

13.55 Hrs.

**DEMANDS FOR GRANTS (GENERAL),
 1991-92—MINISTRY OF INDUSTRY**

[English]

MR. DEPUTY SPEAKER : The House will now take up discussion and voting on Demand Nos. 51 to 54 relating to the Ministry of Industry for which eight 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 fifteen minutes indicating the serial numbers of the cut motions they would like to move. Those cut motions only will be moved.

A list showing the serial numbers of cut motions moved will be put up on the

Notice Board immediately. In case any Member finds any discrepancy in the list, he may 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 the 31st day of March, 1992, in respect of the heads of Demands entered in the second column thereof against Demand Nos. 51 to 54 relating to the Ministry of Industry."

Demand for Grants 1991-92 in respect of the Ministry of Industry submitted to the Vote of Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House on 29th July, 1991		Amount of Demand for Grant to be submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
Ministry of Industry					
51	Department of Industrial Development	73,47,00,000	6,00,000	73,48,00,000	6,00,000
52	Department of Heavy Industry	15,05,00,000	137,72,00,000	15,05,00,000	137,72,00,000
53	Department of Public Enterprises	71,00,000		70,00,000	
54	Department of Small Scale Industries & Agro and Rural Industries	157,74,00,000	14,43,00,000	157,74,00,000	141,43,00,000

[Translation]

SHRI SHANKERSINH VAGHELA (Godhra) : Mr. Deputy Speaker, Sir, I feel privileged in initiating the discussion on the Demand for Grants of the Ministry of Industry. I hope the hon. Minister would give serious thought to some of the good and useful suggestion that are put forth during the course of the debate. Despite the fact that a lot of effort has been put in this direction further suggestions have

been sought for the industrial policy or the entire economic set up. It has been the misfortune of this country that no Finance Minister has had the privilege of presenting three union budgets in a continuous process after Independence. Some presented one budget, some two, but none presented three in a row. Whosoever be the ruling party to run the economy of the country, there should be one objective before them—the development of the country. The ultimate

aim is to make the common man happy, bring about economic prosperity and earn a name among the countries of the world so that India could take pride in saying that ours is a country where people engaged in the industries are happy.

But as I said earlier, there has been no continuity in the presentation of the Union budget for three years in succession by the same Finance Minister. I would expect that minority status of this Government notwithstanding, it should complete its full term and the present Finance Minister should present all the budgets during this term. For this, the cooperation of your own party is needed.

After 40 years, the Government is feeling concerned about the health of the economy. But after all which policy the Government pursued to achieve the set objectives? Now, after 40 years, the Government has come to know that the policy which it pursued has resulted in derailing the economy. You took such a long time to realise the mistake. Now you are saying that the economy should have been run on such and such lines. It was you or your colleagues who were managing the economy of this country for 40 years. No political party with an ideology different from the ideology of the Congress Party has come to power at the Centre. Barring a brief period of 1977-79, the Congressmen or those who believed in the congress culture ruled the country. Therefore, it is the Congress Party which is responsible for mismanaging the economy. Wrong economic policies followed by you have destroyed the economy. Now all of a sudden, you are making major changes in the industrial policy. Not only that, you have resorted to devaluation of rupee and have formulated a new trade policy. The situation would not have come to such a sorry pass, had you consulted a noted economist in managing the affairs of the economy. But what did you do? You have put the economic condition of the country in shambles in order to implement the policy of your party, because you had an eye on the vote

bank. The policy of your party was to ensure benefit to a particular class or community. In doing so, you did not mind compromising the economic interests of the country and for that matter any policy which the nation set before it. You implemented the economic policy that was based on votes. This policy of your party was wrong. The vote oriented policy of your party has brought the country on the verge of ruin and even after 40 years of Independence, our country has to face humiliation in the entire world. Even today we go around with a begging bowl, but nobody is ready to give us money or loan. If the I.M.F. gives us loan, it forces certain conditions on us. Earlier all the countries were ready to give us loan. At that time the world economist used to warn that India should not borrow more as it would be in deep debt. Besides, by borrowing loan we lose our economic freedom. We should think as to what place we occupy in the world. We are third or fourth from bottom in the list of developed countries. Who is responsible for this? Who has been instrumental in ruining the economy of this country? Whatever the Government has done is a grave crime. It is just like betraying and cheating the country and indulging in hypocrisy. You have merely made tall claims and led the country to such a state of affairs. The Government has not given a thought to those issues to which it should have given a serious thought. The situation in the country has deteriorated to such an extent because of appeasement of vote bank and implementation of wrong policies. Today Dr. Singh is not present in the House, but Shri Kurien is present. Dr. Manmohan Singh feels that he is taking the country in the right direction, but in fact he has given a big blow to the economy by following such an economic policy and industrial policy. Where was Dr. Singh all these years? Was he not in the administration, the Reserve Bank of India and with Indiraji for the last 20 years? Dr. Singh never said "here no further". He never said that he was not ready to accept any wrong thing. He was an economist,—but he was serving the Government of India and could have said

that if the Government followed wrong policies "I am sorry, I would not cooperate and here is my resignation". Now you say that the country is on the verge of ruin. The Hon. Prime Minister has said in his speech that there is need to change the basic policies in the country. Why was this change not felt during the last 40 years any why were the policies not changed? Now they refer to the name of Nehruji. I would come to that later. The hon. Finance Minister is trying to become the Messiah. Please do not try to become the Messiah and champion of the cause of the poor. It was only after pressure was put on him that the Government decided not to give Rs. 100 crores to the Rajiv Gandhi Foundation and reconsider its decision about the withdrawal of Fertiliser subsidy. If things go on like this, I doubt whether he would be able to present the next budget. Please do not try to become a Messiah. You are an economist and therefore, you should try to formulate the industrial policy and the budget in accordance with the policies of your party. There are many good economists in the country and in the opposition as well. It would have been better if they would have been consulted. It would have been better, if they too would be consulted in the matter. It is a matter of regret that they are not being consulted in economic matters. Government should consult them. Everybody will cooperate whether you agree with him or not. What has been the result of the implementation of the policies so far? The economic and political reputation of India was tarnished when it was forced to accept all the conditions imposed by the I.M.F. and had to succumb to the pressure. Let the House know about the conditions being imposed by IMF and the talks that have been held with the I.M.F. The people of this country have a right to know about the facts in this regard. No Government have got the right to withhold the information from the people. Each and every citizen of this country is concerned with these conditions. Whenever an Indian goes abroad, he is being taunted that Indians have bowed before the I.M.F. and he is a citizen of that country.

I would like that a white paper must be issued on the entire I.M.F. episode, the terms and conditions imposed by it etc. Besides, I would also like to know whether these loans would be taken in future also? Earlier, when a child was born here, he had to pay his father's debt, but now when a child is born, he is already under the debt of his country at the time of birth. You do not have a right to create such conditions in which even a new born child is under debt. I would like that we should sit together and find out ways to resolve the crisis. Everyone will cooperate with you in this matter.

For the last 40 years you have been doing everything in this country in the name of Nehruji. The idea of socialistic pattern of society which Nehru had in his mind was borrowed from the communist countries like Yugoslavia, Russia and China. Nehruji did not have any knowledge about agriculture, he never saw villages from close quarters, nor did he feel the impact of poverty. He came from an aristocratic family which never suffered these things and after the freedom struggle, keeping his role in freedom struggle in mind, Mahatma Gandhi made him the Prime Minister of the country. Between the Government and Nehruji, Mahatma Gandhi liked Nehruji. Nehruji wanted to take the country to such a height which might have looked beautiful in a dream only but in reality it was something different. In fact the need of the hour at that time was to adopt such policies which may take the people forward. Our country lives in villages and our economy is agriculture based. If Nehruji had formulated an industrial policy based on agriculture and had not been fascinated by big industries, the country would not have faced such a situation today. After Nehruji came Indiraji and after him came Rajivji whose Birthday falls today. Even they followed the policies of Nehruji which were good in dreams only, but were far away from ground realities. If you want to give the credit to the Nehru family for the achievements that this country has made, then the discredit for the failures is also on them. They are responsible for the present condition of

this country. The hon. Prime Minister is also of this view. Had he accepted Nehru's socialism, he would not have said this. While speaking about the new industrial policy he said that this is only an extension of Pandit Nehru's extraordinary industrial philosophy in the changed context. This policy is in fact a new effort in the new context and with this, a new chapter would be opened. This means that you want to forget the past and close the past chapter for ever.

[English]

SHRIMATI GEETA MUKHERJEE (Panskura): Mr. Deputy-Speaker, Sir, may I know whom he is addressing? (Interruptions).

MR. DEPUTY-SPEAKER: He is addressing the Honourable House!

SHRIMATI GEETA MUKHERJEE: He is addressing you, I can understand fully well. But whom else?

SHRI SHANKERSINH VAGHELA: The Government is not sincere enough regarding this. (Interruptions)

MR. DEPUTY-SPEAKER: I know something is agitating in Geetaji's mind.

SHRI UDAY PRATAP SINGH (Mainpuri): Mr. Deputy-speaker, Sir, I would like to know whether the hon. Member is addressing the empty Treasury Bench or you.

MR. DEPUTY-SPEAKER: He is addressing the Chair.

(Interruptions)

SHRI SHANKERSINH VAGHELA: Sir, the Government is not sincere regarding industrial policy and now the discussion regarding the Demands for Grants of the Ministry of Industry. If the concerned Ministers regarding Finance and Industry sit here, there is no problem. But they are not sincere.

[Translation]

With the implementation of this new industrial policy a new chapter has been added to the industrial history in the country and industrial sector has been made more liberal, free and competitive. Nehruji never believed in liberal policy of industries. He never believed in liberal, free and competitive policy. He believed in socialism. But the Industrial policy that was formulated in 1956 in accordance with the socialistic pattern of society has

brought us today on the verge of ruin. Had that policy been framed according to the wishes of Mahatma Gandhi and not according to socialist policies things would have been different today. But Gandhi's name is used only to seek votes. I would like to emphasize a few things which Gandhiji wanted to do for the country. He wanted that at no cost we should make a compromise with our self-respect and hence we should be self-reliant in every field. He never wanted us to be dependent on other nations. Secondly, he wanted that there should be modernisation. Though we undertook modernisation, but we went in for computerisation. We did not modernise the things which ought to have been modernised. So far as decentralisation was concerned, we decentralised everything and we are witnessing the consequences today.

[English]

Politically and economically, the nation should be decentralised.

[Translation]

Had decentralisation been done for the economic policy and industries, it would have proved as a boon for the masses. What happens today is that for every small or big thing one has to rush to Delhi and to Udyog Bhavan. What happens there in Udyog Bhavan about licence, quota and permit. Does Prof. Kurien know that licence, quota and permits are being issued when one greases the palm of officials? Many unauthorised people are dealing in these permits and quotas by making illegal gratification. The grip of the bureaucracy is so tight that even if you decentralise their authority, the bureaucrats centralise it again. Corruption is so rampant that our complaints fall on deaf ears. If the policy of decentralisation as recommended by Gandhiji would have been followed, the country could have made some progress. Gandhiji also spoke about serving the cause of the poor. Though the Government tend to be concerned about the poor but actually they do not want to eradicate poverty; had they been sincere in their efforts to

eradicate poverty there would not have been any need to use the slogan 'Garibi Hatao'. It is so merely because the poor prove to be blessing for them at the time of elections and thus it is in their interest that the people of the country remain illiterate and the country poor. The slogan of 'Garibi Hatao' is like a 'Messiah'. Perpetuation of poverty is more beneficial to them to fetch votes. Working for the upliftment of the poor does not mean merely giving concessions to them. Rather the Government should adopt a policy which may enable them to make the poor self-dependent. The poor should be served in the real sense.

Mr. Deputy Speaker, Sir, all of us are moving towards 21st century. Every political party tries to achieve its political motive in the name of the poor. Every political party considers it to be a matter of pride to talk about the upliftment of the poor. It would have been better if efforts were made to make the common man happy. The Government do not favour spoon-feeding even in the industry. Then why to apply it in regard to human beings? Would the Government keep the poor alive by spoon feeding them even after forty years of Independence? No employment opportunities have been provided to them. Unemployment has increased enormously and the number of the poor people has also increased to a great extent. Will the Government be pleased to tell the number of people who have been lifted above poverty line during these forty years? Keeping in view the continuous propaganda made to this effect about fifty crore people have been living below poverty line. Who is responsible for this increase in numbers? They are poor to such an extent that they are unable to get even food; while on the other hand we find some people demanding to appoint various commissions like Mandal Commission and so on. How will the poor be served? Political parties should compete among themselves to eradicate poverty and not to increase poverty. Just as industries are not spoonfed similarly poor people should also not be spoon-fed. The Government should make utmost efforts to remove the economic hurdles to lift the

poor above the poverty line. They should not take pride in providing them security while living below poverty line. I think it would be beneficial for a common man if the Government think seriously in this regard.

Mr. Deputy Speaker, Sir, the Government make repeated references to Nehruji. Just now the hon. Prime Minister made a reference to Nehruji in his speech and said that Nehruji followed the path of socialism. I think he said so only because of Nehruji's industrial policy and his thought of socialism. Today socialism is being rejected all over the world. People in Russia had some faith in it. But they have also rejected it now and the miserable condition of their Gorbachev is an ample proof to it. What is socialism? What have we attained from socialism, the path we followed for so many years? Consider the situation in Russia, China or Eastern Europe. When socialism is dying all over the world, you should have the courage to discard socialism and Nehruvian philosophy. Pt. Nehru has passed away.

[English]

Nehru is dead. Socialism is dead. Long live Nehru. Long live socialism. Long live all three.

[Translation]

You should not try to encourage Nehruvian socialism just to please Nehru's family. The late Shrimati Indira Gandhi nationalised banks. What is the position of nationalised banks today? What service do the bank employees render? If you want to introduce reforms in banks, you must do it with courage and as quickly as possible. The late Shri Rajiv Gandhi spoke of importing computers. The present Government has not followed it up. It is true that there is a question of balance of trade. Mr. Gorbachev and even the Chinese people are talking of doing away with socialism. And they are doing so with courage. There is nothing to feel ashamed about it. All the three Prime Ministers of Nehru family are dead now.

[English]

SHRI RUPCHAND PAL (Hooghly): I just want to know whether he believes that what was being built up in India was socialism at all or not.

[Translation]

You need not be ashamed of it. Go ahead and declare with courage that socialism has been abandoned.

[English]

SHRI RUPCHAND PAL: I am just asking whether it was at all socialism.

[Translation]

SHRI SHANKERSINH VAGHELA: You would not call a 40-year old person a full grown man if a moustache has not started growing on him and he has not attained a height of even 5 ft. If the path being followed by India today had been followed 40 years ago, India would have been a major power in the world.

[English]

SHRI VILAS MUTTEMWAR (Chimur): They are identified as anti-socialists.

[Translation]

SHRI SHANKERSINH VAGHELA: Whatever has to happen will happen but we have to survive (*Interruptions*). After spending so much money, even the programmes are not yielding proper results. What is our country's standing in the world? Where is the country headed? Would India have reached this position if the proper path had been followed? Mahatma Gandhi wanted to serve the down-trodden. He spoke of agro-based industries and removal of unemployment.

MR. DEPUTY SPEAKER: I want to just bring this matter to your notice that for discussion of this subject, the total allotted hours are 8. Congress party gets 3 hours 15 minutes, BJP one hour 40 minutes, Janta Dal 49 minutes, CPI(M) 30 minutes, CPI 11 minutes, TDP 11 minutes, AIADMK ten minutes, JMM five minutes, Janata Party four minutes, Unattached 12 minutes. We shall have to frame and we shall have to adjust speeches in the light of these timings.

[Translation]

SHRI VILAS MUTTEMWAR: Mr. Vaghela, please give your suggestions also.

