

[Mr. Speaker]

The Committee further decided that discussion regarding treatment meted out to Harijans in certain districts in Andhra Pradesh, Uttar Pradesh etc. might be fixed at 6.30 P.M. on Thursday, the 4th April 1968, subject to the Home Minister making further statement about Harijans before that. The Home Minister has been requested to make the statement as early as possible.

The Committee also decided that further discussion on the motion moved by Shri Nath Pai on the 28th February, 1968 regarding Bihar might be fixed at 6.30 P.M. on Thursday, the 11th April, 1968.

12.54 HRS.

CORRECTION OF ANSWER TO SQ.  
NO. 573 RE CEMENT ALLOCATION  
AND CO-ORDINATING  
ORGANISATION

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED): In reply to a supplementary question put up by Shri P. Ramamurti on the Starred Question No. 673 on 12th March, 1968, I stated that 'they (CACO) had also agreed to supply one-third of their production for Government requirements.' On verification I find that the CACO had agreed to supply half of their production for Government requirements.

In reply to another question put up by Shri Vasudevan Nair, it is reported that 'so far as the amount given to political parties is concerned, it is Rs. 34,15,355 out of which the Swatantra Party got Rs. 14,64,000, the Congress Party Rs. 10,06,000, Jan Sangh Rs. 5,12,000, National Conference Rs. 2,08,000 and Jana Congress Rs. 2,25,000. There appears to be a typographical error. It should be, 'so far as the amount given to political parties is concerned, it is Rs. 34,15,355 out of which the Swatantra

Party got Rs. 14,64,155, the Congress Party Rs. 10,06,000, Jan Sangh Rs. 5,12,200, National Conference Rs. 2,08,000 and Jana Congress Rs. 2,25,000.

In reply to another supplementary question put up by Shri Supakar I stated that 'the work has been taken over by the Cement Corporation and we hope that the dues to the STC will be paid by the Corporation who are taking action regarding other question also. But the exact position is that 'the amount of Rs. 39.91 lakhs, has since been credited by this Organisation (CACO) in a joint account with the Government of India and the Cement Manufacturers' Association, in January, 1968. The Cement Corporation of India are taking action regarding other question.'

12.55 HRS.

\*DEMANDS FOR GRANTS, 1968-69—  
Contd.

MINISTRY OF COMMERCE—Contd.

MR. SPEAKER: The House will now resume further discussion on the Demands relating to the Commerce Ministry. Mr. Ghosh was speaking. He has already taken 5 minutes. He may continue his speech and conclude in another 5 minutes.

SHRI P. K. GHOSH (Ranchi): Sir, I was saying that the appointment of selling agents by the STC and MMTC should be discontinued. This leads to more and more profiteering. The agents never sell the goods at the prices fixed by STC or MMTC. They always sell it in black-market and make huge profits. But whenever there is a loss, these agents all back upon the STC and say, "You share a portion of the loss." I am myself a member of the Committee of Alkalis. I know that caustic soda was being imported through the STC. The STC engaged agents for distribution and sale of this caustic soda and they made huge profits upto 1966-67. But

\*Moved with the recommendation of the President.

in 1967-68 there was a loss due to recession in the market. But these agents asked the STC to bear the loss. STC had to sustain a loss of Rs. 30 lakhs on this. Therefore, I suggest that the STC should sell all imported goods by auction and not appoint any agent.

The entire international trade—exports and imports—should be taken over by Government and handled by agencies like the STC. I agree with the minister that STC should not function on a no-profit no-loss basis. If STC functions in a businesslike manner, it is estimated that we can earn as much as Rs. 5,000 crores, which is as much as the annual budget of the Central Government. This money can transform the face of India if properly utilised. So, I request the Commerce Minister and Prime Minister to give thought to nationalisation of international trade. If we earn handsome profits from imports, we can sustain some loss in our exports. At present Government has to find the money for subsidy for exports from a separate account. This can be avoided if international trade is nationalised so that with the profits earned from imports we can sustain the loss on exports. In that manner, our exports can also be increased.

I welcome the decision to set up a committee to review the activities of STC. I suggest that Members of Parliament also should be put into that committee.

Dr. Hazari has said in his report that the entrepreneurs who apply for industrial licences envisage an import of 60 per cent of their capital goods. I have no objection if the machines are not manufactured in India. But many of them are being manufactured in India, but still they import them because their landed cost is cheaper. Some friends may say that the CGC—the Capital Goods Committee—is there to check all import licences and it never allows machines manufactured in India to be imported. The business community are

very cunning. They throw dust into the eyes of the CGS members. They slightly change the specifications of the machines and thereby get clearance from the CGC. I have authentic information about it since I am myself a businessman, if all the imports and exports are handled by the government agencies there will be no chance of over-invoicing or under-invoicing.

13 HRS.

MR. SPEAKER: Let him conclude.

SHRI P. K. GHOSH: I can continue my speech after lunch.

MR. SPEAKER: No, he can take one or two minutes and conclude it now.

SHRI P. K. GHOSH: I will try to be brief.

If all the imports and exports are handled by the Government agencies, there will be no chance of under-invoicing or over-invoicing. Now the businessmen keep a lot of foreign exchange in foreign banks which is used for smuggling purposes. Smuggling in gold and other contraband is taking place only because of this money. If you go to Bombay, Calcutta or Madras you will find foreign brands of cigarettes and blades, although their imports are banned, are openly selling in the footpaths. Since the hon. Minister is a smoker I am sure he is aware of this position.

I am glad that the Minister has put a ban on 260 items and restriction of import on 197 items to all except the actual user himself. I also welcome the decision to give facilities in imports as well in the matter of expansion of such industries as are exported 10 per cent of their products during 1967-68. But I feel that small changes here and there would not carry us anywhere. A drastic change

[Shri P. K. Ghosh]

is necessary in order to put our international trade on sound footing. international trade should be nationalised.

Lastly, the Ministry of Commerce is over-burdened with work. There is no reason why the Commerce Ministry should handle textiles, handicrafts, khadi and village industries and plantations. I would suggest that the Ministry of Commerce may be re-named the Ministry of International Trade and subjects like textiles handicrafts, khadi and village industries should be taken out of Commerce Ministry and put under the Ministry of Industries. Similarly, plantations, like tea and tobacco should be put under the Ministry of Agriculture.

**श्रीमती लक्ष्मीबाई :** प्रधान मंत्री...

MR. SPEAKER: She may continue her speech after lunch. We have already spent 2 hours and 5 minutes on this Ministry. The Minister will begin his reply at 4 O'Clock. So, we will have another two hours for the Members.

13.05 HRS.

*The Lok Sabha adjourned for Lunch till Fourteen of the Clock*

*The Lok Sabha re-assembled after Lunch at five minutes past Fourteen of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

DEMAND FOR GRANTS, 1968—69

MINISTRY OF COMMERCE—Contd.

**श्रीमती लक्ष्मीबाई (मेडक) :** उपाध्यक्ष महोदय आज जो कामर्स की डिमान्ड चल रही है मैं उस का समर्थन करती हूँ और मंत्रालय के ध्यान में कुछ बातें लाना चाहती हूँ ।

किसी भी मुल्क में वहाँ की स्टेट का फर्ज होता है वहाँ के लोगों को खाना और कपड़ा

देने का इस का मतलब यह होता है कि वहाँ के लोगों को काम देना । इसी नजरिये से हमारे देश के कांस्टिट्यूशन में आर्टिकल 43 में यह बतलाया गया है कि हर एक स्टेट को अपने यहाँ के लोगों को काम देना है । यह बात पूज्य बापू की समझ में पहले से आ गई थी कि गांव के लोगों के वास्ते काम का प्रबन्ध करना चाहिए और वह किया गया खादी और ग्रामोद्योग के जरिए । खादी और ग्रामोद्योग में सिर्फ कपड़ा ही नहीं आता है । उस के अन्दर कई और महत्व की चीजें हैं । हम लोग खादी को पवित्र मानते थे । बापू जी ने अहिंसात्मक, सामाजिक और धार्मिक चक्र समझ कर खादी की तरफ तवज्जह दी ।

आज खादी में काफी लोग लगे हुए हैं लेकिन पहले जितनी पवित्रता खादी की समझी जाती थी आज उतनी श्रद्धा और पवित्रता लोगों के मन में उस के प्रति नहीं है । स्वतन्त्रता आने के बाद लोगों ने खादी को तरफ उतनी तवज्जह नहीं दी जितनी देनी चाहिए थी । लेकिन मैं कहना चाहती हूँ कि खादी एक ऐसी चीज है जो सब लोगों के काम में आती है । मैं कल पानोपत गई थी । वहाँ पर मालूम हुआ कि केरल में खादी का काफी काम चल रहा है । मैंने एक अपने कम्यूनिस्ट भाई से पूछा कि उनके नेतागण खादी तो पहनते नहीं, वे लोग खादी का काम अपने यहाँ क्यों चलाते हैं । उन्होंने कहा कि हम खादी के नाम के कारण खादी को नहीं चलाते हैं लेकिन चूँकि इस से लोगों को काम मिलता है इस लिए इस को चलाते हैं । आज कम्यूनिस्ट हो या कोई भी हो सरकार का पहला फर्ज आप लोगों को काम देने का होता है । आज बड़े बड़े कारखाने शहरों या टाउनस में या उन के पास ही चलते हैं, मगर चूँकि खादी का काम और ग्रामोद्योग घर घर चलते हैं गाँवों में, इसलिए उन को उन्नति करना हमारा फर्ज ही जाता है

