

**SHRI S. M. BANERJEE (Kanpur):** I raised the question about the strike in the J and K jute mill and only because of this they have started sacking the trade union workers.

**MR. SPEAKER:** It was raised in this House already; you cannot raise it a second time.

**SHRI S. M. BANERJEE:** The Minister did not make a statement that day. When I raised this question last time, you said that you would ask the Minister to make a statement. The strike has been there for the last 66 days in Kanpur and many persons are being sacked. In view of this you should request the hon. Minister to make a statement. Or, let this mill be taken over by the Government.

**SHRI JYOTIRMOY BOSU:** Hundreds of workers will benefit if you kindly ask the Minister to make the statement.

**MR. SPEAKER:** We shall now take up the discussion on the next item.

DEMANDS FOR GRANTS—1973-74—*contd.*

13 hrs.

MINISTRY OF HEAVY INDUSTRY—*contd.*

**MR. SPEAKER:** The time allotted for these demands was five hours; and three hours and ten minutes are available. I hope the Parties will stick to their timelimit.

**SHRI D. D. DESAI (Kaira):** In the past few hours we have discussed the demands for grants of the Ministry of Heavy Industry. This Ministry has been recently created and that very fact clearly establishes the importance that the Government attaches to this sector. The policy in respect of the general development of heavy industries has already been announced and the growth of capacity has been remarkable, both in the public sector and the private sector.

There have been, in few cases, non-utilisation of capacity and carried forward losses. The new Ministry is

charged with a great responsibility of recovering past losses as well as making good the established capacity and to this extent, the Parliament may wish Godspeed. We should not even mind approving the grants which have been requested in the fullest measure. The new capacity which is required to be created is also of a substantial nature because, our country was known more to be related to handicraft and cottage industries during the pre-Christian era and post-Christian era. In fact, according to Parkinson, for nearly a thousand years between 250 B.C. and 850 A.D. India was the largest exporter in the world and all the gold of the world flowed to India in return for the goods supplied by India. This was the Indian artisan's capability.

But, with the industrial revolution, because of slavery—the bondage we lagged behind considerably in this particular field. And now we have to make good this past period by our accelerated progress for which the Ministry is applying its efforts. The goods which are covered by this industry are of a very wide nature. Their importance is so great for they are related to important sectors or vital sectors like fertilisers, refineries, heavy chemical plants, steel plants, metallurgical industries, smelters for non-ferrous metals, rolling mills, power plants railway locomotives, cement plants, sugar plants, paper and pulp plants, equipments for material handling synthetics and textile machinery and a very wide variety of things are involved. The know-how for all these things is yet to be fully established in this country. I am glad that the Ministry has secured advanced know-how for example, for boilers, that of combustion Engineering of U.S.A. and for machine tools from American Tools and so on, many collaborations have been obtained. These would naturally result in a certain amount of upgrading of the products which are already being manufactured within the country.

[Shri D. D. Desai]

The industry has substituted imports which have resulted in self-reliance. That cannot be denied. The figures are reflected in the present year's imports. In spite of our increased industrial tempo, the overall imports on account of machinery had gone down. Had it not been for the food and other imports, our present year's surplus would have been considerably more. This increased export or the increased surplus is partly offset by the power shortage that the country suffers from. I would request the Ministry—not to be critical but constructive criticism—to help relax the imports of large turbo generating sets. HEIL and BHEL have already got ample orders in hands. They had also got the benefits of banning imports, even before the first Turbo generating set was not even installed. After ten years, we have hardly and commissioned 0.54 million K.W. out of 18 million K.W. of today's installed capacity. We will have hardly 20 million K.W. of installed capacity at the end of the Fourth Plan period which is less than the targetted capacity by about 4 million K.W. We must blame ourselves partly for having not established 24 million K.W. in spite of all these units operating in the heavy electrical sector.

Now, the private sector electrical industry, is set for an annual growth rate of 3 million K.W. The private sector electrical industry is fully geared to deliver power transmission, distribution and power utilisation equipments, for 3 million K.W. annual growth rate. Unfortunately, our turbo generating sets production is very considerably less. Therefore the Ministry should help in overcoming this gap. The target for the Fourth Plan, according to Heavy Industry Ministry is 35 million K.W. or a little more. But yesterday the figure given by the Minister of Irrigation and Power was 52 million K.W. at the end of 1981. This difference is obviously substantial. In any case, the Heavy Industry ministry will not be able to

make deliveries on time of the turbo sets to make up even 35 million K.W. So, to bridge the gap, the ministry may itself make certain import arrangements promptly for making power available. The ratio is, that one rupee invested in the power sector generates yearly Rs. 20 in GNP and in addition, stresses and strains due to shortages, unemployment, and so on. Could be avoided. We should look at it from an overall angle and not a sectional angle of a particular department or ministry.

