संख्या ४१७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि फिल्मों का सेंसर करने के नियमों में संशोधन करने का जो प्रश्न विचाराधीन था उसके बारे में क्या निर्णय किया गया है ?

सूचना और प्रसारण मंत्री ((डा० बे० गोपाल रेड्डी) : जांच करने पर यह मालूम हुआ है कि किसी फिल्म के निर्यात के लिए कानूनन सेंसर बोर्ड के प्रमाण-पत्र की आवश्यकता नहीं है। व्यवहार में, सीमाशुल्क अधिकारी इस प्रकार का प्रमाण-पत्र मांगते रह रहे हैं, ताकि निर्यात की जाने वाली कोई फिल्म समुद्र सीमाशुल्क अधिनियम की धारा १६ के अन्तर्गत राजस्व विभाग की उस अधिसूचना का उल्लंघन न करे, जिसमें, अन्य बातों के साथ-साथ अश्लील चित्रों के निर्यात का निषेध है। इन उपबन्धों के दृष्टिकोण से, निर्यात की जाने वाली फिल्मों की जांच करने के लिए वित्त मन्त्रालय के राजस्व विभाग का बम्बई, कलकत्ता, मद्रास और दिल्ली में संलाहकार समितियां गठित



करने का इरादा है। इसलिए, सेंसर सम्बन्धी नियमों में किसी संशोधन की आवश्यकता नहीं है।

### Blueprint for Fourth Plan

**\*778. Shri Indrajit Gupta:** Will the Minister of Planning be pleased to state:

(a) whether the Planning Commission has prepared the first blueprint for the Fourth Five Year Plan;

(b) whether it is a fact that a physical target of Rs. 17,000 crores is being aimed at; and

(c) other principal features of the blueprint?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) No.

(b) and (c). Do not arise.

### Code of Discipline in Railways and Defence

**\*779.** { Shri P. C. Borooah:  
Shri Yashpal Singh:  
Shri Bishan Chander Seth:

Will the Minister of Labour and Employment be pleased to state:

(a) whether the Ministries of Defence and Railways have of late adopted the Code of Discipline of 1958, with certain modifications for the undertakings under their control;

(b) if so, the main alterations; and

(c) whether there are any other undertakings which have not yet adopted the code, if so, which ones and why?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) The Ministries of Railways and Defence are examining the question of adoption of Code of Discipline, in consultation with their workers' organisations.

(b) The alternations will be known when the consultations are over and the Code is adopted.

(c) The Indian and Eastern Newspaper Society and the Press Trust of India have not accepted the Code on the ground that the conditions prevailing in the newspaper industry are not akin to those obtaining in other industries.

### Indian Cancer Research Centre, Bombay

**1585. Shri Sideshwar Prasad:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that the Indian Cancer Research Centre, Bombay has developed a new radiation dosi-meter for the treatment of victims of nuclear radiation; and

(b) if so, whether it has been examined by the competent authorities, and with what results?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) The Indian Cancer Research Centre, Bombay has developed a chemical dosimeter for the measurement of absorbed radiation doses in tissue based on spectral changes in methyl orange. The dosimeter is meant only for measurement of radiation doses and not for treatment of victims of nuclear radiation. It has a useful range of 500 to 5000 rads which practically covers the range of doses used in the treatment of cancer and this has an important application in the field of therapeutic radiology. The dosimeter has been successfully used at the Tata Memorial Hospital in Bombay for measuring the exist doses in patients undergoing radiation therapy.

(b) The work has been reviewed by competent authorities in the Atomic Energy Establishment, Trombay. It is felt premature to claim usefulness of the device for disaster dosimetry. Research is in progress at the Atomic Energy Establishment, Trombay, on the development of a dosimeter system for accurate measurement of radia-

tion doses received by persons in nuclear accidents.

### Lok Sahayak Sena

1586. **Shri Rama Chandra Mallick:** Will the Minister of Defence be pleased to state:

(a) the number of camps arranged so far in the State of Orissa in pursuance of Section 4 of the Lok Sahayak Sena Act, 1958 during 1962-63 and the places where they were arranged; and

(b) the total number of volunteers recruited in various camps?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):** (a) 4 Lok Sahayak Sena Camps were held in the State of Orissa during 1962-63, at the following places:

Gudaigiri  
Ghatgaon  
Karanjia  
Joshiapur

(b) 2066 volunteers were trained in these camps as follows:—

Location of the camp	Number of persons trained
Gudaigiri	520
Ghatgaon	518
Karanjia	520
Joshiapur	508
<b>TOTAL</b>	<b>2066</b>

### Notification of Vacancies in Orissa

1588. **Shri Ulaka:** Will the Minister of Labour and Employment be pleased to state:

(a) the total number of vacancies notified in the public and private sector establishments during 1962-63 in Orissa; and

(b) the number of vacancies filled up so far in those establishments

during the same period through various employment exchanges?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) and (b).

Sector	Number of vacancies notified during April 1962-February 1963	Number of vacancies filled during April 1962-February 1963.
1	2	3
Public	33,333	18,874
Private	7,646	2,134

### Recruitment in the Army

1589. **Shri Pratap Singh:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a certain amount of money is paid by the Recruiting Offices to the Recruiters (as bringing-in Money) for producing recruits for enrolment in the Army;

(b) if so, whether it is also a fact that the rates differ from category to category for the various trades;

(c) the total amount of such money paid by the various Recruiting Offices in India since the declaration of Emergency upto 1st March, 1963; and

(d) whether Government propose to discontinue the payment of the bringing-in money forthwith in view of the great rush of voluntary recruitment for the Army?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):**

(a) Small sums of money are paid in certain cases only.

(b) In cases where payments are made, the amount is fixed at the discretion of the Recruiting Officer subject to a maximum of Rs. 10.

(c) The total amount paid from 1st October 1962 to 28th February, 1963 was Rs. 36,564.

(d) No, Sir.

### Labour Force in Third Plan

**1590. Shri Krishna Deo Tripathi:** Will the Minister of Labour and Employment be pleased to state:

(a) the number of persons likely to be added to the labour force together with the number for whom employment opportunities are likely to occur during the Third Plan period; and

(b) the number of those for whom employment opportunities were created during the first two years of the Third Plan period?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):** (a) New entrants to the labour force during the Third Plan period are estimated at 17 million and employment opportunities likely to be created during the Third Plan period are estimated at 14 million.

(b) According to a rough and tentative estimate, about 4 million jobs have been created during the first two years of the Third Plan period.

### A.I.R. Transmitters

**1591. Dr. P Srinivasan:** Will the Minister of Information and Broadcasting be pleased to state the strength of Transmitters at A.I.R. Stations in Delhi, Calcutta, Bombay, Madras and Trichinopoly?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** It is not in the public interest to disclose the details.

### Settlement of Tibetan Refugees in Orissa

**1592. Shri Ulaka:** Will the Prime Minister be pleased to refer to the reply given to Unstarred Question

No. 1085 on the 25th March, 1963 and state:

(a) the total amount likely to be spent during the Third Plan period for the settlement of Tibetan refugees in Ganjam District in Orissa; and

(b) when the settlement of such refugees in Orissa would be completed?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) About Rs. 36,00,000.

(b) The Scheme will be implemented in stages depending on the result of the first phase which has already been taken in hand.

### Transmitter at Jeypore, Orissa

**1593. Shri Ulaka:** Will the Minister of Information and Broadcasting be pleased to refer to the reply given to Unstarred Question No. 1290 on the 16th May, 1963 and state the progress made so far in the installation of the 20 KW medium wave transmitter at Jeypore in Koraput District (Orissa)?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** Construction of building for the 10 KW Medium wave transmitter (instead of 20 KW proposed earlier) is in progress. Equipment has been received and the Project is expected to be completed during 1963.

### Educated Unemployed in Orissa

**1594. Shri Ulaka:** Will the Minister of Labour and Employment be pleased to state:

(a) the number of educated unemployed in Orissa during 1961-62 and 1962-63; and

(b) the number of scheduled castes and scheduled tribes among them?

**The Deputy Minister in the Ministry of Labour and Employment and**

for Planning (Shri C. R. Pattabhi Raman): (a).

Date	Number of educated persons on the Live Register*
31-12-1961	8,664
31-12-1962	10,339

(b)

Date	C Castes	S Tribes
31-12-1961	149	104
31-12-1962	2 189	157

\* Matriculates and above.

#### Shankar Committee

1595. Shri S. M. Banerjee: Will the Minister of Defence be pleased to state:

(a) whether all the recommendations of Shankar Committee regarding the service conditions of industrial and non-industrial employees have been implemented;

(b) if not, the reasons for delay; and

(c) what are those recommendations which have not yet been accepted?

The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan): (a) to (c). Attention is invited to the statement (in two parts) laid on the Table of the House on the 14th May, 1962 in pursuance of a promise made in answer to a supplementary Question arising out of Starred Question No. 422 answered on the 4th May, 1962, and the reply to Starred Question No. 398 answered on the 17th August, 1962. Of the three remaining recommendations of the Shankar Committee, orders on one relating to

medical facilities have since been issued. Orders provide that the industrial employees who have put in continuous service of not less than one year and their families will be eligible for medical facilities under the Central Service (Medical Attendance) Rules, 1944 and other connected rules and orders.

The remaining two items viz., (i) subsistence allowance during suspension period, and (ii) pay and allowances for the period of suspension on reinstatement are still under consideration. Examination of these had to be kept pending till the receipt of the Pay Commission's Report. Thereafter, the question was linked up with the general question of standardisation of conditions of service of industrial employees under the various Ministries. Efforts are, however, now being made to finalise the matter as early as possible, independantly of the general issue.

#### युद्ध सम्बन्धी प्रचार

श्री म० ला० द्विवेदी :  
१५६६. { श्रीमती सावित्री निगम :  
                  { श्री स० च० सामन्त :

क्या सूचना और प्रसारण मन्त्री यह बताते की कृपा करेंगे कि :

(क) युद्ध सम्बन्धी प्रचार कार्य के लिये कुल कितने ज्ञापन-पत्र, पत्रिकायें, एवं अन्य सामग्री प्रकाशित की गई और उसमें क्या व्यय हुआ; और

(ख) प्रकाशित सामग्री का कितना प्रति-शत अंग्रेजी भाषा में है, कितना हिन्दी में और कितना अन्य भाषाओं में ?

सूचना और प्रसारण मन्त्रालय में उप-मन्त्री (श्री शाम नाथ) : (क) और (ख). एक विवरण जिसमें १५-३-१९६३ तक प्रकाशित युद्ध सम्बन्धी प्रचार-सामग्री के व्योरे दिए गए हैं, सभा पटल पर रखा जाता है [पुस्तकालय में रखा गया, देखिये संख्या ए० टी० १०८२१६३] विज्ञापन तथा दृश्य प्रचार

निदेशालय द्वारा १५,२८,६५० रुपये खर्च किए गए हैं। प्रकाशन विभाग द्वारा तैयार की गई सामग्री चीफ कंट्रोलर आफ प्रिंटिंग एण्ड स्टेशनरी द्वारा प्रकाशित की जाती है और इस पर हुए खर्च का विवरण उपलब्ध नहीं है।

#### Refreshment Allowance to N.C.C. Cadets

1597. **Shri P. Venkatasubbaiah**: Will the Minister of Defence be pleased to state:

(a) whether it is a fact that refreshment allowance to cadets of the National Cadet Corps has been stopped;

(b) the reasons therefor; and

(c) the action being taken to restore it?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):**

(a) Six states have stopped the refreshment allowance to N.C.C. cadets.

(b) This was done by the Governments of those States to find the necessary funds for paying Washing allowance to N.C.C. Rifle Cadets.

(c) On the 19th February, 1963, the Ministry of Defence requested all States to provide refreshments to all Cadets at 20 nP. per cadet per hour of parade.

#### Ambushing of a Civilian Convoy by Naga Hostiles

1598. **Shri D. C. Sharma**: Will the Minister of Defence be pleased to state:

(a) whether a civilian motor convoy under armed escort was ambushed by armed Naga hostiles on the 18th December, 1962 near Khongnem while proceeding from Imphal to Dimapur via Kohima;

(b) if so, the details thereof; and

(c) the steps taken to check such hostilities strictly?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):**

(a) and (b). Yes. Some armed hostiles sniped at an escorted convoy at Mile 85 on road Dimapur—Imphal at 8 A.M. on the 18th December 1962. The onward escort party immediately returned the fire. There were no casualties on either side. Security forces promptly searched the area and arrested eight persons.

(c) Civilian motor convoys between Imphal—Dimapur are provided with armed escorts while passing through the disturbed areas.

#### स्थायी श्रम समिति

१५६६. { श्री म० ला० द्विवेदी :  
श्री मती सावित्री निगम :  
श्री स० चं० सामन्त :  
श्री सुबोध हंसदा :

क्या श्रम और रोजगार मंत्री यह बताने की कृपा करेंगे कि :

(क) इस वर्ष में स्थायी श्रम समिति की कितनी बैठकें हुईं और उनमें कितने विषयों पर विचार किया गया ;

(ख) क्या मजदूरों को प्रशिक्षण केन्द्रों में उनके कार्य के घंटों में शिक्षा देने, जैसी कि श्रमिक शिक्षा योजना के अन्तर्गत व्यवस्था है, का प्रस्ताव मालिकों द्वारा ठुकरा दिया गया है; और

(ग) यदि हां, तो सरकार का इसको सम्भव बनाने के लिये क्या कदम उठाने का विचार है कि मजदूरों को अपने काम के घंटों में शिक्षा दी जा सके ?

श्रम और रोजगार मंत्रालय में उपमंत्री तथा योजना उपमंत्री (श्री चे० रा० भिरमरायपट्टा) : (क) कोई नहीं।

(ख) जी नहीं। इसके विपरीत मालिक प्रशिक्षण के लिए अपेक्षित समय का कम से कम आधा समय मजदूरों के काम के घंटों में से मंजूर करने के लिए सहमत हो गए।

(ग) प्रश्न नहीं उठता ।

### Aid from European Countries

**1600. Shri Surendra Pal Singh:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that, in view of a very heavy strain on our economy because of the present emergency several European countries have offered to give India additional financial and technical aid to help us to augment our industrial and defence production; and

(b) if so, the names of those countries which have made this magnanimous gesture and what kind and quantum of help has been offered by them?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). The quantum of additional financial and technical aid to help us to augment our industrial and defence production and the terms of such aid are still under discussion with the various aid giving countries and it is not possible to give at this stage precise information about the kind and quantum of help.

### Education Through Television

**1601. { Shri Maheswar Naik:  
Shrimati Savitri Nigam:**

Will the Minister of Information and Broadcasting be pleased to state:

(a) the progress made up-to-date in the scheme of imparting education through television services; and

(b) whether any assessment has been made of the effectiveness of teaching through this medium?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) The Television Programmes for schools which were telecast last year for the 9th class only, have been extended to the 10th class this year. The number of

listening schools has increased from 150 in April, 1962 to 196.

(b) Yes, Sir.

### Territorial Army

**1602. Shri Daljit Singh:** Will the Minister of Defence be pleased to state:

(a) the number of persons recruited in the territorial army during 1962-63; and

(b) how many of them attended 75 percent of the parades held?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):** (a) 3578 all ranks were commissioned/enrolled in the Territorial Army between 1st April 1962 and 28th February 1963. The figures for the month of March 1963 are not yet available.

(b) Full information for the year ended 31st March 1963 is not yet available.

### आकाशवाणी से प्रसारण

१६०२. श्री भक्त दर्शन : क्या सूचना और प्रसारण मन्त्री ४ मार्च, १९६३ के आकाशवाणी में शक्तिशाली ट्रांसमीटरों सम्बन्धी तारांकित प्रश्न संख्या २३७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि किन-किन देशों में आकाशवाणी के प्रसारण बिल्कुल भी नहीं सुनाई देते या बहुत अस्पष्ट सुनाई देते हैं ?

सूचना और प्रसारण मंत्रालय में उप-मंत्री (श्री शाम नाथ) : आकाशवाणी के प्रसारण जिन देशों के लिए होते हैं उनमें से पश्चिमी अफ्रीका, आस्ट्रेलिया व न्यूज़ीलैण्ड तथा फ़ीजी द्वीपों जैसे दूर के लक्ष्य देशों में धीमे सुनाई देते हैं, और पूर्वी अफ्रीका, पश्चिमी एशिया के कुछ भागों और यूरोप में कहीं कम और कहीं अधिक स्पष्ट सुने जाते हैं ।

### Community Receiving Sets for Punjab

**1604. Shri Daljit Singh:** Will the Minister of Information and Broad-

casting be pleased to state the number of community receiving sets supplied to Punjab State during 1962-63?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** 700 community listening sets have been allotted to Punjab State for 1962-63. Of these 150 sets have already been supplied.

#### **Dock Labour Scheme in Madras Port**

**1605. Shri Elayaperumal:** Will the Minister of Labour and Employment be pleased to state the progress so far made in the implementation of the Dock Labour Scheme in Madras Port?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** The Madras Dock Workers (Regulation of Employment) Scheme has been in force since August, 1954. Under this scheme there were 1575 workers registered on 1-1-1963. The registered workers are entitled to the benefits of 21 days' minimum guaranteed wages in a month and attendance allowance @ Rs. 1:50 nP. per day for the days on which they are not given any booking. They are also given the benefits of contributory provident fund, earned leave with wages, medical facilities, etc.

There is also in operation a Listing Scheme for the unregistered dock workers. This was brought into force on the 24th October, 1960. The number of listed workers as on 1-1-1963 was 2435. The workers covered by the Scheme are enjoying the benefits of rotational booking, three shift system, etc., but not the minimum guaranteed wages and attendance allowance.

#### **Industrial Units in Madras**

**1606. Shri Elayaperumal:** Will the Minister of Defence be pleased to state:

(a) whether the request of Madras Government to establish some Industrial Units in Madras State to meet

the defence requirements has been considered by Government; and

(b) if so, the details thereof?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) Yes, Sir.

(b) A Heavy Vehicle Factory is being set up at Avadi. A clothing factory recently set up at Avadi is in production. This factory is being expanded for undertaking manufacture of parachutes.

#### **Indian Officers sent Abroad**

**1607. Shri Daljit Singh:** Will the Minister of Defence be pleased to state:

(a) the number of Officers of the Indian Navy, Army and Air Force sent abroad for training from 1st October, 1962 to 1st March, 1963; and

(b) the number of foreign Army Officers who are imparting training to Indian Army Personnel in India?

**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):**

(a) 180.

(b) Nil.

#### **Indians Intending to Visit Israel**

**1608. Shri Hem Barua:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that Indians intending to visit Israel have to apply for special passports to the Centre and not through the Regional Passport Officer as in other cases;

(b) the provisions made for visas to Israelis intending to visit India; and

(c) whether any instances of difficulties in the working of the system have come to the notice of Government, and any complaint received on this score?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) No, Sir. Applications are made to the Regional Passport

Officers for passports for Israel as for other countries.

(b) Visa regulations of the Government of India are applicable to all foreigners including the Israelis. Requests from the Israelis for visas are considered on merits.

(c) No instance of difficulty in this regard has been noticed and no complaint about the delay has been received by this Ministry.

#### U.S. Secretary of State's Visit to India

1609. **Shri Indrajit Gupta:** Will the Prime Minister be pleased to state:

(a) whether the U.S. Secretary of State Mr. Rusk is likely to visit India soon;

(b) if so, whether he has been invited by Government or is coming at his own request; and

(c) the purpose of his visit?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) Yes Sir. Mr. Rusk will be visiting Delhi on 2nd May, for two days;

(b) When we were informed that Mr. Rusk will be in Karachi and may be passing through Delhi, we invited him to be guest of the Government of India during his brief visit to Delhi.

(c) Matters of mutual interest to the U.S.A. and India will naturally be discussed between Mr. Rusk and the Government of India during this visit.

#### Tenants in Mahe

1610. { **Shri A. V. Raghavan:**  
**Shri P. Kunhan:**

Will the Prime Minister be pleased to state:

(a) whether cultivating tenants in Mahe are still being harassed under the French Civil Code;

(b) whether suits for eviction and damages are being filed in Mahe against tenants under the French Code and if so their number;

(c) the number of suits decreed since December, 1962; and

(d) whether there is any proposal to confer any benefits to tenants with retrospective effect?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) Government extended the Malabar Tenancy Act, 1929 to the former French Settlement of Mahe on the 16th of June, 1958 whereby the French Civil Code insofar as it related to the tenancy law, ceased to have effect. No cases of harassment to the cultivating tenants in Mahe have come to the notice of the Government since that date. Government have also promulgated on the 28th of April, 1962, the Mahe (Stay of Eviction Proceedings) Order, 1962.

(b) to (d). No suits for evictions or damages have been filed since the promulgation of the Mahe (Stay of Eviction Proceedings, Order. The question of conferring benefits to tenants with retrospective effect, therefore, does not arise.

#### Border Road Development Board

1611. **Shri P. C. Borooah:** Will the Minister of Defence be pleased to state:

(a) whether office of the Chief Engineer A.C.E. of the Border Roads Development Board is proposed to be set up at Dehra Dun; and

(b) if so, Government's decision in the matter?

**The Minister of Defence (Shri Y. B. Chavan):** (a) and (b). A Chief Engineer's Organisation has been sanctioned for departmental execution of Border Roads Projects in Uttar Pradesh sector. It has been proposed to locate the Headquarters of this organisation at Dehra Dun. Final decision will be taken shortly.



### Sino-Pak. Border Agreement in Security Council

1612. { Shri Harish Chandra Mathur:  
Shri Hem Barua:  
Shrimati Savitri Nigam:  
Shri Maheswar Naik:  
Shri Yashpal Singh:  
Shri Bishan Chander Seth.

Will the Prime Minister be pleased to state:

(a) the action taken by Government at U.N. level in respect of China-Pakistan agreement beyond inviting the attention of the Security Council; and

(b) whether it is proposed to get the matter discussed in Security Council?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) and (b). In view of the joint talks on Kashmir and other related matters, no further action in the Security Council is contemplated for the present.

### Forged Indian currency carried by Hostile Nagas

1613. **Shri P. Borooah:** Will the Prime Minister be pleased to state:

(a) whether Government's attention has been drawn to the report that the group of one hundred Nagas who have reportedly crossed over to Nagaland from East Pakistan recently, carried with them forged Indian currency valued over Rs. 30 lakhs;

(b) if so, whether an inquiry has been made into this matter;

(c) if so, with what results; and

(d) the steps taken to check the circulation of such currency and to confiscate the same?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** (a) Yes.

(b) Yes.

(c) According to villagers in Manipur, the Naga hostiles, who passed through their area, were plentifully supplied with Indian currency. There is no evidence to indicate whether the currency is forged or smuggled or from what source it was obtained. So far seven notes of small denominations totalling in value Rs. 56 have been recovered on suspicion that they emanated from the Naga party. They are being subjected to detailed scrutiny. This technical investigation is not yet complete.

(d) Steps have been taken under existing Treasury Rules to check the circulation of any such forged currency and to confiscate it. Forged notes, which have been identified as such, can be dealt with by the police together with their possessors in accordance with the provisions of the Indian Penal Code. No such forged currency has yet been detected in Nagaland.

### Review of Punjabi Books on A. I. R.

1614. **Shri Daljit Singh:** Will the Minister of Information and Broadcasting be pleased to state how many books in Punjabi language were reviewed by A. I. R. in 1962?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** Forty four.

### Multi-purpose Institutes at Kothagudam

1615. **Shri Eswara Reddy:** Will the Minister of Labour and Employment be pleased to state:

(a) the present position with regard to the construction of Multipurpose Institutes at Kothagudam; and

(b) when the Institute will start functioning?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** (a) Expenditure sanction for the construction has been issued.

(b) As soon as construction is completed.

#### **Singareni Collieries Company**

**1616. Shri Eswara Reddy:** Will the Minister of Labour and Employment be pleased to state:

(a) whether any payment has been made to Singareni Collieries Company for the construction of quarters by the Coal Mines Welfare Organisation during January-March, 1963; and

(b) if so, the amount thereof?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** (a) No.

(b) Does not arise.

#### **National Highways and Border Roads**

**1617. Shri P. C. Borooah:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a vigorous drive is being launched for augmenting the National Highways and Border Roads in view of the National Emergency;

(b) if so, how much amount has been earmarked for the connected schemes for the ensuing year; and

(c) the details of the relevant schemes?

**The Minister of Defence (Shri Y. B. Chavan):** (a) Yes, Sir.

(b) A total sum of Rs. 51.43 crores has been included in the budget estimates for 1963-64 in connection with the schemes referred to in part (a) of the question.

(c) It is not in public interest to disclose the details of the schemes.

#### **Expenditure on Punjab Hills**

**1618. Shri Hem Raj:** Will the Minister of Planning be pleased to state:

(a) the amount spent in the Punjab Hills during the First and the Second Plan period with the break-up of different items on which it was spent; and

(b) the amount proposed to be spent on these hills during the Third Plan period?

**The Deputy Minister in the Ministry of Labour and Employment and for Planning (Shri C. R. Pattabhi Raman):**

(a) Separate allocation for special development programme for Hill area schemes was made only in 1960-61. A statement is placed on the Table of the House indicating the expenditure incurred under different heads of development. [Placed in Library, see No. LT-83/63].

(b) Attention is invited to the reply given to parts (a) and (b) of the Starred Question No. 624 on December 6, 1961.

#### **Tamil Artistes**

**1619. Shri Nambiar:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that records of Sarvashri Rajaratnam, Karaikudy Sambasiwan, Aryakudi Ramanujan and Maharajapuram Viswanatham are reserved;

(b) the steps proposed to preserve records of eminent artistes like Sarvashri M. K. Thyagaraja Bhagavadar, S. G. Kittappa, N. S. Krishan and Madurai Mani Iyer; and

(c) whether Government would lay on the Table full details of the records of Tamil Artistes preserved and proposed to be preserved?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) Yes, Sir.

(b) Every effort is being made to preserve the recordings of eminent artistes, including those mentioned in this part of the question.

(c) A statement showing details of recordings of Tamil Artistes already in A.I.R.'s Archives is laid on the Table of the House. [Placed in Library see No. LT-1084/63]. Since the selection of recordings of eminent artistes

for the purpose of preservation is a continuous process, it is not possible to give details of the item to be selected in the future.

#### Film Institute, Poona

**1620. Shri Nambiar:** Will the Minister of Information and Broadcasting be pleased to state:

(a) Whether it is a fact that Film Institute in Poona is not being encouraged by the film industry;

(b) if so, reasons therefor; and

(c) how Government propose to make it more attractive and worthwhile in the third year of the starting of Institute?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) No, Sir.

(b) and (c). Do not arise.

#### Documentaries for Children

**1621. Shri E. Madhusudan Rao:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the number of documentary films produced by the Films Division during 1962-63 for children; and

(b) number of such documentary films to be produced by the said Division during 1963-64?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) and (b). Nil, Sir. It is not the function of this Division to produce children's films.

#### Documentary Films on Scientific Subjects

**1622. Shri E. Madhusudan Rao:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether there is any proposal to prepare documentaries on various scientific subjects in the near future; and

(b) if so, the details thereof?

**The Deputy Minister in the Ministry of Information and Broadcasting (Shri Sham Nath):** (a) and (b). The production programme of the Films Division for 1963-64 includes films on the following scientific subjects:

1. Apsara Reactor
2. Tarapur Atomic Power Project
3. Uranium.
4. Indian Ocean Expedition.
5. Exploration of Upper Air.
6. Operation Research.
7. Mining Methods.
8. Science Looks at Roads.
9. Technique of Sterilisation in Males.
10. Technique of Sterilisation in Females.
11. Railway Research on Designs and Standards.
12. Optical Glass.
13. Methods of Artificial Respiration.
14. Scientific Aids to Investigations.
15. Role of Geological Survey in Agriculture.
16. Locust Control.

#### नौसैनिक जहाज का कारखाना

१६२३. श्री श्रींकार लाल बैरवा : क्या प्रतिरक्षा मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दक्षिणी कोलाबा क्षेत्र में नौसेना के छात्र छात्राओं को जहाज निर्माण का प्रशिक्षण देने के लिये एक जहाज का कारखाना खोला गया है ;

(ख) यदि हां, तो इस जहाज को बनाने के लिये कितना रुपया व्यय होगा ; और

(ग) कितने छात्र-छात्राओं को प्रशिक्षण दिया जायेगा ?

प्रतिरक्षा मंत्रालय में उपमन्त्री (श्री बा० रा० चव्हाण) : (क) से (ग). जी नहीं । माननीय सदस्य का इराशारा शायद उस आचारशाला की ओर है, जिसका न्यास प्रधान मन्त्री ने २० मार्च १९६३ को बम्बई में,

नीसेना छात्रदल के मुख्यालय भवन के सम्बन्ध में किया। यह दल एक गैर सरकारी स्वयंसेवक युवक संस्था है, और इसका उद्देश्य है ११ और १७ वर्ष के बीच लड़के लड़कियों को समुद्र सबन्धी प्रशिक्षण तथा ऐसा प्रशिक्षण देना जो उन में ऐसे गुण पैदा करे, कि वह अच्छे नागरिक बन सकें, और समुद्र सेवा ग्रहण करने में सहायी हो। इस भवन परियोजना में रक्षा मन्त्रालय ने कुछ खर्च नहीं किया है।

#### **Singareni Collieries Company**

**1624. Shri Eswara Reddy:** Will the Minister of Labour and Employment be pleased to state:

(a) whether the management of Singareni Collieries Company have not implemented the circular of Chief Inspector of Mines for free supply of hard hats as being a part of safety equipment; and

(b) if so, steps being taken by Government for arranging free supply of hard hats?

**The Deputy Minister in the Ministry of Labour and Employment (Shri R. K. Malviya):** (a) and (b). The Chief Inspector of Mines had issued an order under the Coal Mines Regulations requiring the provision of hard hats to certain specified categories of persons employed in coal mines. The order did not contain any stipulation that hats should be supplied free of cost. It appears that Singareni Collieries Company make the hard hats available to their workmen at 50 per cent. cost.

#### **Import of Parachutes**

**1625. Shrimati Sharda Mukerjee:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that parachutes are still being imported; and

(b) whether any enquiries have been made regarding the procurement of parachutes from indigenous sources?

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**The Deputy Minister in the Ministry of Defence (Shri D. R. Chavan):** (a) Yes.

(b) Yes. Parachutes are being manufactured indigenously also. The imports are for meeting certain specialised needs and urgent deficiencies.

#### **Supersonic Jet Fighters**

**1626. Shri Hari Vishnu Kamath:** Will the Minister of Defence be pleased to state:

(a) whether any country or countries are collaborating with India in the manufacture of supersonic jet fighters;

(b) if so, the names of such countries;

(c) the terms and conditions of collaboration; and

(d) the progress made so far as a result of such collaboration?

**The Minister of Defence Production in the Ministry of Defence (Shri Raghuramaiah):** (a) Yes, Sir.

(b) U.S.S.R.

(c) The Government of India have entered into an agreement with the Government of the U.S.S.R. for the manufacture in India of MIG aircraft under licence. Under the agreement, the Soviet Government will be furnishing us Technical Know-How and manufacturing information in respect of the complete aircraft including engines. They will also be furnishing us Technical Assistance in the preparation of project report, setting up of factories, etc.

(d) A team of Soviet Technicians are now in India and work on the preparation of project report is in progress.

12 hrs.

#### **PRESIDENT'S ASSENT TO BILLS**

**Secretary:** Sir, I lay on the Table copies, duly authenticated by the Secretary of Rajya Sabha, of the

## [Secretary]

following two Bills passed by the Houses of Parliament during the current Session and assented to by the President since a report was last made to the House on the 25th March, 1963:—

- (1) The Delhi Rent Control (Amendment) Bill, 1963.
- (2) The Agricultural Refinance Corporation Bill, 1963.

#### LEAVE OF ABSENCE FROM THE SITTINGS OF THE HOUSE

**Mr. Speaker:** The Committee on Absence of Members from the Sittings of the House in their Fourth Report have recommended that leave of absence be granted to the following members for the periods indicated in the Report:

Raja P. C. Deo Bhanj, Shri U. Muthuramalinga Thevar; Shri Kamal Nath Tiwari, H. H. Maharani Vijaya Raje Scindia of Gwalior, Shri Y. N. Singh, Shri R. V. G. K. Ranga Rao, Shri Cherian J. Kappen, Shri K. Ananda Nambiar, Shri A. Jayaraman, Shri P. R. Ramakrishnan, Shri R. Kanakasabai, Shri Lal Shyamshah, Shri Debendra Nath Karjee, Shri A. Nesamony, Shri Dasaratha Deb, Shri Biren Dutta, Shri Govind Hari Deshpande, Shri Muldas Bhudardas Vaishya, Shri Vijaya Bhushan Singh Deo, Shri K. K. Warior, and Shri E. M. Imbichibava.

I take it that the House agrees with the recommendations of the Committee.

**Hon. Members:** Yes.

**Mr. Speaker:** The members will be informed accordingly.

#### STATEMENTS BY MEMBERS

**Shri Surendranath Dwivedy (Kendrapara):** Sir, the House may remember that on April 1, 1963, while replying to the debate on Grants of the

Home Ministry, the Home Minister referred to our Party and said:

"I have only one thing to tell Mr. Kamath also, that one of the members of his Party while making a speech said that both the Prime Minister and the Home Minister should be shot dead."

Every Member of Parliament including the Ministers has to follow a certain standard of parliamentary behaviour, but this remark was made in a most irresponsible manner and the Minister refused to give the name of the person. We therefore took strong objection to this remark and I said:

"This is a charge made against a member of the party. The party does not advocate any violence at all in its political activities. This is a serious charge. If the Home Minister proves this, we shall join with him in seeing that such statements are not only legally punished but whoever the person may be, the party will also take action against him. The Home Minister must come forward to tell us and the House who the person concerned is who has made that statement."

Many other Members in the House took strong objection to this statement and then, you, the hon. Speaker made the following observation:

"He must either lay those documents or whatever proof there is on the Table of the House, or he must satisfy them, because it is being denied openly here every-time he makes charges against any party. Therefore something must be done to satisfy them that really the Home Minister has got that information upon which he can rely and any honourable and reasonable man would have reasons to believe that such charges are there."

Even then the Home Minister was not prepared to give the House any particulars and I further said:

"Knowing fully well that the alleged member is not a person who should be taken very seriously, according to his statement, can he make that charge against the party? I ask: is it fair?"

Still the Home Minister did not agree to change his statement, but said:

"I stick to that",

When further discussion followed, you again said:

"I do not say that different principles are applied or would be applied, whether he be a private member or a Minister. Rather we expect that Ministers would be more responsible in that respect and would not make any charges unless they have evidence to convince any reasonable man about the veracity of those charges."

So, when the Home Minister offered to meet me and discuss matters, I readily agreed. In fact, I wrote to him saying that I am prepared to see him the very day. I thought probably it would be possible for the Home Minister to show me papers the same day since the document must be in his possession when he spoke, but could not be placed on the Table as it was secret. As I reported to the House on the 3rd, the meeting could be held only on the 4th April, 1963.

We met three times for the purpose: on 4th April—from 4.45 to 5.30; on 5th from 5.30 to 6 and then on the 6th for about 15 minutes.

Sir, the Home Minister showed me papers which formed the basis of his information.

This information was given to the Hon. Minister by the Central Intel-

ligence and that report is thoroughly unconvincing, unsatisfactory and mischievous. It contains the name of the person who is alleged to be a PSP member and reported to have made the speech at a meeting held as early as November 5, 1962. One or two sentences of the speech are also mentioned, but this report can never be relied upon because the report does not contain any detail about the meeting such as when it was held, who were the sponsors of the meeting, the names of the president or speakers other than the alleged member who had spoken in the meeting and the duration of the meeting etc. Without all these details, no reasonable or responsible man would put any reliance on such a scrappy report.

It is unthinkable that when the report of such a serious nature is being sent to the Home Minister, it would lack in such details, and it is still more surprising that the Home Minister without verifying the facts, would choose to make that the basis of his charge against a party.

The only other document in support of this report that the Home Minister could show me was a printed sheet of paper in Urdu, being the page of a certain journal. The Home Minister was good enough to read out the Urdu text to me.

This publication is dated 9th November, 1962, four days after the actual date of the alleged meeting. Here also, there is no mention of any party or even the name of the person who is alleged to have made the speech.

No credence could, therefore, be given to such inadequate material, and more so, to make a statement in the House and even to assert it shows an unfortunate lack of responsibility.

I do not mention the name of the person which is mentioned in that particular report. If the House demands and the Home Minister agrees, he may give his name. But I have made it clear to the Home Minister, and now I inform the House that the

[Shri Surendranath Dwivedy]

person concerned is not connected with the PSP and that he is actively working for some other political party, since more than 16 months and this alleged speech was delivered only about five months back, according to the date given in the Central Intelligence report.

It will again be seen that although the alleged speech was made in November, neither the Home Minister has made any further enquiries before he made the speech nor any action has been taken against the person concerned.

The Central Intelligence Report is meant mainly for the guidance of Government. The report can be challenged and I hold that the report is entirely unfounded. I could understand if any action had been taken or this was proved in a court of law.

I do not think that in any Parliament of the world such a baseless charge has ever been made against a member and a party in such an objectionable manner. The Ministers can always take shelter under secrecy, refuse to place the document and yet make open allegations to discredit an Opposition Party and a person, and if the Parliament permits it, then the proceedings of the House would be reduced to a mockery.

I requested the Home Minister, since he has made no further enquiries into the matter and the report shown is completely unreliable and unbelievable and also factually not true, it is better that he withdraws his previous statement. I am sorry to report that he did not agree to my suggestion.