खुसूसन हिन्दुस्तान में तो यह और भी लाजिमी हो जाता है क्योंकि हिन्दुस्तान तो एक एप्रिकल्चरल कंट्री है। आज हिन्दुस्तान के 80 परसेंट लोग एप्रिकल्चर के काम में लगे हुए हैं। उन को खेतों पर काम करना होता है लेकिन वहां साल भर तो काम होता नहीं इस लिए उन के खाली समय में कोई साइड बिजिनेस होना चाहिए। इस लिए गांवों में खादी और ग्रामोद्योग चलाने का फैसला किया गया। इस के लिए हमारी सरकार ने खादी और ग्रामोद्योग बोर्ड बनाया।

आज कल खादी बोर्ड के जो चेअरमैन हैं वे बहुत अच्छे आदमी हैं। वह बहुत काबिल हैं और अच्छी तरह काम चलाते हैं उन की सब जगह पर लोग इज्जत करते हैं। वह इस तरह से वहां काम करते हैं कि वहां पर कोई बगावत होने वाली नहीं है। खाद्य खादी बोर्ड में काम करने वाले बहुत से सर्वोदय के लोग हैं बहुत से नेता लोग हैं। वह लोग सिर्फ खादी बनाने का काम न कर के खादी का डवलपमेंट कैसे होना चाहिए, टेकनिक क्या होनी चाहिए और नया तरीका कैसा होना चाहिए, इस पर विचार करते हैं।

इस के बाद मैं कुछ बातें अपनी गवर्नमेंट को भी सुनाना चाहती हूँ। सरकार पहले काफी मदद दिया करती थी। लेकिन खाली पैसा देकर ही मदद नहीं होती। मान लीजिये कि कुछ उद्योगों को चलाने के वास्ते सरकार 10 करोड़ ६० दे। मगर उद्योग को चलाने के लिए दुकान को रखने के लिए, उद्योग का सामान बिकवाने का प्रबन्ध भी तो करना चाहिए। खादी खरीदना भी तो सरकार का फर्ज हो जाता है। पहले सरकार के लोग और खादी बोर्ड के लोग खादी अपनी रेलवे और दवाखानों के लिए और दूसरे महकमों के लिए खादी खरीदवाते थे, लेकिन

अब वह बात नहीं है। गांवों की जो स्थिति हो गई है उस को देखने से एसा मालूम होता है कि गांवों के हर एक आदमी को काम देना लाजिमी हो गया है, नहीं तो हो सकता है कि वहां पर बगावत हो जाये। मैं सरकार की तवज्जह में लाना चाहती हूँ कि आज खादी की खरीद बहुत कम हो गई है। हाथ से बनी हुई चीजों के दाम बहुत होते हैं वह महंगी होती है। आज चूंकि खादी की खरीद कम होती है इसलिए उस के काम में भी कमी आ गई है और गांव वाले बड़े बड़े कारखानों में काम करने जा रहे हैं। यह दोनों बातें साथ साथ नहीं चलेंगी। सरकार की हालत तो यह है कि आज कल वह सिर्फ क्लास 4 सर्वेंट्स के वास्ते खादी खीदती है। आज खादी की इज्जत आपने कम कर दी है। सरकार ने ही इसकी इज्जत को घटाया है। आज खादी का प्रयोग केवल सर्वेंट्स की यूनीफॉर्म बनाने में होता है। क्लास फोर के जो गवर्नमेंट सर्वेंट्स हैं उनको ही खादी की वर्दियां दी जाती हैं। आज इसको आपने सर्वेंट्स की खादी बना दिया है। एक जमाना था जब हम आजाद नहीं हुए थे जब हम आजादी की लड़ाई लड़ रहे थे, सी रुपए की बढ़िया साड़ी की उतनी कद्र नहीं होती थी, उतनी इज्जत नहीं होती थी जितनी एक रुपये की या-सबा रुपये की खादी की साड़ी की होती थी। आज बड़े लोग इस खादी का प्रयोग नहीं करते हैं, इसके बने हुए कपड़े नहीं पहनते हैं। खुद एम० पी० के घरों में भी खादी नहीं पहनी जाती है। मिनिस्टर्स के घरों में नहीं पहनी जाती हैं। जो सर्वेंट्स हैं, जो सरकारी नौकर हैं वे भी कुड़कुड़ा कर खादी के वस्त्र पहनते हैं। वे भी कहते हैं कि हमारे लिए ही अब खादी रह गई है। वैस्टिर्ड इंटरस्ट्स आज क्रियेट हो गए हैं और बहुत सी खराबियां पैदा हो गई हैं। मैं तो कहूंगी कि मिनिस्टर्स की बीवियों के लिए खादी पहनना लाजिमी कर दिया जाना चाहिये। मगर उनकी बीवियां खादी के कपड़े नहीं पहनती हैं तो हमारे मिनिस्टर्स

[श्रीमती लक्ष्मीबाई]

को कहना चाहिये कि वे उनके हाथ का बना हुआ खाना नहीं खायेंगे।

पिछले साल या उससे पिछले साल तक आप खादी बोर्ड को अठारह या बीस करोड़ रुपया ही देते थे। अब इतनी कम राशि में क्या बनता है। खादी कमिशन को जो रुपया आप देते हैं वह इसको अपने लिए ही इस्तेमाल नहीं करता है। हर एक स्टेट में खादी बोर्ड बने हुए हैं और उन बोर्डों को वह रुपया देता है। बोर्ड जो हर स्टेट में हैं उनकी अपनी आर्गनाइजेशनन्स हैं। खादी बोर्ड ने बीस हजार के करीब सोसाइटीज कायम कर रखी हैं। इसमें ग्रामोद्योग भी आते हैं। इन बीस हजार में से कुछ एसी भी हैं जो ग्रनइकोनोमिकल हैं। उनको बन्द करने के लिए कहा जाता है तो इनफ्लुएन्स काम करने लग जाता है और उनको बन्द करने के रास्ते में अड़चनें पैदा हो जाती हैं। इस वास्ते वे बन्द भी नहीं होती हैं।

खादी जहा तैयार होती है या जो लोग खादी तैयार करते हैं, उनमें औरतें भी काम करती हैं, आदमी भी करते हैं, बहनें भी करती हैं। तीन लाख बीवर, स्पिनर ता फुल टाइम काम करने वाले हैं और अठारह लाख लोग ऐसे हैं जो पार्ट टाइम काम करते हैं। इनके अवाला तीन लाख दूसरे लोग हैं। इस तरह से कुल मिला कर इनकी संख्या 24 लाख होती है। औरतें जो चर्खा कातती हैं, उनकी संख्या पन्द्रह लाख के करीब है। ये जो काम करने वाले हैं ये आर्गनाइज्ड नहीं हैं। दूसरी जो आर्गनाइजेशन हैं जिन में दो सौ या सौ या पचास लोग भी काम करते हैं, वे भी अपनी यूनियन्स बना लेते हैं और बगावत करने पर उतारू हो जाते हैं। लेकिन यहां इनकी कोई यूनियन भी नहीं है इसमें प्रस्ती साल की, सत्तर साल की बूढ़ी औरतें भी काम करती हैं। अब उनको आप क्या रोजाना देते हैं। एक रुपया, डेढ़ रुपया रोजाना ही उनको मिलता है।

फिर आप यह भी देखें कि खादी बोर्ड के पास आज कितना माल जमा हो गया है। 24 करोड़ रुपये का माल वहां पड़ा हुआ स्टॉक पड़ा हुआ है। किस तरह से एसी हालत में आगे काम चल सकता है। वहां पर अब लोग बेकार होने लग गए हैं। जो लगे हुए भी थे वे भी अब बेकार होने लग गए हैं। इतनी कम मजदूरी उनको मिलती है। और आप यह भी देखें कि उनको सहुलियतें भी नहीं हैं। साथ ही साथ खादी को खरीदने वाले भी नहीं हैं। इस वास्ते मैं कहना चाहती हूँ कि मन्त्री महोदय की तबज्जह इस और जल्दी से जल्दी जानी चाहिये। आज आप हजारों करोड़ रुपया खर्च करते हैं लेकिन यहां जब खर्च करने की बात होती है तो आप बहुत कम करते हैं। यहां आप बीस करोड़ रुपया भी नहीं देते हैं। पच्चीस लाख लोग काम करते हैं और उनको आप बीस करोड़ भी नहीं देते हैं। मैं कहना चाहती हूँ कि आपको इन पच्चीस लाख लोगों का नुमाइन्दा बनना चाहिये इन पच्चीस लाख लोगों की सरकार को नुमाइन्दगी करनी चाहिये।

**उपाध्यक्ष महोदय :** अब आप दो मिनट में खतम करें।

**श्रीमती लक्ष्मीबाई :** इतना कम समय आप मुझे दे रहे हैं। मैं बीस मिनट बोलूंगी। पार्लियामेंट में दस औरतें हैं। तीन चार को ही बोलने का मौका मिलता है और वह भी साल में एक आध बार। जब मिलता भी है तो उनको समय नहीं दिया जाता है। कई एम० पी० हैं जिनको रोख समय मिल जाता है और काफी मिल जाता है। हमारे घरों में तो एसा होता है कि जो बच्चा कम बोलता है अच्छा होता है उसको अच्छा बच्चा समझ कर इनाम दिया जाता है उसकी प्रसंशा की जाती है और जो गड़बड़ करता है उसके कान खींचे जाते हैं। लेकिन यह जो गड़बड़ करने वाले हैं उनको तो ज्यादा समय मिल जाता है और

हम जो गड़बड़ नहीं करते हैं, सीधे सादे हैं, उनको आप बोलने ही नहीं देते हैं। यह ठीक नहीं है।

