

MR. DEPUTY SPEAKER : I shall now put all the cut motions to vote unless any hon. Member desires that any of his cut motions be put separately

All the cut motions were put and, negatives.

MR. DEPUTY SPEAKER : I shall now put the Demands for Grants relating to the Ministry of Irrigation and Power, to vote. The question is :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account

shown in the fourth column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending 31st day of March, 1986 in respect of the heads of Demands entered in the second column thereof against Demand Nos. 63 and 64 relating to Ministry of Irrigation and Power."

The motion was adopted.

*Demands for Grants 1985-86 in respect of the Ministry of Irrigation and Power
voted by Lok Sabha*

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 25th March, 1985		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF IRRIGATION AND POWER					
63	Department of Irrigation	29,77,31,000	4,41,34,000	1,31,18,53,000	13,81,71,000
64	Department of Power	38,49,31,000	2,80,76,11 000	1,92,46,60,000	14,58,02,56,000

(ii) Ministry of Industry and Company Affairs

MR. DEPUTY SPEAKER : The House will now take up discussion and voting on Demand Nos. 57 to 59 relating to the Ministry of Industry and Company Affairs for which 6 hours have been allotted.

Hon. members present in the House whose cut motions to the Demands for Grants have been circulated may, if they desire to move their cut motions, send slips to the Table within 15 minutes indicating the serial numbers of the cut motions they would like to move.

A list showing the serial numbers of cut Motions moved will be put up on the Notice Board shortly. In case any member finds any discrepancy in the list he may kindly bring it to the notice of the Officer at the Table without delay.

Motion moved :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the Fourth Column of the Order Paper be granted to the President out of the Consolidated Fund of India to complete the sums necessary to

defray the charges that will come in course of payment during the year ending 31st day of March, 1986 in respect of the heads of Demands entered in the second

column thereof against Demand No. 57 to 59 relating to the Ministry of Industry and Company Affairs."

Demands for Grants 1985-86 in respect of the Ministry of Industry and Company affairs submitted to the note of Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 25th March, 1985		Amount of Demand for Grant submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2		3		4
MINISTRY OF INDUSTRY AND COMPANY AFFAIRS					
57.	Ministry of Industry and Company Affairs	1,85,91,000	16,000	9,29,60,000	84,000
58.	Industries	17,92,08,000	51,14,00,000	89,60,39,000	2,55,70,00,000
59.	Village and Small Industries	34,10,25,000	25,30,67,000	1,70,71,25,000	1,27,78,35,000

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Mr. Deputy Speaker, Sir, I need not go elaborately into the industrial policy that has been pursued all these years. Even before the country attained Independence our freedom fighters who had sacrificed in their entirety for the nation decided that only through a process of planning our country will make progress and achieve the objectives for which they had fought for the Independence of this country.

13 44 hrs.

[SHRI VAKKOM PURSHOTHAMAN
in the Chair.]

Accordingly although the first industrial policy resolution was adopted in 1948, yet with the laudable directive principles that have been enunciated in our Constitution it was given a further twist and a new Industrial Policy Resolution came into being in 1956. I am sorry to state that unfortunately many of the objectives have only remained

on paper. We have failed to achieve many of the goals which have kept before us.

First, let me say about the performance of the public sector enterprises which were only five in number and having an investment of Rs 29 crores in 1951. They have now increased to 214 enterprises with investment to the tune of Rs. 35,411 crores as on 31.3.84. The total investment in top 10 public enterprises is Rs 19,252 crores. That is nearly 54% of the total investment. There is a spectacular rise. In 1974-75 the investment stood at Rs. 6654 crores while the number of employees who were working in them were 14,32,000 and the average annual per capita emolument was Rs. 7402 per year. By the year 1980-81 the number of enterprises rose to 168 and investment rose to Rs. 18,207 crores while the number of employees rose to 18 39 lakhs; the average annual per capita emolument was Rs. 14239. In just 3 more years the investment rose to Rs. 29,896 crores. The number of employees stood at 20 69 lakhs and average annual per capita emolument was Rs. 21,675. Actually

the public sector enterprises should earn profits and in turn they should finance our future plans. They should contribute to the national exchequer and our planning so that some more industries can be set up and some more unfortunate unemployed people can be given employment. But I am sorry to say that the public sector enterprises are lagging very much behind in that spirit.

Unfortunately the capacity-utilisation is far less and in several sectors the performance has actually deteriorated. I am giving figures in respect of units which have recorded capacity utilisation of more than 75%. When a survey was conducted, it revealed that the number of enterprises was 88, that is, 51.2%. Between 50 and 75% capacity utilisation there were 49 enterprises. They were not running to full capacity. The percentage of enterprises that were running on less than 50% utilisation was 35 units, that is, 20.35%. It has decreased when compared to 1981-82. When you take into account the amount invested in the public sector and the capacity not being utilised to the full, you can see how much loss is there to the country. You can see how many thousands of crores of rupees worth of production would have been achieved if these plants were made to run to full capacity. But the people concerned are not realising these things.

Investment per worker comes to around Rs. 46,466 in 1974-75 but now with this massive investment, it is coming to Rs. 1,44,000. And in between these periods, if we take into consideration the amount of Rs. 23,242 crores invested in the public sector enterprise and providing employment to 6.37 lakhs, now the investment per worker comes to Rs. 3,64,000.

That means, the Government to provide employment per worker, is spending Rs. 3,64,800 by way of investment, in the public enterprises. This country owes more than Rs. 24,000 crores to foreign countries and more than Rs. 2803 crores in the form of interest and principal this year we own to other countries. This is a very unfortunate state of affairs. While their average income is around Rs. 21,000 per year, what is the per capita income of an average citizen of this country? It is only around Rs. 1,400

per year. Should they not feel, that is, how much privileged people are they and that there are millions of very unfortunate people, there are several crores of people who are unemployed and under-employed who are not able to earn their bread for their living and they are not able to make both the ends meet? The responsibility lies on their shoulders and they should work hard for the development of the nation, for the society. When it comes to the question of profit, it is hardly Rs. 230 crores net profit for 1983-84. The net profit by the end of the year 1982-83 was Rs. 613 crores. But this profit is mainly due to ONGC. The total turn over of Rs. 3451 crores included Rs. 1600 crores as pre-tax profits. This is because they have increased the prices of LPG gas as well as petrol and diesel prices during the last three years. This was the main reason why the ONGC was able to show handsome profits.

Now, I come to the public enterprises which are incurring staggering losses year after year. For example, the Delhi Transport Corporation is a classic one. The total accumulated losses are Rs. 281 crores and for a single year that is, 1983-84, this great organisation has incurred a loss of Rs. 101 crores. While they have several thousands of fleet of buses that are not coming on to the roads and they are taking rest in their workshops and garages, 500 buses and odd were added to this strength. The trip schedule per day is like this. The total trips scheduled are shown as 54,523 while the actual transport operated trips are only 47,312. I am bringing this fact to the notice of the House only to show how much public money is being wasted. It is surprising to note that a transport organisation for a particular city is incurring a loss of Rs. 101 crores, whereas in the entire State there are more than 30,000 buses plying and the loss is not more than Rs. 19 crores or so for a year. But you find here that this Corporation is incurring a huge loss of Rs. 101 crores. Is this way to run the organisation, that too, in the capital city? After all, we are having so much advanced technology, managerial talent, latest methods of working are at our door-steps. But we are not able to reduce the loss of D.C. I can't understand this logic. I warn the Government that they should not consider that the people

[Shri Vakkom Purusotaman]

in Delhi alone are the first class citizens and the rest in the country are second class citizens. It is unimaginable.

In regard to inventories in the public sector enterprises, I would like to submit that the present day industrial operations required a higher degree of optimisation of all its inputs. Material constitute a substantial portion of production cost and reduction in the amount of capital locked up in inventories not only helps in achieving higher rate of return but also helps in improving liquidity of enterprises. Now, with the total inventories at Rs. 11,200 crores at the end of 1983-84, much is to be done. I would therefore suggest to the Government that much improvement will have to be done in this regard. They can achieve better results if the Government takes very strong measures in this regard.

Now I come to the small scale industry which is contributing nearly 49 per cent in the total production. Small scale industry alone is producing Rs. 30,415 crores worth of goods. It is giving employment to 84 lakhs of people and its share in exports, which comes to about Rs. 2350 crores, is also considerable. While the small scale sector is doing so much benefit to this country and its economy, the Government of India is treating it with a step-motherly attitude. It is not able to provide the small scale sector with the necessary finances. Though it is included in the priority sector for bank credit. But what is the quantum of amount that you are giving to the small scale sector and what is the amount that is given to the large and medium industries? I will give a simple example, as to how the banking system operates. While for the construction of houses throughout the country, only Rs. 150 crores is being given, here in Delhi for a single hotel Rs. 30 to 40 crores is given as loan. So how much is the total amount for all these big hotels? Hundreds of crores of rupees are spent on the hotel industry, whereas for the entire country for the construction of houses for poor people and economically weaker sections, only Rs. 150 crores is given. I request, may, I demand that a 'U' turn should take place and Government should reverse its priorities.

The small scale industry is neglected and in this process, handicrafts are destroyed and the problem of unemployment in the country is accentuated and the number of artisans has come down.

According to a sample survey, while in 1955 the number of workers engaged in household industries stood at ten million, by 1971 the number has come down to 6.35 millions. Just imagine the sad state of affairs. Now 23.5 million people are on the live registers of the employment exchanges. The other day, the hon. Minister, while defining the poor, told us that Rs. 65 per month in rural areas and Rs. 75 per month in urban areas, would be considered as the poverty line. He told that nearly 53.6 per cent of the people in rural areas are below the poverty line in the year 1979-80. As regards India's economic position in the world, in 1963-64 we were occupying the 85th position, but by 1977, we had gone down to 106th position. Economic disparities in the country have increased like anything.

The amount allotted to the small scale industry during the First Plan was Rs. 48 crores, that is, 2.1 per cent and for industry and minerals, the allotment was 2.8 per cent. But what is the position in regard to the subsequent plans? In the Second Plan, for industry it was 20 per cent, whereas for village and small industries it was only 2 per cent. Like this, the allotment for industry increased gradually and even in the Fifth Plan, it was 24 per cent. For village and small industries, the allotment was only 1.4 per cent. In this way, great injustice is done to the small scale sector. Contrary to the objectives that are laid down to ensure that the operation of the economic system does not result in concentration of wealth and means of production, what is the state of affairs at present? A single family controls assets to the tune of Rs. 2800 crores and another family has assets worth Rs. 2600 crores. This is the staggering economic disparity that is prevailing in this country now. Unfortunately, all this is due to the fact that the path shown by Mahatma Gandhi is being neglected by the Government.

14.00 hrs.

If you do not remember what he told and change the priorities in the present

policy, I think the situation is going to deteriorate. In fact, Jawaharlalji, before his death, understood the fault committed in our planning giving more priority to heavy industry and lesser importance to village and small industries. I think the government should give more priority to the small and handicraft sectors, because it is the only sector which can provide more employment to the under-employed people in the rural areas.

Regarding guidelines for fixing industrial backwardness, I request the government to reconsider it afresh. The hon. Minister told the other day that he will reconsider it very soon. The basis should be "No Industry Block". Block should be taken as the criterion.

Alumina Plant at Krishna Devipeta in Visakhapatnam District-Geological Survey of India and Mineral Exploration Corporation has established that Andhra Pradesh is having 30 per cent of the total bauxite ore and the Russian team was asked to submit a report. They submitted a report. I request the government to take up this Plant at Krishna Devipeta in the national interest. The Mangalagiri Tyres Project is awaiting clearance from the government. The Licensing Committee had considered and approved issue of Letter of Intent on 22.5.1984, but the clearance from the Economic Affairs Committee of the Union Cabinet is awaited for the last one year. I request the hon. Minister to look into it and grant clearance of the Committee.

There is scope for a diamond industry in Andhra Pradesh and in my constituency, Nandigama in Krishna District. There are ample opportunities for development of diamond and precious stones industry.

Regarding light vehicles manufacturing units in Medak, it was promised by the late Prime Minister, Shrimati Indira Gandhi. We are very happy that the foundation stone was laid. Now it is learnt (and we, there fore fear) that the Engine manufacturing unit is not going to be set up there. I request the government not to go back on the promise and include the Engine manufacturing units in that organised factory production.

Regarding industrial man-days lost, right from the school days, students and pupils should be made aware of the future responsibility. When several other countries are making progress at a very fast rate, why India is not able to reach their standard of living? Every one should work hard in this country and that spirit should be inculcated right from the childhood. So, I request the government to make all efforts for inculcating that spirit among the industrial workers and other workers working in the different fields. Thank you.

I beg to move :

"That the Demand under the Head 'Industries' be reduced to RE. 1."

[Failure to take steps to reopen the closed sick mills.] (2)

"That the Demand under the Head Village and Small Industries be reduced to RE. 1."

[Failure to give priority to Village and Small Industries over heavy industry to create more employment opportunities.] (4)

SHRI K. RAMACHANDRA REDDY
(Hinderpur) : I beg to move :

"That the Demand under the Head Industries be reduced by Rs. 100."

[Need for allocating funds for starting industries in backward areas particularly in Rayalaseema in Andhra Pradesh.] (3)

SHRI PIYUS TIRAKY (Alipurduar) :
I beg to move :

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to provide assistance to the rural artisans of Tufanganj, West Bengal through West German experts.] (5)

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to open a Central Footwear and Training Centre in Cooch Behar, North Bengal.] (6)

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to open a Central Footwear and Training Centre at Jabalpur.] (7)

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to set up a branch of institute for National Entrepreneurship and Small Business, at Balurghat in North Bengal.] (8)

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to set up branches of Small Business Institute in the backward areas of North Bengal.] (9)

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to provide liberalised loans to educated unemployed in North Bengal under Self-Employment Scheme to set up small industrial units.] (10)

"That the Demand under the Head Village and Small Industries be reduced by Rs. 100."

[Need to open a small industrial training institute at Hasimara in North Bengal.] (11)

MR. CHAIRMAN: The out motions are before the House. Shri Banwari Lal Purohit.

[Translation]

SHRI BANWARI LAL PUROHIT (Nagpur): Mr. Speaker, Sir, the Central

Government has done commendable work during the last 4 years insofar as their policy of industrialisation is concerned.

For the progress of the country, it is essential to keep the economy stable. There should be 60 per cent total national growth in our country and in order to achieve this total growth of 60 per cent, there should be at least eleven per cent growth in industrial production. Previously, this growth was about three or four per cent, but in 1983, when we adopted a liberal licencing policy, industrial activities increased in the country and the growth rate reached 8 or 8½ per cent. But this is not enough. We shall have to make further progress. You have adopted a liberal licencing policy in respect of small, medium and large scale industries. After liberalising the industrial policy, industrial activities increased considerably between the period from 1980 to 1983. Many industrialists come forward. I would go to the extent of saying that if licencing policy is abolished there would be industrial boost in the country. You need not impose any restrictions. You might have got apprehension that in the case of more industries, there will be keen competition and they will run at a loss. I would like to say that you have got control on financial institutions. Besides, there is the Reserve Bank of India also. If you do not give loans, the entrepreneurs will not be able to set up industries. I feel that at least at secretariat level, licencing system should be abolished and there should remain only financial control. Any industrialist, who wants to come forward to set up an industry should be given a chance to do so.

Secondly, I would like to point out that your planning Department is very inactive. Only when there is acute shortage of some commodity and there is hue and cry every where, planning is done in respect of that. This is what has happened in case of cement. They could not Acute note that there was acute shortage of cement in the country. The same is the position in respect of steel. You should make planning keeping in view the principle of demand and supply.

You have been laying much stress on the public sector undertakings. Our experience had not been good in respect of them also,

I agree with my friend, who spoke just now, that most of the public undertakings are running at a loss. Whenever you want to meet their loss, you increase the cost of their produce by Rs. 50 per tonne because of your monopoly in that field. You are inmindful of the fact whether it has resented in any suffering to the people or not. I feel that this is not the way of meeting the loss. Instead, you should make efforts to improve their efficiency. You are aware of large-scale pilferage of coal in Bihar and also that mafia gangs are active there. But no efforts have been made to check them. Hence, I feel that serious thought should be given to it.

It is also necessary to develop small-scale industries. You have entrusted this work to the States. Industrial Estates are set up, roads are built, sheds are constructed and water and electricity facilities are provided by the States and with this they feel that they have done their duty. But it is not enough. It is very necessary to provide social infrastructure also. Big industrialists build housing colonies, but small manufacturers do not make arrangement for facilities to their work providing housing. Besides housing facility, school facility should also be provided there. A dispensary should also be provided there for sick workers. Marketing facilities should also be provided. No attention has so far been paid towards all these things. It should be done now. Small-scale industries have not been able to prosper in the absence of social infrastructure. Hence, I request that attention should be paid towards providing these facilities.

