finite patience, but what I hate is the idea of discussing things here in the forum of Parliament rather than with you m your chamber I have heard a remark from Mr Hem Barua that the conduct of the Deputy Speaker should be probed into It may be the conduct of the Deputy Speaker is good bad or indifferent, but is it right, is it fair, is it proper, is it honest, is it just, to say that kind of thing about a person who is a dignitary of the House Till we have pushed him out we have no business to speak in this manner Please make some observation in regard to the propriety of conduct inside the House by people on this side of the House as well as on that side

Shri Hem Barua: On a point of personal explanation When I said like that I had reasons for saying that, and I want the dignity of the House to be maintained What has pained me is that the Deputy Speaker when he is in the Chair, makes comments and betrays a partisan attitude

Mr Speaker Shrimati Kripalam

12 32 hrs.

DEMANDS FOR GRANTS—Contd MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS—contd

Shrimati Sucheta Kripalani (Gonda) Thank you very much for giving me an opportunity to speak particularly when there is such a scramble for time

The Ministry of Industrial Development, after reorganisation, holds a very crucial position in the development of industries of this country, because it is responsible for promotion of industrialisation, for planning, for development and control and assistance to industries as well as for the formulation of general industrial policies and various other things. Therefore, this ministry is in a position now, if it has a pragmatic

approach, to formulate prudent policies and implement them to take this country out of the economic depression in which it is finding itself

From all accounts, the industrial situation in this country at the moment is very serious. The report of the ministry while acknowledging this says that mainly the blame is on the two years of drought I do admit that the agro-based industries have suffered on account of the drought There is a serious situation m the sugar industry textile industry and various other industries, and may be in other ancillary industries But to blame mainly the drought for the depression would be very incorrect Our policies have not been correct there have been defects m implementation, lack of co-ordination, lack of rapport between the Government and the industrial interests These are some of the reasons should say they are the more grave reasons for the depression in industry that we see today

Let us take, for instance the credit policy to which Mr Desai also made a reference as also other members before me The credit squeeze was imposed to remove pressure from prices, but in actual fact what was the effect? It starved the industry, it retarded production it did not achieve the objective for which it was done The idea was that speculation and cornering should be stopped, but speculation and cornering could be stopped Perhap it could have been handled by some other method Government have other means For instance, the Forward Markets Commission could have done something

Why was it that we failed in our objective? We failed in our objective because there is too much black money all over Attempts have been made year after year to control black money, but we have not succeeded. Therefore, we have now to see that we take some drastic steps to see how this underground moves can be

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pronaut no it host causor success in any other way, then you must inink even of very drastic measures as demoneusation because we cannot allow this money to distort the policies we lay down and the programmes that we wish to implement A very serious measure that has some to depress our economy is devaluation. I think this was one of the devastating mistakes that we committed because our imports have a rigid pattern There are certain imports without which we cannot do We have to import food, for instance The pattern of production that mas come about in this country is based on imported raw material and components and spares and if we do not import these things these industries will come to a grinding halt Therefore our opportunity for cutting down our imports was very little Where there was such a rigid pattern, we should have thought twice before devaluation. The result was that it did not help our imports or our industries but it merely increased the cost of production We are suffering from cost push inflation. In such a situation we should take every care to see that we do not aggravate the situation and that we do not increase the prices I am talking as fast as possible because I am aware of the difficulty of time these have contributed to the slowness of the growth not only to the slowness of economic growth but also to recession The recession is staring us in the face Some people may describe it as a slump It is much more serious The recession in demand is so much that even units with declining production are unable to clear their output Let us examine only one industry-engineering industry I am getting reports that in UP unit after unit is Recently news appeared closing from Bombay that 7500 people had been laid off because the units could not support them any more. In the engineering industry today there is so much idle capacity The machine

4001 industry is usually the parometer of industrial activity, it is very hard hit. The HMT factory which nad unsold stocks of 25 crores last January may have cleared a little. They are producing goods worth Rs 15 crores per month. How much are they selling now? What is their stockpile? The heavy engineering industry accounts for eighty per cent of the entire engineering industry, that is one of the worst sufferers. Let us take structural fabrication Structural fabrication has a registered capacity of 650,000 tons It has orders on hand for 50,000 tons, to one tall ton There is thus a huge idle capacity in structural fabrication The same position holds good for textile machinery Today it is working 30 per cent less than its capa-Wagon building industry is seriously affected since the Railway Board decided that they would cut down their purchases. It is working to fifty per cent of its capacity As a result of the dwindling demand for wagons other industries also catering to wagon building industry, are affected because wagon components like iron and steel casting steel forgings and so cannot sell their goods There are a dozen of these industries which are suffering because wagon construction had been cut down Not only this Steel foundry whose 70 to 80 per cent capacity is used for wagons also suffers and in turn it affects the steel industry Rolling mills cannot produce and they had to cut down Even steel milis are unable to sell their ingots. In that way there is a chain reaction and the entire engineering industry is in a bad way

Let us take our public sector projects I am one of those who believe in the public sector projects and I would like to see them do well The heavy engineering project in Ranchi was built at an investment of Rs 250 crores The idea was that this will produce the heavy machinery equip-

mens needed for the whole country. I am told that that it is working to ten per cent of its capacity. If it is so, there is something very seriously wrong with it. We must put it right. We anould also see how all the three steel mills in Rourkels, Bhilai and Durgapur are working. Why is production falling there? If production is dalling, let us at least look into it and see how We can put things light. These are completely government controlled industries and we can put things right if there is a will to do so. Some people in authority say that the recession problem can be solved by diversifying production as well as having larger exports is easier said than done You have to export in a competitive market Our cost of production is very high and the cost of raw material is high We are underutilising our installed capacity There is low productivity These are very serious and basic causes which we have to overcome if we have to capture the foreign market Therefore, if we want to really push our exports, then we have to make the industrial raw materials available at the international prices We must also make efforts to remove the drawbacks in the excise and customs duties, and we must simplify the Government procedures fiscal and monetary policies need revision before we can even think of really winning the foreign market where we can push our exports All these matters have to be approached from a pragmatic point of view and pushed up with great firmness

Then, only by mere exports, we cannot save the industry and improve our economy. We must have a sizeable Indian market. In fact the home market should be of such a size that economic scale can be effected so that the price of the export commodities can be kept down. In order to do that, it is most important that the economy should be revived and the prevailing recessionary conditions should be besten

I would like to give some instances of mefficient working, as regards policy as well as implementation of the policy I will give you an illustration of the automobile industry. For the last 20 years, we are hearing so much about the automobile industry So many committees have been appointed and so many complaints have been made But what is the condition of the automobile industry in this country today? Today, the situation is completely monopolistic. The price of the automobiles is rising, there is a price spiral, and the quality has come down like anything. There has been a great hue and cry among the public; as a result of this hue and ery, a committee has been appointed I do not know whether ultimately the committee's findings will pressurese the Government to take some suitable action or the committee's findings will be to shelve the issue so has been done for the last 20 years The automobile industry needs to be put right and the monopolistic situation must be ended.

Next, I want to give an instance of shocking administrative inefficiency. I will just give a small example. In this budget, we have imposed an extra levy on power looms. The reasons have been given by the Finance Minister. I will accept them; I do not mind if an extra levy is imposed on power looms. But the House has a right to get correct figures from the administration. The House must not be misled. The Fin-

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ance Minister has said that the total yield out of this extra levy would be Rs 780 crores This figure has been challenged by the Chairman of the Federation of Cotton Power Looms Associations The Chairman says that the total yield would be Rs 52 40 crores and not Rs 7 80 crores I would request the Minister to look carefully into it The other people who have made more careful calculation say the yield would be about Rs 60 crores know the Ministers do not make the calculations, and that the calculation is worked out by some officers But who is that officer who misled the Minister? If he has been misled then to what extent

Every day, new taxes are being imposed. We are suffering under a heavy burden of taxation fore, we would like to know whether there is such a miscalculation in the Government's accounting as a result of which there is such a great disparity in figures On the one side the Government said that they are going to get less than Rs 8 croies while on the other, the industry says that the total amount would be almost Rs 60 crores If it is so, it is high time that we mend these matters

Mr Speaker. The hon Member must finish now She has taken more than 15 minutes today

Shrimati Sucheta Kripalani know the Government is very anxious to help the industry and help the sick textile mills They deserve to be helped But I would like to know how they have been persuaded and what pressure has been used so that such wrong figures have been put before the House If the figures are wrong I shall be most happy if they are corrected

One word more and I shall finish What is planning? What is our policy and what is our implementation in regard to our industrial plan-

ning? The Industrial Policy Resolution is the sheet-anchor of our policy. Have we made any assessment of it? Have we seen to what extent this policy has been followed? Have we assessed whether we have deviated from the policy? Is it not time we make a proper assessment whether we are on the right lines or not? The Directive Principles have prohibited concentration of wealth But to what extent the directions laid down in the Constitution have been violated is now known to us through the report of the Monopolies Commission Fortunately we will have a change to dilate upon this when we have the debate on the Monopolies Commission's report