[English]

We want to know your suggestion. Please give your suggestion.

[Translation]

SHRI SHANKERSINH VAGHELA: There were many things in your industrial policy too. (*Interruptions*) I speak in the same language in which the discussion is going on. (*Interruptions*) You have promised to bring down the prices within 100 days. If you bring down the prices to the level prevailing in the country on the day you have taken oath, that would be a great achievement. I would come to this point later on. The Government have started the process of reforming the economy of the country with the presentation of Budget. I can understand the imposition of indirect taxes but the increase in the prices of sugar, fertilizer and petrol are the result of cost push inflations. And the Government is facing its consequences. It will give rise to the cost push inflation and the Government will not be able to control the price even in 300 days. After that, we as well as you will also not be able to escape from its cascading effects. You should see how those things are going to affect the common man, for whom you are going to make all these provisions. We will be grateful if you can bring down the prices to the level of that day when you had assumed office.

Mr. Deputy-Speaker, Sir, I will speak in brief because I have to cover the issues of fertilizers, distribution system and industrial policy. The industrial policy was presented to the House after the economic survey. Some more points should have been included in it and I would only like to raise these three issues here. The problems which the country is facing due to these, are fiscal deficit, balance of payment deficit and double digit inflation. All these things happened due to these. The result was the economic condition became bad to worse in the last three years. These are

the figures of the last three years. The industrial production rate in the year 1988-89 was 8.7 per cent, in 1989-90 was 8.6 per cent in 1990-91 was 8.4 per cent and 1991-92 was approximately 7.5 per cent. It means that in the three years, there was constant decrease in the industrial production rate. Next, you can see the figures of price-rise. The prices has sky-rocketed in the last three years. In 1988-89, 1989-90, 1990-91 and 1991-92, it was 5.7, 9.1, 12.1 and 14.5 per cent respectively. Next, go through the data of foreign debt. The foreign debt in 1988-89 was Rs. 69,383 crores, in 1989-90 was Rs. 80,135 crores, in 1990-91 was Rs. 1,20,000 crores and in 1991-92 is Rs. 1,85,000 crores. Besides this, the foreign exchange reserve in 1988-89 was of Rs. 6,300.05 crores, which reduced to Rs. 5,787 crores in 1989-90, Rs. 4,388 crores in 1990-91 and Rs. 2500 crores in 1991-92. The present situation is such that even if the Government has left with reserves of Rs. 1500 crores, I will think it lucky. In the present situation, the reserves have become nil and there is acute shortage of foreign exchange. Where all this is leading us to and how all this happened? How there was decrease in the industrial production rate? Why the price-rise has become so high and the situation of foreign exchange reserves has become precarious? The Government is directly responsible for all these things and all the credit goes to the Government.

Mr. Deputy-Speaker, Sir, before the Budget, the Government devalued the rupee by 20 per cent. But according to the policy of the Reserve Bank, we have rupee payment arrangements with some countries. As soon as, there will be any change in the rate of foreign exchange, the value of our rupee will adjust accordingly. This is a mandatory policy of the Reserve Bank. There is no other alternative. By implementing this policy of Crawling peg, the Government devalued the rupee by 50 per cent in 1991. During the last, one year, there was gradual erosion of 20 per cent in the value of rupee. Then, there was official devaluation of 20 per cent. In this way, the value of the rupee was eroded, by 90

paise in the last one and half years. Not only this, but after that official devaluation of 20 per cent, again a devaluation of 5 per cent was carried out. That means, the value of rupee was lost within one year. Therefore, according to the Crawling peg policy of the Reserve Bank, 50 per cent was officially devalued and the Government made a devaluation of 20 per cent and again 5 per cent. For making adjustment in the value of rupee, there has been total devaluation of rupee. What right you have to erode completely the value of rupee like this. These are the results of your wrong policies. Despite your wrong policies rupee has still got some value and if you continue to follow the same policy and you do not act in the right direction, rupee will have to be devalued once again.

Sir, just now, I was talking about the Reserve Bank. I would like to mention about margin money in this regard. There is a shortage of dollar in our country. When you are not able to provide foreign exchange to the businessman, why have you increased the margin money to the present extent? Let the Government tell the businessman or the person who has to go abroad that they will not get foreign exchange but when the Government has to import something, in which, everyone is going to get commission, there is no problem of foreign exchange. The margin money has been increased to 200 per cent from 50 per cent. Why has it been done so? Margin money should be kept for everyone and its percentage should be reduced. The Government should provide foreign exchange to those businessmen whose demands are found reasonable. It should consider these matters. The Nationalised banks have also ended the credit system for businessmen. Though our margin money is safe with all those countries with which we have rupee payment arrangements and dollar payment arrangements, you should differentiate between the two but you are not doing that. You know that you do not have dollars. Therefore, what is the problem in doing business with the countries with which we have rupee payment arrangements, whether it is

Russia or East-European countries? Why those goods such as cement, fertilizers or X.Y.Z., which we already import from the above said countries, are also imported from the countries with which we have dollar arrangements? If there is any problem of price and quality, it should be properly checked. I am not speaking in favour of the communist countries but in view of the foreign exchange problem, imports should be made from those countries only with which we have rupee payment arrangements. You are not concerned about this also. If you do not act in the right direction we will have to face the consequences of the misdeeds of the Government.

Sir, there is unlimited deficit in the Budget. The agriculture base is being neglected and there is a lot of administrative inefficiency. A lot of bungling is taking place in Udyog Bhawan and other such Bhawans as the officials have a nexus with the politicians and businessmen. Such malpractices should be stopped. Some Administrative measures should be taken in this regard, so that the order, regarding abolishing of the license and quota system, is strictly implemented. Others interference in this matter should also be stopped.

Sir, the hon. Minister has mentioned about one window system. Atleast, you should show them the window. Where is it? The people taking goods through license or quota system are not happy. When this system is not giving any good results. Why do not you try to find faults and the malpractices. Only if you maintain the value of rupee in the country, it will be maintained in foreign countries also. If the purchasing power of rupee goes down in our country, it will also go down in the foreign countries. Therefore, I would request you to maintain the value of rupee in the country otherwise the process of devaluation will continue.

Sir, all unproductive and wasteful Government expenditure must be avoided. Atleast you should make a beginning from your own Department. Secondly, all the vote oriented schemes

such as Jawahar Rozgar Yojna and other schemes should be reviewed. If these scheme are working properly, it is okay, otherwise, these are only breeding corruption. Most of the funds provided for the villagers are bungled. Therefore, I would like to submit that the Government should not implement a vote oriented policy. If crores of rupees are spent on these schemes just to get votes from where money for other expenditures will be brought? Therefore, all such schemes should be reviewed and those which are not suitable should be discontinued. Control on production should go and those steps which help in generating income should be encouraged and executed. I would like to include one more point that our Finance Minister has tried to restrict the fiscal deficit to the tune of 6.5 per cent of the G.D.P. But all the Finance Ministers till now have failed in this regard. I do not think that the present Finance Minister has been successful.

He will also fail cent per cent. Therefore, something should be done in this regard. You are adopting liberal policies. You should adopt strong measures also. You should not try to be liberal for the sake of party politics.

The other expenditures, which will increase with the price rise should be controlled. Scheme introduced for NRI to bring out black money should be further liberalised and source of money such as from where the NRI got the money or whether it belongs to any industrialist or bureaucrat or politician, should not be insisted upon. Otherwise, those more than ten thousand crores of rupees will remain in the banks in the foreign countries. When that has to be brought in the country, they should only be asked to pay the income tax and not about the source of money. Only then you will get some relief in this regard.

Stagnation has come in the growth rate of industrial production. We have to do away with the weakness of our economy. The situation will improve only then. You may like share market today. Just now, our hon. Finance Minister praised the economic set up of our

country. But don't get deceived. Whatever you see is not true. Ask the common man or the industrialist. The things which look very attractive at the face in the very beginning do not look so after one month. Whatever is found good today is only the outlook not the internal matter. Therefore, try to look the matter from inside. The Government should exercise legal control on the Reserve Bank. Why the value of rupee has gone down? In 1956, the Nobel laureate, Mr. Milton Freedman had spoken of the theory of rules verses discretionary powers in regard to the printing of currency notes in our country. He had said that proportionate amount should be deposited in the Reserve Bank in accordance with its printing of currency notes. But in the economic policy of 1956 the Government fixed a certain minimum reserve irrespective of the currency notes to be printed. This system is adopted in very few countries. As there is no gold the Government will be in problem if it has to keep some reserve in the Reserve Bank according to the proportion of currency notes to be printed. I think the Chakravarty Committee has also made the same recommendations in this regard. The situation would not have worsened so much if this would have been done. This can be done now also. Currency notes should be printed in proportion to the reserve in the Reserve Bank. This can only be done by bringing the Reserve Bank under legal control.

Budget, Industrial policy and all other policies are our resources. You have to develop the country and work for the welfare of the common man. Resources should be made available to them. A proper industrial policy and trade policy should be adopted in this regard. You should bring some change in regard to the income policy. I agree with the system of licensing permits introduced by the Government. But it suffers from certain defects. you have a limping policy and it will not be able to take full jump. Such a limping policy will also keep the economy and the country limping and there will be no progress. These defects should be rectified even if the Government has to take stringent

measures in this regard. Big industrialists who do not approve this action are very much concerned about it.

The Government supported the idea of import substitution in regard to the trade policy. This benefits the big industries. If the Government does not want to be liberal in its trade policy it should provide import substitute. It should remain firm in the matter of foreign exchange. The concept of EXIM Bank and that of differential rates will give rise to corruption. A special group will work in this regard. The premium of 20—25 per cent would not attract the genuine exporters. The premium of 40—45 per cent fixed in this regard should be brought down so that the premium of 20—25 per cent will give some benefit. A list of such industries should be drawn up which are considered necessary by the Government in this regard.

Now I would like to say a few words about Wage Policy. These days the peons and clerks belonging to Public sector undertakings are getting Rs. two thousand and Rs. five thousand respectively as wages. This makes the peon working in the Public sector feel that he earns more. Why other peons rendering the same kind of duty are being paid less than him. All the workers must get uniform salary irrespective of their place of posting. It should not matter whether they are working in Public sector undertakings or bank or any other government offices. There must be some uniform criteria for Wage Policy. It is often heard that pay scales in Public Undertakings have been raised, but there seems to be no progress in the work being done by them. Wage and work-efficiency should be linked together. You had a talk with the leaders of Trade Unions a few days back. You should ask these Union leaders to show the improvement in their work first. Their pay scale, must not be increased unless there is improvement in their performance. You must take some measures to off/let the loss of production caused by strike. I want to cite an example. There was a teacher in my school who was a drunkard and nasty

person. It was not possible either for the management or the govt to throw him out. It is a pity that one cannot throw out an employee who does not work, indulges in creating disorder and indulges in corruption and other malpractices. You should change the rules and laws. If an employee shirks his work, betrays his country and whiles away three hours for his lunch instead of one hour, he or she should be brought to the book. This could be no longer tolerated. The persons who work hard should be promoted. What I want to submit is that there should be some linkage with the work. If salary of workers in a company or undertaking is to be increased, their work should be assessed first. Countries like U.S.A., Germany and Japan have made good progress, because the people of these countries showed keen interest in their work and increased the production in their countries. If one does not work sincerely in those countries, he is thrown out of his job. Therefore, rules and laws should be changed and an element of termination of services should be brought in if one does not work properly.

You have spoken of the industry as also grant to the industries. Have you ever thought about other industries? Is there enough energy to reform coal, steel and energy industries? Hardly any electricity board is efficient enough which might not be running in loss. All electric boards are white elephants. Why is it so? You must discard old electricity policy. Thermal, Hydel, tidal, gas-based or solar or atomic power is being generated. You are using hydel and thermal process only. Now we should turn to tidal power also. We have Cambay in Gujarat. This has a good potential for generation of tidal power. Why have you abandoned the process of solar energy? India has a hot climate and solar energy could be easily generated in India. It would be very beneficial for our country. The worst thing is about the use of natural gas. The ONGC is the highest profit earning undertaking, but there is widespread corruption also. Every import and its importing officer are in the grip of rampant corruption. You must go through

the article written by Mr. Roy Chaudhary and published in 'Industrial Weekly' in July. He has written in his article that we have so much deposits of oil, petrol and gas that we can even export them. You must undertake Geological Survey to locate the oil deposits. You hand over the exploration work to private agencies. Exploration work should be carried out by both—the Government and the private entrepreneurs. You should invite global tenders and do it publicly. You should auction certain areas to private parties to locate oil reserves. Offer should be open to people from any part of the world. If you do so, you could export oil and gas within a year. ONGC is working against the interest of this country. Its corrupt officers are misleading the Government so that exploration work is not undertaken on an extensive scale. Why is gas being flared out? Have you ever shown any concern for such an unnecessary wastage of gas? In 1974 an experiment was made to run the car by using gas as fuel. It is long since that experiment was undertaken. Why don't you run the car by using gas as fuel? Your government officers have either one Ambassador car or two Ambassador cars or three cars. You should discard the Ambassador car. You should provide Maruti car, Fiat car or diesel car to the officers.

It is the government which consumes maximum quantity of petrol. Why do you use outdated Ambassador cars? Why do you not use Maruti in Delhi? Do the officers travel in Ambassador car when they use their own car? Do you travel in Ambassador car in Delhi? When gas is being flared out, why should it not be used in the car in place of petrol, which could be done successfully. You must introduce some mechanism in the car so that gas to be used for a month could be filled in the fuel tank of the car. But you do not care at all. A man should be able to first fill up his car with gas and take the car wherever he likes. Actually, this does not strike your mind. The people of Bombay as also those of Surat, Ahmedabad and entire Gujarat are asking for gas. Why do you not supply them gas? I am ready to provide gas to

the people of Ahmedabad through my corporation and at my own expenses. The people of Surat and Bombay are ready to transport the gas from the place where it is being flared out. Machinery is very much ready to this effect. Why don't you accord your sanction for it? Why is there so much of delay in its implementation and who is responsible for its non-implementation though nothing is technical in it. Neither you nor ONGC fail to understand this simple fact concerning Ambassador car that it consumes a lot of petrol. You should discard Ambassador car which consumes large quantity of petrol.

I am not opposed to the Ambassador car, but it consumes much petrol. Had it been driven without petrol, then I would have supported the idea of Double Decker Ambassador car, but its consumption of petrol is the highest. It should be converted into a diesel car and it should be sold to one and all. I do not understand as to why such a simple thing cannot be executed?

After that comes coal. Coal and Railway are related to each other. Our entire state of Gujarat is pleading for generation of electricity by using gas as fuel, but our gas is being flared out. Central Government should grant its permission for setting up of gas based power plants. Government should decentralise its power. Gas may be used at the place where it is exploited. Refineries should also be set up there.

H.B.J. Gas pipeline has been erected by the Central Government. It has invested Rs. 2200 crores in it, but what is its condition? Not even half of it is in use at present. Where did you get Rs. 2200 crores from, where from have you imported pipe and why was this pipe line installed and why do you carry the gas to far off places? Why should the gas not be used at the place where it is found? I am of the view that a project based on natural resources should be set up at that particular place where these natural resources are available. The Government of India should itself convert gas into energy. The Central Government should not give it to the State Governments. If

the gas is tapped, the Central Government should convert it into energy. Energy is required for running the Industries and when energy is available to them, the cost of production will be reduced as the production will increase, but you are flaring out the gas. Similarly, coal is found in Bihar. It could be transported two thousand kilometers away and the railway is the mode of transport for it. I would like to ask the hon. Minister through you as to what is the rate of rake at present? When Industrialists come and ask for coal, they are told that coal is not available and the persons who supply coal, tell them that coal is available and they may transport it. Rakes are required for transportation of coal, but the Railway is not providing the rakes. The persons who want rakes are asked to pay Rs. one lakh as illegal gratification, only then rakes are allotted to them. In the Rail Bhawan, officials ask the persons who want rakes, to pay Rs. One lakh per rake. Industries cannot be run without coal. The rake for coal is sanctioned only when Rs. one lakh is paid to the concerned officials and the Government makes the claim that it is promoting the industries. I would like to submit that you should kindly have a check where it is needed. There should be a proper system for allotment of rakes. A list should be prepared and rakes should be sanctioned according to priority of an applicant in the list. The demand for rakes should be obtained in advance and the rakes should be sanctioned according to the demand. Why don't you evolve a system. You are working according to the system evolved by the Britishers who considered us as slaves. Your Bureaucracy and your mentality is also treating a common man of India as a slave. You will never come out of that circle and you will not apply your brain. After becoming a Minister, if there is any problem at your home, you will not be able to work. If there is any problem in your party, you will not be able to concentration your work. Hence, kindly ask the Ministers to do the work. You should hold Discussions with bureaucrats so that the common man is benefited.