The problem unemployment is the biggest one. Figures have been given in the respect just now. One has to spend a heavy amount to get employment today. There are certain sectors in which a large number of persons can be provided with employment and this problem can there be solved in the country. I would like to draw the attention of Government towards the handloom weavers in my state. There are lakhs of weavers in the Vidarbha region. If one family operates one handloom it cannot earn its livelihood even if all its members work from morning till evening. Government are making rapid progress in technology. In these circumstances, you should remove the restrictions imposed on textiles. Handlooms should be

replaced by power looms. With powerloom one family can earn Rs. 25 to 30 per day. If there are six members in a family, they can earn a good amount. You have to spend Rs. 2,000/- to provide livelihood to one person and only one person gets employment. The textile laws should be simplified so that others cannot take advantage of them. You should make immediate provision for the setting up of powerlooms. Banks should be asked to provide subsidy. Lakes of people will be benefited thereby. Hence, I request the hon. Minister to give serious thought to these things.

Besides, I would like to make a mention about the industrial policy. DGTD has imposed restriction in respect of medium scale industries. Cases have not been cleared for the last two to three years. These cases should be cleared within a period of one or one and a half months under a time bound programme. I would like to mention about an important thing. You have declared Maharashtra a no-district-industry area. Is there not a single district where a new project can be set up? The Maharashtra Government sent a proposal for the setting up of a petro-chemical complex in the Vidarbha region. You should counter it. I again request you to consider this proposal seriously.

With these words, I conclude.

[English]

PROF. K. V. THOMAS (Ernakulam) :
I rise to support the Demands for Grants relating to the Ministry of Industry and Company Affairs.

India has taken giant steps in its march towards the goal of industrialisation. When India achieved independence in 1947 we had to import all materials from paper pins to the printing machines. Now it is a matter of pride for all the Indians that we are one among the ten top industrialised nations of the world. Regarding the number of scientists and technicians we are next only to America and the Soviet Union.

The credit of this development goes to the vision and imagination of Pandit Ji who had laid the foundation of the modern India.

[Prof. K.V. Thomas]

How imaginative he was can be noted from a single decision taken by him in setting up Bokaro Steel Plant with the Russian assistance. We know that steel is the barometer to measure the development of a nation. That decision of Pandit Ji added a milestone in the development of our nation. In this context, we have also to remember our beloved leader, late prime, Minister Indira Ji who had given a new dimension to the industrial policy of India. It was she who thought of obtaining and sharing technology with the developed nations of the world. Here, I would also like to mention that our prime Minister, Rajiv Ji, is closely following the footsteps of Pandit Ji and Indira Ji. His declaration that far-reaching proposals are being contemplated to revamp the public sector enterprises, and also the concessions given to the industrial sector in the present epoch making Budget, clearly show that our nation is marching ahead.

Among the three different industrial sectors, we have to give top priority to the small-scale sector. This sector has got one million units employing 84 lakhs of workers, producing 5,000 different types of mass consuming items and having a share of 25 per cent in exports. This sector is further divided into tiny units, small scale units and ancillary units. We have been laying stress on the tiny units because the maximum investment in such units is to the extent of Rs. 2 lakhs only. The present decision of the Government to give employment to our educated youth in the form of self-employment schemes, comes under the tiny sector. This sector is producing mass consuming items like leather goods, plastic and rubber goods, ready-made garments, soaps, detergents, etc. A few weeks ago, I had the privilege of going to one of the industrial units in Kerala where T. V. cabinets were being made by the Harijan society. The quality of those T. V. cabinets is much superior to those we are importing.

The small-scale should be adequately supported by giving financial assistance, training to the workers, common service facilities, duty relief and loans at reduced interest. The techniques of production should also be constantly changed.

Some class of people who have to be encouraged in this sector are women, rural artisans, technicians, Harijans and Girijans, students, educated unemployed and physically handicapped people.

Coming to the self-employment scheme again, this year there were about 14 lakhs applicants, but only about 4.2 lakh applicants were given assistance. More youngmen should be encouraged under this scheme. Power and other infrastructural facilities should be made available at concessional rates under this scheme.

Khadi and Village Industries are doing a commendable job in giving employment to the rural people. They have got a list of 26 village industries including Khadi. This list has to be further enhanced so that more village industries get assistance from the Khadi and Village Industries Commission.

Coming back to my State, Kerala, I would like to bring to the attention of the House two major traditional cottage industries which are suffering in Kerala. One is the coir industry and the other is the Cashewnut industry. Coir industry is a very important traditional cottage industry in the West Coast of Kerala, where lakhs of people were employed earlier. But this industry is now steadily declining. The reasons are: the economic recession in European markets; severe competition from synthetic and other natural products and increasing cost in production. This industry has to be saved, otherwise people in the West Coast area of Kerala will come to a point of starvation. The immediate steps that have to be taken are: introduction of mechanisation with adequate caution so that the people working in this industry do not suffer to a greater extent; and secondly its internal consumption has to be increased.

Looking to the nature of the coir matting and mats it has produced, they can be used for our interior decoration.

Coming to the cashewnut industry, Kerala was once monopolising this industry. Actually this industry is dead now in Kerala. Lakhs of people engaged in this industry, especially in Elleppy, are on the point of

starvation. The reasons are non-availability of nuts and secondly the industry itself is being taken away from the Kerala State. So, if this industry is to be saved more and more cashew-nut trees should be grown in the State and secondly there should be a uniform wage policy throughout the Country.

Coming to the major industries, I would bring out only two points. One is the mismanagement. This can be clearly seen in Cochin Shipyard, which was started with an investment of Rs. 100 crores and which is now bearing a loss of Rs 30 crores. What is the reason? It is gross mismanagement. One of the ships which was recently launched, *The Maratha Mission*, has made a loss of Rs. 25 lakhs due to the mismanagement of the Company. These aspects should be looked into when we are thinking about our industrialisation.

[Translation]

SHRI NIRMAL KHATTRI (Faizabad):

Sir, first of all I thank for giving me a chance to speak. While speaking on the subject, I would like to give certain suggestions.

There are no two opinions that the Congress Government under the leadership of Pt. Jawahar Lal Nehru, late Prime Minister Smt. Indira Gandhi and our present Young Prime Minister, Shri Rajiv Gandhi have played a very great role in the industrial development of the country. The liberal policies of the Congress Government indicate that the country is on the way of progress. In this context, our government recently announced new industrial policy and gave fresh concessions in respect of industries. These concessions relate to delicensing certain industries, increasing the investment limit, small scale industries reducing the project import duty from 65 percent, to 45 percent. All these things have paved the way for the industrial development of the country. I would like to congratulate the government on giving top priority to the development of backward districts. They have taken a decision to sanction Rs. 2 crores for providing infra structure in the backward districts. We are determined to go ahead

in this respect. I would like to say our about the development of the backward areas because I belong to Eastern Uttar Pradesh, which is the most backward area in the country. Our state wants to make progress in every field, but it is lagging behind for unknown reasons. We can keep our body healthy if all the parts of the body are healthy. We see that a part of the county is well advanced. All public sector factories are being set up there and not in Uttar Pradesh. The population of Uttar Pradesh is one sixth of the population of the country but it is a matter of regret that only 5 percent public sector projects are these in U. P. In this way step-motherly treatment is being meted out to U. P. The people of U. P. are very hard working. In order to get the best out of their hard work they go to Punjab for harvesting the crop and there by earn their livelihood. Some of them are killed in train accidents and, the members of their family meet them for even.

What steps are being taken by Government for the development of Uttar Pradesh? I would like to know this through this House. I would like to submit something about Eastern U. P. from where I come. Faizabad Division is proud of having the Country's Prime Minister from Faizabad Division. The Minister of State for Industries is also from Faizabad Division. Faizabad District is located between the two districts. Where from they have been elected. It is the Divisional Headquarter, but there is no industry at all. I would like to say that government should do something for the development of this district.

I have come to know that the period of the Subsidy-Scheme of the Central Government meant for the development of backward districts is going to expire. It has perhaps been extended by one year. I am of the view that it may be extended upto the period of the Seventh Five Year Plan. Only then these backward districts can be developed industrially. The Faizabad district comes under the Central Subsidy Scheme. Its Tada Tehsil has not been included in this scheme for unknown reasons. If this backward region is to be developed, the entire district should be

[Shri Nirmal Khatri]

brought under this scheme. If an industry happens to have been up in a Tehsil and on that basis, the said scheme is withdrawn from that Tehsil, Then I feel it will not be proper. You will have to reconsider this matter. I would like to draw your attention towards one thing more. I am a youngman. Everybody knows that there is large unemployment among the youth in the country. I remember the speech of our leader, the late Smt. Gandhi, which she made on 15th August from the ramparts of Red Fort. In that speech she had given the idea of self employment scheme to remove unemployment. Today, this scheme has become a victim of corruption because the red tapism prevalent in the banks and the low target fixed for this scheme. Government will have to adopt measures to same this scheme from the red tapism is the banks and the rampant corruption. In this context, I would like to suggest that its target should be raised in order to save it from the rampant corruption. I feel that some way out should be found to ensure coordination between lentes and the industries Department I hope that this House and the Minister of industries will definitely into account the views expressed by me and find a solution to this problem.

[English]

SHRI AJAY BISWAS (Tripura West): Mr. Chairman, Sir, at the outset, I shall speak about the basic problems of Industry. The basic problem is the long-term stagnation in the real growth of industry. What are the reasons? The basic reason is the inequality in the ownership of assets and properties. In the rural areas 42% of the cultivable lands have been concentrated in the hands of 5% of the people.

Secondly, the growing inequality in income has taken a worse turn by our budgetary policies, which impose heavy burdens upon the poor people, while giving more tax concessions to the rich, for financing the public expenditure. The result is that the demand for industrial goods of the vast mass of population remains limited and stagnant Secondly, the growth of investment itself has come to a halt.

I may here give an example. Despite 13.6 per cent increase in the agricultural production in 1983-84, the manufacture outputs have increased only by 5 per cent over the period of April to November, 1984 compared to that of the previous year. In other words, even a massive increase in the agricultural production, did not put enough purchasing power in the hands of the poor people.

The cotton textile industry continues to be in recession even after 2 massive bumper harvests. How are we going to face this problem? Our internal market has not expanded due to less purchasing power in the hands of common people. What is needed now is that we must take the initiative to break the asset ownership and must also put more purchasing power in the hands of common people. But we are not doing that. We are still doling out more and more tax concession to monopoly houses, and capitalists. On 12th April, the Finance Minister announced the import liberalisation policy, in respect of commodities which go with luxury consumption of the rich and the upper sections of people, for example, automobiles and electronics.

We see a clear shift from the previous Industrial policy of the Government which was announced in 1956 by the then Prime Minister, Shri Jawaharlal Nehru. This is not a new thing. Actually, the shift had started in 1980. In 1980, the Government announced some industrial policy. At that time, all the illegal expansion was legalised and more facilities were given to the monopoly houses. So, the shift had already started in 1980.

In the Budget Speech of the Finance Minister, It is stated that the ceiling of MRTP companies has been increased from Rs. 20 crores to Rs. 100 crores. What was the demand of those companies? The demand was to increase the ceiling from Rs. 20 crores to Rs. 50 crores. But our Government is so generous to the capitalists that the ceiling has been increased from Rs. 20 crores to Rs. 100 crores. What does it mean? It means that this policy will definitely open the Indian market for the multinationals.

The Government has also announced the policy on technology. We have not build up any indigenous technology. The automobile industry was set up in 1950. When any technology becomes on solete then we go to the foreign market.

We have taken to the typical technology import. Initially, we almost bring the entire commodity. If not, we bring the components and assemble them. This policy will definitely open our home market for the multi-nationals and the foreign monopolists.

Our aim is to promote industrialisation in India. But this policy will not help to promote industrialisation in India. The Finance Minister has said that he will keep the commercial borrowing within Rs. 1,500 crores. But I tell you that the policy you follow in regard to industrial licences would inflate the import bill of the country and you will definitely have to go abroad for the purpose of borrowing of money and that would increase the debt service charges. In future this policy will pus the country info the grip of neo-colonialism. The Budget provision for the public sector has been declining. The real amount is declining.

The Finance Minister has imposed a deficit of Rs. 3,400 crores on the people and again raised the railway fare, petrol products, prices, indirect taxes and administered prices to the tune of Rs. 2,500 crores. This heavy burden would keep the demand for industrial goods stagnant, is not declining.

The provision for Poverty alleviation and employment generation programmes has been scuttled and due to this, there will be a further restriction in the home market. In contrast, what is the present policy of the Government? The idea now is to base the industrial growth on the consumption goods of the tiny elite whose demand for luxury goods is supposed to generate employment and provide trickle down effect for the poor. But this will not help the employment creation because this type of industry needs highly developed technology and definitely the employment potential in that sector will be limited.

The Government is adopting this whole strategy at the instance of the imperialist powers like the World Bank and the IMF.

We have been taking loans from IMF. There has been a shift in the industrial policy from 1980. This policy will definitely be disastrous for the growth of the national economy, achievement of self-reliance and the objective of equality and social justice.

I would like to tell you about the present industrial situation in West Bengal. There are 36 sick and closed industries in West Bengal. The West Bengal Government is trying its best to reopen or make them viable. For that, it needs the help of the Central Government. The Chief Minister has been writing to the Central Government The Central Government should come forward and do something for the revival of the sick and closed industries in West Bengal, for example, the National Tanneries, Hindustan Pilkington Glass Works, Motor and Machinery Manufacturing Ltd. I will tell you one thing. The IRCI have studied the viability of these companies and they have also agreed to give loans. It is the Central Government which should come forward and do something in the matter.

I have no time. Another important point I want to make is about freight equalisation. The proposal of the Pande Committee was accepted by the Central Government. But after accepting the proposal, the Central Government is not implementing that. If you do not implement the freight equalisation proposal, not only West Bengal but also Orissa and Bihar will suffer. I would request the Central Government to look into the matter.

I would like to say a few words about the north-eastern region. I am from Tripura. The Central Government is not doing anything for the industrialisation of the north-eastern region. When we ask them to set up some industries in Tripura or any other part of the north-eastern region, the plea of the Central Government is that the infrastructure has not been developed there, and when we ask them to build up the infrastructure, they say that they have no resources, no money. We are in a dilemma as to what should be done. I am quoting from the Report of the North-Eastern Council :

[Shri Ajoy Biswas]

"The per capita power consumption in the north-eastern region is 25 kilowatt hour compared to the national average of 120 kilowatt hour. Surface roads the region has 4.1 kms of surface roads per 100 sq km as against the national average of 15 kms. Only 22 per cent of the area in the region has been covered by geological and mineral survey as against the national average of 44 per cent."

Therefore, you should do something for the north-eastern region.

There was a proposal to set up a paper mill in Tripura. Tripura is rich in forest produce. Actually the State Government is ready to help in all aspects. There was a proposal to set up a paper mill with a capacity of 150 tonnes per day, but the Central Government did not accept that. Then the State Government sent another proposal for a mill with a capacity of 30 tonnes per day. They are not accepting that also. I do not have much time.

My only request is that the Central Government should come forward and do something for the north-eastern region.

[Translation]

*SHRI R. JEEVARATHINAM (Arakkonam): Mr. Chairman, Sir, in support of the Demands for Grants of the Ministry of Industry and Company Affairs, I wish to say a few words.

In his public speeches and in his addresses in Conferences and Seminars, our dynamic Prime Minister, Shri Rajiv Gandhi has been stressing the necessity for balanced development of industries throughout the country. He has been clearly enunciating policies for avoiding industrial imbalance. In West Bengal, Bihar and in Madhya Pradesh we have large steel mills. The petroleum products are made in Maharashtra, Gujarat and Assam. The

*The speech was originally delivered in Tamil.

giant hydel projects are in northern States. Similarly, big central public sector undertakings are there in northern States. It is no exaggeration to say that in this regard Tamil Nadu has been neglected. There are no big industrial undertakings of Central Government in Tamil Nadu. Tamil Nadu is confronted with recurring drought and industrial stagnation. In the whole of India, Tamil Nadu has the largest number of educated unemployed. This is an indication of industrial backwardness of Tamil Nadu.

I take this opportunity to demand that the Cement Corporation of India and the Paper Corporation of India must be directed to establish their units in Tamil Nadu. Tamil Nadu has the largest number of language newspapers, English dailies, language Weeklies, Fortnightlies and also Monthlies as also magazines in English. All the newsprint required for this consumption has to come from northern States. The Paper Corporation of India should but up a newsprint unit in Tamil Nadu.