This allegation of the Home Minister was made with the aim of misrepresenting the PSP in the eyes of the public. The alleged member is not in the House to defend himself and his name was not disclosed. Hence, all that was meant in the context of the speech was to denounce the PSP and attribute certain things on the basis

of incomplete and baseless information.

If we have to maintain certain standard and conventions in the House, the proper course for any Minister in such circumstances would be to express regret to the House for the incorrect statement made here and make full amends for that.

Any further action on this matter would follow after we hear the Home Minister about it. But I would appeal to the House to consider seriously and decide what steps are to be taken when incriminatory statements like these are made in the House.

**The Minister of Home Affairs (Shri Lal Bahadur Shastri):** Mr. Speaker, it is for Shri Dwivedy to use any kind of language he likes. I am indeed pained to listen to the language of his statement and what he has said about the Central Intelligence Department. However, I am sorry I cannot use that kind of language, and I shall, as briefly as possible and as politely as possible, read out what I have to say on this matter.

I am sorry that the House is being troubled in this matter arising out of some remarks made by me when replying to the debate on the Home Ministry's Demands on the 1st April. You have heard what Shri Dwivedy has to say about it. With your permission, I would like to make my own observations about this matter. I do not propose, as I said, to enter into any argument, but shall confine myself to recapitulating the facts.

In the beginning of January 1963, a report in an Urdu weekly was brought to my notice about an objectionable speech made at a public meeting in November 1962. The speaker was reported to have said that he would be the first to shoot Pandit Nehru if he allowed even an inch of Indian territory to remain in Chinese possession. I asked our Intelligence to find out if the report was correct, and, if so, who was the person who

had made the speech. Early in March, I was informed that the reported speech had, in fact, been made by a member of the Praja Socialist Party.

In the meantime, yet another Urdu paper of the same place had also referred to the same speech in one of its issues in the month of January. I did not have a copy of the second paper with me when I talked to Shri Dwivedy and I could not, therefore, show this report to him.

On receiving the Intelligence report in March, I saw no reason to doubt its correctness, especially as it corroborated what had appeared in Urdu newspapers published from the same place. I felt that the speech was highly objectionable, and asked that it might be brought to the notice of the State Government. The Home Secretary wrote to the Chief Secretary of the State concerned on 8th March, 1963. I quote:

"We consider so and so's activities to be highly objectionable and his speech referred in that Urdu newspaper particularly so. We would suggest that the State Government may consider taking appropriate action against him under the Defence of India Rules."

So what Shri Dwivedy said, that it was not followed up, is not at all correct.

**Shri Surendranath Dwivedy:** This was not shown to me.

**Shri Lal Bahadur Shastri:** I could not show everything to the hon Member. This forms part of a file, and I could not show the file to the hon. Member.

**Shri Tyagi (Dehra Dun):** Unless he takes an oath of secrecy.

**Shri Lal Bahadur Shastri:** It has been reported to me that this particular individual had been an active

member of the PSP from 1950 onwards. I have got full particulars of his activities, and I knew it before I made that speech. Towards the end of 1961, he is said to have temporarily joined the Swatantra Party, but he left it soon after. It is reported that since then, he has been associating closely with the PSP workers. It was only after this that he made the speech in question in November 1962.

I may mention that there was yet another report, according to which another member of the PSP had at a public gathering described the Prime Minister and the Home Minister as disloyal to the country because they had accepted the Colombo proposals. He had proceeded to observe that such disloyal persons deserved capital punishment, and that in other countries such people were shot dead. I had made a mention of this case also to Shri Dwivedy. My further inquiries only confirm the belief that this statement was in fact made. I would certainly not criticise a person publicly by name on the basis solely of intelligence reports, but I hope he will agree that intelligence reports can legitimately be the basis of political judgment and administrative action. In forming a political assessment on the basis of reliable intelligence reports, one does not, however, have to observe the same standards as would be required in a court of law. All that is reported is a judicious exercise of discretion. After looking into the matter further, I feel that on the material before me I could reasonably have made such a statement. But, at the same time, the House would have noted that I did not mention any names in spite of the repeated demands that I should do so. May I make it quite clear that it was far from my intention to level a charge against the Praja Socialist Party as such. If I had not been interrupted, I would have made this abundantly clear in the House in my Budget speech itself.

I know full well that the Praja Socialist Party is a party wedded to



[Sri Lal Bahadur Shastri]

peaceful and constitutional methods, but surely no party can claim that the behaviour of each and every one of its members continues to be exemplary all the time. As I said the other day in the House, there may be occasional lapses on the part of a few members in any party, but this does not mean a condemnation of the party as a whole. I could never, therefore, in these circumstances, have thought of criticising much less condemning the Praja Socialist Party whose approach and objectives are so well known.

**Shri A. P. Jain (Tumkur):** Sir, I want to make a submission. I had heard about this speech being made earlier, and when the Home Minister made this statement in the House and objection was taken to it, I made further enquiries on the telephone, because this incident happened in my place, Saharanpur.

**Mr. Speaker:** Order, order. I would not allow him to introduce any knowledge personal to him, and no discussion can take place on that point at this moment. He need not do that.

**Shri Vasudevan Nair (Ambalapuzha):** On another matter, Sir. You know some allegations were made against our party by the Home Minister. I wrote a letter on behalf of my party on the 3rd to the Home Minister, and today is the 8th. Till now I have not even received an acknowledgement of the letter. I would like to know what the Home Minister is going to do in the matter. We would like to meet him.

**Shri Lal Bahadur Shastri:** I might inform the hon. Member that the day I rang up Dwivedyji to come and meet me, I gave a ring to Shrimati Renu Chakravarty also, but I found there was no reply. Again I rang up in the evening. I was told she had left for Calcutta. I thought that when she returned I would meet her. In the meanwhile I received a letter

from the hon. Member. I replied to him. I do not know how he did not get it. I have said in that letter that as soon as she returns, I shall be glad to meet her.

**Dr. L. M. Singhvi (Jodhpur):** One thing that remains cloaked in confusion is whether the person who made the speech was on that particular day actually a member of the Praja Socialist Party. That is the crux of the matter and has not been made clear.

**Shri Surendranath Dwivedy:** I have raised certain issues in my statement about the facts. There is disagreement, that you can see, and I still hold that the information of the Home Minister is not correct, that that person was not a member of the Praja Socialist Party. He left the party long before he made the statement.

**Mr. Speaker:** That he has said.

**Shri Surendranath Dwivedy:** I wanted to correct that impression.

Secondly, he also referred to another person about whom he casually informed me when we were discussing this matter, but that was not the point which he made when he made the speech. He only referred to one particular incident.

Again, I would appeal to you about a particular thing arising out of this matter. That is this. As he has also stated and from the enquiries that he has made, this is entirely based on a report that he had with him. On enquiry we find that report is not correct. How do we proceed in this House in this matter? I can also accuse like that and say that my information is correct. That is one thing which should be decided on this matter.

**Shri Nath Pal:** On a point of order. I am not going into the merits of this thing. But it does raise a question of importance to the House: whether it will be proper in the future that

charges of a very serious nature, based purely on reports of Intelligence Department which are secret documents will be made in this House. Will it not be desirable that, since the Government can take proper legal action, that method could be employed rather than such charges be brought here purely on the evidence of the intelligence department? I am not accusing. We would like to know whether Members here also can indulge in similar thing on the basis of information which they get. I want to know whether it is a healthy precedent.

**Shri A. P. Jain:** May I say a word about this point of order? The Home Minister made a statement on the basis of the information which he had received from the intelligence department. You allowed him. When I wanted to make a statement on the basis of the information received by me, you disallowed it. Any statement made on the basis of the report of the intelligence department is considered to be insufficient; other evidence is not allowed to be brought over that matter. How is the matter to proceed?

**Mr. Speaker:** Order, order. It has already been held, many a time here, that we are not a court here holding enquiries. The most that we can do is this. When there are two conflicting versions of the same thing, when facts are not admitted or proved, we cannot prove them by going into evidence just now nor would the House and the Members here give evidence and then come to a final judgment. That is not the case. I hope the hon. Members remember when I asked two other hon. Members, Shri Bagri and our Minister for Scientific Research, to give me their statements. This very objection was raised here: that this enquiry could not be held here; and I agreed. But I could ask both Members to give me the statements in order that the House might judge from those statements and might come to any conclusion it likes.

Both the statements are there. Facts are not admitted. Both say that each one is correct according to his own ideas, according to his own information and according to his own conclusions and according to the information which each one has got in his possession. I will allow both these statements to be placed on the Table of the House and Members can draw their conclusions from the statements that have been made. That is one thing.

About the point of order that has been raised of course there is no doubt; even the Home Minister has said that he did not rely simply on the report of the intelligence department. It is not safe as well to simply rely on that. He said he made further enquiries and he felt that there was truth in that; therefore he made that statement. But it is a fact and I would repeat it just now that purely upon the information received from the intelligence department or from some police source, it is not very safe to rely on these reports and straightaway make allegations under such circumstances. I am sure Government does make enquiries after that report is received because intelligence reports are intended to help the Government and when that information is supplied to the Government, Government makes sure that there is something in those reports....

**Shri S. M. Banerjee (Kanpur):** May I submit one thing?

**Mr. Speaker:** Should I sit just now? At least I might be allowed to finish. This is for both the sides, I should say. I have this grievance against most of the Members; that it is not only on one side. I am not taking this particular instance now. I conclude it and I close it. I may just ask both sides, Members on each side, to exercise greater restraint. It is not that every Member, whatever he listens, should at once rush to this House and then speak it out freely because he has got the freedom of speech. He has that responsibility, whether he be on this side or that

[Mr. Speaker]

side, because it has been happening every day. They get information from any source and they do not try just to find out and satisfy themselves whether there are reasonable grounds for believing that the report would be true. Before doing that, they rush here and make a statement. That does a great deal of harm to our reputation as well as to many individuals or institutions or to parties. Therefore, I hope that all sides would take care in future. There is another thing also which is pending. This morning, I got a telephone call from Shri Bagri. I have been asking him to give me his statement. But he has not given me. This morning he assured me that he would be sending it this evening or the day after. That is also there.

But I would request all hon. Members again to exercise greater restraint before they make such allegations because, as I said the other day, freedom of speech is assured to us only on this condition, that this House exercises that with restraint. Otherwise, if any other citizens make any such allegations or defamatory statements, they can be run down in courts and the courts can take action, but here, this House alone can take action. Therefore, the House also should remain alert. I will also try to be more careful and I will ask every hon. Member to exercise greater restraint so far as this is concerned.

**Shri S. M. Banerjee:** In view of your observations about the police reports or the intelligence reports may I request you to kindly ask the Home Minister to review all those cases because they are purely based on such police or intelligence reports?

**Shri K. N. Pande (Hata):** I want just one clarification. You have said that the intelligence reports ought not to be relied upon so much. But is there any other source with the parties which can be relied upon? Can the two things be compared? Because, it is the department which is

paid by the Government and it is a Governmental machinery, whereas the other is a private agency connected with these parties. Can these two things be compared—the report from the intelligence department and the other thing?

**Mr. Speaker:** He will sit with the Home Minister and consult him about these matters.

**Shri Tyagi:** I want your guidance in this matter. The speech which the hon. Minister referred to was objectionable. The whole House considers it to be objectionable. Also, no party owns it,—that part of the speech which was quoted by the Home Minister,—and it was considered by the whole House to be objectionable. (Interruptions).

**Mr. Speaker:** Order, order. The speech that the hon. Member is referring to is the one made by that person who was there,—who made that speech in public.

**Shri Tyagi:** The speech which the Minister has taken objection to and read here was considered objectionable unanimously by those parties to whom it was attributed. They also object to that part. My submission is that the speech was delivered at one place. Now, after quoting that speech here, it becomes a public document. Are we not propagating that part of the speech to the whole country? Could there be some method whereby that objectionable portion may be deemed to be a privileged one and not be broadcast or published in the papers?

**Shri Joachim Alva (Kanara):** I beg to submit that discussion on this subject be closed. We have had a long discussion about it.

**Mr. Speaker:** It has already closed. Now, there is a statement to be made by Dr. P. S. Deshmukh.

**Dr. P. S. Deshmukh (Amravati):** Mr. Speaker, Sir, I shall be very brief. My statement will be a brief one. On a point of personal explanation necessitated by the remarks made by Shri Malhotra in the course of his speech on the Demands for Grants for the Ministry of Food and Agriculture, I want to say the following:

The first point he made was: the Government should see that organisations like the Bharat Krishak Samaj which had been the recipient of Government assistance work properly. I would like to tell him and the House that although it is true that the Samaj received some financial assistance from the year 1954-55, no such assistance was either applied for or given to the Samaj after the year 1959-60. So long as financial assistance was being given to the Samaj, it had to submit audited accounts as well as to inform the Government of their activities. Every year's grant had to be approved and sanctioned afresh and, therefore, it is apparent that no grant would have been continued if the work of the Samaj was unsatisfactory in any way. There were also certain conditions attached to the grant and the Samaj had to fulfil them. It is the normal procedure of Government in all such cases that they scrutinise both accounts and the activities minutely. This was duly done till the year 1959-60. Thereafter, the question could not arise since the Samaj has not been receiving any financial assistance from Government. May I also submit that even more than satisfying the Government that the Samaj is working properly, the Samaj, like any other non-official organisation seeking to stand on its own legs has continuously to discharge the responsibility of satisfying at least the thousands of members who have joined the Samaj by paying various subscriptions.

**Shri Koya (Kozhikode):** Is this a personal explanation or organisational explanation?

**Mr. Speaker:** This was referred to in a speech by another hon. Member.

**Shri Koya:** The reference was not about Dr. Deshmukh, but about some organisation.

**Mr. Speaker:** Order, order. I have allowed the statement to be made.

**Shri Inder J. Malhotra (Jammu and Kashmir):** My main reference was to the remarks of the Public Accounts Committee.

**Mr. Speaker:** The explanation is being sent to the Public Accounts Committee. They will have an opportunity to look into that. I am not allowing him to make any statement about the PAC's remarks.

**Dr. P. S. Deshmukh:** I submit that even this remark of Shri Malhotra flowed from the impression that had been made on his mind by the observations of the Public Accounts Committee in their eighth report. In fact, Shri Malhotra next referred to certain allegations of financial irregularities against that organisation (namely, the Bharat Krishak Samaj) in connection with the World Agriculture Fair. Then he stated that the House would like to know the real position in the matter.

I believe, Sir, that in this personal explanation of mine, I would be within my right not only as a Member of this House but also as a person holding the office of the Minister of Agriculture at the time certain events took place which form the subject-matter of certain observations by the PAC to clarify the doubts in the mind of Shri Malhotra and the effect his remarks must have naturally produced on the minds of the Members of the House, if not many people outside.

Even so, Sir, I have decided not to say anything whatever here about the observations of the PAC because I would like to abide by Tyagiji's advice that I should conform to the usual practice of first placing what one wishes to urge before the PAC. I am accordingly going to submit a note to the Committee and would, therefore,

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request the House to suspend their judgment till the Committee has re-examined the whole matter in the light of what I propose to place before them. I may, however, express my firm belief and conviction as well as my hope that when the Committee considers the other side of the case, they will come to no other conclusion except that I and the Bharat Krishak Samaj deserve to be wholly absolved. I have, as I said before, the fullest faith in the sense of justice and fair-play of the Committee headed by such a just and impartial person as Tyagiji.

12.35 hrs.

**BENGAL FINANCE (SALES TAX)  
(DELHI AMENDMENT) BILL\***

The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat): Sir, on behalf of Shri Morarji Desai, I beg to move for leave to introduce a Bill further to amend the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union territory of Delhi.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill further to amend the Bengal Finance (Sales Tax) Act, 1941, as in force in the Union territory of Delhi."

*The motion was adopted.*

**Shri B. R. Bhagat:** Sir, I introduce the Bill.

12.36 hrs.

**DEMANDS FOR GRANTS\*—Contd.  
MINISTRY OF DEFENCE—Contd.**

The Minister of Defence (Shri Y. B. Chavan): Mr. Speaker, Sir, at the outset, I must thank the hon. Members who participated in the discussion on the Demands for defence, not only for

the participation but for the unanimous support for the Demands that they gave. Among Members from all sides of the House belonging to different political parties, though they defined the task of defence in different ways, emphasised different aspects according to their own views, there was complete unanimity as far as the necessity about the size and nature of the Demands for defence were concerned.

I must thank the hon. Members, also, for another reason, for the general goodwill that they have shown about me. I should not have brought this personal note in my speech, but I think it is my duty when I consider this is a unique honour for me to make my maiden speech on these historic Demands for defence, looking to its size, looking to the time when it is introduced and looking to the conditions under which it has been introduced. Therefore, Sir, I am very grateful to the general sense of confidence that they showed about me.

Sir, I would like to explain the scheme of my speech, because I would like to finish as early as possible. I do not propose to go into the details of some of the administrative type of questions that were raised, but certainly I propose to deal with some major issues that were tried to be raised in the course of the debate. But I can assure those hon. Members who have raised questions of the nature of details that will apply my mind very carefully to them, consider about them, and if at all I come to any conclusions about them I will try to inform them individually, and if I consider they are of some importance I shall certainly inform the House also.

One point that I must immediately mention is about the criticism that was made about too much secrecy and the

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†Introduced with the recommendation of the President.

‡Moved with the recommendation of the President.

lack of information. That was mentioned by some hon. Members. I would like to give a word of assurance to this hon. House, that there is no question of having any attitude of mistrust in this hon. House, because this is the sovereign House of the country, a fountain of power for everyone who sits here and we all owe allegiance to it. When we do not consider any information to be given here, it does not mean any mistrust. It is only on the advice of those concerned with the information, that it is not considered to be in the public interest to disclose it, that such information is not given. But, at the same time, I do not want to make any dogma about this "public interest" matter. I propose to give certain information in the course of my speech that will possibly show that there is no question of trying to hide anything from this hon. House. Certainly some items of information do appear in different Press, sometimes they are whispered from ear to ear, but certainly it makes all the difference when there is an official confirmation from the Government. I think it is much better that those who are interested to get the information about our country, from an adverse interest, are allowed to go on guessing about it. So, even though sometimes information is published in the press, it is not therefore necessary that it should be confirmed or contradicted officially from Government benches. At the same time, I am not trying to explain it away or decry the necessity of giving information to this House. So, we will certainly try to supply as much information as possible, consistent with the security of the country and public interest.

**Dr. M. S. Aney (Nagpur):** As communicative as possible.

**Shri Y. B. Chavan:** Here I would like to make a mention about the size and significance of the demand for defence this year because, as I just mentioned, this figure of the defence demand is not only big, it is also very significant; significant because it is not just an accident and it is not going to

be, if I may venture a guess or venture to predict the trend of things or shape of things to come, the last one; it is just a beginning of our defence effort in this country. I think we will have to prepare ourselves, not only this House but the entire country, for the size of this defence effort has come to stay for the defence of our country. I do not mean to suggest that this type of taxation will come from year to year—I have not the authority to say so and an authoritative statement like that on finance cannot come from me—but I have no doubt in my mind that this type of effort will have to be made continuously from time to time, from year to year, and possibly this type of confidence on our defence efforts will have to be permanently created in the minds of the people of our country.

**An. Hon. Member:** Can the Defence Minister not speak over the mike so that he is more audible?

**Shri Nath Pai (Rajapur):** He is quite audible.

**An Hon. Member:** He might come to the front bench.

**Shri Y. B. Chavan:** I do not mind coming to the front bench.

**Shri Tyagi (Dehra Dun):** Yes, he should, because he is a front bencher.

**Shri Nath Pai:** Defence should be on the front bench not on the back bench

**Shri Y. B. Chavan:** Defence is always on the front. Probably, the Minister sits in the back bench.

A reference was made to defence planning and it was said that there was nothing like defence planning in our country. I may say that it is rather an erroneous statement. I hope you will permit me to give some details on this point, not exactly concerning the defence but, to a certain extent, concerning the political angle of the question also.

Defence planning, as any planning, has always two aspects—short term

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aspect and long-term aspect. When we think of a long-term aspect, it is always based on certain principles. There are always certain governing principles when we think of any planning which is long-term planning. In the case of defence planning also there is something like long-term aspect, and that long-term aspect is governed by the foreign policy of the country. Herer I am speaking not about the foreign policy as such, but the major planks of our foreign policy. The foreign policy, besides serving other objects, also serves as a basic stratagem, basic mechanism, for the defence of the country. The foreign policy of any country, besides serving the other ideal objectives, also serves as a mechanism; it serves as some sort of arrangement of working of world forces, making a proper assessment of them and indirectly though not directly, affects the defence of the country. This country has realised that during the crisis in a limited sense when we had to make a huge defence effort. I know some people have a sense of frustration, some people have a sense of despair and anger; I know that I do not say it is always justifiable, but I admit the fact that it is there. During the crisis it has been proved that our basic approach to the world problems has contributed something effective for the defence of our country. I would like to mention about it only from the defence point of view, its significance on the defence stratagem how our defence functions or works. Here I will refer only to one or two points.

By emphasising this, I do not want to underestimate in any way the effort that this country has to make to strengthen its own defence forces; that will have to be done. When we look at the world today, we see some new trends as compared to the position obtained many years back. The passing year 1962 seems to be a year of significance. The year 1962 produced two very significant events—one was in Cuba and the other was the Chinese

aggression on India. I think the world has started appearing rather different, in very clear terms; not that it has started changing from that moment onwards, the forces were already working in that direction, but it started making a little different turn from the time of those two events. How? Maybe it is my personal assessment of the problem, maybe it is my impression of the problem, but I say that after these two events one can very clearly say that despite the conflict of ideologies, despite the historical enmities, many countries are coming together to save the world from war. It is a very important thing, and it has created a very fundamental issue for us—I will come to that point and I will also try to explain how this point is connected with our own problem of defence—because, even countries believing in the principles of Communism and countries which are, really speaking, dead against the principles of Communism are thinking in the same line that it is necessary to co-exist, and that has created a problem in the world in the form of China, because that seems to be the only country today which ideologically believes that there should be a war. Here I am talking of ideological beliefs—a country which is fundamentally emphasising the need for war and other countries, though they may believe in the same ideology, having come to the conclusion for all practical purposes that they must avoid war. Unfortunately, as geopolitics have placed us, the country which believes in the fundamental principle of having war happens to be our next door neighbour. That has given some sort of inevitability to the necessity of preparation of defence of our country. That is the only point which I wanted to mention.

There is no escape from making a conscious effort and being alert in order to safeguard the integrity of this country from this neighbour. It started with the border trouble. Let us hope the Chinese Government will

accept the Colomobo proposals and some solution will be found. In that case, our Government will be very happy about.

But, apart from that, there appears to be something, an inherent defect, which we have to be aware of. Therefore, I am one with the feeling that this House has expressed, that feeling of concern about the defence of our country, that new awareness, that new alertness, that new consciousness about the defence effort. It is something good for our country that such a big effort, war effort, I would rather say defence effort, is getting unanimous support of this hon. House, in spite of the fact that there are very heavy taxation proposals. Though there may be individual grumbings, the country as a whole has given unanimous support to these proposals, because it knows that it is a very desirable and necessary effort for the defence of our country. Once we accept this position, that defence efforts of this size have to be continued, then certainly, we have to think about how to do that.

Then, certainly, I would confine myself to certain factors about planning and the efforts that we propose to make. In the coming years—when I refer to planning, I am not only confining to this year—we will have to make efforts in three or four directions, if I may say so. I am now talking about the short-term planning—I am not now mentioning about the long-term planning—but the short-term planning is also to be spread over a certain number of years. The immediate effort that will have to be made is four-fold. Firstly, we will have the expansion of the army. Secondly, there has to be necessary expansion and modernisation of the air force. Thirdly, there will have to be a sufficiently strong base of production looking into consideration the new capacities of consumption that we are producing in the defence sector. Fourthly, ancillary facilities like communications and transport also, to that extent, will have to be enhanced and

expanded. These are, generally, four directions in which we will have to make efforts. I can say that it is our intention, I should say it is our decision and determination, to expand the army in the coming two years nearly to double the size of the present army. I know some Members may just say, why not three times or four times. It would become just a wishful thinking because an army is not just a collection of people, not even a collection of trained people. An army is trained people lead by trained officers with necessary powerful equipment and many other things. I am coming to that. This is certainly a very, if I may use the word, somewhat, ambitious programme, but we want to accept the ambitious programmes as our targets and fulfil them with your support, with the country's support and the friendly gestures of friendly countries. Though our emphasis is on the production to which I am coming a little later, naturally, we will have in the immediate future to depend upon the support and aid of friendly countries. At this stage, I must make a grateful mention about spontaneous gesture made by many friendly countries like United States of America, United Kingdom, Canada, Australia and many other friendly countries in the world because the way they came to our help has some good quality about it, a friendly quality about it. That only shows that the dynamic non-alignment policy has succeeded without committing ourselves to any group or alliances.

Now, coming back to the army again, I would like to mention some few things about the army itself. Some Members mentioned about the concept of Mountain Divisions that were to be raised as to what are they like etc. and I find from the questions put by them that some of them have a rather wrong notion about it. They feel, Mountain Divisions mean Divisions which would consist of only mountain people. I would like to explain the distinguishing features about the ordinary Divisions and the Mountain Divisions. According to me, as far



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as I can see, there are two or three distinguishing features between the standard army Divisions and the Mountain Divisions. As far as the strength is concerned, it is practically the same. But on two points, it differs. One is mobility; the other is the fire power and, thirdly, which is also very essential, it also requires some sort of a special training, some sort of a special acclimatisation, some sort of a special use of special vehicles, etc., a special training for the particular terrain. I am sure that by the end of this year we will be completing five Mountain Divisions that we have planned to raise this year.

I would like to mention one or two points of detail here. Some Members mentioned the question about this NEFA inquiry. I am going to refer to it a little later. But some Members said, "Are we still waiting to make our planning till the decisions of this NEFA committee are out? What are we doing in between?". I can assure the honourable House that we are not just idly waiting for these recommendations to come and then we will take lessons and then we will start learning them or learning them by heart etc. The Army Headquarters have already from their observations—there are competent people there, professionally very able persons—certainly made their own studies about the problems and they have drawn certain lessons and the efforts are being made on the basis of those lessons that are learnt. I would like to take this honourable House and the people into confidence, because I do not want them to feel that we are not just letting them know what we are exactly doing about it. Certainly, this new experience of ours in the last campaign has something to teach us. There is no doubt about that. I am not speaking on the merits. I am not trying to judge the campaign, because some experts will have to do that. But the rapidity and the suddenness with which those events happened in those days have certainly some good lessons

to teach us. We found that it will be necessary to improve the quality of planning for campaigns and those well-thought-out plans will have to be backed by logistic support, rather well-prepared in advance. Practically, every expected campaign, wherever that is going to be—I cannot say because that forms a part of the operational programme—but wherever it is, it will have to be well-thought out in advance, those logistic supports will have to be worked out in detail and I can assure the honourable House that such a planning has not only been undertaken but in certain respects it is completed.

The other important point about the army is, the principles which are guiding us, that there ought to be some sort of a close understanding and collaboration and cooperation between the army and the air force and they have also to tally their own plans for that purpose and much detailed thinking has been done in this respect as well. The question of acclimatisation on which much emphasis was given, that programme, has been undertaken in the mountain areas. Our troops have to go and stay there before they are sent there. Gradually, they are acclimatised from one height to the other height and so ultimately led to the areas where they will have to function. The standard of fitness is a very important factor because, traditionally, possibly, our army was trained and was taught to think in terms of fights on plains. When this difficult task has to be undertaken, naturally it will require a different training the basis of which will be physical fitness. So much emphasis has been given to physical fitness.

13 hrs.

The other important question is about the closest relationship between officers and men. That point also was mentioned by some Members. This is also very important. As we all

know, as one great General said, there is no good army or bad army. There are only good officers or bad officers and the goodness or otherwise of the officers depends upon the confidence that he can create, the confidence that he can germinate in the men that he wants to lead. Therefore, it basically depends on the relationship of the men and the officers. Much care has been taken. I cannot say that it has been taken in all respects—much care has been taken to see that this tendency is cultivated and encouraged.

Importance of intelligence, nobody can deny. But, the machinery for intelligence cannot be created overnight. It requires very thorough planning. It is a very complicated process. I can certainly assure the hon. House that more and more methods have been found to collect information, collate that information, disseminate that information and make it useful as far as it can be made. This process will continue for some time to come, and I am sure that if these efforts are made continuously for some considerable period, we will certainly have a reasonably good intelligence system. There is already an intelligence system. There is a feeling that there is no intelligence system in our country. Possibly this is a misunderstanding. A very effectively working intelligence system is in India. I do not think it will be wrong to have a good intelligence. It is claiming to have our own eyes. I can assure hon. Members that they need not come to any conclusion only because certain things happened in a certain sector that we have no eyes of our own. It is not so.

I would like to mention here the other question about promotions of officers. Somebody said, if I am right, the hon. Member Shri Nath Pai said that there are certain murmurs reaching us. I can tell him through you and the hon. House that there is a very, I must say, foolproof arrangement for this promotion of officers. Above the level of Lieut. Colonels, postings are made by selection. Above

the rank of Major Generals that is, appointment of Lieut. Generals and Generals are made by the Government by selection. Appointments of Brigadiers and Major Generals are made by the Chief of Staff with the approval of the Defence Minister. I can tell the hon. House that in my experience of the last four months, I have not many experiences of difference of opinion on this question. Possibly I can say very few, in certain categories practically none. Of course, there are cases of supersessions. There will be cases of supersession. Why I mention this is because, unhappily, perhaps, these murmurs reach Members by some disgruntled rejected persons. I think that happens everywhere. There is the human element in it. I can tell you, naturally, when promotions to the ranks of active officers are to be given, one has to go by the capacity of the man concerned, about his leadership. It is not merely by seniority you can kick people upwards and sometimes hang yourself. You cannot take that risk. Therefore, these qualifications are carefully examined by the Selection Board. In some cases, the Boards of Selection are presided over by the Chief of the Army Staff himself. I would certainly say, there would be cases of supersession. We must have faith in the people who are doing it. Here, I would like to mention, unfortunately, some reference was made by one of the Members about some unhealthy trends. I can assure the hon. House that from my personal experience of the last four months, I have seen the closest co-operation between all the three Services and their Chiefs of Staff, and also with the Civil authorities and also with the Government. I must say about the leaders of the Army. They are professionally very competent people and I can assure hon. Members that they are as patriotic as you and I and everybody is. Unless we create a condition wherein all the three services who have got a distinctive role to play can work and they are trained to work together themselves and also with the civil authorities and the Gov-

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ernment—the Army will not be able to fulfil the function that it is expected to fulfil. Therefore, I would like to emphasise this particular aspect that we should have this confidence in the team spirit that prevails in all matters concerning defence.

I would like to make a few points about the Air Force. Much has been said about the Technical aid mission that visited India. Those particular points and discussions will be followed further by my hon. Colleague Shri T. T. Krishnamachari who is visiting the United States in a few weeks. Because, naturally we cannot afford to produce the types of aeroplanes or the machinery or the equipment that we need immediately. I am sure, if these efforts succeed, we should have a reasonably strong air arm to support our army if there is an aggression.

Naturally, as the Air Force is going to expand, problems of necessary manpower, training facilities for pilots, training facilities for ground engineers and training facilities for other air men also become very important. Steps have been taken in the last few months to start new schools for these training facilities. I am very glad to inform you that there is good response as far as the pilots are concerned. Generally in the case of the Army and also the Air Force, I must make mention of one point. There is not such a sufficient, I should say, response for technical personnel. I think this is a matter that should make us think about it. I think I should like to make an appeal through this hon. House that we must make all efforts in the different States and different institutions and try to see that we create a sufficient number of technically trained personnel to make our Army a very competent and a very efficient Army. In the case of officers, I must say there is certainly sufficient response to the call for joining the Army though it was rather slow in the beginning. But, I must also mention one point. There is normally a feeling that every State

should have its own share in it. I do not want to mention the States. There are some few States which are making a very poor response to it. I think it is much better that those States consider this question. Because this class of officers which is going to provide leadership to the Army is a very important factor and should be of a really national character. Every State should have its own contribution to this cadre of leadership of the Army. Therefore more energetic steps have to be taken. These energetic steps will have to be made in different ways. Because, normally there is a feeling that the superstitious importance attached to the English language is possibly one of the reasons which comes in the way of recruitment of people. Partly it may be true. I cannot say it is not so at all. But, this question was mentioned by the Prime Minister himself in the National Defence Council and after that, this question has been taken. Army Headquarters have issued orders to see that more and more emphasis is being given to the professional knowledge of the person concerned. For that matter, another thing could be done and that is being done, namely to give more facilities for the junior officers themselves to get the promotion because they have got the necessary training for it, and they have got a sufficient fighting temperament for it, and possibly if they get the chance of becoming officers themselves, it would be much better for the country and the Army. And I am glad to tell you that in the present recruitment, nearly 24 per cent of the recruitment is from these junior officers, NCO's etc.

In the form of questions and answers, one information was given to the House, but I would like to repeat it here that the chain of air-fields has been constructed in strategic places, because somebody said 'Are we still without the necessary air-fields?' They are being constructed,

and, I am sure that the increased air force that we have in mind will be effectively working when it becomes available immediately.

One Member practically concentrated his entire speech on the importance of the Navy. Nobody has doubts about the importance of the Navy. Nobody has any doubts in his own mind about the importance of the Navy, but certainly, there are priorities of high and low, looking to the possibility and availability of resources. In the present context of things, naturally, the Navy does stand down to a certain extent. But it does not mean that we have got an assessment of our own as if to discard the Navy for all time to come. Naturally, the Navy takes a long time to be constructed and built up. I can assure the hon. Members, some of whom have mentioned about the problem of submarines, that the submarine is not necessarily an offensive weapon; it is also a defensive weapon. And we have made a beginning by having some training facilities for submarine, and if we can afford and if our efforts succeed, possibly we may have submarines, but I do not want to commit myself at this stage about that particular aspect.

About defence production there are other more important things, but I should say that this really speaking forms the very basic principle of our defence effort. There is some misunderstanding about these things. I do not understand how a big Army that we propose to have or a big Air Force that we propose to have can always depend upon the process of imports; it just cannot be done. Your Army cannot be made to depend upon the arms and ammunition to be supplied by somebody. The rate of combat consumption is so heavy; it is just not possible to think of fighting any defensive action without having your own defence production base. In the case of the Air Force, and in the case of air production too,

naturally, we shall have to depend upon our own. When we can do that, our efforts must be to do that. Our efforts must be to train our people to do that, if it comes to that.

Somebody mentioned about the MIGs, for example. Some Members said 'If you get the MiG's, possibly, after two or three years, it will go out of fashion. Then, what will you do about it?'. But even then, the MIG's will keep flying. There is no doubt about it. Supposing we import from somebody what happens to that also? If we import some machine from some other country, in the course of two or three years, that also becomes rather out of fashion for that country. How do you maintain those things? The maintaining line becomes rather very difficult. These arguments can be made against each other. Therefore, one must be very clear in one's own mind that in these matters we shall have to depend upon our own technological development, and our scientific progress and the training of our own people. Suppose we have got a type of machine, possibly, we can produce that in hundreds and try to make use of it. What really matters is the will to fight, the determination to resist. The Prime Minister has said many times, and rightly so, that if it comes to that, we may fight even with our lathis also. In that case, if we have got our own production, possibly, a little backward machine will be there, but instead of fighting with lathis, we shall be fighting with that machine. So, about defence production, we must have some clear ideas in our own minds about certain basic principles about our defence effort. And there is no doubt that we must continuously and watchfully and energetically make efforts to see that we try to broaden and deepen and strengthen the base of our own defence production.

In this matter also, in regard to the efforts that we made, at present, I must say that nearly the 21

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ordnance factories that we have got, and some air production factories too, that is, aircraft manufacturing factories, are really doing especially very good work. Whether they have produced immediately what we need is certainly a different question. I can certainly make a very appreciative reference to the work done by the ordnance factory workers. I must salute them for the way that they have worked; in fact, not only have they worked in the factories, but in addition to that the generous way in which they have donated to the defence fund shows their patriotic feelings. Naturally, there is that gap between production and our needs today. That is because our ordnance factories are rather antiquated. I think that it is better that we are realistic and know what the whole thing is about. Sometimes, somebody says that nothing is happening. We do not suppose that nothing is happening. The production is going up because of these efforts, the whole-time efforts made by the patriotic workers.

But the first thing that we have to undertake and we have undertaken—I must say, it was undertaken since 1960—is a big programme of modernising and expanding the present ordnance factories; that was undertaken and now it is gradually materialising.

In addition to this, we propose to have a new complex of production. It is intended, rather, it is planned, and the planning has begun, to have six new ordnance factories for the arms and ammunition. Much depends upon the quickness or the rapidity with which we shall be able to complete them. It depends upon the efforts of my good friend Shri T. T. Krishnachari who is going abroad for these efforts. But certainly, we are not waiting for that. Our planning efforts are there, and we have already begun them here. And I am hopeful that if these efforts succeed in good time, these new factories should

be able to go into production within two or three years. I am rather making a cautious estimate of the time that is required.

In order to streamline the administration for the production effort, we have recently reorganised our administrative set-up also to a certain extent by delegating more powers to the people on the spots, by starting some new training centres at different ordnance factories and so on and so forth, and one officer who is a great expert in that line has been made solely and specially responsible for the development of the new complex of factories that are going to come into existence soon.