1966-67 में हमारी पी० ए० सी० ने कमीशन के काम को देखा था। उसने थाया कि इसकी फाइनेंशल पोजीशन भी खराब है। इसकी तरफ हमारी तबज्जह जानी चाहिये। मैं समझती हूँ कि सरकार को खादी बोर्ड को बहुत ताकतवर बना देना चाहिये। 18-20 करोड़ से हो यह काम चलने वाला नहीं है। आप को इस राशि को बढ़ाना चाहिये। पांच सौ कमेटियाँ आपने बना रखी हैं। एक एक कमेटी में कितने ही लोग काम करते हैं। सभी महकमों में ये कमेटियाँ हैं। वहाँ पर तो आप इतना खर्च कर देते हैं लेकिन वहाँ आप बीस करोड़ ही देते हैं। यह बहुत कम है। आपको इसको बढ़ा कर पचास करोड़ कर देना चाहिये और इसको ताकतवर बनाना चाहिये।

आज हम देखते हैं कि कोई फ़ैक्टरी खपती है या कारखाना लगता है तो उसको पैसा दिया जाता है, सिक्कोरिटी आप देते हैं और विभिन्न प्रांतों में फ़ैक्टरियाँ और कारखाने लगाने के लिये तरह तरह के प्रोत्साहन दिये जाते हैं लेकिन वहाँ जो लोग काम करते हैं उनको कोई सिक्कोरिटी नहीं दी जाती है कितने ही लाख लोग वहाँ काम करते। आपको चाहिये कि इनका बनाया हुआ सारा सामान आप लें और खादी को इज्जत प्रदान करें।

जिनको बीस बीस या पच्चीस पचीस साल काम करते हो गये हैं, उन लोगों को खादी बोर्ड कोई सहुलियत प्रदान नहीं कर सकती। उनकी कोई इज्जत नहीं है, कोई उनको प्राविडेंट फंड की सहुलियत नहीं है, कोई पेंशन उनको नहीं मिलती है, मकान नहीं मिलता है, उनकी दवा दारू का इन्तजाम नहीं है फ़ैक्ट्री में या कारखाने में जो काम करता है उसको मकान भी मिलता है, उसके

बच्चों को भी एजुकेशन भी मिलती है, उनको स्टाइपेंड्स दिये जाते हैं, दवा दारू का भी इंतजाम किया जाता है, दवाखाने भी उनके लिए खोले जाते हैं। लेकिन यहाँ काम करने वालों के लिये कुछ नहीं किया जाता है। आपको सोचना चाहिये कि इनके लिए भी कुछ हो और आपको ये सब सहुलियतें यहाँ काम करने वाले लोगों को देनी चाहिये।

मैं पानीपत गई थी। वहाँ वूलन का काम बहुत होता है। वहाँको भी मैंने वहाँ काम करते हुए देखा। हाथ से बने वूलन धागा निकालती हैं। उनको मजदूरी बहुत कम मिलती है। मैं चाहती हूँ कि गवर्नमेंट लैबल पर इन तमाम चीजों को देखा जाना चाहिये।

काटन जो खरीदी जाती है चाहे खादी के लिए हो या मिल क्लाय के लिए हो आपको यह देखना चाहिये कि ओअर को उतका उचित मूल्य मिले। जो एग्रिकल पारिस्ट है उसको कितनी भी तरह का नुकसान नहीं होना चाहिये। आज होता यह है कि बीच वाले बहुत फायदा उठा लेते हैं। वही सारा पैसा खा जाते हैं। बीच वाले ऐसा न कर सकें यह आपको देखना चाहिये आपको ताकत अपने हाथ में लेनी चाहिये। आजकल होता यह है कि अफसर जो आपके हैं और फ़ैक्टरीज का जो मैनेजमेंट होता है वे दोनों को मिल कर आप लोगों से जहाँ चाहते हैं दस्तखत करवा लेते हैं। आप उनकी बात में आ जाते हैं। ऐसा नहीं होना चाहिये। ओअर को भी अच्छी कीमत मिले, जो खादी तैयार करता है उसको भी मिले और जो चर्खा चलाता है उसको भी अच्छी मजदूरी मिलनी चाहिये खादी को आप इज्जत बख़्शें। खादी बोर्ड को आप ताकतवर बनायें। इसका प्रोडक्शन भी आप बढ़ायें और खपत भी इसकी आप बढ़ायें। आजकल हो यह रहा है कि इसकी प्रोडक्शन घट रही है।

— [श्रीमती लक्ष्मीबाई]

स्टाक पाइल भी हो रहा है, ये सब जो चीजें हैं इनकी तरफ़ आप ध्यान दें।

इन शब्दों के साथ ये जो डिमांड्स हैं इनको मैं अपनी कंडीशनल स्पॉर्ट देती हूँ। खादी के लिए आप पैसा ज्यादा देंगे तब मैं इसको स्पॉर्ट करूँगी।

**SHRI VASUDEVAN NAIR** (Peer-made): Mr. Deputy-Speaker, Sir, the Government has announced a new import-export policy with great fanfare. We heard the Minister yesterday speaking over the All-India Radio, claiming that he is going to attain something very big, following this new policy. They say that it is a new experiment. They claim that it is a new strategy. Sir, the policy of this Government is oscillating like a pendulum following the disastrous bungling on the issue of devaluation. The Government sought to experiment with import liberalisation. Then they made tall claims and painted rosy pictures of a tremendous boost in exports. But we all know that instead of a boost in exports, stagnation has set in. All kinds of arguments are now given to explain away the phenomenon. Various kinds of remedies are proposed by the physicians in the Ministry for the recovery of the patient. *Ad hoc* decisions and stop gap arrangements are proposed.

Sir the new export policy will not make any dynamic change in the situation. It is not going to work miracles and wonders. The causes of the malady lie deeper. Unless we are prepared to make fundamental departures from the traditional policies followed till now, our foreign exchange crisis will not be basically solved. Even to-day we are irrevocably tied up with the capitalist world market. The position of the country as a supplier of raw materials for the advanced countries, the so-called

developed countries, essentially remains, even after 20 years of freedom. We could not make a substantial break from that position. We are the victim of the discriminatory trade policies of the advanced countries.

Now we naturally come to UNCTAD II. Almost every Member who participated in the debate referred to UNACTED II. I hope the Government had no illusions about the outcome of the deliberations, even from the very beginning. If they had any great illusions, they were only to blame.

Sir, the UNACTED once again demonstrated the utterly selfish attitudes of the advanced capitalist countries. I was really surprised yesterday to hear my hon friend from the Swatantra Party making the fantastic statement that the socialist countries were responsible for the failure of the UNACTED II. Only a Swatantra Member can make such a fantastic statement. Now, Sir, I do not want to plead for the socialist countries because facts are there. Nobody specially can plead for them. I can quote Mr. Manubhai Shah, I can quote many other representatives of the ruling Party, the representatives of the Government even. I would request even a Swatantra Member not to close his eyes completely to facts and facts of life. Sir, it is an attempt therefore, at distortion of facts.

The Government should learn proper lessons from the rich experience of this Conference. I remember—if I am not wrong—it is the Minister of Trade of the Government of Tanzania who made a statement I think, in Bangalore. He has underlined the necessity of closer collaboration between the countries of the Group of 77. We have to adhere to the Algiers Charter as much as possible and relentlessly pursue to see that that charter is implemented. It is a very difficult condition, of course, but we have to stick to that.

Secondly, we have to still closely associate ourselves as far as trade is concerned with the socialist bloc. There is no getting away from it. So, these are the two conclusions, the two lessons that we could again reiterate following the experience of this international Conference. The existing direction of trade should substantially divert itself in a different rent direction. I do not suggest that we should cut off all the traditional contracts, but our dependence on the capitalist world market has to end. This cannot be achieved without earnest and serious efforts for self-reliance and import-substitution. Self-reliance is like a mantra for our Government and our Ministers but I would only request them to put their hands on their hearts and to search their hearts and find out . . . .

**SRI HARDAYAL DEVGUN:** (East Delhi): Have they a heart?

**SRI VASUDEVAN NAIR:** If they have a heart, I hope they have a heart. I would request them to search their hearts and find out whether they are really earnest about this self-reliance and import-substitution. At least I have personal experience of one instance which I shall give later in my speech, where I can prove that they only consider it as a mantra and nothing more, but I shall come to that later.

We have all kinds of export promotion schemes. The export promotion schemes have only helped a handful of people to speculate on import licences. It is well known all over the country that they have made easy and quick money. I suggest that an inquiry should be made in to how the export promotion schemes have worked till now. If a proper inquiry were conducted, then many startling facts will come out and then we shall find out how much money was made by a few business-houses by speculating on import licences. I suggest that there should be an inquiry on this question.

Another fundamental issue which cannot evade our attention any longer is the issue of the institution that should be entrusted with the export-import trade. From this side, the Members of my party and those of several other parties in this House and outside have been reiterating the great necessity of entrusting the export import trade to the State machinery. We have been asking for the nationalisation of the export-import trade. I know that it is very difficult for this Government to accept that proposition.

We remember the famous ten-point programme of the Congress Working Committee; after the debacles in 1967, they had to talk something big at that time for diversionary purposes but they never mean what they say. Otherwise, I do not understand why even now they are shirking and evading this very important and fundamental question as far as the foreign trade is concerned. In 1967 our foreign trade was worth nearly Rs. 3000 crores. Even at a conservative calculation, if that foreign trade worth Rs. 3000 crores is handled by Government after nationalisation, our exchequer could expect an income of Rs. 300 crores per year at 10 per cent profit. There are many other things which I have to say to justify this demand for nationalisation. I do not have the time, however, to go into the matter in detail.