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These are very basic things Whoever presides over this ministry as well as the Cabinet should consider these things if they are desirous of taking this country out of the economic depression and put it on the road to economic development These are basic and vital matters which need very careful and honest probing into I would therefore, humbly request the minister to look into all these matters and see in what way recession can be checked, because we are going to face very serious times The country is suffering from chronic uncomployment and underdevelopment If on the top of it we have recession I do not know what is going to happen Therefore, I consider it to be one of the most important and basic problems which need to be looked into by the ministry should make a realistic assessment of the resources, raw materials and also human material and then decide how we can proceed and develop the country and take the country out of the present economic depression

श्री जार्ज फरनेन्द्रीज : (बम्बई दक्षिण) मध्यक्ष महोदय, मैं नियम न० 340 के मातहत इस बहस के बारे में स्थगन प्रस्ताब रक रहा है।

मभी माननीय श्रीमती सुनेता कृपालानी ने बहुत ही गम्मीर मारोप लगाया है कि बजट की पेश करते हुए सरकार की घोर से ऐसा कहा गया कि पायर नूम पर जो नई लेबी लगाई जा रही है उस से करीब 8 करोड स्या मिलेगा जब कि मार्गीय मदस्या ने बतलाया कि यह हिराम 8 कराड का नहीं रहता, 52 करोड का हो जाता है। घसल में कई लोगों की घोर से तो 75 घरोड तम की हिसाब लगाया गया है। यह मामला इतना गम्भीय है कि ध्रमर हम सरकार के उपर किमिनैलिटी का घारो। धी लगाये तो बहुत कम होगा।

Mr. Speaker: You will have to write to me I cannot allow a discussion.

भे जानं फरनेन्डेज : मैं नियम 340 के मानहत यह प्रस्ताव रख रहा हु।

डा॰ राम मनोहर लोहिया (कन्नीज) प्रध्यक्ष महोदय, श्राप नियम 340 को पढ लीजिये

"At any time after a motion has been made, a member may move that the debate on the motion be adjourned"

यह बिल्कुल साफ कहता है कि बाव विवाद को .

Mr. Speaker: Kindly read the next rule also, so that it may be clear.

डा॰ राम मनोहर लोहियाः ग्राप पड लीजिये। 340 हमारे हरू मे है, वही पड्गा न[?]

Mr Speaker: I will read that portion

डा॰ राम मनोहर लोहिया : धाप मेहरवानी करके जो मेरे हक की चीच है उसे ग्रच्छी तरह सुन लीजिये। Mr Speaker: You are going into the merits Mr. Janardhanan has to speak. Any way, the debate would not be adjourned.

बा॰ राम मनोहर लोहिया: प्रगर प्राप चाहेगे तो प्राप ने हक वाली चीज भी पढ कर मुना दूगा। इसमें कोई हर्ज नहीं है। लेकिन प्राप जरा इस बात को भीदेखिये कि जब सरकार ने यहा पर प्रस्ताव रक्खा है कर्मा के अपर कर लगाने का तो उस में एक एक बरभे पर 6,000 ६० का

Mr. speaker: Rule 341 says:

"If the Speaker is of opinion that a motion for the adjournment of a debate is an abuse of the rules of the House, he may either forthwith put the question thereon or decline to propose the question."

डा॰ राम मनोहर लोहिया ये ठी वि है। विकास्थान की बात है। यह स्थान क्यो हा? यह बहुन गम्भी वात है जब कि 75 करोट रुपया इस टैम्स स माने बाना है भीर विक्त मनी ने केवल 8 करोड रुपया बतलाया ह। मैं समझता हू कि ईमान का जो काम होता है उस के लिये जो मजा मिलनी चाहिये उस से ज्यादा सजा इसमें मिलनी चाहिये।

Mr. Speaker: It cannot be raised like this After all, Shrimati Sucheta Kripalani has pointed out that there is a lot of difference between the figures given and the figures supposed to be supplied by somebody else

श्री जाजं फरनेन्डं जः दस गुना।

Mr. Speaker: It may be ten times, it may be hundred times. The difference has been pointed out by her I am sure the hon. Minister has noted it down. I do not think he should answer to that point immediately now

[Mr Speaker]

because then there will be a separate debate on that He can reply to that point in his reply at the end of the debate on the Demands

डा० राम मनोहर मोहिया उनकी बात सुन लीजिये धच्छा काम कर रहे है। एक्यूच माफ रूल्च माफ दी हाउस के बारे में बाप फैसला करेगे न?

Mr. Speaker. We have only ten minutes more I do not want to deny other hon Members a chance to speak on these Demands After all, they are also regular Members and they should not be denied a chance to speak by raising points like this

अप० राम मनोहर लोहिया हम भी तो चुन कर साथ है ऐस हातो नहीं ग्रा गए हैं।

Shri C Janardhanan (Trichur) Sar, it is now openly admitted by everyone that there is a recession in our industry

Mr Speaker I may remind Shri Janardhanan that he will have to conclude before we rise for lunch He may adjust accordingly

An hon. Member Sir we may adjourn for lunch five minutes late

Shri C Janardhanan Sir the industrialists have taken the offensive by closures by mass retrenchment and by wage freeze Some units of our public sector also have closed down The situation has become very serious and it calls for drastic action I am afraid the actions taken by the Government so far will serve only to deepen the crisis and not to solve it

The so-called new economic and industrial policy of this Government has gone definitely against its 1956 industrial police resolution They have already scuttled or begun to scuttle the public sector Yesterday. some of my hon friends from the other side, when they spoke, they were all for abolition of the public sector But, Sir, I am against it, I am for the public sector I want the public sector to be enlarged to be strengthened and to be made more powerful than our private sector. But that does not mean that I agree with all that is going on now in the public sector Mismanagement, corruption, nepotism, inefficiency, everything is there and if the Government is not going to take immediate action to curb all these things, to eradicate all these things, the apostles of free enterprise will utilise all these things to mobilise the people against public sector, and that should not be done

Sir as I said the Government is slowly scuttling the public sector scheme In the 1956 resolution they had declared that they would not allow private enterprise to enter the public sector and if I remember correct both steel and fertilisers are included in that But now Sir Government is handing over fertiliser to an American company I think there is an offer for a private steel mill also In this way step by step the public sertor is weakened and the Government is going to sabotage the earlier policy Added to this comes the liberalisation of imports It strikes at the root of our endeavour for selfreliance Permit me Sir to quote here the Economic Times, which says

'The programme of import substatution initiated after the suspension of Western aid towards the end of 1965 has suffered a serrous setback due to the liberalisation of imports The programme was beginning to make headway and there was hope of substitutes being found in vital fields such as non-ferrous metals, chemicals and metallurgy now with imports being allowed, even those metals which have been developed indigenously, some of the units may have to be closed down or at least work below capacity Work has also been slowed down in those projects where desired results had been achieved and only commercial exploitation was to be resorted to"

No more comment is necessary on this point.

In the Industrial Policy Resolution of 1958 the Government had declared that it would not allow concentration of capital in some hands. But whatever the Government had done all these years only promoted monopoly, instead of checking it. Indian monopoly capital has grown beyond recognition during this period. The report of the Monopoly Commission says that our national wealth is concentrated in the hands of 75 monopoly houses. All of us know the latest notorious Birla scandal about licences The industrial policy and the licensing system have served only the interests of the monopolists and not the common man. Foreign monopoly capital is also making more and more inroads into our economy Even though in our Industrial Policy Resolution we have made provision against monopolies, they have grown all these years and they are growing still The situation has become very serious, because the Government departed from the 1956 Industrial Policy Resolution and allowed the monopolies to grow and allowed foreign capital to make inroads into our economy

Because of all this the public sector is being weakened. But the Government is trying to meet the economic crisis, the industrial crisis, in the capitalistic way. When the world capitalist system is itself in crisis, they cannot solve problems in the old way. Only by taking radical steps immediately could they solve the problem. They must try to nationalise foreign capital and curb monopoles. Then alone will they be able to make progress in this field.

The Industrial Policy Resolution of 1956 lays down:

"In order that industrialisation may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced."

This Government did not implement that part of the Resolution and there is no hope that in the near future it will implement it. If anything, the disparities are increasing as time passes. The backward regions remain backward even now. Take the case of Kerala, from where I come. For historical and other reasons, Kerala is a backward State. But what is our experience of removing that backwardness during the last ten years. During the first and second Plan Kerala was neglected. In the First and Second Plan a negligible amount of Rs. 0.79 crores was invested in Kerala as against Rs. 920 crores in the whole of India. In the Third Plan an allotment of Rs 71 crores was made for Kerala as against the all-India investment of Rs 1,261 crores. But the actual investment was only Rs 30 crores, because some of the Central schemes of industries did not materialise

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I will give only two or three examples There was provision for two precision factories in the Third Plan. One was given to Kota, Rajasthan and the other to Palghat, Kerala. The Kota factory was finished in December, 1966 but only the foundation tone was laid of the factory at Palghat in December 1966. Just see the difference!

Then, in the Draft Outline of the Fourth Plan there is provision for the development of the Hindustan Machine Tools factory at Kalamassery, Kerala, but a couple of days back to a question by some of my hon, friends the hon. Minister replied that that plan was dropped because stocks were accumulating in HMT.