Similarly, Tamil Nadu Government is in the forefront of slum clearance work. The Slum Clearance Board of Tamil Nadu has earned encomiums from international organisations for the pioneering work being done in this field. But the work is impeded for want of cement. Hence the Cement Corporation of India must be asked to put up a cement unit in Tamilnadu. For both these units, vast tracts of land in Banavaram Walajah area of North Arcot are available. It is understood that the Defence Ministry is making efforts to have a unit here because of the suitability of land. In this background, the Paper Corporation of India can have the plant here because we have four big sized cooperative sugar mills in North Arcot; in other words, the raw material bagasse is available in abundance for the paper mill. This will also help the rehabilitation of a large number of ex-service men of North Arcot District. I have to bring to the notice of the hon. Minister that North Arcot District of Tamil Nadu is contributing the largest contingent to our Indian Army. We have to bear in mind the services rendered by the people of Tamil Nadu to the country and the Central Government should establish the public

sector paper unit as also the cement unit in North Arcot District.

In Ranipettai we have the BHEL unit employing 2000 workers. Last year's production was Rs. 80 crores and the profit was estimated to be Rs. 7 crores. Some Engineering workers and other labour are carried on NMR basis and are working on ad hoc basis. Taking shelter under the plea that the Centre has directed the stoppage of recruitment, the BHEL management terminated the services of ad hoc workers. I understand that from 1.4.1985 the workers are being taken back. I am afraid that the interests of NMR labour are being brushed aside. Workers from outside the State are being taken. Even sanitary workers are being brought from outside the State. This may lead to an agitational climate in Ranipettai. I want the hon. Minister to enquire into this and stop this wrong policy of BHEL. Similarly, the BHEL management is buying auxiliary equipment from private sector units from outside the State. Similarly, the shops constructed within the factory have been let out to outsiders. No tenders are being called for auxiliary equipment as also for the shops. Naturally, those who have given the land to the BHEL factory and their dependents are not getting their dues in the form of employment and livelihood. I want the hon. Minister of Industry to enquire into this and take appropriate action to do justice to the local people here.

Presently, the BHEL is utilising only 35% of installed capacity. If installed capacity is utilised 100%, then 4000 more workers will get job opportunities; in other words, if BHEL utilises fully the installed capacity, then 6000 workers will have their livelihood. Presently only 2000 workers are working for the utilisation of 35% installed capacity. I demand that BHEL must be directed to utilise fully the installed capacity so that justice is done to the people who have given land to the factory, as more job opportunities will be available without any expansion programme of the unit. I have written a letter to the Chairman of BHEL about these things. I seek the good offices of the hon. Minister in ensuring that these are done by BHEL.

Similarly, auxiliary workshops should be constructed within the factory and they

must be allotted to the local people. Similarly I suggest that a public sector leather garments factory should be set up in Ranipettai. North Arcot District exports leather and earns foreign exchange. There is growing demand for leather garments in foreign countries. Hence I suggest that a sophisticated and modern leather garments factory should be set up by the Central Government in Ranipettai. We will be able to earn more foreign exchange by sending leather garments.

I demand that a scooter manufacturing unit should also be set up in Ranipettai because all the infrastructure facility is available there.

Our hon. Prime Minister, Shri Rajiv Gandhi has welcomed greater participation of foreign capital in the industrial growth of the country. When such foreign capital flows in for the establishment of industrial units in India, such foreign collaboration units should be set up in Tamil in order to establish industrial balance in the country.

In conclusion, I suggest that BHEL should be directed to fully utilise the installed capacity, that a sophisticated leather garments unit should be set up in Ranipettai by the Centre, that a newspaper unit should be established by the Paper Corporation of India and that a Cement Unit should also be set up by the Cement Corporation of India and that a scooter unit should be also established in Ranipettai.

With these few words I support the Demands of the Industry Ministry.

[English]

SHRI R. PRABHU (Nilgiris) : Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Industries and Company Affairs as brought before this august House by the Hon. Minister.

Sir, industrial production has shown a rate of growth of 5.8 per cent in the Sixth Plan period. This is a little less than our targeted planned rate of growth. Now we are on the threshold of the Seventh Plan and the Government has announced some important and far-reaching policy changes

[Shri R. Prabhu]

in the industrial policy to augment the rate of growth of industrial production. These include several fiscal and policy measures like liberalisation and simplification of industrial licensing policy, identification of futuristic industries like Electronics industry and giving concessions in terms of reduction of customs duty and import duty. They have also liberalised the procedures relating to import of capital goods and foreign collaborations. They have also increased the threshold of MRTP application from Rs. 20 crores to Rs. 100 crores. They have created a better climate for investment by reduction of personal taxation. They have issued policy statements which would ensure the development and sustenance of public sector units and they will play a predominant role in our industrialisation. A substantial improvement is contemplated in the provision of core sector industries and in infra-structural facilities also.

In our Prime Minister's Address, early this year, the Prime Minister has given lot of importance to human resources development programmes and this will help create the high technological manpower base which is required for increasing the rate of growth of industrial production.

15.00 hrs.

No debate on Industries would be complete without talking about the role of the public sector. There has been some criticism in this House just now on the role of the public sector; and there will also probably be some praise after I speak, I would like to do a little of both.

Sir, Public Sector has now come to occupy a very important position in our economy because of its size, capital employed and employment generated.

Investment in our Public Sector Undertakings which number about 217, in terms of loan and share capital, is about Rs 53,000 crores. These figures are as of last year. In its diversity, the public sector covers a wide spectrum of core industries and infra-structural facilities like cement, steel, aluminium; minerals, metals, petroleum,

power generation, chemicals, fertilizers and transportation facilities.

Our hon. Prime Minister has made a statement recently which I fully endorse. He has said that Public Sector Undertakings should confine themselves to core industries and infra-structural facilities and capital-intensive industries and they should not go into consumer items like corn flakes and tomato ketchup. If Public Sector unit makes losses, this would be an obvious drain on our economy. I would like to quote a few figures to make my points.

In the year 1983-84 the sales volume of our public sector companies was around Rs. 47,000 crores. After providing for Depreciation and Interest and Corporate Taxation, the net profit was around Rs. 245 crores. The total dividends declared was Rs. 132 crores only. As against a share-capital employed of Rs. 16,564 crores, this represents less than one per cent return on the capital.

But, on the positive side, we will have to look at the social point of view of our public sector which, excluding Banking and Insurance, has created an employment for two million people. In fact, they have distributed an average of Rs. 20,000 per person per annum over the years, as Wages. I think that this is a very creditable performance. Not only that. Apart from dividends. Their contributions to the Exchequer include sums in terms of corporate tax provisions, excise duty paid, customs duty paid, import duty paid, etc. which amount to Rs. 6,566 crores. But lot public sector companies do make losses.

Now, Sir, I have collected some figures for the public sector companies which show that out of 201 companies, 91 companies make pre-tax losses. One of the reasons for this is that probably finance has not acted as a constraint. Many public sector institutions have not got the same financial discipline as private sector has been put to.

I would request the hon. Minister to make a case-by-case study of the working of public sector undertakings, especially, the ones making losses. It should not be

difficult because there are only 217 companies in all.

There is a Department called 'The Bureau of Public Enterprise' It has only become a statistical and intelligence room; it does not have any teeth. I request the hon. Minister to see that the Bureau of Public Enterprises develops more teeth and they monitor companies which are making losses and implement any remedial measures which are necessary to increase their productivity and efficiency.

Another reason is probably that most of our projects are not completed in time. It is more a rule rather than the exception. I request the hon. Minister to ensure that projects are not delayed thereby reducing cost escalations.

I would like to make a mention about one particular public sector undertaking which is in my constituency Nilgiris in Tamil Nadu, the Hindustan Photo-films Company Ltd. Presently they are manufacturing Cine positive black and white. Cine sound negative; Black and white Bromide paper and Medical X-Ray films. This company has had lot of difficulties in the initial stages but after 1976, they have started making profit. They wiped out all their losses and in the last two years they have started paying dividend. In fact, after the new Government turn over, this year, Hindustan Photo Films paid the first dividend cheque of Rs. 50 lakhs. They have now got a turn-over of Rs. 100 crores. But unfortunately their technology is of 1960 vintage. As we are all aware, photo technology has made tremendous stride in the last two decades and what is available now in the market is of a completely new generation. There is a proposal for expansion of the X-ray film unit of Hindustan Photo Films at Outy. In fact, Dupont of America has agreed to give or transfer of its technology and I would like to bring to the notice of the hon Minister that Dupont has not given technology or transferred the technology to anybody else in the world and they are the leading manufacturers of X-ray film and have the best technology. Sir, as you are aware, X-ray is a life saver and the recent development in CAT SCAN techniques and scanning techniques in neurology and cardiology has increased the need for X-ray films. In another two years,

I think that because of the gap between demand and production we will lose about Rs 25 crores by way of foreign exchange. The hon. Finance Minister has also referred to the importance of the scanning technique and medical equipment and in this budget speech, he announced the withdrawing of customs duty, on cut scan equipment in the scanning knowhow and other scanning medical equipment.

Sir, it is more than a year since the Hindustan Photo Films has entered into a Memorandum of understanding with Depont. But really nothing has happened so far. So, I would request the hon. Minister to please see that the amount of Rs. 160 crores required for this project is included in the Seventh Plan and this work is implemented at the earliest.

Sir, there has been a lot of controversies about the colour film project which is also supposed to be situated in my constituency, that is, Nilgiris. I have only one contention to make here. This project costs about Rs. 150 crores and there is a collaboration agreement with Afga Gavert of Belgium for this project. If this project is situated or put up anywhere else in this country, the cost escalation will be 50% or more. So, the cost of the project of Rs. 150 cores would become Rs. 250 crores. I would therefore request the hon. Minister to please look into this aspect also and take all matters into consideration before final decision is establishing colour film project is taken.

Sir, I welcome the Government's statement that the concessions offered for 'no industry district' will continue upto 1986. But I would like to point out that in Tamil Nadu we have no district which has been declared as 'no industry district'. It is probably because that in Tamil Nadu small spinning mills have been set up all over the place and these spinning mills at present would cost more than Rs. 25 lakhs. I would therefore request the hon. Minister kindly to consider changing the criterion for identifying 'no industry district' from Rs. 25 lakhs to Rs. 1 crore. I think this would be most reasonable. If he is not able to do that, the Government should see that at least one 'no industry district' in every State is declared. This may be done in consultation with the

Shri R. Prabhu]

State Government concerned. Probably the districts which have the least industries or no industries could be indentified as 'no industry district'. Thank you.

SHRI A. CHARLES (Trivandrum) : Sir, it is with a sense of pride that I stand here to support the Demands for Grants of the Ministry of Industry and Company Affairs. The report of the Department of Industrial Development for the year 1984-85 shows an overall industrial growth. During the first eight months of 1984-85 industrial production recorded a growth rate of 6.6 per cent as against an increase of 4.4 per cent during the same period in 1983. The overall growth for the full year of 1984-85 is expected to be very close to 7%. Though at the advent of freedom we were a large country with a woefully small Industries base, thanks to the late Panditji, the maker of modern India, today we are one among the top ten industrialised nations of the world.

Sir, for a proper assessment of the magnificent progress our country has achieved in the field of industry since independence we will have to examine carefully the industrial policy followed by this country during these years.

Industrial Policy statements were made during 1948, 1949 and 1951. But it is the industrial policy statement of the year 1956 accepting a growth-oriented mixed economy that has shaped the course of industrial progress of this country during the last three decades. Though industrial policy statements were made from time to time even after 1956, the basic tenet of the resolution of 1956, i.e. growth with equity and social justice remain unchanged. Any criticism to the contrary is untrue and is politically motivated. The 1956 resolution enunciates that the industrial policy must be governed by the principles laid down in the Constitution of India, the objective of socialism and the experience gained during the past. The Constitution of India, *inter alia*, in its preamble has declared to ensure justices social, economic and political to all citizens. But what is justice? Salmond the great expounder of modern jurisprudence would say that 'justice is like bread in a besieged

city, so that an equitable apportionment is necessary.' This concept must be true of our country three or four decades ago, since the great paradox that faced our country at the advent of freedom is poverty in the midst of plenty. But our country has since marched a long way towards the road of industrial progress. The concept of justice guaranteed by the Constitution of India has also since changed. Justice to be real and meaningful should not be like bread in a besieged city. On the contrary it shall be like a perennial stream so that whosoever having his cup, shall have to his full. The shift in the industrial policy now enunciated without changing the basic tenets is to ensure this new concept of justice, i.e. not poverty in the midst of plenty but 'prosperity in the midst of plenty.'

However, it has to be admitted that there are certain vague weaknesses in our industry. Regional imbalance, sickness in industry, lack of industrial peace, want of facilities for the fuller exploitation of our vast natural and human resources, low productivity and technological stagnation are some of the main weaknesses that stand in the way of industrial progress.

The 1956 resolution has rightly emphasised that industrialisation shall benefit the economy of the country as a whole and that disparities in all levels of development between different regions shall be progressively reduced. It is rather unfortunate that despite this emphasis, industrially backward areas of this country still remain backward and no earnest effort is seen made to set right this imbalance. The State of Kerala with its rich potential such as cheap energy, abundant water resources, rich minerals and with the necessary infrastructural facilities for the development of agro-based industries and industries based on minerals and manufacture of cement, etc., has been woefully neglected all these years. I cannot express the pain and pangs of this problem state, with the highest percentage of educated unemployed. There are a number of traditional industries in the State, but most of them are not only sick, but are sinking. I have carefully gone through the report of the Department of Industrial Development for the year 1984-85. Not a word has been said about the traditional

handloom industry in which several lakhs of workers are engaged. In my constituency in Trivandrum alone, there are more than 20,000 workers who are engaged in this industry. Recently, a legislation has been passed to reserve certain items of textiles for exclusive production through the handlooms. I request that the necessary subordinate legislation may be passed without delay and urgent steps taken to ensure the following :

- (i) uninterrupted supply of yarn on a reasonable and competitive rate.
- (ii) payment of subsidy without delay.
- (iii) facility for marketing the entire handloom products through the societies or some other agency enabling the workers to get payment then and there.

In this connection, I would also plead that since all the infrastructure facilities and raw materials are readily available in the Trivandrum district, especially at Vellarada and Chemboor area for the manufacture of cement, Government may take urgent steps for conducting proper survey and for establishing a cement factory in that area.

Sickness in industry is another major threat facing the growth of industry especially in the public sector. There can be many reasons for the sickness in industry including the acts of commission and omission on the part of Government. However, mismanagement is the main cause of sickness in many cases. A number of steps are now being taken to deal with this situation and the hon. Minister for Finance while presenting the Budget has stated that 'Bad managers like bad currency will have to be kept out of circulation.' This is too lenient a punishment. I would suggest that drastic action shall be taken against persons who are responsible for mismanagement and in cases of proved misappropriation or misuse of funds, persons responsible shall be prosecuted so as to have a deterrent effect on the repetition of such crimes.

The 1956 resolution has rightly pointed out the need for maintenance of industrial peace for industrial progress. The resolution goes on to say that in a socialist

democracy, labour is a partner in the common task of development and should participate in it with enthusiasm. What a noble concept? But what is the picture at home? The other day the hon. Minister for Steel, Mines and coal while replying to the debate has presented a shocking case of a public sector undertaking where there were more than 400 strikes in an year of 365 days. What a shame and disgrace; Unless a nation is self-disciplined how can it survive, not to speak of progress? This is a great challenge facing the whole nation. I request that the Government shall come forward boldly to accept this challenge and make necessary legislations to root out this evil from the country. I have two concrete suggestions in this respect. (1) Government shall pass a legislation restraining all forms of strikes in a new industry in the first five years of its inception. Workers and management shall be bound by a mutual contract entered into at the time of recruitment of the workers. (2) The Government shall very boldly come with a legislation that there shall be only one union in an industry. Though we may have to face the opposition from the vested interests. I am sure that the whole nation will stand united with the Government to face this challenge. It would also go a long way, if a few of our labour leaders are sent to some of the developed countries like Japan, to have an orientation course on labour leadership.

The future of the country depends on how best we utilise the rich resource of man power at our command. The hon. Minister of Health and Family Welfare while answering to the debate on demands in the Department of Health and Family Welfare has lamented over, the over production of man power in this country. We can very well understand the concern or rather anguish of a mother who is striving hard for nursing and nurturing 36 crores of children under her care. But the field of industry is tally different. We have to be proud of this rich resource of human power and as the hon. Minister for Finance has suggested let us chalk out schemes and policies for the development of an effective programme for the best utilisation of this resource through renewed emphasis on education, environment and the

[Shri A. Charles

application of science and technology.' There is a Chinese Proverb (I am sure my friends on the other side will also be glad to hear it) which says :

"If you want to plan for a year, plant corn. If you want to plant for thirty years, plant a tree. But if you want to plan for hundred years, plant man."