Now, I would like to mention some other detailed points that were mentioned by my hon. friends. A very important point that was mentioned next was about the NEFA enquiry. I gave on the floor of this House the terms of reference that were given for the enquiry. As I said, it is my considered opinion that the terms of reference are comprehensive enough to make the necessary enquiry which it is intended to make. The intentions certainly are to make a sort of military appraisal and to draw some military lessons from it.

I may try to argue with the House or some of the Members if they are in a mood to listen to me on this point that if at all we have to make this serious effort for the national defence, should we still go on in that mood of a witch-hunt? Supposing there are mistakes, should we not be ready to forget some mistakes and come together to look to the future?

**Shri Surendranath Dwivedy (Kendrapara):** And the mistakes must be owned also.

**Shri Y. B. Chavan:** This conflict of yesterday with today should not be allowed to influence the future or

tomorrow. What really is required is this.....

**Shri Surendranath Dwivedy:** You must learn lessons from the past.

**Shri Y. B. Chavan:** I think that if at all lessons are to be learnt, it would be foolish not to learn lessons. History has always thrown away people who refused to learn lessons. We do not want to do that. It is not only in the interests of a A or B or some persons, but it is in the interests of the nation itself.

**Shri Hem Barua (Gauhati):** You remember your predecessor now.

**Shri Y. B. Chavan:** I do not want to discuss any individual here. I do not want to discuss my predecessor because I shall also be predecessor to somebody. And let us all remember that we shall all be predecessors to somebody else. It is just like digging at each other. I am reminded of the story of a son-in-law to be hanged by Akbar badshah or Birbal badshah or some badshah. Ultimately when he issued the order, that the son-in-law should be hanged, somebody reminded him at the last minute: लेकिन आप भी किसी के ज़वाई है। So let us all remember that we are predecessors to somebody. This type of thing must be given up. This type of feeling that 'somebody is withholding some information', 'somebody is trying to cover somebody else' creates a very undesirable atmosphere in the country. Really speaking, what is necessary for the country today to do is to create a feeling of cool confidence, feeling of grim determination. We can import all sorts of arms, but the greatest arm for the defence of the country is the determination and the cool confidence of the people. That we cannot produce in factories, that we cannot import from other countries. That will have to be cultivated from within each home and in each heart. 'I want to die for the country.' Really speaking, if at all we want to create that atmosphere in the country this complex of suspicion, of disbelieving each

other and of punishing somebody, that 'unless you punish somebody, this cannot be done'—let us get rid of this complex, because unless we are ready for that sort of attitude, we shall not become the nation that we want to be.

I would only add one thing because I consider that point of more importance for this country. With apologies to the Prime Minister, who is not here, I wanted to mention one personal thing. You cannot understand the history of a country by merely looking at the material facts. Unless you know—I am not disputing any dogma, but certainly I am trying to mention one thing—unless we know the working of the mind of the man, the central figure of any nation or country—we cannot fully understand it. I remember the day when I reached Delhi on a call from the Prime Minister. Those were the darkest days for our country. It was the 20th of November. I came just like an adventurous person not knowing what I was going to do, and I reported myself to the Prime Minister on the night of the 20th. I saw him. I was rather afraid to meet him because conditions in the country were rather very difficult. I saw, however, a very cool-headed confident person sitting under the light. I said, 'I have just come to report to you.' Then we talked about something. I suppose I must have asked as if 'what next.' He just uttered one sentence that sums up what should be our attitude. He said: 'I easily lose my temper, but I never lose my nerve.' What this country requires today is the determination not to lose nerve.

Difficulties are there. Without difficulties you cannot make a nation. Difficulties are there. Those difficulties will have to be overcome. We are all there for that. This Parliament is there to overcome the difficulties, the people are there to overcome the difficulties. No individual, no single person, can overcome difficulties. If we, really speaking, want to achieve what we really want to achieve, we

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must have that cool, stubborn, stout confidence in our hearts. Unless we have great confidence in our minds, I do not think we will be able to reach the great destiny that we are destined to reach. I know that the road to that destiny is rather long, rather hazardous. There are perilous precipices on the way. But unless with smiling face and with head high and with courage we walk that difficult road, we shall never reach that destiny. I have no doubt in my mind that whatever the difficulties, whatever the deficiencies, we will be able to do so. Deficiencies are there. Even today, there will be some deficiencies. Let us not think that because we have made efforts, the deficiencies have been removed. Now we are expanding our Army and our Air Force. There will be deficiencies. But certainly we should see that those deficiencies do not reach the people on the front but that they are taken by people at the back or at the training centres.

So those things will be there. But unless we are prepared to face this problem with courage, we cannot do it. I have no doubt in my mind—I do not think there is anyone who has any doubt in his mind; all of us are determined in that respect—that we can do it. The way our country has lived for the last 5000 years is such that this country must remain an independent country, and will remain an independent country.

So if we continue with these efforts that we are beginning in the form of a defence effort that we have started, the time will come when any potential aggressor will think twice, ten times, a hundred times, before thinking of any aggressive intentions against India.

I have done.

Shri Nath Pal (Rajapur): He has been kind enough to tell us that the co-operation between the Air Force and the Army is increasing. May I

know whether the decision has been taken now that in future, if and when the need arises, the Air Force will not be confined to merely dropping of provisions but will be used as a striking power? Is that what he meant when he said that there is increasing co-operation between the Air Force and the Army?

Mr. Speaker: I do not think I should ask the hon. Defence Minister to answer it.

Shri Frank Anthony (Nominated Anglo-Indians): It is his maiden speech. We need not question him.

Mr. Speaker: Am I required to put any amendment separately?

Some Hon. Members: No, no.

Mr. Speaker: I shall now put all the cut motions to vote.

*The cut motions were put and negatived.*

Mr. Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1964, in respect of the heads of demands entered in the second column thereof against Demand. Nos. 8, 9, 10 and 115 relating to the Ministry of Defence."

*The motion was adopted.*

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below.—  
Ed.]

#### DEMAND NO. 8—MINISTRY OF DEFENCE

"That a sum not exceeding Rs. 49,62,000 be granted to the President to complete the sum ne-

cessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1964, in respect of 'Ministry of Defence'."

**DEMAND No. 9—DEFENCE SERVICES, EFFECTIVE**

"That a sum not exceeding Rs. 6,63,17,76,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of the March, 1964, in respect of 'Defence Services, Effective'."

**DEMAND No. 10—DEFENCE SERVICES, NON-EFFECTIVE**

"That a sum not exceeding Rs. 17,32,50,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1964, in respect of 'Defence Services, Non-effective'."

**DEMAND No. 115—DEFENCE CAPITAL OUTLAY**

"That a sum not exceeding Rs. 1,45,53,92,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of the March, 1964, in respect of 'Defence Capital Outlay'."

13.26 hrs.

**MINISTRY OF COMMERCE AND INDUSTRY**

**Mr. Speaker:** The House will now take up discussion and voting on Demand Nos. 1 to 5 and 113 relating to the Ministry of Commerce and Industry for which 6 hours have been allotted.

Hon. Members desirous of moving their cut motions may send slips to the Table within 15 minutes indicating which of the cut motions they would like to move.

**DEMAND No. 1—MINISTRY OF COMMERCE AND INDUSTRY**

**Mr. Speaker:** Motion moved.

"That a sum not exceeding Rs. 70,09,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of the March, 1964, in respect of 'Ministry of Commerce and Industry'."

**DEMAND No. 2—INDUSTRIES**

**Mr. Speaker:** Motion moved.

"That a sum not exceeding Rs. 19,87,23,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of the March, 1964, in respect of 'Industries'."

**DEMAND No. 3—SALT**

**Mr. Speaker:** Motion moved.

"That a sum not exceeding Rs. 57,26,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1964, in respect of 'Salt'."

**DEMAND No. 4—COMMERCIAL INTELLIGENCE AND STATISTICS**

**Mr. Speaker:** Motion moved.

"That a sum not exceeding Rs. 86,86,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of the March, 1964, in



respect of 'Commercial Intelligence and Statistics'."

**DEMAND NO. 5—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF COMMERCE AND INDUSTRY**

**Mr. Speaker:** Motion moved.

"That a sum not exceeding Rs. 3,39,96,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1964, in respect of 'Other Revenue Expenditure of the Ministry of Commerce and Industry'."

**DEMAND NO. 113—CAPITAL OUTLAY OF MINISTRY OF COMMERCE AND INDUSTRY**

**Mr. Speaker:** Motion moved.

"That a sum not exceeding Rs. 10,60,37,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1964, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'."

**Shri Daji (Indore):** We are dealing with the Ministry of Commerce and Industry. This Ministry is in fact a very important Ministry. It deals with so many branches that with the short time at our disposal, I hardly think full justice can be done by discussing the working of its various branches. We can at best select only some aspects.

The task of this Ministry, as I see it, is two-fold, first to develop, build and foster our industrial growth so that we are able to speedily overcome the backwardness which is the legacy of years of foreign rule, and secondly to foster this growth in such a way as to further the objectives of social justice laid down in our Constitution and enshrined in the pledges that we have given to the nation. It is from these two angles that the

working of this Ministry should be examined.

If we take the first aspect, we find that though industrial development is growing, the rate has slowed down. The question posed before the nation, and which I think should be seriously posed before the Ministry, is: why is it that even after the second year of the Third Plan, the pace of growth is slower than we had targeted for?

13.30 hrs.

[**MR. DEPUTY-SPEAKER** in the Chair]

Secondly, it must be remembered that on the growth of industrial development will depend the growth of national income and also the prosperity that is to be shared. It cannot be said that we had targeted for too high a figure, because we had planned for an investment of only 15 per cent of the national income, whereas a smaller country like Burma with lesser resources has been able to develop itself by investing 18 per cent of its national income. Therefore, why is it that the growth even at this modest pace has not been kept up?

In this connection, the most important question that arises is this. We know of a spate of licences being issued and remaining unutilised. I have no experience of floating an industry, but I am told that the procedure of licensing is so cumbersome that an application has to pass through at least 50 officers before a licence is issued. Knowing the working of the Government and the department I can say it must take nothing less than 50 weeks, because one week per officer should be considered very quick in terms of Government working.

I do not share the views of my friends on the left who characterise this Government as a government of licence and control, but even so, I am constrained to remark that this very system of licence and controls, which was instituted to further the principle of social justice, has become an instrument of increasing the domi-

nation of the dominant business houses in the country. That is the irony, the anomaly. It was last year that a breakdown of the licences issued was demanded of the Government, and on the intervention of the Speaker, the Minister promised the statement. We have waited for a full year now and the break-up has not come.

**The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo):** That has been supplied.

**Shri Daji:** The Estimates Committee also has pointed out defects in the issue of licences. The deeper we go into the working of the industries, we find that this very system has been used to further the interests of a few big business houses.

Then comes the question of the unused capacity of our industries. It is really appalling. To mention only a few figures picked up at random, our woollen mills are working at 64 per cent of capacity, railway wagons at 50 per cent, cement at 85 per cent, motor cycles industry at 20 per cent, portable tools at 18 per cent, and vegetable products at 50 per cent. Chemical and other industries also lag behind.

There are three or four main bottlenecks for this. The first is paucity of markets, second is difficulty in getting raw materials, third is difficulty of power, and fourth is difficulty of transport. There seems to be very little effort; in fact, there seems to be no co-ordination between this and the other departments, the Ministry of Finance particularly, in planning out that we are able to feed adequately our industries with the raw materials required.

I personally know of a case where an import licence was granted to instal machinery. Thousands of rupees of foreign exchange were spent. After the machinery had been installed, the party is now informed that they cannot import the necessary raw materials. If the raw materials cannot be

imported, what is the logic in permitting them to instal the machinery? Is there total anarchy in your planning? Even after planning, are we empirical?

**The Minister of Commerce and Industry (Shri K. C. Reddy):** What is the case? Can the hon. Member give the name of that case?

**Shri Daji:** It is a case of my own State, relating to rayon buttons and all these things. The machine was allowed, the raw material was not allowed. What will the machine do?

Then we come to the question of exports, and the erratic way in which the Ministry is working. Our sewing machine industry, for instance, is now almost self-sufficient, and we are even exporting the machines and parts. But now I learn on good authority that the famous foreign company of Singers, who have been trying to get a licence for collaboration for many years and were refused, are now about to be given licence for collaboration with a South Indian firm. With the Singers being given this licence, what will be the impact on our indigenous sewing machine industry? Have we examined these things? Are we to allow our indigenous industry, which has done good, to be competed out of the market by this foreign collaboration?

I have pointed out some of the cases, from which it will appear that regular anarchy is the rule, and that systematic planning is the exception.

I recall that the hon. Minister has said very bravely, and rightly, that the additional effort in the matter of export is only to the tune of half a per cent of our total national output per year to reach our target, but in the last two years we have fallen behind the target, by Rs. 20 crores last year, and Rs. 30 to Rs. 40 crores this year.

That is not all. What is much more serious is that despite this marginal growth of our exports, our share in the total foreign trade has considerably fallen, and has decreased from

[Shri Daji]

2 to 1·1 per cent. With such a big population, we are not able to increase our share of the total foreign trade even marginally in a commensurate measure.

Then, on the question of exports, we find large-scale under-invoicing and over-invoicing going on, which is ridiculous. The other day I read a question in the Rajya Sabha, where the invoice prices of cycles exported were given. They were ridiculous, less than 50 per cent of the price that we are paying here. I do not believe that that invoicing can be correct. Government say they have no estimate of this under-invoicing, but it has been variously estimated that Rs. 100 to Rs. 150 crores are lost by under-invoicing and over-invoicing that is going on. How are we to know?

I wish the young Minister well, I know he is trying to do his best, but it is not a job of a single Minister or Ministry. The whole policy has to be reoriented. What we require is diversification of exports, and I make bold to say that our Trade Commissioners are not giving us proper guidance, or guidance which is as good as it should be.

Then there is the question of cultivating the markets, the question of long-term planning, the question also of co-ordinating our export trade with our foreign policy. For all this, apart from financial considerations, if we are to reorient our export policy on new lines, it cannot be left to private exporters. Therefore, both for financial reasons and for boosting our exports and saving the foreign exchange position, nationalisation of foreign trade is a crying necessity.

In the second task of the Ministry of furthering social justice, the failure has been much more miserable, callous and calamitous. The first difficulty is the wrong administrative set-up. The set-up of the department is absolutely unequal to the task of doing any-

thing effective. The Report of the Company Law Administration Department itself says:

"The inadequacies of the existing administrative set-up under which the Department of Company Law Administration was concerned only with the administration of the Companies Act, and not with the other measures and institutions operating in the capital market and closely connected with the formation, financing and working of joint stock companies, and how this organisational defect hindered the realisation of the objects implicit in the enactment of the Companies Act, were pointed out in the earlier Annual Report."

This continues.

I know of a case where the owner of a firm, who has played ducks and drakes with the company who got buying and selling agencies and all these things, has been appointed by the Government as a Member of the Board of Industrial Development. There is no co-ordination.

Apart from that, there are certain dangerous trends growing, which is really disturbing. For example, on page 25 of the Report it is pointed out how the remuneration of the relatives of directors and the offices of profits held by the directors have grown. They are constrained to remark that this trend is actually growing. The general trend is in favour of higher remuneration brackets increasing. More number of relatives of the directors are on the higher remuneration brackets of the firm; the report shows the trend and that trend is growing. In the last one year out of 269 contracts providing for fixed monetary benefits of Rs. 50,000 or more have been validated by the Government. Similarly, there are 168 cases of loans of a lakh and more. Then again, there are selling agency appointments. All these have been validated by the Government. We thought that all these evils would be reduced by the amendment of the

Companies Act. But in actual functioning, we are not able to implement it properly. There are still many evasions of the provisions and I will refer you to page 96:

"The direct or tortuous evasions based on undesirable and unsound company practices, which do not contravene the letter of the law, although they may be repugnant to its spirit, however, still continue to be committed on an appreciably large scale."

That is how our corporate sector works. Now, what is done about it? The fine that is imposed in one case by a magistrate for contravention of the spirit of the law is one anna per day. But the High Court strictures are very interesting. It says that it is very ridiculous. After saying this, the fine of one anna is increased to one rupee per day so that even if the violation continues for a full year, the company will be required to pay only Rs 365. You continue to violate the law and pay this sum; any company would be willing to do it. This is not the way we can check the malpractices of the corporate sector.

I come to another controversy. I do not use the word 'monopoly' because I know the hon. Minister will get up and say that so many new companies are coming, so many new licences have been given. I am not speaking of monopoly in the ordinary sense of the word; I am speaking of the growing concentration of managerial and financial powers in a few hands; it is growing. The Reserve Bank review and the report of the Company Law Administration—even they have shown this. The managing agencies control 23 per cent of the total assets of 1001 companies; they used to control only 15 per cent previously. Out of them three managing agencies control 20 per cent of the total assets of the corporate sector. Ten leading houses control 25 per cent of the entire share capital. If you examine the concentration of directorships held in trading and manufacturing

companies, despite the company law, you find that 5 per cent of them had one director, fifty per cent had 2—10 directors; 23 per cent had 11—20 directors and 19 per cent had more than 20 directors.

**An Hon. Member:** How can that be?

**Shri Daji:** There are directorships which are not prohibited under the law. It is in the report; do not worry.....(*Interruptions.*) There is then the inter-linking of finance and trading companies. Out of the 148 directors on fourteen leading banks, fourteen are connected with five industrial houses, 37 are connected with 2—4 industrial houses and 24 with one industrial house, so that 75 directors are connected with one or the other of the industrial houses and they use the bank for buying the smaller units and for increasing concentration. A particular bank advances huge moneys. The *Times of India* and the *Indian Express* were given crores

**Shri Rameshwar Tantia (Sikar):** They cannot give without the Reserve Bank's direction.

**Shri Daji:** But they have given. The Reserve Bank is taking action.

**Dr. L. M. Singhvi (Jodhpur):** You can have no grievance then.

**Shri Daji:** Action is being taken to supplant the directors and not to withdraw the loan that has been given. I am coming to the action. Do not be in a hurry. What is the result of this concentration?

Here is a study:

"In some cases, it can be clearly perceived that intercorporate investments (and loans) enable some groups to set up companies the existence of which as working entities appears doubtful and help companies to purchase their own shares indirectly, transfer profits and losses and to enter

[Shri Daji]

into transactions of a similar nature. There can be little doubt that these abuses are motivated largely by the desire to reduce tax burdens rather than to evade the provisions of the Companies Act."

There is a mushroom growth of holding, sharing and trading companies in many States and no action seems to have been taken to stop this. This concentration is a fact and we have been living with this fact. If this concentration increases, both the purposes of economic development and social justice are defeated. I am afraid that Government has been unable to take any action in this matter.

A judge of the Calcutta High Court longtime back posed the question: donations given by the companies. At that time Government in its wisdom amended the Companies Act permitting that. Thus it was legalised. We know the big donations that have been given; it is really political corruption at its worst. You cannot stop administrative corruption as long as you are not able to stop political corruption. It corrodes the entire democratic fabric of our country and it is time we think of revising the Companies Act, above all in this respect and in many other respects also. The feeling is going round in the country that the big business houses can run away with whatever they do, legal or illegal and the Government is always soft in dealing with them. We are so much exercised during the last few days about the privilege claimed by the Defence Ministry is not placing some matters before us. In a way that can be understood. But how do we explain the complete secrecy about the private business houses? Why is the Government always trying to shield each and every deal or probe in the affairs of big business? Am I not right in saying that the Vivian Bose report was with the Government even in July 1962? Is it not a fact that for ten months

the Parliament has been wanting a discussion on it? Is it not true that it has now gone to a committee and that we do not know when that committee will report? Even today we do not know when we shall have an opportunity of discussing it. Government is tarrying. The parties concerned are writing letters. Here is a letter from Shrimati Dalmia and she says:

"We can prove not only the honesty of Shri Dalmia but also the exemplary sacrifice made by him, which is unparalleled in the history of business houses"

**Mr. Deputy-Speaker:** What is this document?

**Shri Harish Chandra Mathur (Jalore):** I have also received a copy of this letter.

**Shri Daji:** It is a letter addressed to me. There is even villification of the Bose Commission Report.

**Shri Harish Chandra Mathur:** Why do you not allow her a chance?

**Shri Daji:** It goes further.

"When we disclose other important material which existed in the Commission's record and which were committed by them in their enquiry, the Cabinet Ministers and Parliament Members will be shocked and amazed to find that the Bose Commission Members have victimised Dalmia for certain reasons which are not known yet to Cabinet Ministers or to the public."

We are not able to discuss it. That is one aspect of the matter. The whole fabric has become rotten, in the matter of their own finances, in the matter of public finances. The department has to deal with auditors. Here I have got a photostat copy of a letter written by an auditor to the manager of a company and I would like to place it before the Government so that suitable action may be taken against the auditor and the company:

"Dear Mr. ....

As desired by you I confirm the arrangement discussed in the presence of Shri Shital Prasad Jain and Shri S. L. Verma. We will assist you in the purchase of Rajasthan Bonds through the Rajasthan branches of Punjab National Bank. According to your requirements you will be allowed sufficient limit in the National Bank of Lahore Ltd., Delhi, against these or other bonds which will later on be purchased by the Punjab National Bank from time to time. The profits will be divided by us half and half. I will be taken as Auditor in your company."

**Dr. L. M. Singhvi:** It was acted upon?

**Shri Daji:** It has been acted upon. The idea is that the securities should be purchased benami and then sold to the Punjab National Bank at a higher price and the profit should be shared 50:50.

**Shri Kanungo:** Was it before 1950?

**Shri Daji:** It was in 1958. It is fantastic. I have got the photostat copy with me. If you want to have a probe, I have got enough material here with me to give you ample proof.

Then there was a discussion in the Rajya Sabha and the hon. Minister was speaking. I was completely confounded. I received an unsigned communication yesterday from friends supposed to be friends of Thackersey, and they have actually imputed, that the discussion was raised in the other House, with interested motives. They have not signed it. Perhaps the Rajya Sabha might take some action about it. But the Minister said first of all that he did not know about the reports of Sholapur Mills case. Then he said that in view of the report action was being taken. I want to put it straight before this House and I shall pose a question straight to the

Government. When was the report into the working of the Sholapur Mills made? How many years ago? Are you having a tortoise or a snail's race to decide the Thackersey case? It has taken so many years. You decide it. You may decide it one way or the other. I do not mind it. But yet, the Government have not decided it. It is years now. The House has not been taken into confidence as regards what that report is, what that report says and what that report has been.

I will refer to the report. What is that report? The report at one place says:

"With such a clear action we doubt whether Mr. Krishnaraj can work as Director and if he has worked, whether the work done with his vote is *intra vires*."

At another place, the report says—it is a serious thing—as follows:

"The market price was Rs. 0-7-2½ for February and April."

The same was sold to Krishnaraj at Rs. 0-6-5 in April. In this transaction the company made a loss of about Rs. 2 lakhs. Then the report says that "Mr. Krishnaraj made a profit for his own tent factory in Poona and elsewhere though ostensibly he entered into the contract in the name of Messrs. Thackersey Mulji & Co., and stated that they were meant for the Hindustan Mills only." Then the report goes on to say about the dealings and the transactions in which Thackersey Co., was involved, and observes at one place:

"Thus it is clear that no one of the Directors knew about this, still Mr. Krishnaraj who ought to have known the law acts like this, and we are of the opinion that he has taken undue advantage of his position as a director and that he should be taken to task for it."

[Shri Daji]

Further on, the report concludes by saying:

"We want to impress upon the Government this fact, that Mr. Krishnaraj—

I do not know whether the Government will be impressed at all as long as some in the Union Ministry are interested.

**Shri K. C. Reddy:** Is the hon. Member referring to the report submitted to the Bombay Government many years ago?

**Shri Daji:** Yes; it was many years ago, but yet, no action has been taken.

".....who is a millowner himself and once the President of the the Millowners' Association and also a responsible member in the Textile Directorate and who is supposed to know the law properly should try to make money at the expense of the company as in this case and also in the transactions of the Desuti Canvas, etc. and that too at a price advantageous to himself..... Not only he is negligent of his duties but he had benefited himself at the expense of the company by taking sides, and we leave it to the Government to take whatever action is necessary in this case."

The Minister said in the Rajya Sabha last month that action was being thought of.

**Mr. Deputy-Speaker:** The hon. Member's time is up.

**Shri Daji:** I shall take a few more minutes. I am finishing. The Government said in the Rajya Sabha that action was being contemplated; it has not yet been decided upon.

The question that I pose, therefore, is this. Why should the Government be so nervous about taking action against big business? Shall I equate it by saying—

**Shri Harish Chandra Mathur:** Why nervous? Dalmia is in jail; Mundhra is in jail.

**Shri Daji:** Yes; but are we to understand that excepting the Dalmia House people, the other houses can have a free ride? (Interruption). No. All those who are found guilty must be brought to book. I am not out to see that all of them are brought to book. I am not against private sector. I am not speaking against the private sector in its totality. What I say is, those who are found guilty of malpractice must be dealt with under the law severely. Otherwise, an impression gets round the country that those who have got the political weight or pull can do or utilise anything.

For example, in Madhya Pradesh, what is happening? The Madhya Pradesh people call it Birla Pradesh. The Birlas completely own everything there. They also own the Government. The Chief Minister's son, the Finance Minister's son, the Deputy Minister's nephew, the Chief Secretary's brother-in-law, the Secretary's son—all these are under Birla's employment. And they do no technical job. They are just Public Relations Officers, going round the Secretariat every day. Do you mean to say that if the Finance Minister's son, the Chief Secretary's brother-in-law and so on go round for tenders, licences and leases, others will have a chance? Would you not realise that all the others in Madhya Pradesh will have only ghost of a chance for licences, etc.?

**Shri Harish Chandra Mathur:** Are there no MLAs there?

**Shri Daji:** I do not know. The other day, we heard of a famous scandal in Madhya Pradesh. It was a case where bamboo forests were sold by the Government at Rs. 7-8-0 per ton, whereas the market price was Rs. 17-8-0 per ton. It was a 30 years' contract. Is not the entire wealth pledged to them?

**Shri Harish Chandra Mathur:** Where?

**Shri Daji:** In Madhya Pradesh. What I say is, their tentacles are growing. The Government should be able to take action. Now, there has been an allegation in the House—

**Shri Harish Chandra Mathur:** Are we discussing Madhya Pradesh.

**Shri Daji:** I am only discussing the doings of certain people which this Ministry has been unable to control. There has been the allegation about the Kalinga Tubes. I do not know. What is the Government doing about it? Have they examined it?

Sir, when such allegations are made on the floor of the House, I think that clean, public morals require an impartial probe. Unless you are able to do that, public confidence in the morality of economic and political life of the country can never be restored. Therefore, what I say is,—and I am saying it with great pain, and yet with full responsibility,—the concentration of economic power is corroding political life, and if you are not able to control it, I am afraid we are doomed. What I say is this: I will conclude by saying this: Either the Government curbs the man-eaters or they will tear to pieces the democratic fabric and the social objectives of the country. In this respect, I submit that the Ministry has been very slow, very halting and almost paralysed by the influence of big business.

**Shri Morarka (Jhunjhun):** Mr. Deputy-Speaker, Sir, today we are discussing the Demands of the Ministry of Commerce and Industry which during the last few years has undergone several structural changes. Not less than 11 Cabinet Ministers have presided over the destinies of this Ministry during the period of the last 14 years. It does not impart a sense of stability to the affairs of this Ministry. Secondly, the ramifications of this Ministry are so vast that in a short time it is impossible even to

refer to all the different aspects or the different departments of this Ministry.

**Shri Harish Chandra Mathur:** Even after so much has been clipped out of it?

**Shri Morarka:** Even then. Therefore, I shall confine myself only to the examination of one department of this Ministry, and that is, department of international trade. I must say that the performance of this department, particularly during the last two years, has been worthy of appreciation. During this period, the imports have been reduced and the exports have been increased. The imports have been reduced in the first year of the third Plan from Rs. 1,131 crores, which was the Plan figure, to Rs. 892 crores excluding the PL 480 imports. So far as exports are concerned, they have been increased from Rs. 630 crores to Rs. 662 crores during the first year of the Third Plan and they are expected to be Rs. 710 crores to Rs. 715 crores during the second year of the third Plan. In these days, when every country is anxious to cut down imports and expand its exports, and for that purpose they build high tariff walls and form themselves into a regional group, the performance of this Ministry cannot be considered unimpressive. This is more so because during the first six months of the last year the performance of the export trade was not bright. The export position is rendered more difficult because of the United Kingdom's entry into the ECM, and the subsequent failure of those talks. Coming nearer home, the export is made more difficult because of our increasing population and the rising standard of living, and therefore, of increasing consumption and consequently reducing the exportable surplus. Apart from this, the other difficulties which hinder our export are, as the previous speaker pointed out, under-utilisation of our industrial capacity, higher cost of production at home, lucrative home market, vigorous foreign competition and international trade organisation to our exclusion.



[Shri Morarka]

But more than all these, I was surprised to find from the report of the Ministry that one of the causes for the reduction of our export trade was the increase in internal consumption. We have to decide whether internal consumption should get priority or exports should get priority. We find from the report that raw cotton, leather and leather manufactures, raw wool and coffee are the four items where production has noticeably suffered due to increased internal consumption.

14 hrs.

Our annual average of exports from 1948-49 to 1950-51, before the first Plan began, was Rs. 548 crores. During the 1st Plan period, i.e. 1951-52 to 1955-56, it increased to Rs. 622 crores per year. During the second Plan period, however, this average came down to Rs. 613 crores. For the first two years of the third Plan, our exports were Rs. 662 crores and Rs. 710 crores respectively. From that it seems possible that the export target of Rs. 3,780 crores set for the third Plan period shall be attained, and it may not be difficult to achieve.

While the overall performance of our exports is quite encouraging, looking to the performance of this year, the exports of individual items and to different areas have left much to be desired. For example, in the Asian markets alone, in the first six months of the current year, our exports declined from Rs. 72 crores to Rs. 61 crores. Our exports to Japan fell from Rs. 22 to Rs. 15 crores. Exports to ECM countries were lower by Rs. 5 crores. Exports to West Germany alone fell from Rs. 12 crores to Rs. 7 crores.

We had competition from China and Japan in South-East Asian markets and from Pakistan and Ceylon in African markets. Our main items of export are tea, jute goods and cotton textiles. So far as tea is concerned, I would deal with it a little later. So

far as jute goods are concerned, I am happy to see that they are picking up. But our exports of textiles are constantly falling during the last 10 years. The reason given in the report is that the consumers' taste is changing. If the consumers' taste is changing, why can't we have a market research and produce the quality to cater to the consumers' taste? They say, there is competition. Unless we meet the competition from China and Japan, what is the use of our trying to have an export target, export promotion and all that?

I would like to say something about the direction of our export trade. The direction now a days is mainly determined by the credits we receive for importing our Plan requirements. We are trying to import goods from the countries which give credit and in order to meet those obligations, we are in turn obliged to export to those very countries. Our export and import trade, particularly exports and imports to and from the sterling area have been consistently falling. The exports were 54 per cent in the first Plan, 50 per cent in the second Plan and 44 per cent in the first year of the third Plan. Similarly, our imports were 46 per cent in the first Plan, 38 per cent in the second Plan and 35 per cent in the first year of the third Plan. Our trade with the dollar area over this period is more or less constant. Our exports are ranging from 19 to 21 per cent and imports from 24 to 26 per cent.

Our trade with the Common Market countries has substantially changed. During the first Plan, our exports were 10 per cent and imports were 16 per cent. But during the second Plan period, the position further deteriorated. Our exports came down to 9 per cent and imports increased sharply to 21 per cent. For the rest of the areas, our exports have increased from 15, 22 and 25 per cent for these three stages and the imports have increased to 14, 15 and 19 per cent.

Our export policy can be divided into three different periods. The first period is before the first Plan began. In that period, our export policy was more restrictive. We had both destination quotas and global quotas fixed. We had heavy export duties and other restrictions also. This was just before the first Plan when there was the Korean war and there was a boom all round.

The next stage was the first Plan period. When the Korean boom petered out, our export policy became more liberal. Export duties were reduced or removed and export quotas increased. Rebate and drawback of import duty on raw materials used in the manufacture of exportable goods were permitted. Export Promotion Councils, etc. were set up.

The third period in which we are continuing now witnessed a drastic fall in our sterling balance. This resulted in the introduction of stringent import policy and reorientation of export policy. In this period, the quota restrictions were mostly removed. Most of the export duties were removed. There was grant of drawback and rebates, freight concessions, remission of sales-tax and excise duties and introduction of a number of export incentive schemes and monetary attractions. Institutional facilities for export promotion were made possible by creating export promotion councils, Export Risk Insurance Corporation, State Trading Corporation and finally the Board of Trade.

The Minister of International Trade has this time also introduced what are known as bilateral payment agreements with East European countries and some other countries.

So far so good. But the main question is how to sustain this amount of export and what to do in order to increase it. Here I have some suggestions to make.

My first suggestion is, our exports should be directed towards those

countries which give us credit. More trade and less aid is a slogan which now suits us more. The work of import and of export must be put together; we must export goods to countries from where we import.

Secondly, there is need for an international trade organisation just as there is in other regions. For example, there are other organisations for other regions like GATT, ECOSOC, Commission on International Commodity Conference as well as EFTA, OECD, EEC, the Organisation of American States—OAS—and the Eastern Bloc's COMECON with headquarters at Moscow. All these organisations are there to protect the interests of the different regions. I wonder whether the time has not come when Asian countries should also form themselves into such a trade organisation to protect their interests, to give a fillip and impetus to their exports and to regularise their imports.

My third suggestion is that we must negotiate with the developed countries that they should not insist on exact reciprocity when they give tariff concessions to other countries, particularly developing countries like ours. This suggestion has also been made recently by the Chairman of the EEC, who is here now. I hope that our Government will take the initiative and negotiate such an arrangement with them.

My next suggestion is that direct negotiations with different regional groups must be started by us and we should come to agreements for our different commodities. We should not wait for U.K.'s entry into the ECM for getting free entry for our tea into the European markets.

The concept of bilateral agreements is there and this should be developed further.

There is a proposal for the Development Insurance Fund and the compensatory loan scheme, and also for International Monetary Fund special credit facilities. All these are romis-

[Shri Morarka]

ing steps for developing export trade, particularly of the developing countries. I do not hope our Government and specially the ministry concerned will take full advantage of these.

Sir, we are in a strange situation for our trade. We have to pay more for our imports and we get less for our exports. We have to pay more because of the fact that the loans we get are tied loans and those countries know that we will be obliged to buy only from them and nowhere else and therefore they dictate their prices. Similarly, for our exports we get less because they know that there is compulsion on us to export certain goods. When the foreigners know that the people here would be obliged to sell even at a lower price, those people indulge in bargaining and ultimately we get less than what we should.

In this connection, I may say that it is a strange thing that sometimes the economic necessities supersede even the political expediency. You must have known, Sir, that recently Britain has started trading with China and Britain is even expressing a desire to buy Russian oil. Similarly, Russia is anxious to cultivate Japan and have asked Japan to develop its far eastern territories.

As I said a little while ago, I would like to say something more about tea. The reason why I want to say about it is that during the General Discussion on the Budget, the hon. Member Shri Krishna Menon said that in these days it is impossible to separate our budget proposals from the international policy and he therefore wanted to consider whether the removal of export duty on tea has had an adverse effect upon the Government and people of Ceylon. He says that there is a very considerable amount of feeling in this matter.

I was surprised—I must confess frankly—to hear this argument because the facts are quite different. If the hon. Member had known those

facts perhaps he would not have made that suggestion. As you know, our position as exporter of tea was unique in the world. We were No. 1 in the export of tea. That position was unchallenged and it was unassailable. But during the last few years we find that this position is challenged by two countries. One is Ceylon and the other is China. Before I say anything more about this, I would like to give the House a few facts and figures.

First I will take the question of production. During the last ten years, between 1951 and 1961, our production of tea has increased by 24 per cent, Ceylon's production has increased by 40 per cent and China's production has increased by 128 per cent.

**Shri Harish Chandra Mathur:** Are You sure of the figures?

**Shri Morarka:** They are Government published figures.

**Shri Harish Chandra Mathur:** Chinese figures?

**Shri Morarka:** They are also Government published. It is on page 151 of this report.

**Shri Daji:** What Shri Mathur means is, if Government's intelligence on other matters about China is so low, how can we rely upon Government's intelligence on trade figures?

**Shri Morarka:** It requires a clarification from you.

**Shri Harish Chandra Mathur:** Now we understand so far as China is concerned.

**Shri Morarka:** Take the export of tea. In 1951 India exported 205 million Kg. and in 1961 we are still exporting 205 million KG—if anything it is slightly less because in 1951 we exported actually 205.9 million Kg. and in 1961 it came down to 205.2 million Kg. Ceylon's export, on the other hand, has increased from 138 million Kg. to 193 million Kg., and China's ex-

port has increased from 12 million Kg. to 45 million Kg. This shows who are our competitors and what we are doing in the international market. I have got figures in respect of other countries also, but I do not want to take the time of the House by giving all those figures.

Talking about the export duty, before the Finance Minister announced this time the complete abolition of export duty, the position was that there was an export duty of 25 naye paise per kilogram subject to a rebate of 15 naye paise per kilogram. So the effective duty on tea was only 10 naye paise per kilogram. This time this duty of 10 naye paise per kilogram has been completely abolished. But instead of that, the excise duty has been increased. On tea, particularly, the excise duty is payable even on its export. The result is that the exporters do not get the full benefit of this abolition of the duty of 10 naye paise, but they get the benefit from 1 naye paise to 7 naye paise depending upon the zone in which the tea is grown. As you know, Sir, for the purpose of tea, the country is divided into five zones and the excise duty differs from zone to zone. Therefore, as I said, it is not the benefit of the abolition of 10 naye paise that the exporters would get, but it was only the benefit of one naye paise to 7 naye paise that the tea exporters would get. This relief, according to me, is not only overdue but still it is meagre, and if you want to keep our position in the export market for tea we will have to do more than what we have already done.