Besides that, I would like to say one thing about the Public Undertakings. What Nehru had said might have been relevant at that time. What are these public undertakings? Why don't you scrap the public undertakings which are running in loss. When the undertakings are running in loss and the salary of workers is increased, then the industries will be ruined. All the Public Undertakings should be clearly told that we do not want a public undertaking which is running in loss. If such a situation arises in Private sector, nobody will allow it to continue? I fail to understand if there is a limit for appeasement and there should be a limit to linger on such things. For many years, Public Undertakings are running in loss. Why should you not close down such losing concerns? Prof. Kurein Sahib had been associated with the Committee on Public Undertakings and knows it very well as to how such undertakings are being run. Therefore, why do you not take a decision and after taking a decision, the undertakings which are to be closed down should be identified. It should be clearly told to the industries that such number of industries would be closed down in a month. We go on begging through out the World and these people are enjoying at the cost of exchequer. It doesn't matter if such units are closed down. I would like to say that if we are accountable, then these officers are also accountable. If O.N.G.C. or any other public undertaking runs in loss, then the Director, Chairman and M.D. of the concerned undertakings should be held responsible. If some undertakings have funds received from N.R.I.—Non-Resident Indians, then N.R.I.s money is also their hard-earned money. Wherever, there is bungling of crores of rupees, the Board of Directors, Chairman and M.D. must be held responsible for that. If any Public Undertaking is showing profit, then concerned officials should be given promotions and more facilities and their salaries should be increased. If the public undertakings are running in loss, responsibility for such a loss should be fixed. If the bureaucrats are responsible for taking the undertakings in the red, bureaucrats should be controlled and

they should be held accountable for the loss. I would like to ask you as to how many posts of M.Ds. and Directors are lying vacant? If these posts are to be filled from among the Government officials, then these posts must be filled. If these industries have incurred loss, then the officers of those undertakings should be held accountable and they should be told that these undertakings have to compete with Private Industries.

Finally, I would like to say one thing about the sick units. Kindly do not linger it on for long. I can understand the condition of small and tiny units. You had spoken of one-window system. I am a member of the Parliament and my son was setting up an industry. I had not told the officers that he was my son. I told him to see as to what is going on. Loan is not sanctioned even after the lapse of six months.

Nationalised banks have not to grant any loan. Other institutes grant loan but they require as many as 50 certificates. There is not one window to attend the applicants. They have to go from one place to the other. At every stage the applicant is asked to bring this paper and that paper. When any paper is not available the applicants would say, the paper is not available, take some percentage of the loan amount. In this way the loan is given. Sometimes industrial units are not sick but for getting subsidy these units are made sick with connivance of all concerned persons, namely, officer of the banks, industrialists owning the sick units and other institutes. At some places there are some persons who help in declaring a unit sick. They say, make the industry sick and enjoy subsidy. It is clear that it is done only to get the subsidy which the Government is not prepared to grant to the farmers even on fertilizers. Agriculture should be declared as an industry. The Government will have to grant subsidy to Agriculture. The government should term agriculture as small unit or a tiny unit. They will have to provide loans, roads, electricity and water to agriculture too. There are industrialists in industries. Similarly there are the poor farmers in agriculture. It is

mentioned that the big farmers should not be provided with any kind of subsidy. Now where are the big farmers in the country? At least, in Gujrat there is no such farmer. The whole subsidy, and not 10 per cent but 40 per cent or whatever it is should be restored for the time being. This sum of subsidy can be realised in the form of huge arrears of taxes outstanding against industrialists and film stars. If these taxes are collected, the deficit by way of subsidy incurred in a year will be compensated. Taxes should be realised and subsidy on fertilizers be restored.

Sickness in industrial units, be it a big, medium or small, should be cured at the initial stage. When the sickness assumes cancerous shape, its cure is next to impossible.

Today almost all the units have been rendered sick but, it is to be seen whether they are really sick. Industry is provided help only when the industrialist salutes to the person concerned and connives with him. It is for this reason that the Government should take a decision regarding a particular percentage of sickness in all the sick industries and then provide aid to such sick units liberally. But when the sickness is not removed by aid then what is the use of providing such aid. If any industry is too sick to be revived, then there is no use of such aid. I would like to know from Prof. Kurien whether he has ever heard of an industrialist, whose industry is sick, falling ill or running fever even or suffering from any ailment. He performs a host of works in the name of his wife but death comes only to the labourers and never to the industrialists. The disease should be cured properly. There is no need of concession for such sickness.

[English]

The industrialist is directly responsible for it.

[Translation]

Be the industrialist small or big but the big is more responsible. So, there is a need of a network of tiny and small scale, collage based and village based or agro-based industries throughout the

country. Assistance should be provided to such industries so that people may get employment, unemployment may be alleviated and eradicated. The sickness of the big industries should be examined properly whether they are really sick or there is some connivance. There is another alternative. Unless the Government money is realised fully, their entire property should be kept in Government custody. If the worker has no right to enjoy life, the owner cannot have the same right. A list of such industrialists should be made who declare their units as sick deliberately and they must be told that cannot do so any longer.

We had high expectations from the Governments. But the policy of the Government has belied those expectations and created a sense of negligence in the country. Dr. Man Mohan Singh has certainly joined the cabinet but we do not foresee any good result. There is a limit of high expectations too. In the first instance the country was given an assurance that the prices would be controlled within 100 days. Then economists gave a new theory, whether one is agreed to it or not. But as I have already said, the Government is not going to succeed. The prices are not going to be controlled even after 300 days. The industrial policy, as I have already said, is nothing but a rosy picture. This situation is not likely to persist. People have certainly had high expectations. But as per the "Principal of Rational Expectations" people think that it is not their job but it is the job of Government to think or do something on these lines. When people begin to show such discrimination in their attitude, there would be a clash of interests of consumers and investors. The Principal of Rational Expectations is more applicable to India. A new change has been brought about after 40 years, and people have become hopeful that something fruitful would come out, but if it does not prove fruitful then the Government would have to lose the battle and the country would be ruined. A survey should be conducted to ensure that the Principal of Rational

Expectations may not hamper the progress. And then the economy of the country should be led to the right path. Instead of following the path shown by Nehru, the path shown by Mahatma Gandhi should be followed. He laid emphasis on decentralization, eradication of poverty, eradication of unemployment, agro-based industry etc. We shall support the move that ensures people's welfare. Otherwise price-rice would continue. If the prices continue to rise in double digit, i.e., 15-17 per cent, the condition of the common man would worsen. You can control the prices of the commodities which are under your control and provide relief to the people. The same thing I have said about gas. Keeping in view my suggestions they can consult people and get the measures, which they think proper, executed so that common man could get relief.

Mr. Deputy Speaker, Sir, with these words I conclude while thanking you.

[English]

SHRI MOHAN VISHNU RAWLE
(Bombay-South Central): I beg to move:

"That the demand under the head department of Industrial Development be reduced by Rs. 100."

[Need to set up new industries in the industrially backward district of Konkan in Maharashtra.] (14)

"That the demand under the head department of Industrial Development be reduced by Rs. 100"

[Need to discourage setting up of polluting industries in Bombay.] (16)

"That the demand under the head department of Industrial Development be reduced by Rs. 100."

[Need to take stringent action against the management of industries for not checking pollution in Bombay, Thana and Pune in Maharashtra.] (17)

"That the demand under the head department of Industrial Development be reduced by Rs. 100."

[Need to encourage setting up on non-polluting industries in Maharashtra.] (18)

SHRI K. P. REDDAIAH YADAV
(Machhlipatnam): I beg to move:

"That the demand under the head department of Heavy Industry be reduced by Rs. 100."

[Need to sanction a heavy industry at Machhlipatnam.] (27)

"That the demand under the head department of public Enterprises be reduced by Rs. 100."

[Need to retire compulsorily the inefficient officers in the public sector undertakings.] (28)

"That the demand under the head department of Public Enterprises be reduced by Rs. 100."

[Need to enquire into the acquisition of assets by high officials particularly C.M.D.s of public sector undertakings and disproportionate to their known earnings.] (29)

"That the demand under the head department of Public Enterprises be reduced by Rs. 100."

[Need to ensure protection of the interests of workers in the industries involving NRIs entrepreneurship.] (30)

"That the demand under the head department of Public Enterprises be reduced by Rs. 100."

[Need to have a constant vigil on the working of Managing Directors of public sector undertakings.] (31)

"That the demand under the head department of Small Scale Industries and Agro & Rural Industries be reduced by Rs. 100."

[Need to develop agro and cottage industries in Krishna district.] (32)

SHRI BHAGWAN SHANKAR RAWAT (Agra): I beg to move:

"That the demand under the head department of Heavy Industry be reduced by Rs. 100."

[Need for setting up heavy industries in public and private sectors in Agra.] (45)

"That the demand under the head department of Small Scale Industries and Agro & Rural Industries be reduced by Rs. 100."

[Need for providing financial assistance to educated unemployed youth of Agra, particularly of lower income group to set up their own industries.] (52)

"That the demand under the head department of Small Scale Industries and Agro & Rural Industries be reduced by Rs. 100."

[Need for setting up industries unit in small scale and cottage industries and encouraging them through District Industries Centre at Agra.] (53)

SHRI ANIL BASU (Arambagh): I beg to move:

"That the demand under the head department of Industrial Development be reduced to Re. 1."

[Failure to revive the sick industries in the country.] (57)

"That the demand under the head department of Industrial Development be reduced to Re. 1."

[Allowing collaboration with

foreign companies having 51 per cent or more equity.] (58)

"That the demand under the head department of Industrial Development be reduced to Re. 1."

[Failure to review the policy of multi-nationals in a big way in India.] (59)

"That the demand under the head department of Heavy Industry be reduced to Re. 1."

[Failure to maintain the commanding role of public sector in our economy.] (61)

SHRI SUDHIR GIRI (Contai): I beg to move:

"That the demand under the head department of Industrial Development be reduced to Re. 1."

[Failure to strengthen the Public Sector.] (70)

"That the demand under the head department of Industrial Development be reduced to Re.1."

[Policy of more than fifty per cent foreign equity participation in India] (71)

"That the demand under the head department of Industrial Development be reduced by Rs. 100."

[Need to provide necessary assistance to the sick industries of the country.] (72)

"That the demand under the head department of Industrial Development be reduced by Rs. 100."

[Need to enhance the internal market for the consumption of industrial goods.] (73)

SHRI BANDARU DATTATRYA (Secunderabad): I beg to move:

"That the demand under the head department of Industrial

Development be reduced to Re. 1."

[Failure to review the policy of allowing 51 per cent and more equity to foreign capital in companies in India] (86)

"That the demand under the head department of Heavy Industry be reduced by Rs. 100."

[Need to sanction 293 industrial projects to be set up in Andhra Pradesh.] (87)

"That the demand under the head department of Public Enterprises be reduced by Rs. 100."

[Need to give proper incentives to the efficient managers and workers of public sector undertakings.] (88)

[Translation]

SHRI CHANDULAL CHANDRAKAR (Durg): Mr. Deputy Speaker, Sir, the new industrial policy economy of the country.

SHRI DILEEPBHAI SINGHANI (Amreli): Mr. Deputy Speaker, Sir, I rise on a point of order. There is no quorum in the House.

[English]

MR. DEPUTY SPEAKER: The bell is being rung—

Now there is quorum. The hon. Member, Shri Chandrakar may continue.

[Translation]

SHRI CHANDULAL CHANDRAKAR (Durg): Mr. Deputy Speaker, Sir, today Shri Vaghela, an hon. member of B.J.P. who has preceded me, has expressed his views during the discussion on the new industrial policy. The problem is that he has mentioned contradictory things while discussing on industrial policy. He has suggested to give up the policy of Nehruji. It is not a new thing as he is always opposed to Nehruji. He always opposes the good points suggested by Nehruji. Today he has said one new thing and that is to follow Gandhiji. The party whose people, whose some members, whose colleagues assassinated Gandhiji.....(Interruptions)

Mr. Deputy Speaker, Sir, I want to say that these people are not aware of the fact that I was a few steps away at the time when Mahatma Gandhiji was assassinated. I was behind him because I used to report the lectures delivered by him in those days and got them broadcast by All India Radio. That is why I was behind him. The assassination was committed in front of me. Friends, you should understand the psyche a bit.

The second thing is that Shri Vaghela has said that the country has become bankrupt by following Nehruji's policy. Friends, remember, what would have been the fate of the country if the policy formulated by Nehruji in 1956 in respect of industries had not contained mixed economy which included both the private and public sectors. What has been the fate of East Europe, what happened in America, these are some examples. This is the only country which paved the way for the world that mixed economy can enable the country to achieve progress. It was inevitable to put some industries under public sector since there are some basic industries too. Some industries cannot be handed over to big industrialists. Some industries were to be given to the private sector. It is not true that there are a few industries in the private sector. A large number of industries, big industries, big buildings are in the hands of private industrialists. But only a few industries were put under public sector. As we know, they have to criticise the public sector whatever be the industrial policy. Their party had moved a resolution in Jaipur to close all the industries in public sector. That is why my former speaker has said that all public sector industries should be closed and auctioned within a month. Friends, we are not going to auction these industries. We want that the industries in public sector should be improved. We have stated categorically that we would improve and reform the public sector industries and increase their production.

As regards salient features of industrial policy, there are three or four aspects of it. Firstly, the main object of the industrial policy is to improve our economy.

15.02 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Attention is not being paid to increase the production in the country and bring about improvement. It will be improved only when steps are taken to do that. The country has progressed a lot in 40 years. Secondly, we have to make endeavours to step up our exports. We want to induct new industrialists. The industrial policy has a special feature. They are not far-sighted and hence they are unable to understand it. Today unemployment among youths is increasing (*Interruptions*) The unemployment is increasing alarmingly. To contain it, the Government has emphasised to introduce tiny industries in which an amount of rupees two, three or four lakh may be invested. New entrepreneurs come forward. The sons of farmers and labourers are neither trained nor do they know the management. That is why tiny industries have been set up. It has been done keeping in view the increasing unemployment in the country. My former speaker has said that we have introduced basic concept in the industrial policy. This type of criticism is not a new thing. But it is the same policy of Industrial Resolution Policy of 1956. Changes have been made from time to time as per requirement. And this time also, positive change has been made as per the requirement of the country. He has said that in our country the foreign exchange position was just over rupees six thousand crore up to 1989 and it went up to rupees 1500 crore by 1991. He has also said that during non-congress Government period of one and a half years the amount of rupees 6000 crore was increased to rupees 1500 crore. Since there was no money to import goods for 15 days, an essential and revolutionary change has been made in the industrial policy..... (*Interruptions*) For the first time our Government has allowed foreign companies to invest 51 per cent capital. It does not mean that the country is to mortgaged. It has not been done under pressure from I.M.F., World Bank or any other lobby. In order to allow the flow of foreign exchange into

the country, 51 per cent foreign investment has been allowed. Till 1989, when Congress was in power foreign exchange worth about 389 crores of rupees was earned every year but now-a-days it has been reduced to rupees 122—25 crore. Foreign companies have restricted investment. That is why 51 per cent investment has been allowed just to encourage them. By granting them the right to just 51 per cent share would not attract sufficient foreign capital. We face difficulty while enacting rules for it and implementing them. I mean to say if Government servants make delay or show reluctance in the allotment of land, supply of electricity and water or in providing facilities like customs, etc. to a foreign company, that company will either not set up its industry or invest less capital. Only by doing it 51 per cent will not serve the purpose. We have to gear up the whole machinery. For example, in Indonesia equity share is less than 51 per cent. Equity shares for investing foreign capital are much less there. But last year it got the capital worth 7.7 billion U.S. dollars. Similarly, Malaysia and Thailand also got foreign capital of the order of 5-6 billion dollars. Whenever any foreign industrialist makes his investment, he expects facilities like land, electricity, infrastructure within a week. In some countries some big industrialists come to set up industries. They are screened on television to show that this industrialist has been provided all facilities within two-three days. We have to create such an atmosphere in our country.