My hon, friend, Shri Sreedharan, this morning asked a question about the titanium factory and the hon. Minister said that they had promised some help to the State Government. That Government secured the licence in 1961 for the expansion of the titanium factory and they were trying for foreign collaboration, but they did not get it. Now they have asked

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for some help but the Government is not giving any help. They have provided only Rs 35 lakhs while that Government asked for Rs 50 lakhs at least for this year

I do not want to raise the question of phytochemicals and so many other industries which were never given to Kerala But I do not think that these things have happened accidentally It is a deliberate policy of this Government, we believe, because this Government wants certain regions to be kept backward as their base for raw materials and cheap labour

There must be a reason or explanation for that because in Kerala we have got everything for industrial expansion We have an intelligent, educated and hard working labour We can supply electricity at cheaper rates than many States can We have natural resources We are earning more foreign exchange than any other State Then, what is the explanation for keeping Kerala as a backward State? This one cannot understand That is why I say that it is a deliberate policy of the Government to keep some regions backward

I think, our people will understand these things They know 'heir rights They know how to fight for their rights They have shown to this Government more than once how they can fight this Government No more talk of national integration will solve this problem Therefore I appeal to this Government to take immediate steps to industrialise backward areas ike Kerala.

Shri Vasudevan Nair (Peermade) Andhra also

Shri C. Janardhanan: Andhra also All States which are backward States must be given industries, then only backward regions can come up and through that national integration will be achieved

Mr. Speaker: The Minister will reply round about 215 and we hardly have 15 minutes for one or two speakers If for any reason the Minister's reply is postponed then we will not have any more Demands in this Therefore I appeal to hon. House Members that even if they do not get a chance they should let these Demands be over so that tomorrow we could take up some other Demands

and Co Affairs)

We shall now adjourn for Lunch and meet again at 2 o Clock

13.04 hrs.

(The I ok Subha then adjourned for Lunch till Fourteen of the Clock)

(The Lok Sabha re-assembled after Lunch at four minutes past Fourteen of the Clock)

[MR DEPUTY SPEAKER in the Chair] DEMANDS FOR GRANTS-Contd MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS-Contd

Mr Deputy-Speaker Shri Ahmed

Shri R D Bhandire (Bombay Cential) Wha about this side?

Mr Deputy-Speaker We have only 15 minutes more I have to finish 'leir time I am sorry

Shri P K Ghosh (Ranchi) The time may be extended

Mr Deputy Speaker. It is very difficult The Speaker has already declared that the Minister would be called at 215

Shri Kartik Oraon (Lohardaga) I also want to speak on this

Shri P. K. Ghosh. We are prepared to sit late in the evening

Mr. Deputy-Speaker: Today Speaker has said that we must finish this Demand before \$.00. The Minister will take about 45 minutes. I know that Mr P K Ghosh has been trying since yesterday I will first finish with the Opposition and then, time permitting, we shall see (Interruptions)

Shri Kartik Oraon. I just want five minutes

Mr. Deputy-Speaker. Next time I will give him ten minutes, but not this time

Shri J Ahmed (Dhubra) I do not like to take my time in narrating the industrial development of the country as a whole, but I will confine myself to my State, namely the State of Assam I have gone through the de mands for grants of the Ministry of Industrial Development and Company Affairs for the year 1967-68 and it pains me that our hon Minister, who is a man from Assam has not included a single industrial concern for Assam I have also vainly searched the notes on the important schemes that have been given I went through them and I find that not a single scheme for Assam has been included The other day, when I was speaking on the Railway Budget, I mentioned a word about the jute industry After the partition of India into Indian Union and Pakistan, the major jute-producing districts have gone to Pakistan All the jute industries are established in Calcutta in Bengal With the Partition and after the 1965 war with Pakistan our trade in the jute sector has totally stopped. The railways that we have are not able to carry the jute that is produced in Assam I expected that our hon Minister who is from Asam, would try to have a jute mill at least in Assam in the public sector

Shri Himatsingka (Godda) Future of jute mills is very dark

Shri J. Ahmed Yes, Sır, it is very dark It seems that Assam has been given up by the whole of India Our future is very dark We do not know where we are going We may be included in China, we may be included in Pakistan; we may not be in India. 1499 LS—8

Our fate is very dark I know the hon Member and I thank him for this. Our fate is very dark That is very Unless something is done by the Government of India, surely you are going to lose Assam Our late Prime Minister Shri Jawaharlal Nehru, during the time of Chinese war said that this time we could not protect Assam Probably you are giving Assam to somebody I do not know to whom It may be to China or Pakistan or somebody else But it seems that the people of Assam are losing faith in this Government They are not having any kind of development No private industrialist is coming forward to establish iny industry newly in Assam because of its unsafe position The only indus try which is there namely the tea industry is being neglected

We have heard from the Deputy Prime Minister Shri Morarii Desai the other day that foreigners m this country are taking away as profits much more than what they were taking before In spite of the fact that some portion of our industry is managed by foreigners and some portion has been taken over by our people we find that the profits we are earning and the exports we are making have been deteriorating But the foreigners who are here are making huge profits I know that 50 per cent of the tea gardens in Assam are managed by Indians I know what happens at the Calcutta auction every time The tea which comes from the tea gardens managed by our people and which is sold at that auction fetches much less profit than that sold by the foreigners who are still there What is the reason for this fact that their tea fetches more? The reason is that our industrial concerns do not care for the quality and its improvement They look only to the profit motive It has also been reported that sometimes, our businessmen who are managing the tea industry mix the tea with leather sweepings and then sell it at the Calcutta auction These are the things

[Shri J Ahmed]

going on Unless we improve the quality, unless we have tea of a proper standard, we shall not be able to earn much foreign exchange and we shall be losing So, I would suggest to the bon Minister that the Indian concerns which are losing and which are not earning and which are not keeping up the standard must be nationalised and they must be purchased by Government

Shrimati Jayaben Shah (Amrelı) The tea industry is under the Commerce Ministry

Shr J Ahmed The same thing is true of the ju e industry also

In regard to industrial develop ment, I would submit that industry has to develop where raw materials are found m abundance So, industries must be located at places where the raw materials are found in abundance. I understand that the Government of Assam have taken up the question of starting a jute mill on a co-operative basis at Nowgong probably, but I feel that it should have been located in the Goalpara district which is producing the best quality of jute and perhaps also the largest quantity of jute m Assam Next to East Bengal Assam comes in the matter of jute production So, I would request the hon Minister to have a jute mill in the district Gozipara I would like to submit that there is enough land in Rangamati which was the headquarters of Mogitul emperor at the time of invasion of Assam There is enough land, and it is just near the Brahma putra fiver The communication good there So, I would request the hon Minister to have a jute mill in the public sector at least in the Goalpara district Then I come to

Ber. Deputy-Speaker: The Industry Minister is well acquainted with the problems of Assam.

Shri J. Akmed: He is, but he is not taking interest I have gone very carefully through the Demands for

Grants of this Ministry; not a single industry has been included in it for Assam I am sorry to say that so many problems have been created in Assam Assam has become a problem-State, and if nothing is done, if no improvement is made, industrially and otherwise, in respect of defence and so on, I think we are going to lose Assam Then I do not know what will be the fate of Assam

Indust. Develop.

and Co. Affairs)

When I came to Delhi, I found in the quarters allotted to MPs and also government officials and Ministers fencing by hedging At first I thought that these were tea bushes But on closer scrutiny, I fourd they were not This Ministry has got no brain of industry If these hedges could have been of tea bushes, probably in Delhi alone we could have produced thousands of pounds of tea and to that extent, more foreign exchange could be earned by the tea mdustry

What do they do in Japan? Japan, it is a home industry We are spending money on putting up this hedging and also maintaining, trimming it every month Why not make these hedges of tea bushes? I would request the Ministry to take up this matter and see that the hedges of Government buildings and bungalows in the capital are made of tea bushes This as I said, will help us earn more foreign exchange than we do at present

Shri Tenneti Viswanatham (Visakhapatnam) The history of the policy followed by this Government in regard to industrial development shows that it has been a policy of vacillation The public sector versus private sector controversy has been argued for twenty years now Sometimes, the policy has two faces. When it comes to tacing the electorate, they advocate for an expanding public sector, when they face the private sector they advocate its pilace also But in practice, it has always been helping only the private settle. That is the history

I will tell you the reason why it is like that. In pre-independence days, the nation identified itself with swadeshı industrialists. The industrialists helped the nationalists to an extent In act, many of us who were in the Congress were always in the habit of helping the industrialists in the fond hope that these industrialists would stand by the people when independence was attained. I remember in 1926 when Government wanted to give a subvention of about Rs. 12 crores to TISCO. In the All India Congress Committee, a proposition was brought forward by Pandit Motilal Nehru that the AICC should support it. Then a very simple request was made by some of us that this company should give additional training facilities to Indians I remember very well that the managing director of the company then said. "It is all very well to talk of nationalism, but I cannot forego my business talent I cannot do it. I can only take two" That is the way in which the industrialist has always dealt with the people of this country, and that is the conflict here The mind is towards the private sector, the profession is towards the public sector

That is why in the public sector also a sort of psychology is created that it cannot function, that is the psychology sedulously created even by those who are kept in charge of the public sector I do not know why. If people have no faith in the public sector, why not remove them? If you have no faith in the public sector, let it stop, there is no harm. After all, America is a private-sector country, it is progressing; Russia is a public-sector country, it is progressing. The truth is you must have faith in what you do. If you have no faith in what you do, your idealists or profession or your election manifesto will carry you nowhere.