Apart from the excise duty, our tea is subject to many other local taxes and export cess etc.

**Shri P. C. Borooah** (Sibsagar): What is the ultimate result of the withdrawal of the export duty and the withdrawal of the refund of the excise duty?

**Shri Morarka:** The ultimate position is, apart from the excise duty,

we also have to pay 5 per cent on sales at Cochin auctions levied by the Kerala State, a freight tax of 10 per cent on tea carried by rail or road out of Assam, 13·7 nP. per Kg. in West Bengal known as West Bengal Entry Tax, Union Sales Tax at the rate of 1 per cent which is likely to be increased to 2 per cent etc.

But, apart from this, I would like to give you a quotation from what the Ceylon's Minister for Trade and Commerce said about our increasing this duty. He said:

"We seem to be able to hold our own in regard to our tea export to other countries despite increasing competition from our large neighbour. This, of course is no doubt due to the excellent quality of our tea, our efficient selling organisation and the effective propaganda efforts of the Tea Propaganda Board."

The Ceylon Government is not worried, the people of Ceylon are not worried, but here is a Member of this hon. House who is worried about reducing the duty on the tea that we export. Is it possible for this country or for any other country to keep friendship with foreign countries on the basis of surrendering the export markets? I would, therefore, like to tell the Government that if they want to keep the position of tea in the export market that it occupied before, they will have to go a long way to meet the difficulties of the tea growers and also the tea exporters.

Before I conclude, Sir, I would like to say a few words about the ECM. Sir, have I your permission to take a few more minutes?

**Mr. Deputy-Speaker:** He may take two more minutes.

**Shri Morarka:** Sir, it is not clear yet whether the entry of UK. into ECM would help the Commonwealth countries or whether it would harm them. Actually, there are two views. One is—it is a favourable view—that

[Shri Morarka]

if UK joins the ECM then UK would exercise its influence and get many concessions for the products of the Commonwealth countries for entry into the entire Europe and to that extent the market for the Commonwealth countries would be extended. Secondly, they say that UK would be in a position to exercise its influence on the economic policy of those countries so as to secure more economic concessions for the rest of the world. Thirdly, if UK joins then UK would be able to help America to form, what is called, the Free North Atlantic Organisation, and if that is formed then the international trade throughout the world would develop and every country will get the benefit of specialisation, division of labour and ultimately lower cost of production.

Now, Sir, as you know, the talks failed. The talks failed mainly because of the attitude of President De Gaulle. The Press in Europe and the people there blame him for that. They call him a dictator. They say that the cause of European unity has been completely eclipsed by the dictatorial attitude of one man, President De Gaulle. Be that as it may, after the failure of the talks, U.K.'s attitude has been: firstly, to reduce the customs barriers wherever they can and to completely wipe them out among the EFTA countries; secondly, to make the industries highly efficient and hold down costs to face competition with this block of ECM; thirdly, liberalisation of trade policy even to trade with Communist countries like China; fourthly, to give fiscal incentives to exporters; and, fifthly, to encourage American investment. Persons who were negotiating with the ECM for the entry of the Commonwealth into the ECM have tried their best forgetting as much concessions for the Commonwealth countries as they could get. It is also true that these negotiations did not fail because of these. They failed because, it seems in retrospect, President De

Gaulle never wanted UK to join the ECM. Now people say that we must confine ourselves to the same pattern of trade with the Commonwealth countries. I think they are making a mistake. The rapid growth of British agriculture since the war, coupled with the continuing industrialisation of other Commonwealth countries, has profoundly altered the pattern of trade between U.K. and the Commonwealth. Therefore, these countries cannot continue to remain the exporters and producers of primary goods, nor can Britain continue to be the importer of agricultural commodities from outside. Therefore, what has happened is that while the export trade of the world as a whole has increased by 46 per cent, the export of the Commonwealth countries has increased only by 17 per cent. Last year, Canada was obliged to impose 10 per cent tariff on British automobiles. This year Japan will replace Britain as Australia's best customer. New Zealand is shopping around Asia. African Commonwealth countries prefer to trade with fellow African nations. India is obliged to by more from the credit giving countries.

**Mr. Deputy-Speaker:** The hon. Member should conclude now

**Sri Morarka:** Lastly, I would like to say only this. No amount of tariff manipulations or seeking preference can correct the trade balance of India. If India has to correct her trade balance, she will have to stand on merits, which means she will have to compete both in price and in quality with other countries of the world. For that purpose we have to modernise our industry, adopt the latest techniques of production and cut down our cost. We cannot have outmoded machinery and yet hope to compete in the world market. The dynamism of the Minister is good, but I repeat what I said last year. Unless and until you have proper tools, you cannot stand in competition and survive in the international market.

**Mr. Deputy-Speaker:** According to intimation since received from Members, the following Cut Motions are desired to be moved to Demands for Grants relating to the Ministry of Commerce and Industry. Hon. Members may move them subject to their being otherwise admissible.

Cut Motion Nos. 1 to 8.

**Shri Sivamurthi Swami:** I beg to move:

"That the Demand under the head Ministry of Commerce and Industry be reduced by Rs. 100."

[Need for reservation of the manufacture of sarees and dhoties to all handloom and khadi products. (1)].

**Shri Koya:** I beg to move:

"That the Demand under the head Ministry of Commerce and Industry be reduced by Rs. 100."

[(i) Need for finding more markets for coir products, (ii) need for finding more markets for pepper, lemon grass oil, ginger and cashewnuts, (iii) need for finding foreign markets for betel leaves and bananas, (iv) difficulties of fish exporters due to the policy of the Government of Ceylon and the need for finding alternate markets, and (v) need for starting more industries in Kerala to meet the acute unemployment problem. (2)].

**Shri Sivamurthi Swami:** I beg to move:

"That the Demand under the head Industries be reduced by Rs. 100."

[Need for reservation of markets for all cottage and small-scale industries products. (3)].

**Shri S. Kandappan:** I beg to move:

"That the Demand under the head Ministry of Commerce and Industry be reduced to Re. 1."

[Desirability of diversion of funds allotted to Khadi to Cottage and Handloom industries. (4)].

**Shri K. Rajaram:** I beg to move:

"That the Demand under the head Ministry of Commerce and Industry be reduced by Rs. 100."

[Need for (i) reservation of the manufacture of dhoties and sarees exclusively to all handloom products, (ii) finding more markets for handloom products, (iii) finding foreign markets for betel leaves and bananas, and (iv) reservation of markets for all cottage and small-scale industries. (5)]

**Shri A. V. Raghavan:** I beg to move:

"That the Demand under the head Industries be reduced by Rs. 100."

[(i) Slow rate of growth in industrial production, (ii) failure to give protection to handloom industry. (6)]

"That the Demand under the head Salt be reduced by Rs. 100."

[Need to step up the production of salt. (7)].

"That the Demand under the head Capital Outlay of the Ministry of Commerce and Industry be reduced by Rs. 100."

[Delay in setting up the phyto chemical plant in Kerala. (8)].

**Mr. Deputy-Speaker:** No Group has sent any list of speakers for this Ministry. Any hon. Member from Swatantra or Jan Sangh wanting to speak on these demands? No. All right. **Shri Jashvant Mehta.**

**Shri P. K. Ghosh (Ranchi, East):** I am the spokesman for my group.

**Mr. Deputy-Speaker:** I have not received any list from any group. That is why I asked whether any member belonging to that group would like to speak. Now I have called **Shri Mehta.** I am sorry.

**Shri Onkar Lal Berwa** rose—

**Mr. Deputy-Speaker:** I am sorry, I have already called another Member.

**Shri S. M. Banerjee:** He is from the Jan Sangh.

**Mr. Deputy-Speaker:** The hon. Member did not stand up when I asked. Hon. Members must be more alert. Now **Shri Mehta**.

**Shri Jashvant Mehta (Bhavnagar):** As my hon. friend has just now stated, the Ministry of Commerce and Industry has to play a very important role at the time of the emergency. We have to look at this problem from two points of view. First of all, we have to see whether the Ministry fulfils our Plan programmes and, secondly, we have to see how far they have succeeded in the field of defence production. We have to judge the working of this Ministry in the light of these two developments.

First of all, I would like to state for the priority for defence industries. It is stated in the Report that the national emergency has necessitated a re-organisation of our industrial pattern so as to give priority to defence needs. If the industries are to be placed in a position where they can make sizeable contribution to the defence effort, they have to be taken into confidence. I would like to know from the Minister the steps the Ministry have taken in this matter and how many industries have been switched over to defence production. The report is quite blank on this aspect. I know that we have certainly done something in the case of the wool industry; we appreciate it. Are the other industries lagging behind or have they also been switched over for Defence Production? It would have been better if it had also been reported among the report of this Ministry because this is an important matter in the context of the emergency.

Then I come to general industrial production. As the report has stated, during the period January-September 1962, for which the latest figures are

available, industrial production has shown an increase of about 8 per cent, as compared to the corresponding period of the preceding year. But it is necessary to point out that his rise still falls short of the growth for 1961-62 which, according to the current report of the Ministry, is 11.1 per cent. It also falls short of the Plan programme, according to which it should have been 14 per cent. So, the progress of the first year of the Third Plan just equals the progress of the Second Plan. The reasons for this shortfall are also well-known. We have debated this question of shortfall many a time. There are many problems to be solved like co-ordination, power, transport, communication and so on. It is only when we overcome all these difficulties that we would be able to fulfil our target.

In this context, I would like to read one paragraph from the speech of our Planning Minister. While he was addressing the Rajasthan Board, he had stated that it was regrettable that all resources generated by planned development were not utilized to the maximum extent possible owing to negligence, lethargy, corruption or inefficiency, and these must end. He expressed dissatisfaction with the present pace of economic progress.

Really speaking, if we look at the picture, what is our record of planned economy in 1962-63? If we assess it, we find that industrial production showed a growth of 8 per cent. As against a rise of 2.7 per cent in our national income export rose only by 2.05 per cent during the twelve months ended January and import by 5.59 per cent with the result that the trade deficit has widened by 14.65 per cent. Foreign assets dropped during the financial year by 12.09 per cent, after absorbing foreign aid. **Shri Nanda** has also admitted that in spite of the heavy investment in the Plan during 1962-63, the number of registered unemployed has gone up by more than 20 per cent. This shows a rough picture of the economy of the

country, what we are aiming at and where we stand.

Then I would like to refer to our unutilised industrial capacity. When we are having a formidable enemy at our doors, when we are talking day in and day out of defence re-orientation of industries, it is a sad commentary that we are not able to mobilise our unutilised industrial capacity. A survey conducted recently by the Engineering Association of India has revealed that 80 per cent of the industrial capacity in the country remains unutilised. Out of the 215 selected industries, only in 110 the degree of utilisation exceeded 75 per cent of the installed capacity. See the position. Among the remaining 105, the non-utilisation ranged from 65 to 75 per cent in 33 industries and below 35 per cent in 72 industries. When we negotiate for foreign aid with other countries the Commerce and Industry Ministry should take up this point also. How can we harness the unutilised capacity for further production, that point should also be borne in mind. Also, in the light of defence reorientation we have to find substitutes, we have to see whether we can give any substitute for cement, and how we can organise all our resources properly. This is the function of the Commerce and Industry Ministry and they should put more emphasis on this.

Then I would like to say something about the structure of the Commerce and Industry Ministry. Government has taken a decision, and the Development Wing of the Commerce and Industry Ministry has been transferred to the new Economic and Defence Co-ordination Ministry. The question is whether the Economic and Defence Co-ordination Ministry has co-ordinated or dis-coordinated. Actually, it has created more problems. The Development Wing of the Commerce and Industry Ministry was transferred to the new Ministry. The result is that the delay has increased, confusion has been added. Instead of this, my suggestion would be that if this

Commerce and Industry Ministry had been reorganised, and all the public undertakings had been put under one Cabinet Minister and if the Steel and Heavy Industries had also been integrated with it, that would have brought about better co-ordination. Today that is the need of the hour. In the Commerce and Industry Ministry we have got so many public undertakings. Why not co-ordinate all of them with Steel and Heavy Industries and have one Ministry? That would function more effectively and more efficiently than this bifurcation between these two Ministries. On the contrary, this bifurcation has created more problems of dis-coordination.

The next problem I would like to deal with the Small-scale Industries and Khadi Commission. Small-scale industry is going to play a very important part in our industrial development. It is a dynamic force. We can see it from the progress of powerlooms. In the small-scale industry there were 27,000 powerlooms, and now the number is more than a lakh. People are taking their own initiative, and by their own initiative the small-scale industries sector is developing and progressing. It is good that Government has appointed a committee under the chairmanship of Shri Asoka Mehta to look into the problem of powerlooms.

There is one thing which I would like to mention here, when we take up the problem relating to the small-scale industries and the Khadi Commission. I would like to pay a tribute to Shri V. L. Mehta who has done wonderful and yeomen service to the cause of the small-scale industry and the Khadi Commission work. Government have now selected a new Chairman: Shri Dhebarbhai has been selected as the new Chairman of the Khadi Commission. It is good. He is a dynamic man. A right man has been chosen for a right place.

**Dr. L. M. Singhvi:** Our loss will be their gain.



**Shri Jashvant Mehta:** I would also wish him success and I hope he will be successful. But I would like to point out one thing here, and it is a matter of principle. And I am not expressing my own feeling but also the feeling of the sarvodaya people, that the Khadi Commission should be an independent authority—it is an independent authority—and so its Chairman should not be affiliated to any political party.

**Dr. L. M. Singhvi:** He is now wanting his resignation from the Congress Party also, apart from his resignation from Parliament.

**Shri Jashvant Mehta:** This is the feeling of the sarvodaya people also that the Chairman of the Khadi Commission should be a non-political man.

**Shri S. M. Banerjee (Kanpur):** I.C.S. officer?

**Shri Jashvant Mehta:** Social worker. He may not be attached to any political party.

**Shri S. M. Banerjee:** Independent, like me.

**Mr. Deputy-Speaker:** The hon. Member should address the Chair.

**Shri Jashvant Mehta:** Sir my contention was this that the Chairman of the Khadi Commission should be a non-political man and that he should not be attached to any political party. He will then be able to deliver the goods. If he is a non-political man it will be better.

I will now come to the Khadi Commission itself. In this organisation, 40 per cent of the amber charkhas are lying idle. I can say that last time also....

**Shri Kushi Ram Gupta (Alwar):** The rest are working below normal.

**Shri Jashvant Mehta:** I do not know about the rest, but 40 per cent are lying idle. There is no follow-up programme. In the Report it is stated that they have training centre. But there is no follow-up programme. Even the village carpenters do not

know how to repair. Recently a new invention has been made in Ahmedabad, of the eight-spindle charkha. If that is introduced, it will be able to give two rupees a day to the workers. Now the Khadi Commission should also take up this problem and switch over to this new charkha which has been invented by Shri Gandhi.

The next point I would like to make is this. The Public Accounts Committee in its report has severely criticised the working of the Khadi Commission with reference to Rs. 34 crores which were disbursed by the Khadi Commission. The Committee has said:

"The Committee are perturbed at the huge amount of about Rs. 34 crores for which utilisation certificates are overdue and are still awaited from various State Boards, institutions, as also at the delay in recovering a sum of about Rs. 4 crores which is refundable to the Commission. It is disturbing to note that no effective steps have been taken by the Commission so far against the parties for their failure to furnish the certificates."

This is a very serious thing. Of course the Khadi Commission will say, or the hon. Minister will say in his reply, that these were disbursed through the State Boards and that they are not responsible. It is not so. The Comptroller and Auditor-General or the Public Accounts Committee could not reconcile themselves to the viewpoint that because the State Boards were the disbursing authority, the Central Government could not or the Khadi Commission could not do anything. The real point is this that there should be an integration of the financial agencies so as to see how the finance is disbursed. The Public Accounts Committee has not gone to that extent. Once we are organising all these small-scale and village industries, why can we not have a uniformity in the financing agencies? There are so many co-operative banks and

other institutions. Why can the Government not select co-operative banks and apex banks as agencies for disbursing these amounts? The policy may be implemented through these agencies. So I would like to suggest that Government should look into the matter of disbursing the amounts in the light of the recommendations of the Public Accounts Committee.

I would like to say something regarding another question. The Government has appointed so many separate Boards for small scale industries. Why is there no uniformity? Why can we not amalgamate all these Boards. There are overlapping agencies. Some agencies are doing the same work. For removing overlapping and delay Government should have a uniform agency throughout the country for the development of small-scale industries—an integrated agency, for financing. If both these are taken in hand, then and then alone we will be able to do justice to the small-scale industry.

Then I would like to say something regarding Company Law Administration. So many things have been said about it before by my friend Shri Daji. I would like to add something.

**Dr. L. M. Singhvi:** Don't follow in his foot-steps.

**Shri Harish Chandra Mathur:** He will have his own dig.

**Shri Jashvant Mehta:** The Company Law Administration has reported what steps the Company Law Administration has taken. Really speaking, at the time of the amendment of the Company Law some Members had raised the problem of some industries and the hon. Minister had also said that they would look into the matter. So many problems are pending for two, three, four years. But nothing has been done. I would like to give examples of specific problems. What has happened in this matter?

There was a question of a Bombay company. The higher bosses were most influential and they had got very good contacts in political and high

circles so that all problems are not coming up before the Company Law Administration. Even if they come, they are suitably hushed up.

Then, I would like to cite another example of the Kalinga Tubes Ltd. Company. I have got a report that an import licence was issued to this Company worth 60 lakhs of rupees for importing zinc. What happened was that the consignment of zinc landed in Calcutta port in 1960 and from Calcutta itself they were sold directly in Calcutta through various intermediaries and brokers and they were not despatched to the Kalinga Tubes Ltd. in Orissa.

**Shri Kanungo:** Are you quoting from somewhere?

**Shri Jashvant Mehta:** No. I am only giving the information to the House. The information that I have got is most reliable. Zinc was sold in the blackmarket. There are so many problems which the Company Law Administration have to deal with. And here the money was not distributed to the shareholders, not even credited to the Company's account. If certain specific examples are brought to the notice of the Ministry, they should look into the matter and take proper action.

Again, there are two companies in the country which are producing cast iron pipes and galvanised pipes. Tatas are selling these to anybody at fixed notified prices. But this company is not selling these things at the notified prices. The Government should look into that problem also as to how these cast iron pipes and galvanised pipes are distributed.

There is one more point that I would like to state and that is about Shivrampur Mines which are in Gujarat and connected with the recent case of Calcutta. There also a company law provision has not been observed and they had to close the mines and a large number of workers were thrown out. You will be surprised to learn that Shivrampur Syndicate is paying

[Shri Jaswant Mehta]

fees to a firm in London who looked after their interests. Formerly, it was known as Killick Nixon Co. But now its name has been changed to Indian Industry and Mercantile Industry of India Ltd. This company is connected with Shivrajpur company and a considerable amount of foreign exchange is being unnecessarily waste because there is no need of that London company which is doing absolutely no work.

There was also a dispute between the Ahmedabad Electricity Co. and the Killick industries. The arbitrators were appointed. They have given the award and the amount of 4 lakhs has not been paid to the Gujarat Electricity Co. This is also a breach of law of the Companies Act. But the Company Law Administration has not taken any action in this matter. This problem also requires immediate attention of the Government because it affects the interests of the shareholders and the people.

**Shri Himatsingka (Godda):** Mr. Deputy-Speaker, Sir, the industrial production during the period of two Plans has gone up very considerably and I think it has gone up to the extent of about 40 per cent. But yet this increase is in most of the essential industries like steel and fertilisers and such like things. Still if you take the overall target, it has fallen below the target that was expected to be achieved and in the last three years the progress is going to be slow. Last year i.e., 1961, the licences granted, as mentioned in the report itself, was about 1300 when in 1962 it is only 1000 and odd. So, the result is that the policy that is now being adopted in the issue of licences and the difficulties that are being experienced in getting licences is standing in the way of progress. Unless we increase industrial production that will stand in the way of our defence efforts also—after all defence efforts depend a lot on the industrial production which is very much essential for our

defence—it is necessary that the licensing policy should be liberalised especially when persons are intending to produce materials which are required for defence purposes. But what is happening at present is that there is no urgency, so far as it can be seen, to give licences to parties who are willing to make all the necessary arrangements. The number of administrative difficulties that a person has to face, when he wants to start an industry, are so great that ordinary persons feel it difficult to bring it to a fruition. Beginning from the floating of a company, the issue of capital, the issue of industrial licence and then the issue of an import licence and so on, are the things with which a number of Ministries are concerned. It is not one Ministry of Commerce and Industry alone which can finalise a thing. It goes to the Railway Ministry and it goes to some other Ministry also. The moment one industry is floated, the Railways are to be consulted whether they can carry the thing or not. I do not see why we should not be liberal in giving as many licences as possible looking to the capacity of the persons who make the applications. After all, those persons who want to start industries do so after due consideration of the difficulties and also advantages and the availability of raw materials, transport, everything. When they put in money, they take all these things into consideration and certainly those who want to start industries are expected to have a complete picture of the difficulties and advantages when they want to start an industry more than anybody else.

**Shri Harish Chandra Mathur:** Is it not the foreign exchange?

**Shri Himatsingka:** Even if a party arranges foreign exchange either in the shape of equity capital or loan, even then the licences are not granted. Even when collaboration is arranged, it is not granted in many cases. The trouble is an application has to pass

through so many stages that even if there is the slightest difficulty raised by one department or one wing of the department, the matters goes to grave and it makes no progress. Cases have happened where a finished product is imported and an application is made for permitting the raw material to be imported which will replace the finished product. Even then difficulties are being created. There is a difference of about Rs. 200 per ton between the raw material and the finished product. Even then, licences are not issued because, perhaps, that is not mentioned in the book whether it is to be permitted or not. The departments create difficulties, rather find points for stopping a thing rather than helping a thing. I know of certain instances. For instance, calcined petroleum coke was being imported. An industry has been started which calcines petroleum coke. The raw material is not available because the raw material was to come from the refineries. If the refinery is not working properly, if the company wants to import raw material, why should there be any difficulty raised and finished product be allowed to be imported which means a difference of about Rs. 200 a ton? Similarly, calcine anthracite coal is being imported for the aluminium factories. The company wants to import raw material which is anthracite coal which will cost about Rs. 190 in the place of Rs. 370 for the calcined anthracite coal. Even that permit is not granted because of some difficulty which cannot be understood by the applicant. Therefore the policy should be such that we are liberal when a party wants to set up an industry and wants raw material to feed that industry. I cannot understand why there should be any difficulty raised by any department, whether it is Development wing or any other thing. Certainly, the parties ought to be helped to import raw materials. What happens is, if production of one industry is hampered, it affects another industry. Because, the out-put of one industry may be the in-put or raw material of another industry just as in the cases

that I mentioned. If the refinery is not producing petroleum coke, calcined petroleum coke will not be available and if calcined petroleum coke is not available, the aluminium industry will suffer. That is one of the necessities for the aluminium factories. Therefore, in matters like this, the department should be quick in sanctioning such applications, especially when there will be even savings in foreign exchange. I know of cases where even that is not permitted and difficulties are being created. Administrative difficulties that stand in the way of industrial growth should be looked into and removed.

Similarly, some time before, there were a number of industries which were being permitted. Of them, now, 211 industries have been put in the rejected list. No licences will be issued so far as these industries are concerned. There are 19 other industries which could be approved without reference to the Licensing committee. That also has been suspended. Therefore, I submit that the Ministry should take into consideration these questions so that industrial development may not be retarded and the country's progress may not be hampered.

Another thing that I want to bring to the notice of the House is the need for quick decision in certain matters. On account of shortage of cotton, a licence was granted for the import of staple fibre. It was a very good step. Because cotton was difficult to obtain and therefore permission was granted. This year, the cotton crop has been very good. Still staple fibre is being allowed to be imported at the cost of valuable foreign exchange. I understand that has created a problem in the country, because the imported material is not of the same required quality, especially because the importer is the Government of India and whenever the Government of India imports, the suppliers are not very particular, because they know that perhaps, the faults will not be detect-

[Shri Himat Singka]

ed. The result is that imported staple fibre is not being sold and large quantities are lying undisposed of. Therefore, I suggest that if certain quantity remains to be imported, steps should be taken to stop such imports. The policy should be quickly changed to suit the necessities of the times so that foreign exchange could be saved and the country's industries may make progress and the country can also compete with foreign competitors.

Shri Morarka drew the attention of the House to the difficulties and the competition that we have to face from Japan, China and other countries. Certainly all necessary steps should be taken to remove the difficulties that stand in the way of our exports being permitted or encouraged, which will certainly help in the increase of exports. Unless we take steps to make our commodities which are exported competitive, and also good in quality, which could stand competition, there is no way out. All our progress will be retarded.

With these remarks, Sir, I hope that the Minister will kindly take these into consideration and take steps to adopt policies which will help the growth of industries quickly.

**Shri M. P. Swamy (Tenkasi):** Mr. Deputy-Speaker, I rise to support the Demands for Grants presented by the Commerce and Industry Ministry for the year 1963-64. This Ministry has done successfully a fairly good job in the last year 1962-63. Its activities in different ways are commendable. A nation's prosperity is in a way reflected by the growth of its commerce and industry. India which was purely an agricultural country 15 years back, is now transforming itself into an agro-industrial country. The report for the year 1962-63 gives some figures regarding the progress made by industries. Industrial output has increased by 8 per cent as compared with the previous year. The productivity drive launched by the Productivity Council has created a consciousness in the mind of the industrialists

to use better technical know-how and get assistance from the Government to increase production. During this emergency, the industrialists as well as the workers have adopted voluntarily an industrial truce resolution to increase output and maintain peace and order in the industrial area. These events show that our country is progressing industrially as well as in agricultural production.

One important event is the constitution of the Board of Trade. Even though it was constituted some months back, it has done a commendable work. In our Third Plan we set up the export target of the order of Rs. 3,800 crores in five years. This year, we have achieved a record export of Rs. 700 crores and it is an increase of Rs. 40 crores above the previous year. This is due to the export drive launched by the Ministry, especially the department of International trade. The Board of Trade has framed certain policies and gives advice to Government for its implementation. Following this policy, our exports have been considerably increased. To achieve better marketing to introduce new goods into foreign markets, we have constituted nearly 14 Export promotion councils which are doing very good work. These councils are given funds from the Central Government. One welcome feature in this year's Budget is the allotment of Rs. 3.8 crores for research on foreign market and market expansion. This money will be distributed to the Export Promotion Councils to expand our export trade.

15 hrs.

In this connection, I may mention one or two things about the export commodities which must engage the attention of Government. These commodities are: handloom goods, especially the variety called 'Bleeding Madras', handicrafts, such as mats made from reeds, metal-wares and Tanjore

plates, and thirdly, hand-made biris. Regarding hand-made biris I put a question in Parliament, and the hon. Minister of International Trade was pleased to reply that the ban imposed by the Ceylon Government on the import of Indian biris has really created certain difficulties to the exporters of biri from India, and we are trying to persuade the Government of Ceylon to reconsider the matter. I would again request the hon. Minister to take suitable steps to move the Ceylon Government to lift the ban. No doubt, the amount involved is nearly Rs. 50 lakhs as indicated by Government. Even though the amount may be small, we should remember that many drops make the ocean; the amount earned by the export of biris is nearly Rs. 50 lakhs per annum on an average. In matters of commerce, we cannot undertake retaliatory measures, because they will ruin the growth of commerce between two nations. But a *via media* course has to be adopted, and this *via media* course is by persuasion of friendly countries to come to our help to develop our industries.

There is one more important point that I would like to make and that is regarding the handicrafts. Our handicrafts are noted for their craftsmanship. We know that in ancient India, we produced so many artistic articles, and ancient India produced skilful artisans. Before the constitution of the All India Handicrafts Board, the handicraft were under a pessimism and they thought that they were fighting a losing battle in continuing in their craftsmanship, because they were not finding market, but thanks to the activities of the Handicrafts Board, the handicrafts marketing is now progressing inside and outside India.

In this connection, I may mention that there is vast scope for exporting the handicrafts, especially such handicrafts as the fine mats. There is a fine mat in my State of Madras, especially

a variety called Pattamadai mat; that mat was presented to Queen Elizabeth when she visited India. From this reed mat we can make ladies handbags, by just giving some colours and good finish which will attract the foreigners. We have to set up some training centres for these craftsmen to manufacture handicrafts which will specially look after the tastes of the foreign buyers. The Tanjore plates as well as the palm leaf materials also appeal to the artistic eye of the foreigners. The Handicrafts Board should set up co-operative societies for the craftsmen, because there are a number of communities in India whose living depends the trade in these handicrafts. For such people, financial assistance is necessary.

There is one other matter that I would like to say and that is regarding our khadi and village industries. No doubt, our aim is to mobilise all resources to industrialise our land. But rural industrialisation must be the main idea, because the majority of the people in India are agriculturists, and the number of people employed in agriculture is in excess of those wanted for cultivation. The excess of cultivators should be diverted to employment in industries in their own areas, that is, they should not be made to go to cities and towns to seek employment. That is why the Planning Commission has wisely suggested the idea of rural industrialisation, and this idea is given for implementation to the Khadi and Village Industries Commission. Fortunately, we have a new chairman of this commission, and I hope that he will take the necessary measures in the Khadi and Village Industries Commission to industrialise rural India. By rural industrialisation, we shall make the people capable of earning some money and thereby the rural economy will be stabilised.

❖ श्री श्रीकारलाल बेरवा (कोटा) :  
उपाध्यक्ष महोदय, मैं उद्योग और वाणिज्य  
मंत्रालय के बारे में ६-७ बार्ते सदन के सामने  
रखना चाहता हूँ ।

### [श्री भोकारालाल बेरवा]

पहली बात तो यह है कि हमारा मैनेजमेंट पर ज्यादा खर्चा हो जाता है, उसकी वजह से जो हम चीजें बनाते हैं उन के दाम बढ़ जाते हैं क्योंकि खर्च का परसेटेज चीजों पर लगाया जाता है। इसलिए इस तरफ विशेष ध्यान देने की आवश्यकता है।

दूसरी बात यह है कि सरकारी कारखानों में बनी चीजें प्राइवेट कारखानों की उसी प्रकार की चीजों से महंगी मिलती हैं, जब कि होना यह चाहिये कि सरकारी कारखानों की चीजें सस्ती होनी चाहिए। अगर प्राइवेट कारखाने की चीज के दाम ५ रुपए देने पड़ते हैं तो उसी चीज के जो सरकारी कारखाने में बनी है दाम साढ़े पांच रुपए देने पड़ते हैं और कह दिया जाता है कि फलां फलां टैक्स लगता है इस कारण दाम ज्यादा है। तो मेरा सुझाव है कि जो चीजें सरकारी कारखानों में बनती हैं उनको प्राइवेट कारखानों की चीजों से सस्ती मिलना चाहिए।

तीसरी बात मैं यह कहना चाहता हूँ कि देश में जो प्राइवेट सेक्टर में जो कारखाने हैं उनको नेशनलाइज किया जाना चाहिए।

चौथी बात यह है कि हमारे कारखानों में ऐसी मशीनें बनायी जाएं कि छोटे उद्योगों में काम आ सकें।

पांचवी चीज मैं यह कहना चाहता हूँ कि हमको चीजें बनाने में क्वालिटी पर ज्यादा ध्यान देना चाहिए। क्वांटिटी पर उतना ध्यान नहीं देना चाहिए। चाहे हमारी क्वांटिटी कम हो लेकिन जो चीज हम बनाएं वह अच्छी हो। अच्छी चीजों को विदेशी बाजारों में भी मान्यता मिलती है। चीज खराब होने से देश की बदनामी होती है। मैं आप को एक उदाहरण देना चाहता हूँ। एक राइफल बनायी गयी। वह एक सिपाही को दी गई। दो चार रोज तो उस ने ठीक काम दिया लेकिन चौथे या पांचवें रोज उसकी नाली फट गयी और सिपाही के हाथ में भार पार हो गयी। तो मेरा कहना है कि हम को

चीजें बनाते समय क्वालिटी पर खास ध्यान देना चाहिए।

इसी तरह से उषा मशीन है या हिन्द साइकिल या इसी तरह की और चीजें हैं। ये हजारों की तादाद में बाजारों में पड़ी रहती हैं। हिन्द साइकिल का यह हाल है कि अगर उस पर डबल सवारी बैठे और सड़क पर अगर कहीं गड़ढा आ जाये तो वह टूट जाएगी। यही हाल उषा पंखों का है, दो चार दिन तो ठीक चलते हैं और फिर खंराटा करने लगते हैं।

श्री हिम्मत सिंहका : गलत है।

श्री भोकारालाल बेरवा : हिन्द साइकिल का यह हाल है कि दो आदमी अगर उस पर बैठ कर जाएं और कोई गड़ढा पड़ जाए तो वह टूट जाएगी। स्पोक जो बनते हैं वे ऐसे हैं कि अगर साइकिल पर दो आदमी बैठें तो पीछे के पहिए के दो चार स्पोक खत्म हो जाएंगे। यह हमारे कारखानों की चीजों की क्वालिटी है।

आप रेले साइकिल को देखें। कितनी अच्छी है। इस लिए मेरा कहना है कि हमें ज्यादा बनाने पर उतना ध्यान नहीं देना चाहिए जितना की अच्छी चीज बनाने पर देना चाहिए। केवल क्वांटिटी को बढ़ा देने से काम नहीं चलेगा। उस के साथ क्वालिटी भी अच्छी होनी चाहिए।

श्री काननगो : जिस चीज की आप मिसाल दे रहे हैं वह भी तो हिन्दुस्तान में ही बनती है।

श्री भोकारालाल बेरवा : लेकिन उस कम्पनी वाले क्वालिटी पर ध्यान देते हैं। इस लिए वह ३०० में आती है लेकिन जन्म भर काम देती है जब कि हिन्द साइकिल चाहे १५० में आती है लेकिन दो तीन साल से ज्यादा काम नहीं देती।

**Shri Kanungo:** May I suggest that individual firms or their particular products not be criticised on the floor of the House because Government cannot take responsibility either for defending them or agreeing with the criticism?