The present day world market is Rs. 10,000 to 20,000 a ton of sophisticated fabricated steel items. Within this country we are able to manufacture between Rs. 5,000 to 7,000 a ton. With our largest known iron ore reserves and our indigenous machinery fabrication facilities and capacity to deliver machinery for international markets, our country can very well take advantage of this situation and increase the exports.

In each unit the kind of difficulty the ministry has suffered, there are two common points before us—labour and power. Labour Ministry is under the Government of India and power also is in the public sector. So, it is possible to mend these things. In any case every country has these problems and these are required to be solved. Personnel policy, power and other inputs should be taken good care of before embarking upon investments and industrial operations as is done in other countries.

It is stated that certain incentives have been given for developing backward areas. The other day I had mentioned that in a country like Ireland hardly 20 miles from Dublin, people consider the area to be backward and 35 to 40 per cent is given straightway as grant. £4,000 are given as grant to industry for every employee that gets new employment. 75000 persons are unemployed and the Government of Ireland is going all out to see that everyone gets employment. £4,000 are equal to Rs. 80,000

almost. We do not need so much money in this country to do it. But the importance is emphasised by this figure that employment is considered so vital in advanced countries and the incentives offered are substantially more.

There has been often talk about failure in the public sector. Yesterday the Minister for Industrial Development said in this respect that certain units have come out of the red and are making profits because they have changed the top managers. That itself indicates that the initiative of an individual does play a substantial part. In that case, why should we have objection to the initiative of the individual in other matters? In this aspect we have seen a substantial contradiction because we think that a body which has not a definition is in a good position to undertake a function which an individual is discredited to discharge. As far as the industrial policy is concerned, whether it be the Government or the industry or the social sphere, the initiative of the individual plays a substantial part. The Minister of Industrial Development himself praised the work of certain individuals. At the same time, he is thinking of organising the industry in a manner where the individual is totally lost. I would request the hon. Minister to see that the initiative of the individual is utilized to the maximum benefit of the country.

In the field of transport, automobiles, shipping and a few other fields we have to do a lot. A lot of criticism has been levelled against Indian motorcars. Yet, nothing has been done to improve. Then, we are still making small boats of 10,000, 20,000 or 30,000 tonnes while a small country like Japan is making ships or tankers of one million tonnes. With such a long coastline, with excellent facilities for dredging for deep sea harbours, why should we annually import such huge quantity of shipping tonnage, when it is very easy to buy the plates, fabricate them and give employment within our own country? Therefore,

I would request the hon. Minister to locate at least three, four or half a dozen ship-yards for manufacturing ships for the international market. Because, shipping is one area where labour-intensive work is involved. That is one of the reasons why Japan has been able to outstrip the United States, U.K. and Western Europe, which have been very much advanced in designs and other things. I would repeat that greater importance and stress should be given to shipping for which India was known from time immemorial. In fact, during the Spanish Armada Nelson's fleet contained several ships manufactured on the Gujarat coast. It is a historic fact that lead could be re-established.

MR. SPEAKER: So, Gujarat contributed to the might of the British.

SHRI D. D. DESAI: Sir, I would close my speech by thanking you for giving me the time for supporting the Demands of the Ministry. Most of us have wished the new Minister well in his task, which is of a very difficult nature.

SHRI V. MAYAVAN (Chidambaram): Mr. Speaker, Sir, at the outset. I congratulate the new Minister on his having taken over this portfolio. He is a dynamic person and will be able to deal with the various aspects of heavy industries in a clever and tactful manner. This is a newly created Ministry. Most of the units here have been drawn from the Ministry of Industrial Development and Ministry of Steel and Mines. It is just 57 days' old and this baby has to bear the hunt of all kinds of mismanagement of public sector undertakings like the Heavy Engineering Corporation, Heavy Electricals, Bharat Electricals Ltd., Mines and Allied Machinery Corporation, HMT, etc., etc. Sir, I am sure that the new Minister will be able to bring up this child by way of feeding the raw materials and settling labour disputes. I would like to refer to certain misplaced aspirations and hopes of the Ministry.