In fact, the whole economy debanic is due to this, and we have limited ourselves in what is called mixed economy. May I submit that the socalled mixed economy has been an immixed evil to this country. It has fostered corruption, it has encouraged industry utilising Government for its own benefit, it has encouraged the weaker section of politicians to fall into the hands of these business minded industrialists who want to thrive upon this kind of economy.

In fact, that is the reason why you have got this Hazari Report, the Monopolies Commisson's report, the Mahalanobis Committee's report. What do all these reports show? If the planning was meant for the benefit of the people, why did the wealth of this country go into a few houses?

This Government must, at least now, in the fourth plan period make up its mind whether it stands for the people of this country or whether k stands only for a few industrialists. That is the question.

Even in the company law there is always this two-faced provision. There is always a strong provision against the industrialist. friends here were complaining that it is very stringent I was surprised to hear it. Except that it requires a number of forms to be filled up, it 14 the most lax form of administration. The section is against the industrialist, but the proviso is always in favour of the industrialist, and it is the proviso that determines the law. It is the tail that is wagging the dog. That is what is happening. We know something about the company law. What is the use of the industrialist complaining against the company law.

In fact, at the time the company law was being drafted there were several provisions by which Government wanted to give powers to courts. The present Government is perhaps thinking of doing it, I do not know what exactly they are going to do. But then the businessmen met in Calcutta and said: let the powers be taken by the Government, for it is easier for us to manage the Government, you cannot manage the courts. That was the psychology with which

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[Shri Tenneti Viswanatham] the company law itself was framed. The compay law is meant to help the industrialist, and the industrialist is the person who helps the Ministers.

Of course, people will get wounded if I say that they are in the hands of the businessmen, but look at the enormous amount of political subscriptions that they gave By the end of 1956 they collected nearly Rs. 5 crores from the various companies for the 1957 elections I drew the attention of the then Prime Minister I put it in writing Probably in his records you might find it I said it was impossible to manage these industrialists if you take large subscriptions from them All that he said was "I shall see that no sharp practices are indulged in". And he also added that they were actually helping some of the other parties. Our troubles began from then when once we got into the hands of the industrialists It is not the fault of the ındustrialists The industrialist exists for his profit; he does not exist for the sake of the country country is incidental to him; his profit is primary. But it is the duty of the ruling party, of the Government to see that they are not guided by the industrialists What has happened to the management of the banks? Who manages the banks? The directors of the Reserve Bank or the State Bank-most of them are persons who are in the hands of these industrialists; their policies are all guided by them. That is why these monopolies have come in in spite of all the provisions that there shall be no concentration of the means of production or of The Congress government wealth. had all the powers and the House was willing to give full power to the government although some of us thought that they should not have so many powers and power should not be concentrated so much in the hands of the executive. Parliament was always indulgent to the government. How does the government use these powers? Only to help the industrialists. That is why we are in

If today government this trouble. wants to help the nation, it must see that they are not at the beck and call of the industrialists. Most of these people do not turn towards the interest of the nation. We did not get independence to utilise the resources and the manpower and the brainpower to help five per cent of the population or two per cent of the population. We fought for independence not only for sentimental and political reasons; we fought also for the economic uplift of the people, the vast masses in this country who were being ground down by poverty. Have we achieved anything by way of improving the status of the common man? When the demands for the ministry of industry or for the commerce ministry come before the House, it was mostly a dialogue between the minister and one group of persons as if that demand was intended only for the industrialists and no body else All of us are interested, fifty crores of people are interested in what direction is given by the govcrnment to industry Is it in the national interest or primarily in the interest of only those who run the industry? The nation had high hopes when independence came. People are now anxious to see what has happened as they are sending people to the legislatures in election after election and we are finding that wealth is geiting concentrated in the hands of fewer and fewer families. I ask the government why they do not change their mind and take a look from the point of view of fifty crores of people, and not from the point of view of a few of these industrialists.

I shall conclude. The plan outlines have always raid that one of the ideas of the government should be the removal of regional imbalances. Where raw materials is not the primary factor, industries must be so located as to remove regional imbalances. It is with that view the people of Andhra Pradesh were looking forward to the fifth steel plant; it was not of the asking of the Andhra Government but it was decided on

the advice of the foreign experts and Mr. Subramanism the then Minister in 1963 promised that he proposed to have the fifth steel plant at Vizag and he wrote to the Andhra Government, they appointed officers and surveyed it in 1963. A consortium was appointed which again recommended Visakapatnam But in 1966 they broke to the heart the promise they made for the ear. They must change this policy of the government if they want to create public confidence. Let them not lose Andhra Fradesh also: they have lost Madras.

Shri Kartik Oraon (Lohardaga):
Mr Deputy-Speaker, Sr, I would
like to think you very much for giving me an opportunity to speak on
the Demands for Grants under the
Ministry of Industrial Development
and Company Affairs Although I
have spent about 15 years in industry,
about 10 years in foreign countries
and five years in India, I regret to
have to say that I am perhaps the
last man to be called and perhaps
have the least to say. As you have
allowed me five minutes, I shall try
to confine myself to five minutes

I am not an industrialist, not even a research worker in industry. But because I have spent my life in this field, I think I should give something which will be the distillation of my my observations experience and years I during these would to present my points of views rather than proofs which will aim to suggest a way of thinking about problems of industrial development and perhaps of other development also, based on the belief, that in this, as in any other matters, men are more important than money. By men, I mean men of character,-men of character to man the industries. That is the vital thing that is required for industrial developments today. If I may so, this is the aspect which we have been neglecting throughout, in amost all the industries.

I would like to bring to the attention of the hon. Minister certain facts.

While forming the Board of Directors for these industries, I request him to bear in mind that care is taken to see that only such persons as have the necessary business competence and discipline to fall in line with the broad objectives of the Government, are appointed. That being so, I would like to draw the attention of the Minister who is responsible for making the appointments to these Boards on behalf of the President, that he must take persons who meet the following requirements: (a) they must have the conviction in Government's policies; (b) they must be men of ability and experience to translate those policies into programmes: (c) they must have character and integrity; (d) they must have the willingness to serve and spare time for attending to the work of the Board;
(e) they must have the ability to visualise things of the organisation in the future in relation to the requirements of planned development, and (f)-last but not the least-they must have the ability to work in harmony with everybody They must have faith in the work and the people to which they belong They must be made to feel that it is their industry and everybody must be made to develop a feeling of a sense of belonging.

I would hire to say that today we are having a number of projects, some big and some small Almost all the big projects are in the public sector, and they are being run with foreign collaboration, and when we say foreign collaboration, we mean collaboration in terms of men, money, machinery and material. So, by getting everything from foreign countries, we are entirely dependent more on foreign collaboration than on our own resources. But we must not try to believe or have fancy in everything foreign. As Indians, we are importing everything other than men, and it is these men whom we have to develop; we must train men, we must have enough Indian technical men and we must save foreign exchange by manufacturing indigenous machinery [Shri Kartik Orson] and, above all, concentrate on the production of such materials for which we are banking on foreign countries

Because there is not much time, I would like to be very brief Although we are running about 40 government undertakings, it is said 31 are showing profits They are the running projects So far as running projects are concerned, about 22 per cent of them are showing losses But let us not forget that apart from the running concerns, there are some projects which are under construction people are of the opinion that they should concentrate more on the running projects rather than on those under construction But I personally believe that even the projects under construction must be zealously watched If certain things are disturbed, they will upset thing in production I was very much amused by a reply given to Unstarred Question No 692. minis er gave certain figures about the Heavy Engineering Corpo ration He said although this project is running at a loss of Rs 337 crores, rt will continue to run at a loss for some more time In HEC, there are three projects The rated capacity of HMBP for 1966 67 has been shown as 14,500 tonnes The production has been shown as 14 307 tonnes production may be correct, but I definitely know that the capacity is It was planned for 20,000 wrong tonnes, out of which 10 000 were pure structurals that do not come under the purview of HMBP Out of the balance of about 5,000 tonnes, 50 per cent of it are imported components and materials So, they are producing only about 2,000 to 3,000 tons, but they are showing that the production is 14,307—which is fantastic This is all wrong We are being We must know where the musted project stands, whether we are swimming or sinking Here an attempt has been made to mislead the House and the Government If such a state of affairs continues in projects under construction, I do not know where we will go

You have every right to have your own opinion. You may say it is doing well But nobody has a right to be wrong in relation to facts. The fact is that HEC is in a mess. It is indulging in all sorts of favouritism, nepotism and supersession. They are not bothered, because they have put somebody who comes from industry. they think he will be able to deliver the goods But I may say that he has utterly failed and the silence on the part of the Government is really slarming Let the Minister and for that matter the Prime Minister keep one thing in mind Pandit Jawaharlal Nehru used to say, I am not interested in excuses for delay, I am only interested in the work done" Similarly let our Prime Minister and for that matter Minister of Industrial Development say "I am not interested in excuses for lapses for losses I am only naterested in the projects paying profits"