**श्री श्रीकारलाल बेरवा :** इसी तरह आप रेडियो के बल्ब लीजिए। थोड़े ही समय में खराब हो जाते हैं। तो मेरे कहने का मतलब यह है कि हमारी चीजों की क्वालिटी अच्छी भ्रच्छी होनी चाहिए। हमको केवल क्वालिटी पर ही ध्यान नहीं देना चाहिए।

इस के आगे मैं यह कहना चाहता हूँ कि शहरों के बनिस्बत गांवों में छोटे छोटे उद्योग धंधे ज्यादा होने चाहिए ताकि गांव के किसानों और मजदूरों को फायदा हो सके और रोजगार मिल सके।

अब मैं अपने एरिया की कुछ बात कहना चाहता हूँ। मेरे यहां से बूंदी २२ मील पर है। वहां पर कांच की रेती होती है, जो कि ट्रकों में भर भर कर बाहर जाती है। ऐसा क्यों नहीं किया जाता कि वहीं इस का कारखाना बना दिया जाए। कांच की रेती हमारे बूंदी एरिया में बहुत निकलती है सरकार बड़े बड़े शहरों में तो बड़ी बड़ी कंपनी को करोड़ों रुपये देती है लेकिन इधर सरकार का ध्यान नहीं जाता है। अगर सरकार थोड़ा पैसा दे और वहां पर इसका कारखाना खोल दिया जाए जहां पर कि कांच व चीनी के बर्तन, पाइप व तश्तरियां वगैरह बन सकें तो इस से हजारों गरीब मजदूरों लोगों को रोजगार मिल सकेगा। लेकिन सरकार का यह तरीका रहता है जिन बड़ी बड़ी कंपनियों से सरकार को मोटी रकमें वस्तु ज़रूरत पर मिलती हैं उनको उद्योग के लिए १०, १० और १५, १५ करोड़ रुपये तक की आर्थिक सहायता दे दी जाती है। अगर सरकार छोटे उद्योग धंधों की ओर ध्यान दे और उन को भी वह कुछ आर्थिक सहायता दे तो गांव में छोटे छोटे धंधे चल सकते हैं और हजारों लाखों लोगों को रोजगार

भी मिल सकता है। मैं चाहूंगा कि उन गांव के इलाकों में जोकि भ्रविकसित हैं इस तरह के सरकार छोटे छोटे उद्योग धंधे स्थापित करे और उस के लिए आर्थिक सहायता दे। वहां पर कोई दूसरा रोजगार नहीं है और इस तरह के छोटे छोटे उद्योग धंधे स्थापित करके लोगोंकी रोजी का प्रबन्ध करना चाहिए।

राजस्थान देवली में पहले तो अंग्रेजों की मिलेटरी थी उससे उन को रोजगार मिलता था। उस के बाद में जर्मनी व जापान के कैदी रहने लगे और उनसे वहां रोजगार मिलने लगा। अब चीनी कैदी रह रहे हैं तो उन से रोजगार मिल रहा है लेकिन इन सब के चले जाने के बाद वहां के लोग क्या करेंगे? वहां पर उद्योग धंधा व कारखाना नहीं चलता है। उस इलाके में कपास काफी पैदा होती है और वहां से बोरे के बोरे भर कर बाहर जाती है। अगर वहां पर कोई पेच या कपास का कारखाना स्थापित कर दिया जाय तो वहां के लोगों को भ्रच्छा रोजगार सुलभ हो जायगा। मेरा सुझाव है कि जहां पर ऐसा कोई धंधा न हो वहां पर इस प्रकार के उपयोगी कुटीर व लघु उद्योग स्थापित करने की ओर ज्यादा ध्यान देना चाहिए। शहरों में बड़ी बड़ी फैक्टरीज और मिलें खोलने के बजाय आज गांवों में में छोटे छोटे उद्योग धंधे खोलने की अधिक आवश्यकता है।

जैसा कि मैं ने पहले कहा मैं पुनः इस बात को दुहराना चाहता हूँ कि हिन्दुस्तान में बनने वाले माल की क्वालिटी पर उचित ध्यान दिया जाय जोकि भ्रभायवश आज नहीं दिया जाता है। अगर यहां भी भ्रच्छी क्वालिटी की चीजें तैयार होने लगगीं तो बाहर से जो चीजें आज मंगाई जाती हैं उन का मंगाना बन्द हो जायगा और इस तरह से काफी विदेशी मुद्रा जो कि उन चीजों को बाहर से मंगाने में हमारी खर्च होती है, उस की बचत हो सकेगी



### [श्री श्रीकारलाल बेरवा]

जो चीजें बाहर से आती हैं और जो बहुत ही आवश्यक हैं और जिन का कि उत्पादन देश में नहीं होता है कम से कम उन के आयात की सुविधाएं भी उपलब्ध होनी चाहिए। यह ठीक है कि आयात से फौरेन एक्सचेंज पर प्रभाव पड़ता है मगर यह भी अनिवार्य है कि जिन वस्तुओं की नितान्त आवश्यकता होती है जैसे ट्रेक्टर पार्ट्स हैं, मशीनरी पार्ट्स, दवाएं, बंदूकों और राइफलों की कारतूस वगैरह जिन का पर्याप्त मात्रा में देश में उत्पादन नहीं होता है और उनके आयात पर भी रोक लगा दी गई है जिससे कि उनकी कीमत बहुत अधिक हो गयी है और करीब ४००-५०० परसेंट तक बढ़ गयी है, अब ऐसी चीजें जिन को कि हमें बाहर से मंगाने की नितान्त आवश्यकता है वह चीजें इस क्रूर मंहगी नहीं होनी चाहिए।

स्टेट ट्रेडिंग कारपोरेशन की मार्फत देश में बहुत सी वस्तुओं का व्यापार होता है। उसका ठीक प्रकार से गठन किया जाय और कागजी कार्यवाही को खत्म करके आयात के काम को हम आगे बढ़ायें। पिछले वर्षों में शक्कर के निर्यात का जब प्रश्न आया तो बहुत से देशों से जो हमारी शक्कर लेने के इच्छुक थे उन से समझौता करने में देरी कर दी गई जिस के कि परिणामस्वरूप हम से शक्कर न ले कर दूसरे देशों से ली गई जिस से देश के व्यापार को काफी नुकसान हुआ। अपनी शक्कर को बाहर बेचने के लिए अधिक जोर दिया जाय ताकि हमें विदेशी मुद्रा ज्यादा प्राप्त हो।

कई देशों में हमारी सिलार्ड की मर्यादें जाती हैं। उनके व्यापार को बढ़ावा देना चाहिए।

दक्षिणी पूर्वी एशिया और पूर्वी एशिया के कुछ देशों को मिला कर हम एक कोमेन मार्केट की स्थापना अगर कर सकें तो व्यापार के दृष्टिकोण से यह एक अच्छा कदम होगा।

कांडला पोर्ट जिस प्रकार एक फ्री पोर्ट करार दिया गया है उसी प्रकार से समुद्र के पूर्वी किनारे पर भी एक फ्री पोर्ट बनाया जाय।

जो भी उद्योग खुलते हैं वे शहरी एरिया में खुलते हैं। शहरों की बनिस्बत गांवों में उद्योग धंधे ज्यादा से ज्यादा खुलने चाहिए। इस प्रकार से गांवों के उद्योगीकरण की ओर सरकार को आवश्यक ध्यान देना चाहिए।

जितने भी छोटे छोटे धंधे हैं उनका सरकार द्वारा एक बार सर्वेक्षण किया जाना चाहिए ताकि सरकार को पता चल सके कि किस उद्योग को कितनी कितनी मात्रा में कोयला व दूसरा सामान चाहिये। प्रक्सर इन चीजों के अभाव से यह छोटे उद्योग ठप्प हो जाते हैं। मेरा सुझाव है कि उद्योग व्यापार मंत्रालय के अन्तर्गत एक ऐसे निगम की स्थापना की जावे जो मध्यम व छोटे उद्योगों की आवश्यकताओं को देखते हुए जरूरी सामान सप्लाई करता रहे और उनकी जरूरतों को पूरा करता रहे मैं बस और अधिक निवेदन न करके अपना स्थान ग्रहण करता हूँ।

श्री सिंहासन सिंह (गोरखपुर) : उपाध्यक्ष महोदय, इस मंत्रालय के इस्टैबलिशमेंट को जब मैं देखता हूँ, देश में आजकल इमरजेंसी की बहुत धूम है, लेकिन इस मंत्रालय के इस्टैबलिशमेंट को देखने पर ऐसा प्रतीत होता है कि इस मंत्रालय पर देश की विपत्ति का कोई असर पार्यद नहीं है। गृह मंत्रालय जिससे कि कंट्री का पीस इनवील्व्ड है उस मंत्रालय के इस्टैबलिशमेंट में कुछ कमी या कटौती की गई है लेकिन इस मंत्रालय में देखने से मालूम पड़ता है कि उसके इस्टैबलिशमेंट में बजाय कुछ कमी होने के वृद्धि हुई है। इस मंत्रालय की रिपोर्ट को देखने से मालूम पड़ता है कि जहां पहले ५ एडीशनल आफिसर्स होते थे वहां अब आप १६ एडीशनल आफिसर्स करने जा रहे हैं। ५ के बजाय १६ कर रहे हैं। अब तक आप ६०३०० रुपया ख

कर रहे थे जब कि अब आप १,६३,००० रुपया एडीशनल अफसरों पर खर्च करने जा रहे हैं। मगर कुल टोटल एमाउंट में १०,००० रुपये की सेविंग की है। मेरा कहना यह है कि यह कुछ शोभा नहीं देता कि इस समय जब हम चारों तरफ से पैसा इकट्ठा करके निर्माण के काम में लग रहे हैं तो ५ के बजाय यह १६ एडीशनल आफिसर्स किये जायें। मेरा कहना है कि इस ओर मंत्री महोदय को ध्यान देना चाहिए कि यह ५ से बढ़ा कर १६ कर देना आज की स्थिति में कहां तक उचित होगा? आज जब कि देश में इमरजेंसी चल रही है और होम मिनिस्टरी और दूसरी मिनिस्टरीज अपने स्टाफ और खर्च में कट कर सकती हैं तो आपको भी कुछ कट करने की तरफ ध्यान देना चाहिए।

एक दूसरी तरफ मैं आपका ध्यान दिलाता चाहता हूँ। हमारे देश की प्रगति काफी हुई और काफी हम आगे चले लेकिन अभी हमने जो आंकड़े दिये हैं १९६२ तक के लेकिन इसके अन्दर १९६१ तक के ही हैं, आगे के नहीं हैं, उनको देखने से मालूम हुआ कि बड़ी बड़ी इंडस्ट्रीज को फाइनेंस कारपोरेशन से करीब १ अरब ६१ करोड़ और ६५ लाख की स्वीकृति आपने दी है और बांटा गया है करीब ४६ करोड़ ६० लाख रुपया और उनके प्राफिट भी कुछ बड़े स्टैगर हैं। एक प्राफिट में मैंने देखा, जूट का प्राफिट जहां आपने १०० रक्खा था १९५५ में, १९५६ में केवल ४ वर्ष के अन्दर उसका प्राफिट ६८४ हो गया है वार्ना ७ गुना प्राफिट इन का बढ़ गया है। वैसे ही शुगर का प्राफिट भी डेढ़ गुना बढ़ा है। इस पर कुछ टैक्स लगा तो उसको लेकर मिल मालिकों की तरफ से बड़ा शोर व होहल्ला मचाया गया कि उन पर सुपर प्राफिट टैक्स न लगे। टैक्स का बोझ किधर जाये? वह जाय देहात के लोगों पर और मुनाफा ये लें। यह अच्छी दलील और मांग है कि टैक्स देहातों पर लगे और मुनाफा ये ले। मेरा निवेदन है कि मंत्री महोदय इस ओर विशेष रूप से ध्यान दें

क्योंकि आप कन्सन्ड मिनिस्टर हैं क्योंकि आज उनकी तरफ से बड़ा शोर हो रहा है कि यह सुपर प्राफिट टैक्स उन पर न लगाया जाय। लेकिन मैं समझता हूँ कि उनके ऐसा कहने के लिए कोई जस्टिफिकेशन नहीं है जब कि हम देखते हैं कि सन् १९५५ में जहां उनका मुनाफा १०० रुपये था आज उनका मुनाफा ७०० रुपया हो गया है। इसलिए इसका कोई जस्टिफिकेशन नहीं है कि उन पर यह सुपर टैक्स न लगे और उन्होंने जो भारी मुनाफा कमाया है उसको वह कंट्री के इंटररेस्ट में पार्ट न करे। जैसा कि अभी फाइनेंस मिनिस्टर ने उन पर सुपर प्राफिट टैक्स का प्रस्ताव रखा है अगर उसमें कोई कमी की जाती है तो ऐसा करके देश के साथ बहुत मला नहीं करेंगे।

बहुत ज्यादा रुपया मुल्क का इंडस्ट्रीज को बढ़ाने के लिए दिया गया। उसमें हमें यह भी देख कर हैरत हुई कि जहां देश में इतनी इंडस्ट्रीज बढ़ती गई वहां दिवाले भी काफी बोलती गई। सन् १९६० में करीब २००० इंडस्ट्रीज ने दिवाला बोला। इसलिए जहां इंडस्ट्रीज बढ़ी हैं वहां दिवाले भी खूब निकले हैं। दिवाला किसके रुपये से है? गवर्नमेंट का रुपया और गवर्नमेंट का दिवाला।

अभी एल० आई० सी का जिक्र कुछ अखबारों में निकला कि किसी महाजन को एल० आई० सी ० ने १७ लाख या कितना रुपया दिया। उसकी रिकवरी का उनके पास सामान नहीं है। उस महानुभाव के पास शायद अपने नाम से नहीं है। यह रुपया आप देते जाते हैं और यह आपके ही आंकड़े हैं कि वह दिवाले खिमक्ते जाते हैं। इसलिए कम से कम गवर्नमेंट को इसकी तो सावधानी बतानी चाहिए कि जो रुपया वह इस तरह से देती है उसकी कोई सिक्युरिटी ले लेवे। आखिर किस आधार पर यह रुपया गवर्नमेंट देती है? जितनी भी बड़ी बड़ी ज्वाइंट स्टाक कम्पनीज होल्डिंग्स हैं वे अपने नाम से बहुत कम रखती हैं और दूसरों के नाम से ही चलती

## [श्री सिंहासन सिंह]

हैं गाड़ी इन की। रुपया लेते हैं अपने नाम पर और काम होता है दूसरे के नाम पर और जब डिग्री हो गई, तो बेसूद होगी, रिप्लाइज होगी नहीं। जहां गवर्नमेंट इंडस्ट्रीज के नाम पर पानी की तरह रुपया बहा रही है, वहां इस बात का भी खयाल रखा जाये।

हमारे देश में मिक्स्ड इकानोमी है। हम को देखना है कि मिक्स्ड इकानोमी में प्राइवेट सेक्टर के मुकाबले में पब्लिक सेक्टर की कितनी बढ़ोतरी हुई। अगर पानी और दूध का मिलाव किया जाये, तो पानी ज्यादा चला जाता है और दूध कम रह जाता है। इस तरह मिक्स्ड इकानोमी में भी हमने यह देखा है कि ज्यादातर इंडस्ट्रीज प्राइवेट सेक्टर में बढ़ी है और पब्लिक सेक्टर की इंडस्ट्रीज नहीं के बराबर बढ़ी हैं। इस स्टैटिस्टिकल बुक के पेज ३६ पर "कम्पनीज एट वर्क, लिक्विडेशन एंड न्यू रजिस्ट्रेशन" के शीर्षक के नीचे लिखा है,—जिसको देख कर बड़ा आश्चर्य हुआ—कि १९६०-६१ में जहां गवर्नमेंट के द्वारा खोली गई केवल १७ कम्पनीज रजिस्टर्ड हुई, वहां प्राइवेट क्षेत्र में १६८३ रजिस्टर्ड हुई।

**Shri P. R. Patel (Patan):** What is the share capital of both?

**श्री सिंहासन सिंह :** इस में एक तरफ पब्लिक सेक्टर को धड़ोतरा। दा गई है और एक तरफ प्राइवेट सेक्टर की। प्राइवेट सेक्टर में सरकार दो अरब रुपया दे चुकी है। वह सरकार का हां। रुपया है वह रुपया पब्लिक सेक्टर में न जाकर, जहां गवर्नमेंट के नाम पर पब्लिक सेक्टर के नाम पर प्राइवेट करके (वहां पर नाम प्राइवेट है) केवल १७ कम्पनीज रजिस्टर्ड हुई हैं, प्राइवेट सेक्टर में क्यों चला जाता है, जहां १६८३ कम्पनीज रजिस्टर्ड हुई हैं ?

माननीय सदस्य ने रुपये के बारे में पूछा है। पब्लिक सेक्टर में, गवर्नमेंट का,

शेयर-कैपिटल केवल ३१ करोड़ रुपया है, जब कि प्राइवेट सेक्टर में २८८ करोड़ रुपया है।

**श्री कानूनगो :** अपाराइज्ड कैपिटल कितना होगा, भगवान जाने।

**श्री सिंहासन सिंह :** सरकार की किताब में पेड-अप कैपिटल लिखा है। यह मेरी अपनी सूचना नहीं है। इसमें लिखा है कि २८८ करोड़ रुपये प्राइवेट कम्पनियों का है और ३१ करोड़ रुपये गवर्नमेंट का है।

इस मिक्स्ड इकानोमी में सोशलिस्टिक पैटर्न और समाजवादो ढांचे की तरफ हमारे देश की कितनी प्रगति होती है, यह बात इन आंकड़ों से प्रकट हो जाती है। इन आंकड़ों को देख कर मुझे दुःख होता है। हम रोज सोशलिस्टिक पैटर्न का नाम लेते हैं और कहते हैं कि वह हमारा उद्देश्य है और उसकी तरफ हम चलते रहेंगे, लेकिन जब हम वकिंग में देखते हैं, तो कुछ कैपिटलिस्ट पैटर्न हां मालूम होता है। गवर्नमेंट को इस तरफ कुछ ध्यान देना होगा कि आगे पब्लिक सेक्टर में ज्यादा बढ़ोतरी हो। जब फाइनेंस कारपोरेशन, रीफाइनंस कारपोरेशन और दूसरी कारपोरेशन्स में गवर्नमेंट का रुपया लगा हुआ है और वे सब गवर्नमेंट के रुपये से काम कर रहे हैं, तो वह काम गवर्नमेंट के जरिये ही क्यों न हो ?

जहां तक एक्सपोर्ट का सम्बन्ध है, एक आइटम को देखकर मुझे हैरत हुई। एक्सपोर्ट के आइटम में आयल-केक का नम्बर तीसरा है, जब कि पहला नम्बर जूट का और दूसरा क्लाय के पीस गुडज का है। १९६२ में एक्सपोर्ट में १२०७ लाख रुपये की बढ़ोतरी हुई है और उस १२०७ लाख रुपये में से ८५२ लाख रुपये अर्थात् दो तिहाई रकम केवल आयल-केक से सरकार

को प्राप्त होती है। आयल-केक हमारी कृषि के लिए, खाद के लिए और मवेशियों के लिए बहुत जरूरी है। इस लिए मेरा अनुरोध है कि आयल-केक को बाहर भेजने के बजाय और चीजें बाहर भेजी जायें, क्योंकि हम ७८ करोड़ रुपये का फर्टिलाइजर प्रति-वर्ष बाहर से मंगाते हैं। इसलिए इस फर्टिलाइजर को, आयल-केक को, हम अपने यहां रखें। इसको भेज कर हम कितना फारेन एक्सचेंज पाते हैं, यह मुझे मालूम नहीं है। अगर आयल-केक यहां पर उपलब्ध हो, तो मवेशियों के लिए चारा भी हो और खेती की उपज को बढ़ाने के लिए आर्गेनिक मैन्यूर भी मिल जाये। आर्गेनिक मैन्यूर एमोनियम सल्फेट से कई गुना बेहतर है। आज कल प्योर फर्टिलाइजर, एमोनियम सल्फेट, न दे कर मिक्स्टर दिया जाता है। इसलिए अगर आयल-केक को बाहर न भेज कर देश में ही उसकी खपत की जाये, तो फर्टिलाइजर पर खर्च किया जाने वाला रुपया बच सकता है, अन्न की पैदावार बढ़ सकती है और मवेशियों की हालत सुधर सकती है।

मैं समझता हूं कि स्माल स्केल इंडस्ट्रीज और बड़ी इंडस्ट्रीज में समन्वय की तरफ भी शायद मंत्री महोदय का ध्यान है। खादी बोर्ड बना, लेकिन उधर सरकार की ओर से दी जाने वाली रुपये की सहायता उतनी नहीं है, जितनी कि बड़ी बड़ी इंडस्ट्रीज के सम्बन्ध में है। ज्यादा एम्पलायमेंट पोर्टे-शिएलिटी, अधिक से अधिक लोगों को काम देने की सामर्थ्य, स्माल-स्केल इंडस्ट्रीज में है, बड़ी बड़ी इंडस्ट्रीज और मशीनों में नहीं है। इस सदन में एक बार अम्बर चर्खे के बारे में बड़े जोरों से बहस हुई। कांग्रेस पार्टी में भी हुई। हमारे एक ताल्कालिक मिनिस्टर ने कहा कि अपने घर में अम्बर चर्खे को देख कर मैं सोचता हूं कि यह कितनी रीएक्शनरी चीज है। दूसरे मंत्री ने कहा कि इसकी प्रगति होनी चाहिए। कुछ वर्ष

पहले २५ लाख अम्बर चर्खे देश में बनाने का आयोजन हुआ था। लेकिन क्या आज तक वे बनाये गये हैं? रिपोर्ट में कहा गया है कि इस बारे में प्रगति नहीं हुई। क्यों नहीं हुई? इस तरफ ध्यान देना चाहिए। मेरा खयाल है कि अगर अम्बर चर्खे और चर्खे देहातों में फैल जायें, तो अधिक से अधिक लोगों को काम मिलेगा और साथ ही कपड़े की दिक्कत दूर हो जायगी। अम्बर चर्खा फ्राइन काउंट का सूत भी पैदा करता है, लेकिन उस तरफ रुझान कुछ कम रहा, चाहे किसी भी कारण से ऐसा हुआ हो, खादी बोर्ड वालों की कमी रही या मंत्रालय की कमी रही। देहातों में उसकी मांग है। जिन गांवों में वह चलता था, वहां वह बन्द हो गया। मेरे गांव में वह चलता था और बेस्ट काउंट पैदा करता था, लेकिन वह बन्द हो गया। बन्द इसलिए हो गया कि पांघी आश्रम ने कहा कि हमारे कपड़े की बिक्री नहीं है और चूँकि कपड़े की बिक्री नहीं है, इसलिए वे बनाते नहीं हैं। कोई भी कारण हो, लेकिन जो काम देहात के लोगों को घाट आने, एक रुपया, दो रुपये खर्च की आय देता था, जो उनका सप्लीमेंटरी काम था वह बन्द हो गया।

अन्त में श्री मनुभाई शाह से एक बात कह कर मैं समाप्त करूंगा। वह गोरखपुर गए थे और वहां पर पेपर मिल की पोर्टेशिए-लिटी देख कर आये थे। वहां पर पेपर मिल के बारे में उन्होंने बड़ी चर्चा की। गोरखपुर में एक छोटी पेपर मिल थी, लेकिन वह बन्द हो गई। उस पेपर मिल पर भी गवर्नमेंट का घाट लाख रुपया है। इंडस्ट्रियल डेवलप-मेंट में अगर उस को भी ले लिया जाता, तो जितनी बगास और खडिया वगैरह चीजें आज जलाने के काम में आ रही हैं, उनसे काफी पेपर मिल खड़ी हो सकती है। गोरखपुर और देवरिया आदि किसी भी क्षेत्र में, जहां पर इतनी वृद्ध मिलें हैं, पेपर मिल खड़ी की जा सकती है, क्योंकि वहां पर उनके

## [श्री सिंहासन सिंह]

लिए मैटीरियल काफी है। श्री मनुभाई शाह स्वयं देख कर आए हैं। देख कर उन्होंने कहा भी था कि हम इसको करेंगे, नेफिन तीन चार बरस के बाद भी कुछ नहीं हुआ। वहां पर जो छोटी सी प्राइवेट मिल थी, वह बन्द हो गई। आठ लाख रुपया अब भी उस पर चढ़ा हुआ है और शायद उसकी भरीनरी बिक रही है। अगर उसको लिया जाये, तो हमारी तरफ पेपर मिल बन जाये, जिसमें बहुत से आदमियों को काम तो मिलेगा ही, बगास और खडिया से, जो कि आजकल जलाने के काम आते हैं, अच्छा पेपर बन सकता है। वहां पर छ मैटीरियल की कमी नहीं है। मैं मंत्री महोदय से निवेदन करूंगा कि वह स्माल स्केल इंडस्ट्रीज और पेपर मिल की तरफ ध्यान दे।

श्री द्वारका दास मंत्री (भीर) : उपाध्यक्ष महोदय, मैं व्यापार और उद्योग मंत्रालय के अनुदानों का समर्थन करने के लिए खड़ा हुआ हूं। इस रिपोर्ट में बताया गया है कि इस मंत्रालय ने जो प्रगति की है, उस के फलस्वरूप पहले वर्ष से करीब आठ टके ज्यादा उत्पादन हुआ है। खास कर ज्यूट का, वूलज का, रेलवे बैगज का और बिजली के कुछ खास किस्म के सामान का उत्पादन बढ़ा है। उसके लिए मैं मंत्रालय को धन्यवाद देता हूं।

15.31 hrs.

[SHRI THIRUMALA RAO in the Chair]

इसके साथ ही साथ इस मंत्रालय ने उत्पादन बढ़ाने के लिये जो संरक्षण विभिन्न उद्योगों को दिये हैं और उस दिशा में जो कदम उठाया है, उसके लिए भी मैं इस मंत्रालय को बधाई दिए बगैर नहीं रह सकता हूं।

हमारे मुल्क का जो सब से ग्रहम मसला है, वह बेकारी दूर करने का है। साथ ही साथ जो विभागीय असमानता है, आर्थिक दृष्टि से कुछ भाग पिछड़े हुए हैं, उनको आगे

लाने का है। इस काम में सफलता पाने के लिए जो लघु उद्योग हैं वे ही हमारे सहायक हो सकते हैं यही उद्योग हमारी जो बुनियादी समस्याएँ हैं, उनको हल करने में समर्थ हो सकते हैं। किन्तु मुझे खेद के साथ कहना पड़ता है कि लघु उद्योग जिस तेजी से ग्रामों तक पहुँचने चाहियें थे, उस तेजी से वे देहातों तक अभी नहीं पहुँचे हैं। मैं जिस क्षेत्र से आता हूँ, वहां पर बिजली है, पानी की सहायता है, जगह लोग देने को तैयार हैं और भिन्न भिन्न प्रकार से उन्होंने अपनी इच्छायें व्यक्त भी की हैं। लघु उद्योग को कायम करने के सम्बन्ध में जितना ध्यान सरकार को उभर देना चाहिये था, उसने नहीं दिया है। इतना ही नहीं . . . . .

श्री कानूनगो : आपका कौन सा जिला है ?

श्री द्वारका दास मंत्री : भीर ।

डिस्ट्रिक्ट इंडस्ट्रियल प्राजेक्ट्स की घोषणा कुछ महीने पूर्व की गई थी और यह कहा गया था कि ४६ नई प्राजेक्ट्स हम खोल रहे हैं। मैं चाहता हूँ कि ये जो प्रोजेक्ट्स हैं, इन्हें ऐसे क्षेत्रों में अधिक से अधिक दिया जाना चाहिए जहां पर खेती पर लोग निर्भर करते हैं, जहां पर वे खेती से होने वाले उत्पादन को नहीं बढ़ा सकते हैं या जहां पर इरिगेशन की फ़ैसिलिटीज नहीं हैं और केवल निसर्ग पर भरोसा करके ही वे खेती का उत्पादन करते हैं। हम ने और वहां की ग्रन्थ इंस्टीट्यूशन ने प्लानिंग मिनिस्टर का ध्यान आकर्षित किया था कि ऐसे प्राजेक्ट्स जल्दी से जल्दी हमारे इस विभाग को दिये जायें ताकि लोगों को कुछ न कुछ काम बन्धे मिल सकें। ४६ प्राजेक्ट्स में नम्बर ही नहीं आ सका है। शायद जब दूसरा दौर शुरू हो तो उनका नम्बर आ जाए। मैं आशा करता हूँ कि उस और आप तुरन्त ध्यान देंगे।

इंडस्ट्रियल एस्टेट्स की बहुत चर्चा सुनने में आती है। रिपोर्ट के पेज ४८ पर कहा गया है :—

"By the end of November 1962 there were about 92 industrial estates about 121 of them were in different stages of construction."

मेरी समझ में नहीं आया है कि ६२ स्टेट्स में से १२१ का कंस्ट्रक्शन कैसे हो रहा है। मेरे विभाग में इंडस्ट्रियल एस्टेट्स पांच वर्ष पूर्व मंजूर की गई थी। किन्तु इस काम में अभी तक भी प्रगति कुछ हुई दिखाई नहीं देती है। गत वर्ष मेने इस मंत्रालय के खर्च की मांगों पर बहस के समय कहा था कि ये एस्टेट्स नांदेड़ परती में मंजूर की गई थीं। अब एक नई जालना में मंजूर की गई है। लेकिन अगर आप इन स्टेट्स को देखें तो वे जहाँ की वहाँ है। हालत यह है कि जिन लोगों ने उन में शेर्यजं लिये है, उनके शेर्यजं की कीमत कहीं इन एस्टेट्स के खर्च में ही खत्म न हो जाए, ऐसा लोगों को डर लग रहा है। अगर एक दो साल इसी तरह से और गुजर गए तो जो शेयर कंपीटल है वह खर्च में ही खत्म हो जाएगा, इसकी बहुत बड़ी सम्भावना है। इस ओर मैं चाहता हूँ आप ध्यान दें।

इसी के साथ साथ इंडस्ट्रियल कोओप्रेटिव सोसाइटीज की जो हालत है, उसका भी जिक्र मैं करना चाहता हूँ। इंडस्ट्रियल कोओप्रेटिव सोसाइटीज जो छोटे छोटे गांवों में हैं, उन में अक्सर चमड़े का काम करने वाले लोग, रस्सी बनाने वाले लोग या हैडलूम में काम करने वाले लोग हैं। इन लोगों के पास पूंजी इतनी नहीं रहती है कि वे जब अपना माल मार्केट में बिकने के लिए भेज दें तो जब तक उनको उसका पैसा वापस आ जाए उस बीच में वे अपने काम को जारी रख सकें। सरकार की ओर से इतनी उनको ग्रांट नहीं दी जाती है या इतना लोन नहीं दिया जाता है कि इस क्षेत्र में वे अपना व्यापार बढ़ा सकें।

मार्किटिंग की फसिलिटीज भी उनको बहुत कम मिली हुई हैं। उनके लिये सेल्ज डिपो या कोई और इस तरह का इन्तजाम जगह जगह कर दिया जाये ताकि बिन्नी में जो कठिनाइयाँ उनको अनुभव होती हैं, वे न हों, तो बहुत अच्छा होगा। जब उनके पास मार्किटिंग फसिलिटीज नहीं होती हैं तो इसका नतीजा यह होता है कि जो लोन उन्होंने बैंको वगैरह से लिया होता है, वह लोन भी एक दो वर्ष के बाद ही वापस करने में असमर्थ हो जाते हैं। इंडस्ट्रियल कोओप्रेटिव सोसाइटीज किस प्रकार से और किस ढंग से अपने पैरों पर खड़ी रह सकती हैं और किस तरह से सेल्ज डिपो उनके माल के लिये कायम किये जा सकते हैं, कैसे उनको कच्चा माल सप्लाई किया जा सकता है, इन सब चीजों की तरफ भी आपका ध्यान जाना आवश्यक है।

खादी के सम्बन्ध में भी काफी कुछ कहा जाता है। खादी कमीशन के नए अध्यक्ष बनाये गये हैं। डेवर भाई ने अपना कार्य-भार भी संभाल लिया है। खादी को और भी अधिक तेजी से बढ़ावा मिलेगा, उसका उत्पादन तथा उसकी बिन्नी और भी अधिक बढ़ेगी, ऐसी उनसे अपेक्षा की जाए तो कोई बड़ी बात नहीं होगी। गत वर्ष खादी का जो काम है, वह पिछले गात आठ वर्षों के मुकाबले में काफी आगे बढ़ा है। हर वर्ष यह बढ़ता ही जा रहा है। गुजस्ता साल १७.४६ लाख लोगों को इसने काम दिया है। पिछले सात वर्ष में जिन लोगों को इस काम धन्ये में काम मिलता था, उनकी संख्या चौदह गुना हो गई है। उत्पादन भी कम नहीं बढ़ा है, कम से कम छः गुना उत्पादन में इन पिछले सात आठ वर्षों में वृद्धि हुई है। आज जो परिस्थितियाँ हैं, उनको देखते हुए यह कहा जा सकता है कि बहुत अच्छा काम हो रहा है। इस पर एतराज किया जा सकता है कि खादी में जो लोग काम करते हैं, उनको उतनी प्राप्ति नहीं होती है जितनी और जगह काम करने वालों की होती है। लेकिन यह बात

[श्री द्वारका दास मंत्री]

सही है और इसको आप डिस्प्यूट नहीं कर सकते हैं कि यह बेकारी दूर करने में सहायक हो सकता है और इस दृष्टि से इसको देखा जाना चाहिए। यह भी कहा गया है कि इसमें नान-पॉलिटिशियन रहने चाहियें। मैं कहना चाहता हूँ कि पार्टी की दृष्टि से इस काम को आज भी देखा नहीं जाता है। मेरे क्षेत्र में खादी एंड विल्लेज इंडस्ट्री का जो काम है, वे विरोधी दलों के लोग करते हैं और पार्टी विशेष पर कोई शिकायत की गई हो, ऐसी चीज सामने नहीं आई है। वैसे तो आज कोई भी आदमी बगैर पार्टी के नहीं है और ऐसे आदमी को बूढ़ना मुश्किल होगा। लेकिन यह काम पार्टी के आधार पर नहीं हो रहा है, यह मेरा कहना है।

अब मैं फारेन एक्सचेंज पर आता हूँ। हमारा जो प्लान है, वह जो फारेन एक्सचेंज हम अन करते हैं, उस पर काफी हद तक निर्भर करता है। अगर फारेन एक्सचेंज हम न कमायें तो हमारा प्लान आगे नहीं बढ़ सकता है। जो हमारे बैलेंसिस हैं, अगर हम प्लान को कामयाब बनाना चाहते हैं, तो इनको बढ़ाना होगा। इसके सिवाय हमारे पास कोई चारा नहीं है। हम देख रहे हैं कि दुनिया के मुमालिक साढ़े चार परसेंट अपना एक्सपोर्ट बढ़ा रहे हैं लेकिन हमारे देश का एक्सपोर्ट १३ परसेंट घट गया है। हमारे एक्सपोर्ट की मात्रा घटती ही जा रही है। इस और जल्दी में जल्दी ध्यान देने की आवश्यकता है। इस सम्बन्ध में मेरे कुछ सुझाव हैं, जो मैं आप के सामने रखता हूँ। हमारी जो फिनिश प्रोडक्ट्स हैं, जो कामन मार्केट में अच्छी तरह से चलने लायक है, उस कामन मार्केट में अपने व्यापार को हम बढ़ायें और ज्यादा से ज्यादा माल उधर भेजें।

हमारे जो रिमोसिज हैं, उनका उपयोग एफिशेंटली किया जाना चाहिये। बाहर भेजने वाले हमारे माल की जो कीमतें हैं,

तथा दूसरे देशों से जो माल आता है, उसकी जो कीमतें हैं, उन में पैरिटी हो। कीमत भी कुछ घटाई जानी चाहियें। जो हमारी मशीनरी है वह कुछ पुरानी हो चुकी है। उस मशीनरी में आज के ढंग से नई तब्दीली करनी चाहिये और दुनिया में जो अच्छी मशीनरी काम में लाई जा रही है उस को हमें अपने यहां लाना चाहिये।

हमारा जो माल होता है वह अच्छे स्टैंडर्ड का होना चाहिये ताकि बाहर के लोगों में उसके प्रति विश्वास पैदा हो। साथ ही जो स्टैंडर्ड का माल हम लेवें बेचें उसकी पब्लिसिटी भी हमको अच्छी तरह से करनी चाहिए।

आज कल हम जो माल एक्सपोर्ट कर रहे हैं उसको हमें और भी बढ़ाना चाहिये और जो माल एक्सपोर्ट करने वाले हैं उनको एनकरेजमेंट देना चाहिये नई नई फैसिलिटीज देकर। जैसा श्री मोगरका ने कहा, आज हम टाइड लोन्स की पालिसी पर चल रहे हैं। इसकी वजह से हमारी प्लेनिंग कुछ असफल हो रही है। इस चीज को ध्यान में रखते हुए हमको उसे खत्म करना चाहिये। साथ ही जो हमारे दूसरे तरीके हैं, जैसा कि आई० डी० ए० स्के लोन लेना और इंटरनेशनल मानिटरी फंड का उपयोग करना, उनका उपयोग ज्यादा करना चाहिये क्योंकि उसके लिये हमें मूद्र कम देना पड़ता है और उनके इन्स्टानमेंट्स देर देर के होते हैं।

मैं यह भी कहना चाहता हूँ कि हम फारेन कालबोरेशन से ज्यादा से ज्यादा एग्जीमेंट्स करते जा रहे हैं। नतीजा यह होगा कि कुछ दिनों बाद फारेन एक्सचेंज के हमारे इन्स्टालमेंट्स बहुत बढ़ जायेंगे, उनका अमाउंट बढ़ता जायेगा। कहीं ऐसा न हो कि हम इतने अधिक ले लें कि हम खुद उसमें डूब जायें। इसलिये अपनी कंपैसिटी के लिहाज से ही उनको लेना चाहिये।

**Shri P. K. Ghosh:** Mr. Chairman, Sir, at a time when we are meeting the challenge from an outside country, the industries of the country have got a great role to play, but when we take stock, we find that we are greatly lagging behind. The reason is that the industrial policy of the Government has been defective from the very beginning, because this Ministry, as well as the Ministry of Planning, have been ill-advised by officials as well as by some interested industrialists favoured by the Government, who care more for their own interest than for the advancement of the country. As a result of this, what we find is that we have failed to reach our production target and we have failed to reach our export target, and we have failed to deal with the growing unemployment problem even after 15 years of Independence.

First of all, the policy of the Government to start certain industries in the public sector for which private entrepreneurs were available is defective. Large amount of our resources have been spent on creating certain enterprises for which we could have got private entrepreneurs. These industries are giving a very small return, even lower than the bank rate of interest. On the other hand, if we allowed the private entrepreneurs to start those industries, the Government would have saved a huge amount of money invested in such industries and, at the same time, Government would have got 50 per cent of the profits from those industries by way of taxes, etc. If this amount which had been invested in those industries had been invested in certain essential undertakings like the supply of electricity, generation of power, transport, manufacturing railway wagons, and laying more railway tracks, we would not have faced this crisis of power shortage, and the bottlenecks and other difficulties in transport owing to which we find we cannot expand our industries.

Secondly, a lot of restriction has been imposed by the Government in issuing industrial licences. Of course, if

the licences are restricted in respect of those industries which involve foreign exchange expenditure, we can understand, and we have nothing to say, but there are certain industries which can be run without the help of foreign exchange, which do not require foreign exchange, and we find that restrictions have been put in licensing those industries as well.

There are certain industries which earn foreign exchange for the country. Those industries should also have been allowed licences even if they involve a certain amount of foreign exchange. Then there are certain industries where the industrialists or the entrepreneurs are ready to find out some foreign collaborators to get the foreign exchange required for starting those industries. Those industries should also be given licences liberally. What I find is that some vested interests and monopoly interests are coming in the way by influencing the Government in issuing licences to their competitors.

Take the case of the people's car, the small car. It only involves an amount of Rs. 16 crores to Rs. 18 crores of foreign exchange. We understand that some foreign party was interested in starting this industry and supplying the machinery on long-term credit. If a certain percentage of these cars were exported for the first few years, we would have earned foreign exchange to pay back those loans. What we find is that the Government shelved the establishment of the factory on the ground that we had no foreign exchange. I think most of my hon. friends know that one of the private vested interests, one of the private concerns, is there, who had dictated terms to the Government not to start the small car factory, and the Government have acted according to its advice.