Therefore, firstly we have to think that whatever foreign capital is flowed into our country is utilized properly. The Government has stated that foreign investment in such and such industries will be allowed and the licence system prevailing earlier has been de-licenced. It has been done to encourage more and more industries in the country so that production is increased and more people could get jobs.

Tourism Department may be encouraged because the number of foreign tourists is much less in our

country. I don't want to compare it. I just want to inform you that the population of Singapore is 26 lakh. It is a small country. But about 47 lakh tourists visit it every year—the number of tourists is almost double of the population. Whereas only 15—17 lakh tourists visit India during the whole year. Merely enacting a law will not serve the purpose. An atmosphere has to be created for it. It is very necessary.

AN HON. MEMBER: You have spoiled the atmosphere.

SHRI CHANDULAL CHANDRAKAR: You have vitiated the atmosphere in 1977 and 1989. Our system is fraught with number of problems. But three or four problems are assuming alarming proportions. The first increasing population; second, growing unemployment; third, shortage of foreign exchange; and fourth, less production in agriculture and industrial sectors. The new industrial policy has been formulated to improve all these four things.

Our population will cross 100 crore mark by the year 2000. Eighty per cent youths of the country live in villages. Therefore, we should change their attitude. We should encourage them to involve themselves in industries. For that purpose, it is necessary that we should provide them facilities of training, business management training. Allocation for the purpose has not been made in the budget of the Ministry of Human Resource Development. It is a big lapse. We have to pay attention to it. Under the circumstances, it is necessary to safeguard the interests of labourers. I mean to say that trained people would be required when high-technique industries are set up. To provide training, institutions like I.T.Is should be set up in every city, town and village of the country. It will help in establishing industries in small villages and with the result labourers would get employment. It is true that there is a scarcity of resources and foreign exchange with the Government. For that purpose, our Government, our party has tried to bring down the prices of 10—12 items. There

is no doubt that there has been an alarming rise in prices.

Mr. Chairman, Sir, we need nearly rupees six thousand crore of foreign exchange to import chemical fertilisers. Thus, keeping it in view, the rates of chemical fertilizers have been increased. There is no doubt that farmers have suffered a lot. The production would also be comparatively less. That is why our Government should reconsider it. We should reduce the subsidy from 30% to 20%. If there is a problem with farmers, it should be removed.

Mr. Chairman, Sir, as you know, maximum subsidy is given to the farmers in American and European countries. There is an economic committee constituted in Europe. It grants much economic aid. The U.S. Government also provides much economic aid to its farmers. Keeping in view this little burden on the farmers of the country, we should alleviate it. In this connection, I would like to highlight one aspect. On the one hand, we are worried about the production of chemical fertilisers but on the other hand, we don't pay attention to the production of Gobar Gas which may save enough chemical fertilizers. I don't want to go into more figures. But if we instal 15 Gobar Gas plants on an average in every village of 5 lakh and 76 thousand villages, we can definitely save rupees six thousand crore of foreign exchange...

AN HON. MEMBER: Has the production of chemical fertilisers begun in our country or a factory is to be set up?

SHRI CHANDULAL CHANDRAKAR: I thank you. Chemical fertilisers are being produced in industries. To cover up the shortage of chemical fertilisers the Government should encourage Gobar Gas plants. It will definitely be able to reduce the foreign exchange spending. Friends, India has invented Gobar Gas and it has been introduced in China...

SHRI PIUS TIRKEY (Alipurduars): What do you mean by friends? You please address the Chairman.

SHRI CHANDULAL CHANDRAKAR: I stand corrected. Mr. Chairman, Sir,

China has now set up so many Gobar Gas plants. Chemical fertilisers are not required there.

As you know, how many people are unemployed in our country particularly in Madhya Pradesh. In addition to that some areas of Orissa and Andhra Pradesh and Chhatisgarh and Vidarbha of Madhya Pradesh are very poor areas. Therefore, in order to provide training of business management to new entrepreneurs, training centres should be set up at Durg City.

Secondly, there is a good sale of leather and foot-wear in Bhilai area which is a big industrial area. These items are brought there from other places. So, if a leather and foot-wear industry is set up in Bhilai, the jobs to many people may be provided as well as foot-wears may be made available to the people at cheap rates. Likewise, in the Patan area of Durg district, soap and detergent industry may be set up. In Dhamdha area the bronze and brass industry can be set up. Some of the industries are at the verge of closure there. They may be made viable by giving them incentives. In Saja area the industry of Hosiery and readymade garments can be set up. Similarly, in Bemetra area plastic and processing industries may be set up. Handicrafts and honey industries in Navagarh and food processing industry in Khertha area can be set up.

Mr. Chairman, Sir, in Borai area of Durg a growth-centre was set-up four years ago but it still lacks in required infrastructure. Some new industries have started functioning but the essential facilities like water, power, roads, telephones etc. are not available there. For this reason, many persons willing to establish their industries there are making a deliberate delay on their part. Along with this, it should be kept in mind that the local people in more and more number can be absorbed in these proposed industries. Out-siders are certainly required for the technical jobs but for the ordinary kind of jobs number of local persons are available there.

Hence they may be given chance first. Mr. Chairman, Sir, our Government has decided to do away with the industrial licence system under new industrial policy which will undoubtedly benefit the country. Just before me, one of our friend has repeatedly said that the country did not make any progress during the 40 years reign of Nehru family. I would like to request them to quest within himself to see what progress our country has made during the last 40 years. More than 4 lakhs villages out of 5 lakh 75 thousands in the country have been electrified. So, this is not correct to say that we did not make any progress in the industrial sector. How much progress we have made in the last 40 years can be easily ascertained by comparing our country with those 97 countries which got independence after us. No other such country has made as much progress in the fields of industry and farming as we made. This is the result of our policy that we do not import food grains even if there is famine in our country. Had there not been a non-Congress Government in 1977, the country's progress in industrial, science, and especially in agricultural sector would have gained a rapid momentum. But they impeded its development rate as they hampered the team-spirit of our scientists by deputing them here and there in reckless manner. As a result of this our country's scientific progress came to a halt. This situation improved a bit when our party came to power again. Many of our friends have blamed that our Government did not do anything to make this country a self-reliant. But I think that there is no glaring example in the world about the efforts we made in every field during Indira Gandhi's regime to make the country self-reliant. She and later on Shri Rajiv Gandhi also, did their best to make this country self-reliant. Along with making the country a self-reliant they also maintained the unity of the country. And it is the result of their efforts that we are self-reliant. Without saying much, I would like to say that our industrial policy is praise-worthy and it suits the needs of our country. With these words I thank you.

[English]

SHRI AJOY MUKHOPADHYAY (Krishnagar): With grave concern I rise to speak on the Demands for Grants relating to the Ministry of Industry, which are based on the new Industrial Policy Resolution announced on the floor of this House on 24 July last.

The first Prime Minister of independent India, late Pandit Jawaharlal Nehru, declared that the objective of the State would be to ensure social and economic justice by establishing a socialistic pattern of society. The 1956 Industrial Policy Resolution they said, was formulated in achieving that objective. That Industrial Policy Resolution was endorsed by Parliament in December, 1954. In fact, that was the message of the freedom movement of this country itself. But we had no illusion. We did never think that the policy which gave public sector a strategic role in our economy, could transform the class-based society into an egalitarian one where social and economic justice might be ensured. But still stress on the public sector occupying commanding heights of our economy was a welcome step and we did support that policy because that would create the base of industrialisation and would help achieving self-reliance to a considerable extent. At the same time, we have been saying and agitating for the last four decades against the anti-people economic policies of the Congress Government designed to serve the interests of the monopolists and the feudal landlords. The policy based on this narrow class outlook has resulted in huge accumulation of wealth and also disparity of income to an alarming proportion. The unprecedented crisis that the country is facing today is an inevitable outcome of that class policy. Inevitable because capitalism was sought to be build up on the ramnants of feudalism. Now in the name of tackling the deep-rooted crisis, which is the creation of this Government, they are trying to reverse everything.

The Industrial Policy Resolution bears testimony a total reversal of the earlier policy of self-reliance by denigrating the

strategic role of the public sector, privatising almost all industries, abolishing industrial licensing in most of the industries and indiscriminately inviting the foreign capital with their technology. This is a total reversal of the earlier policy. Is it continuity with change or change for the worse? In the mirror of your new-found philosophy, we find BJP's face.

It is a matter of shame that after forty-four years of Independence, the imperialists agencies have been given a free hand in the affairs of our economy. There is not an iota of truth in your assertion that you have not submitted to the dictates of the IMF and the World Bank. In fact, the new Industrial Policy Resolution, along with your trade policy and fiscal policies, is a product of an unholy nexus between the so-called Indian nationalists and the international reactionaries who are out to satisfy their hunger of neo-colonialism in the name of building 'new world order'.

You should have at least that much of courage and honesty to call a spade a spade. Hence, before announcing the new Industrial Policy Resolution, you should have come with a Bill scrapping the Preamble and Directive Principles of the Indian Constitution. But you do not have that guts. I am, therefore, constrained to say that your Industrial Policy Resolution is nothing but a document of deception under the cover of high-sounding promises and pious contentions.

According to the Resolution, the industrial licensing is being abolished in almost all the industries because, I quote:

"The Indian economy will benefit by becoming more competitive, more efficient and modern and will have its rightful place in the world of industrial progress."

The Resolution further states that:

"The entrepreneurs will make investment decisions on the basis of their commercial judgement."

How funny! It is not understandable how the capitalists whose sole aim is

profit and more profit can decide the national priorities. Even in advanced capitalist countries like Japan and Germany, there is some sort of intervention. So as to suggest to the capitalists the priorities and viabilities of industries they want to set up in these countries.

Total absence of any such mechanism at the Government level in our country will inevitably lead to a wholesale anarchy. Moreover, this will increase the regional imbalances and there by provide further handle to the secessionist and other divisive forces. But still the new Industrial Policy Resolution assures us that over-riding national interests will not be jeopardised.

Sir, FERA regulations have been given a go-by. Foreign equity participation has been raised to 51 per cent in 34 high priority industries meaning thereby that those foreign investors, particularly the multi-nationals, with their advanced technologies will be the virtual owners of those concerned industries. The unrestricted freedom of the multi-nationals will inevitably throw massive challenge to the development of the Indian industries making them subservient to the imperial capital and the Indian people will be subjected to be the helpless victim of neo-colonial exploitation. Can you deny?

There are no two opinions that import of technology in vital sectors in which modernisation is essential, must be given priority, Nobody disagrees.

But with the unrestricted inflow of foreign technology without giving any priority, as contemplated in the Policy Resolution will obviously push the indigenous technologies into an uneven and unhealthy competition and by that the initiative in the development of science and technology in this country will be curbed. It should also be remembered that foreign investors do not bring the most modern technology in the third world countries. They do not. They usually supply scrap and obsolete technologies to the third world countries. India should not be allowed

to be a dumping ground of those scrap technologies.

It would not be out of place to mention that the fruits of the technological revolution cannot be used indiscriminately irrespective of the social and economic conditions. A particular technology which is suitable and helpful to a particular country may be harmful to another country in another economic and social order. Do not forget this.

SHRI VILAS MUTTEMWAR (Chimur): Which are the areas for your technology? (Interruptions).

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Technology for manufacture of toys. Do you like it—toys for the rich? (Interruptions) You know that you have imported technology in order to manufacture toys that are purchased by one per cent of the population of the country. (Interruptions).

MR. CHAIRMAN: You ignore all the things. Address the Chair and continue. (Interruptions).

MR. CHAIRMAN: Ignore all this running commentary and address the Chair.

(Interruptions).

SHRI AJOY MUKHOPADHYAY: Use of technology requires scientific judgement. Otherwise, the industrial development of the country will be gradually dependent on the foreign technology which is dangerous.

The new Industrial Policy Resolution is very much vociferous against the public sector and the domain of the public sector is sought to be restricted in eight categories of industry only. This reserved list of public sector does not even contain the two most vital industries like steel and energy which have all along been considered as a core sector. Now, clear indication has been given about cent per cent participation of foreign capital in these two core industries. Inflow of multinational capital in steel, heavy engineering, power equipment and in such other areas would spell the end of BHEL, HEC, HMT etc. According to the

Resolution, "There would be no bar of areas of exclusivity to be opened up to the private sector selectively." So, it is crystal clear that total dismantling of the public sector is the goal. But why? In the Industrial Policy Resolution so many ills have been diagnosed, but the prescription for the IMF is very simple—kill the patient don't make any serious attempt to cure the ills. The reason is obvious. It is the public sector which stands in the way as the biggest hindrance to acquire sovereign power by the foreign multinationals and the Indian monopolists in the industrial arena of our country. So, privatisation is the mandate. But may I ask who is responsible for the so called ills that you have identified? Is it not the erroneous and unscientific policy, inefficient handling and bureaucratic interference and pressure of the Central Government that are responsible for the so called degeneration? (Interruptions). But, Sir, it is a pity that instead of rectifying yourselves you have preferred to liquidate the public sector itself. What a nice proposition. Not only sick industrial units of public sector, Government want to privatise even the profit-making public sector industries by the scheme of disinvestment. A calculated and systematic propaganda campaign has been going on to create adverse public opinion against the public sector as a whole. Can you deny it? Even the ONGC which is most profitable public sector enterprise is not being spared, though contradicted earlier by the hon. Prime Minister, very clear indications are there that denationalisation of the nationalised banks and other financial institutions is also on the agenda. (Interruptions) But privatisation is not a panacea. Then, sickness is not confined to the public sector alone. It is no less in the private sector; even it is more. Moreover, can anybody deny that the so-called prosperity of the private sector is at the cost of public sector? Nobody can deny it. Investment in private sector, particularly in big and medium industries has mainly been done by public financial institutions.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): Sir, I would like to make one point very clear. We have not restricted the public sector. We are not allowing the private sector to enter into eight areas, whereas the public sector can enter any field. (Interruptions)

MR. CHAIRMAN: This is not a dialogue. He is making a speech and the Minister will reply. You may give your reaction when your turn comes.

SHRI AJOY MUKHOPADHYAY: You have opened up the public sector to the private sector industries. That is there in your policy. (Interruptions). The private sector people have squandered thousands of crores of public money to enrich themselves. There are so many facts and figures. Those facts and figures are with me. But I do not want to quote them.

Now, the Government have come out with a proposal to change the MRTP Act also.