भी यहाचन्त स्तष्ट क्सवाह (भिड)
उपाच्यल महोदय, मैं निवेदन करना चाहता
हू प्रापके माध्यम से, सासन से कि भीषोगिक
विकास नीति जिस तरह से पिछले बीस
वर्ष तक चलाई गई है वह बहुत दोषपूर्ण
रही है। इस में सब से बढा घन्याय किसानो
के साथ हुखा है। किसानो के घर जो बीज
पैदा होती है उस पर प्राप्तारित
उद्योगों को यदि बढावा देने की दिश्य से
नीति भपनाई गई होती तो जहा देण की
साथ समस्या हल होती वहा देण के किसानो
को भी साम पहुंचता भीर देख भागे बढ़ता।

मध्य प्रदेश ने बहुत से ऐसे रा गैटी ध्रियस्स है, किसाओ हारा तैन, की हुई बहुत सी बीकें हैं जिन को उपयोग कर के मध्य प्रदेश में बहुत से ज्योगों को बहुता दिया जा सकता था केबिय दसकी बीर कराई ब्रह्मत बहु दिया प्रका । विश्व केब में मिसाता है एस किस में बाबका का पानी और चम्बल की विक्रमी निसनी शुरू हो गई है। करोड़ों की धनराशि व्यय करके चम्बल से ये चीचें प्राप्त हुई हैं नेकिन उस विज्ञा पानी का उपयोग उस सेव मे धर्मात भिड भीर मुरैना जिले में गृह उद्योगी के विकास की दिशा में किया जा सके इसके लिए कोई प्सानिग नहीं है, शब तक उस विका में कोई पग नही बढ़ाया गया है, कोई कार्यक्रम नहीं भपनाया गया है। किसान के थर मे जो त्री वें पैदा होती है जनका जमबोग चित्रक शब्छे देग से हो सके जो बीजे ग्रव और बढने वाली यानी मिलने से उनके उपयोग की दिष्टि में कोई भी भीदीगिक विकास का काय कम नहीं अपनारा गया है। यह बहुत दोत्रपूण बात है भीर मैं चाहता हु कि शासन इस भीर ध्यान दे।

मिंड मुरैना और दतिया डाक्यस्त क्षेत्र हैं। इन मे डाक् ममस्या जिन कारणो से है जन में बहुत बड़ा कारण बेरोजगारी भीर बेकारी भी है। वहा खेती के भलावा कोई मन्य धधा भभी नहीं है। यदि वहा बही मात्र। में उद्योग नहीं दिये गये तो डाक् समस्या को हल करना बिल्कुल धसम्भव होगा। जब वहा पर पानी भीर विजली उपसब्ध हैं, जब वहा पर विभिन्न रा मैटी-रियस मिलते हैं जो कई तरह के उद्योगी मे प्रवस्त हो सकते है, तो बहां पर उद्योगी को ब्रोत्साहन दिया जाना चाहिए ताकि उस क्षेत्र के लोगों को धन्धा मिले, उन को प्रगति का मौका मिले भीर डाकुसमस्या के हल करने में भी सहस्रियत हो। इस समय शासन का जो नाचों तपवा हर साल टाक् समस्या के समाधान पर लगता है इस प्रकार बह भी बच सकता है।

स्क्रम सदेश को नेतह से पौधोगिक सहावता के रूप में वो धनराति निस्तरी है इह इतिबार के द्विसाव से इसरे प्रदेशों की बुलास में ब्युद्ध कम है। सक्स्म प्रदेश ब्राह्मन की तरिक के निजीय स्थासन की बहुत से उद्योगों के लिए प्रामंगायें की गई हैं सेकिन उन को स्वीकार नहीं किया गया है। यह एक क्सत नीति है। इस प्रकार का भेवधाव नहीं होना चाहिए और मध्य प्रदेश को केन्द्रीय सहायता के क्या पर्याप्त न्यायमगत प्रक्र से धनराशि वी जानी चाहिए।

मृरैना जिले में एक सहकारी गूनर फैक्टरी स्थापित होना मन्ज्र की वई बी किसानी ने सहकारिता के माधार पर भगका लाखो रूपमा ह्कटठा कर के रखा हुझा है लेकिन मासन की तरफ से इस बारे में बो सहयोग दिया जाना चाहिए था वह न मिलने से वह उद्योग गुरू नहीं हो पा रहा है।

मिड मे एक सूती मिल बनाया जाना मन्त्रूर हुमा और उस का लाइसेस भी दिया गया लेकिन वह उद्योग भाज तक शुरू नही हुमा है । यदि विडला उस को खुरू नही करना चाहते हैं तो किसी दूसरी पार्टी को लाइसेंस दिया जाना चाहिए लेकिन वहा का भौदोगीकरण तो नहीं स्कना चाहिए।

दितया में तिलहन काकी बड़ी मात्रा में बैदा होता है और इस के सहुपयोग के लिए वहा पर तेल का बड़ा कारखाना स्थापित हो सकता है । इस सम्बन्ध में वहा के लोगों की बरावर मांग रही है। शायद प्रदेश सरकार ने उस की मन्जूर किया है नेकिन केन्द्र से इस निल्विक में कीई सुविधा नहीं दी जा रही है। दित्या जिले में मन्य मूनर्च करवी सामग्री पर प्राधारित उड़ोग भी खुल सकते हैं।

उद्योग सम्बन्धी नाइनेंस देने की वो नीति है उस ने बहुत किनमा होता है और बहुत फल्टाचार की होता है। इस स्वर्कत से साम्रारण धार्यामाने का सिन के साल्याकार सम्बन्धी नायकों ने फसने के सालव क् सुख बही है जर्जी स्वार्कीय पाने का बीका [बी यसवन्त सिंह कूसवाह]

नहीं मिलता है। मैं निवेदन करना चाहता ह कि यह बटिपूण नीति समाप्त की जानी चाहिए ।

शासन का ऐसे उद्योगों को प्रोत्साहन दना बाहिए, जिन से किसानों को धविक फ़ायदा मिल सके । भिड भीर मुरैना जिलो में करोड़ी रुपये व्यय कर के चम्बल वैली प्राजेक्ट के द्वारा विजली और पानी की व्यवस्था की गई है। वहा पर उस से जो लाभ हो रहा है, उस को बढाने के लिए वहा पर भौद्योगिक विकास के कार्यक्रम भविलम्ब ग्रपनाए जाने चाहिए।

Shri Piloo Mody (Godhra) Sir, is it right that while this Ministry's Demands are being discussed the Deputy Minister should be in Bhopal politicking away?

श्रीमध् लिभवे (मुगेर) क्या वह गवनंर को मलाह देने ने लिए गए हैं ?

Mr. Deputy-Speaker: This has been raised yesterday also I do not think it is very relevant now when I am calling the hon Minister to (Interrupreply to the debate tions)

Shri S. Kandappan (Mettur) Sir, it would be a healthy convention if all the Ministers pertaining to the particular ministry remain here when the Demands for Grants are being discussed

Deputy-Speaker: After all industries are to run. The Minister will reply now

Shri P. K Ghosh: Sir, my name was first on the list. I have not been called This is doing Injustice to me.

Mr. Deputy-Speaker: I am very sorry There is no time now. You may take up the matter with the Minister of Parliamentary Affairs.

बी कामेश्वर सिंह (खर्गारया) : मनी महोदय सब बातों को जवाब नहीं दे सकते हैं। इस लिए वित्त मनी भीर बह मती का भी यहा एहना चाहिए।

Mr. Deputy-Speaker: The Cabinet Minister is going to reply to the debate. He is responsible for the Ministry of which the Demands for Grants are being debated. He will reply to all the points raised.

Shri Kameshwar Singh: He is not at all responsible for all the Demands (Interruptions).

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): First of all, I would like to know whether I shall nave only 15 minutes

Deputy-Speaker. What I Mr. would suggest is that you should take about 45 minutes, because this is an important Ministry If hon Members agree, we will take up nonofficial business at 330 PM after these demands are voted

Some hon. Members: Yes

Shri F A Ahmed: Mr Deputy-Speaker, Sir, I am grateful to the House, and also to you, for extending the time up to 3 30 P.M., because this will enable me to cover at least some of the points made by the hon Members I know that the discussion on demands which preceded that of my Ministry proceeded at a snails speed with the result that at one time I was wondering whether the demands under my Ministry would also come under guillotine I am glad that threat is over and it was now possible for some of the hon. Members to make observations regarding the demands of this important ministry. I am, however, disappointed that the time at the disposal, both of hon Members and myself is not sufficient to do justice to the subject with which we are concerned and to deal effectively with meny of the important asptots of the problems and the difficulties with which the country is confronted today I am, therefore, disappointed that the hon. Members did not have sufficient time to express their views and also to enlarge up in the points which they may want to develop in the course of their discussions Nevertheless, I shall try within this short time to deal with the various general questions which have been raised in the course of this discussion

First of all doubts have been raised whether we have been pursuing the Industrial Policy Resolution. which was adopted so long ago as 1956 This Industrial Policy Resolution was preceded by a resolution of 1948 With very little modification what we had decided in 1948 was also actually embodied in this Industrial Policy Resolution of 1956