Then, if the licences were issued liberally, we would have easily reached the target of production. If there are more of industries, there would have been more of competition and the prices would have gone down; when we have more of production than



[Shri P. K. Ghosh]

our requirements, there is a surplus and we can also export. There is already a scarcity of industrial products in our country, and as a result of this, the manufacturers are making more profits, and they are not caring to economise in the field of production by employing labour-saving devices and modern machinery. If this was done, the cost of our products would have been less and we could have easily competed in foreign markets. The Ministry would not have been also bothered to create export promotion councils, because the industrialists themselves would have arranged for the export of their products.

There is a lot of under-invoicing and over-invoicing going on in the import and export trades. It is estimated that the Government is losing about Rs. 150 crores every year by under-invoicing and over-invoicing. A few cases were detected by the customs department, but most of the cases go undetected. At the rate of Rs. 150 crores every year, in 10 or 12 years, about Rs. 1,500 crores of foreign exchange has accumulated outside in the names of big businessmen of India. At this time when we are so much in need of foreign exchange because of the emergency, efforts should be made to bring back this foreign exchange lying hidden in the foreign banks. Today there is no law by which this foreign exchange can be brought back. I would suggest to the Minister to allow these businessmen to bring back this foreign exchange with the assurance that they would not be challenged to show their source of income.

**The Minister of International Trade in the Ministry of Commerce and Industry (Shri Manubhai Shah):** Should they be required to show the source?

**Shri P. K. Ghosh:** They should not be required to show the source. In the case of gold bonds, they were given the choice that they need not show wherefrom they got the gold.

Just like that, in this case also they should not be required to show the source.

**Shri Manubhai Shah:** That would enable them to under-invoice more and more.

**Shri P. K. Ghosh:** Now the law should be very strict. Stricter vigilance should be imposed on exports and imports and also in the customs department, so that no further foreign exchange is drained out. But whatever is there, efforts should be made to bring it back because it is lying idle. The Government should say, "Whatever has been done, for God's sake bring that foreign exchange and let our Plans be made successful. We would not ask you to declare the source of the foreign exchange, from which you earned it." We would request them to invest that foreign exchange under the instructions of the Government and pay the Government a certain amount of income-tax on those amounts in foreign exchange. Of course, there should be vigilance and stricter laws should be made so that we can punish them very severely if they indulge in such practices in future.

I would like to point out certain corrupt practices followed in the office of the Chief Controller of Imports and Exports in granting import licences. We have been compelled to put great restrictions on imports due to the foreign exchange difficulties. As a result of this, the prices of imported goods and articles produced from imported raw materials have gone up by 400 to 500 per cent. As such, the import business has become very lucrative. Unfortunately, Government has not imposed any control on the selling price of those articles which the Government should have done. As a result of this, the officers in charge of the issue of licences are exploiting the situation to the best of their advantage. Only such persons are favoured with licences who can influence the officers politically or

with some money. So, there should be control on the prices of these articles. When you are having control everywhere, why not control the prices of imported articles also? An honest man has to face a lot of harassment and loss of money and time in running after import licences, with no result. Most of the officers in this department are corrupt, from top to bottom. Otherwise, there should not be so much corruption there. The maximum corruption is there in the import business. Everyone knows it; it is an open secret. I can give some examples. Let the Minister challenge them.

**Mr. Chairman:** I have rung the bell. The hon. Member should conclude in two minutes.

**Shri P. K. Ghosh:** I am the only speaker from my party. I may be given some more time.

**Dr. L. M. Singhvi:** I think so far as his claim for some more time is concerned, it has to be conceded if there is only one Member from a whole group, he should be given a little more time than the other Members many of whom speak from a larger party.

**Mr. Chairman:** He is getting the time he is entitled to. He may conclude in two minutes.

**Shri P. K. Ghosh:** Under the bilateral agreement recently signed with Iran, India is to import dry fruit on rupee-payment basis. It was decided that import licences should be granted to co-operative societies. Applications in this connection were called for. None of the applicants got the licence while one National Agricultural Co-operative Society, I understand from reliable sources, has been given the licence to the tune of Rs. 14 lakhs while they did not even apply for the licence. The remarks on the file when the decision was taken were that the licence be issued to such and such co-operative society and they may be requested to send their application. This has been done because of the

reason that some highly placed Congressmen are interested in this society.

In the import policy which is framed by the Government of India, there is always a loophole so that starting from the Chief Controller down to the clerk they can interpret the policy in any way they want. In the current period, firstly it was decided that 50 per cent of the face-value of the licence be given for the import of radio parts. Then, when only 15 days were left for the completion of the current period, it was suddenly decided that it would be raised by 25 per cent. Under the rules, it is according to this policy that licences are to be given, while in certain cases when money has been passed on to the officials concerned, licences have been given on the basis of production capacity. I fail to understand how Government, on the face of this policy, issues licences on the production capacity to certain firms. I would request the hon. Minister to enquire into these matters. One firm in Delhi had got a licence for Rs. 16,000 last year and the same firm has been given a licence worth Rs. 60,000 this year.

16 hrs.

Lastly, I would like to say a few words about the small-scale industries. As everyone knows the employment potential in the small-scale industries is much more than in the large-scale industries. The small-scale industries should have received more and more attention and should have been given more and more encouragement. But we find that this is not being done. Of course, the Government has made arrangements for loans at subsidized rates of interest, but owing to red-tapism and corruption among the Government officials there is enormous delay and people are made to observe certain formalities in the government offices with the result that most of the people are unable to take advantage of these loans.

**Mr. Chairman:** The hon. Member should conclude his speech now.

**Shri P. K. Ghosh:** Sir, I will take only two more minutes. Very little encouragement is being given to cottage industries. Then, there are a large number of departments to which the same type of work is entrusted.

**Mr. Chairman:** I have given the hon. Member more time than is allowed to him. He must conclude his speech in one minute.

**Shri P. K. Ghosh:** I would request the Government that instead of having so many departments and so many agencies like the National Small Industries Corporation, the Small Industries Services Institute, the State Financial Corporations and the like, it is better that the entire responsibility of assisting and helping the small industries is given to the State directorates of industries.

**Mr. Chairman:** The hon. Member should resume his seat now. I have given him 25 minutes.

**Dr. L. M. Singhvi:** I hope, Sir, you will be equally liberal to us.

**Shri V. B. Gandhi** (Bombay Central South): Mr. Chairman, Sir, I am grateful to you for this opportunity. Today I want to say a few words about what is happening to our foreign trade. Many of us have been feeling concerned about the difficulties that we are experiencing in our foreign trade. To my way of thinking it seems we are gradually losing our competitive power. We have, therefore, to modify some of our policies in some ways. We have to take care that our economy does not become a high-cost economy, a kind of a chronic high-cost economy, and for that reason we have to examine our taxation system from that point of view.

Now, Sir, before I again come back to this subject, there are one or two important developments that have taken place during the period of the report of the Ministry to which I would like to make a brief reference. The first is, that we welcome the

establishment of the Board of Trade. It is a development that has long been coming, but we are glad that it has at last come. It is, after all, going to be a non-official body representing trade interests and, also, it is going to be an advisory body in its nature. It will deal both with trade and exports—that is, external trade—and one important point that I notice is that it is going to undertake the promotion of export houses. This Board of Trade, I see, is going to be a little different from the British Board of Trade. Our Board of Trade is going to be under the sponsorship of the Ministry of International Trade. The British Board of Trade, of course, is a full-fledged Ministry with a Cabinet Minister who presides over its meetings. But, we need not go into all those details and we need not really bother about it. The important fact is that we have this Board of Trade, it has started working in the right earnest and we have every right to expect big things from this Board.

Next, Sir, the State Trading Corporation deserves a word of praise. I say this not because it has declared a dividend of 10 per cent. A dividend of 10 per cent is always welcome, but it has done very good work in diverse fields under very difficult circumstances, and it has proved to be a vital link between our efforts both in internal trade and in external trade. It has had tremendous difficulties to deal with what with the emergence of groups like the European Economic Community and such other groups. It has achieved results, where we really had no right to hope for results, in the export of iron ore, in the export of manganese ore and in the export of ferro-manganese. In all these materials as, of course, you are aware, we are out of level with international prices. Also, we exported some groundnut oil under pressure. Finally, I would only once again say that I congratulate the State Trading Corporation on its fine performance.

One more point, and it is about something which is old, the setting up of the Joint Committee of Parliament for State Undertakings. I hope the time will not be far off before the promise will be fulfilled. Actually, a resolution on the subject was introduced in this House, but it was postponed. Personally, I do not like to over-rate its importance, but it would perhaps be equally wrong to under-rate it also.

**Mr. Chairman:** The hon. Member should conclude.

**Shri V. B. Gandhi:** I will take two or three more minutes.

After all, if we look at the situation in its proper perspective, we will find that the total investment in undertakings of the Central Government at the end of the Second Plan had risen to Rs. 953 crores, spread over 42 units. In the Third Plan period, it is contemplated that there shall be a further investment of the order of Rs. 1,500 crores. Thus, by the end of the Third Plan the total investment in the Central Government undertakings will nearly reach the level of Rs. 2,500 crores and, mind you, most of these investments are Central Government investment. I think not more than three per cent of these investments are distributed between the State Governments, private industries or even foreign interests. Therefore, it is such a very important programme that something should be done in implementing this old promise of a Joint Committee of Parliament on State Undertakings.

**Shrimati Akkamma Devi (Nilgiris):** Mr. Chairman, I rise to give my full support to the demands of the Ministry of Commerce and Industry. At the same time, I will make use of this opportunity to make a few humble suggestions to be considered favourably by the hon. Minister.

I am going to speak on one of the plantation industries, namely, the tea industry, which is highly organised in

our country and which fetches the maximum of foreign exchange. I stand here, not to speak about the tea gardens in Indonesia, Java, Sumatra or Malaya, or about the tea garden industry of big companies in our country, but I am going to concentrate on the small growers of tea in the south, especially in the Nilgiris, where 6,000 small growers of tea are put into great difficulties because of price fluctuations and natural calamities. These 6,000 small growers of tea are also agriculturists, dependent mainly on their income-giving crop, potato. For the last four years, the late-blight disease has badly struck this mainly income-giving crop, and the poor agriculturists have suffered untold sufferings because of this late-blight disease. Insufficient supply of good disease-free seeds and insecticides at the proper time has paved the way for thousands of acres to be left uncultivated. This is on-the-spot information. I have already made a request to the hon. Minister and some action has been taken, but that is inadequate. I will request the hon. Minister once again to consider my suggestions to the benefit of the small growers, which, in turn will lead to the production of good quality tea and which in turn leads to the success of the small growers to export more tea and earn foreign exchange.

My first suggestion is about the Tea development loan which is given by the Tea Board at the rate of Rs. 4,000 per acre. At present, this loan is given only to very big estates and is not available for small holders who hold less than 20 acres. The only source of finance for these small growers has been the co-operative land mortgage bank which is guaranteed by the State Government. The co-operative land mortgage bank is not able to issue loans exceeding Rs. 1,000 per acre. This loan is restricted to Rs. 10,000 for each member. Just as intensive cultivation is encouraged among agriculturists, I would request the Government to encourage intensive cultivation of tea among small

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growers by helping them financially with loan at the rate of Rs. 4,000 per acre to increase the yield per acre quantitatively and qualitatively. A substantial portion of the present Tea development loan issued by the Tea Board may be handed over to the Nilgiri Co-operative land mortgage bank for the purpose of distribution and collection from the small growers. This co-operative land mortgage bank has been doing very useful service in the past several decades. Grant of funds has been a great help to the co-operative movement in the field of production. Similarly, grant of funds from the Tea Board to the co-operative land mortgage bank will be a great help in the development of the co-operative movement in the field of financial aid to the small growers of tea.

My second suggestion is this. The small growers are unable to improve their tea gardens for want of finance. They are not in a position to take to new methods of tea propagation, namely the clone propagation or the vegetative propagation. This is an expensive method no doubt. But, undoubtedly, it is effective and it has been proved by the Indian Tea experimental station that the yield can be improved by six times or even more. This new method has been started in Assam. Even it has been experimented and the super-clone has been released by the Craigmore Co. in the Nilgiris. I request the Commerce and Industry Minister to render financial aid to these small growers to take up the new yield producing vegetative propagation.

My third suggestion is about the co-operative tea factory at Kunda. The co-operative tea factory at Kunda has been a great boon to the small growers and small factory owners in that they are able to get one rupee per Kg. of green leaves or Rs. 7 per Kg. of manufactured tea at the Cochin auctions for the first quantity of manufactured tea. The following incentives like two more rollers of 46 and 26 sizes, in addition to the exist-

ing two rollers, trough weathering methods, manure at half concession, supply of lorries and vans at concessional rates for carrying green leaves to the factory from distant areas, exemption of excise duty on manufactured tea under Government Industrial handloom co-operative societies will benefit the small growers and encourage them to produce tea not only in quantity but also in quality, and help them to export their tea.

In this connection, I would like to read a few lines:

"Exemption from excise duty to co-operatives. The Government of India has decided to extend the exemption from Central excise duty so far granted up to July 31, 1967 to existing co-operative societies or those that may be registered up to March 31, next year.

In the end, it goes on to say:

"In order to enable them to stabilise themselves financially, the Government of India had therefore decided to extend the exemption in respect of all co-operative societies which are already registered or may be registered up to March 31, 1963."

The success of this factory proves the need for more factories for the small growers in the Third Five Year Plan.

The efforts of the Tea Board by deputing a field officer has enabled the small growers and small tea factory owners to obtain a fair return for their produce. Last month, the first auction was inaugurated at Coonoor, and some of the small growers had been able to sell their tea at Rs. 5 per kg and even above at the auctions, for which they would have normally got less than Rs. 4 from local buyers and middlemen. On behalf of the small growers, I extend my thanks to the Tea Board.

I now come to my next suggestion. There are about 20,000 acres of land

lying fallow on account of 'Late Blight' disease, and this vast acreage belongs to agriculturists who own less than five acres. As it is a very difficult problem to obtain the necessary sanction from the Tea Board by submission of application forms through the normal channels, and since the new planting of tea is controlled by the Tea Board, the development of small gardens of less than five acres may be exempted from the necessity of obtaining permission from the Tea Board.

Lastly, my suggestion is that a representative of the small growers be taken to serve on the Tea Board. There are so many problems and difficulties and suggestions of the small growers to be carried to the Tea Board for necessary auction. Therefore, I would request the hon. Minister to see that there is a representative of the small growers on the Tea Board. Recently, the small growers' association has passed unanimously a resolution requesting the Tea Board to have a representative of the small growers, and I hope that the Tea Board will consider the request favourably.

Government have already decided to start a graduate course in tea in Assam. This is a welcome measure for both the tea industry and also the tea growers. In this connection, I would request Government to start one such course in Madras for the benefit of the small growers so that the knowledge that they have gained will be disseminated to the other growers of tea.

**Mr. Chairman:** Shri Koya.

**Shri Harish Chandra Mathur:** Before you call the hon. Member to speak, may I make one submission?

**Mr. Chairman:** I have called Shri Koya.

**Shri Harish Chandra Mathur:** I am not interrupting the hon. Member from speaking nor am I saying that you should call me. That is not the point. . . .

**Mr. Chairman:** I did not understand it that way.

**Shri Harish Chandra Mathur:** You have called the hon. Member Shri Koya, and he has every right to speak. But my hon. friend Shri Sham Lal Saraf has just told me that my name was called from the Chair for speaking when I was absent from the House for a short while.

**Mr. Chairman:** I may at once assure my hon. friend that I was not the person who called him. I was not present here, and I am not aware of the fact that he was called and he was absent.

**Shri Harish Chandra Mathur:** That is what my hon. friend tells me. . . .

**Mr. Chairman:** There is a little difficulty for anybody who sits here. He has to see whether all parts of the country get some representation, whether all Members get enough representation. Of course, there are competent people from the same State, and there may be four or five such, but there are also others who are not equally competent but who have got grievances from various parts of the country, and belonging to various parties here. Therefore, that was the difficulty. I am sorry. . . .

**Shri Harish Chandra Mathur:** That is not at all my point. I am not asking you to call me. What I want to submit is this. My hon. friend tells me that I was called when I was away from this House for a short while. I am sorry that I was away for a short while. But I lodge a strong protest that the Chair should call a Member whom it knows so very well, and who has been sitting here all the time, when he is away for a short while. I think that this practice has nothing very much to commend itself.

**Mr. Chairman:** If what my hon. friend means is meant for me I can very well understand it. If it is meant for those who are not present here just now, he can repeat it when those other persons are present here.

**Shri Harish Chandra Mathur:** All right, I shall do that.

**Shri Koya (Kozhikode):** As the time at my disposal is very short, I do not want to deal with the broad policies of the Commerce and Industry Ministry, but I shall confine myself to a few problems concerning my State and the neighbouring States.

Government, when they select the sites for the industries, must pay special attention to the States which are economically backward and which are suffering from over-population and other problems. In the matter of heavy industries, I come from a neglected State, and I hope that Government will take special care to see that we are given some more industries.

Another problem to which I wish to draw attention is that facing the cashew industry. Next to jute, cashew nuts are earning the biggest amount of foreign exchange for our country. The cashew industry depends upon import from African countries. This is an industry which we can develop by export promotion and by more import of raw nuts from African countries.

Another industry in my State is coir. Coir products, especially coir mats, are not getting a very good market. So the mechanisation of this industry must be thought of. I think Government are taking up that problem in good earnest. Mechanisation alone can save this industry.

Spices are also among the main products of Kerala State. Export promotion can save this industry. Most of the spices like cardamom, pepper and other spices are not getting good price which used to get in previous years. Another commodity that is sent out from our State is lemon grass oil. Basic research should be arranged so far as this commodity is concerned.

Bananas have got a very good market especially in Soviet Russia.

Government should also explore the possibility of the development of the fisheries industry. Industries connected with fisheries are industries in which the people of Kerala are interested. Because of the policy of the Ceylon Government and loss of our market in Burma, fish exporters are put to much difficulty. So industries connected with fisheries can be started in Kerala.

Though technically not within the purview of this Ministry, the ilmenite industry has become a problem in our State. If titanium dioxide and iron content can be separated from the ilmenite, I think high grade steel can be manufactured. Kerala could very well have a steel factory. We are now losing Rs. 2 crores of foreign exchange annually because of the closure of these ilmenite factories. So the Ministry must think about the separation of titanium dioxide and iron content from ilmenite and establishment of a steel factory based on that.

The handloom industry is suffering a lot. I am glad some Members from Madras State have also given notice of cut motions on this subject. One of them have suggested exclusive reservation of manufacture of bordered sarees and dhoties to the handloom sector. I would request the Government to see about the feasibility of this proposal.

Now, about the distribution of pig iron, I am told that there is a great disparity in this. For Kerala, the supply is very inadequate and meagre. Even after an allotment of a small quantity to Kerala, the supply is delayed for months, for ten to twelve months. So, the Ministry must see that there is equitable distribution and speedy distribution of pig iron.

I would also like to know from the Government as to how many textile mills to which licences were given had started working and what is the progress of those textile mills.

As far as the village and khadi industries are concerned, I would request the Government to consider the inclusion of fish net making in the programme of the khadi and village industries.

About newsprint, I am very sorry to say that our NEPA newsprint is of a very low quality. The Government must think about the possibility of improving the quality of newsprint produced in the NEPA mills. If there is a possibility of having any barter agreement or anything like that with Pakistan, the question of importing newsprint from there also may be considered. I am saying this from a layman's point of view. I do not know whether it is technically feasible. I know that good newsprint produced in Pakistan is used by the newspaper industry of Burma and some other and neighbouring countries. If it is possible, we can think about the possibility of importing newsprint on a barter agreement or some other agreement from Pakistan.

These are the points that I wanted to make.

**Shri Harish Chandra Mathur:** Mr. Chairman, Sir, I know I am only emphasising the obvious when I underline the great importance of this Ministry in the field of our economic development and growth. But sometimes it becomes necessary for us to underline the obvious because we are neglecting the most important and vital instrument of development. I think it need hardly be emphasised that the influence of USA, the might of USSR and the prosperity of Germany are all rooted in the industrial development of those countries and when we talk of this country even about our rural development, we have felt strongly that if the rural economy is to go to any level, though agriculture is a base and agriculture is very important, the rural population will be able to have any standard of living only if we could take industry to their homes.

Sir, I think, there was some awareness of this importance in this Government some time back. We had always cared to put the tallest amongst the Cabinet friends in-charge of this Ministry. We had Shri T. T. Krishnamachari; we had Shri Morarji Desai and then we had Shri Lal Bahadur Shastri and now we have our amiable friend Shri K. C. Reddy. But I must submit that for quite some time now, at least for the last two years, the Ministry of Commerce and Industry has not been in good health. Not only that. Quite important wings have been cut out of this Ministry artificially, and a structure has been left which is not an integrated one. I therefore very strongly feel that the Prime Minister must have a deep look at the working of this Ministry. He must reassemble the Ministry in its proper form, and inject vigour and life into this Ministry if we are to deliver the goods.

**Dr. L. M. Singhvi:** Bring back the old Ministers?

**Shri Harish Chandra Mathur:** I do not want the old Ministers, but I definitely want what is necessary to inject vigour and health into this Ministry.

Also I want that the working of this Ministry should be thoroughly examined. The top industrialist as well as the small businessman is full of complaints regarding the procedural delays and administrative difficulties which he faces. I would, therefore, definitely suggest that one non-official and one official should go into the entire working and try to suggest within two or three months what is needed to streamline the working of this Ministry. This, I feel, is very necessary if we are to deliver the goods.

You will find that increase in our industrial production was less than 6 per cent last year, and it promises to be about 8 per cent this year, while we have had about 11 and 12 per cent earlier, and let us not also forget that this growth of 8 per cent now pro-



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mitted is in the context of the emergency, when it should have been much more. I am afraid that the progress and stamina which was available even in peace time is wanting now. It should be much more in emergency. I do hope this point will be looked into.

I am glad the controversy regarding the private sector and the public sector has died down. Parliament knows no controversy because we are quite clear in our mind that the public sector has come to stay, and it will have to grow from strength to strength. I am sure the private sector itself is realising that the public sector has been of immense help to them. As a matter of fact, it has been a blessing in disguise. I have not the time to go into it.

But while talking of the public sector, I wish to underline and repeat the demand which I made on the floor of the House regarding a Standing Committee for the public sector enterprises. I say this because in the very nature of things there would be a great bureaucratisation in the public sector. There is no escape from it, I make no bones about it. But if there is going to be that bureaucratisation, then definitely there must be something to counter balance it, to watch and supervise it, to get a fresh outlook and to help it with the non-official element which is very necessary. Even the Chairman of the Estimates Committee has never hesitated to state that they do not get enough time to look into the public sector enterprises. A Cabinet decision was taken on this matter, and I would like to know what has delayed the formation of this Standing Committee so far.

If the Standing Committee had been there, quite a number of steps could have been taken in time and the public exchequer could have been saved a large amount of expenditure which is being incurred, because there is definitely departmentalism.

Take the example of the two air corporations in the public sector. We have got the Indian Airlines Corporation and Air India International. Air India has got capacity to spare in their Boeings, and they can take four guaranteed services on the important trunk routes. It will save this country about Rs. 50 lakhs a year. It will also boost up and be a great attraction for tourist traffic. But, unfortunately, there is departmentalism. Air India thinks it is a kingdom by itself, and Indian Airlines Corporation thinks of itself as a kingdom by itself. If we had a standing committee of the public sector enterprises that would be able to go into all these matters.

Because I am short of time, I will touch some important points only. It is one of the policy decisions of the Government that they would take the necessary step for the dispersal of the industries which is very necessary to set right the disparities in the regional development. Except for this policy enunciation, what positive steps have been taken to this end, after seventeen years of our Independence even in the Third Plan? It is no use merely wishing for it. If wishes were horses beggars would ride them. It cannot also be made to happen if we pass certain orders. Certain economic considerations will have to be looked into. Even in a country like the United Kingdom which is so well developed and industrialised, they found that if industries were to go to the depressed areas, they had to take action. I shall finish in two minutes. The House of Commons passed an enactment on the location of industry. Then they gave certain incentives so that the industries could be located in such areas. But here we have nothing like these. Have you any incentives to offer for the industry to be located in depressed areas? I am afraid very little or nothing has been done in this respect so far. We have no such Act also.

So much has been talked about rural industrialisation which is linked up with the point already covered by me just now. What has been done so far for rural industrialisation? I think the Government should have a clear cut notion. I have no hesitation in saying that all this talk about rural industrialisation is just a myth and a hoax; we are deceiving others and ourselves but we have not been able to do anything to send the industry to the rural areas. My friend will tell me about the industrial estates as an instrument or apparatus. Even they have not been able to do anything to send them to the rural areas. It is amazing to know that the Planning Commission, as if the Ministry is not already turmated, has constituted a wing. It is only a planning and an advisory body but it starts certain pilot projects for rural industrialisation. I do not know whether it is the function of this Ministry or of the Planning Commission.

**Mr. Chairman:** The hon. Member must conclude now.

**Shri Harish Chandra Mathur:** One more very important point. Right from the Prime Minister down to everyone had talked so much about small scale industries. It has given an exceedingly good account of itself. Only the other day the Minister of Supply told us that in direct competition with the large-scale sector, it had secured orders worth about Rs. 25 crores or so from the Supply Department. They are entitled to a preference which comes to about Rs. 84 lakhs. If it was a 15 per cent preference it was about Rs. 3-4 crores. But, no. There was direct competition.

**Mr. Chairman:** I would request the hon. Member to conclude now. I have to accommodate a large number of other speakers.

**Shri Harish Chandra Mathur:** I would take two more minutes.

**Shri A. C. Guha:** At least let him finish that sentence.

**Mr. Chairman:** Let him finish it. But I cannot stop the clock.

**Shri A. C. Guha (Barasat):** He may now finish that sentence.

**Shri Harish Chandra Mathur:** I am not very fond of listening to my own voice. What I am saying is this. There are three things in the matter of small scale industry.

**Mr. Chairman:** I request the hon. Member to conclude his speech.

**Shri A. C. Guha:** If necessary, we could sit for 15 or 20 minutes more.

**Mr. Chairman:** I am doing things to the best of my knowledge. But I am afraid I am trying to transgress myself too much; there are a large number of Members who are anxious to stay a few words by way of bringing some grievances before the House. So, please conclude your speech.

**Shri Harish Chandra Mathur:** If you want me to conclude, I shall. I am concluding. How to conclude—well, I shall finish in one minute. There are only three points to be taken into consideration for the small scale industries. There is at present no foreign exchange. The National Small Industries Corporation have issued instructions to all the directorates that no application should be entertained with effect from 1st November. This is the state of affairs. Not one single pie is given to the small scale industries, while we give everything to the large scale industries. Not even indigenous credit is given to small scale industries. They have exhausted everything; not even a single pie is there. So far as raw materials are concerned, there were 12,000 applications in 1959. There were 39,000 applications in 1961. You had given them Rs. 10 crores. Today you have cut it down to Rs. 5 crores. This was in 1962. That means that the industries will go idle; no raw material; no credit; no indigenous credit even. Then you say that we want to prop up the small scale industries. I think this is a crisis of faith. I am sorry to have to say to the entire House that we

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must give a good account of ourselves and we must create confidence. All the empo which has been created will be lost and the industry will go to dogs and you will have a grinding crash in the small scale industry in another six months or eight month's time if something is not done seriously to improve the situation.

**Mr. Chairman:** Shri Guha. I would once again appeal to Members to be brief. The Minister is going to reply at 5-15.

**Shri K. C. Reddy:** The Minister of International Trade is intervening at 5.15. The reply will be tomorrow.

**Mr. Chairman:** I am sorry. Now, so many hon. Members are anxious to speak.

**Shri Hem Raj:** The States which have not been given a chance may be given a chance now.

**Shri Harish Chandra Mathur:** I think we cannot be very mechanical in this matter. I think we must have some understanding: when we are discussing these things, we cannot be mechanical in this debate. We must understand and cut out. You could have told me that "you need not speak."

**Mr. Chairman:** No, no. I wonder how the hon. Member can tell me these things. I am exercising my discretion to the best of my judgment, with care and courtesy and also taking into account the relative importance of the points which Members can contribute to the debate. Various Members who are interested have to be taken into consideration, and also various parties. (*Interruptious*). Within the time-limit and discretion and my knowledge of things, I will exercise my judgment. It is not absolutely foolproof or correct. Hon. Members have to be satisfied with what I do with honesty and fairness.

**An Hon Member:** We mean no disrespect. (*Interruptions*).

**Mr. Chairman:** When my hon. friend told me that he was once before called and then ignored, I think he had a claim on the time of this House. Therefore, immediately, when that point was brought to my notice, I called him. He has taken much more time than any other Congress Member had taken. With all this, I am still found fault with something or the other.

**Shri Sham Lal Saraf** (Jammu and Kashmir): Do not take it seriously.

**Mr. Chairman:** I cannot understand his telling me, "you need not have called me." I have been conducting the proceedings with perfectly fair intentions. Nothing else. Now, I close this discussion. I have already called upon Shri A. C. Guha.

**Shri Harish Chandra Mathur:** I am really very sorry if you got that impression. I owe an explanation to you. Please do not have the least idea even, that I had anything to say about the fairness of the Chair. I only want to say that whenever such matters arise, the Chair takes into consideration the consensus of opinion of the House. My hon. friend suggested that we may sit for 15 or 20 minutes more. I did not say, "Why did you call me?" I only want to say that I would be very happy with your judgment even if you had not called me.

**Mr. Chairman:** We can understand these matters afterwards. I do not want to cut the time of the hon. Member who has been called now. Shri Guha.

**Shri A. C. Guha:** Mr. Chairman, Sir, I think quite a number of hon. Members have mentioned about the present structure of this Ministry. This is perhaps one of the most important Ministries of the Government of India. But it creates an impression on our mind that the Government has not been quite serious about the functioning and structure of this Ministry. During the last few years, there have been so many changes not only in the

Ministers—that can surely happen—but even in the structure and subject-matters of this Ministry. At present the Development Wing has been taken out of this Ministry. I do not know how the Ministry of Industry can function without the Development Wing. It will now be just a stamping office. The policy will be decided by another office; they will simply give permits, licences, etc. The policy will be decided by the Development Wing which now belongs to another Ministry. If the Government feel that the Ministry is not so important, they may dissolve it; it is no use keeping it in a truncated form. I should not like to make any personal remarks, but if the Prime Minister or the Government feels that the Ministers of this Ministry are not competent enough to have under them the Development Wing and other sectors which go to make it an integrated whole, they should have changed the Ministers, instead of presenting a truncated Ministry before this House. I cannot understand what is the use of this.

Licence and import policy of the Government is a very important factor while discussing the demands of the Commerce and Industry Ministry. But as I have stated, it is no use now blaming this Ministry for any fault that may be in the licence and import policy, because the policy will be decided by another Ministry and this Ministry will simply give the licence and import permit on the policy decided by the Development Wing belonging to another Ministry.

Some Members have also mentioned about the concentration of economic power in fewer hands. The implementation of the Government policy has gone quite contrary to the purpose of the Government policy. I think Congress Members are handicapped, because less time—10 or 12 minutes—is given to them and I cannot develop my point. So, I should like to mention some of the points. So far as the Mahalanobis Committee's report is concerned, the entire report

or quite a considerable summary of it has been published. Yet, we have not seen it and Government have not placed before us any report or even a summary.

**The Minister of Commerce and Industry (Shri K. C. Reddy):** We have not received the report.

**Shri A. C. Guha:** But here on the floor of the House, some Members have said they have got the report. Even on the Congress side, some Members have said that they have got the report. We have seen the report in the newspapers also. If the Minister says he has not received it, it is for the Government to contradict that what is published in the papers is not authentic. It is no use taking the plea that we have not got any official report. But the report is there. Surely I do not think the Minister can contradict that the report has been received by the Planning Commission. But still, this House has been kept in complete ignorance of that report. The summary of that report which has been published in the papers is not authentication of economic power in fewer hands has been going on quite contrary to the declared policy of the Government. It would be a very regrettable thing for any Government if the implementation of the policy goes counter to the purpose for which the policy was formulated.

No Member has yet touched on the Tariff Commission. I should like to say something about it. I do not know what is the purpose of the policy of giving protection. Now India has got a protected market and the private sector is reaping the utmost benefit out of the protected market. But in spite of the fact that certain industries were getting protection for the last 10 years or even 15 years, they have not been able to show any considerable improvement either in the quality of the goods or in the reduction of costs. Sir, for want of time I cannot go into the details. If the annual report of the Tariff Commission is read, anybody will find out that in almost every case, except a few, in spite of

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the benefit of protective duty for the last six, eight or ten years, the quality of these protected commodities is not comparable to the quality of the imported articles and their prices are also, almost in all cases, 25 per cent to 30 per cent higher than the cost of the imported goods—this is excluding the customs duty. Sir, this protection does not mean exploiting the consumers. The Tariff Commission should be given the proper authority to see that the cost of production is reduced. About two years ago, the hon. Minister who is now the Minister of Industry, told the House that the Government had no authority to look into the cost of the manufactured goods. I do not know if the position is still like that.

**The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo):** No, no.

**Shri A. C. Guha:** He did say like that two years ago.

**Shri Kanungo:** I never said that.

**Shri A. C. Guha:** If he will look into the documents he can see that. Anyhow, he says that he has the authority. But why is it that the Government is not looking into the cost of the products which have been protected?

**Shri Kanungo:** I am sorry to interrupt, Sir, but I must say that the Cost Accountants of the Tariff Commission do go into the costs.

**Shri A. C. Guha:** But what steps have they taken to reduce the cost of production? Sir, it may not be quite proper to make an accusation against an autonomous or semi-judicial body, but I have to say that the impression in the minds of most of the Members of this House is that the Cost Accountants of the Tariff Commission have not done their job properly and they have not been able to enter into the proper cost of the products.

Sir, I should say something about two commodities which are more or

less concerned with my own State—that is, jute and seed-lac. The interest of the jute growers has always been sacrificed to the interest of the manufacturers. For the last two or three years a policy of price support for raw jute has been introduced, but it has been most ineffectively implemented so far.

**Mr. Chairman:** The hon. Member should try to conclude now.

**Shri A. C. Guha:** Sir, I will require four or five minutes more.

**Mr. Chairman:** He can have two more minutes.

**Shri A. C. Guha:** The Buffer-Stock Association has been able to purchase only 11 lakh bales of jute in 1961-62 whereas the production in that year was about 4 crore maunds of jute—80 lakh bales which means 4 crore maunds of jute. Out of that the buffer-stock organisation could purchase only 11 lakh bales. You can understand with that poor performance what price support that organisation could give to the jute growers. It is not expected that the Buffer-Stock Association will function properly to give price support. It is an organisation of the jute millowners. It is to their interest that the price of raw jute should go down. So they are not expected to function properly, to give real price support to the jute growers. I would suggest that the State Trading Corporation should be given the sole authority of purchasing and supplying raw jute to the jute mills and also the sole authority for exporting jute goods. Under-invoicing for jute goods is a common practice in the jute trade, and if that is to be stopped the only way is to entrust the work to the State Trading Corporation and give them the sole authority for export of manufactured jute goods.

Then I come to seed lac, the export of which is done by some firms. Previously, there were only two or three firms, most of which were foreigners.

I do not know the present position, but I think the exports are still limited to two or three firms. I am not quite sure whether they are still foreigners; one of them was a Pakistani firm. In the case of this commodity between the market price and the price at which it is exported there is a wide margin of Rs. 20 to Rs. 25 in spite of the fact that the export price of seed lac has gone down. The price which the villagers get for raw stick lac is very very low often as low as Rs. 10 or Rs. 12 per maund. I think this time the STC has been allowed to make some purchase of seed lac as a price support policy, but it has not got sufficient machinery to do this kind of work.

**Mr. Chairman:** The hon. Member should conclude now.

**Shri A. C. Guha:** I will conclude after touching another point. Before that I would like to say that the STC should be entrusted with the purchase and export of seed lac. The chemical examination of seed lac before export is given to a foreign company, whose interests and sympathies are not with the seed lac growers but with the exporters and the foreign countries to which it is exported. That should be changed.

Since the time at my disposal is very limited, I would not be able to deal with some of the subjects which I would very much like to refer. So, I will only say something about the Rehabilitation Industries Corporation. This Corporation was set up to provide some employment and economic rehabilitation to the refugees. With that object in view, it has started certain industrial estates. In the Behala industrial estate, employment envisaged for displaced persons was 745, whereas the number of displaced persons actually engaged is 112. Similarly, in Bon-Hooghli industrial estate the employment envisaged for displaced persons was 519 whereas the number of displaced persons actually engaged is 72. I do not think the purpose of setting up this Corporation was merely to give some credit to some indus-

trialists so that they may make some private profit. If the Corporation is to function properly, it should by its own initiative try to foster industrial co-operatives in the rural areas where there is large concentration of refugees.

**Mr. Chairman:** Shri Sivamurthi Swamy.

**Shri A. C. Guha:** Sir, you should not take your function so mechanically. There should be some latitude.

**Mr. Chairman:** Order, order. I am not going to hear all those things.

**Shri A. C. Guha:** One should not be abruptly stopped like that.

**Mr. Chairman:** It is only out of some respect and regard that I showed him some leniency. This is not the place for him to tell me all these things. Shri Sivamurthi Swamy.