As regards the evil practices that persist all along for the last several years of over-invoicing and under-invoicing, sending sub-standard goods to foreign markets etc., we know who is indulging in such practices. Even my hon. friend from the Swatantra Party will not deny the responsibility of his friends in that. So many other evil practices are there. An end to these evil practices can be put only by the method that I have suggested; there is no half-way method.

**SRI PILOO MODY:** Question.

**SRI VASUDEVAN NAIR:** The present system of entrusting the bulk



[Shri Vasudevan Nair]

of the foreign trade in the hands of private parties, both foreign and Indian, is benefiting only a few people in this country. As a matter of fact, Government and such people are hand in glove with each other and they are sharing the loot at the time of elections, and we know that also. That may be one of the reasons why the system is left as it is today.

Now, I should like to touch upon one aspect of the working of this Ministry which is generally not commented upon in this House. That is this practice of allowing export of Indian capital especially to countries of Africa. Now Government may say that they want our help and collaboration for development, but we should like to be satisfied by Government whether it is possible for these monopolies and big business houses in this country to export capital to other countries, even when they say that inside the country, their resources position is very tight. We always hear this cry. But here crores of rupees are being invested by these very people Birlas and others in Nigeria, Ceylon and other countries. Recently there was a report that there is going to be collaboration between some people in Ceylon and the Birla House to set up some factories.

How can this be allowed? Apart from the basic question of developing a new imperialism a new colonialism and the political consequences flowing therefrom, even from the point of view of financial resources inside the country for our development, how can Government allow this kind of export of capital from India? This is a very important question which has to be seriously considered by this House. Time does not permit me to go more into it, but I think the House should discuss in detail later.

I said I would give at least one instance where this Government could be exposed beyond doubt in their claim of self-reliance and import sub-

stitution. You are also familiar with the subject. Last year, also I referred to it. I am referring to the question of rubber, how Government have allowed indiscriminate import of raw rubber when this country is already self-sufficient in it. I do not know whether Government will challenge me about my statement on self-sufficiency in rubber. If they do, they need not worry about me; their own Rubber Board, a statutory body has in categorical terms told Government that we are no longer in need of import of rubber. But what happened? I say there was a conspiracy between Government and the tyre manufacturers because today the international market is very favourable to them, the international price being much below the Indian price. So it suits them to have rubber from outside. So they pressurised Government and got it imported. In 1966 and 1967, 40,000 tons of raw rubber were imported costing nearly Rs. 13 crores worth foreign exchange. I say this foreign exchange was wasted, frittered away. For whom? For the benefit, profit and loot of the tyre manufacturers.

What happened inside the country? As far as the rubber producers are concerned, they were ruined. I do not have time to go into details. They had a Tariff inquiry to fix the price of rubber. If I had time I could have exploded the report of the commission as far as their recommendations are concerned. All their premises were wrong following that all their conclusions were wrong. But Government accepted those recommendations and imposed a price on our producers. In spite of that, they did not get it. Government say they have notified the price. But what happened to it. I should like Shri Dinesh Singh to explain. I do not plead for the big producers—even with the present price, they may be satisfied and happy—but the present price is not actually given to the small producers. This is all done for the sake of a few business houses against the interests of

producers in the country and wasting foreign exchange. This is a clear example which I can cite from my experience and the experience of my State . . .

MR. DEPUTY-SPEAKER: Do not stretch rubber too far. Time is up.

SHRI VASUDEVAN NAIR: I am not stretching it. This is my last point.

I want to ask one question about the jute problem. The Indian Jute Manufacturers' Association, I am told, is demanding a minimum export price. They wanted a cut in export duties and Mr. Desai obliged them. Now, they are clamouring for minimum export price. As far as I can understand, there is absolutely no case for a minimum export price and Government should not be pressurised by the IJMA to fix a minimum export price.

Cashewnut is an important commodity which brings so much of foreign exchange to us. It is an industry which employs lakhs of workers in Kerala and it is going to face a very serious crisis. I am giving the warning. We depend upon imported raw nuts from Africa for these factories. We never tried to produce raw nuts in this country. They had some schemes and I should like them to tell us the details so that one knows when we shall achieve self-sufficiency in this matter. Already we are challenged by Africa.

The Deputy Minister knows the chronic crisis facing the coir industry. He was in Kerala to discuss some points and he knows it personally and we should like to be enlightened by him on the steps they propose to take to protect this industry on which depend ten lakhs of people. It is not a small matter.

I have to race against time. The sea-food industries bring us so much of

foreign exchange. Deep sea fishing trawlers are needed and Government could have arranged for trawlers from abroad. What steps are they going to take to dig wealth from this gold mine of Arabian Sea so that we can earn more foreign exchange by the export of fish and fish products.

I could have talked of so many other commodities which affect our country and our people and our export earnings. I am sorry to say that the policy today is an ad hoc policy and it changes like a pendulum. They do not have a longterm-policy, they do not visualise the need to have a transformation of policy. As long as this suicidal policy remains, we shall never get over the crisis we are in today.

SHRI R. K. BIRLA (Jhunjhunu): I am thankful to you for giving me opportunity to speak this afternoon and I shall immediately start by referring to the working of some of the organisations functioning under the Commerce Ministry. These organisations are said to play an advisory role and they have no direct responsibility but they simply tender advice. Let us, for instance, take the Tariff Commission. Government has declared this organisation to be completely outdated. But I am rather surprised that that it is still allowed to function and that it costs the exchequer about Rs. 10 lakhs per year. I do not understand the purpose in allowing the Tariff Commission remain alive even now. The point is not whether it is an outdated or modern organisation. I say definitely that it is an ineffective organisation. Its recommendations may be accepted by the Ministry and the Minister concerned, if they suit them; otherwise they are outright rejected. Then there are the development councils and export promotion councils. They function in an advisory capacity and are not concerned with the working of the ministry. The meetings of these councils take place

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at places like Ooty, Srinagar, Bangalore or other places where there is some sort of a fascination or attraction. A few months back a meeting of the development council of the indigenous machinery manufacturers was held at Ooty. I do not know why it considered to be the best place for holding such a meeting. There are no machinery manufacturers in Ooty. Similarly, I had the experience of attending a development council meeting at Srinagar. Fortunately or unfortunately, I happened to be a member of that council a few years back (*Interruptions.*) I have only fifteen minutes. It was a long agenda and the Chairman told us that we would take about two days to complete all the agenda items. But thanks to the efficiency of the Government officials and of the Chairman we finished all the items in one hour. How? Most of the agenda items were referred to the next meeting because we were given to understand that a lunch and reception were arranged at Pahalgam in honour of the Government officials and we had to run there. I am sorry to say this but I think Mr. Qureshi will share this with me. We were to visit the Government wollen mills in Srinagar and submit a report to the Government why it was running at a loss. I do not know whether it is making profits now but at that time it was running at a heavy loss. To our surprise we were given to understand that it was not necessary for us to visit that mill. How are we going to submit a report to the Government, then, I asked. The reply came that the report was already prepared before the Chairman left for Kashmir. These are the ways of working of the Councils and I say therefore that these councils should be abolished. We know very well that we spend about Rs. 30,000 for every such meeting and we can save lakhs every year provided we abolish them. Who will work in the place of these councils, somebody may ask. But there is no work for them and whatever little work they do could be done by

the associations which are in the industry and which could be approved by the Government.

We all know that Mr. Morarji Desai was very particular about the reduction of the expenditure. I am given to understand—it may be a story, I do not know—that he was going through the items of expenditure of the various ministries, he came across an item of expense pertaining to the maintenance of one Mr. Bull. He asked the concerned Minister about this expenditure and as he was not satisfied with the explanation, he thought it proper to go to the party directly we also know that Mr. Morarji Desai is noted for his out spoken expressions. He does not bother whether such expressions are liked by the people of this category or that category. He came to know that Mr. Bull was a dignitary from Holland and he was a V. I. P. He went to him and said to him: How are you; how do you like our country? Mr. Bull replied: Mr. Deputy Prime Minister I am thankful to you your kind enquiries about me; I am keeping very well; I like the country, and I am given an air-conditioned room in summer and a centrally-heated room in winter; I feel very comfortable; see I have improved my health. And as I told you, Morarji-bhai, knowing fully well that he was a dignitary from Holland, did not hesitate to tell him, "I am not satisfied with your performance. And Mr. Bull replied 'Sir, you look to the appointment letter. I was appointed as an adviser.' Therefore I say that the people who work as advisers like Mr. Bull should be immediately dispensed with by the Government; these posts must be abolished and all such bodies which are of an advisor nature have no place in our Government.

I now come to the Textile Commissioner's office. In short I may say

that this Textile Commissioner's office is nothing but a postmaster's office. Invariably I understand, most of the matters are referred to Delhi. He does not take any decision. Here of course a lot of delay takes place. The Commerce Minister, Mr. Dinesh Singh, is very, very particular to dispose of the files as early as possible and as quickly as possible, so that he may be considered to be a successful Minister. Sir, I will also tell you something which my friends told me a few days back. My friend was talking to a Minister of Cabinet rank—and I am sure he was not Shri Dinesh Singh—and in the course of the discussions he asked him a question. What are the basic qualifications for a Minister to be considered a successful Minister? And the Minister is said to have replied "The basic qualification for a Minister to be considered as successful is that what he speaks others do not understand." But my friend immediately retorted that that is not so. He had put the same type of questions to another Minister of Cabinet rank who was senior to the previous one, having stayed for a longer time in the Cabinet, and the reply was that the basic qualification for a successful Minister is that what he speaks he himself does not understand. I would, therefore, say that—and I am sure—all these two basic qualifications do not apply to the hon. Mr. Dinesh Singh. He fully understands what he speaks. We people also fully understand what he speaks.

AN HON. MEMBER: Are you sure?

SHRIMATI TARKESHWARI SINHA (Barh): The two together do not understand anything!