I would like to point out to the hon Members that in this Industrial Policy Resolution the industries with which we are to deal and the development of which we had to take necessary actions were divided into three categories-firstly industries the future development of which will be exclusive responsibility of the State, secondly, industries which will be progressively State-owned but in which the private enterprise will also be expected to supplement the effort of the State and, thirdly the remaining industries which will in general be left to the private sector Though the industries were divided into these three categories, it should not be taken for granted that there was some rigidity, or what was said about classification was sacrosanct and what was pisced in one sector could not be taken by the other sector For instance, so far as the first type of industries are concerned, there are certain industries which are not wholly owned by the State like iron and steel, mineral oils and certain types of mining and minerals and generation and distribution of power These were the industries which were in private hands before this Resolution was adopted and, therefore, we have not touched them

So, our policy has been that so far as these sectors are concerned, the list of which is given in Schedule A, in future they will be undertaken only by the State. Similarly, there are many industries which were left to the private sector but these are also being undertaken by the public sector. Therefore I would like hon Members to confine to the general issue whether the Ministry and the Government have been pursuing a policy in consonance with what was contained in the Industrial Policy Resolution

In the First Plan out of a total investment of Rs 398 crores, Rs 60 crores were invested in the public sector and Rs 338 crores in the private sector In the Second Plan, the tot. investment was Rs 1,820 crores out of which Rs 770 crores in the public sector and Rs 850 in the private sector. In the Third Plan out of a total investment of Rs 2605 crores, Rs 1,330 crores in the public sector and Rs 1275 crores in the private sector

Therefore hon Members will see that in pursuance of the policy we have been making more and more investment in the public sector

Shrı M. Amersey (Banaskantha) That is why all this trouble

Shri F. A. Ahmed: The result is that our investment in public sector is not very likely to be 56 or 57 per cent of the total investment made in the country Therefore it is not correct for anyone to say that in this regard we have not been pursuing the pohey laid down in the Industrial Policy Resolution

भी कामेश्वर सिंह उपाध्यक्ष महोदय, इस तरह से उन्होंने एकाविकार को बड़ावा विया है। उस में ऐसा दिया गया है कि एकाधिकार को बडाबा नहीं दिया जायेगा-ये ऐसा कैसे कह सकते हैं ?

Shri F. A Ahmed: I am very sorry that my hon. friend does not realise that while more and more investment is being made in the [Shr. F. A. Ahmed]

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Public Sector more private industries will also be merged under public sector.

Shri Kameshwar Singh: What about monopoly?

Shri F. A. Ahmed: If you will have patience, I shall also deal with monopolies. Please have patience. I was dealing with the other aspect of the question.

Then, what were the objectives of the Industrial Policy Resolution? First of all, it was acceleration of the rate of economic growth and speeding up of industrialisation, in particular the development of heavy and machine-building industries, secondly, prevention of concentration of growth in a small section of the population, thirdly, reduction of disparities in levels of development between different regions, fourthly, protection of small sector and, fifthly, encouragement of the co-operative sector.

In this connection I would also like to point out that so far as the objective of encouraging the small sector and the co-operative sector are concerned, we have taken many actions. So far as the small sector is concerned in the First Plan there was an investment of only Rs 42 crores; in the Second Plan it was Rs. 265 crores; in the Third Plan it was Rs 426 crores and for the Pourth Plan an estimate has been made that it will be about Rs. 770 crores. That will also show that this objective is being implemented.

Shri E. K. Nayanar (Palghat): What about the disparity between regions? Kerala has been very badby affected.

Shri S. Kandapana: Regional imbalance.

Shri F. A. Ahmed: I am awfully sorry, when I am giving the squres . . . (Interruption).

Shel E. E. Nayspar: Eyen considering the figures, the disparity in the case of Korela is very syldent.

Mr. Deputy-Speaker: May I request hon. Members not to disturb; otherwise, it will be difficult.

Shri F. A. Ahmed: I was not referring to Kerala or to Assam or to any other State. I was referring to investment in the small sector. Similarly, I can quote figures to show that we have increasingly been investing and spending more money on cooperative efforts.

So far as production is concerned, in the First Plan, it was practically nil. In the Second Plan, there was production of the value of Rs 375.7 crores of which production of capital goods was of the value of Rs 2377 crores, production of intermediate capital goods was of the value of Rs 531 crores and production of consumer goods was of the value of Rs 849 crores. In the Third Plan, the total production was creased to Rs 875 75 crores of which capital goods amount to Rs crores, intermediate capital amount to Rs 266 crores and consumer goods amount to Rs 168 crores. In the Fourth Plan, it is expected that it will increase to Rs. 2,435 crores of which Rs 1,344 crores will be of capital goods, Rs 718 crores of intermediate capital goods and Rs. 372.8 crores of the consumer goods hon Member will, therefore, realise that this objective of increasing production has also been given effect to and in this regard we are proceeding on the lines indicated in our Industrial Policy Resolution.

Then, there is the objective of the prevention of concentration of wealth in a small section of the people. This has been agitating the Members of Parliament and also the public inside. With regard to this, the Monopolies Commission's Report, the Haziri Report and various other reports are before the House. The hon. Member may also remember the statement that I have made in the course of this season, I propose to intreduce with a Sell which will deal with the

aspect so that the phiestive of the Industrial Policy Resolution is also given effect to.

About the question of reduction of regional disparities in levels of development, that is an aspect about which many of us will have different opinions. My friend from Assam said that nothing is done in Assam, my friend from Kerala said that nothing is done in Kerala and my friends from other States also will repeat the same story.

An hon. Member: Andhra also.

Another hon. Member: Uttar Pradesh also. (Interruption).

डा॰ राम मतोहर लोहिया ससल में 6 हैं। चार हिन्दुस्तानी वाले, झान्छ और उडोना— ये सब से गरीब इलाके हैं।

Shri F. A. Ahmed: Here also, I would like the hon. Members to have an all-India outlook, to have a look whereby we think of production, we think of development of the country and not in terms of parochial regions.

Shri Tenneti Viswanatham: This is an insinuation. After all, we are coming from various parts of the country We are expected to speak on the conditions in those particular parts of the country from which we come If this is called parochialism, and if that logic continues, I say, this Government will not last long.

Mr. Deputy-Speaker: This is not justified from this observation. (Interruptions). Order, order; no more interruptions. There are only 20 minutes left.

Shri F. A. Akmed: If you hon. Members are not going to have the patience to hear what I have to say, well, I cannot help it.

I was trying to point out that it is all very well for every Member to think of the development of his region, of his State, but we should not secrifice the larger interest of the country so far as production and de-

velopment is concerned.

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Regarding the removal of regional imbalance, it is contained in the Industrial Policy Resolution and it does have that meaning. While not sacrificing the general interest of the country, we should see that everywhere according to the resources available . . .

Shri Piloo Mody: Potential available.

Shri F. A. Ahmed: these areas should be developed. That has been done In Kerala also a number of industries have been set up. Only this morning, a question came about expansion of a plant and I said that expansion had been agreed to from 6,000 (Interruptions) It is already there.

Shri S. K. Tapuriah (Pah) Rajusthan has been neglected. (Interruption)

Mr Deputy-Speaker: Shall we start a second debate from every State (Interruptions).

The hon. Members may please resume their seats. Otherwise, I will ask the Minister to conclude his speech.

Shri F. A. Ahmed: I was telling the hon, members that, while is a necessary that we should see that every region gets whatever is suitable for that and all those areas should be developed, we should at the same time not forget the fact that many of the things have been done in our country, where the sites were suitable and where it was more economical and beneficial to have those industries.

Regarding encouragement of cooperative sector and small sector, I have already indicated that we have taken various staps in order to encourage the small entrepreneurs togo into more and more for invest-

[Shr: F A. Ahmed]

ment there and to participate in the industrial development of the country. For that purpose, we have got two organisations one is the organisation of the Development Commissioner and the other is the National Small Industries Corporation, under which the instalment system, the credit facilities and all these are provided, so far as small sector is concerned. I do not wish to take the time of the House in dealing with that aspect in detail

A question was raised about foreign collaboration So far as foreign collaboration is concerned our policy has been there and I would like to tell the House that we continue to pursue that policy What is our policy? Our policy with regard to foreign investment has been laid down and pursued to serve the national interest So far as major interest in ownership and effective control of an undertaking are concerned they should be in Indian hands The only exception to this general guid-line is where the main contribution of the project is n a field of technology where we have made little piogress and where a great deal of additional development is necessary eg machine building or organic chemical industries or where the amount of foreign exchange need ed for the project is such that unless the foreigner is allowed to have a majority share-holding we shall ourselves have to find a substantial amount of foreign exchange for the project and no attractive method of long-term finance is practicable (Interruption)

बा० राम मनोहर लोहिया यद किस ने लिख कर दिया वा ?

Shri F. A. Ahmed: This is the basis of the policy that we have been pursuing. What I want to tell the House is that our policy has always been a policy pursued in the interest of the country. I have said that only under these two conditions have we

allowed foreign collaboration. But I would like to tell the House that as technical know-how is developing in our country, as more and more know-ledge of technology and science is being developed in our country, it is our policy to see that technical know-how indigenously developed is given preference to technical know-how from outside our country. That is the policy that we want to pursue

Similarly so far as the imports from other countries are concerned, we have stuck to a very firm policy of not allowing the import of such component parts and spare parts as can be indigenously made available in our country In fact, I have taken action already whereby we are going to have s second look at the licences which have been given for import purpose in order to see whether some of the items in respect of which licences have been given can be produced or manufactured in our country indigenously If they could be produced in our country we shall see that all those things which are indigenously produced are fully utilised and not imported from outside That is our policy with regard to imports

A question which has been disturbing hon Members of this House and
also the public outside is the question
of recession Various reasons have
been given for this recession but I
would like to point out that the recession is not in all the industries but
only in some of the industries

Shri g K Tapuriah Would he mention those industries where he thinks there is recession?