We may not be able to plan for hundred years—but we are definitely planning for the next century. So let us plant men so that the justice enshrined in the Constitution not poverty in the midst of plenty but prosperity in the midst of plenty—may be ensured to the 76 crores of our brothers and sisters of this great country. With the honest hope of a very prosperous future. I wholeheartedly support the demands for grants of the Ministry of Industry and Company Affairs.

KUMARI MAMATA BANERJEE (Jadavpur) : In support of these demands, I would like to make some of the important points. The industrial scene in West Bengal is different from the rest of India for a number of reasons. 23 per cent of India's sick industries belong to West Bengal. In my opinion this sickness has resulted primarily from constancy of West Bengal's agricultural production during the last 5 year. Power shortages, West Bengal Government's lack of initiative in the industrial field, C. P. I. (M)'s faulty trade union activities and misuse, diversion and waste of funds earmarked for the industrial sector are aggravating factors no doubt but the cancer of the problem is stagnant agricultural production. Most of the Panchayats are indifferent to development of the Agricultural as well as the Small Scale Sector, as their main aim is to augment party-funds and to let loose the rein of poverty so that chaos is bred. The sickness is to be fought at village, district and State levels by way of increasing agricultural production which is a pre-condition for industrial development.

15.19 hrs.

[SHRIMATI BASAVA RAJESWARI
in the Chair]

The industrial atmosphere in West Bengal is very much bleak and the industrial units are in shambles. There is no hope in the days to come and the pride of West Bengal will sink into oblivion for ever if the industries in West Bengal cannot be revitalised. I have come forward with concrete suggestions in this regard which are as follows :—

- (1) Immediate steps should be taken to save the industries which are not yet closed but on the verge of closure.
- (2) Immediate steps should be taken to re-open the closed industries. If necessary, government will have to resort to take-over and/or nationalization.
- (3) New industries both small and large should immediately be set up with short fruition lag and high fruition co-efficient.
- (4) As this is the international year for the youths new self-employment schemes should be introduced.

The policy of the Central Government regarding sick industry catels for modification, to effectively tackle the sick units of West Bengal. The Government of West Bengal is indifferent to, non-interested—may disinterested—in setting up new industries and expansion or modernisation of the old ones. The Government of West Bengal only know and excel in the art of blaming the Centre for every fault of their own. If they cannot deliver the goods to the public, they should resign and blame none but themselves. In West Bengal the only hope in the mind of the have-nots is the trust and belief in the Central Government. Because of the inefficiency of the Government of West Bengal, the people of West Bengal have no other alternative than to fall back upon the

Central Government for help and redress of different economic maladies.

I have one more specific suggestion regarding sick units. If a sick unit is closed down, all employees of that sick unit should be absorbed elsewhere. Most of the Central Government undertakings in West Bengal are suffering either from lack of funds or from mismanagement.

The IRCI has turned out to be an ineffective and worthless institution in that it discharges almost no duties judged by any criterion of efficiency. I demand immediate inquiries into the functioning of IRCI, because it is very serious matter.

Shri Indrajit Gupta a few days ago said that it was the policy of the Central Government to make West Bengal a State of dying industries. I regard Shri Indrajit Gupta very much. But this is a political lie; it should be proved by action in the field. West Bengal is gasping and reeling in load-shedding and suffering from various shortages and as the Marxist Government of West Bengal have utterly failed in every field the Central Government will have to play the role of a saviour in that the Central Government will have to solve the problem of sickness and unemployment with all sincerity, efficiency and quickness. Any delay in action will shatter with the economy of West Bengal.

In the case of small scale industry, West Bengal is also lagging behind. 'Small is beautiful' is the spirit of India, it is the essence of Gandhism as distinct from Marxism. For the development of small scale and cottage industries the Government of West Bengal has no year-wise and definite plans. The small scale industries will make every man of West Bengal more well off, more independent, more confident and more dynamic because it involves all the lowest level and guarantees a more equitable distribution of income. As the Marxian theory does not lend any support to small scale industries the same is neglected in West Bengal.

The jute industry has various problems which are more artificial than real. The jute

mill owners are on the one hand exploiting the jute growers and on the other depriving the jute workers of their real wages; Nationalisation of procurement, and distribution of raw jute are the only remedies left open for the long run survival of the industry. In fact, there is no lack of demand for jute and jute products and no shortages of raw jute and hence the problem is a creation of the jute mill owners. So, steps should be taken immediately at both State and Central levels. In West Bengal one after another jute mill units are being closed down and the Government should take immediate steps to reopen the closed units.

I wish to raise another important point. Some companies like M. A. M. C., Jessop Burn, Braith Waite, Bridge and Roof, Vieco Lawrie, Scott and Saxby, Bharat Process, Bengal Potteries are suffering from losses not because of inefficiency but because of non-supply of raw materials. I request the hon. Minister to kindly look into this.

I would like to raise some other points also. In West Bengal Steel & Allied Co. is closed down for the last five years. The CITU is solely responsible for the closure of this unit where 5,000 employees are employed. - Immediate steps should be taken to open it. Many workers are already dead or the rest are about to die. I request the hon. Minister to look into this as it is a very serious matter.

Sri Lokenath Cotton Mill is lying closed down for the past about eight months. Krishna Glass Company is to be nationalised immediately and the Government of West Bengal should be accommodated as far as possible for nationalising the same. This is my honest request to the Hon. Minister.

To save West Bengal industries must be revitalised and new industries should be set up. Any delay in its planned development will shatter the industrial economy of the State. Please do something in favour of West Bengal, otherwise you know always the State Government and its Chief Minister blame the Central Government saying that the Central Government is doing nothing for the State. Only the Marxist Government is interested,

[Kumari Mamta Banerjee]

Once Cokhale said what Bengal thinks today, India thinks tomorrow. But now the position is that West Bengal thinks day after tomorrow. The only thing the Maxist** has done is that was built up his son as Marxist Papa's capitalist son. Even though the workers remain unemployed, the** son will be a capitalist. This is the present situation in West Bengal. Workers there are dying. Please do something, otherwise the workers there will suffer a lot.

MR. CHAIRMAN : The hon. Member has mentioned some names. These should not go into the proceedings.

*SHRI R ANNA NAMBI (Pollachi) : Madam Chairman, I thank you very much for giving me this opportunity to participate on behalf of my party the All India Anna D.M.K. in the debate on the Demands for Grants for 1985-86 of the Ministry of Industry and Company Affairs and say a few words.

According to the assessment made by the Government in 1978, 520 crores of people in semi-urban areas and 25.28 crores of people in rural areas are below poverty line. It will not be far from truth to any that in 1985 60% of the total population of the country is below poverty line. We will not be able to eradicate poverty by enhancing the investment in agriculture. Only by giving fillip to the establishment of cottage industries in rural areas and to the establishment of small industries in semi-urban centres, the impact of poverty can be minimised.

The Khadi and Village Industries Commission which has been entrusted with the onerous task of setting up rural industries has not met with success in this endeavour. I would give one example for my contention. The KVIC took upon itself the responsibility of setting up match units in rural areas. The Commission gave

financial and technical assistance for this purpose. But suddenly the KVIC dropped this rural industry like a hot cake in the mid-stream. The Annual Report of the Ministry claims that KVIC has formulated 26 rural industries and 36 lakhs of rural people have been given their livelihood. But this Report is silent about the industries that have been dropped by the KVIC. When it has been acknowledged by the Government that the average daily per capita income of 36 crores of people is Rs. 2.10, I wonder in what century the KVIC will be uplifting these people above the poverty line.

I will also cite another example for the sickness in cottage industry on account of defective Government policy. On the advice of Ministry of Industry that the Government should give inducements in excise duty for the people to take over to cardboard match boxes, the Finance Minister in his 1985-86 Central Budget has restructured the excise duty on match industry. But, unfortunately, this restructuring of excise duty is going to create sickness in rural match industry. In my Pollachi Parliamentary constituency we have many tiny match units in the rural areas. All of them may turn sick because of this change in excise duty structure. I want the hon. Minister of Industry to look into this and take appropriate steps for ensuring that such tiny units are not exterminated. In each Block there should be a KVIC sub-office, which should be manned by the local artisan. Then only the cottage industries will grow.

We have the National Small Industries Corporation, besides the Development Commissioner for Small Industries, for looking after the needs of small units. The NSIC has its regional office in Madras, Bombay, Calcutta and Delhi. Hundreds of industries have also been reserved for small scale sector. In spite of financial and technical assistance being rendered by the NSIC, the Reserve Bank of India has declared that about 60,000 small units are sick. The workers are also out of employment. Similarly 460 large industrial undertakings are reported sick. On the one hand we allocate funds for industrial

**Not recorded.

* The speech was originally delivered in Tamil.

growth and on the other industrial sickness is growing fast. I demand that effective steps should be taken for containing industrial sickness in the country. I suggest that a Raw Materials Bank should be set up for small industries. Similarly, an All India Marketing Organisation should be set up for the products of cottage industries. There should be a warehouse in each Block for storing the raw materials for cottage units and also for storing the finished products. The country will go back to primitive stages if industrial sickness is not averted at the earliest. I am sure that the hon. Minister of Industry will do every thing in this regard.

The Central Government has initiated Western Ghats Development scheme and allocation is also made in the Five Year Plans. The Tamil Nadu Government has also sought the approval of the Centre for a project to develop the Western Ghat. I suggest that permission should be given to the State Government at the earliest. I have referred to this even on an earlier occasion. I also demand that more funds should be allocated for Western Ghats Development Scheme.

In my constituency, Pollachi, the town of Udumalpettai is known as poor man's Ooty because of its salubrious climate. Near Udumalpettai we have Tirumurthi Hills where bamboo is available in abundance. This should provoke the Centre to set up a large-sized paper unit in public sector in Udumalpettai. Similarly, I suggest that a subsidiary unit of Hindusthan Photo Films be set up in Valparai, a part of my constituency. In my parliamentary constituency, the six Assembly constituencies—Pollachi, Valparai, Udumalpettai, Pongalur Kinathukaduvu and Darapuram are perennially backward areas and they need succour in the hands of Central Government. I suggest that the Central Government may condescend to set up an industrial unit in any one of these constituencies.

I convey my gratitude on behalf of the Tamil Nadu that the Centre has allotted 10 factories for Tamil Nadu. More industrial opportunities should be offered to Tamil Nadu because of the growing unemployment among the educated. I am

happy to state that a Defence unit has been given to Andhra Pradesh, which is being ruled by Shri N. T. Rama Rao who has initiated the Telugu-Ganga project which would give drinking water to the People of Madras.

In a place called Karamadai between Thondamuthur Constituency and Mottupalayam Constituency in Coimbatore District, the Integral Coach Factory project was to be set up by the Central Government. I do not know how this proposition has been given up now. I demand that the Integral Coach factory unit should be set up in Karamadai. The closed textile mills in Coimbatore should be opened so that the starving workers are given back their livelihood. I seek the good offices of the Industry Minister in this regard. The Alexander Thread Company in Dharmapuri district is lying closed for the past six months. The workers are on the verge of starvation deaths. I demand that the Centre should ensure its reopening so that the workers get back their jobs. I am sure that the hon. Minister of Industry will do his best for the industrial growth of Tamil Nadu.

With these words I conclude my speech.

SHRI UMA KANT MISHRA (Mirzapur): Mr Chairman, Sir, first of all I want to congratulate the Hon'ble Prime Minister, the Finance Minister and the Minister of Industries because they have announced a liberal economic policy this year for industrial development in the country. I will not take much time and finish my speech after submitting certain things before the hon. Minister.

Sir, for the industrial development of this vast country, only public sector is not sufficient. Only by giving encouragement to and utilizing the private sector and the Cooperative sector along with the public sector, industrial development of the country is possible. Our Prime Minister felt this need and encouraged the Private sector for speedy development of the country. This has been welcomed and this will help in the development of those backward areas which have not been developed so far.

[Shri Uma Kant Mishra]

Sir, I want to submit only one thing. Bundelkhand in Eastern Uttar Pradesh is a hilly region which has not been developed so far. For removal of poverty, it is very necessary that along with agriculture the industries are also developed there, Uttar Pradesh is a very backward State which has been created after merging five States. It has a large population. In Eastern Uttar Pradesh, there is much pressure on land and agriculture and the people are fleeing to Bombay, Calcutta and Delhi in search of employment. Many people are going to the Arab countries so that they may be able to earn a livelihood. Therefore, keeping in view the backwardness of the areas, it has become necessary to industrialise them. But the industrialisation should be done in such a way that wherever big industries are established, availing industries are also set up along with them. Big industries do not solve the problem unless small industries are also set up along with them. Sir, in Uttar Pradesh certain districts have been declared as 'No industry districts'. In the districts of Mirzapur, Ghazipur, Jaunpur, Ballia etc there is no industry. These have been declared as "No industry districts" and it has also been declared that in each of these districts at least one big industry will be set up. But in the Sixth Five Year Plan, it was not possible to do so. No big industry has been set up in Jaunpur, Ballia or Ghazipur.

Sir, we had requested that along with the districts being declared backward, tehsils and Blocks should also be declared backward. You will recall that a few years ago the Sivaraman Committee was appointed who had submitted their report and had stated that the big districts which do not come in the list of backward districts but where certain tehsils and Blocks were backward should also be declared as industrially backward ones so that industrialisation could take place easily there also. Today the industrialists want to set up their industries at places where concessions and facilities are given. Therefore, they want to establish industries at those places which come under the list of backward districts and not in the districts which are out of this list. I, therefore, request that those big districts

which are not backward but where certain tehsils and blocks are backward should be declared backward as recommended by the Sivaraman Committee so that industries could be established in those places also. My request is particularly for the hilly region, Bundelkhand and Eastern U. P.

There is a common complaint that the Public sector industries do not produce according to their capacity with the result that they have to run at a loss. The reason for this is that the managers of these industries are mainly civil servants. We had requested earlier also and today again I am requesting that a special cadre should be formed to run the Public Sector industries. In this cadre, those persons should be included who have full experience of running these types of industries. In this cadre, IAS and other personnel can be taken on their merit and in this way the full capacity of these industries may be utilised.

Now I shall come to the point I wanted to touch specifically. Mirzapur is a large district having an area of 300 sq. kms. Kerala is a little bigger than this. In its southern part there are coal mines and power generation plants and people want to set up new industries in that part only. The result is Northern Mirzapur has become totally backward and people are migrating to other States. I therefore, request that in Northern Mirzapur at least one big industry should be set up.

Birlas have been given a licence, perhaps in the joint Sector to set up a 'carbon black' factory. They want to set up this factory in Renukut, where their Aluminium plant has been established. I appeal, through you, to the hon. Minister and through him to the officials of the Ministry that Birlas should be asked to set up their 'Carbon black' factory near Mirzapur town where land, railway facility, water and power are available. Coal can also be available from a short distance.

With these words I support the demands of the Ministry of Industries and Company Affairs.

SHRI GIRDHARI LAL VYAS
(Bhilwara): Mr. Chairman Sir, I support the

demands of the Ministers of Industries and Company Affairs. I want to draw the attention of the hon. Minister that Rajasthan is a backward State where you have so far invested 1.9 per cent. You have created a big regional imbalance. The programme for removal of poverty in Rajasthan has lagged behind and has thus retarded the pace of development there though there is large scope of development in that State, you never paid proper attention towards its development. We have constantly been saying that Rajasthan is a backward State and all its districts are no-industry districts and there is big scope for setting up of industries. There Sandstone is available there with which big cement factories can be established. In addition, many minerals are available in large quantities. In spite of all this. Government have paid no attention towards this.

You are aware that recently the Central Government have extended the railway line from Kota up to Neemuch and Chittor. Why has this line been provided? This line has been provided because big cement factories can be established on both sides of this line. In that area large quantities of stone required for manufacturing cement are available. Today there is acute shortage of cement in our country, and Hundreds of crores of rupees worth of cement being imported by us but where there is great scope for setting up of cement factories, there we are not setting up the factories. On being approached by the Rajasthan Government, the Planning Commission and the Industries Department had approved that the Cement Corporation of India would set up a very big cement factory at Bundi with 2.5 million tonnes capacity. Similarly, it was said that a factory with a capacity of 5 million tonnes would be set up at Shambhupura. In addition to the above, many people have been given licences for setting up of cement factories in the private sector but no significant progress has been made so far. In my district Bhilwara, the Birlas were given a licence for a cement factory but work has not yet been started on it. Similarly, licence was issued for a cement factory in Sawai Madhopur, but that too has not been completed. You have made your licencing policy liberal and have issued licences to these big capitalists and

monopolists, but you do not keep control on them. Unless you keep control on them, you will not be able to achieve industrial development to the extent you want, I, therefore, request that the two big cement factories in Bundi and Shambhupur for which the Central Government have the commitment should be set up early. You have started laying a broadgauge line from Kota to Chittor at an expenditure of crores rupees and this line will be completed next year. If you do not set up these industries, the whole infrastructure which you are preparing and the money spent on it will go waste. This rail line will pass through five districts of Kota, Bundi, Bhilwara, Chittor and Neemuch and if these two cement factories are set up, you can meet the cement requirements of the whole country.