SHRI R. K. BIRLA: If the people do not follow him, that is not the fault of the Commerce Minister. That is a different story. I would request one thing of the hon. Minister, Shri Dinesh Singh. He has been extremely busy in various other political, social and economic activities. They are all in the interests of the country; there is no doubt about it. But my request to

him is that he should devote more of his time to see that the files concerning his Ministry are disposed of as early as possible. Inordinate delay makes a very bad impression in the eyes of the people both abroad and in our country. There are collaborators and financial institutions; they cannot wait for a longer time.

I will now give a few points and that is with regard to the way in which the Government is spending our valuable foreign exchange which could have been easily saved and avoided. I will give you some examples. I do not give them at random, and I would be very thankful if Mr. Qureshi and Mr. Dinesh Singh would reply to my questions categorically. During the current year, up to November, 1967, power capacitors worth Rs. 80 lakhs were allowed to be imported, when indigenous manufacturers were in a position to supply all such capacitors to suit the delivery time of the indentors. But their quotations were ignored. I do not know why. The Heavy Electricals, Bhopal, is a public undertaking, makes capacitors; Universal Cabins, Voltas, Hicos and other manufacturers are in a position to supply the entire demand of the country. I can prove it. I have got the details from where the capacitors were imported from the United Kingdom; from Switzerland; from Japan; and we spent Rs. 80 lakhs of foreign exchange during the current year, when we say that we are short of foreign exchange. I would very much like to have a categorical reply to this question.

Another strange thing is that the import duty on these capacitors, which is a finished product, is only 27.1½ per cent while the import duty on the raw materials which are not available in our country and which are imported to manufacture these capacitors in our country varies from 50 to 100 per cent. This is something I cannot understand. He should immediately ban the imports of all types of capa-

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citors, which we can easily manufacture in the country. The duty on all the raw materials required for indigenous production of these capacitors should be very substantially brought down.

Coming to STC, I am not against such organisations, but I am against the mechanics of such organisations. I can give some clear examples. Filament nylon yarn was imported at 75 d. per lb. when the international market price was only 60 d. per lb. The STC has been selling this at a margin of 250 to 350 per cent. Is it not profiteering? Some of my friends sitting to my right say that private sector is making huge profits. But what about Government making a profit of 350 per cent? I have never heard of that in my life. Then STC exported Kolhapuri chappals at 1.07 dollars per pair while private parties were exporting it at 1.25 dollars per pair. Have we not lost valuable foreign exchange in that? About sulphur, and non-ferrous metals like copper, zinc and lead, at what prices have they been importing them and at what prices are they thrusting them on the people? All these things should be enquired into without delay.

I come to the woollen industry. When Mr. Manubhai Shah was minister, an agreement was entered into between our Government and the Government of Australia in 1965 for importing wool worth Rs. 2 crores. But only wool worth Rs. 97 lakhs have been imported so far after one year and that is lying in the godowns of STC, which is paying damages, insurance, etc., and the quality of the wool is deteriorating. Only wool worth Rs. 30 lakhs has been lifted and the rest is lying there. The woollen industry is working only upto 30 per cent of its installed capacity, based on two-shift working. All this shows that STC is not capable of manning the import of wool, which is a very complicated and specialised job.

In yesterday's paper there is a news item under the heading "STC nylon yarn costly—No bid by Punjab weavers".

It reads thus:

"Huge stocks of imported nylon yarn allotted to powerloom weavers are lying unsold in the godowns of the Punjab State Small Industries Corporation at Amritsar and Ludhiana. Weaving units are reluctant to buy yarn in view of the exorbitant prices quoted by the State Trading Industries Corporation at Amritsar and Ludhiana.

The STC has imported only the first instalment of Rs. 2 crores worth of nylon yarn out of total allotment of Rs. 9 crores. But prices quoted by the STC leave it a margin of over 200 per cent even according to the revised rates announced recently in conformity with the price reductions announced by the indigenous yarn manufacturers. The market price of nylon is appreciably lower than the STC prices."

So what I have said earlier is corroborated by this statement. So, I would say that this profiteering should be stopped immediately.

One word about the Kandla free port, a very important port. They are going to spend Rs. 1 crore here. What is the progress of this port? It is proceeding at a dead slow speed. Two factories have come into production and they have exported goods worth about Rs. 14 lakhs. It has come to our knowledge that Government is very seriously thinking of having a free trade zone in Delhi also. Let them burn their fingers very well at Kandla and then come here to burn their toes. What is the use of experimenting at Kandla and Delhi and other places? The way in which things are moving I have no doubt that Kandla free trade zone is going to be another

sick institution and that is going to be the headache of the hon. Minister, Shri Dinesh Singh.

For want of time I could not refer to our trade with the East European countries. Anyhow, I thank the Chair for giving me this opportunity.

**THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI):** Mr. Deputy-Speaker, I have been hearing with great interest the hon. Members speaking on various topics concerning the Ministry of Commerce. I shall deal only with a few topics, leaving the most important problems to the Minister who will wind up the debate.

The last speaker, Shri Birla, talked about STC. In this House there are two views about State trading. One view is that there should be no State trading at all and the very idea of State trading is abhorrent. The other view is that we should have State trading and that we should see that more and more things are brought under State control. This divergence of views can be very well understood because it is the difference in ideology. The Government as such has to take a rational practical view as to how the trade and commerce of the country has to be put on a balanced footing.

**SHRI C. K. BHATTACHARYYA (Raiganj):** About profiteering by STC there is only one view in the House that profiteering should be stopped.

15 HRS.

**SHRI MOHD. SHAFI QURESHI** I would like to point out that State trading is not a phenomenon peculiar to India. It is present in one form or another in almost all the free economies of the world and almost all the western countries.

We have to judge the functioning of STC since it entered the trade by its

results. I have seen a tendency in certain quarters to complain whenever the STC enters any field that it is a big profit-making organisation and it is doing its business at the cost of other private individuals. That is not the case. The real position is that in 1963-64, when bifurcation took place and MMTC was separated from STC, the total earnings of the STC were about Rs. 8.9 crores. Since that time the earnings of STC have gone up to Rs. 160 crores. This shows the tremendous increase in the amount of business that the STC is doing. Also, it is not only one particular commodity that the STC is dealing with. It has been dealing with nearly 105 commodities and it has tapped new sources for our products and for our imports also.

I will take up the export programme of the Corporation which falls into five main groups: firstly, railway equipment; secondly, engineering goods including machine tools and manufactures of small industries; thirdly, chemicals, drugs and pharmaceuticals; fourthly, consumer goods, prominent items being leather footwear and components, wigs and wiglets and other human hair products, and woollen knitwear and textiles; and fifthly, fresh fruits including bananas and fruit juices.

15.01 hrs.

[SHRI G. S. DHILLON in the Chair]

These are the items where we can see a definite shift from the traditional to the non-traditional goods. STC is not dealing in traditional commodities; that field is entirely left to private enterprise. What the STC is doing—and it is very necessary for the development of trade of this country—is that it is establishing new markets where we can sell our non-traditional goods and commodities. This is something really very commendable and we must be appreciative of the efforts of the STC. It has suc-

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cessfully made dents in some of the markets where possibly other developed countries have absolutely failed. This goes to the credit of the STC that they have been able to secure new markets for our products.

Taking the question of railway wagons, hon. Members will be pleased to see that the Corporation signed a contract with Messrs Wikex of Hungary for the supply of 500 flat four-wheeler wagons valued at Rs. 25 millions and these wagons have already been supplied. The other order is for about 1,500 wagons valued at Rs. 75 millions to the same firm which will be supplied by 1970. An offer has been made for the supply of railway rolling stock to Poland and a larger tender for the supply of 2,000 wagons to New Zealand is under negotiation. Ceylon, Burma and Senegal are the other buyers of Indian wagons.

The STC has recently won a global tender in the face of fiercest international competition for the supply of 1,100 railway wagons valued at Rs. 80 millions to the Korean National Railway. Hon. Members would know that while this tender was there, UK, USA, Japan and other developed countries were in the field and it is really commendable on the part of the STC to have achieved this unique countries were in the field and it is something which goes to the credit of the STC.

SHRI PILOO MODY: At what price?

SHRI MOHD. SHAFI QURESHI: Recently we have signed another agreement for the supply of 2,000 wagons to the USSR and this supply is to go up to 10,000 wagons per year.

Then, I come to other engineering goods. We have seen that the developments in the engineering industry have been very commenda-

ble. Our exports in 1970-71 are expected to touch a peak figure of Rs. 100 crores for engineering goods. We have seen its development in various parts of the country. Mostly, Punjab is far ahead in developing this small-scale industry. The STC has also entered this trade, not as a competitor of these people but as a supporter, because STC has got a bigger machinery. It can give market information to the small-scale industry people and it can tell them what goods are required by the sophisticated world market outside. That way it has not only helped itself but it has considerably helped and brought about an expansion of the market for our engineering goods abroad.

The exports of engineering goods in 1966-67 through the STC were of the order of Rs. 13 millions and during 1967-68 the exports are expected to be of the order of Rs. 15.5 millions. This coupled with the increase in the private industry from Rs. 38 crores to about Rs. 70 crores and to Rs. 100 crores is itself indicative of the fact that the STC has come into the field as a helper, a supporter, a guide to the engineering industry in this country.

Coming to other items of export by the STC which include chemicals, the Corporation exported many kinds of chemical products. Here I would like hon. Members to note the fact that the private exporters were exporting these very chemicals at a very low rate. It was when the STC entered the market in a big way that the Government of India were in a position to obtain a better price for our exports and thus increase our earnings of foreign exchange.