[Translation]

SHRI RAM SINGH (Haridwar): Mr. Chairman, Sir, I am on a point of order. The hon. Minister of Industry has said that the private sector will not be allowed to enter into the public sector as a matter of policy. But here I would like to read some lines of the brochure published by his department. There is contradiction between this intervention and the contents of the book published by the Department of Industry. Hence he should clarify which is correct. (Interruptions)

SHRI KALKA DAS (Karol bagh): Mr. Chairman, Sir, the hon. Member wants to say that the hon. Minister is stating against their own policy. But you are not listening to him. (Interruptions)

[English]

MR. CHAIRMAN: There is no point of order. Please sit down. If there is inconsistency, he will reply in the debate. There is no point of order please. Please continue. There is no point of order. Do not record anything further. Please go on.

(Interruptions)

MR. CHAIRMAN: You please sit down. Kindly sit down. Please continue your speech.

SHRI KALKA DAS: I want to make a point.

MR. CHAIRMAN: You can make your point in your speech later. We are not having a dialogue here but we are having a debate on this. Please continue.

SHRI SRIKANTA JENA (Cuttack): After this intervention by the hon. Minister, the hon. Minister must clarify the position.

SHRI ANNA JOSHI (Pune): You should not have allowed the hon. Minister to intervene.

SHRI AJOY MUKHOPADHYAY: Let me read out the relevant portion of the policy.

MR. CHAIRMAN: The hon. Minister is capable of replying to the debate.

SHRI P. J. KURIEN: I am clarifying. You give me one minute. What I said is that in the new industrial policy, eight items have been reserved for public sector. They are exclusively for public sector. Private sector will not be allowed in those areas. You please read the policy. Eight items have been reserved exclusively for public sector and there, private sector will not be allowed. That is what I said.

Secondly, according to this policy, public sector is at the same time free to enter any other field where private sector is operating. I repeat this. I have read the policy. You have not read the policy.

SHRI AJOY MUKHOPADHYAY: What you have said is not correct.

SHRI P. J. KURIEN: What I have said is there on record.

SHRI AJOY MUKHOPADHYAY: Let me read out that portion from your policy resolution. I quote:

"There would be no bar for areas of exclusivity to be opened up to the private sector selectively."

What does it mean? This has been stated in your policy resolution. I am

quoting your policy. It is not my statement.

SHRI SOMNATH CHATTERJEE (Bolgpur): The main portion has no relevance. It only refers to Annexure.

SHRI P. J. KURIEN: Read the Annexure. We have said it there.

SHRI NIRMAL KANTI CHATTERJEE: Does it mean that the hon. Minister is withdrawing all the other parts except the Annexure in the Industrial Policy Resolution? No. The hon. Member has a right to quote from the Policy Resolution.

SHRI AJOY MUKHOPADHYAY: quote:

"There would be no bar for areas of exclusivity to be opened up to the private sector selectively."

What does it mean? *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Sir, we want one clarification. The Minister must clarify before he speaks further. Since the announcement of the Policy till the commencement of this discussion, has the Government changed its Policy? We would like to know the position. Has the Government changed its Policy since then? *(Interruptions)*

SHRI SRIKANTA JENA: The Industrial Policy says one thing. Now, the Minister is mentioning something else. What does it mean?

[Translation]

SHRI KALKA DAS: Without clarification, it is difficult to continue the debate. *(Interruptions)*

[English]

SHRI AJOY MUKHORADHYAY: Are You withdrawing that portion from your statement that I have quoted just now? (Interruptions)

SHRI SOMNATH CHATTERJEE: He will answer after a telephonic talk with the IMF. (Interruptions)

SHRI SRIKANTA JENA: What is the position the Minister is taking now? Are you deleting that portion? It is a question of debate now. How will we continue the debate without a proper answer?

MR. CHAIRMAN: The Minister will reply at the end.

(Interruptions)

SHRI LOKANATH CHOUDHURY: (Jagatsinghpur): The hon. Member has brought an important matter to the notice of the Minister. There is some confusion in the minds of the people. Let him clarify the position. (Interruptions)

MR. CHAIRMAN: Please let the hon. Member continue his speech.

(Interruptions)

SHRI ANIL BASU (Arambagh): How can he continue. Let the Minister first clarify the position.

SHRI TARIT BARAN TOPDAR (Barrackpore): Mr. Chairman, please adjourn the House. Let him come prepared. Please adjourn the House till then.

[Translation]

SHRI KALKA DAS: Please try to understand the sentiment of the hon'ble Member. (Interruptions)

[English]

SHRI SRIKANTA JENA: What is the point of continuing the debate without a clarification?

SHRI ANIL BASU: We would like to know what is the Policy of the Government in this regard. He is maintaining silence.

SHRI SRIKANTA JENA: Sir, I am on a point of order.

MR. CHAIRMAN: All of you, please sit down. He is on a point of order. I am listening to his point of order. Please sit down.

SHRI SRIKANTA JENA: I am just trying to bring to your notice one

important factor. As far as the Industrial Policy is concerned, we have got the policy-decision of the Government. Right now, the Minister has stated that this is the position. But actually this is not the position as per the Industrial Policy. We are discussing about the Industrial Policy and the Demands for Grants of the Ministry of Industry. We are under the impression that whatever has been mentioned in the Industrial Policy is the Policy of the Government. But the Minister is taking a different position right now. What will be our position? In what direction should we proceed? Should we quote the Industrial Policy or should we quote the Minister? (Interruptions)

SHRI SOMNATH CHATTERJEE: Shall we quote the Industrial Policy and misquote the Minister?... (Interruptions) Your interventions are creating difficulties.

MR. CHAIRMAN: Shri Somnath Chatterjee, I think in this fashion we will not be able to conduct the debate properly.

(Interruptions)

MR. CHAIRMAN: Let the hon. Member continue his speech. He is making a very good speech. Let him continue his speech. At the end, the Minister will reply.

(Interruptions)

SHRI SOMNATH CHATTERJEE: Let the Member continue his speech without the uninformed interruption by the Minister. (Interruptions)

MR. CHAIRMAN: You have got the Industrial Policy. You have also got the intervention of the Minister. You interpret them in whatever manner you like. You can react accordingly.

(Interruptions)

[Translation]

SHRI KALKA DAS: He has misled the House instead of giving clarification. His intervention has created this controversy ... (Interruptions)

[English]

SHRI DIGVIJAYA SINGH (Rajgarh): Why should they interrupt at this moment? Let the House debate the issue. The Industrial Policy is a document which is available to everybody. (Interruptions)

MR. CHAIRMAN: There is no point of order. I will clarify that. But as the Minister intervened, some people had some doubts and they had expressed some reactions. That is sufficient. Let the hon. Member continue now.

(Interruptions)

SHRI SRIKANTA JENA: I would like to know whether his statement is correct or the Industrial Policy is correct. (Interruptions)

MR. CHAIRMAN: That he will clarify at the end.

(Interruptions)

PROF. P. J. KURIEN: I would like to repeat that there is no contradiction. I would like to repeat that there are eight items reserved for the public sector and the Government's policy is not to allow any private sector to enter in that. (Interruptions)

SHRI AJAY MUKHOPADHYAY: Will you please read out that portion of your statement? (Interruptions)

PROF. P. J. KURIEN: I will give you more clarification at the end. I am repeating that eight items have been reserved for the public sector and the Government's policy is not to allow the private sector to enter into that. (Interruptions)

SHRI ANIL BASU: What does the Policy say?

PROF. P. J. KURIEN: I know what you are saying. What you are saying is, "There is no bar if the Government wants". Yes, that is true. If the Government wants, then we will announce it. Even in the previous Policy, the position was exactly the same. There was no change. According to the Policy, when it is operational, as it is, private sector cannot enter into eight areas unless

the Government specifically allows. That is a different thing. (Interruptions)

SHRI SOMNATH CHATTERJEE: It is vice versa.

PROF. P. J. KURIEN: No, it is not vice versa (Interruptions)

SHRI SOMNATH CHATTERJEE: Professor Kurien is a very good friend of mine. But, I have no faith in his Policy. (Interruptions)

MR. CHAIRMAN: Please address the Chair. (Interruptions)

SHRI AJAY MUKHOPADHYAY: Mr. Chairman, Sir, it is written in the Policy Resolution that there will be no bar for areas of exclusivity to be opened out to the private sector selectively. That means, at any time, you may open it up to the private sector. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Was such a statement made in the 1956 Industrial Policy Resolution? What are you talking? Do not try to mislead the House. This is a new thing. (Interruptions)

SHRI AJAY MUKHOPADHYAY: Now, the Government has come out with a proposal to abolish the asset ceiling of the MRTP Act also. I have not followed how the provisions that have been laid down in the Policy statement, could be enforced without bringing in amendment Bills, which are not before us. Two Bills are necessary to amend those provisions of the MRTP Act and the FERA. Those Bills have not been placed before the House. This abolition of asset ceiling in the MRTP Act will inevitably help further strengthening the grip of the monopoly capital over our economy.

There is no doubt in it. Not only that, this will put the small scale and medium range industries in a tight corner and ultimately threaten their very existence.

MR. CHAIRMAN: Please complete it now as your time is over. If you have got 30 minutes, you have taken 40 minutes.

SHRI AJAY MUKHOPADHYAY: But Sir, 20 minutes have been taken by

the Minister for replying to me.

It may be mentioned that the small scale sector plays a vital role in our industrial economy. The employment potential is the highest in this sector and it reveals from the Economic Survey 1991-92, that the employment potential in this sector was increased by 5.8 per cent in 1989-90 over the previous year, whereas the increase is only 0.4 per cent in large private sector industries. On the export side in 1989-90, the small scale sector earned foreign exchange to the tune of Rs. 7,626 crores, which is $\frac{1}{4}$ of the total export earnings of that year. Now, a situation is going to be created where the Indian and foreign monopolists will be at liberty to invade that arena. The consequences can easily be imagined.

16.07 hrs.

(SHRIMATI MALINI BHATTACHARAYA
in the Chair)

The net result of these measures will be disastrous for the country. More than 2.4 lacs of industrial units in both public and private sectors are going to be the immediate victim with unemployment for millions, who are employed in those enterprises. As a consequence to the liberalised industrial policy along with trade and fiscal policies, that vast number of workers and employees will be thrown into the streets with their families. So far as I know, nearly 100 Central Government offices have become redundant, rendering a large number of employees surplus. What will be their fate? Madam, it is understood that the Textile Minister has already taken a decision to withdraw the support measure in regard to the use of jute bags with effect from 1st of April, 1992. That will be a further blow a death-knell to the jute industry and to the workers also. According to the IMF prescription, many more measures are yet to come. The natural conclusion would be more sickness, more closures, more unemployment and more misery. You cannot deny it. It has been stated in the Resolution "that a social security mechanism will be created to protect the interest of the workers likely to be

affected." This is pure and simple demagoguery. You will have to tell the House as to what is that mechanism. I would request you not to try to deceive those who toil, but for whose untiring labour and boundless sacrifices the growth in production and wealth which you often been boast of could not have been achieved. So, don't try to deceive them.

The process of disaster has already begun in a very big way with steep hike in prices. You started with mortgaging our reserved gold in a clandestine manner and now you have stepped into the market to sell the public enterprises. Whether true or not, it has appeared in the Press that the Haldia Fertilizer Company is going to be sold at a price of one crore of rupees only. It is simply horrible. Leaving aside everything — the machineries, the building, the land, etc.— only the furniture lying there will cost more than one crore of rupees!

I would like to know from where the Central Government has derived the selling authority of public sector enterprises. Is there any law? If so, where is the law? If some chairs, tables, fans, etc. of any Central Government office are to be sold, some procedures are required to be followed. But in the case of public sector enterprises there is no such necessity nothing is required. This is a very dangerous situation.

The Government have cunningly tried to sell an idea of compulsion. They want us and our countrymen to accept that there is no other option which is softer. But how have they come to this conclusion? Excepting the IMF and the World bank people, you did not consult anybody; not even the trade unions who are fairly conversant with the affairs of the industrial world. You did not discuss it even with the INTUC before formulating this Resolution. The dictation of the IMF and the counsel of the pro-IMF bureaucrats cannot be the last word.

Some of the measures which need immediate attention are; to put a stop to closures and retrenchment, disciplining of capital, penal measures against those

who are responsible for rendering industrial units, sick, workers' participation in management and if necessary handing over the concern to the workers with adequate credit, stoppage of indiscriminate imports of capital goods and technology for luxury goods production, giving priority in importing technology in vital sectors in which modernisation is essential, etc., and above all to halt privatisation in vital sectors of economy and to continue the public sector in all the key strategic industries with elimination of the real causes of inefficiency and bureaucratic management.

At the same time it is high time that measures are also undertaken immediately to expand the internal market instead of frantically trying for market abroad. That can be done by increasing the purchasing power of the vast multitudes of rural and urban masses by removing of all obstacles in the way of thriving the small scale and cottage industries, adopting employment guarantee schemes etc. and above all effective land reforms by plugging the loopholes in existing ceiling laws and distributing all land above ceiling and other surplus land to the landless.

But it is a matter of deep regret that you are carefully avoiding the question of land reform all through. There is not even a mention of this in your policy resolution or in the Budget or anywhere else. But that is the only way to come out of the present crisis and to ensure industrial and social progress of our country. You should keep it in mind that despite your best efforts, the advanced capitalist countries will not allow India to enter into their market in real terms.

To conclude, I would like to say that if you don't halt and retrace from the IMF dictated path and thus compromise our economic sovereignty, the anti-imperialist content of our non-aligned foreign policy will be eroded. The experience and the lesson of the present day world is that if economic sovereignty goes, the political sovereignty is bound to be endangered. In that case I tell you the patriotic people of this country in general and the working

class in particular will not be silent spectators.

With these words, I oppose the new industrial policy resolution and the demands for grants.

SHRI A. CHARLES (Trivandrum): Madam Chairperson, I stand to support the Demands for Grants of the Ministry of Industry for the year 1991-92.

I was listening to the speeches of the two previous speakers—one from the BJP and another from the Left Front. Two extreme views have been expressed here. But there is one area where both agree. It is very unfortunate that they have certain jargons—Nehruvian socialism, Nehru Family, the Gandhi dominated rule for the past forty years. Except on that one point, both of them have differed in all the other policy and other matters.

It is very easy to say about some jargons of capitalism, socialism, feudalism, social justice and economic justice. Only these are jargons and nobody knows what they are. One professor of Law was teaching the students. The question of social justice came. He said that social justice has been explained by the learned Professor Salmond: Justice is like a bread in a besieged city so that an equitable distribution is necessary. So, this is the real justice, according to the learned author. But the professor, who was teaching his students, said: This is not real justice. According to him, justice should be like a perennial stream so that whosoever is having his cup, shall have to the full.

I mentioned this example just to explain the views even on social justice. So, how can we have a common view on these jargons?

I have been closely listening to our friend, Mr. Ajoy Mukhopadhyay, who just spoke. He was complaining that we are now following the BJP path and we are now going towards the right. I may ask the honourable friend that during the Eighth Lok Sabha, there were only two Members from the BJP. I would plead with the honourable Members on the Left Front to search their hearts. How has the

number come to the present strength? But we have to accept the verdict because it is the verdict of the people. But do not accuse us that we are responsible for the present tragedy that is happening in the country.

I may say that all the progress that we see in India today is only after the Independence and is the result of unstinted labour of the Congress Party during the last 40 years. The country became independent in 1947. We were not able to manufacture even a pin at that time. Now we are in the industrial arena of the whole world.

It is true that we have problems. Our problems vary. One friend has been talking about the poverty line. I may humbly submit that the poverty line has gone up. It is not the old poverty line. We had 34 crores of people in 1947. Now we are going to be 90 crore. We had to feed additional 50 crore in the last 40 years. So, in family planning, we have failed. It is not the responsibility of the Government alone. We have to educate the people.