My next submission is that Shri Birla had set up a wagon factory at Bhratpur long back and five thousand people work in that factory. I am not holding any brief for Shri Birla, but the factory is not getting orders from the Railway and the result is that the factory is on the verge of closure the factory West Bengal on the other hand has been given orders. If the factory is closed due to lack of orders, thousands of workers will be rendered jobless. I, therefore draw your attention towards this and request that the Railways should give purchase orders so that the factory may not be closed and the five thousand workers these may not be rendered jobless there by.

Next submission is that today you have made certain provisions in respect of Companies. One of the provisions is that big companies can transfer 30 per cent of their assets for opening a new company. You have made this provision in the Companies Act. I want to submit that 30 per cent assets are taken out from the old industry for investing in the new industry, the old industry will become sick. They set up some more new industries by transferring that money. They earn more money and their intention is to earn still more money by setting up new companies. A provision may be added in the Companies Act under which if an industry

[Shri Girdhari Lal Vyas]

is declared sick, without your permission(Interruptions) Now, I would like to make a submission about the self-employment scheme. It is a very good scheme. How much co-operation are you getting in this scheme from the banks. You have stated in your report that about four lakh applications have been received out of which hardly two lakh people have been able to get loan. Banks are not extending much Co-operation. Every where corruption is rampant. Subsidy to the tune of Rs. 6,000 is given. Out of this Rs. 3,000 are usurped by bank officers and other persons. Either you stop giving them subsidy or you increase the amount of loan. The banks evade the applicants sent to them by the officers after interviewing them. If they pay something, they get loans. Otherwise not. Unless improvements are made in this respect in the nationalised banks, the programmes for removal of poverty and unemployment will not bear fruit. Some arrangements will have to be made to set things right.

SHRI RAM SINGH YADAV (Alwar) :
Mr. Chairman, Sir, I fully support the demands for Grants presented by the hon. Minister. Besides, I congratulate the Minister of Industries, who has announced in the House the new Industrial Policy for the year 1985 which has boosted the economy, increased production and created employment opportunities in the country. The Industrial Policy Resolutions of 1948 and 1956 and the Statement on the Industrial policy of 1980 are the indicators of the success of the country's industrial policy. Besides, the important step taken by our present Prime Minister in respect of industrial policy is meant for increasing production and achieving the social objective. I recall what has been stated by the late Pt. Jawahar Lal Nehru while speaking on the Industrial Policy resolution in this House in 1954. He said that we had to follow the policy of nationalisation to achieve success in our goal of ushering in the socialistic pattern of society. He had further said that the object of nationalisation should be increased production and non employment opportunities and that was only the main object of the industrial policy was to increase production and augment employ-

ment opportunities. He further added that there should be more and more coordination between the two. The same policy was presented before the country by our late Prime Minister, Smt. Indira Gandhi in 1982 and she had given a call for ensuring more production. It had great impact on industries in the country. You might have read the Annual Survey of Industries for the year 1981-82. The industrial policy followed by us and the consequential industrial progress has been commended in it very much. It has been mentioned in the survey that there has been 20 per cent increase in the field of investment in industries, in respect of production as also in the field of profit. Not only this, while giving this slogan of increasing the productivity to the nation in 1982, Smt. Indira Gandhi had said :

[English]

"We must get more out of every acre under plough, out of every spindle and machine, out of every technologist and worker, out of every rupee spent. Decision-making must be expedited, and there should be a greater delegation of financial and administrative powers, simplification of procedures, improvement in work environment, better maintenance of plant and equipment for increased capacity utilisation."

[Translation]

Extending further the industrial policy, announced by Pt. Jawahar Lal Nehru and Smt. Indira Gandhi our present Prime Minister, Shri Rajiv Gandhi has said not one industrial policy should aim at preparing the country to enter the 21st century and that we had to raise the living standard of every citizen and his *per capita* income also, that is why he has presented the industrial policy before the country in the form of a national charter and has given the following call :

[English]

"I reaffirm our adherence to socialism planning..... Our aim is conti-

nous modernisation, higher productivity and rapid advance of social justice."

[Translation]

These words give us an important hint. The aim of our industrial policy is to increase productivity and employment opportunities in the country. Besides our aim is to create an industrial atmosphere in which the country can make rapid progress.

The criticism made earlier of our public sector undertakings is now no longer there I congratulate the hon. Minister of Industries for this. The public sector is now steadily earning a name in the country. They not only have increased their production but also have started earning more profit. The report relating to this department clearly shows that the public sector is likely to earn about Rs 27 crore profit during 1984-85. Our public sector undertaking such as BHEL, BHPV, H.M.T., Bagan Jute Machinery Ltd, Maruti Udyog, etc. are firms of repute and they have not only increased their production but they are earning profit also. People have got employment through these industries and this policy will definitely help the country march ahead.

Mr. Chairman, whenever the political leadership has given a call to the nation, the people have fully responded to that call and have accepted the challenge. When the farmers were asked to grow more food they did so and the result is that today our country is self-sufficient in the matter of foodgrains.

Similarly, we have achieved considerable progress in the field of telecommunications. I am quite hopeful that we shall be able to achieve the fixed targets by 2000 A.D. and even in the industrial field, our country will be among the front ranking countries of the world.

The country will certainly march towards industrial development as a result of the liberalized industrial policy recently announced by Government, especially, for giving exemption for inducting and importing new technology."

At the same time, I want to congratulate the hon. Minister of Industry for liberalizing the industrial policy. He has not considered it necessary for an industry to obtain an industrial licence provided the cost of its plant, machinery and land taken together is less than Rs 5 crores and at the same time, he has delicensed 25 other industries. It will certainly offer opportunities to the industrialists and entrepreneurs for setting up more industries leading to more production in the country.

16.00 hrs.

I would like to submit to the hon. Minister, who is a wise, knowledgeable and devoted person that the domestic economic liberalization he has effected is very important in itself. At the same time, there is a need to take a cautious view of your foreign investment and foreign trade. It has many aspects. I hope that you will view them in the perspective of what adverse effect they bring to our economy.

In the end, would like to give a suggestion that you effect reduction in the prices while maintaining quality control over the indigenous production. You should effect reduction in the prices especially of the items which are used in the rural sector and by the common man, such as, diesel pump sets in the rural areas, transportation machinery-ordinary cloth being used in the country side and processed foodstuff. If you effect reduction in their price, it will considerably boost the country's economy.

I also want to say that you should free the small and medium sector consumer goods from all constraints and restrictions. The raw material and other facilities you provide to the cottage industry in the rural areas will lead to increase in production there and create an environment for the cottage industry. You have given facilities to the industries, but you should give more facilities to the cottage and village industries I request and hope that you will re-consider it and give a package deal to the rural sector similar to the one that you have given in respect of the industrial policy.

This is my submission that under the new industrial policy, you should treat the

[Shri Ram Singh Yadav]

block as a unit and the block which has no industry should be taken as a norm. So far, you have been treating the district as a norm, but hereafter, the block which has no industry should be your guiding factor.

I also request you to develop the Gram Panchayat area into an industrial area. With these words, I thank you.

16.04 hrs.

[English]

STATEMENT RE : COMMUNAL
RIOTS IN AHMEDABAD

THE MINISTER OF HOME AFFAIRS (SHRI S. B. CHAVAN) : Sir, the House is already aware that since the middle of February, 1985, students in Gujarat started an agitation against the increase in reservation for other backward classes in medical and technical courses. On 18th March, the situation in the walled city of Ahmedabad took a communal turn which necessitated the imposition of curfew as well as deployment of the Army. In this regard, I have already made a statement before this House on 21st March, 1985. The situation subsequently had returned to normalcy. However, reports have been received indicating that once again communal riots have broken out in some parts of Ahmedabad city from the night of 15/16th April following a call for 'Jail Bharo' given by 'Akhil Gujarat tWali Maha Mandal' and some other organisations. It appears that during the night of April 15/16, mobs from NAVAVAS area of the city abruptly started heavy stone pelting towards a locality inhabited predominantly by, a particular community in Gaekwar Haveli Police Station area. The other community appears to have retaliated. During the process, burning rags and acid bulbs are also reported to have been used. Similar incidents continued to take place during the course of the night at different places in the walled city involving use of burning rags and acid bulbs against the houses and shops belonging to a particular community. Police took immediate action and had also to resort to firing to control the situation. Curfew was imposed for an indefinite period from 12.30 a.m. on

the night of 15th April, 1985 in the affected areas. Subsequently, it was extended to other parts of the walled city which witnessed communal incidents, thus bringing most of the parts of the walled city under indefinite curfew.

A total of eleven persons died during these riots including eight in police firing and three in stabbings. Twenty-three people were injured including nine from police firing. So far, 213 persons have been arrested for various offences. About thirteen properties are reported to have been affected by arson. Damage to the property is being assessed by a team of officers from the Revenue and Sales Tax Departments and Municipal Corporation. Immediate relief of Rs. 20,000/-each has been given to the family members of the five deceased. Further relief for the other persons killed and those injured is also being given as per the prescribed standard.

Adequate police 'bandobast' has been made in the affected areas and other parts of the walled city. The situation was reviewed on 16th April and in view of the prevailing tension in the affected parts of the city, the Army was called in to assist the civil authority w. e. f. 2400 hours during the night of 16/17th April. Four companies of Army have been deployed in the city for maintenance of law and order in addition to the existing State forces and other paramilitary forces. Additional four companies of CRPF were air-lifted on 16th April to augment the available forces with the State Government.

From subsequent reports, it appears that the situation has improved to some extent since the afternoon of 16th April. Till this morning, no major incidents were reported though sporadic & minor incidents continue to take place necessitating use of force by the police. Indefinite curfew continues to be imposed in 3/4th of the walled city. The situation continues to remain tense though under control.

Union Home Secretary also visited Ahmedabad on 16 April, 1985 to make a personal assessment of the situation. We are in close touch with the State authorities. I hope and trust that taking into account the present situation,

all sections of people will contribute to the restoration of normalcy in Ahmedabad and also ensure that there is no breach of peace else where in the State.

SHRI AMAR ROY PRADHAN (Cooch Behar) : Madam, it is a very a serious thing.

MR. CHAIRMAN : No clarification, I don't allow; please resume your seat. This is a statement made by the hon. Minister. No clarification on this.

(Interruptions)

MR CHAIRMAN : Now I call upon Mr. Shankaragowda.

16.09 hr

[English]

DEMANDS FOR GRANT (GENERAL)
1985-86—CONT'D.

*Ministry of Industry and Company
Affairs—Contd*

SHRI K. V. SHANKARAGOWDA (Mandya) : Madam Chairman, I wish to express my sense of gratitude for giving me this opportunity of speaking a few words on a very important subject which involves crores and crores of rupees from our Exchequer. It is a matter of immense pleasure to state that I had the good fortune to work with a close friend of mine who is now incharge of a big Department.

I had the good fortune of working with him as the Education Minister. Now, I have the misfortune of opposing him in this House for various reasons. Anyhow, being a very close friend. I do not think, he will mistake me. On the other hand, I do hope that whatever reasonable argument that I put forth in this House will not vanish in wilderness but will bring out something concrete. With these preliminary remarks, I would now wish to take up the subject, namely, the demands for industry.

Madam, it is not my intention to deal in detail about the various items adumbrated in this particular demand. I wish to concentrate upon only one important item, viz. Khadi and Village Industries. We have read in epic poems about monsters. It is said that

there were man-eaters. I do not know whether such human beings who ate men were there or not. It may be true or it may be a figment of imagination on the part of the poet who wrote the poem. But in the 20th century, I know for certain that monsters are reared. They are none but the big industries in the public sector and private sector. They are eating into the very vitals of the common men in our country. They devour millions and millions of common men in our society. It is really deplorable that most of these unfortunate people either hail from the rural parts or live in slums in the cities. I would like to recall the memory of my esteemed friend to one important observation made by Mahatma Gandhi. That observation runs thus : "The industrial policy of the State shall be in accordance with the needs of the society and not to satisfy the whim or greed of any individual". If my dear friend understands the real spirit and significance of this great observation, then he will really think over or re-think about the costly proposals that he has placed before this august House. In my opinion, many of the big industries are not at all necessary for the survival of our society. Many of them are meant for producing luxury goods, which the common man cannot eat. There is no use or need in investing such huge amounts of money in producing luxury goods in a country like ours, where millions and millions of people are struggling even for a morsel of food. There are millions and millions of our brethren whom we see in rags in the streets. We see people slowly dying of starvation. When such is the condition, are we in a position to invest such huge amounts in luxury goods? Are cosmetics necessary for us? Are colour televisions necessary for us, or are other costly things necessary for us? What is the question before us? What is the problem before us? What is the impact through which our society is passing today? It is the question of acute and absolute poverty, squalor, misery, illiteracy, ignorance and what not. According to the estimate of the planning Commission themselves set up by the Government of India, 54 per cent of our population is below the poverty line. What are the concrete proposals given by the Government of India to lift these people above the poverty line? What is the agency?

[Shri K. V. Shankaragowda]

You have got agencies for other sections of society. They have got such a feeble voice that nobody can hear them. They are uncared people. If there is any section of the society which is most forgotten, which is most subject to exploitation, it is the rural population, which consists of 80 per cent of the total population. These people who are below the poverty line, a majority of them, are living in the rural parts and slums of the city. What is that you have done for those people? Where are the proposals for those people? There is a Khadi and Village Industry Board. This is the only agency which we can think of to lift these people above the poverty line. But the amount provided for this important agency is very very meagre compared to the huge amount set apart for big industries which are unnecessary. There is a paltry sum of Rs. 82 crores or so. Of course, it is shown as Rs. 42 crores by way of subsidy in lieu of interest, I think it must be a book adjustment. Then again Rs. 45 crores, 8 lakhs and two thousand by way of grant. I think it will go for salary. What is left over is only Rs. 82 crores and odd by way of loan. What is the number of people which this meagre sum can lift above the poverty line? Should they go on living like this in absolute poverty?

The programmes undertaken by the khadi and Village Industries Board today are only limping programmes. This amount will not do anything for them, if we mean business. If you have got the obligation over these people, down-trodden people, we must do something dynamic through the agency like the Khadi and Village Industries Board. I would like to point out one discrepancy here. For self-employment scheme for educated unemployed, Rs 65 crores is set apart. What is their number compared to those who are above the povertyline? I do not understand how this man is discriminated against? If he studies upto SSLC, he goes to one cadre; if he has not studied at all, he goes below. He is superior and he is inferior. These people generally constitute not one per cent who are under the poverty line. They are 65 crores whereas those are 40 crores. For them Rs. 82 crores are provided. I request with folded hands not only the Minister but also the Prime

Minister, who seems to be progressive minded, who seems to have a broad vision, to think ahead of that time and provide a huge sum of money to this Board, service motivated Board and ask them to work in the rural areas for the amelioration of the conditions of the down-trodden and the poor.

Khadi and Gandhiji always go together; they are synonymous terms. One thing that was very dear to the heart of Gandhiji was Khadi and *Charkha*. He worked and toiled for a period of 25 years for the resuscitation of *Charkha* and propagation of khadi.

It was not for fair fancy that Gandhiji advocated Khadi and Charkha. He wanted that a Charkha should be installed in every house or every cottage so that it can lift the people from below the poverty line. Now what is the fate of Khadi and what is the fate of Charkha? Charkha shall not and should not die. Madam, we should take a pledge that at any cost we should not allow Charkha to suffer, and through Charkha, Khadi. Khadi as it is produced today is not at all remunerative. I have made a thorough study of it. I have visited several Khadi producing centres. I found a girl toiling for the whole day, earning Rs 4/- a day. And we asked that lady whether she was able to make both ends meet with that amount of Rs. 120/- per month, when we are not satisfied even though we get Rs 2,000/- per month. What can she do with Rs 120/- per month? Is it equal standard of living? We are proud of our scientists and we are proud of having conquered space. But can we not improve the lot of our people, and eradicate poverty?

MR. CHAIRMAN: Please conclude now. You have taken eleven minutes.