The Corporation has been exporting mercuric oxide, gum resin, chrome pigments, zinc phosphate, non-soapy detergents, washing powder, sodium bichromate, aspirin etc. for about

Rs. 16 millions in 1965-66. In addition, steps were taken for the export of other chemicals, such as raw petroleum coke, ethanol, methanol, drugs and pharmaceuticals, turpentine, naphtha naphthalene and bleaching powder. Here, the price which the STC was able to get is this. For example, in the case of raw petroleum coke, where the private trade was selling at 13 pounds c.i.f., the Corporation was able to sell at 18.5 pounds per tonne f.o.b. This shows a considerable increase in our foreign exchange earnings. Similarly, in the case of naphtha, as against the sale by private firms at 14 dollars per tonne, the Corporation was able to raise it to 18 dollars per tonne. In the case of molasses also, the price was of the order of 11 dollars per tonne which was raised, within a year, to an average price of 24 dollars per tonne. This itself shows how the STC by entering into the export market has been able to get a better price for our commodities.

The other items in which the STC has now entered the export market includes the footwear. Some Members here pointed out that the STC was making huge profits. It is not that. What the STC has done is that it has organised small cooperatives and it is taking the supplies from small indigenous manufacturers and then it is creating an export market for them. It is not that the STC is coming as a middle-man in between and taking the profits at the cost of the producers. The fact remains that we would not have been able to sell these things and that it is because of the efforts of the STC that the figure of exports of about 7 million in 1956-57 has come now to about 54 million in 1967-68. This shows a tremendous increase. The benefits of this spectacular rise in exports, aggregating to about Rs. 22 crore over the last 11 years, have gone almost entirely to the small-scale sector of the industry. What the STC has done in this foot-wear trade is that they have tapped new markets and

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they have also been able to sell new products and to have diversification of foot-ware. Now, we are selling cowboy shoes to USA and to Canada and there is a possibility of selling our footwear to other developed countries of the world.

Coming to the export of knitwear, in this also, in the year 1962-63, the exports of these items effected by the Corporation amounted to about Rs. 1.2 crores and it increased to about Rs. 3.5 crore in 1966-67. It will now come to about Rs. 3.75 crores. The Corporation is now expected to touch a figure of Rs. 20 crores in this footwear. By this trading by the Corporation, it has eliminated in a big way undercutting by our own private industrial people here because small-scale industry people are not in a position to export in bulk and in whatever quantities they were previously exporting, they were undercutting each other and we were having lesser foreign exchange realisations. By getting all these people together, by the STC coming as a saviour and as a big trader, it has been able to get all the products from the small-scale sector of the industry and market them in the foreign markets of the world and to earn much needed foreign exchange for the country. (Interruption).

I am not trying to draw a very rosy picture of the STC as my hon. friend, possibly, is trying to form from what I have been saying. I am grateful to him. But the facts are there. One cannot ignore the facts. It is no use closing eyes and having an ostrich-like attitude about that, saying, the STC is doing nothing, everything is bad in the STC and all that. Of course, I can admit that the Corporation is being run by human beings and they are not infallible. They are likely to make mistakes. How is one to learn? One has to learn by mistakes. We have been learning and we have become much wiser.

About other exports, the most important is that of Human Hair. This was a new line for the Corporation



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because it is the private individuals who were previously exporting Human Hair and were undercutting each other and getting a very low price. Prior to the entry of the Corporation in this field, the export from this country of Human Hair was in the region of 37,000 kgs. and the unit value of these exports was in the region of Rs. 80 per kg. By its efforts, the Corporation has been able to push up the total exports to 72,000 kgs. of the value of Rs. 1 crore. It is because of the efforts of the STC that 1 kg. of Human Hair is getting as much that of 1 kg. of silver hair.

SHRI PILOO MODY: I hope the Government is not thinking of nationalising Human Hair.

SHRI MOHD. SHAFI QURESHI: After listening to Mr. Piloos Mody, I would like to nationalise human flesh.... (Interruptions).

We must see the other functions of the STC. The STC has been exporting now fruit to different countries, and now it has taken over the export of banana. The Corporation's efforts have also made it possible to initiate export of fruit juice to East European countries, and in 1967-68, fruit juice worth about Rs. 14 lakhs was exported to these countries. So, you can see how diversified the trade has become with the entry of STC into the trade.

The other aspect of the STC is the imports by the STC. Mr. Birla was just now telling us that nylon yarn which the STC has been importing has been selling at 200 per cent profit. It is a very gentlemanly admission on his part because Nirlons and other J.K. industries are selling this nylon yarn at Rs. 2 higher than the price which has been fixed by the STC; naturally, they are making more than 300 per cent profit on it....

SHRI M. AMERSEY (Banaskantha): They have an excise duty to pay, which the imported yarn does not pay.

SHRI MOHD. SHAFI QURESHI: I wish a person like Mr. Manubhai would not be so ignorant. They are getting caprolectan, the raw material for nylon. There is no excise duty on caprolectan, while the STC has to pay customs and excise duties on nylon yarn. They are getting the raw material for nylon yarn. What is my hon. friend talking? They have not to pay customs duty on that; even if it is there, it is at a much lower rate. They were making more than 700 per cent profit. That is why the STC has entered into the market.

श्री मधु लिमये : (मुँगेर) आप इमको बरदाश्त करने रहे हैं और अब आप उनको डांट रहे हैं। इस पाले हमको भी आपको डांट की जल्बत पड़ गई आप क्यों नात मो फीसरी चुनावका बरदाश्त करते हैं ?

श्री मुहम्मद शकी कुरेशी : आपका डांटने की इतनी आदत पड़ गई है कि आपको डांट कोई मानता नहीं है।

It is our effort to see that whatever nylon yarn we bring into STC is made available. If we depress the price of the nylon yarn at this time, all the industries will have to close down and go lock, stock and barrel. What about unemployment problem then? At that time, Mr. Madhu L'maye will come and ask, "What about the labour force? What about the poor people?"

श्री मधु लिमये : वह तो कहता ही। हनें उनका भी खाल रखा है।

SHRI MOHD. SHAFI QURESHI: Not only of the labour, but of the management, of the consumer industries as a whole. This is what I say. By entering the import market, the STC has done a very good service to this country. I would quote a few examples. This country was importing newsprint and still is importing newsprint. It was done by private parties. Prior to these arrangements, indivi-

dual Indian newspapers were importing standard newsprint at an average price of 200 dollars per metric tonne; this was in the year 1960-61. With the entry of the STC into the import market, the price has come down to 145 dollars per metric tonne, a decrease of about 55 dollars per metric tonne. This achievement goes to the STC. If we had left this trade to a few unscrupulous traders within the country, then possibly the price would have been much higher. It was because of the entry of the STC into the import market that we have been able to bring down the prices.

The same thing happened with photographic goods, vegetable oils, sulphur and rock phosphate, mercury and other items. I do not want to take much time on this because I have to cover two or three important matters.

Mr. Vasudevan Nair talked about rubber, cashew, coir and marine products. I quite appreciate whatever sentiments he has expressed. My friend wants to see a gold mine in the Arabian Sea. I wish he had seen it nearer home on the shores of Kerala where thousands and thousands of coir workers and marine workers are living in rags. It is not our fault, if a coir worker is getting only this much. I think, this is the only State in the whole of India where the workers are the lowest paid. Out of 7 lakh workers who are in the coir industry, more than 4 lakhs are women, and an average worker is getting 70 paise for a work-day of nine hours. Is it the fault of the Central Government? There is the Minimum Wages Act. Why does Mr. Vasudevan Nair not see that the State implements that Act there. Instead of seeing a gold mine in the Arabian Sea, he can see real gold which is glittering there.

So far as rubber is concerned, the hon. Member said that we are importing rubber in order to benefit some big industrialists here. If he cares to read the figures in this report he would

have known the correct position. From 1963 onwards the production of rubber has been going up as also the consumption. But the gap between consumption and production is not filled. That is why we had to import rubber in 1963-64. As against the consumption of 61,155 thousand tonnes, the production was 37,487 thousand tonnes. We had to import 20 thousand tonnes. In 1964 the same was the position, I will give the latest figures. The production in 1967-68 will be of the order of 57,684 thousand tonnes. While consumption would be 61,254 thousand tonnes saying that the price of rubber would remain depressed till Government stopped import of rubber is not correct. Whatever imports were to be made and whatever had come to the industry had been staggered over long periods so that the indigenous rubber price does not get depressed. I would like to make it clear to the hon. Member from Kerala that high price will destroy the rubber industry in Kerala. There are certain old plantations and nobody will be replacing these and they will continue with them, affecting the rubber industry and new plantations. Nor is depressed price so good for the rubber industry. So something between the high price and very low price is inevitable and some reasonable price for rubber has to be fixed for the promotion of rubber industry in Kerala which will benefit the grower, the manufacturer and the ultimate consumer.

Government cannot take an isolated view. They cannot think in terms of grower only, they have to think of consumers' preferences also. So far as rubber production is concerned, the grower must get his due, the manufacturer must get reasonable rates and the end-product, whatever is manufactured, has to be given to the consumer at reasonable rates.

So far as cashews are concerned, Sir, we are not hiding the fact that we are importing more than 60 per cent of raw cashews. What is the panacea for all this? It is not that we

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can overnight, by some magic wand, produce all the cashew that we require. What is required is a sustained and determined effort to see that we grow more cashews in this country itself. The countries from which we were importing these raw cashews have now become independent and they have also realised that it is better not to send raw materials out but to send finished and semi-finished commodities out of the country. We should bear this in mind and keeping this in mind, we should realise that the panacea for the ills of the cashew industry is more production, more plantation; and for that purpose we require the assistance and the co-operation of all sectors concerned, whether it is the State Governments, or Central Government or leaders of political parties, because it is a human problem.