The time at my disposal is limited. So, I am trying to limit myself to the industrial policy and the programme. One friend from the BJP was just telling that during the last one year nothing has happened, and that the whole industry has failed. I may draw his attention to page 5 of the Annual Report of the Ministry of Industry which says:

"The industrial sector showed an excellent performance in the Seventh Plan period. On the basis of index of industrial production compiled by the Central Statistical Organisation, the average rate of growth during the Seventh Plan period works out to 8.5 per cent. During the financial year 1990-91, figures available up to December, 1990, showed a growth of 8.9 per cent over the same period in 1989-90."

Even though drastic changes are now brought forward in the industrial policy, the fact remains that the Industrial Policy Resolution, 1956, is the very foundation of our industrial policy. Learning from

experience, to suit the needs of time, we have, time and again, implemented the various changes in our industrial policy during the last three decades. It was during the time of Mr. Rajiv Gandhi that major policy changes were effected in 1985-86. As a result of that, the industrial production has reached an all-time high. It is about 8.5 per cent during the Seventh Plan period.

Today, the nation is facing a serious financial crisis.

The only way to end this crisis and to solve the twin problem of poverty and unemployment is to push our country into the world market and enable it to grow as part of the world economy, as is envisaged in the present Policy Resolution. Madam, if we view the situation in this background, even the critics of the present Policy would admit that the changes now envisaged in the new Industrial Policy Resolution is a big step forward and is in the right direction.

Madam, the changes which are needed in this area are (i) less control (ii) less wasteful Government expenditure (iii) less inflation and (iv) more employment opportunities for the poor and adequate safety net for the poor and other weaker sections. We have to examine how far the above objectives would be achieved if we honestly implement the new Industrial Policy Resolution and the various procedural changes contemplated therein.

A lot of criticism has been levelled against the public sector enterprises. Madam, I am also not happy with the performance of the public sector undertakings. I would like to quote from paragraph 12 of the present Policy Resolution:

"The result is that many of the public sector enterprises have become a burden rather than being an asset to the Government. The original concept of the public sector has also undergone considerable dilution. The most striking example is the take-over of the sick units from the private sector. This category of public sector units accounts to almost one-third of the

total loss of central public sector enterprises."

May I ask the hon. Member, who now questioned the slight change in the approach of the public sector, as to whether or not he approves the taking over of the sick units and continuing them in the public sector and thereby resulting a loss of many crores of rupees to the exchequer, which is the hard earned money of millions of people of our country?

Modernisation alone has been supported by one of my friends. I may bring to the notice of this august House, through you Madam, the experience I had of a textile mill in Calcutta, when I was there along with a Parliamentary Committee. We visited huge textile mills. If my memory is correct, during the Seventh Plan period alone, about Rs. 7500 crores were spent for modernisation of textile mills. And I may humbly submit that the whole amount has been wasted because the sickness of the textile mills and its reasons were not properly diagnosed. There were several reasons for their sickness. Modernisation is one of the requirements. So, without identifying all the reasons and without rectifying other problems, crores and crores have been spent for modernisation. As a result, we have come to a state where problems have increased. Wherever there is modernisation, excess staff becomes the problem. So, we have to be very very careful in criticising our policy. I strongly feel that the performance of the public sector undertakings is far from satisfactory. A very alarming picture is given in page 7 of their report. 189 enterprises in respect of whom provisional data had been received, had a net profit of Rs. 2730 crores. Madam, there are 234 public sector undertakings and according to their report, a provisional figure for 1990-91 has been received only in respect of 189 public sector undertakings. The figures are said to be provisional only. It may be due to delay in Audit Report. But I do not question that part. What I want to know is that what happened to the cases of 45

public sector undertakings. Even their accounts have not been presented. We are not even aware of what is happening there. If this is the performance of the public sector undertakings, then we have to be careful in dealing with them. I am happy that the present Minister has taken some steps in this regard. The other day, there was a news item that the exercise has started and the performance of the public sector undertakings is being studied.

But I request that there should be a time bound programme before which the study of the entire public sector undertakings should be completed and wherever we see that some of them cannot be made viable, they should be closed down and wherever we see that there is a possibility of making them viable, we can bring them up. Such Undertakings can be increased.

In a very limited time I would again draw your attention to Page 9 of the Report. there are two categories.

Firstly, 12 enterprises have shown an increase in profitability or decrease in loss. There is another category also. Even in that category, in 1989-90, the South-Eastern Coalfields have suffered a loss of Rs. 32 crores and this year, the loss is not there. But the Engineering India Limited have suffered a loss of Rs. 104 crores in 1989-90 and this year, the loss is Rs. 51 crores. The Cement Corporation of India have suffered a loss of Rs. 62 crores in 1989-90 and this year, the loss is Rs. 32 crores.

The second category is alarming. The Hindustan Fertilizers Corporation have suffered a loss of Rs. 169 crores in 1989-90 and this year, the loss has increased to Rs. 228 crores. The Fertilizers Corporation of India have suffered a loss of Rs. 146 crores in 1989-90 and this year, the loss has increased to Rs. 170 crores. So, the loss suffered by the Fertilizers Corporation of India is very alarming. A lot of criticisms have been levelled for withdrawing subsidy which was given to the fertilisers. Madam, I plead that whatever subsidy is given to the fertilizers should not go to such public sector undertakings which

are not accountable to anybody, which are being mis-managed and which are not working properly. Whatever subsidy is given, should directly go to the poor farmers and I support that policy with all the strength at my command.

Coming to delicensing, I support the proposals for delicensing. It is because, in my opinion, it was another area where even the small entrepreneurs and big business houses were finding some problems. But I would humbly point out one particular area where delicensing has not been effected and that is the car industry.

Annexure-II contains a list of industries for which licenses are required. The car industry is still there. In 1987, all the Members of Parliament from Kerala had given a representation to the then prime Minister Shri Rajiv Gandhi that the small car project proposed to be set up in that State may be given licence. That was an 800 cc diesel car project. Then Shri Rajiv Gandhi wrote to us on May 1, 1987:

"I have seen the communication of 28th April, 1987 sent by you and other MPs from Kerala on locating a passenger car unit in Kerala. The matter has been referred to the Ministry of Industry."

From 1987 onwards, it is pending there. In spite of the fact that the liberalisation has come I do not know why this major sector is being retained under Annexure-II, that is, on which the licence is required. I may be excused if somebody says that it is only to protect the interest of present car manufacturing units. We know that there are only three or four units in the country, the Maruti Udyog Limited, the Ambassador, the Premier and the Sipanis.

Madam, in order to protect the four existing units, they have been very cruel to the customers. Sipanis is a private undertaking and having no accountability to anybody. Crores of rupees have been received from the customers for booking the cars. They were promised that Sipani engines will be fitted in the Montana cars. But the engine that was fitted in the car was Jaya Engine which was manufactured in Coimbatore. And now

none of the cars are in running condition, so, they have been cheated like anything. So, the private sector should also be made accountable either to the Government or to the people.

Therefore, I plead that this may be re-examined and in view of the changes that you have made now, you may consider delicensing of the car industry.

There is a proposal to start a few Growth Centres. I am glad that the Growth Centres are being started in about 70 Centres. From the Report, I understand that you are going to start two such Growth Centres in Kerala also. I have a basic objection to this proposal. It is not the question of where it is located but this is again another area where we are going to start a new venture. The promise is that, under this scheme, the Growth Centres would be endowed with the best of infrastructural facilities for assisting especially, the small and medium industries. This scheme may perhaps help the growth of industries in areas where infrastructural and other facilities are totally absent. but in a State like Kerala, this may not yield the desired result. because, there are thousands of units all over Kerala which are sick. The infrastructural facilities are there. The causes of sickness have been studied. There are many reasons, like lack of raw materials, shortage of power, marketing and no proper financing and so on. But at least, in 30 per cent of the cases, the only problem is lack of sufficient funds.

Funds are not being given at a proper time. So, if we are able to identify the units which have become sick due to lack of proper financing and so on and if this money is spent on those units, in three months' time, you would be able to achieve the desired result. I may, in all humility, sound a word of caution. If you go and proceed with setting up of these Growth Centres, by the time you are able to acquire land, and provide a few sheds the whole money will be exhausted and there will be no resource, no industry and no return for the money that you have already spent. I am telling you this, based on my experience in Kerala.

Lastly, I am coming to a most important area and that is the small industries sector. I am basically interested in this. The small scale industries sector is facing a lot of problem now. The majority of such industries are sick. I would like to draw your attention to page 7 of the Report regarding sickness in the small scale sector. Madam, this is simply alarming. As per the latest information available, there are a total of 25,32,055 borrowing units in the accessory sector accounting for a total credit of about Rs. 12 crores. Out of this 240573 lakh units representing 9.5 per cent of total are identified as sick units with outstanding bank credit of Rs. 2141 crores they have also made a major study of the total number of sick units i.e., 2,37,113 and out of that 13033 units were found to be viable. Out of that, only 7788 units have been put under nursing programme.

So, my point is when about 25,000 lakh units are sick, the existing nursing programme came to the rescue of only 7788 units. All the other units are left out.

The BIFR looks after the interest of the sick units. But the statistics shows that only 1 per cent of the total units comes under the purview of the BIFR. 99 per cent are left out. The Small Industries Development Bank has now been started. I would request that this Bank may be given the charge of caring for the sick units. In your Policy, it is stated that monitoring will be done through the nationalised banks. If you continue to keep the sick units with the nationalised banks, I feel that will be the end of the whole industry. I say this because the nationalised banks are not very happy about the small units. Wherever there is a collateral security, penal interests are charged which involves huge amounts of money. This makes the whole units sick and it would not be possible to revive those industries.

I would make a few suggestions to make the tiny and small sectors more viable. Interest rate for term loan and working capital loan should not be more than 4 per cent and these units should permanently be exempted from excise

duty and sales tax as in the case of Khadi and Village Industries. I also suggest that sales rebate system may be introduced. As far as possible, collateral security for loans may not be insisted upon for tiny units. Penal rates of interest for all the sick tiny units should invariably be written off. Applications for loans for tiny units should be disposed of within the shortest time possible, at the latest within three months. Tiny units may also be exempted from cumbersome labour laws and other laws under the Factories Act, etc. I also suggest that Government Departments, Government-controlled and semi-government establishments may be asked to purchase their required items only from the tiny sector, provided those items are produced in the tiny sector. This suggestion, if implemented, will ensure that there would not be any problem with regard to marketing. The tiny units may be given electricity at a subsidised rate.

As the loan under the single window scheme has been enhanced from Rs. 5 lakhs to Rs. 20 lakhs, the National Equity Fund should also be increased to 20 lakhs. The amount of assistance should be 15 per cent without a ceiling.

In the case of revival of sick tiny and small scale units, single window scheme may be extended. The financial institutions which grant the term loan should sanction the working capital and the National Equity Fund for the revival of tiny and small scale units.

The Special Monitoring Agency spelt out in the Policy should have powers to monitor, review and recommend all the industrial and financial activities under its specified area. The agency should be a statutory one. It should recommend action against erring officials and it should be implemented by the concerned heads of Banks and other establishment.

I also suggest that larger units of Government should have equity participation in small units. In that case, they will be able to make the small units more viable. Small scale Industries Development Bank of India should approve schemes for marketing from industrial organisations. They should

finance the Industrial Cooperative Societies and other marketing organisations directly.

In every State, small industries used to get central investment subsidy. If my memory is correct, unfortunately it was stopped suddenly in September 1980.

Kerala alone had to get about Rs. 11 crores even before 1988. The subsidy was a blessing for the small sector. I would request the Minister that small industries may be helped by paying that subsidy.

The Policy Statement in respect of the small industries has promised a package. I was just trying to find out what exactly was in that package.

I was invited for a lunch. I had a diet problem. I asked my friend about the menu. He said, it will be very symptuous one. You know one cannot take salt because of some disease; one cannot take sugar because of some other disease and so on. So, I was searching the package given by hon. Minister who is my friend. So, the package is full of promises. I would request the hon. Minister that whatever I have suggested as a new programme may be put in that package. If that package is given to us, I am sure, we will be able to meet the problem; we will be able to revive the sick industry.

Small industries constitute about 40 per cent of our production and 60 per cent of the employment potential of this country. That is a vital sector of the nation. I would plead that, in view of the broad changes, the small sector should not be affected; they should be protected; they should be nursed, especially the sick industries may be revived.

With these words, I support the Demands for Grants under the control of the Ministry of Industry and the Policy Statement placed before the House.

SHRI CHANDRA JEET YADAV (Azamgarh) : Mr. Chairman, I think this has been accepted from all sides that our country is passing through a serious economic crisis. One may agree with it; one may disagree with the measures

being taken by the Government. But I must say that the Government has come out this time with a very clear mind to meet the situation in its own way.

Before the presentation of the Budget, they came out with a new Industrial Policy; they came out with a new Export & Import Policy; they came out with a new policy for the small scale, cottage industry and the tiny industry. Also in the Budget, in their own way, they tried to mobilise internal resources. At a time when our country is facing serious challenges and serious problems, one has to be clear in one's mind. But I have a feeling that the Government is very much influenced by today's world trends. What are the world trends today? Today, Capitalism has succeeded; international capitalism, multinational corporations, capitalistic countries have succeeded in creating an international atmosphere as if the future belongs to capitalism.

Socialism has gone; the word 'socialism' is the word of the past. My friend from BJP was saying that it is dead. I think he will be highly disappointed. Socialism is not dead. The contribution of socialism in today's world is great. Even capitalism has accepted many things from socialism. There was a time when capitalism was an exploitative instrument, a powerful kind of instrument. Even today it continues to be. But now they pay greater attention to the workers' condition. Some of them, in their own way, are trying to involve workers and achieve workers' participation in the management. Even in a country like Germany and a country like Japan they treat a factory like a family. A worker when he joins an industry, he goes with an intention of remaining there for the whole of his life. When a worker leaves one factory and goes to another for greater salaries and benefits, they treat him almost as an outcast, because they feel that he has given up one family. The factories also try to take care of them.

Are we learning from them? I am sorry to say that even after 42 years we have not been able to work out a scheme for workers' participation in the management, though this time there

seems to be an idea. Let us not allow it to remain as an idea. Unless and until we achieve workers' participation in the management, and when I say this it is from shop floor to the top management. Not only that; you give participation to the top management and above at every level, unless they have a sense of involvement and a sense of participation, unless care is taken to achieve that, and they also become, really speaking, the sharers and shareholders, whether it is public sector or private sector, we cannot have their participation. Even the private sector will not be able to do it if they do not pay enough necessary attention to the workers' problems.

Therefore, I am saying that it is high time — no doubt about that—that we do it. It will be a foolish thing to say that we completely ignore it or close our eyes to what is happening at the global level. Today, the introduction of science and technology, and I will go a step further to say that more than science and technology the contribution of the human being, the human factor is the most modern management factor and management has become a very big issue today. It is a kind of new capital; human being is a capital and most of the modern countries and industries are paying greater attention to this human factor. We have not been able to pay enough attention to that. Our workers' condition has been a lamenting one. We have ignored them. We have not tried to develop their skill. We have very little facilities, whether it is public sector or private sector, where we can guide them, we can counsel them and we can develop them. Therefore, I say that one sector which has been very weak in Indian industry is this. We have not given enough attention to it. We did not stress for the development of new entrepreneurship.

Why did we fail in the backward areas? There was no lack of intention. The Government did make policies, that we would go to the backward areas. Many concessions and incentives were given to go to the backward areas. But the schemes totally failed. Why did they

fail in most of the States? I will not say that they failed in every State. It succeeded to some extent in Maharashtra, and to some extent in Gujarat. But it failed almost in the whole of North India, for example in Uttar Pradesh, Bihar, Madhya Pradesh and in Rajasthan. In these areas where the majority of our population lives, it failed.

There were several factors responsible for this. One factor was the lack of necessary infrastructure. In most of these areas you will find that the transport and communications system is still worse.

For example, Madam, in my area—I hail from Eastern U.P.— has a very high density of population per kilometre, which is higher than the national average.