SHRI K. V. SHANKARAGOWDA: We have now to rationally think of these problems. The modern generation does not like Khadi; they want some attractive cloth. The cloth can be made attractive and it should be durable also. Gandhiji, was never dogmatic. He was flexible. Whatever was applicable to the time in which he was living, he had done. He never hesitated to make any modifications or changes in his thinking according to the needs of the time. If we

mix some polyester with cotton, blend it, say in the proportion of 50:50 it would be more durable and attractive also. If that girl who was working on cotton could get six spindles of yarn, she would be able to make Rs. 10/- a day, or Rs. about 300 a month. That will be something reasonable. I also demand that the looms should be improved in their functioning so that one could spin about 20 to 25 spindles a day. It depends upon the produce they manufacture every day. They are not wage earners. According to the quantity they produce they should be given wages. The girl about whom I mentioned should be able to get Rs. 12/- per day if she can spin 20 to 25 spindles of yarn. The NMC Charkhas should be made more profit earning ones. It is not difficult for the scientists. The difficulty is with the mill owners and industrialists. They do not allow this because it affects the profits going into their pockets. It will cut into their profits. There are always vested interests which always raise their voice to plead against the khadi and village industries. They will try to kill in at any cost and people working on Khadi will find that it is not remunerative. They will give it away. Therefore, we should make Khadi and village industries stronger, and we should also undertake more research into the modern methods of manufacture so that the production of Khadi becomes more remunerative. If we do this with dedication we will not only remove poverty within the span of the next Five Year Plan but we can also remove illiteracy. If we give this opportunity to those who are living below the poverty line, we can easily cajole them to learn reading and writing.

When we give them an opportunity to make a living, then they will be happy to learn. We can appoint some gentleman and pay him honorarium to teach the unlettered ladies and gentleman. Of course, it should not be mere writing and reading and having an ability to write one's signatures, but such knowledge as to know how to deal and live in the modern world. Merely reading and writing will not do. It will be ruinous. People with half knowledge are more dangerous than those absolutely illiterate. The absolutely illiterate is often redeemable, but the people with half knowledge are not redeemable sometimes. No man is beyond

redemption, according to Mahatma Gandhi, except the born delinquents. It is possible to convert these illiterates, but it will be very difficult to convert the people with half education and half knowledge. They will be haughty and will have no discipline in them. Therefore, with that in view I would request the hon. Minister, Shri Veerendra Patil, who is in charge of this portfolio to think over this matter and recast his proposals in view of the sincere expressions I have placed before him. With deep agony in my heart I am placing these things before you. If you do not eradicate the poverty as early as possible, we will be inviting revolution either of French type or Russian type or Chinese type. Let us not hope it will happen. Let wisdom dawn upon us before it is too late. Poverty is the greatest sin in the world. We are responsible for this poverty. If there is prostitution in this country, we are responsible; if there is theft in this country we are responsible; if there are robbers and thieves in this country we are responsible. Therefore, we have to pay the penalty for it. We should now retrace our steps. I was once in the Government as Chief Minister. So, I know I am a sinner, because I did not strictly follow Gandhi Ji and followed somebody else. Therefore, let us retrace our steps and let us listen to what Gandhi Ji asserted in so many aspects of human life: GANDHI PARNIT SAMAJWADA. When we say so let us be true to it.

One more observation I would like to make. I am getting a new experience in this House. I often see people reading written speeches. I do not think we are having this practice anywhere. Till so far, I have not seen any such practice in any Assembly or in Parliament. I do not know whether it is allowed. In fact, I wanted to raise a point of order about this, but some friends advised me not to do so. Therefore, I kept quiet. I would like to know whether in future these things are going to be allowed in this august House? There is always some danger in allowing written speeches to be made on the floor of this august House, because thoughts may be of somebody else and the person who reads may be somebody else.

[Shri K. V. Shanakaragowda]

With these remarks I conclude. Thank you for allowing me to address a few words in this august House.

[Translation]

SHRI MOOL CHAND DAGA (Pali) : Madan Chairman our industrial policy in India basically continues to be the same, but some changes are brought about in the policy from time to time and as a result of these changes, some results have come before us.

I am afraid of your ringing the bell, therefore, first of all, I want to say about D.I.Cs, and how they functioned. The latest report about D.I.Cs in this.

[English]

This Public Accounts Committee Report 1984 85. It says:

"The main objects of providing this was to provide under one roof all the Services and facilities required by entrepreneurs. This has not been fulfilled.

What are the findings of this Committee ? They have stated:

"One of the main functions of the DICs is to assist the artisans and small scale units in getting financial assistance from banks and other financial institutions. For this purpose applications for institutional finance are to be assessed and recommended by the DICs through the Manager (Credit), an officer deputed by the 'lead bank' of the District. The Committee are surprised to find that out of 79,445 cases recommended by DICs in 11 States/Union Territories during 1978-79 to 1981-82, only 30,035 cases were accorded sanction by the banks/financial institutions. In another State, viz, Maharashtra out of 38,883 cases recommended by DICs as many as 12,412 cases were rejected by the banks whereas in Andhra Pradesh, out of 10,902 recommended cases, 4,139 cases were pending..... In Nagaland, out of 185 cases, only 33 cases were sanctioned by the banks "

[Translation]

Now, what is the role of D.I.C. in it ? On the one hand, the people are asked to take loan, the bank will provide loan, but on the other, loan is not given to more than 50 per cent people despite the recommendations of D I C. They say that they are not in a position to provide loan and, hence, will not give loan. This report contains full detail. This report pertains to the year 1984 85. I want to quote from this report:

[English]

"There is regrettably no systematic arrangements to monitor the functioning of the units assisted by the DICs. During the tours of the Study Groups of the Committee the representatives of the State Governments had informed the Committee that while the figures of small scale industries and units set up under the DIC programme were available with them, the number of industries which were actually functioning were not known.

[Translation]

They have said that they did not know how many of them were functioning. They know only the number of those which had been registered.

[English]

This is the answer of the officers. It says:

"It was also admitted that the possibility of a high percentage of such industries having been closed down or becoming sick could not be ruled out.

× × × ×

"The DICs programme calculated to some extent to decentralise industrial planning to suit the endowments and needs of such district and to bring about an inter-disciplinary approach...."

Nothing has been done.

[Translation]

If you go through this report, you will know everything and you will come to know

what is the position of the D.I.Cs is, I would like to quote an example. I also want to tell you how the Ministry people incur expenditure and also the extent of this expenditure.

[English]

In para 3.13 of Ninety-fourth Report of the Committee on Public Undertakings (1983-84) on the Ministry of Industry-Department of Heavy Industry, it is stated:

"The Committee find that the expenditure in advertisements and publicity had gone up from Rs. 1.49 crores in 1980-81 to Rs 2.16 crores in 1982-83. The Committee are not averse to publicity that may be warranted on commercial considerations. It should, however, be ensured that the expenditure incurred on publicity really serves the purpose in view. For instance, big advertisements about tractors in English Press are of no use to the farmers who are the main users of the tractors."

[Translation]

Thus, an expenditure amounting from Rs. 2 crores to 2.5 crores is incurred on advertisements alone and that too in the English language as if all the farmers in our country will purchase tractors after reading the advertisements in English. Such is the situation. In addition to this where do your big officers of the Industry Ministry go to? They go on foreign tours. They are enjoying themselves well. It is said that no other department has so much scope for extravagance on such a scale. Nobody is there to check it.

The officers of your Industry Ministry indulge in tall talk, and no one is there to check how money is being misused. We feel ashamed when we read the report of the Ministry of Government have invested Rs. 35,000 crores in these public undertakings in the country but we do not get even two per cent return from them, whereas it should have been 11 per cent.

Such is the position of your D.I.Cs. that in the cases which they recommend for loans, the persons are told that they the loans are not available. This has been reflected in the report of the Committees on

Public Accounts and Public Undertakings as well.

(English)

Now what are the lessons? This is the Report of the Committee on Public Undertakings:

"The committee were informed that during the first five years, as many as 47 officers of N.S.I.C. went abroad. The total expenditure incurred by the company on this account was of the order of Rs. 1,14,15,423 including Rs. 6,11,349 spent in 1982-83 above. The Committee wish to stress that the Ministry should carefully monitor the expenditure on foreign tours."

[Translation]

These people are spending lakhs of rupees on foreign tours and they have provided these officers with opportunities to make foreign tours.

[English]

This is the 39th report of the Committee on Public Undertaking on Bharat Heavy Electricals Limited.

MR. CHAIRMAN : Hon. Member's time is up.

SHRI MOOL CHAND DAGA : All right. You are doing your own duty.

**The report says :

"It is a pity that more than 30 years the ITI could not perfect even the telephone instrument. The latest design (677) with the Japanese dial though an improvement over the present design, is not reportedly free from major defects associated with the receiver and the transmitter..."

[Translation]

Now, even after the lapse of 30 years there is still mention of development of new technology. They were repeatedly asked to develop new technology but they could not develop it.

**Expunged as ordered by the Chair.

[Shri Mool Chand Daga]

[English]

"A decision taken in December, 1977 to import know-how for the manufacture of telephone is yet to be carried out."

Now it is 1985. This decision was taken in 1977.

[Translation]

When will this be implemented? Only you can tell us about it.

Madem, I would like to ask through you what the production cost of the Cement per bag at present is. I think it is not more than Rs 27. You can count the running expens, labour expens and transportation charges. But the same cement is being sold at Rs. 66 or Rs. 67 per bag in the market and nobody is there to check it. On the one hand you have increased the prices of coal, steel and several other items. The prices of all the implements manufactured by Government are increasing. Cement is used by the commonman and its price is also increasing. Will the hon. Minister state the reasons for increasing the prices of Cement? He should state in his reply what is the production cost per bag of cement including labour charges transportation charges and other charges and how the price is fixed at Rs. 67 per bag in the market. What a house these people have played with cement? In the cement industry Rs. 4000 crores have been Swindled. This has led to the Sickness of the industry.

At present as many as 28,000 industries are sick in the country. The hon. Minister should do something to make them viable. The factors responses for the sickness of the mills are examined many times and there after a statement embodying the new policy is made. It is claimed by them that they have brought about improvement in the field of industry. But I would like to say that no improvement has been made, rather the situation has deteriorated.

Surprise checks should be made of the working of high officers and secretaries. What are the D.I.C. Centres doing? What

had the hon. Minister done? There were several industries in Kanpur and some other areas. He has excluded them and declared the industries in the remaining areas as sick. This was a good way out indeed!

I have suggested many times that industries in the Public Sector should be set up in the backward areas. You should provide infrastructures. There and new industries should be set up only thereafter. But this is not being done and the backward areas continuous to remain backward. These areas are of course, declared "No Industry" districts but no provision of roads and transports facilities and consequently these areas continue to remains has been made there backward. This is what you are doing in respect of these districts.

Industries and becoming sick. I have also fallen sick but I am the least bothered about bother my own sickness. The subject under discussion at present is that of industry.

[English]

MR. CHAIRMAN : Please conclude now.

SHRI MOOL CHAND DAGA : Members are given 5 minutes each. They cannot even talk about ABC of industry. This is not enough time. Either you do justice to them so that they can speak something about industries or you do not permit them.

It is upto you ; it is well and good.

MR. CHAIRMAN : I have already given you more than ten minutes.

[Translation]

SHRI MOOL CHAND DAGA : The industry can make progress only when they are run with a missionary zeal and dedication.

SHRI KAMMODILAL JATAV (Morena) : Mr. Speaker, Sir, I support the Demands for Grants of the Ministry of Industry and Company Affairs presented here.

I would like only to give some suggestions.

A number of industries have been set up in the country but there are areas where there are only a few of them. In Madhya Pradesh there is one industry in Bhilai, There is a dairy unit in Betul and an other one in Bhopal.

There are 11 industries spread only in three districts out of 45 districts in Madhya Pradesh. On the one hand a large number of industries have come up in several States and districts and on the other several districts have remained backward. The area of Morena is 300 sq. kms, but there the industry-covers only one sq km. area and as this industrialist happens to be an outsider, only the outsiders are provided with employment there.

There are stone quarries and iron-ore mines in Morena and it is an ideal place for setting up of industries. There was a proposal for setting up of oil refinery in Morena but it is not known why the old refinery has not been set up there till to day.

In case no outsider wants to set up an industry in Morena, then licence may be given to any industrialist of the Chambal and Gwalior Divisions of Madhya Pradesh to set up industries in Morena.

I would like to make only one submission. I request the hon. Minister that an oil refinery may be set up in Morena.

In the end, I express my thanks for giving me the time to speak.

SHRI HARISH RAWAT (Almora) : Madam Chairman, we had passed the Industrial Policy Resolution in 1956. It was envisaged in it that the work of development of backward areas would be undertaken and regional imbalance would be removed. But even after 30 years, when we see the progress made we find that although a long period has elapsed, our Industry Department could not succeed in implementing This basic concept. The example of U. P. can be cited in this respect. In U. P. ; only 5 per cent of the total allocation for industry has been invested and the share of investment in this state out of the Public Sector investment made in this country in only 4 per cent

when the population of U.P. is one Sixth of the population of the country and the number of consumers in U P is the largest. But no consumer based industry has been set up there.

I would like to request the hon. Minister that the injustice done to U.P. should be undone. It is not only the question of U.P. There are several other areas which have suffered on account of the policy of our Industry Department. The Industry Department should work as a promoter and undertake the work of development. It should Keep in mind how to promote the interest of industry at large.

You earmark one third of the amount for the development of industrial structure but you have put a ceiling of Rs. 2 crores on this. This amount is not of much help Similarly the "No Industry" Districts have been provided. With the least—industry Subsidy under this head. Therefore, I would like to plead that "No Industry" District should be provided with more assistance so that they may also make progress.

We have declared 250 districts as industrially backward and we have made a commitment to establish basic industries two. But even after providing several Kinds of industrial subsidy we find that the basic industries in the states have not shown any profit. So, I would like to request that the public under takings, specially those which are under the control of the Industry Department, should take up the task of establishing big industries in backward areas.

I have been making a demand for the last five years that a unit of Hindustan Photo Film should be established in the hilly areas of Uttar Pradesh because there the climate is suitable for such an industry. But, no action has been taken on it on some pretext or the other. No big industry can be set up there. If we do not establish such an industry there for which the climate is suitable and the land is available, then there would be injustice into the people of that area. We will also not be achieving our avowed aim.

As many as 30,000 industries have been declared sick during the last five years or

[Shri Harish Rawat]

more when a sum of Rs. 500 crores belonging to the financial institutions has sunk in the units. Most of the industries which became sick belong to the priority sector. So a policy should be formulated to revive them and that policy should be an effecting one and should show results. You should also undertake a nursing programme in respect of industries and along with it, it is necessary that the Financial Institutions, wherever associated with these programmes should cooperate with them. Of course, running programmes are undertaken but due to the non-cooperation of some agency or the other they have not been successful. Regarding D. I. Cs, I would like to say that D. I. Cs. make available raw materials but they do not get loan from the financial institution in time. Nor do they get power connection. It small entrepreneurs survive and reach the marketing stage, somehow or the other, they cannot stand competition and they fail. This is the reason why the small industries could not succeed even after so many announcements and the grant of all types of incentives. The greatest sufferers in this are those who are setting up industries for the first time, encouraged by your announcements. They come forward but ultimately they suffer tremendously.

Our Government have announced to grant of Rs. 25,000 to an educated unemployed person to set up an industry but this is a very small amount. So, in consultation with the Finance Ministry, this amount should be raised to atleast Rs. 1 lakh.

The Khadi and Village Industries can play a significant role in the backward areas in regard to development and providing employment. The blocks in the backward areas also should be brought under the Integrated Rural Development Programme which has been started to provide employment to forty lakh people. It agriculture is the backbone industry is the brain. After agriculture, it is the industry which helps in the economic development. We talk or inquiring about socio-economic change.

Our Industry Ministry is giving new incentives. But the main point is that whatever announcements are made, they should be implemented so that its benefits reach the people.

The technology is undergoing great change. We should also acquire the latest know-how from other countries but it should be decided earlier who could be benefited by it. The big entrepreneurs can acquire the know-how from other countries but it should be used to increase the production in the country as well as to raise the standard of living of those who are living in the villages.

There are 19 Public Undertakings under you. Out of it 8 or 9 are such that a lot of improvement has been made in there. The management deserves congratulations for it. Sometimes such an atmosphere is created which the reputation of the undertaking suffers.

So, an effort should be made to enhance their reputation. It somewhere the Undertakings are lacking input or need encouragement then the same should be provided to them. A time bound Schedule should be formulated for their so that the Public Undertakings start earning profit and become a model for others to follow. The Public Sector has to go a long way and for that they have a large scope. There can be large scale consumption of our engineering goods in Africa, Asia and other developing countries of the world. With the efforts of the officials of the Ministry, the percentage of exports has no doubt increased but it requires to be increased further. Insofar as export earnings are concerned, we export just Rs. 200 crores worth of goods. Considering our set-up, I request that there should be a long term export policy.