[Shri V. Mayavan]

It is stated on page 4 of the Report :

"As at the end of October, 1972, the total value of orders in hand with varying deliveries during next five years is about Rs. 222 crores."

I would like to know from the hon. Minister as to when these orders have been placed with Heavy Electricals, Bhopal and their scheduled dates of delivery. It is not a question of making profits or losses, but it is a question of sound business management. How many times have the Heavy Electricals requested for the postponement of the scheduled delivery dates.

Coming to the Heavy Pressure Boiler Plant at Tiruchi, is it not a fact that, on account of the delay in the supply of generating machinery, the Atom Power Project at Kalpakkam is getting delayed by three or four years?

Regarding Heavy Electricals Equipment plant at Hardwar, it is stated in the Annual Report on page 8 :

"There is likely to be a shortfall in production due to delayed delivery of imported components and unreliable quality of indigenous castings. The matter is being taken up with the suppliers to improve the quality and delivery of indigenous castings."

I want to know categorically from the hon. Minister the value of the purchase of unreliable indigenous castings. If there has been a contract, what action has been taken against the suppliers for giving unreliable castings?

As regards HMT, it had been the most rewarding public sector unit. But during the year 1972-73, it was afflicted by frequent labour let-downs. I am quoting from page 11 of the Report :

"Unfortunately the Company has been beset with recurring labour

troubles. As a result, the industrial relations, particularly during the second and third quarters of the current financial year, in HMT I and II and Watch Factory at Bangalore deteriorated."

I would request the hon. Minister to inform the House as to what kind of steps have been taken to resolve the labour disputes in HMT. I understand that the labour of HMT have got some genuine grievances. Government is professing to have given the prime of place for labour welfare. But I wonder how the HMT management had allowed eruption of labour unrest in 1972-73. This eruption cannot take place overnight. It must have been simmering for long. I request the hon. Minister to bestow his attention to settle this labour unrest as regards HMT. It gets the world market; so we may be able to earn a lot of foreign exchange if that labour unrest is settled.

Most of our heavy industrial units are the mercy babies of foreign collaborators. I can quote many instances how the production of various heavy industrial units suffered. The Heavy Electricals, Hardwar suffered in production on account of the delayed delivery of imported components. The Machine Tools Corporation of India also suffers in production on account of delay in respect of imported components and raw materials. Scooters (India) which has been recently set up in Lucknow is yet to get a lot of plant and equipment from Italy.

Here, I would like to refer to the report of the year 1972 of the Ministry of Industrial Development in which it has been categorically stated that the country is in a position to supply to developing foreign countries the required number of cranes and wagons. How hollow this claim of one wing of the Government of India is, can be well judged from the half-hearted encouragement being given to

Jessops and Co. and Braithwaite & Co. which are now under the management of the Government.

It has been stated in the report that these units have been suffering from shortage of essential raw materials since 1968, particularly, steel. I do not know what it means to say that "some progress has been made in improving production." How are they going to fulfil their export commitments under these circumstances?

The Heavy Engineering Corporation Ranchi—many earlier speakers have already dealt with that subject—born in 1958 continues to be afflicted by the virus of inefficiency and mismanagement. As on 31-3-72, the cumulative loss was estimated at Rs. 89.19 crores which has this year gone upto Rs. 100 crores which is 50 per cent of the amount of expenditure incurred on this undertaking. I can foresee the Minister's explanation of long gestation period needed by the projects of such a magnitude and complexity. I was surprised to read in the Report that the Heavy Machine Tools plant suffers in production on account of the non-availability of skilled workers. What an irony is it, Sir?

13.23 hrs.

[MR. DEPUTY SPEAKER—in the Chair]

We have been talking that we are going to provide employment to the unemployed engineers, diploma-holders and so on. There is a widespread unemployment among the lakhs of technically qualified diploma and degree-holding youth of the country. But, here is a unit suffering for want of skilled workers. The completion of the Bokaro Steel Plant is getting delayed and delayed on account of the inability of the Heavy Engineering Corporation to meet its commitments of supplies. That does not matter. But as the first speaker from the CPI has made a mention of it and Prof. Madhu Dandavate also mentioned it, the management of Heavy Engineering Corporation does not hesitate to go out

of the way to favour the non-skilled employees of the unit, who are related to political big-wigs. He was also narrating how a lady official of the Corporation, who also happens to be the wife of a Member of Parliament—I hope that the Member of Parliament belongs to the ruling side—was given undue promotion by four places and this matter will have to be looked into by the hon. Minister because if such things crop up in the public sector undertakings, definitely the undertaking will run on loss.