But even today we suffer due to lack of broad gauge railway, and lack of roads. Eighty per cent of our villages and towns do not have *pucca* or metal roads. Communication facility is not there. Telephone facilities are not there. Who will go there? If they do not get proper transport and communication facilities, they immediately face the lack of infrastructure. Therefore, I will say that one area where the Government should concentrate is this. They must identify backward regions and a very special scheme according to the necessities, environment availability of talents and other factors should be drawn up and they should pay greater attention to the backward regions, whether those regions are North Eastern Region, hilly region or even plains like Eastern U.P. region—I am mentioning just one example—and many regions.

Therefore, I demand that the Planning Commission, in consultation with the State Governments, should try to set up Development Board for the backward areas. That should be one of the major priorities. And to develop those backward areas, they should have proper training centres for the young people. Their stress should be to develop talents and also to provide necessary facilities, guidance, counselling, identification of certain industries for those areas and credit facilities.

You have gone for delicensing. I do not fight with that. All right, if you feel that that is going to help you, do that. But never forget that we have made a solemn pledge in the Preamble of our Constitution that we will not allow the concentration of wealth in few hands in this country.

Pandit Jawaharlal Nehru's slogan was not a mere slogan. It was an objective, growth with social justice. Till the Second Five Year Plan, the objective was 'growth with social justice'. I am sorry to say that after the Second Five Year Plan, even the word 'social justice' was forgotten. There was no question of achieving that goal. Even that word was forgotten for the last three, four years. At least give some credit to Janata Dal that the social justice has become a popular objective today.

We ignored 80 per cent of our population, who remain poor, who remain below the poverty line. Fifty-five per cent of our population have income of only Rs. 400 per month. And after devaluation of rupee, that Rs.400 per month has come down to Rs. 325 per month. So, 55 per cent of our population has monthly income of Rs. 325 today. Are we not going to raise their standard of living? Are we not going to give them a share in the national growth? If we fail to do that, then we are inviting a serious trouble. We are already in for a political instability. Therefore, unless you make a collective effort for understanding, a sense of accommodation, effort for national consensus, effort for taking all sections of people together, I think, we will not be able to meet this situation.

In 1991 we are having economic crisis. What is the situation? In the performance of the infrastructure sectors, there will be a shortfall of five per cent. There will be the five per cent short fall—in totality, in coal, in railway performance, in steel, in crude oil....(Interruptions)

SHRI MURALI DEORA (Bombay South): In cement.

SHRI CHANDRA JEET YADAV: Cement is also fitting up with that. In these four or five important sectors of our economy, there is a danger of five per cent shortfall

in 1990-91. If you do not take care of that shortfall, then we are going to confront with a serious problem.

What had been our problem in these years?

17.00 hrs.

Our main problems have been—high cost of our production where we cannot compete with the world production, lower quality of our goods produced in our country which we globally cannot compete with others, inefficiency both in public as well as private sectors. Out of 2400 public sector undertakings only 42 public sector undertakings were free from loan. Over 90 per cent of our public sector undertakings were heavily indebted because of inefficiency, high cost and also several other things.

I have a very serious fear that from the present industrial policy, now a climate has been created in the country as if the public sector is the root cause of our entire failure, as if public sector has become untouchable, as if the establishment of the public sector was a crime. This anti-Public sector climate created by the new industrial policy and the last budget presented in the House is a dangerous warning. Please do not forget that in this country the private sector was not ready to come in steel, heavy industry, oil exploration and even in pharmaceutical industry. I remember, when there was a war between India and Pakistan and India and China, Pandit Jawaharlal Nehru wanted to have some antibiotic industries in our country because we knew that opponents of India might take advantage of the situation and might not supply the necessary drugs to our Army. At that time, no private sector company was daring to come forward. We were not very happy to establish public sector companies in these areas, but we were compelled because we wanted to develop our industries. We had the policy of self-reliance and we did not want to become a dependent economy on others. Therefore, we went in this core public sector. Now without at least appreciating the contribution of the public sector if we become a party to create an

atmosphere of antipublic sector it will be very dangerous. You may give up the objective of commanding heights of the public sector but public sector is going to remain in this country because its contribution will always be there. Therefore, I request the Government to remove this climate of anti-public sector which has been created in the country. Knowingly or unknowingly the Government policies have become a party to create an anti-public sector atmosphere.

17.03 hrs.

[SHRI P.M. SAYEED in the Chair]

I do not object to a new policy. In a dynamic society or world every five or ten years we must review our policies. But it should not be done in haste. My impression is that you have gone very hastily and that is why this atmosphere has been created that everything is now open. I am sorry to say that our Finance Minister—he is an expert
(Interruptions)

AN HON. MEMBER: A former socialist.

SHRI CHANDRA JEET YADAV: That I do not know.

SHRI MURLI DEORA: Like you, he is a former socialist.

SHRI CHANDRA JEET YADAV: I am still a socialist; I am not a former socialist.

MR. CHAIRMAN: Like me.

SHRI CHANDRA JEET YADAV: I am saying that the Finance Minister did not understand properly the aspirations of the people, the political implications which can happen. Even the Congress Party has to assert and has to correct certain mistakes which the Finance Minister committed really speaking, in a situation when at least we have become self-reliant in food, when our *kisans*, our peasants have made valuable contributions to our economy, when there is a drought situation, when there is a flood situation, by withdrawing the subsidies from the fertilisers and creating a situation of black-marketing. I am straightaway coming from my constituency. Day before yesterday I was in my constituency. From every part of

my constituency and district, one single opinion was that black-marketing in fertiliser is prevailing everywhere. Prices of fertilisers have gone up by Rs. forty to Rs. sixty per bag. Why did we do that? Because the Finance Minister did not have that understanding. This new policy which discriminates between the small and the marginal farmers is impractical. The double price policy is impractical and is not working. I must tell you. It is creating corruption, black-marketing and, above all, hardship to our peasantry. Therefore, kindly consider this.

Other areas where we must concentrate are two special sectors of our industrial development. One is agro-industrial sector. Kindly pay greater attention to agro-industrial sector and encourage investment up to Rs. two crores so that people can come and invest. Also give them necessary facilities like training, counselling, identification of items and credit facilities. You may delicense but if a poor person or a young entrepreneur goes to a bank, how much hardship he has to face? He has to run from pillar to post. He has to waste his time. He has to pay money. Half of his money is given in bribe. Corruption is rampant. It has gone to banks also. I am also responsible. I did play a role in the nationalisation of banks in this country and I am proud of it that we did play a role and the banks were nationalised. Because of that the banks have gone to the villages also, to the rural areas also. A large section of our poor people are beneficiaries of the nationalised banks. But the corruption has crept in the last ten years or so. In the beginning it was not there. But in the last ten years, I think the whole atmosphere has become like that and corruption is prevailing on a large scale. Therefore, I say that credit facilities should be provided at certain concessional rate.

Another sector is engineering goods sector. India has a great possibility for exporting engineering goods. The engineering sector has been neglected. We have paid much greater attention to chemical and other industries with high investment but we have neglected the engineering sector which has much

greater possibility of employment also. What is the position today? Five crore young educated men and women are unemployed, and if you add the number of uneducated unemployed also, it becomes fifteen crores. This is a serious matter, a serious challenge to our system. Unless and until we pay greater attention to job-oriented industries, to the industries which can generate greater amount of employment, we will be facing a serious crisis and here the role of small scale industry, the cottage industry and what you call the tiny industry is more important.

India is a great country with a great skill. We have traditional skill. Our people have inherited skills from generation to generation. In today's world there is a great possibility that we can make it a great continuation by these small, cottage and tiny industries.

I was just now consulting Shri Salman Khursheed, Deputy Minister of Commerce. He says that the contribution of our small industries in our export is about 25 per cent. It is not a small thing that the contribution of small scale industries and cottage industries all put together is 25 per cent, in our export. That can become much higher. Our qualities are good. Indian designs are excellent. You will not find any country where so excellent designs which India gives, can be found.

What is the position of our weavers today? Weavers constitute a very important percentage of our population. Today they are one of the most sufferer sections of our society because the price of thread is increasing. Their products are not being sold because of economic distress. There are middlemen who are still exploiting them. The introduction of new technology in those sectors is minimum. Therefore, please upgrade the technology in the small scale sector and the cottage industries so that they may make a greater contribution to our economy.

I do not want to take much time of the House because some other Members of my party also have to speak. I will give some suggestions. I think that we should

pay greater attention for the development of backward regions and we should see that necessary infrastructures are provided in those areas with an objective that they can also develop along with the rest of the country and also the people's standard of life goes up and the removal of poverty and unemployment, which is our objective, should be possible.

[Translation]

MR. CHAIRMAN: I am disturbing You. Your party has been allotted only 49 minutes out of which you alone have taken 47 minutes. Please conclude.

[English]

SHRI CHANDRA JEET YADAV: Anyhow, I will finish in two minutes and then you can give some concession. I will then demand that for the eastern Uttar Pradesh—in which area my own district of Azamgarh and other districts like Gazipur and Ballia fall—kindly consider the establishment of a development board.

When my dear friend, Shri D. P. Dhar was the Planning Minister, he went to my district and when he saw the condition there, tears came from his eyes particularly when he was visiting some of the primary schools where sick children were studying, not in one school but many schools. This region has made a valuable contribution in our freedom struggle. But it still remains very backward. When one Member from Gazipur shed tears in the Lok Sabha, the then Prime Minister Pt. Jawaharlal Nehru established Patel Commission and that Commission gave certain recommendations. But after that the area is neglected. Even the work of railway line from Shahganj to Ballia via Mhow, meter gauge line, still remains. I hope that the Government will pay greater attention at least for the development of that area.

Sir, the second thing I would say is that national effort should be made to stress for the development of new entrepreneurship so that more young people could come in the industry. They just cannot go and seek jobs only and they cannot also remain on the land; the burden on land is still increasing.

Greater attention should be given to those small scale and cottage industries which remain to be neglected. For example, there are handlooms, powerlooms and some industries like that. Greater attention should be given to them.

AN HON. MEMBER: Subsidy

SHRI CHANDRA JEET YADAV: When I say 'attention', it means subsidy, protection and reservation. Sir, you will be surprised to know what these big houses are doing. For example, in regard to Bata the shoes are made by the poor shoe-makers in the village or a small town. The Bata people will purchase them, put their stamp and brand name on them and sell them 4-5 times more than the cost price and the poor fellow, the shoe-maker, gets not even the minimum for his food and other needs. It is also happening in all the spare parts industries and so many other industries. What is the need for the multinational corporations to come into the tooth paste industry or soap industry or tooth brush industry. Likewise, in so many industries which should have been reserved and protected for the small scale and cottage industries, now the multinational corporations are coming, and they will come in a big way. I hope the situation will improve; I do not know whether the situation is like that or not, that is also understandable because unless there is political stability, nobody will come. Multinationals will come only for their profit. We should always keep in mind that they are not coming to help us, they are not coming to do social service, they are not coming to keep India as a self-reliant and modern society. There is a feeling that is being created that we will become a modern India, a modern society with very advanced and high technology if we open up to them. But they are the sharks in the industrial world, they go where they get something to eat. They can swallow, and there is a fear that even our indigenous national industries may also suffer. Today they may be very happy that all the technologies are coming. But we had always taken care of the fact that if our

national capitalism develops on our soil there would have been excellent people in our country, in our industrial sector, who have talents, who have helped and contributed in the economic growth of our country. But there is a fear also in our minds that that danger is there. Please take care of this danger. (Interruptions).

With these words, I hope that the Government will take necessary steps to implement it. (Interruptions)

[Translation]

SHRI DAU DAYAL JOSHI (Kota): Mr. Chairman, Sir, through you, I would like to say that I had listened to Shri Chandra Jeet Yadav seven years ago also. There is no difference between what he said while he was in the Congress and what he is saying today. Is this not a cry in the wilderness?

SHRI CHANDRA JEET YADAV: Sir, no change has come to my thoughts. Even when I was in Congress my thoughts were socialistic and progressive which are same today. (Interruptions)

SHRI DAU DAYAL JOSHI: Is it a cry in wilderness? (Interruptions)

SHRI CHANDRA JEET YADAV: No, it is not a cry in wilderness, it is the course to be followed in future and it is beyond your understanding.

[English]

MR. CHAIRMAN: Shri Praful Patel.

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Sir, I have given my name. (Interruptions).

MR. CHAIRMAN: Yes, your name is there. But you will speak when you get your chance, not now.

SHRI PRAFUL PATEL (Bhandara): Mr. Chairman, Sir, I am glad to have this opportunity to participate in the debate on the Demands for Grants relating to the Ministry of Industry and I support these Demands for Grants. I would also like to avail of this opportunity to place before the House, through you, certain views which I feel, will strengthen the overall balanced industrial growth of our country.

Sir, it is for the first time after independence that the Government has

come out with a very bold industrial initiative. In the Industrial Policy Resolutions framed by our first Prime Minister Late Shri Jawaharlal Nehru in 1948 and 1956, there was an emphasis for a mixed economy which would follow the principles of socialism and social justice to the deprived and downtrodden people of this country as well as giving an impetus to the free market economy and an incentive to the entrepreneurial talent available in this country. In the initial years, especially soon after independence, there was a shortage of private capital, particularly for large projects and that was one of the major reasons why, for the public sector the Government chose to go in for the core industry. The industries like steel, energy, mines, cement and other such kind of industries were promoted through the public sector. Over the years, our public sector investment has gone up to over Rs. 1,30,000 crores. We have also seen the results of the public sector. There is no question of going back on our commitment to the public sector, because it definitely forms the backbone of Indian industry. At the same time, we must also see that the Indian industry rises to the expectations of the new world order as well as for the upliftment of the poor and the weaker sections of the society, as also to provide new opportunities of employment to the people in the far and remote rural areas of our country. The public sector has achieved commendable results over the years. But, at the same time, in certain areas the public sector has failed miserably. It must be an eye-opener to us that public money cannot be wasted. We are accountable to the people and we must rise to their expectations. Our country, today, as was pointed out by the hon. Finance Minister as well as the hon. Prime Minister, is facing the worst economic crisis since independence and therefore, we have to be very particular as to how we manage our economy and as to how we manage our limited resources available. The public sector has mounting losses in a variety of industries.

I cannot understand why valuable and precious public money should be used

for the rental of cars, and in the manufacturing of bread or running of restaurants or for running a travel agency. All these are areas where we have invested our public money and they can be easily taken up without much difficulty or without any kind of problems by other people. We should try to disinvest ourselves of that responsibility. We should try and give opportunity to those entrepreneurs who could be gainfully employed by way of such kind of disinvestment. Unless we provide for a much faster rate of growth, we will not be in any way near our objective of providing greater employment to the unemployed of this country. We are already talking of 15 to 17 million jobs to be created every year. I would say that this is over and above the number of unemployed, the many crores of unemployed youth and people already in this country. Therefore, we will have to create an environment where we can match the demand and supply as far as employment goes. It is unfortunate that over the years that have passed by, the number of unemployed has grown and with the increase in the population from almost 35 crores to around 85 crores, as it stands today, the number of unemployed is beyond comprehension. I am also sure that the Government also would not be having the exact figures. Through various schemes, the Government has tried to promote employment through vocational guidance and certain schemes of the Government but, at the same time, this figure needs much to be improved.

As far as the public sector is concerned, we can look at an industry like steel. We are investing a lot of money in this core area. We have also been importing a lot of steel products from overseas to meet our specific requirements. I would just like to name a company, for example, Tata Steel.

For 15 years, a company like Tata Steel with a proven track record has been waiting for a clearance, for expending their capacity by over a million tonnes whereas our imports annually in steel sector alone were about two to

three million tonnes and our precious iron-ore is being exported to countries like Japan and Taiwan. They are manufacturing the steel products, converting the iron-ore into steel, making products and exporting it back to countries in the third world or to developed countries. We might also be indirectly one of the countries which are importing products made out of our own iron-ore.