Shri F. A Ahmed I shall mention them presently

There are, in fact a number of engineering industries where production has remained steady or has even gone up In the cement machinery industry, the metaculration machinery industry, paper and pulp machinery industry, conveying equipment industry, and roller bearings industry, there has been no recession

The industries which are presently facing recession include steel castings, structural, cast iron spun pipes, the railway wagon industry, mining and coal machinery, commercial vehicles, construction equipment and machine-tools

Shri S. K. Tapuriah: He had said that in the engineering industries which he had mentioned production had gone up Does the fact that production has gone up mean that there is no recession? Or does the accumulation of stock and the non-sale-ability of goods constitute recession?

Shri F. A. Ahmed: What I have said is that they are running, and the stock with them is not very heavy. There is bound to be some stock with the manufacturer, but I do not anticipate any difficulty in those industries.

Shri Nath Pai (Rajapur) I did not want to interrupt, but I just want to understand this. This threat of recession is not something imaginary but it is a reality. In the major industrial units in Bombay, as for instance, the Premier Automobiles, as you, Mr. Deputy-Speaker are aware the employees are being thrown out of employment . . .

Shri S. K. Tapuriah: 9000 workers have been thrown out in Bombay alone.

Shri Nath Pai: In Bombay alone, in the major industrial units, as many as 9000 workers have already lost their jobs. This is not something to be so lightly treated. We want to know Government's policy to meet this trouble. Recession can be worse than infiation in some cases.

Shri F. A. Ahmed: That is an entirely different question. What I was trying to point out was that there were certain industries... Shri Nath Pai: This is what I am pointing out.

Shri F. A. Ahmed I shall deal with the general aspect later on What I was trying to point out was this

So far as steel castings are concerned, the growth of this industry has been closely linked with the manufacture of railway rolling-stock, automobile and other industrial machinery This industry has also been exempted from the licensing provision. Therefore, the hon Member will see that unless and until the expansion programme of the railway etc., is taken up this industry is likely to be diffected Nevertheless we are taking certain a tion which I hope would help this industry There has been a fall in actual production during the last year although more number of units have gone into production Till last year the demand from the railways had been consistent and the production schedule was satisfactory The demand, from the railways has however registered a decline and this to some extent has resulted in idle capacity

Now, I come to the foundry industry The engineering industries in general are facing recession, which has also been reflected in the foundry industry which is a feeder industry to other engineering industries.

Another factor which was partly responsible for the present recession in this industry has been the failure of the indigenous industry, more particularly the older units of the industry, which did not during their years of prosperity think of diversifying their range of production even for the manufacture of larger and heavier types of carbon steel castings and various types of sophisticated alloy steel castings. A few of them have, however, started of late accepting orders for larger eastings and some are reported to have produced cast-

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ings of upto 10 tonnes piace-weight. Others are also stated to have taken steps to manufacture some allow steel.

This action has been taken. So far as export is concerned other action has already been taken. First of all, in order to take advantage of the slackening in domestic demand and to promote exports further so that the idle capacity is fully utilised it has been decided to make iron and steel available for export industries at international prices The possibility of offering credit where we cannot sell for cash is also being examined. Then to revive demand internally, improvement of credit facilities and hire-purchase arrangements on easier terms are being considered. I hope decisions in these matters will soon be taken

Stricter scrutiny of items allowed to be imported is being carried out where no firm commitments have been entered into already to ensure that nothing is allowed to be imported for which indigenous capacity is available. The possibility of placing certain government orders on a selective basis to revive the demand for the production of certain engineering industries is also under consideration, as for example, railway wagons and track materials.

Shri S. K. Tapuriah: He just now said that items in regard to which indigenous capacity is available here should not be allowed to be imported. We find that so many items for which we have such capacity and know-how are still allowed to be imported, and the private sector is not being given those licences on the plea that some public sector units somewhere will be producing them in future, as for example, opthalmic glass, turbines, compressors, tractors—like that.

Shri F. A. Ahmed: As I have already said, we are actually reviewing the licences which have already been issued and if as a result we find that certain items in respect of which licences have been given are being indigenously produced, we shall essecel those lucances, modify them and see that whatever is available within the country is being utilised for the purpose of maeting our requirements.

का० राज सनोहर लोहिया . पूना में 4 करीड़ वपये की पैनिस्तिनीन जना है किर भी भाग बाहर से उस को मगवा रहे हैं और हरिद्वार मे जहां पर स्ट्रेंग्टोमाइसीन बनवी चाहिये वहां पर पैनिस्तिनीन बनवाने का सरकार का इरावा है ।

Shri F. A. Ahmed: If he had given me notice of this, I would certainly have ascertained from by colleague

Shri Kanwar Lai Gupta (Delhi Sadar): He is supposed to know these things He is replying to the debate in respect of his department.

Shri Chandrika Prasad (Ballıa). He cannot know everything.

Shri F. A. Ahmed: Ask anything about my department. About penicillin and other similar things, I have to find out.

श्री न० कू० सास्वे (वेतूस) . डाक्टर साहव को सिर्फ पैनिमिलान कैसे याद भाया।

Shri F A. Ahmed: It is true that there has been a recession, but as I have pointed out, this recession has been due to the fact that there has been a slackening of internal demand. It has been very unfortunate for its that we have been basing our manufacture merely on the consideration that whatever we manufacture will be consumed within our country.

I think the time has come when we should think not only of manufacturing what is required in our own country but also for expert. These, two questions arise. One is the price at which we are able to compete in international markets, and the second is the question of quality, so far is the question of price for competing in the

international market is concerned, I think we shall be able to gort out this problem and try to give our industries as much assistance as possible, so that it may be possible for our industries to compete in the international market

An hon. Member, How?

Shri F. A. Ahmed: By giving subsidy and so on But so far as quality
is concerned, it entirely concerns the
people who are actually managing
these industries, and merely giving
subsidy or merely enabling a particular product to compete in the international market by reducing the price
and so on will not do unless and until we are also in a position to improve
the quality. And for that purpose I
would earnestly request that all those
who are concerned with manufacture
should see that quality improves.

Shri Pileo Mody: What steps are you taking to improve quality?

Shri Kanwar Lal Gupta: Your officers are mixed up with these capitalists, and that is why this decline in quality. You do not take steps.

Shri C. C. Desai (Sabarkantha): In the Surgical Instruments Factory in Madras, large unsold stocks of these surgical instruments are lying.

Shri F. A. Ahmed: So far as the improvement of quality is concerned, I agree that the Government have also to play a role in helping both the public and private enterprise to improve the quality. For that purpose we have the research department, and I would like to inform hon, thembers that I am setting up a committee to bring about coordination between the research department and the industrial department....

Shi piles Mody: Committees do not improve quality.

Ehri F. A. Ahmed:...so that people engaged in the various research acti-

vities may actually know in what field they can help us by improving the quality of various products in our country. For that purpose we are taking necessary action, and I entirely agree that unless and until the quality not only for the external market but also for the internal market is produced it will not satisfy the consumer.

बी संबर लाल गुप्त: प्रध्यक्ष महोवब, यह जी गाँबियां हैं, कार हैं, यह चलते फिरते छोटे डब्बे हैं, उन्हें ठीक नहीं करते। वारवार कहा कि घाप छोटी कारे क्यो नहीं बनाते, लैंकिन यहां वैस्टेड इटरेस्ट की बात बतलाने बैठे हैं। छः साल से यह हो रहा है कि बनावेंगे, बनायेंगे, लेंकिन धांखिर बनाते क्यों नहीं हैं?

Mr Deputy-Speaker: With the limited time at his disposal, he cannot cover all the points If you repeat, it is not possible.

Shri Kanwar Lal Gupta: He must reply to this question.

Mr. Deputy-Speaker: You raised that point thrice

Shri Kanwar Lai Gupta: He is not replying

Mr. Deputy-Speaker: He is replying in a general way

की कामेडकर सिंह: यह हल्ला इस लिये हो रहा है कि मनी महोदय कुछ कहते ही नहीं है।

Mr Deputy-Speaker: Regarding concentration and monopoly, he has already said that a discussion is coming. Already he has made the statement.

बी कालेक्बर सिंह मती महोवय किसी व्याइंट का जवाब ही नहीं वे रहे हैं, इस जिये यह हस्सा हो रहा है।

Shri F. A. Ahmed: I am very sorry that while I am dealing with one subject, the hon members have something else in their mind. I was sky-

[Shri F A Ahmed]

ing how there should be co-ordination between technology and industry which will help in the improvement of quality, and which will also help m bringing down the cost of production Questions had been raised about the quality of the car I was not spe cifically dealing with one particular item Not only here but elsewhere also on an average about 10 to 12 complaints reach me every day regarding the quality of the various cars which are now in the market I have already taken action to find out where the fault is and how the defect can be removed For that purpose a committee has been appointed With regard to the manufacture of cars I have not been able to know what the members call a small car What can be a small ler car than the Standard which we have now? I certainly think that a cheaper and more economic car is the I have indicated in the demand Rajya Sabha that I had issued a large number of questionnaires and given time to these various people to give me replies within three months When the replies are available it will be possible for us to take a decision and go ahead with our proposal I can also inform the hon Members that we must be grateful to Pandit Nehru for forseeing the requirements of country

An hon. Member Why not to the present Prime Minister?