श्री शिवमूर्ति स्वामी (कोपल) :  
समापति महोदय, उद्योग और व्यापार मंत्रालय हमारे देश के जीवन के हर एक क्षेत्र से ताल्लुक रखता है और इस का मुख्य आदर्श और लक्ष्य मुक्त की आर्थिक व्यवस्था को समाजवाद की तरफ ले जाना है। उस आदर्श को देखने से हम को बहुत आनन्द होता है, लेकिन जहां तक अमल का सम्बन्ध है, इस मंत्रालय की नीति का अन्तर यह हो रहा है कि जो गरीब है, वह और गरीब होता जा रहा है और जो अमीर है, वह और अमीर होता जा रहा है। रूस इंडिया के ऐडिटोरियल में लिखा गया :

"The results produced so far by the official working of this policy has only made the rich richer and the poor poorer. If that is the 'Socialistic Pattern of Society' the party in power is out to build, the policy has hardly any chance of being acceptable or workable in this country. The contradiction from which it suffered has already shocked and disillusioned the people".

[श्री शिवमूर्ति स्वामी]

17.04 hrs.

[MR. SPEAKER in the Chair]

देश में समाजवाद स्थापित करने की दृष्टि से छोटे उद्योगों को मदद और सहायता मिलनी चाहिए, वह बिल्कुल नहीं मिल रही है। बड़े बड़े उद्योगों को छोड़ कर मैं मंत्री महोदय का ध्यान फिफ्ट हेंडलूम इंडस्ट्री की तरफ़ दिलाना चाहता हूँ।

हमारे देश में कृषि के बाद हेंडलूम इंडस्ट्री का दूसरा स्थान था, लेकिन अब उस में बहुत कुछ कमी आ रही है। जब तक हम इस उद्योग को प्रोत्साहित नहीं करते और उस को रिजर्वेशन नहीं देते, तब तक इस देश में वह फलने वाला नहीं है। मैं वर्किंग स्टडी ग्रुप फ़ार दि हेंडलूम इंडस्ट्री, १९५६ की फ़ाइंडिंग को आप के सामने पढ़ना चाहता हूँ :

"As regards reservation, the idea is not new. A protected market for the handloom industry by reserving for it the production of dhoties and sarees which are its staple varieties can be considered. Dhoties and sarees account for nearly 1000 million yards or 20 per cent of the total production by mills. It may be argued that complete reservation of these varieties to the handloom industry would create serious difficulties for mills in re-adjusting their production. These difficulties could, however, be mitigated by enforcing the reservation in stages. Besides the principle of reservation has already been accepted by Government. We are of the view that unless a protected market by total reservation is given to the handloom industry (other than the power-looms), rebate or other forms of alternative assistance to reduce cost of production of handloom

cloth and thereby the inherent handicap will have to continue".

इस तत्व को हम बहुत दिनों से गौरव प्रदान करते आए हैं और उस का आदर करते आए हैं। कांग्रेस के छवज में जो चर्चा है, अगर हम उन को आनर करना चाहते हैं, उस को गौरव देना चाहते हैं, तो फिर हेंडलूम इंडस्ट्री की मदद के लिए आगे आना जरूरी है। जब तक एक निश्चित स्वरूप से उस की सहायता नहीं की जायगी, छः या दस पैसे के रीबेट से यह सनमृत या उद्योग जिन्दा रहने वाला नहीं है। यह उद्योग इस वक्त मर रहा है और अब वक्त आ गया है कि इस को बचाने के लिए कुछ ठोस कदम उठाए जायें। इस को बचाने के लिए एक पैसा भी कर्ज या सहायता या रीबेट देने की जरूरत नहीं है। हम एक पैसा भी नहीं चाहते हैं। हम चाहते हैं कि धोती और साड़ीज को हेंडलूम के लिए रिजर्वेशन दिया जाये। तभी यह उद्योग अपने पैरों पर खड़ा हो सकता है।

सरकार की ओर से कई मर्तबा बड़े फ़ैल के साथ इस हाउस में स्माल-स्केल इंडस्ट्रीज की एस्टेट्स बनाने का जिक्र किया गया है। उस के बारे में इस रिपोर्ट में कहा गया है :

"Government continued to give detailed attention to the problems of the small-scale industries by rendering financial, technical and other assistances, especially with regard to the provision of raw materials. At the end of Second Plan, over 67 Industrial Estates providing employment to about 30,000 persons were functioning".

मैं निवेदन करना चाहता हूँ कि इस देश की आबादी चालीस करोड़ है और सैंकड़ प्लान के अन्त तक सरकार केवल तीस हजार लोगों को एम्प्लायमेंट दे सकी है।

इस प्रकार कम से कम एक करोड़ लोगों को, जोकि इस उद्योग में हैं, एम्प्लायमेंट देने के लिए कितना समय लगेगा, यह बात इस रिपोर्ट से आइने की तरह साफ हो जाती है। अगर यही अवस्था रही, तो इंडस्ट्रियल एस्टेट की यह योजना बिल्कुल फ़िज़ूल और नाकाम साबित होगी।

हमारे बहुत से उद्योगों में जो इर्रेगुलैरिटीज हो रही हैं, उन के बारे में कोई एक्शन नहीं लिया जा रहा है। पब्लिक एकाउंट्स कमेटी की ४२वीं रिपोर्ट (सैकंड लोक सभा) में कामर्स एंड इंडस्ट्रीज मिनिस्ट्री से सम्बन्धित पैराग्राफ्स १६ से ले कर ३२ तक की जो सम्मरी पेज ३४७ पर दी हुई है, वह मैं आप के सामने पढ़ कर सुनाना चाहता हूँ।

"The Committee are unable to accept the plea for disbursement of further grants and loans to the institution, despite adverse comments on its working. They agree with Audit that the loss of Rs. 45,012 suffered by the Commission on this transaction was due to injudicious disbursement of funds time to time".

आडिट रिपोर्ट ने बार बार इस तरह की चीजों का जिक्र किया है, इस तरह की इन्स्टीट्यूशंस के खिलाफ जो एक्शन नहीं लिया गया है उसका जिक्र किया है फिर भी आप का ध्यान उधर नहीं गया है। मैं ने आप के सामने एक ही उदाहरण पेश किया है। १६ से ३२ तक आप के मंत्रालय से सम्बन्ध रखने वाली जो इन्स्टीट्यूशंस हैं उन के बारे में जो पी० ए० सी० की रिपोर्ट्स हैं उन में बार बार डिस्प्लनरी एक्शन लेने की बात कही गई है, लेकिन आज तक किसी अधिकारी के खिलाफ कोई कार्रवाई नहीं की गई है, कोई एक्शन नहीं लिया गया है। क्यों नहीं लिया गया है, मैं चाहता हूँ यह हमें आप बताये। दस रुपये की अगर कोई चोरी करता है उस को तो साल भर की सजा हो जाती है लेकिन जो इस तरह

की बड़ी बड़ी इर्रेगुलैरिटीज करते हैं, इतनी सीरियस इर्रेगुलैरिटीज करते हैं, उनकी तरफ आप का ध्यान ही नहीं जाता है और जो रिफॉर्मेशन की जाती है, उस पर आप अमल ही नहीं करते हैं। इस तरह की चीजें नहीं होनी चाहियें और इन की तरफ आप का ध्यान जाना चाहिये।

जापान का जो डलीमेंशन आया था उस ने जो रिपोर्ट दी थी उस की तरफ भी मैं आप का ध्यान दिलाना चाहता हूँ। उस ने अपनी रिपोर्ट में एक स्थान पर कहा है :—

"The average annual sales of industrial cooperative societies, as estimated from the Appendix of the Report of the Working Group quoted above, are 29,000 rupees in the case of handloom weavers' societies, 2,600 rupees in the case of palm gur societies and 5,800 rupees in the case of others. Divided equally among members of societies, the per capita sales come out only to 250 rupees for the handloom weaver, 35 rupees for the palm gur maker and 150 rupees for the member each of other societies. Since these figures include those for service societies, they cannot be considered to indicate the incomes of members. Nevertheless, when we take into account the fact that production societies account for the majority of the societies, it must be admitted that the sales are very small."

अगर फी मेम्बर २५० रुपये का ही एक साल में व्यापार हो सकता है तो क्या कुछ एक आदमी को इस से मिल सकता है इस को आप देखें। हैंडलूम के लिए, कोओप्रेटिव्स के लिए आप ने इतना पैसा लोगों को दिया है, इतना फाइनेंस दिया है और सेल का एक बड़ा जाल बिछाया है, बड़ा इंतजाम किया है लेकिन इतना कुछ होने पर भी २५० रुपये फी मेम्बर का व्यापार ही हो रहा है। रा मॅटीरियल वर्ग के खर्च को छोड़ कर अगर इस परसेंट



## [श्री शिवमूर्ति स्वामी]

ही उस को आप नफा दें तो इस का मतलब यह हुआ कि उस को २५ रुपये या ४० रुपये या ५० रुपये हो ज्यादा से ज्यादा साल में मिलते हैं। इतनी तो कनाई पर वह कैसे जिन्दा रह सकता है, इतना अंदाजा आप लगायें। मैं २८ लाख भाइयों के नाम पर जोकि हैंडलूम के काम में लगे हुए हैं आप से पुरजोर अशील करता हूँ कि हैंडलूम बोर्ड का चेयरमैन जोकि टेक्सटाइल का चेयरमैन भी है, इन दोनों पदों को आप अलग कर दें, हैंडलूम का जो चेयरमैन हो, वह अलग हो। जो आदमी हैंडलूम में इंटरिस्ट रखता है, जो घरेलू उद्योगों और ग्रामीण उद्योगों में विश्वास रखता है, ऐसे व्यक्ति को आप इस का चेयरमैन नियुक्त करें। अगर आप इन दोनों को मिला कर रखते हैं, तो काम ठीक तरह से नहीं चल सकता है। आज हैंडलूम और टेक्सटाइल में एक कम्पीटिशन सा चल रहा है। आप देखें कि अन्दरूनी तौर पर हैंडलूम के बारे में कैसी पालिसी चल रही है। यह ऐसी पालिसी है कि हैंडलूम पनप नहीं सकता है, इसकी तरक्की नहीं हो सकती है। मैं आप के सामने एक उदाहरण रखना चाहता हूँ। जो डिस्ट्रीब्यूशन आफ यार्न है, उस को ही आप देखें, कैसा यार्न हैंडलूम को दिया जाता है, इस को आप देखें। जो बिल्कुल खराब कपास होती है, जो अनस्टेपल कपास होती है, उस को ले कर जो धागा या यार्न बनाया जाता है, उस को हैंडलूम के लिए रिजर्व किया जाता है और जिस काउंट के यार्न की वीवज को जरूरत होती है, जिस काउंट का यार्न वे डिमांड करते हैं, वह उन को नहीं मिलता है। इसी तरह से रा मैटोरियल जो इम्पोर्ट किया जाता है, उस में भी बहुत ज्यादा पक्षपात से काम लिया जाता है। यह तरीका नहीं है काम करने का। इस तरह से गरीब बच नहीं सकता है। रा सिल्क आज जो आप इम्पोर्ट करते हैं, उस में भी बहुत सी शिकायतें सुनने में आती हैं और बहुत सी गलतियाँ की जाती हैं। रा सिल्क का डिस्ट्रीब्यूशन और यार्न का जो डिस्ट्रीब्यूशन होता है, वह पक्षपातपूर्ण होता है। इस से

उद्योगों को बहुत धक्का लग रहा है। मैं यह नहीं कहता हूँ कि आप रिजर्व के तौर पर पैसा कम दे रहे हैं। आप बहुत पैसा दे रहे हैं, अधिक से अधिक पैसा आप खादी और हैंडलूम पर खर्च कर रहे हैं। लेकिन इन पैसों से ही ये उद्योग जिन्दा नहीं रह सकते हैं। हम आपका पैसा भी नहीं चाहते हैं। हम चाहते हैं कि माँग आप हमारे लिये हमेशा के लिये रिजर्व कर दें। कोई भी क्षेत्र हो, आप हमारे लिये हमेशा के लिये रिजर्व कर दें। जब तक ऐसा नहीं होता है, ये उद्योग जिन्दा नहीं रह सकते हैं। आपका पैसा बरबाद होता जायेगा। जो एक्जुग्रल वर्कर है, जो काम करने वाला है, जो हैंडलूम पर बैठता है या जो चर्खा चलाता है, उसको फायदा नहीं हो सकता है। इसी तरह से अगर आप पैसा खर्च करते गये तो जो वीव की ऐजेंसीज हैं, खादी मंडार हैं, जो बड़े बड़े चलाने वाले हैं, उनकी पर-वरिश आप भले ही कर ल, गरीब का हित नहीं हो सकता है। २५० रुपये फी मेम्बर अगर आप सालाना बेचते हैं तो इसमें कैसे उस गरीब आदमी का पेट भर सकता है। हैंडलूम या खादी बोर्ड को आप स्नून फीडिंग ऐजेंसीज न बनायें, खाना खिला कर इनको आप जिन्दा रखने की कोशिश न करें। खादी और हैंडलूम तभी जिन्दा रह सकते हैं जब आप इनके लिये एक क्षेत्र निश्चित कर दें और अच्छी से अच्छी क्वालिटी और काउंट का यार्न दस परसेंट या बीस परसेंट या पच्चीस परसेंट हैंडलूम के लिये रिजर्व कर दें। साथ ही साथ टेक्सटाइल का जो चेयरमैन है, उसको जरूर हैंडलूम से हटा दिया जाना चाहिये।

समाजवाद की स्थापना की दृष्टि से आप कोओप्रेटिव सोसाइटीज की स्थापना करना चाहते हैं। आप चाहते हैं कि कोओप्रेटिव सोसाइटीज हमारे देश में पनपें, इनको अधिक से अधिक प्रोत्साहन मिले। जहाँ पर इरिगेशन फैसिलिटीज हैं वहाँ पर चन्द इंडस्ट्रीज लगाने की जब आपसे दरखास्त की जाती है, तो

आपकी तरफ से रिसपांस नहीं मिलता है। अगर कोई कोओप्रेटिव सोसाइटी बनाई जाती है और आप उसको लाइसेंस दे देते हैं तो भी देखा गया है कि उसको कैंसल करके आप किसी इंडिविजुअल को, किसी बड़े पूंजीपति को लाइसेंस इशू कर देते हैं, या कम्पीटीशन में किसी और को खड़ा कर देते हैं। तुंगभद्रा का जो एरिया है, वह बहुत डिवेलपेड एरिया है और वहां पर गन्ना बहुत पैदा होता है। वहां पर एक सहकारी सोसाइटी, कोओप्रेटिव शुगर फैक्ट्री बनाई गई और छः लाख उसके लिये इकट्ठा भी कर लिया गया और खुशी की बात है कि आपने उसके लिये लाइसेंस भी इशू कर दिया लेकिन छः महीने के बाद ही उसका लाइसेंस कैंसल करके किसी दूसरे पूंजीपति को लाइसेंस इशू कर दिया गया। वह पूंजीपति भी कुछ असे के बाद जमीन इत्यादि बेच कर और प्राफिट लेकर चला गया। नतीजा यह है कि अब वहां कोई शुगर फैक्ट्री नहीं है। इस तरह को जो चीजें हैं, ये नहीं होनी चाहियें। आपको चाहिये कि आप कोओप्रेटिव शुगर फैक्ट्रीज को प्रोत्साहन दें।

मैं यह भी कहना चाहता हूं कि कमलापुर और गंगावती दो ऐसी जगह हैं जहां पर गन्ना बहुत पैदा हो रहा है। वहां से आपके पास लाइसेंस की एप्लीकेशंज आई हुई हैं लेकिन आपने अभी तक मंजूरी नहीं दी है। मैं चाहता हूं कि आप जल्दी से जल्दी इसकी मंजूरी दें। अगर आप ऐसा नहीं करते हैं तो वहां का जो डिवेलपमेंट है, वह बिल्कुल रुक जायेगा।

एक आखिरी बात मैं आयरन और के संबंध में कहना चाहता हूं। आयरन और आप बाहर एक्सपोर्ट कर रहे हैं। हो सकता है कि इतनी ज्यादा मात्रा में एक्सपोर्ट करने के बाद जब हमें उसकी जरूरत महसूस हो तो हमें कमी पड़े। कैपिटल गुड्स के लिये हमें उसकी जरूरत पड़ सकती है। लोहा बनाने के लिये उसकी बाद में जाकर हमें कमी महसूस हो

सकती है। इस वास्ते मेरा सुझाव है कि जहां तक हो सके, आयरन और को आप लिमिटेड क्वांटिटी में ही एक्सपोर्ट करें।

**Dr. L. M. Singhvi:** I am glad that a reference was made by several Members about a certain decline in the momentum that this Ministry's activities have been able to gather. I hope that in response to the demand made by some of us, the Ministry will re-examine and reassess its working so as to find ways and means to increase the tempo of its activities to secure better co-ordination and greater effectiveness. It is in this context that I would, in passing, make a reference to the structural changes in this Ministry. I do not know what validity or justification they have. It appears now that this Ministry has been deprived of its Development Wing. I do not know, and I am not sure at all, whether this would lead to a more efficient functioning of the Ministry and a more efficient achievement of co-ordination within the scheme of this Ministry. I should also like to mention, in passing, that there has been a certain neglect of the activities of this Ministry, although they are of the greatest importance. This unfortunately is also reflected in the relatively little time allocated to this Ministry for the discussion on its demands, although the number of departments and the number of activities covered by this Ministry are about the largest.

I have often asked myself what the meaning of socialism is. I am tempted to put that question to the hon. Minister of Commerce and Industry Ministry today, because I feel that there has been such a conflicting miasma of opinions expressed by responsible people and not so responsible people, which have led this country to a state of chaotic confusion.

Lenin once said that Soviet power plus electricity would equal socialism.

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History has proved that the equation formulated by Lenin had a very limited measure of validity. If I were to frame a formula or equation such as that, I would say that socialism would not be achieved merely by the combination of a nation's power with electricity merely. We have come to know that unless there is technology, unless there are improved standards of living, unless there is a better distribution of economic power, unless there is a reasonable and fair distribution of the nett national product and unless there is a democratic diffusion of managerial and proprietary power, socialism cannot be achieved. But indeed I should like to add to this inventory of ingredients the leavening influence of the approach and spirit of our traditional culture, the approach of sarvodaya. Unless that is there, we really would not achieve contentment and happiness in our society which, after all, is the ultimate goal of any planning.

I should like to add that even if these ingredients are ensured, socialism or a good society, for which socialism has become the semantic substitute, will not be achieved. In this context, I should like to refer to a striking passage from an eminent author and politician who says:

"We may find inspiration in the great secular formulations of our ideals: we may see our task as one of seeking a second time to realise on earth the trinity of concepts, liberty, equality and fraternity, which men put before themselves at the beginning of the modern epoch. It is easy for us now to see how naively it was supposed, a hundred and fifty years ago, that it was only necessary to knock away the old tyrannies in order to realise all three of these ideals in combination. The men of 1798, when they expected to produce Areadia, simply by giving free rein to every form of individualism, produced, in fact, capitalism. In our own century the men of 1917, believing that they

would fulfil the prophecies of socialism, produced the iron-clad regimes of rigid, coercive communism. We live in the period of this double disillusionment".

If I may be permitted to add, we live in an era of a thousand disillusionments, disillusionments which stalk our thinking, which obscure the issues that confront us. I should like to say that we cannot build on these foundations of despair or disillusionments, nor can we allow these daily disillusionments to destroy our ideals. The only achievement we can aspire for and hope for as a result of these disillusionments in the thinking in the last and the present century is that we would have greater realism and would not be guided by an academic controversy between Marshall and Marx and we would not be guided merely by utopian thinking or even by hand-to-mouth pragmatism.

In this connection, I would refer also to the clamouring crescendo of what I may be permitted to call blood-thirsty socialism. That is not at least my conception of socialism. A socialism, an ideology trying to be articulate today is seeking to discredit wholly, lock, stock and barrel, the private sector. It is seeking to create an atmosphere of guilt and connivance, an atmosphere of graft and lack of idealism. It is seeking to make political capital and controversy out of our present predicament. I would think that this is also an unfortunate situation.

I referred in my speech during the discussion last year on the Demands of this Ministry to the fact that there has been an emerging dichotomy between the private sector and the public sector, which is indeed very unfortunate. I would like that this dichotomy should not be permitted assiduously to be fostered by certain interested politicians. It is in the interests of our country as a whole that this dichotomy is not overplayed, is not exaggerated.

The House of Commons have a convention that before they start the proceedings of the day, they offer a prayer, and in that prayer they pray to God, or the Supreme Being to enable them to lay aside partial affections. I hope that, although we do not have the practice of offering that prayer, we would repeat to ourselves every moment of the time that we are in the House that we are able more and more to lay aside our affections, our prejudices, our pre-judgments. This I would say in respect of the present situation concerning the cut throat dichotomy between the private and the public sectors, for this year has witnessed a sustained assault on the private sector as a whole, in the face of which Government has tended to be somewhat indecisive. This display of deplorable indecisiveness has tended to spread a sense of cynicism in the country. I think that more than the super profits tax, more than any measures of taxation you may impose, this sense of cynicism, this sense of onslaught on the whole is more demoralising to the private sector and to its proper functioning within the scheme that we have adopted for our economy.

Added to this, and intensifying this climate, is also the internecine ministerial warfare, of which, fortunately, this Ministry is relatively free. Each Minister seems to stand only for himself, and says things every now and then which not only cast an eye of suspicion on the working of the Government as a whole as an integrated body, but also gives rise to a sense of instability in the political climate of our country.

I should like in this respect to conclude by saying that Parliament cannot wholly be preoccupied with mere particulars, particulars which are prompted and exaggerated by what I may call a mistaken, distorted version of socialism which I call bloodthirsty socialism. Parliament is a body for policy-making, for improving the institutions, and if we must improve the economic functioning of

our country, we must amend the laws, revise the company law, even enact Anti-Trust legislation and see to it that we create objective conditions whereby undesirable things will not happen. But merely to emphasize particulars is not necessarily very rewarding. We cannot merely hope to improve the situation by chanting and reciting in indignant invocation the names of capitalists, whoever they are, but we must resort to proper procedures, to the law of the land, and also to such powers as we have in improving the institutional framework as a consequence of which malpractices, if there are any, flourish. But merely to go at one industrialist or another, only to angrily attack any one who comes one's way or who seems to be getting prosperous, is neither fair nor in keeping with the philosophy that this country has adopted for itself.

I would like briefly to mention the large measure of idle installed capacity in our industries. I had occasion to invite the attention of the Government in this respect during last year's discussion also. I feel that the prevalence of such a large number of lotus eaters in the field of industry, the prevalence of so many idle workless hours in the context of our present emergency and in the context of our urgent need for improving economic standards in this country, is repugnant to the very concept of planning. I hope that the Minister, when he rises to reply, will be able to tell us what particular steps have been taken to identify, to locate, to assess, to study, to eradicate and to put to productive use this vast idle installed capacity in industry.

I would also like briefly to mention the phenomenon of regional concentration of industries and the requirement of dispersal. As the hon. Minister had on one occasion observed, this is a hardy annual. Time and again we have to point out to him that there has been a certain regional imbalance, a tendency to put most of our eggs in a few baskets. In the context

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of the present emergency, this is a matter which has assumed a new importance, a new note of urgency, because to concentrate our industries in any one given place is also a defence hazard. A great deal of work, academic and practical, has been attempted in the advanced countries of the world in this respect, and I would only hope that our Government would be willing to learn and anxious to act in this respect. I refer to the increasing proliferation and multiplication of State sponsored financing agencies. This tendency has been deprecated by our Estimates Committee. In their 122nd report, in this context, the Estimates Committee refer to the working of the NIDC and say:

"The NIDC is stated to have been conceived mainly as an instrument of Government for securing a balanced and integrated development of industries both in the private and public sector. The question arises whether, when Government has been able to launch big undertakings like Hindustan Steel, Indian Telephone Industries, Hindustan Machine Tools, Bharat Electronics Ltd., etc., the NIDC could do anything more or different than what has been done without it. The NIDC is not even in a position to watch the various industrial licences issued to private sector as that is not its function. So far as Steel, Oil and Mines and Communications etc., are concerned they are with different Ministries. The NIDC purports mainly to process certain industries referred to it by the Ministry of Commerce and Industry. What is more, the NIDC has not even the necessary technical staff and it has to depend generally on the development wing to assist it or to engage on an *ad hoc* basis technical advisers for specific projects. It is only when the preliminary project studies are received from foreign firms whose assistance is sought

by Government that the NIDC examines them in detail in consultation with the Ministries concerned. It seems therefore that the idea of NIDC being an instrument for securing a balanced and integrated development of industries in the private and public sector is a little over statement.

The Committee are of opinion that if divested of its function as a financing agency which seems to be its main work now as recommended by them, very little of the other function of development of industries remains which cannot be equally well discharged by the agencies already in existence."

The Estimates Committee maintained this recommendation in spite of the reasons submitted by the Government. Is it not somewhat a superfluous addition to the already existing institutional framework of financing agencies? I would like the Minister to render an explanation.

I would like to add a word about the public undertakings if I may, with your kind permission. This matter has exercised this House again and again and I had submitted resolutions which could not, unfortunately, come up for discussion. When is this Committee proposed to be brought into existence? For once let us know whether the Government at all proposes to bring this Committee into existence or whether Government will continue to be inhibited by imaginary obstructions to the creation of the machinery for supervising and regulating and for effectuating Parliamentary control over public undertakings? He may also tell us why it is not possible to give effect to the recommendation for allowing the public participation in public undertakings to the extent of 25 per cent.

I will take two more minutes and I will close.

**Mr. Speaker:** One minute.

**Dr. L. M. Singhvi:** I welcome the annual report on the working of the

Central Government undertakings for the year 1961-62 which for the first time gives a composite review. But it also indicates that much remains to be done by way of improvement, by way of studying cost structure, securing prompt repayments of loans and advances and ensuring higher returns on the investments. A Personnel Commission as recommended by the Estimates Committee should be created in order to avoid all complaints of graft or nepotism in the employment or recruitment in the public sector undertakings.

**Shri Joachim Alva (Kanara):** Nepotism in the public sector? It is very much less than in the private sector, tremendously less.

**Dr. L. M. Singhvi:** I come from a State which produces salt and I welcome that for the first time the salt undertakings of the Government have become profitable.

I would also like to mention that there are a few things in the implementation of the policies of Government by the Salt Board which ought to be attended to. I am still expecting a reply to the communication which I had addressed to the Minister in this respect, and therefore, I would not dilate upon this. But I do hope that the interests of the local population which derives its sustenance from this would be safeguarded, and that the soda ash plant which is proposed will come into existence very soon.

**Shri Manubhai Shah:** Mr. Speaker, Sir, it was a very satisfying experience to listen to hon. Members when they expressed their general satisfaction on the working of the Ministry in terms of industrial progress and the progress on foreign trade and especially of exports. As a matter of fact, I was rather amazed: I had expected somewhat a fiercer and more pointed criticism and I had come somewhat prepared for that, but I am grateful to the House for having spared those pointed references.

**Shri Daji:** Your charming personality disarms us!

**Mr. Speaker:** Is it a disappointment or an expression of gratitude?

**Shri Manubhai Shah:** It is an expression of gratitude. I am always grateful to the House and feel privileged to clarify the points made by hon. Members after deep study. As the House is aware, the first Plan witnessed, on an average, a foreign trade of Rs. 613 crores. The second Plan raised it to a very meagre figure of Rs. 622 crores, so that over a decade, the whole of the foreign trade, particularly, the exports, was in a stagnant state of affairs. As my hon. friend Shri Daji rightly pointed out, while the world trade expanded all along the line throughout the years, from year to year, and from industrialised country to industrialised country, we of the underdeveloped world and more so in India, had stagnated in exports. It was because of this: the Planning Commission and the Government of India, while formulating the third Plan, corrected their approach to foreign trade and exports, and raised their sights, if I may say so, to a considerable height.

As the House is aware, the average amount for the third Five Year Plan comes to Rs. 740 crores per year or an aggregate of Rs. 3,700 crores for the whole third Five Year Plan period. One would, therefore, see that from a figure of Rs. 613 crores to Rs. 622 crores or an average of Rs. 620 crores a year, to go up to Rs. 740 crores a year, it needs a considerable amount of effort and, yet, I entirely agree with those who feel that even this effort leaves for this great country a very great room, for much further improvement if we are to participate in a real, massive expansion of our economy.

I have always felt it, being somewhat analytical in approach to problems, on economic development, that where there has been some sluggishness—there has been sluggishness in

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many spheres of this country's economic development—the thief is—the foreign exchange: whether it is delay or whether it is—as somebody pointed out—the way the officers look at a licence, whether it is an industrial licence or an import licence or anything else, these officers, conscientious as they are, who are entrusted with the task of public duty and performance, have to see that the meagre foreign exchange resources of this country are properly harnessed and properly utilised. Therefore, even though time is money, sometimes much more time is spent in examining this matter. Therefore, the only solution, the master solution to all these problems of administration, is not merely some body or a high-power body going into an examination as to how to simplify the procedure, but, if I may say so, an earnest appeal from this House, from the Government, to the entire business community of this country including the Governmental apparatus, to further gear themselves to raise export earnings from the country. In spite of the fact that the first two years of the third Five Year Plan have witnessed to some extent a satisfactory progress particularly in the current year we might reach, as many hon. Members have mentioned and which I had also occasion to mention here, some additional Rs. 30 crores to Rs. 40 crores over the previous year—the previous year itself was better than the second Plan—even then, there is tremendous room for further improvement. There is no ground at all for any complacency or satisfaction on the performance of the current year. I know there are many critics in the country who blame us for having put the targets for export to what they consider to be the absurd height or absurd level. I have also been seeing the criticism by leading papers in the country saying the Government or the Board of Trade has put up a colossal figure of Rs. 40 crores a year. When you want to reach Rs. 740 crores every year, the addition of exports

will have to be at the rate of Rs. 40 crores a year. Of course, for a country like ours where there was stagnation, to go consecutively from year to year at Rs. 40 crores more is certainly a big effort. But I am asking those critics, what do they want? Should they consider this country fit enough to go with a begging bowl throughout the world for maintaining its economy or for the promotion of its industrial or economic apparatus or would they consider it more self-respecting and satisfying that the community of the country should be more export-minded, more foreign-trade-minded, so that we can earn our wherewithal for the maintenance and promotion of our economy? These are two answers: either we get satisfied with foreign trade at a stagnation level or mediocre level or we share with the rest of the world the quality of our goods, the securing of better markets, developing trade relations with the different countries of the world and put our house in order, so that we finance our own development and be the master of our economy. I know every person in this country and every Member will prefer the second course. So, howsoever absurd the Rs. 40 crores a year might look, I do not think it is absurd at all. Out of a gross domestic product of Rs. 14,000 crores, which is the current year's national gross product, to export Rs. 740 crores or Rs. 750 crores, which comes to 5 or 5½ per cent of the national income, should not be considered an impossible task. Therefore, I welcome the cooperation and the blessings of the House, which the hon. Members have expressed, that we should make efforts to see that these targets are achieved.

In order to achieve this target and to make still bolder and more scientific efforts, I lay before the House the analysis as well as the types of constructive steps that we have initiated. The first thing is, up till now the foreign trade was working in an ab-

sent-minded groove. It followed automatically whatever was going on. Whatever was sold by us was purchased by foreign people. We did not seem to make any conscious or scientific effort regarding that. Our effort now is to put the foreign trade on a conscious, modern and scientific foundation. In this respect, we have divided the department into three broad divisions. One is the commodity division; the second is the territorial division and the third is the services division. Therefore, the officials who are dealing with the commodity division will specialise for three to five years on that commodity navigation which has been entrusted to their charge. Those in charge of plantation crops and agricultural products will look after plantation crops and agricultural products from year to year, from time to time, for the time they are in charge of that. They will not be bothered with looking after some territories here and some servicing there, but they will be specialising in those commodities.

I come to the territorial division. So far several officers used to deal with several types of countries. We have divided the world into five divisions, one director of foreign trade to look after the region of Latin America and United States, another director of foreign trade to look after the United Kingdom, the European Community and Western Europe, the third director of foreign trade to look after the communist countries, the fourth director to look after Africa and West Asia and the fifth territorial division to look after the countries of Asia and South-East Asia. Therefore, I feel more confident when I see the work of these officials, when they specialise in a smaller range of countries rather than the whole global range, in an overlapping and confused manner.

**Shri Joachim Alva:** Will you be having a conference of these five Directors at least once in a year?

**Shri Manubhai Shah:** Not only we will be having a conference as the

hon. Member rightly pointed out, but they will also be touring these territories, going from here and seeing the Trade Commissioners about whom many hon. Members have complained from time to time, see their functioning, find out what are the deficiencies,—because I am convinced that the Trade Commissioners and other officers are not as bad as they have been depicted in the past but they need to be properly looked after, their efforts need to be properly co-ordinated, they have to be given a proper refresher course or re-orientation by bringing them home-ward once in a while and giving them an idea of the commodities available here, the quality of the goods we produce and the sophisticated markets and the requirements for proper market research—and then do the needful. Therefore, the territorial division also will be specialised.

Then there is the service division. It is true that many of our exports sometimes get bogged down into all these formalities and procedure. Therefore, it will be the work of the Director of Transport, the Director of Incentives, the Director of Quality Control, the Director of Commercial Publicity and the Director of Exhibition to see that these five specialised subjects which have been entrusted to their charge are properly pursued, followed and every exporter is properly serviced. That, Sir, is on the side of administration.

I will also here say a word about the business commodity. Here is a country with the lowest foreign trade per capita, as I mentioned, and it has the largest number of exporters in the world. Here is a country with the largest number of exporters but with the smallest foreign trade. That is the anomaly, that is the dichotomy, that is the paralysis to which we have brought the country over the last 20 years. Because of past inheritance of a medieval economy, feudal economy the business mind was not attuned to the scientific and progressive outlook which specialisation demands as far



[Shri Manubhai Shah]

as foreign trade and industrial development is concerned.

Therefore, I would urge that we should have more competent exporters. It is not in a fit of absentmindedness that you can sell tea. The world is far more competitive. Unless we produce the right type of tea, pack it well, make it presentable, acquire a proper market outside, we will not be able to maintain these types of export markets or expand them. In the case of jute, it is not merely raw jute or the worst types of sacking parcels that you can sell. You can diversify it into various products and then you can get 25 to 100 per cent more per unit in terms of foreign exchange if proper specialisation is done. Therefore, my appeal to the business community is that as they have stood by the country in the programme of industrial development through the last decade and in many other matters, the time has now come when the country's call to put foreign trade and exports on a more conscious scientific basis is taken up in right earnest by them, by specialisation, by opening export houses, by having export divisions or export cells, whatever they prefer. If the industrial organisations, some 200 or 500 of them, take foreign trade as a special passion for their organisation, I have no doubt that what Japan has done or what the United States, the United Kingdom and other countries have been able to achieve is not beyond the competence of the Indian businessmen.

Then, I would place before the House an analysis of products—commodity navigation, as I call it. What has been the performance in the current year? Out of Rs. 700 crores—it may be Rs. 695 crores or Rs. 705 crores, whatever the total comes to in the current year—there are 20 commodities which have shown very good increase. They are: jute, tea, sugar, oil cakes, vegetable oil, pulses, tobacco, raw hides and skins, coir and coir products, iron ore, handloom and

khadi including silk and wool, rayon fabrics, engineering goods, chemicals and plastics, mica, bauxite; finished, polished, set and un-set diamonds, precious stones, pearls and jewelleryes, tufted carpets and handicrafts. These 20 commodities play a very principal role. Most of them are traditional; some of them are new and manufactured articles. They have shown a considerable rise. They have really stood by us to contribute to this increase in spite of a few more products, to which I will come later, which have showed some decline. They have not only neutralised the decline but they have also given us some additional performance.

I shall now take the 20 commodities one by one. The hon. Member from West Bengal mentioned that the jute industry is not progressing as satisfactorily as he wanted.

I think there is some misconception in his mind. As a matter of fact, jute has recorded the highest production and highest rise in export in the current year. The modernisation of the jute industry in India is to the credit of the jute mills of this country. The spinning plants have practically been modernised. It is in the sector of weaving and diversification that only 50 per cent modernisation has taken place. And I would urge the jute mill friends that they should go in for greater and greater diversification so that instead of banking only on sacking we should go towards hessian, we should go towards carpet backing cloth, we should go towards tufted carpets and various other products like plastic, laminated or polythene lined bags or polyvinyl chloride lined bags which contribute much more to the export earning of jute goods than heretofore.

**Shri Joachim Alva:** I hope he will excuse me for interrupting him. As the hon. Minister knows, huge amounts were placed at the disposal of the jute mills through a finance corporation. Has substantial modernisation taken place after the loans have been granted?

**Shri Manubhai Shah:** Yes, Sir. We have distributed, as far as I remember, Rs. 17 crores or 18 crores and almost hundred per cent modernisation of the spinning department has taken place, about 50 per cent of modernisation of weaving department has taken place, and I will be glad to inform the House that recently we have announced a self-financing scheme for the expansion of the jute industry both for the spinning and the weaving sectors for building or putting broad looms, and we have approved a loan of Rs. 6 crores for this purpose, of which the first Rs. 2 crores are about to be allotted and distributed for importing various machinery for the expansion of jute. What I wanted to say was this, that this is an industry which is really one about which one can very well say it is like the goose that lays the golden eggs. It has the highest record of export performance and it is going to stand by us for many many decades to come.

Here I would like to make an announcement on jute prices, because that is a matter of concern expressed in this House. As a result of the price support operation, we have now been able to build a buffer stock of raw jute to the extent of about 750,000 bales, in addition to the normal stocks purchased by the industry which is over 50 lakh bales. As the demand for jute goods abroad and in the country has continued in an expanded manner, the jute industry has been able to register production at the maximum level. Our requirements of raw jute now are at the level at which full production and further expansion can be maintained.