We should look into this kind of things for the specific reason. The steel industry in this country, also in the public sector can continue. Nobody is trying to let the public sector go astray or disinvest in that area. But in a new capacity which is being added, there are many companies world-wide, which can do this activity. There are so many companies even in this country like the Tata Steel who can be given an opportunity to expand their capacity, to set up new projects which will in the end analysis give us additional jobs more weightage to our industry as well as save our previous foreign exchange.

Regarding the Automobile Sector, I have to say that we still need—even in the new Industrial Policy—a licence to manufacture cars or any automobile variations. The automobile industry in this country, I am sorry to say, is in a very sorry state of affairs. Even our so-called show-piece model, the Maruti 1000 cc which is being produced by the Public Sector, which is the latest design, which is having the latest technology, is so consuming much fuel. I have had the opportunity of buying and owning one. The average fuel consumption of the Maruti 1000 cc is around 10 kms. per litre. We are talking of fuel efficiency. We are talking of trying to conserve our precious foreign exchange. We are talking of curbing the import of petroleum products which is in the region of Rs. 10,000 crores annually. The amount of petrol and petroleum products consumed by our two-wheelers and four-wheelers and their variations can be reduced. If fuel efficiency can be brought about in our automobile sector, I am sure, we can reduce our fuel bill or foreign exchange

outgo by at least Rs. 2000-3000 crores. Our Fiats, our Ambassadors, our Marutis, none of them is fuel efficient. Then, we have the added problem of pollution. Nowadays, our cities like Delhi, Bombay etc. are supposed to be having tremendous pollution problems... (Interruptions) I would say that Maruti is a show-piece as far as the automobile industry is concerned. If this is the position, if this is the fate of a Maruti car, we can well imagine what would be the position vis-a-vis the others. Therefore, if new companies and new entrants are willing to come and try to improve upon the quality as well as the fuel conservation aspect, as far as the pollution aspect is concerned, I see no reason why such companies which are interested in entering this field should be prevented from entering or the licensing criterion should apply to them at all.

Sir, we are talking of the new Industrial Policy. The automobile industry is one of the major thrust areas anywhere in the world for any developing country. A country like the United States which has almost a third of our population may be less than that—produces annually approximately 8-9 million cars. In our country, the automobile industry, barring the two-wheelers, would not be producing more than 250,000 or 300,000 vehicles per year in toto. Now, the so-called the buoyant middle-class people are entering the field. They are in a position to buy cars or other vehicles because of the easy facilities of loan available to them through the banking system. This sector can therefore be encouraged. It will create more employment opportunities. It will generate new ancillary industries. Therefore, this area definitely needs consideration.

Now I come to the pharmaceutical industry. Although it is under a separate Ministry, I would like to highlight one fact. As far as this industry is concerned, no delicensing has been done. We have discussed this very morning in this House when an hon. Member had raised a question that there is tremendous shortage of drugs. There is shortage of drugs especially in the rural areas. This

is an industry which can be promoted, which can be of use to the millions and millions of our poor countrymen. Also, by way of increased capacity, it can generate more jobs. Why is this industry not being given the proper incentive for growth by way of delicensing? Even I would say, in the Defence sector, we are buying lot of products, lot of defence equipment from abroad. In this country, we have got enough defence potential. We have got enough factories which can manufacture arms, ammunition and varied defence products. There are so many small areas. I am not trying to say that we should go to sensitive areas. But there are so many defence products which can be produced here in the ancillary sector as well as in the small scale or in the private sector. It would be probably more cost effective and cost beneficial to the Defence Ministry. And since the Defence Ministry is such a secretive Ministry—because of so many considerations—we may not discuss this here. Definitely the Industry Ministry should also look into this aspect.

Power generation in this country is around 60,000 megawatt installed capacity. But if we are trying to talk of increasing our power generation capacity and if we are talking of the huge amounts of money required for additional capacity, I would just like to highlight one fact that if our plant load factor, which is currently below fifty per cent, could be improved by another ten to fifteen per cent without spending a single rupee or a *naya paise*, we would be having additional power generation capacity. I am sure the power generation factor can be looked into very closely by the Industry Ministry. There are so many Ministries involved in this like the Coal Ministry, Railway Ministry and so on. If there is proper coordination, our power generation capacity can be increased.

Even as far as ONGC and petroleum drilling and off-shore drilling is concerned, we are happy to state that we are doing very well, in terms of profitability. Probably that profitability can be further increased. Probably the true potential is not being tapped. As far as

ONGC is concerned, we have made that into a monopoly concern. Why don't we open this up? We may be able to increase our capacity as of now. We may be able to improve our cost efficiency as far as profitability is concerned.

As far as foreign investment is concerned, I would like to just state one thing. We have got 72 billion dollars of foreign debt whereas the total foreign investment in India, probably in the last 25 years has not exceeded two billion dollars. A country like Indonesia has probably an annual foreign investment of over a billion and a half dollars. We can try to mobilise more foreign investment by giving them the right incentive, we can simultaneously protect our industries. We can have reasonable safeguards. Shri Yadav was saying about the multinational corporations being a shark. Well, I have nothing to disagree with him on that. But we can have inherent safeguards in our system where we can definitely invite them and ask them to invest in our country and we can definitely reap the advantage out of it.

SHRI LOKANATH CHOUDHURY:
They are not so generous.

SHRI PRAFUL PATEL: They may not be generous. But we can definitely have some safeguards. We have given them 51 per cent equity participation under the new proposal. There is no reason why we cannot do that. (*Interruptions*)

SHRI PRAFUL PATEL: As far as agro industries are concerned, there is lot which can be done.

A big steel factory or a big industrial unit, when it has to be set up with an investment of say Rs. 250 or Rs. 300 crores, Rs. 30 or Rs. 40 crores comes by way of equity, and the balance is funded by way of loans—term loans—from the financial institutions. In Maharashtra, from where I come, one sugar factory need say about Rs. 10 crores by way of loans and other subsidies. Two or three crores of rupees comes in by way of share capital. One sugar factory has the employment potential to almost 1,000 people. Almost 10,000 farmers and their families are benefitted by setting up of a sugar factory. And also, indirect

advantages accrue to so many people; so many of our unemployed youth who take loans for buying tractors and trucks are benefitted when their trucks and tractors are engaged by the sugar factory. My contention is that the same Rs. 250 crores, which otherwise is given to that industrial units by way of loan, if given to say 25 sugar factories, the amount of employment as well as benefits that accrue to the farmers would reach thousands and lacs of people.

The last point which I would like to make is about the liberalisation in the new policy which has been announced. I would like to lay special emphasis on one aspect that is, now with the delicensing, an industry can be set up even 25 Kms away from a metropolitan city. There have been no incentives for the industrialists to set up a factory, say in a State like Arunachal Pradesh, from where our hon. Minister comes. There have been no incentives to the industrialists, to set up industries in any remote or rural area. With the result, our backward regions will definitely suffer a lot due to this new policy. I am not trying to take away anything from this new industrial policy. But I, sincerely request the hon. Minister to provide some kind of incentives over and above this, to set up industries in rural or backward areas, where otherwise, industrialisation would become difficult.

The communication system in this country should definitely has to be improved. We talk of bringing our country closer; we talk of national integration. But, today, the industrialist sitting in Delhi, if he has to set up a plant in Assam, he says oh! I have to go to Assam. Assam seems to be more distant than London. That is the concept and that is how our industrialists think because of the say state of affairs, as far as the infrastructure is concerned and as far as bringing the country closer is concerned. Shri Yadav, you have made that point.

As far as further industrialisation is concerned, especially bringing the backward and rural parts of the country closer towards industrialisation process, I

sincerely request that infrastructural facilities, communication—whether it may be rail, road, telephones, whatever may be the facilities—that are available today in this a modern country, should be made available. A country like U.S., succeeded in bringing industrialisation and balanced growth all over their country, because, as soon as the second world war ended, they laid special emphasis on developing viable infrastructure and that is the main reason why in a country like U.S., the people have been able to come closer.

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

[Translation]

SHRI MOHAN RAWLE (Bombay South Central): Mr. Chairman, Sir, paying homage to the beloved leader of India, Shri Rajiv Gandhi I would like to speak on the demands for grants of the Ministry of Industry. I would like to congratulate the Government for the Budget. In the present Budget they have maintained the trend of raising prices which has been continuing for the last 40 years since the days of Pt. Nehru. They have not broken this convention.

Mr. Chairman, Sir, this Government can give slogans only but do not know how to translate them into action. As one of the Members of the Congress also said that this Government only made laws but did not implement those laws. They are not acquainted with the plights and miseries of the poors, mazdoors and general public. That is why we are overburdened with the foreign debts of Rs. 90 thousands crores. This Government takes pride by taking foreign-loans and claims that they are running the country. They are happy and contented. This Government mislead the public. They are the responsible for the present crisis because of making unnecessary expenditure on luxurious items. Due to their wrong policies only a few people are availing these facilities. They are mercilessly extracting money from the poors in the form of taxes and price-hike.

Mr. Chairman, Sir, Members have delivered good speeches on Maruti

Industries Ltd. Some of the members of the ruling party have also stated about its bad condition. It was stated that one Maruti-1000 per 10 thousands persons is available in India but this Government has imported accessory items of rupees one thousand crores whereas we have got only Rs. 40 crores from export. It is a very shameful situation. This Government is misleading the public. They charge high fares from the poor who uncomfortably travel in buses and trains. Moreover, proposed Pepsi Industry is of no use for the poor. The Government has wasted crores of rupees so far on this industry as well as cosmetic and other industries. Thus the Government is putting burden indirectly on poor people. They have already hiked the price of Petrol and fares of Railways. With the result prices of 90 per cent things, including raw materials used in industries, have increased. They have stated that liberal policy has been formed to promote export. But through you, I would like to know from them as to how the small industrialists can compete in the international market by making quality goods. The Government should think over it.

Mr. Chairman, Sir, today we have to give four thousand crores foreign exchange to repay the foreign loan. But the Government is not ready to do any thing for the development of solar energy. They do not want to improve solar energy technology. By doing so we may save crores of rupees. I tell you that there is a place Mahabaleshwar in Maharashtra where electricity is produced by solar energy. So, I would like to insist upon the Government that we can save a lot by proper use of solar energy. This energy can be used in industries, canteens and homes. I request the Government to think about this. There is a huge number of doctors, engineers and scientists in India, yet we are far behind America and Russia.

We have a large number of Engineers in our country but unfortunately they do not want to become 'yes man' and that is why they go abroad. There is an Institute of Science at Bangalore where Scientists

are doing research on solar energy. But the Government have not given any encouragement and backing to these scientists and that is why good scientists have left the Institute. The Government should enquire into it and research work on solar energy should be given encouragement. I would like to request the Government that rural people should be encouraged to set up more and more agro-based industries. If it is done it would not only generate employment opportunities for the rural people but would also lead to all round development of the rural areas. Mr. Chairman, Sir, I would like to bring one thing to your notice that factory inspectors in rural areas go every now and then to small scale industries and harass them. There should be a fixed day for the inspection of these small scale industries and the Government should maintain strict vigil on them. There are Cooperative Bank in the country and particularly in Maharashtra which are meant for the benefit of the rural masses but under the existing policy of the Government, Reserve Bank of India issues licences to these Bank's after every five years. Therefore, I would like to request the Government that the present policy needs improvement. There is one year condition for these Banks, so with a view to encourage them, they should be allowed to open branches every year.

Mr. Chairman, Sir, with a view to eradicate unemployment prevailing in rural areas, I would like to submit that alongwith the big industries there should be small scale audliaries which can supply raw material and other small parts to these big industries. Sir, we have leather industry in Maharashtra. If encouragement is given to this industry, it would earn a lot of foreign exchange also. Minerals are precious for us but it is being exported to other countries. Raw material is going out of the country and we are getting it after duly processed. We have iron ore, zinc and silica in abundance in our country so if we have modern technology for their processing we can earn more foreign exchange by exporting them to International market. We also have marble and granites in

abundance. Our marble is equivalent to that of Italian marble. We cannot export it in processed form but other countries import it in raw form and earn a lot from it.

Mr. Chairman, Sir, I would also like to request the Government to decontrol the steel. Sir, the ruling party has promised in its manifesto that one crore people would be provided employment in one year. Sir, I would like to draw the attention of the Government through you that several mills in Bombay have been lying closed since 1982 which has rendered 70,000 mill workers jobless. Sir, if the Government restart these mills or allow the workers, as suggested by Shri Yadav, to run these mills on cooperative basis that would provide them employment. One more suggestion I would like to submit that the Government should encourage garment production. If we encourage garment production, if we encourage NTC mills, the Government can also get curtain clothes at a cheap rate for the use in Government offices and more people will get employment opportunities there.

Mr. Chairman, Sir, there is a provision in the Budget that if there is any delay in paying income tax, the Government will charge two per cent penalty whereas in case of refund of excess recovery one and half per cent interest was paid earlier but from this year it has been reduced to one per cent. Therefore, I would like to request the Government that the rate of interest on such amount should also be increased to two per cent.

Sir, instalment of dearness allowance is paid to the workers and employees in every six months to compensate dearness but the Government has made it taxable income where as it is not an income. It proves that the Government pays from one hand and recover from the other. Similarly, overtime allowance given to the employees is also taxable. In foreign countries income tax limit automatically increases with increase of price rise and uniformity is maintained between the two. Therefore, I would request the Government that the Income Tax limit should be increased atleast to Rs. 36000.

There is a Hindustan Lever Company which mainly produces soap, detergent, chemicals and other products being used in agriculture but it is exporting tea, vegetable oil, shirts, rice, shoes and carpets to other countries.

Similarly, there is an other company Proctor and Gamble. Its main products are detergents, food articles paper etc. Whereas its 45% income is from the export of cigarettes. Similarly Ponds India is a company producing cosmetics but its 80% income is from export of leather goods. On the same lines, there are a number of other companies in the countries which work as traders and are availing export incentives.

I would like to draw the attention of the Government towards the news telecast by N.B.C. T.V. company of U.S.A. that big industrialists in India and those close to late Prime Minister Shri Rajiv Gandhi had deposited large sums in their accounts in B.C.C.I. by evading tax. I request the Government to conduct an enquiry into it.

Mr. Speaker, Sir, our broad based investment policy is very complicated because it vests lots of powers into the hands of beauracrcy for exploitation. If a businessman of a particular sector wants to switch over to another sector, he cannot do that. That industrialist is not granted permission. I request the Government to bring about improvement in that situation and as one hon. Member has just now suggested that a bill should be brought to amend M.R.T.P and FRERA Act. I support that move. Similarly, Government should introduce another bill to amend the provisions controlling the capital issues.

In our country every year goods worth crores of rupees are stolen from railway wagons. Goods worth crores of rupees are stolen from Bombay Port Trust also. I understand that Government officers as well as employees have to suffer loss of crores of rupees by way of theft in telephone department and misuse of telephones. In most of the cases theft is

committed for commercial purposes. As such if Government is able to check theft in Railways and in telephones and misuses of telephones and unnecessary expenditure, then some improvement in economic situation of the country can be brought about. Otherwise, we shall slowly lose our independence and shall not even know about it.

Mr. Speaker, Sir, I thank you for giving me an opportunity to speak. I will conclude after drawing the attention of Government to the fact that our talented scientists, doctors and engineers are leaving this country. Our country is not making use of their talent whereas foreigners are getting advantage of that.

Government should do something by way of providing them better facilities so that there is no brain drain. Efforts should be made to bring them back also. With these words I thank you once again for giving me an opportunity to speak.

[English]

MR. CHAIRMAN : The House stands adjourned to meet again at 11 AM tomorrow.

18.01 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, August 21, 1991/Sravana 30, 1913 (Saka)