With these words, I support the demands of the Ministry of Industry.

[English]

SHRI K.P. UNNIKRISHNAN (Badagara) : When India began its tryst with destiny, it also began with an epoch-making approach to the problems of development. The message and the content of the national struggle was very clear, that we had not just envisaged political freedom alone but a basic and fundamental transformation of our institutions and society. There was a very clear vision of society before us. That was reflected in the constitution, in the institutions that were forged and in the policies

and pronouncements of stalwarts of our freedom struggle and those who took the reins of power in 1947 like Jawaharlal Nehru.¹ The vision of society was spelt out by Jawaharlal Nehru in this very House and I would like to begin with a quote from him. I quote:

"The picture I have in mind is definitely and absolutely a socialistic picture of society. I am not using the word in a dogmatic sense at all. I mean largely that means of production should be socially owned and controlled for the benefit of the society as a whole."

The Constitution that we adopted - if you look at the *Directive Principles* or even as late as 1975 we adopted in this House a change to the preamble and added the word 'socialism'. That has been made very clear. There has been a conscious economic model that we tried to build up and also a very clear route to rapid industrialisation. That is development of industry and technology and the process was initiated as reflected in the Industrial Policy Resolution of 1956 and the subsequent actions that we took.

There were certain basic assumptions behind it that India was a rich country but a poor people. There had to be then a massive assault, a frontal assault, on the problem of poverty and other inequities of the system and to redress regional imbalances if this nation is to remain united and also the primary task and need of acquiring certain defence capability to safeguard our territorial integrity. It is in the backdrop a division of emergence of a modern industrial power, though with an ancient civilisation and a great cultural heritage. Therefore, if the standard of living of the masses had to be raised step by step and then consumption standards stepped up to tolerable levels, this was possible only by acceptance of the goal of a self-reliant industrial system and a policy framework implying rational, economic and technological choices. Therefore, we had to build a capital goods base and also a base for research and development and have a policy framework for import of technology and foreign investment.

17.00 hrs.

In addition, having decided on a socialistic society, we had to build a regulatory

framework whether of control of monopolies to prevent concentration of income or building up of a public sector not only as an instrument of industrial expansion and diversification into nationally and socially relevant areas of the production. In pursuance of this goal public sector then was to acquire commanding heights of the economy. These were our goals then. These goals were not the eccentric view of a man called Jawaharlal Nehru or that of the dogmatic incorrigibles of the Left. These dictated by objective conditions of our society and levels of development we found ourselves in and the need also to involve masses in economic development in a positive manner. We had to make the masses also conscious of their role and not merely provide them with avenues of democratic self-expression but means of economic fulfilment.

Now, barring a few who swore in '50s and '60s by Swatantra ideology which Jawaharlal Nehru said was condemned to be thrown into the dustbin of history; the entire nation accepted these goals. But ironically I regret to say it is this very Swatantra ideology which is sought to be revived today whether it be in the Budget or in the various pronouncements of the Prime Minister and his colleagues who were promising us an entry into the 21st century and to a technological Disneyland and a managerial paradise. How far are these assumptions valid today? What is the role of the public sector today?

The other day, addressing the tycoons of the world who had landed here the European Management Forum of Geneva-my dear friend and the Minister of Steel, Shri Vasant Sathe, made many astounding pronouncements on public sector. It was significant that he was not just addressing a few chief executives of the public sector that he had chosen a forum deliberately and consciously to tell the world we are ready to bury the public sector. A sector which had begun with an investment of Rs. 29 crores in 1951 and 5 enterprises to Rs. 24,761 crores in 203 enterprises in 1982. Is the public sector responsible that it has been saddled with multitude of objectives like providing necessary infrastructure of economic and industrial development to generate resources for development and to create employment opportunities to promote

[Shri K. P. Unnikrishnan]

redistribution of income and wealth, to balance regional development and to assist the development of small-scale and ancillary industries and to promote imports substitution and exports and save and earn foreign exchange ?

I do not want to talk of many a lacunae in the public sector, managerial inefficiency of certain units and accidents like Kudremukh but what is your attitude to these goals and objectives when you go about decrying public sector. Hasn't it undergone a fundamental change after this government got into power ? Undoubtedly there must be qualitative changes in the public sector but it has become fashionable to condemn public sector outright with a shopkeeper's mentality of profit and loss. Can any one deny in the overall, the dramatic changes brought about by public sector in the Indian economic landscape ? Is the public sector responsible if coal and power sectors have not performed as they ought to have or if the Railways could not modernise ? And have they failed to perform because they are in the State sector ? Is it because of.....

17.05 hrs.

[SHRI ZAINUL BASHER *in the Chair*]

serious failures in certain specific sectors or failure of the overall sector because it happens to be State owned ? And it has to meet larger social and national obligations. Therefore, I want to know from the Minister of Industry what is his Government's approach to the role of public sector ? I demand a well-considered White Paper on the social, economic and financial objectives of the public undertakings as was done in the UK a few years ago.

It is ridiculous to compare the performance of public and private sectors. A Private sector Unit which operates at a micro level primarily fulfils the goals of a given corporate management, but largely supported by financial institutions, it functions in areas of market profitability and in a sheltered market This will become clear if you go through the product pattern of the manufacturing industry in India. The

persistent problem remains one of distortions in the demand pattern or demand for industrial goods where 10% of the urban and 10% of the rural households consume most of the goods and services. Given the existing distribution of income and if there is no onslaught on this distribution pattern, can it change only by technological inputs ? These are some of the questions that one has to address oneself while promising a fairyl and.

Addressing the Indian Engineering Exporters on March 22, the Prime Minister has said categorically that certain industries must die. I quote his words:

"We cannot pretend that all industries must be carried into 22nd century (he means 21st century); we must accept this fact that some industries have to be allowed to die."

And he adds :

"There are many areas where we just cannot continue with labour intensive industries."

Would the Minister for Industry clarify the thought behind this gem from the Prime Minister ? What are the components of this strategy ? Please outline what the labour intensive industries are or otherwise please tell us what he wants to allow to die and what will happen to the people employed in these sectors. I am particularly interested to know what his attitude is towards textiles, handlooms, jute and coir and cashew industries of Kerala. I would want him to spell out clearly the policy framework. What is the magic wand by which he will change the structure of these industries ? There are nearly 50 million unemployed in the country today and 50% of them are in the Live Resisters of Employment Exchanges and thousands enter the labour market every day. What is your strategy to provide them for means of livelihood ?

The entire regulatory framework of industry in terms of licensing or controls over monopolies and restrictive trade practices or foreign collaboration are being systematically assaulted upon. The Sachar Committee went into the question as late

as 1978 and they turned down the demand for raising the assets level of monopolists beyond 20 crores of rupees. There have been a number of studies made by the Reserve Bank of India as also the information given in this very House and also in the academic circles that these houses, monopoly houses are not so. It is not because there are 1500 monopoly units that they had not been able to grow. According to the statement laid on the Table of the House the other day, the assets of Birlas have gone up from Rs. 1432 crores in 1980 to Rs 2840 crores in 1983 and Tatas from Rs. 1539 crores to Rs. 2850 crores in 1983, that is, for the same period, I am not suggesting that there is no need for any change. The trouble was that controls were not properly spelt out and operated through explicit regulations but by executive fiat giving a large area of arbitrariness which stifled initiatives and brought a number of bureaucratic controls which were not necessarily an adjunct of policy. Therefore, it is important that the hon. Minister should spell out these things.

Similarly, autonomy of public enterprises is important and their tools of productivity must be improved. But Their accountability must also be made clear. There is a fashionable thought among some public sector executives, that there need be only overall accountability to Parliament. This question has been gone into, by several committees, from the days of Dr. Krishan Menon. I do not want to go into details. But I want to say that the scrutiny of the Committee on Public Undertakings is very important. It may be that some of the question that are asked in this House may not be properly put, or need not be asked at all. But is for Parliament to decide about the procedural matters and Parliament alone can decide it. If they think that just because autonomy is important, there need be no accountability to Parliament, they are terribly mistaken.

I must also, before I conclude, refer to some inter-related problems of our banking system. The nationalised banking sector which is not performing too well, has to be improved and it should also be used and associated to watch and monitor progress and report delays and help to fulfil targets, as is done by GOS Bank in the Soviet Union. Unfortunately, our banking system

follows the British model. It has not even followed the German or the Japanese mode. But these banks are in a strategic position in our economy to closely monitor and inform the Government in association with other financial institutions.

I can concede the right of this Government with a massive mandate to have their own policy. But these policies have to be spelt out clearly and emphatically and they must be in tune with the larger social goals. But the way they are going about it is to build a country for the benefit of twenty million people with clear-cut and demonstrable indicators of affluence, so that the majority continue to wallow in filth, misery and squalor, with no hope whatsoever of escaping the poverty trap. I have no doubt that this resurrected ghost of Swatantra ideology inherent in the new approach would meet the same fate as the Swatantra Party and be thrown into the dustbin of History.

[Translation]

SHRI JAGDISH AWASTHI (Bilhaur) : Mr. Chairman, Sir, while supporting the demands for grants of the Ministry of Industry, I want to submit certain things. It is a matter of happiness that the Central Government in consultation with the State Governments have declared certain districts in certain States as 'No-Industry' districts. In U. P. also certain districts have been declared as 'No-Industry' districts. One of these districts is Kanpur district which I represent here. Since the time of its bifurcation, the Central Government have declared that they will provide many facilities to Kanpur. In spite of this it has not made much progress. The commitment has been fulfilled in respect of only one unit in the sugar industry at a cost of Rs. 10 crores. I would request the hon. Minister to ensure that this is not close down due to any financial difficulties. Also there is need to set up more industries in Kanpur. I would submit to the hon. Minister that the Kanpur city has developed industrially well, Kanpur rural district has been declared as a 'No industry' district. Unless the private sector or the public sector establishes industries there, it will remain a 'No-Industry' district on paper only and will not

[Shri Jagdish Awasti]

whcieve any benefit of having been declared as a 'No-industry' District. A rule should be framed for the Kanpur city and other big cities no licence will be issued for those industries whether in the public sector or the private sector, which have already been developed. It is a matter of regret that last year in Kanpur M/s Lohia Machines were issued an industrial licence for which the company owners collected R. 95 crores from the people. Had the some industrial licence been given for the Kanpur rural district it would definitely have provided jobs to thousands of people and the Kanpur rural district would have marched forward in industrialisation.

The hon. Minister, has good relations with Kanpur and fortunately he is sitting here at present I would request him that he should pay attention to Kanpur and take suitable measures to see that we are benefited.

No industry can be set up in India unless power and land are arranged for it. As you know, usually there is power shortage in our country. It is affecting our industries very much. I request that the Government should arrange for uninterrupted supply of this power to the industries. Along with, land should this, also be provided at reasonable rates. A few months back the Uttar Pradesh Government had issued an order that if any industrialist wanted to buy any barren land of any Gram Sabha for setting up any industry he would have to pay double the market rates. Now, because of exorbitant rates no industry small or big is being set up, I would request the hon. Minister that he should write to the State Government at his own level to withdraw that order immediately because it is against your policy.

The self-employment scheme was also being discussed here. I do not want to dwell much on it except to say that the people who want to start their own small business have to make several rounds to the offices, district industry centres etc. You are all aware of how they have to face corrupt practices; they become victims of favouritism.

Our banks do not give loans on the recommendation of the industrial centres. I would like to give a suggestion. Committees may be set up every where in the country taking parliamentary constituency as the base and not a district as the base. The local M. P. should be appointed as the Chairman and all M.L. A's should be members of such a committee. Beside, bank officers and other officers can also be included in it. This committee should consider all the applications and make its recommendations and then loan may be given to those in whose favour the recommendation has been made. If such a policy is followed, I hope there will be much improvement in the behaviour of bank officers and others and you will also succeed in your mission.

Just now, I was going through the Annual Report. There are 17 industries in the public sector in our region. Eleven of them are running in loss. I have got some information about TEFCO at Kanpur. It has been running in loss since it has been taken over. I read its Annual Report. It has clearly been written in it that it should suffer a loss of about Rs. 7 crores in the ensuing year. Public money worth Rs. 3500 crore has been invested in the public sector undertakings whereas in the private sector much loss investment has been made. What are the reasons why the private sector does not incur any loss whereas the public sector always runs in loss? The time has come when our government should consider this matter seriously. We are committed to where in socialism and we have followed the industrial policy adopted by Pt. Jawahar Lal Nehru, but the public sector has not been functioning the every it should have been. But we are very much disappointed to see their condition. The hon'ble Member Shri Daga has described their condition as very grave. I would also like to say that the management and other officers of the public sector undertakings do not have full knowledge of running them and this is the reason for loss being incurred by them. I would like to suggest that a separate All India Business Management Service should be introduced and all officers should be imparted suitable training in it so that after getting training they may be able to run them efficiently.

In addition, I would like to say something about Khadi and Goram Udyog Commission. The Commission was made an announcement about cottage and small scale industries in our area, but some state governments including Uttar Pradesh have not recognised some as cottage industries. Thus, these industries are deprived of many facilities. I submit that Government should issue instructions for giving suitable concession in taxes to these small scale and cottage industries.

In the end I would like to submit that the hon. Minister may keep all the suggestions given by me in mind and take suitable decisions on them. With these words I support the Demands for Grants in respect of the Ministry of Industry and Company Affairs.

[English]

SHRI N. DENNIS (Nagercoil): The base of our industrial policy is the Industrial Policy Resolution of 1956 and it was laid down in consonance with the socio-economic policies of our country. But the pattern of developing the role of public sector and private sector and also the small scale and so on are clearly explained in the Industrial Policy Resolution of 1956. About one half of the people of the country live below the poverty line. They have no purchasing power and industrial growth would alone generate employment opportunities to improve their purchasing power and thereby the market will improve and they can promote the industry also. So, for tackling the poverty industrial development is very essential.

There is a record agricultural production in our country and that should enable us to provide an incentive for investment and that would accelerate the industrial production. Several progressive measures are taken on the basis of the Industrial Policy Resolution of 1956 and as a result of these progressive measures our country in a sense has become industrial; the production has increased five times since independence and our country has become—it has emerged as—the tenth country to rank in the sphere of industrial production.

In the annual report is stated that in all the sectors there is improvement. In all the sectors infrastructure is being built up industries both major and minor are improving, and there is all round improvement. In the first and the Second Five Year Plans the policy was to substitute imports and now the stress is that there should be more export industries. Various suggestions have been made that industrial development should be export oriented, employment oriented, agriculture oriented and village oriented, and rural oriented and valid approaches have been made from different angles. The socio-economic life and activities of the people of this vast country and its approaches have to be taken into consideration while formulating the policies and programmes.

Referring to our industrial performance and achievement, we should not be complacent or content with our achievements. Our country has been the third in the number of trained scientists and technologists and it has the capacity of the third largest technological workforce and we are ranking only tenth in industrial production. Our intention is to bring down the number of persons who are engaged in agriculture and to bring them to industry. But we are not yet in a position to bring down that number. Our scientists and technologists are knocking at the doors of foreign countries for jobs and they are doing well in foreign countries and are acquitting themselves with high credit.

Labour is comparatively cheaper in our country than in the developed countries of the world. We have raw materials and we have also other resources. Only thing is, we have to harness this manpower and the resources and utilise them to the proper extent.

One of the main restraints on our industrial growth is that of high cost economy. Most of the materials we produce are not within the reach of the common man. We are also not in a position to compete with the outside market. In the industrial sector interest rate is very high. Because in foreign countries like Japan, Taiwan the interest rate is very low, there is a possibility for industrial promotion.

[Shri N. Dennis]

Another reason for high cost economy is that there is procedural delay in starting an industry or a project. It takes a long time. This delay results in cost-cost escalation. Since the project costs more, its products also cost more. The result is that the demand gets suppressed and this leads to idle capacity.

Regarding backward areas, the intention of the Government is to remove regional imbalances. But it is not so far truly translated into action. Even within the State there are imbalances. Of course mathematical precision cannot be achieved, but the Government has to come forward for removal of the regional imbalances.

The policy of the Government is for dispersal of industries away from the metropolitan towns and cities. In spite of that there is concentration in metropolitan towns and cities. Mere classification of districts as industrially backward districts will not help. There will have to be efforts to provide infrastructural facilities in the industrially backward districts. In the Report it is stated that one third of assistance for providing infrastructural facilities is given by the Centre, but this has to be extended to all the A, B, C and D categories of backward States.