As regards the automobile industry, there was a huge hue and cry outside and also inside in the House about this industry. The quality of the passenger car is deteriorating day by day and it is going from bad to worse. The judge of the Supreme Court has observed like this in regard to the passenger cars that are manufactured in this country. I quote his very words. He said:

"Excepting the born every part makes noise."

So, I request the hon. Minister to bestow his attention in regard to improvement in our automobile industry and see that this industry is nationalised.

डा० गोबिन्द दास रिष्ठारिया (झांसी) :

उपाध्यक्ष महोदय, भारी उद्योग मंत्रालय की मांगों का समर्थन करते हुए मैं मंत्री जी से निवेदन करना चाहता हूँ कि भारी उद्योगों का केवल हमारे देश में ही नहीं बल्कि जहाँ भी किसी देश या राष्ट्र का योजनाओं के साथ विकास किया जाता है उसमें एक बड़ा महत्वपूर्ण स्थान होता है। हमारे देश में भी भारी उद्योगों का एक महत्वपूर्ण स्थान है देश के संतुलित विकास के लिए और देश के विकास को आगे बढ़ाने के लिए। इसलिए मेरा निवेदन है कि जब आप केन्द्रीय सरकार में भारी उद्योग देने

[ डा० गोबिन्द दास रिछारिया ]

की व्यवस्था करते हैं या उनका वितरण करते हैं प्रदेशों को तब आपकी जो नीति है कि जो पिछड़े हुए प्रदेश हैं या प्रदेशों के अन्दर जो पिछड़े हुए हिस्से हैं उनको आप भारी उद्योग वितरण करने में या आबाटित करने में विशेष तौर से ध्यान में रखें। इस सन्दर्भ में मैं आपको ध्यान दिलाना चाहता हूँ कि इस देश में उत्तर प्रदेश मरीखा प्रदेश जिमकी सबसे अधिक आबादी है वह पिछड़ा गया है प्रति व्यक्ति आमदनी में आपकी चार योजनाओं के बाद यदि आप उसके लिए विवेचना करें, पहली योजना से लेकर अबतक तो जितने भारी उद्योग स्थापित किए गए हैं केन्द्रीय सरकार के द्वारा उसमें उत्तर प्रदेश आबादी के लिहाज से पीछे पड़ गया है। इसलिए मेरा आपसे अनुरोध है कि आप पांचवी पंचवर्षीय योजना में इस बात का ध्यान रखें कि समन्वित विकास के लिए इस बात की आवश्यकता है कि उत्तर प्रदेश को भी उतने भारी उद्योग दें जिममें कि वह भी प्रति व्यक्ति आमदनी में और प्रदेशों के साथ आ सके।

इसके साथ साथ मंत्री जी को यह भी ध्यान रखने की आवश्यकता है कि प्रदेशों के अन्तर्गत आने वाले कुछ ऐसे हिस्से हैं जो बहुत पिछड़े हुए हैं तो बटवारा करते समय इस बात को भी देखा जाय कि वे कौन से ऐसे क्षेत्र हैं, कौन से ऐसे भू-भाग हैं प्रदेशों के अन्तर्गत जाँकि बहुत पीछे हैं जिनकी तरफ विशेष तौर से ध्यान नहीं दिया जाता है। इस सन्दर्भ में मैं निवेदन करना चाहता हूँ कि उत्तर प्रदेश में एक बुन्देलखण्ड का हिस्सा है, पहाड़ी जिले हैं या पूर्वी जिले हैं जहाँ आज