So far as marine production is concerned, a reference was made that we require some addition to the fleet of trawlers. The position is that we have tried to help this industry quite a lot. Hon. Members would see that Government has realised that for deep sea fishing trawlers are very necessary. The more catch they have the more exportable surplus they can have in their hands. And for this the Commerce Ministry has agreed to release number of trawlers which will be imported.

SHRI VASUDEVAN NAIR: Have you got complaints from the exporters of sea food industry that you are importing these trawlers through a few other exporters who are not connected with this industry at all?

SHRI MOHD. SHAFI QURESHI: They will be distributed to all the persons who are engaged in this trade. There is no question of giving it to somebody else. The Ministry would see to it that whatever imports are made for the benefit of the marine industry are given to this particular industry and to no other industry.

About the coir industry, Sir, I was there for four days and I had the privilege of having Mr. Gopalan, Mrs. Gopalan and Mr. Sreekantan Nair with me. But the basic fact remains that the coir industry has to be developed within the State also. What is happening is: the hessian which is the basic raw material for it has to be retted in water for six months. This retting capacity is not there for the poor coir growers. And this is exploited by the big money-bags there. I would, therefore, request that the Government of Kerala should create a buffer stock and also create the retting facilities and release it at a reasonable price to the spinners at a later stage. This is for the State Government to do. So far as we are concerned, our job is to see that the export of yarn and exports of coir products go up. The Government recently have reduced the duties to see that the effects of devaluation of the pound are not felt by this industry and the manufacturers of the coir and that the yarn starts moving as usual. I do not think there is any other point. The other points will be covered by the Minister.

SHRI S. KANDAPPAN (Mettur): What about handloom?

SHRI MOHD. SHAFI QURESHI: Yes, the hon. Member, Mr. Kandappan, mentioned about the handloom industry facing a crisis. We very well realise that this is one of the industries, one of the largest cottage industries which gives vocational employment to thousands and thousands of people and it is the job of the Government to see that the handlooms do not suffer in any way. But the basic fact remains that at this time there is a glut in the handloom market and it is our endeavour to see that the handlooms start moving up and the exports of handlooms go up. For this the Government has taken up certain measures. Recently, the four

Chief Ministers of the Southern States met to review the whole situation and certain decisions were taken there and they are under the consideration of the Government and I can assure the hon. Member, Mr. Kandappan, that every effort will be made by the Government to see that the handloom industry does not suffer in any way.

**SHRI S. KANDAPPAN:** I would like the hon. Minister to answer the two points that I have made.

One is: keeping in view the consumer tastes in the countries to which we are exporting our fabrics and to see that the modern design should be carried to the industry, there must be some machinery to see that our handloom industry is modernised so that they could compete in the world market. My other suggestion was that the Government should see to it that the yarn prices do not go beyond the reach of the handloom weaver, by building a buffer stock or by some other method.

श्री न० रा० देवघरे (नागपुर) : किन किन चार प्रांतों के चीफ मिनिस्टर्स की बैठक हुई है ?

**SHRI MOHD. SHAFI QURESHI:** Madras, Kerala, Andhra and Mysore.

So far as the question of exports is concerned, as my hon. friend knows, we suffered very badly so far as Bleeding Madras was concerned. What happened in that particular fabric was that there was over-zealousness on the part of exporters, there was overstocking in the United States, there were imitations made by those countries and there were other countries which had also entered the market and they had imitated this particular fabric. The result was very disastrous. From an export figure of Rs. 10 crores, the earnings from this particular fabric have gone down to Rs. 7 or 8 crores. We have learnt a bitter lesson.

The other point the hon. Member has made that in order to compete in the world market and for the benefit of handloom weavers, the modern designs should be carried to the industry, will be kept in mind.

Another point the hon. Member made was that of shifting the All India Handloom Board to Madras. Sir, the All India Handloom Board is an advisory body with no secretariat of its own. The Textile Commissioner is its Chairman and the Addl. Textile Commissioner is the Vice-Chairman and the Director in the Textile Commissioner's office is the Secretary of the Board. This explains why we are having this Board in Bombay. There is no other reason for this. If the Handloom Board had a separate secretariat, one can understand shifting it to Madras.

So far as the supply of yarn to the handloom sector is concerned, that is under Government's review. I think the hon. Members would know within a week's time the definite, positive steps the Government are going to take to see that yarn is available to the handloom sector at reasonable rates.

**Mr. CHAIRMAN:** Now, Shri Surendranath Dwivedy. He should conclude in nine minutes, because his party has already exhausted most of the time allotted to it.

**SHRI SURENDRANATH DWIVEDY** (Kendrapara): I am conscious of the brief time at my disposal and I shall confine my remarks to the cut motion that I have tabled. That is in regard to the jute industry and the price of raw jute with which this Ministry is primarily concerned.

After devaluation it was expected that our export earnings would go up. But it is a matter of regret that so far as the jute export is concerned, which was one of the largest export-earners for us, it has been admitted that in 1966-67, the earnings have fallen down

[Shri Surendranath Dwivedy]

by 49.7 million dollars as compared to 1965-66. There is no assurance that it will go up in the coming year. Although it has been admitted that in the latter half of 1967-68, there are indications of improvement, I feel that they are not such as would encourage a very optimistic view of the immediate future. Why should that be so? I do not think the Ministry has explained this position anywhere.

Of course, the Ministry has pointed out certain difficulties due to competition from other countries, non-availability of raw jute etc. But we find that very little effort has been made to get over these difficulties and to remove them. The industry complains that there is no margin left for them. I do not know how far it is true. We find that the jute manufacturers and the jute industrialists almost monopolise the entire thing beginning from raw jute, the cultivation of jute and the marketing outside. Since this is an important industry which brings the largest foreign exchange for us, the Ministry should have a comprehensive plan right from the beginning. Take, for instance, raw jute.

I read in some paper that the All India Jute Manufacturers' Association would like to have a buffer stock. The Ministry has agreed for a buffer stock, but they point out that the entire production of jute is not likely to go beyond 7.6 million bales of jute, but their requirements so far as internal consumption and the other necessities including those of the industry are concerned may be slightly more than what is being produced at the present moment, and, therefore, the industrialists want that our country should import raw jute from Thailand. I am glad to observe in the report that Government are going to stop this import and they have cancelled the open general licence. I hope they will stick to that policy.

So far as import is concerned, I do not want to go into the details for want of time, but it is known to everybody what sort of blackmarketing and other nefarious practices are going on so far as the import of jute from Thailand is concerned.

So far as the jute mill industry is concerned, I would like to know whether Government have made any review in this regard and whether they have gone into this question thoroughly and they are in a position to tell us whether really this industry has a case. Why are they losing? As you know, this industry is concentrated in some places, whatever may be the reasons for that. They exploit the labour because the labour wage board reports are never implemented, and at the same time they have almost been given the monopoly to purchase raw jute. They purchase at the cost of the agriculturists. The Minister may come forward and say that 'we have recently taken measures to give price support; it was Rs. 35 previously, now we are giving Rs. 40'. But Rs. 40 where? At Calcutta. I had asked a question to which the reply came that the STC is purchasing, there is no paucity of funds. But figures disclose that actually not even one-tenth of the entire jute production is purchased by STC. It buys through the co-operative marketing societies that exist in different States. I do not know whether these societies have the requisite machinery to do it. But whatever it is, the price for raw jute of Rs. 40 is fixed at Calcutta. It is also admitted that if the jute grower has to sell in other centres than Calcutta, he gets a much lesser price, sometimes Rs. 25, Rs. 20, like that. I am not talking of mesta; I know it would fetch a much lower price. But quality jute never gets a good price. The middlemen who purchase this jute from the growers at a lower price make much profit out of it. If only a fraction is purchased by STC, what is the good? If you want to give a uniform price, price support, then it must be avail-

able to jute growers wherever they are. They must be assured that the STC would purchase the jute, whether through merchants or other agency, at least Rs. 40.

I ask why, in view of the importance of this industry, does the STC not take over the entire purchase of jute? It may appoint merchants as agents, after fixing the price. Then the agriculturists would be assured that a minimum price would be available to them. Because as has been observed, the production of jute varies from year to year, and that is very much related to the price. If the price falls, immediately the jute grower also leaves production. It happens every year. So in order to get over this difficulty and attain self-sufficiency, I think the time has come when STC should enter the market in a big way and purchase directly through government or other agencies from the growers.

Coming to the question of the mills, the jute industry is concentrated in a few places. There are 10 in West Bengal, 4 in Madras, 3 in Bihar, 3 in UP and one in Madhya Pradesh. You will find that Madras and MP practically do not grow jute. The jute growing is mainly concentrated in West Bengal, Bihar, Assam, Orissa, UP and Tripura.

What do we find? The requirements of West Bengal jute mills are much more than the production in that State. So they have to get jute from other places. For their benefit only, the price is fixed at Calcutta. There are several other reasons for it. As has been pointed out, four or five mills were to be closed down because of various difficulties. This is because they are concentrated at one or two places and other places are completely ignored. I know my time is up and that is why I do not want to refer to other points. Repeated efforts were made by the jute growers in Orissa to set up a jute mill there. In U.P., M.P. and even Madras there are jute mills.