Regarding the criteria for districts as backward, Taluks and blocks should be made as the basis. The criteria had been fixed as early as 1969. So, the criteria has to be changed. There is a long-standing demand for this from several places.

[Translation]

SHRI NARESH CHANDRA CHATURVEDI (Kanpur) : Mr Chairman, Sir, while supporting the Demands for Grants in respect of the Ministry of Industry, I would like to say something. Kanpur was considered the biggest industrial town of North India. Once Kanpur used to come next to Ahmedabad in so far as the textile industry is concerned.

After independence, the Central Government's policy has undergone some

changes and there were, of course, welcome changes. Our Government's policy was to take over those industries in which the production was less or where the workers were being exploit. At that time, 126 textile mills were nationalised. These included some mills of Kanpur also, I find that these mills have become almost sick again. J.K. Rayon and J.K. Manufacturers have been lying closed for the last three years and 8 years respectively. Nothing has been done to reopen them. The N.T.C. Mills have been running a loss for the last several years. Every mill is incurring loss to the tune of crores of rupees in this way the amount paid by the poor people of the country in the form of taxes is going waste. Those who are entrusted with the job of managing the NTC Mills, have no experience whatsoever to run them. The Administrative Services personnel are considered experts in every field I would like to make it clear that this is the biggest mistake. Today the Administrative Services personnel are entrusted with the job of running the textile mills. What to say of any technical knowledge about these mills, these personnel have even the basic knowledge of the job assigned to them. In the circumstance, these mills are sure to run at a loss.

I would like to draw your attention towards one thing more in respect of textile mills. Each textile mill purchases 100 to 200 bales of cotton. I have not seen so much corruption as is prevailing in the NTC mills. This is my own experience and I would like to state that these industries cannot be saved if corruption is not checked. The leather industry has definitely prospered in Kanpur, but for unknown reasons the export office located there has been shifted to Madras whereas even today 60 to 70 per cent of the leather work is executed in Kanpur and leather goods are exported in huge quantity from there. Only the Ministry knows the reasons for shifting that office to Madras.

So far as sugar mills are concerned, all the sugar mills in Uttar Pradesh are lying sick. Similarly, steel rolling mills are also sick. If the Ministry of Industry do not look into their affairs seriously, these sick mills cannot be set right. My first

request to you is that the management of these mills should at least not be handed over to such people as do not have any knowledge about it.

My able friend Jagdish Awasthiji had made a speech here just now in which he had referred to two parts of District Kanpur urban and rural, and had said that the urban area should not be developed any more now and no new licences should be issued for the city area and licences should be issued only for the rural area. This is not proper. I have no objection if the industrial development of Kanpur rural district takes place, I would like to submit only that in spite of the bifurcation of Kanpur into two districts, Shri Awasthi is still living in Kanpur city and his plea that industrial development of Kanpur city should be stopped is not proper. Improvements should be brought about in sick mills and these mills should be developed further. The industries big or small meant for the rural area must be sanctioned for that area itself.

I would like to make one more submission that if the management of the closed mills wants to undertake some diversification in those mills the Central Government should allow them to do so.

Secondly, Swadeshi mills is in an uncertain position and is being run after granting extension for six months duration each time. The mill should be taken over completely by government so that it could be run in the interest of the workers as well as the nation. Similarly TAFCO, was Once the biggest leather factory of its kind in Asia, but now its condition has deteriorated too much. If it is handed over to the Ministry of Defence, it could be run properly. Similarly, if NTC is finding any difficulty in running the Swadeshi mill, it may also be handed over to the Ministry of Defence so that it could be run properly and developed by them further.

With these words I support the Demands for Grants of the Ministry.

SHRI VISHNU MODI (Ajmer) : Mr. Chairman, Sir, I rise to support the Demands

for Grants of the Ministry of Industry and through you. I would like to draw the attention of the hon. Minister towards certain issues. We had expected that a Minister like, Patilji would refer to the Industrial Policy and would implement the recommendations of the Sivaraman Committee in respect of categorisation and the formulation of the new policy so that equality and uniformity could be brought about in the country. But perhaps he was more busy in the Ministry of Chemicals and Fertilisers and could not devote time to this issue and that is why no charge has been made in the policy and the same policy is being followed.

I would like to draw the attention of the hon. Minister to the fact that certain districts were earmarked for the setting up of industries. You would have made studies in this regard and complete information in this regard would have been obtained. But, Sir, the political decision seem to have affected the categorisation of districts in the categories of 'A' 'B' and 'C'. I would like to draw your attention towards Rajasthan. In Rajasthan, the district of Jaisalmer, Sirohi, Churu etc. have been kept in 'A' category, whereas Bhilwara and Udaipur districts which are well developed districts have been kept in category, 'B' and all the remaining districts have been kept in category 'C'. I would like to refer to my own district. District Ajmer is a very backward district from the industrial point of view and it borders the District Bhilwara where concentration of industries is going on. You have fixed a limit of two crores of rupees even if there is a difference of only one kilometre. Also you are unmindful of the accountability of the elected representation of the area to the people. You have formulated a policy under which the district have been considered as one unit. I would like to request you that the recommendation of the Sivaraman Committee should be accepted, and uniformity should be brought about throughout the country. I do not think the present categorisation of districts would lead us to any progress. The recommendations of the Sivaraman Committee should be implemented. If you could exempt the old policy by one year at least the recommendations of the State Governments about

[Shri Vishnu Modi]

districts should also be taken into consideration particularly in view of the financial limit you have fixed, while Jhalawar, Tonk Ajmer and Sikar districts which should be in category 'B', have been kept in category 'C'. The hon. Minister should look into this matter.

The cement corporation of India had planned to set up a huge cement plant in Bundi, but it is not known why this factory has not been established so far. Mining lease has been given to them and despite that no significant progress has been made. Now if you consider the entire Ajmer district as one single unit, the concentration of industries would be at one place only. It would be better if you consider Block or subdivision as one unit. I would like to request you once again that district should not be considered as unit. It would be better if you accept the recommendation of the Sivaraman Committee so that uniformity could be brought about in the country.

With these words, I support the demands for grants of the Ministry of Industry.

17.38 hrs.

(English)

SHRI SANAT KUMAR MANDAL (Joynagar) : Mr. Chairman, I am thankful to you for giving me an opportunity to speak on the Demands for Grants under the control of the Ministry of Industry and Company Affairs. Mr. Chairman, the most distinguishing feature of the present Budget is that it is a radical departure from the fiscal and budgetary policies pursued from the Five Five-Year Plan period. We inherited not only an undeveloped economic and industrial structure but also a lop-sided one. The task of our planners was, therefore, not only to develop the economy, both industrial and agricultural, but also to rectify the lop-sidedness. They, therefore, undertook the task of building the basic structure of the economy. That is how, the public sector came to be born. The industrial houses then had neither the resources, nor the competence nor the will to build up the basic structure. Undoubtedly, the

Indian capitalist class had immensely benefited when the Public Sector was born and developed. The entire nation from the poorest to the richest section contributed for the development of Public Sector by paying various taxes and duties. None was exempted. But the most gainer from the birth of Public Sector was the Private Sector, that is, the Indian capitalist class.

To mop up finances for the public sector direct and indirect taxes were progressively increased. And finally the financial institutions where the nation's money is deposited, that is, the Banks and the Insurance Companies, were nationalised and CDS introduced. Simultaneously, the policy of import substitution was pursued. This policy not only saved foreign exchange but also helped development technology was a Part and Parcel of it.

The Budget under consideration very clearly bids good-bye to those policies. Direct taxes have been reduced in the name of preventing generation of black money and simultaneously indirect taxes have been enhanced. The first gives relief to the industrial and business magnates while the second exploits the whole nation for the benefit of the exploiting classes.

At the first sight of the Budget proposals, it may seem that the economy has arrived at the stage of self-sustaining growth. This nation is falsified if we examine the Import-Export policy recently announced. The new import policy has placed not less than 201 items of industrial machinery on the Open General Licence. This firstly indicates that we are as yet far behind self-sustaining economy. Secondly, this is a wholesale attack on the public sector itself. Nobody can deny that under the present fiscal and credit regime in the country, the unrestricted import of capital goods will do immense damage not only to the heavy and medium engineering enterprises in the Public Sector but also to some entrepreneurs in the Private Sector itself.

MR. CHAIRMAN : The hon. Member's time is up.

SHRI SANAT KUMAR MANDAL :
A few minutes more.

MR. CHAIRMAN : You have already taken up your time. Please try to conclude.

SHRI SANAT KUMAR MANDAL : Thirdly, it will allow Penetration of foreign capital in vital sectors of the economy. This last point is substantiated by the cordial invitation to foreign capital by the Prime Minister recently.

MR. CHAIRMAN : Please conclude now.

SHRI SANAT KUMAR MANDAL : The new Import-Export Policy along with open-arm invitation to foreign capital will only strengthen the stranglehold of the Indian monopolists and their foreign counterparts. This is unashamed reversal of policies up till now pursued.

MR. CHAIRMAN : I am going to call the next Member.

SHRI SANAT KUMAR MANDAL : Only a few words about sick industrial units and closed units. One of the Primary tasks of the Government is to feed its people. For that purpose, every able-bodied man must have gainful employment. Any national economic policy must ensure that nobody remains unemployed.....

MR. CHAIRMAN : Please take your seat. I am calling the next Member. Shri Ram Prakash. What you are reading is not going on record.

SHRI SANAT KUMAR MANDAL : According to the Reserve Bank of India Bulletin.....*

MR. CHAIRMAN : You have taken enough time. Whatever you had to say you have said. Shri Ram Prakash.

[Translation]

SHRI RAM PRAKASH (Ambala) : Mr. Chairman, Sir, many hon. Members have spoken here and some of them have

even indulged in ebetoric but I want to submit that as our Prime Minister has declared that we shall remove poverty from this country forever, we have to ponder over how this poverty will be removed,

Our life and livelihood depends on two things—agriculture and industry. The pressure on land has increased to such an extent that it is not able to withstand further pressure and there is no scope. Therefore, we are left with industry only and we have to consider how we can elevate the poor with the help of industry and how we can provide them with employment. 50 per cent population of our country is living below the poverty line. We have to provide them with employment and Government have to think how that employment can be provided. We talk here of graduates and providing loans to them. How can a poor man having no money set up an industry? He can set up an industry only with loans. The question of 'One-Window-Service' was discussed here. This has been introduced in the districts. I want to ask the hon. Minister, through you, Sir, whether 'One-Window-Service' is functioning in this country or not? Other wise how can you provide employment to the poor? You will have to make arrangement for that and have a suggestion in this regard that you will have to take work from all District Industries Officers or other District Officials with strictness. If they do not help the poor. They should be suspended or dismissed.

I also want to tell you that the poor people working in the industries today are not paid their full wages and they do not have other employment. No poor man gets justice today and he is very much oppressed. To provide them with jobs is your responsibility.

You just have in view the programmes started Mahatma Gandhi Mahatma Gandhi was a world-renowned saint. He introduced the scheme of 'Khadi Grammodyog' so that the poor people in the country could get employment and they might not live in destitution. That is why he started this programme and it included weaving of Khadi, leather work etc. But, today, the entire Kh adi-grammodyog work has been

*Not recorded.

[Shri Ram Prakash]

usurped by others. For example, shoe-making is with the Tatas and similarly, other items such as wood and steel goods are being manufactured by the big industrialists in their factories. Earlier, cloth weaving used to be done by the weaver, but now the mills have taken over this work. Thus, nothing has been left for a poor man to do. I want to submit to you that unless you take work from these officers with strictness, you cannot manage it. The officers have sold themselves to the mill owners and factory owners and they do nothing for the poor. You will have to be strict.

I come from Ambala district and Ambala has a border with Himachal Pradesh. Himachal Pradesh has been declared a backward State, although my area, my constituency is also very poor and backward. There is a place there through which the river Markanda passes.

There is a place named 'Kala Aam' there and there are 12 to 13 factories half a kilometre away from that place, poisonous effluents from these factories flow into this river. If cattle drink this water, they will be dead and if a person drinks it he will also meet the same fate. Therefore you should issue instructions to the pollution board to ensure that these effluents do not flow into the river, so that the lives of the cattle and the men could be saved.

MR. CHAIRMAN: You conclude now. You tell the points left with you to the hon. Minister, Dr. P. Vallal Peruman,

SHRI RAM PRAKASH: Mr. Chairman, Sir.....

MR. CHAIRMAN: Nothing will go on record.

SHRI RAM PRAKASH: **

[English]

DR. P. VALLAL PERUMAN (Chidambaram): Sir, I rise to say a few words on the Demands for Grants of the Ministry of Industry and Company Affairs for 1985-86.

We can really be proud of our progress in industrialising the country. As agriculture and its allied avocations cannot absorb the growing unemployed people in the country, it is imperative that we give constant attention to the growth of cottage industries in rural areas and small scale industries in urban areas. We have the Khadi and Village Industries Commission and the National Small Industries Corporation committed to the achievement of rural and urban industrialisation. Here I would say that the KVIC lacks in modern marketing techniques. It is also to be borne in mind that the KVIC is to formulate rural industrial schemes and to ensure its implementation. Presently the KVIC has burnt its fingers in the establishment of tiny match units and in marketing the match boxes produced by them. I know that the KVIC is burdened with blocks of match boxes worth Rs 6 or 7 crores. This is due to the absence of marketing potential in the KVIC. I take this opportunity to suggest that there should be a separate marketing organisation for the products of cottage industries.

I am afraid the National Small Industries Corporation is no better in this regard. The NSIC is to receive Rs. 19.17 crores from the small industries financed by them. There is no coordination within the organisation. The industries which owe money to the NSIC have become sick.

It will be wise to split the NSIC into two wings: one, to service the small scale units; and the other, to extend financial assistance.

I am sure that the hon. Minister of Industry will look into this and do the needful to ensure the survival of small industries.

17.56 hrs.

[MR. SPEAKER in the Chair]

More than the attention to be given to industrial development, the Centre should exert itself in tackling the growing industrial

sickness. There are 461 large industrial undertakings and about 60,000 small scale units which are reported to be sick. I am sorry to say that the private sector has not played fair with the Government's commitment to protect the labour force has probably contributed to industrial sickness. The Government should make it categorically clear that nationalisation of sick industrial units is not going to be the panacea for all the industrial ailments. The Government should initiate punitive steps against the erring management. The management executives should be squarely held responsible and they should be subjected to confiscation of personal property and assets for their negligence and mismanagement of the industry. The representatives of the public sector financial institutions which have given financial assistance to the industries should also be taken to task for not exerting their authority in the Board of Management of such industries; you know Sir, they are nominee-Directors on the Board of Management to protect the interests of the public sector financial institutions.

The 1985-86 Central Budget and the recently announced Export-Import policy should prove a manna from heaven for the industries. They have to vindicate the faith and honour reposed in them by our dynamic Prime Minister and our pragmatic Commerce Minister. If they misuse the opportunities given to them for sustained industrial growth, then they should not be spared from any unpalatable action.

Similarly, the Government have made the Monopolies and Restrictive Trade Practices Act innocuous. The monopoly concerns with assets upto Rs. 100 crores are out of the purview of the MRTP Act. There are only 60 industrial houses being governed by the MRTP Act. This again shows the Centre's genuine concern for industrial sickness and exhibits its unshakable faith in the innate patriotism of the captains of our industry. I have every hope that our industrialists will place the nation above all their own inclinations and ensure an industrial explosion at the earliest. If they play foul, then they will be the victims

of their own folly. Our hon. Prime Minister is guided by the age old saying, 'Trust begets trust.' I want that our industrialists trust him to do good to the nation. They should ensure that industrial sickness is averted at any cost.

When we expect the private sector industry to work on the right track and deliver the goods, we should ensure that our public sector units also work efficiently and profitably. In fact the public sector units should be the bees on light for others. There are 17 public sector enterprises under the control of the Department of Industrial Development, of which 14 are manufacturing units and the three are consultancy or promotional units. Unfortunately, the three units of Hindustan Paper Corporation have incurred a total loss of Rs. 30 crores in 1983-84. In 1984-85 also they are likely to incur losses. I have just given the example of Hindustan Paper Corporation to show that all is not well with our public sector units.

I want that the Ministry should exert greater effort to manage the public sector units profitably. The defaulting management responsible for the inept handling of the affairs must be brought to book without any extraneous considerations.

With these few words, I support the Demands for Grants of the Ministry of Industry and Company Affairs.

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : I rise to support the Demands for Grants of the Ministry of Industry and Company Affairs.

Sir, I hope that the policy which has now been formulated will further reveal the actual wisdom of Nehru's vision and Indiraji's mission as far as industrial development is concerned....

MR. SPEAKER : You can continue tomorrow.