Taking a review of the position, the Government of India has decided that the buffer stock operations and purchase operations by the State Trading Corporation and the Agricultural Co-operative Marketing Federation should continue, and the operational price of Rs. 30 per maund f.o.r. Calcutta for Assam bottoms should be maintained for 1963-64, i.e., at the same levels decided upon for the current season,

1962-63. Corresponding differentials for the lower grades of jute would also continue. The jute industry is now producing proportionately larger quantities of better quality fabrics for carpet backing cloth and hessian but on cloth sacking we are facing severe competition from Pakistan, whose mills can draw raw jute supplies at lower prices. In the resultant position, the jute industry would require a larger quantity of better quality jute to make better quality goods. Therefore, I would request the jute growers, whom we want to give unqualified support, to go in for superior and better variety jute more and more and the lower and inferior varieties and bottoms and cross bottoms should be grown less and less, because if we want to stand in competition with Pakistan and other competitors in this field, it is greatly by being more quality-conscious in the production of jute, and we are prepared to give them all the price support.

**Shri Sinhasan Singh:** The price fixed for jute is f. o. r. ....

**Shri Manubhai Shah:** I will finish this and then answer questions, because this is an important announcement.

It is, therefore, necessary to discourage the growth of lower quality jute. It is also necessary that lower quality jute is not passed off as better quality jute, and for this purpose the grading arrangements should work satisfactorily. Therefore, the Agricultural Marketing Adviser of the Ministry of Food and Agriculture will be instituting grading operations very soon to give benefit in grading techniques to the growers.

At present, the differential between the price of Assam bottom and B bottom is Rs. 2 per maund and the next additional difference for cross bottom is Rs. 3 per maund; that is, Rs. 5 below the price of Assam bottom for the lower grade. We are not disturbing these differentials for the present.

[Shri Manubhai Shah]

Here I would certainly urge that in order to get the better price the jute growers should try to grow better variety so that we can give them the full benefit of it. Over a longer period, we should be able to arrange supplies of large quantities of better quality seed to farmers, who would otherwise grow lower grade of jute. For this also, the Ministry of Food and Agriculture is instituting new measures so that better seeds will be available to the farmers and growers of jute, as early as possible. I only mentioned about jute because there has been a considerable anxiety expressed.

**Shri Indrajit Gupta** (Calcutta South West): This is a very important policy announcement which the Minister has just now made, as he promised a couple of day ago. In case it is not being released to the press,—I do not know—will you please arrange for this portion of this policy announcement to be circulated to the Members? This is very important.

**Shri Manubhai Shah:** We will arrange.

**Mr. Speaker:** That would appear in all the papers.

**Shri Indrajit Gupta:** One question only. May I take it that he does not share the apprehension of the jute mill owners which they have been expressing recently that the best period of jute manufacture and exports is over and they are fearing a recession very soon?

**Shri Manubhai Shah:** We do not share that pessimism at all. In this country there is far too much pessimism. We need to give a little dose of optimism to many people including the jute mills. I know they are doing their best. I have already expressed my appreciation of their work in the current year and for the expansion they have undertaken. But, we have to take care of the growers also. Without standing by the growers, better quality of jute will not be

available to the jute mills. I will certainly arrange to circulate copies of this announcement.

**Shri Sinhasan Singh:** What price is going to be paid directly to the grower?

**Shri Manubhai Shah:** Thirty rupees, the derived price will be there according to railway freight etc. Thirty rupees which was the current price is being maintained for the next crop, 1963-64, Assam bottom, delivery F.O.R. Calcutta. The differential for cross bottoms and B bottoms I have already mentioned.

I will now pass on to tea. Tea has done very good work in the current year, 1962-63. We have released in all about Rs. 9 crores in different ways in order to promote the growth of better tea, to supply artificial irrigation facilities, to give them hire purchase loans for machinery, and certain working capital for finance for tea growers. I can assure the hon. Lady Member Shrimati Akkamma Devi that as far as the small growers in Nilgiris, Punjab, U.P. and Kerala are concerned, they are our special care and whatever are her suggestions, we will take them into further consideration to extend them the benefits. I am glad that she considers the steps so far taken as quite satisfactory, and I am grateful to her for the appreciation of the working of the co-operative factory which was started recently in the Nilgiris. A similar factory is going to be started soon in the Punjab and also we shall see, if a second factory is necessary in the Nilgiris.

**Shri D. C. Sharma** (Gurdaspur): At what place?

**Shri Manubhai Shah:** That would be in the Kulu valley, wherefrom Shri Hem Raj comes.

**Shri Hem Raj:** It has not yet come.

**Shri Manubhai Shah:** It will come there; don't worry.

I was saying about tea. Tea has been a good producer. There is need for further tea exports to be increased. I am, therefore, glad that Shri Morarka mentioned how the removal of export duty has been beneficial to tea exports. There have been many representations in this behalf. I can assure the tea planters that their interests and the interests of export promotion in tea are very much in our heart and any constructive suggestion made in order to reduce the cost of production of tea will be taken into immediate consideration.

**Shri D. C. Sharma:** Tea, growers, there are many in the Lok Sabha.

**Shri Manubhai Shah:** That is a good thing as this is a vital industry to this country. As the House knows that help in larger quantities of fertilisers, pesticides, and better facilities of C.T.C. production of tea have been extended and will continue to be extended.

The third item which has played a part is sugar. In this matter, at one time, it was distress sale which we were making. In the current year, due to the world situation, this has become a profitable export. There will be hardly any need for subsidy in the current year. We are now taking steps, as was announced the other day by the Minister of Food and Agriculture, to put sugar export on a permanent long term basis. Today, we have contracted for more than 4½ lakh tons in the current year. It may be we might go to half a million. It will be our endeavour in the next 3 or 4 years, to go from 5 to 7½ lakh tons and might be up to 1 million tons and when our production goes up considerably, we might be able to secure world markets for this rising quantity.

About oil cakes, the hon. Member from Gorakhpur mentioned, why give away oil cakes? The House will be glad to know that in the current year, we have earned Rs. 30 crores from oil cakes. It has stood by us. It is

after meeting the country's requirements that we are exporting it, and this cattle feed finds a world market elsewhere. Various countries which have got a surplus are competing with us. This should really receive the support of the House. I can assure the hon. Member that it is not being done at the cost of either cattle wealth or agricultural wealth. The more and more we produce better quality which fetches a better price, it will help us to earn more foreign exchange and increase the production of oilseeds because it leads to better price for oilseeds to the grower.

Then come vegetable oils. At one time we were thinking that we had lost the world market, but now we are recouping, and this year, the performance on vegetable oils has been good, and perhaps during the next year, we may witness still better improvement.

Pulses have also contributed greatly, and we hope that they will continue to do so.

18 hrs.

Tobacco has given us good results. During this very year or current year, we have announced a new policy. We have already notified the floor prices for different types of flue-cured and Virginia and semi-flue-cured tobacco, and that has created a very great satisfaction in Andhra Pradesh and various other places where the Virginia tobacco grows, and it has contributed and it is likely to contribute more during the next year.

Then, in regard to raw hides and skins, even though they have registered larger export, I am sorry to say—when I come to the other items which have been losing, I shall deal with this—the finished leather, due to the requirements of the defence and the emergency and also the anti-slaughter legislations, has registered less production; that has reduced the availability of hides and skins in the country, and, therefore, while raw hides and skins have registered an increase, the finished leather has rather gone down.

[Shri Manubhai Shah]

As regards coir and coir products, I have dealt with them several times in the House, and I do not want to take more time of the House, but we are going towards mechanisation, which was pointed out by the hon. Member from Kerala. One-third of the matting sector and the weaving sector in coir is being mechanised.

As regards iron ore, one can say that it is really the queen of our export trade. We base great hopes on iron ore. We feel that currently we have exported about 10½ million tons from our country including Goa this year; in the next year, it might be rising to about 12 million tons, but at the end of 1970, we propose to go up to 25 million tons or even 30 million tons, if the world market booms. Here, I must utter a word of caution for my hon. friend from Mysore, who asked 'Why do we export iron ore?'. We have clarified this point many times in this House. We have over 100,000 million tons of iron ore. Even if we put the biggest size of steel industry in this country, as compared to the rest of the world, for hundreds and hundreds of years, this ore is adequate for us, and yet we can always supply for the other markets to earn the much-needed foreign exchange. Therefore, I would submit that it is done with great care, foresight and wisdom. It is not as if we are creating some competitive capacity. If we do not give this iron ore to others, there will be other sources which will supply to them, and so, in any case, the establishment of capacities abroad is not at all dependent on the supply of iron ore from here. Therefore, we have got to compete in these world markets, and we are taking all steps for the development of iron ore exports. I shall have another opportunity very soon to place before the House, either during the current session or during the next session our forecast or prognosis of the foreign trade in iron ore and what steps we are proposing to take, under the development programme by investing

about Rs. 200 crores to Rs. 250 crores on capital investment on road, on improvement of ports, on improvement of handling facilities and improvement of railway and expansion of the railway system in order to help in the movement of 25 million to 30 million tons of iron ore.

The eleventh product was handlooms and khadi which have also shown good progress. I am grateful to the hon. Member from Madras who mentioned about 'Bleeding Madras'. It has now stabilised itself, and every month, we are almost able to export 1½ million to 2 million yards, and it is almost registering a phenomenal rise.

Rayon fabrics have also registered good progress. Engineering goods though not too good, have shown about 20 per cent. rise if we exclude iron and steel. It is in the sphere of the future of the Indian manufactured products that we look upon engineering products to contribute substantially in the coming years.

Chemicals and plastics have also shown some rise.

Mica and bauxite have indicated some rise, but there is a greater possibility in mica. As far as bauxite is concerned, we might increase the quantities but not too much, because we need bauxite for our own aluminium industry in the country.

Finished and polished set and unset diamonds, precious stones, pearls and jewellery is a very important item. This is a trade in which the Indian traditional artists and artisans and craftsman in Rajasthan, Jaipur, and Cambay and Mettupalayam in Madras and U.P. and various other parts of the country are very finished polishers and cutters of the diamond. This year we might be earning about Rs. 8 to 9 crores from this item. I might inform the House that Japan earns more than Rs. 150 crores out of this, and Israel which has developed this industry recently earns about Rs. 45 to 50 crores. So, there is no limit to which we can

reach, if we give the proper attention to this.

**Dr. L. M. Singhvi:** But we cannot make or sell ornaments now, until you frame necessary rules and provide relaxation.

**Shri Manubhai Shah:** This is not gold ornaments. This is non-gold jewellery. The hon. Member will note that there are two different things; gold jewellery and non-gold jewellery. The one about which I am talking relates to diamonds, pearls, rubies, emerald, etc. which are cut and polished and then put in platinum and palladium and various other non-gold jewellery.

For gold jewellery also, I am going to announce a scheme very soon before the House. We have finalised a scheme under which 22-carat gold jewellery as well as 14-carat gold jewellery and also lower than 14-carat gold jewellery will be allowed to be exported with a proper promotional assistance and supply of various other types of things required for gold jewellery and various other things. But that will be after some time, after, may be, a few weeks.

As regards carpets, at one time it looked as if we were losing our markets. But the situation today is so good, particularly in the last four or five months, after the new drill came into operation, that I was told by my friends from Bhadoi, Mirzapur and Kashmir to open some training schools for carpet weavers because they are finding that the traditional carpet weavers are too short in number. We are starting four or five schools, one at Agra, one at Bhadoi, one in Mirzapur and one in Srinagar, for training artisans and giving refresher courses to existing weavers in handloom carpets in the country, so that greater production of carpets could be effected for furthering our export.

Then there are handicrafts which include art or metalware, various types of jewellery articles, which include ivory articles made of wood and

so on. All these have also registered good progress.

There are five items which have been stagnant—cashew, spices, fish and fish products, fresh fruit, preserved fruit, seedlac and shellac. These items have great export potentiality, but due to several reasons, may be world conditions, may be some lack of attention on our part and some lack of production, they have not registered an increase, though in a small proportion there might have been an increase or decrease. These are five items in respect of which we have to work harder to see that they are taken out of their sluggishness in order that they contribute more to our exports.

The losing items are 9—cotton textiles, manganese ore, ferro manganese, steel scrap, raw cotton, raw wool, cotton waste, coffee and finished leather. I will give a little background of each of these items. As the House is fully aware, in the case of cotton textiles, various reasons are there due to which there has been a decline over ten years. Due to various efforts, we have been able to stone-wall the decline. But I am not yet sure that without many extraordinary efforts at diversification we can really increase that export. Therefore, we are studying an export sector of textiles to see that those 20 mills which were proposed in the Third Five Year Plan come up as soon as possible. We also propose to have certain extra spindles for export of yarn to the South-East Asian markets which are putting up their weaving industry, and where yarn exports had in the past been a good foreign exchange earner.

The House is fully familiar with the situation. I would not strike a note of despondency. But I do feel that it is no use putting all our eggs, so to say, in one basket and believe that the old days of textile expansion would be available to any country.

**Shri Deorao S. Patil (Yeotmal):** Will the Minister announce that the floor price of cotton will remain unchanged for the next year?

**Shri Manubhai Shah:** I will mention that also.

We have to make better efforts at diversification. In future, we are really going to present a packet of all textiles in our statistics because the world is now not remaining only cotton-minded. There are man-made fibres, synthetic fibres, artificial silk, there is raw wool there is mixture of various types of yarn. Therefore, the world having got sophisticated does not use only cotton textiles. So it will be correct to judge this industry and its performance by taking the entire gamut of textiles, man-made and natural fibre, and fabrics or articles or garments made of them which we can export to deal with the situation better. But as I said, in textiles, so far we have been able only to stall the decline.

Regarding cotton prices, on the whole the prices have remained round the ceiling. I am going to announce floor prices of cotton very soon, perhaps this very week or may be the beginning of next week. We have taken into consideration all the representations received from the growers' interests and I can assure the growers that if they really begin in a more quality-minded way, we have better prospects. The price of Indian cotton today is higher than the highest in the world. It is impossible to have better prices than this, because it merely prices the Indian cloth out of the world market. Our cotton is higher in price than that of any competitive country, barring the U.S. which of course has a high-cost economy where everything is so expensive. Even there, in the case of some varieties, our prices are higher than those for the corresponding U.S. staple.

Here I would make a request to hon. Members. It is not only that higher prices will lead to more production, but better farming practices, better seeds and better fertilisers are also required to see that our cotton is not priced out, to see that the finished

articles made out of our cotton do not become completely expensive and get priced out in world markets and also make our cloth more expensive for our own consumers.

**Shri Joachim Alva:** The brokers also put up the price.

**Shri Manubhai Shah:** The growers are getting market-conscious, and many agencies have been shortened out. If he goes into it, he will find that the growers are getting really favourable prices compared to the past. I will be announcing the floor price very soon as soon as the finalisation is done.

Regarding manganese ore, there has been a decline, and recently we have announced a new policy of bartering manganese ore against steel. We have sold more than Rs. 9 crores worth of manganese ore in advance against barter, and we would welcome from the trade, both the mining as well as the export trade, any other suggestions on barter of manganese ore against special steel, and try to process them as early as possible. I would ask for the co-operation of the manganese mines, because they have to compete with the best in the world. Gabon, Congo, Brazil, Soviet Union—all these countries produce manganese ore now at almost 60 or 50 per cent of the cost of production of this country. Our cost comes to 19 or 20 dollars a ton, whereas in Gabon it works out to 10 or 12 dollars. How can we compete? Therefore, unless and until the mines join together where they are small and modernise themselves with whatever assistance they need from the Government and the industry, we will not be able to survive the competition. We are with them, i.e. our miners, and we shall see to it that we at least maintain our traditional market of one million tons. At one time it reach 1.7 million tons, but that was under special circumstances. Usually the export of manganese ore has remained at 1 to 1.2 million tons. We can maintain

that market in spite of the new competition which has been growing in the last few years if we modernise the mines and work on better marketing facilities.

But in ferro-manganese we have lost severely. Practically against Rs. 7 crores, we have earned only Rs. 70 lakhs this year, because ours is the highest price in the world, 165 dollars per ton when the world price is 105 to 110 dollars. In the current year, we may be able to export under CCC barter to the United States, which might make this industry look up very soon and be able to sell a substantial quantity of ferro-manganese abroad. Over and above that, we are also trying to work out some barter.

Steel scrap is another item in which we have lost. A new policy has also been announced. Price control has been removed and barter against 100 per cent steel is being permitted. We are watching if any further impetus is required to see that it is expected. Here, our only difficulty is that Japan which was the sole buyer of steel scrap has a sort of recession in its steel industry, and therefore the offtake in both iron ore and steel scrap by Japanese steel mills has considerably gone down.

In raw cotton, there was a failure last year in the crop, which came down from 52 to 43 lakh bales. We ourselves were short of cotton, and therefore naturally we could not export much of our raw cotton.

**Shri Deorao S. Patil:** That is due to the cotton policy.

**Shri Manubhai Shah:** There was failure of monsoon. Year before last we had a bad crop. The same policy has produced 52 to 53 lakh bales, the prices have remained the same. If the price was responsible, with the same fiscal policy and price structure why should it be 43 lakhs in one year and 53 lakhs the next year. It was because of monsoon failure. Therefore, we could not export Bengal Desi.

In regard to raw wool, because of defence requirements, it had to be diverted. Therefore, one should not feel unhappy if to some extent the export has fallen.

In coffee, last year we had lost about 25,000 tons in production because there were floods in some South Indian plantations and failure of crop, but this year coffee crop and cotton crop, both are promising and we are looking forward to earning much more from this commodity.

**Shri Rameshwar Rao (Gadwal):** I had drawn attention to a disease called die-back which has been affecting coffee plantations all over the country. Nearly a year ago I had said this was going to affect our export of coffee unless sufficient care was taken to see that the disease was rooted out. I would like the Minister to state what steps were taken.

**Shri Manubhai Shah:** I am very grateful to him for having pointed it out. That is being tackled by biologists and botanists. It is not quite simple. But it has not been found to be as widespread as he feared. The crop failure last year was due to failure of monsoon and flooding of the plantations. This year again the crop, both Arabica and Robusta, has looked up, and that shows that it is not the disease that is coming in the way. All the same, it is a serious matter which we are looking into, and I can again reassure him that we are not at all inactive on that point, because wherever pesticides, insecticides or germicides are required, they will be supplied and the disease will be tackled. After all, coffee is one of our very important plantation crops and we have to look after that.

Of the nine items I mentioned, barring three, we look forward to the rest of the six contributing larger exports during the current year. Now, I will go over, after this analysis of the commodities, to the servicing section. The Finance Minister has announced certain reliefs in income-tax which is



[Shri Manubhai Shah]

almost ten per cent of the corporate tax for manufacturer-exporters because we have written it in the manner that two per cent of the export sales turn over will be exempt from the income-tax and corporate tax. Really speaking it works out to ten per cent over and above the five per cent which the hon. Finance Minister was pleased to announce last year. Therefore, manufactured articles which go into the export trade mentioned in the notification, excluding those few items, all the rest, will get a tax concession of fifteen per cent in the income corporation tax. The Finance Minister has also allocated Rs. 3.80 crores for building a non-lapsable fund called the "Marketing-Development Fund". It will be augmented from year to year by grants from the Consolidated Fund of India. We shall evolve expeditious procedures. A small compact committee of three persons headed by the Secretary of the Economic Affairs Department and consisting of the Secretary, Revenue Expenditure Department of the Ministry of Finance and the Secretary Department of International Trade will be announced by the Government to process applications and to see that the fund is expeditiously and properly used; they will prepare codes for grant-in-aid and evolve expeditious procedures so that marketing operations, market research, commodities research, area surveys, etc. could be encouraged with governmental assistance. Considerable amount will be spent. We may be able to allocate about Rs. 75 lakhs for market research, commodity research and area surveys, about a crore for freight assistance through shipping and about Rs. 210 lakhs by way of assistance to export promotion councils, commodity boards and cash assistance in such cases where the commodity needs it. We hope this committee will be able to come into operation soon and its working will be streamlined. The complaint of friends that processing takes time will be

obviated by files not going up and down but by the committee focussing its attention on the codification of the rules of assistance and grant-in-aid to the deserving exporters, export promotion councils and export houses as soon as possible.

I am grateful to the Railway Minister for announcing a number of concessions on the railway freight for exports. Were our Ministry can prove in the Railway Ministry in consultation with trade that there is great disparity between international and internal prices of commodities they will be considered for 50 per cent reduction in freight; where the disparity is not so wide the concession may be 25 per cent. About Rs. 2.5 crores have been given by him as a concession during the current year. As and when the trade puts further proposals we shall go to the Railways to get the 25 per cent or 50 per cent concession in railway freight from hinterland to the port. These are some fiscal and other incentives.

All incentives do not make exports. They are a marginal form of assistance that the community can give. The businessmen concerned, those who have developed expertise in exports, it is really they who have got to cushion their internal profits for supporting the losses in foreign markets. This is a plea which I make again and again and I repeat it from this platform to the experienced businessmen of my country; they should take this patriotic step they get big profits because of the sheltered market, not only due to their efficiency of management. Not only because they were some very big entrepreneurs by themselves—there are good entrepreneurs—but it is due to the social and economic policies of this country that they are getting this sheltered market as we want to develop this economy against the severe protection of the foreign commodities. But that does not mean that we must become so inward-looking, that we must become so profit-minded, that we forget

the larger national interests of earning more foreign exchange even at a loss. And where is the loss? The loss is easily cushioned off by the profits they are making in the internal market. This has been done everywhere in every country in the world including those countries where there is a totalitarian economy. I have had a talk with the "Conjugation", a foreign trade institute, specialist of the Soviet Union, who tells me that even they have to see that the price differential on the international price is cushioned off by the price differential on the internal market. This is the policy.

**Dr. L. M. Singhvi:** Why don't you make a provision for compulsory export in that case?

**Shri Manubhai Shah:** That is a matter which we have deliberated several times, and I would not just take that matter here, and that involves several considerations of international practices and international complications and all that. But why cannot we volitionally and by choice, by understanding and patriotism of their own national interests, the business community, and our administration and our public thinkers and economists and newspapers and publicists become more attuned to bring home to the entire community of business and administration that they have got to take this problem as a national task, on a long term basis, without which there is no solution of the Indian economic problem? It is in their hands. A big house, making Rs. 2 crores, Rs. 5 crores or Rs. 10 crores of profits, if it suffers Rs. 20 lakhs or Rs. 40 lakhs as loss on export commodities, is it a foolish proposition that we are putting before them? Given all these concessions, and with the foreign exchange placed at their disposal, do they not have to earn any foreign exchange and do they expect that all the time Government will just grant them earned out of exports of all the traditional commodities without performing their duty to the nation and the community! There-

fore, it is time that the business and the industry realise that they should create a new sensation, a new morality in this country.

Sometime back, I had written an article on that—the new morality of export. That is, the businessmen of this country the commercial community of this country, the entire industrial enterprise of this country, become outward-looking, foreign trade-minded, export-minded, to put their house in order to see that each one of them does perform his national duty to the nation by earning foreign exchange in a considerable way, at least to finance their enterprise. It may not be possible for us to go all over the world for big money. How long and how much will the people give? And as we go ahead, our imports are going to be Rs. 1,000 crores, Rs. 1,500 crores and Rs. 2,000 crores. Where shall the finance come from? It can and would come from foreign credit or tied credit to an extent only. But these credits must be serviced and financed by the country's own export earnings. Therefore, it is my appeal to them.

Now, there are some techniques and policies that we are going to institute. We have already instituted, first, quality control. There has been enough talk in this country about quality control. We have brought out a legal measure; a few days back, with your permission, I had introduced the Quality Control (Inspection) Bill before the House. Very soon it will become law. From 1st January, 1963, we have instituted quality control, and up-to-date, 39 products have come under quality control. The business community was fearful of quality control at one stage but they have now appreciated it. Quality is not only a good moral; it pays our economy. Once the foreign buyer is assured that what he buys from India could always be relied upon, the adherence to the sample of the Indian enterprise will be the same as was in the time of our forefathers in India, the price realisation could be higher.

[Shri Manubhai Shah]

Our merchants used to sell their commodities and goods across the seven seas. See the history of the sixth or the seventh century. Let some friend read what Hiuen-Tsang said, what Romesh Chandra Dutt said. The Indian businessman was known throughout the world for his word, for his pledged, honoured word. Once he sent the goods, the sons on the other side, his grandsons, the sons of the Sire, always used to apply the traditional quality goods. In this modern scientific world, with quality control, management control, production control, so many apparatuses behind them, the community behind them, the managerial class and the technologists behind them, it is time that we became more quality conscious. I am sure that with these new measures that we have undertaken quality consciousness will come.

We are going to see that in the programme of all commodities, within three to four years, practically all the commodities which are vulnerable to quality control are brought under operation. Here, I may say a word of explanation. When we say quality control, it is not some standard set in an arbitrary way. It is an export contract between a buyer and a seller. If a buyer wants a little less sophisticated goods or a little less specific goods as long as the sample is adhered to, what the buyer has shown the seller must supply. He must continue to supply the same thing.

I have some experience. I went to the Netherlands some few years back, and I saw a coir product where the original matting was multi-coloured, with highly compact weaving. But when we opened the bales, it was all loose, dull and faint colours. This is what the people do not like. A few blacksheep make the entire herd look ashamed and small. It is, therefore, very necessary that the community itself became quality-conscious and enforced its own codes through the legislative powers that we have brought about.

The next thing is the technique of market research and commodity research. Much has been said about this. I may say by way of explanation that more than 239 market research and commodity research reports have been made during the current year. It is not as if we have made no reports. We have had this thing in the past. During the current year much more market research and commodity research programmes have been carried out. Some of the export business houses, commodity boards and export promotion councils have done it. Government itself has done it. Many of the Trade Commissioners send their reports on the countries under their charge. But market research is yet to be put on a real scientific pedestal. We are, therefore, establishing the Indian Institute of Foreign Trade which will come into operation during the current year, in June or July. We have already made provisions for it. It will be on the pattern of the British Institute of Exports or in some respects like the Japanese export trade research organisation called JETRO. In some respects, we have borrowed some ideas about market research and export research from what is called the Russian Academy of Foreign Trade and their exep foreign trade institute called "Institute of conjuncture", which is the highest body in the Soviet Union for all commodity navigation, market research and area surveys. In America, this is a specialised thing. Most of the universities have specialised research bodies and institutes, have come up on foreign trade.

The commercial graduate of this country, the young boy who comes out from the college, must become specialised in the foreign trade. No more can he think that anything will sell. How you sell, how you pack, how you present, how you prepare an inventory, how you make an invoice or voucher—all these make an appeal to the buyer. So, in this competitive world of high quality consciousness

in all these operations, it is very necessary that we should produce foreign trade specialists as well as market research and commodity research programmes. This Indian Institute of Foreign Trade will be a sort of nucleus. We shall also take assistance from our universities and our institutes of commerce and economic growth in the country, by which professors and economists of this country will be brought in a cooperative field in order to promote market research and area surveys here as well as abroad.

Much has been said about market publicity. Market publicity is totally inadequate as it is. I will have some other occasion to mention about it. We are currently discussing with the Ministry of External Affairs, Ministry of Finance and Ministry of Information and Broadcasting in what manner we should energise the market publicity, the publications, advertisements, etc. A certain amount of money from the fund of Rs. 3.80 crores will be allocated for market publicity, advertisements and propaganda. I am amazed to see that the Board of Trade in England produces better and more comprehensive pamphlets on commodities of India and export trade of India than what is done here in our country, whether private or public. That shows the tremendous interest that has grown over the years in foreign countries over foreign trade. So, unless we match up to that, we can never compete in the world. Therefore, it is very necessary that better earlier than later we put our foreign trade on a scientific, conscious and modern foundations, if our foreign trade is to go up,

I have taken much time of the House. I will only say that whatever has been done is quite unsatisfactory or very little. What will have to be done in the future is something which is not only difficult, but I also shudder sometimes where shall we locate this Rs. 40 crores or Rs. 50 crores every year, to keep up the tempo and throw up more and more from year

to year? In that the full cooperation of the business community of this country, of this august House, the constructive suggestions of hon. Members and of the newspaper world is necessary. I would specially appeal to the newspaper world of this country that they should continuously write and urge upon the administration and the business houses to work in close cooperation to promote exports. They should export our industrialists and businessmen to export more and more. This is a national problem, which is beyond the frontiers of a political party or group of interests or private sector or public sector. All foreign trade, whether it is export or import, is a national problem. It is here that the closest cooperation of the newspaper world is required. Let them throw up constructive suggestions. We are all human beings. We are certainly liable to err. But what is wanted is a constructive, positive approach and continuous guidance and haranguing through the Press articles, editorials and comments to the entire business community of this country, so that what Japan could do, what Germany could do, what the Soviet Union could do, what the United States and the United Kingdom could do and what Professor Hallstein says in his speeches that the European Community has been able to do, India should be able to achieve.

Sir, I am not touching the question of the European Community and World Trade today. I have taken much of your time. I shall seek some other opportunity at a suitable time to speak on our policy, which is already known, on the problems of world trade.

**Shri Joachim Alva:** Sir, I would like to ask one question. In regard to tea, it took the first place in the foreign market. Could the hon. Minister in his dynamic and vigorous way tell us whether at least by the end of the Third Five Year Plan, we can get back our position in the world market in tea?

**Shri Manubhai Shah:** What Shri Morarka wanted was a relative position. We are in the first place today in tea export. That first place is no satisfaction to us. We have to grow more tea here at a lower cost and of better varieties. In that direction we have to move. Tea is our second top-most earner. Jute comes first and tea has the second place. Among tea, we are even higher than the rest of the countries like Ceylon or Pakistan, individually speaking.

**श्री तुलसीदास जाधव (नांदेड़) :** अध्यक्ष महोदय, मैं मंत्री महोदय से थोड़ा खुलासा चाहता हूँ। कोटन टेक्सटाईल इंडस्ट्रीज की चीजें बाहर के दूसरे देशों से कम्पीट नहीं करती हैं, ऐसा आप का कहना है, लेकिन देश के कई कारखाने बन्द हैं क्योंकि उनको मॉडर्नाइज करने के लिये जब वह गवर्नमेंट से पर्वानगी मांगते हैं तो उनको उसकी परमिशन नहीं मिलती है तो मैं जानना चाहता हूँ कि उसके लिये गवर्नमेंट ने क्या सोचा है ?

**श्री मनुभाई शाह :** माननीय सदस्य को पता है कि ५२२ मिलों में से १० मिलें बन्द हुई थीं। अब कुछ आदमी बुड़े भी हो जाते हैं

और कुछ मशीनरी रही और खराब भी हो जाती है और अगर थोड़े बहुत कारखाने बन्द भी हो गये तो उससे क्या हुआ ? अब देखना तो यह है कि नई मिलें बन रही हैं, नये कारखाने लग रहे हैं उनको बिल्कुल मॉडर्न बेसिस पर लगायें। तीसरे प्लान में कम से कम २००-२५० नये कारखाने लगने जा रहे हैं और वह बिल्कुल मॉडर्न बन रहे हैं।

**श्री तुलसीदास जाधव :** यह तो ठीक है लेकिन...

**अध्यक्ष महोदय :** अब आज के लिये इतना ही काफी होगा। कल को फिर ११ बजे सुबह मिलेंगे। Shri Rane may present the report.

#### BUSINESS ADVISORY COMMITTEE

##### FIFTEENTH REPORT

**Shri Rane (Buldana):** Sir, I beg to present the Fifteenth Report of the Business Advisory Committee.

18:32 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, April 9, 1963|Chaitra 19, 1885 (Saka).*

[Monday, April 8, 1963/Chaitra 18, 1885 (Saka)]

# ORAL ANSWERS TO QUESTIONS

S.Q. Subject COLUMNS  
No. 8381—8418

759	Ordnance Factory workers	8381—83
760	Barahoti . . . . .	8383—85
761	Industrial Training Institutes in Delhi . . . . .	8385—90
762	Sainik School in J & K . . . . .	8390—91
763	A.I.R. Station at Port Blair . . . . .	8301—92
764	Lok Sahayak Sena . . . . .	8393—96
765	Indians employed in Ceylon . . . . .	8397—8401
766	Purchase of Mules from Cyprus . . . . .	8401—04
768	Raid by Hostile Nagas . . . . .	8404—07
769	Indians in South Africa . . . . .	8407—09
770	Training of armed forces . . . . .	8409—11
771	Mountain Divisions in Indian Army. . . . .	8412—17
772	Employment and guidance bureaux in Universities . . . . .	8417—18

# WRITTEN ANSWERS TO QUESTIONS

S.Q. COLUMNS  
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767	Interest on Provident Fund . . . . .	8419
773	National Highway from Jammu to Kashmir . . . . .	8419—20
774	Agreement with Government of France . . . . .	8420
775	New Army Command . . . . .	8421
776	Exodus of Indians from Burma . . . . .	8421—22
777	Censorship of films. . . . .	8422—23
778	Blueprint for fourth plan. . . . .	8423
779	Code of Discipline in Railways and Defence . . . . .	8423—24

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1585	Indian Cancer Research Centre, Bombay . . . . .	8424—25
1586	Lok Sahayak Sena . . . . .	8425
1588	Notification of vacancies in Orissa . . . . .	8425—26
1589	Recruitment in the Army. . . . .	8426—27
1590	Labour force in Third Plan . . . . .	8427
1591	A.I.R. Transmitters . . . . .	8427

# WRITTEN ANSWERS TO QUESTIONS—contd.

U.S.Q. Subject COLUMNS  
No. . . . .

1592	Settlement of Tibetan Refugees in Orissa . . . . .	8427—28
1593	Transmitter at Jeypore, Orissa . . . . .	8428
1594	Educated Unemployed in Orissa . . . . .	8428—29
1595	Shankar Committee . . . . .	8429—30
1596	Defence Publicity . . . . .	8430—31
1597	Refreshment allowance to N.C.C. cadets . . . . .	8431
1598	Ambushing of a civilian convoy by Naga Hostiles. . . . .	8431—32
1599	Standing Labour Committee . . . . .	8432—33
1600	Aid from European countries . . . . .	8433
1601	Education through television . . . . .	8433—34
1602	Territorial Army . . . . .	8434
1603	A.I.R. Broadcasts . . . . .	8434
1604	Community Receiving sets for Punjab . . . . .	8434—35
1605	Dock Labour Scheme in Madras Port . . . . .	843 5
1606	Industrial units in Madras . . . . .	8435—36
1607	Indian Officers sent abroad . . . . .	8436
1608	Indian intending to visit Israel . . . . .	8436—37
1609	U.S. Secretary of State's visit to India . . . . .	8437
1610	Tenants in Mahe . . . . .	8437—38
1611	Border Road Development Board . . . . .	8438
1612	Sino-Pak Border Agreement issue in Security Council . . . . .	8439
1613	Forged Indian currency carried by Hostile Nagas. . . . .	8439—40
1614	Review of Punjabi books on A.I.R. . . . .	8440
1615	Multi-purpose Institutes at Kothagudam . . . . .	8440—41
1616	Singareni collieries Company . . . . .	8441
1617	National Highways and Border Roads . . . . .	8441
1618	Expenditure on Punjab Hills . . . . .	8441—42
1619	Tamil Artistes . . . . .	8442—43

# WRITTEN ANSWERS TO QUESTIONS—*contd.*

COLUMNS

U.S.Q. No.	Subject	COLUMNS
1620	Film Institute, Poona .	8443
1621	Documentaries for Children . . . . .	8443
1622	Documentary Films on Scientific subjects . .	8443-44
1623	Naval shipyard . .	8444-45
1624	Singareni collieries company . . . . .	8445
1625	Import of parachutes .	8445-46
1626	Supersonic jet fighters .	8446

## PRESIDENT'S ASSENT TO BILLS . . . . . 8446-47

Secretary laid on the Table copies of the following Bills assented to by the President:

- (1) The Delhi Rent Control (Amendment) Bill 1963.
- (2) The Agricultural Refinance Corporation Bill, 1963.

## LEAVE OF ABSENCE . . . . . 8447

Twenty-one Members were granted leave of absence from the sittings of Lok Sabha.

## STATEMENTS BY MEMBERS 8447-63

- (i) Shri Surendranath Dwivedy made a statement regarding certain allegations made in the House by the Minister of Home Affairs against the Praja Socialist Party on the 1st April, 1963.

The Minister of Home Affairs (Shri Lal Bahadur Shastri) made a statement in reply thereto.

- (ii) Dr. P. S. Deshmukh made a statement clarifying his

position in regard to the payment of rent to the Government for the World Agricultural Fair held at New Delhi in 1959-60.

## BILL—INTRODUCED . . . . . 8463

- \* The Bengal Finance (Sales Tax) (Delhi Amendment) Bill, 1963.

## DEMANDS FOR GRANTS 8463-8624

- (i) Discussion on Demands for Grants in respect of the Ministry of Defence concluded and all the demands were voted in full.

- (ii) Discussion on Demands for Grants in respect of the Ministry of Commerce and Industry commenced. The discussion was not concluded.

## REPORT OF BUSINESS ADVISORY COMMITTEE PRESENTED . . . . . 8624

Fifteenth Report was presented.

## AGENDA FOR APRIL 9, 1963/ CHAITRA 19, 1885 (SAKA)

Further discussion and voting on Demands for Grants in respect of the Ministry of Commerce and Industry.

Discussion on Demands for Grants in respect of the Ministry of Transport and Communications.