The production of jute in U.P. is less than half of what is produced in Orissa and even qualitatively Orissa jute is better and the production in Orissa is sufficient to feed two mills. I know it for a fact that in 1965 the Government of Orissa forwarded a proposal for setting up a co-operative jute mill and provide money in the Fourth Plan but a licence was not given and the Government was asked not to proceed with the matter. The present Government has not sent them any fresh proposal. I want to know why the Orissa proposal was not accepted by the Government of India. No capitalist is going to set up an industry there. The jute growers themselves are prepared to finance the project. The large bulk of jute labourers in Calcutta come from Orissa, I do not, therefore, think there will be any lack of trained technicians to run a jute mill. Paradip port is there for export purposes. If permission is given to start a jute mill, it will facilitate industrialisation of the State and at the same time the grower will get a better price. If the STC does not come into the field, they can go to the door of the mill straight and sell it there. Where there is no jute production, they have given a licence but they have not given a licence to Orissa where jute is produced. I have given a cut motion to press this point. Government should now at least grant the licence for setting up a co-operative jute mill in Orissa.

**SHRI P. GOPALAN (Tellicherry):** The commerce ministry has tried to paint a rosy picture of the recent trends in our foreign trade in its report by saying that our export trade has exhibited buoyancy during 1967.

15.40 Hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Certain figures are given to substantiate their case. There is a jugglery with figures perhaps with a view to conceal the real crisis in operation

[Shri P. Gopalan]

and hoodwink the people. It is shown that there is a sizable decline in trade deficit in 1967 to the tune of 110 million US dollars. But the same figures show that the trade deficit in terms of rupees had gone up from Rs. 667.26 crores in 1966 to Rs. 751.9 crores in 1967. According to the Reserve Bank figures the balance of trade deficit for December alone is Rs. 56.8 crores. This shows that there is a gap of Rs. 808 crores during the last 12 months. This has been described as buoyancy in export trade. Even granting that there is a nominal increase in export trade, does it mean that it is a permanent phenomenon or a temporary phenomenon? At what cost was this nominal increase in export trade brought about? You are giving concessions in railway freights and so many other concessions in the name of export promotion. Even after substantial sums of money from the public exchequer had been lost to these people, there has been a nominal increase in our export trade. It has added to the misery of the common people of our country. What type of export promotion councils you are having? They are dominated by smugglers and racketeers and people of that sort. By these promotion councils they want to promote their own interest instead of promoting the interests of this country. Where is the sign of buoyancy? I take this as a word of a consolation to a dying patient by a doctor who is treating him. It is in the knowledge of all that the balance of trade gap has reached such dangerous proportion that the entire economy is being threatened. According to the figures given by the Reserve Bank, the balance of trade deficit has been widening year after year:

1961-62	..	Rs. 431	crores.
1962-63	..	Rs. 446	"
1963-64	..	Rs. 429	"
1964-65	..	Rs. 532	"
1965-66	..	Rs. 603	"
1966-67	..	Rs. 844	"

This gives clear picture of the sorrow-

ful plight of our economy which is inseparably intertwined with the world capitalist market.

Let us examine now the basic reasons for the increase in the balance of payments deficit. A major part of our export trade is with capitalist countries of the West. The price of commodities that we export to these countries has been coming down year after year while the price of commodities that we import from them had been gradually going up. The table given by the Commerce Ministry on page 139 of the report shows the decline in prices. The price of carpet backing cloth had gone down between 1966 and 1967 from 657 to 611 US dollars. Sacking cloth has gone down from 422 to 297, of cashew kernels from 1238 to 1101, of pepper from 847 to 709 and of cardamoms from 7310 to 6299.

I will now give certain other figures to show how we are looted by the advanced countries. In 1951, the price of burlap jute cloth was 27.22 US dollars for 100 yards. By 1966, it gradually came down to 14 dollars for 100 yards. In 1951, coffee was sold at 48 dollars per 100 lbs. In 1966 it came down to 34 dollars per 100 lbs. Rubber was sold at 54 dollars per 100 pounds in 1951. In 1966 it came down to 35 dollars. The price of coconut oil was 18 dollars per 100 lbs in 1951. In 1966 it came down to 13 dollars. This is the secret why our trade deficit has reached such a dangerous proportion.

Here, we have to take up the question of our trade relations with the so-called developed countries, especially the capitalist countries. It has been calculated that in the year 1966 alone, the entire developing countries in the world had a loss of seven billion dollars because of unfavourable terms of trade. If the total loss for the developing countries from 1951 to 1966 is taken into account, it comes to about 63 billion dollars, that is, Rs. 47,250 crores. This is more than

twice the national income of our country at the current prices.

As far as India is concerned, between 1951 and 1966, our terms of trade have become 16 per cent more unfavourable to our country. This is the way in which the developed countries are helping the developing countries. In this connection, I would like to quote Mr. Jose Magalhaes Pinto, the leader of the Brazilian delegation to the UNCTAD II.

He said:

"In the present situation the poor countries are contributing to the accumulation of wealth in the industrialised nations through trade. Resources are transferred from the underdeveloped to the developed, from the poor to the rich, like a blood transfusion in reverse, from the weak to the strong."

He goes on to say:

"If Brazilian exports in 1967 were valued at 1953 price-levels, our revenue in terms of foreign exchange would have amounted to 2.5 billion dollars, or 800 million dollars more than what we actually received. Accordingly, it follows that in the period from 1954 to 1966, Brazil lost the equivalent of five billion dollars, a sum that exceeds all forms of foreign assistance during the same time span."

In the case of our country also, we are allowing this blood transfusion in reverse to be operated, even though our entire economy is on the death-bed. We know that more than 80 per cent of the total export trade in the world is controlled by the so-called developed countries of the world. They do not want to give any concessions and they do not want to give up their privileged position that they are enjoying at present. That is the reason why UNCTAD II has failed to achieve any substantial results.

Now let me come to the question of domestic trade. Our domestic trade

has fallen down and our domestic market has shrunk. The result of this is that the rate of rise in industrial production has gradually fallen down. In 1963, our industrial production increased by 9.4 per cent than the previous year. In 1964, it increased by only 6.3 per cent. In 1965, by 5.6 per cent, and in 1966, by 2.6 per cent. In 1967, it increased only by 1.4 per cent. This is what Mr. Dinesh Singh calls the buoyancy in trade, and here we see that our entire economy is suffering from various crises. The textile industry is in a crisis, the handloom industry in Kerala is facing a serious crisis, an unprecedented crisis. I do not want to go into all these details, but I would just like to mention something about the State Trading Corporation's functioning.

The State Trading Corporation has been rightly termed as slow trading corporation. Trade in the hands of this State Trading Corporation is moving very slow. Moreover, it is facing a stiff competition at the hands of the private trading agencies. Therefore, the only remedy is nationalisation of import and export trade.

Lastly, I would like to say something about the UNCTAD II Conference which was recently held. Yesterday, when Mr. Dinesh Singh was speaking about the role that India has played, he said that India has played a glorious role in the UNCTAD Conference. What has been the achievement of this conference? What has been the role of India? India was cringing before the capitalist countries for crumbs. What was the result of this conference? Nothing substantial came out of it. The developed countries, or the capitalist countries in the world especially, threw some crumbs and you have had to cringe for concessions with a begging bowl in your hands, and that is the result of this UNCTAD Conference. At least you have been left in the lurch by those godfathers upon whom you pinned your hope for the development of our economy.



[Shri P. Gopalan]

I have no hope that this Government will depart from the policies you are following, nor can you do so. The reason is very clear. Your economy is closely intertwined with the world capitalist economy, which itself has entered the stage of moribund capitalism. The devaluation of the pound sterling and the serious dollar crisis have shattered the myth of stability of capitalist economy. All the capitalist countries in the world expressed concern at the sinking of the dollar except one. And that, is India. Our Finance Minister said, he was not at all perturbed by the dollar crisis. Why should you be concerned about it when your whole economy is tied to the US economy and you are surrendering one by one the great posts of independence and economic freedom to the imperialist countries in this world?

MR. DEPUTY-SPEAKER: He should conclude now.

SHRI P. GOPALAN: Yes, Sir. In Asia, there is a country which has build up an independent and powerful economy without depending upon any powers. That is China. You may disagree with the political system there. You may have some boundary dispute with that country, but the fact remains that China has built up within 19 years of independence a powerful economy and has provided a good future and prosperous life for the 750 million people of that country. This is an example of the benefits of following an independent economy, but you have failed and you have not been able to build an independent economy.

15.52 Hrs.

STATEMENT RE: TELECOMMUNICATION SERVICES BETWEEN INDIA AND PAKISTAN

THE MINISTER OF PARLIAMENTARY AFFAIRS AND COMMUNICATIONS (DR. RAM SUBHAG

SINGH): A meeting of the representatives of the Tele-communication Administrations of India and Pakistan was held at New Delhi from March 30 to April 2, 1968.

The Indian Team was led by Mr. L. C. Jain, Chairman, P & T Board and the Pakistan Team was led by Mr. Mir Mohammad Hussain, Director-General, Telegraph and Telephone.

The two Teams reviewed the working of the telecommunication services in the light of the Agreement signed at Karachi on October 11, 1967. It was observed that there was steady improvement in the services between the two countries after these were fully restored on November 1, 1967. The meeting discussed measures to be taken for further improvement in these services. In this regard various measures were agreed upon. Both the Administrations agreed to instal improved equipment in their respective countries on the three major routes, namely, Lahore-Amritsar-New Delhi, Calcutta-Dacca and Karachi-Jodhpur-Bombay. It is hoped to complete these improvements by the middle of May, 1968.

The two Teams examined the Pattern of traffic between the two countries and it was felt that, to ensure free flow of traffic between the two countries, accounting procedures could be conveniently simplified to the mutual benefit of both the countries. After discussions it was agreed that for terminal traffic exchanged between the two countries, there may be no sharing of revenues. This arrangement will be effective for all traffic between the two countries from November 1, 1967.

It was also agreed that the telegraph and telephone rates for traffic from one country to the other may be streamlined and these should be comparable in the two directions. The