Shri F A Ahmed Because it was at his initiative that all the basic industries like the heavy engineering, heavy electricals and heavy machine tools, were established and we can now utilise these basic industries for producing capital goods and machineries It is the diversification of the various capacities which are latent in these basic industries that will help us go forward in the direction in which the hon Members want When we have the heavy machine tools industry and heavy engineering industry and also heavy electricals MAMC why is it not possible for us

to manufacture the component parts necessary, which are required for the purpose of assembling a car These are things which are being looked into and at the proper time I shall come before the House with our proposals when we are able to take a decision

Shri K N Pandey (Padrauna) Kindly examine the manufacture of small tractors also because that is the general demand of the public

Shri F A Ahmed This is what I can say Hon Members have express ed their natural anxiety about various thmgs about my ministry All of them cannot be disposed of within such a short time So far as the tractors are concerned, the other day I told House that we were short of the present demand Actually we are considering a proposal from Czechoslovikia to have a factory in the public sector where it may be possible to manufacture a tractor of low horsepower say 20 hp or even below 20 h p That proposal is under consi (Interruptions) deration Desai yesterday raised the question that there was no necessity to go in for another project because the existing projects can manufacture tractors But my regret is that some of these manufacturers were given licences to manufacture tractors below 20 hp and none of them utilised them (Interruption) I am sorry cannot wait for the pleasure of these people to manufacture there tractors at their sweet will it will out them manufacture high-power only to tractors they are not for manufactur ing the smaller units Therefore we have thought of the necessity of manufacturing these tractors

Shri C. C. Desai: If you have an open mind, the manufacturers of this country will take this up as a challenge

Shri F. A Ahmed: They have not done it I know, they have not taken action for a long time (Interruption)

Mr Deputy-Speaker: Order, order, He is concluding There is no time. Shei S. E. Tapuriah: You can give him 15 minutes more. You can ask the House,

Shri F, A, Akmed: I entirely agree with the hon. Member that such possibilities as exist within the country should be utilised. As I said, for that Durpose, we have our MAMC: We have our Heavy Machine Tools and the question is whether we can have the necessary components for the purpose of manufacturing the tractors out of these units. I mean this is a matter which has to be cxamined, and we are examining to what extent we can utilise all these units for the manufacture of low-power tractors. That is under Governments consideration.

Shri M. N. Naghnoor (Belgaum): The Mysore Chief Minister has made persistent requests to the Central Government that they have a project to manufacture small cars and the only difficulty is that you are not giving the clearance for it.

An hon. Member: A committee will be appointed.

Shri Randhir Singh (Rohtak): That is not necessary. We want tracturs to have more production, and help the kisans.

Shri M. N. Naghnoor: We do not want to patronise Birlas and Premier Automobiles.

Mr. Deputy-Speaker: Order, order. The Minister has very little time now. Let him conclude his speech.

Shri F. A. Abmed: Now, the question was raised that the units under public enterprise have not been yielding profits, and whatever profits they are yielding are very small. I may inform the House that as far as the units under my Ministry are concerned, the Hindustan Machine Tools, the National Instruments Ltd., The Sambhar Salts Ltd., National Newsprint and Paper Mills Ltd., these projects have given profits. However, Hindustan Salts Ltd., have suffered a loss.

Shri C. C. Desai: Is not the Heavy Engineering Corporation at Ranchi, under you?

Shri F. A. Ahmed: I was just referring to the project which are running and are in operation. So far as the Heavy Engineering Corporation is concerned, it has only partly gone into production. The Hindustan Photo Films Manufacturing Company is under construction; the Mining and Allied Machinery Corporation Ltd., is only partly in production. (Interruption).

Shri M. Amersey: We know all of them. What is the sense of repeating the same facts? (Interruption).

Shri Randhir Singh: They do not understand what he says.

Shri F. A. Ahmed: The hon. Members must have patience. I was just trying to point out that an allegation was made that all the units, all the public sector undertakings, were running at a loss. What I have pointed out was that there are some units which are running at a loss, and there are some units which are having a profit, and there are other units which are still under the stage of construction. Mr. Desai yesterday made a point that out of the investments we have made, we are only getting a return of 8 per cent.

Shri M. Amersey: Despite your monopolies, you cannot make profits.

Shri F. A. Ahmed: While we are considering the losses and profits of these public sector units. We must not forget the fact that a large number of these units also provide for expenditure on township. (Interruption). A large number of these units provide facilities and amenities which do not exist in the private sector. These are projects which would not have been possible for the private sector to establish in our country. These are projects, which are going to manufacture capital goods, where the gestation

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period is longer than in projects manufacturing consumer goods. These are the factors to be taken into consideration I am sure once they are established and once our demand develops and they are able to export our capital goods and machinery, they will be able to show much better results than what they have hitherto been doing (Interruptions).

Mr. Deputy-Speaker: There is no time; we are encroaching upon private members' time now.

Shri S. M. Banerjee (Kanpur): All his further assurances should be laid on the Table of the House.

Mr. Deputy-Speaker: We are presssed for time. If there are any further points to be clarified, he is easily accessible

Shri F. A. Ahmed: I was trying to clear many of the conceptions which the hon members had I can only discharge my duty by pointing out what I know, what I think and what decisions have been taken But I am sorry I cannot give my understanding to the hon members if they are not prepared to understand the which I want to say.

It is all very well for us to criticise this or that thing. I know that our development has not been as rapid as we would have liked. Perhaps there have been shortcomings. Αt same time, we must not ignore what we have achieved during the last 15 or 16 years; it has not been insignificant It can be compared favourably with the standard in any developing country The rate of development in developing countries has been assessat about 3 per cent. With all kinds of difficulties, we are maintaining this rate. I admit we have to increase that rate. It is no use condemning every thing, whether it is good or bad. What is bad let us condemn and criticise. Out of that criticism let us try to improve At the same time, let us acknowledge what is good and what has helped to develop our country. It is in this approach that our greatness lies. It is no use weeping before the people of the world that everything is wrong with India and so on, I would like hon. Members to get out of that mentality and to give credit where that credit is deserved and to condemn where condemnation is necessary. (Interruptions).

Shrimati Sucheta Kripalani: Sir, one matter which I raised in my speech has remained unanswered and that is about the quantum of money that is going to come to Government as a result of the excise levy.

Shri F. A. Ahmed: I would have replied to that but I would like to point out that neither the powerlooms nor the question of levying excise duties are concerned with my Ministry. That is a point which I am forwarding to the Minister of Finance. He will take note of it and do needful (Interruptions).

Mr. Deputy-Speaker: I shall all the cut motions to the vote of the House.

All the cut motions were put and negatived...

Mr. Deputy-Speaker: I shall now put the Demands.

The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, he granted to the President to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1968, in respect of the heads of demands entered in the second column thereof against Demands Nos. 56 to 59, 98, 99 and 126 relating to the Ministry of Industrial Development and Company Affairs."

The motion was adopted.

जी कानेक्बर सिंह . उपाध्यक महोदय, मैं भाग के द्वारा मठी महोदय से यह पूछना बाहता हूं कि क्या कम्पनी ला विभाग सिन्बिट हो गया है :

भी भव लिलये: माननीय सदस्य का भतलब है कि नवीं महोदय कम्पनी कानून भत्नी भी हैं, लेकिन उन्होंने उस के बारे में कुछ नहीं कहा है।

[The Motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below— Ed]

DEMAND No 56-DEPARTMENT OF INDUSTRIAL DEVELOPMENT

"That a sum not exceeding Rs 32 91,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, in respect of Department of Industrial Development."

DEMAND No. 57-INDUSTRIES

"That a sum not exceeding Rs 2,78,78,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, m respect of Industries."

DEMAND NO 58-SALT

"That a sum not exceeding Rs 37,21,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, in respect of 'Salt'"

DEMAND No. 59—OTHER REVENUE EX-PENDITURE OF THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT

"That a sum not exceeding

Rs. 37,48,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, in respect of Other Revenue Expenditure of the Department of Industrial Development."

DEMAND NO 98-DEPARTMENT OF COMPANY AFFAIRS

"That a sum not exceeding Rs 16,15,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, in respect of 'Department of Company Affairs'"

DEMAND NO 99—OTHER REVENUE EX-PENDITURE OF THE DEPARTMENT OF COMPANY AFFAIRS

"That a sum not exceeding Rs 32,11,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, in respect of Other Revenue Expenditure of the Department of Company Affairs'"

DEMAND NO 126—CAPITAL OUTLAY OF THE MINISTRY OF INDUSTRIAL DEVE-LOPMENT AND COMPANY APPAIRS

"That a sum not exceeding Rs 10,74,96,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1968, in respect of 'Capital Outlay of the Ministry of Industrial Development and Company Affaira."