भी भाग्य कमी है बड़े उद्योगों की और अभी तक बहुत कम भारी उद्योग वहाँ पर लगे हैं। बुन्देलखण्ड की स्थिति तो यह है कि आजादी के 25 वर्षों के बाद भी कोई उद्योग वहाँ पर स्थापित नहीं किया गया है जबकि वहाँ पर भूमि मौजूद है, वहाँ पर बिजली मौजूद है, पानी की लाइन भी वहाँ पर है, रेलवे लाइन भी वहाँ पर है। फिर भी स्वतन्त्रता के 25 वर्षों के बाद जनप्रतिनिधियों की मांग के बावजूद कोई भारी उद्योग वहाँ नहीं पहुँचा है। इसलिए मेरा अनुरोध है कि आप ऐसे क्षेत्रों का ध्यान रखें जबकि आपकी यह नीति है और आप यह चाहते हैं कि जो पिछड़े हुए क्षेत्र हैं उनका विकास हो। अतः आपको अपने स्तर पर भी भारी उद्योग लगाने के सम्बन्ध में उत्तर प्रदेश में बुन्देलखण्ड का जो पिछड़ा हुआ क्षेत्र है उसको ध्यान में रखने की आवश्यकता है। जहाँ तक खनिज पदार्थ का सम्बन्ध है, उत्तर प्रदेश में जो ज़ांसी टिक्ट्रिन है, बुन्देलखण्ड का जो क्षेत्र है वहाँ पर आपको अधिक से अधिक खनिज पदार्थ मिल सकते हैं। जो रवें हुआ है उससे भी पना चला है कि वहाँ पर बहुत खनिज पदार्थ हैं।

इसके साथ साथ भारी उद्योगों को चलाने के लिए बिजली की बड़ी आवश्यकता है इसलिए बिजली का विकास युद्धस्तर पर होना चाहिए। आप मिर्चाई व बिजली मंत्री को यह मलाह दें कि एटामिक पावर के जितने केन्द्र अभी बन रहे हैं या बनने वाले हैं उनको शीघ्र पूरा किया जाय। साथ साथ कोयले से जितनी बिजली पैदा की जा सकती है उसका भी प्रयास करने की आवश्यकता है। पानी की बिजली भी बड़े बड़े पावर

हाउसेज बनाकर पैदा की जानी चाहिए ।  
जहाँ पर कि नदियों में 12 महीने पानी रहना है ।

इसके साथ साथ में कहना चाहता हूँ कि भारी उद्योगों में पैदावार बढ़ाने के लिए यह जरूरी है कि जो मजदूर हैं, उनको प्रशासन में और मुनाफे में हिस्सेदार बनाया जाए । यदि आप नीति विज्ञान कामों में उनको हिस्सेदार बनाएंगे, मुनाफे में उनको हिस्सेदार बनाएंगे तो जो शिकायत रहती है तमाम देश को या लोक सभा को रहती है कि सरकार जो उद्योग लगाती है उन में मुनाफा नहीं होता है, बरसों तक वे घाटे में चलते रहते हैं, वह शिकायत दूर हो सकेगी ।

इन शब्दों के साथ में इस मंत्रालय के खर्च की मांगों का समर्थन करता हूँ ।

DR. KAILAS (Bombay South): Mr. Deputy Speaker, Sir, while supporting the demands of the Ministry of Heavy Industries, I would like to comment on its report of 1972-73. But before I do so, I must congratulate the Prime Minister for creating this Ministry of Heavy Industries and for giving this heavy charge to a very dynamic, intelligent, quick decision maker and a practical man, Mr. Pai, to manage the whole affair.

This is a challenge to him and the country looks at him with great hopes. I have read his biography. I have seen him working because he is managing some medical institutions also. He will put his business minded approach into the industrial development of the country. I am sure he will fulfil the high hopes which the Prime Minister and the country expect from him.

We all rightly boast of the achievements of Instrumentation (India) Ltd. Only yesterday Mr. C. Subramaniam said that we must be proud of the

happy relations between the management and the labour there and the way they are working—firstly with one shift, then two shifts and now with three shifts. They have not only achieved the rated capacity but have also been able to supply the orders in time which had been placed either by the government or by the private parties. Not only that this Instrumentation (India) Ltd. has raised the image of this country by getting an export order from Malaysia. Hence, we expect Mr. Pai to take up very seriously and create more examples next year to be quoted, so that we can say that we are proud of these undertakings, say, the Heavy Electricals or the HMT or any other project which is under his charge, whether it is Triveni Structural or any other. Take, for instance the Heavy Engineering Corporation, the Mining and Allied Machinery Corporation, Durgapur, The Triveni Structural, Allahabad, the Tungabhadra Steel Plant, Ltd., the Bharat Heavy Plate and Vessels, the Engineering Products, Ltd., the Auto Industries including tractors, the earth-moving equipment and others. These were under different Ministries and now they have been brought under his control, and hence whatever has happened and has been done,—perhaps he is taking the good side of it and the bad side of it on his shoulders—is there for him to see. I have mentioned these undertakings purposely because on these lies the progress of the nation.

We judge the industries by two methods; by seeing whether the installed capacity is covered up by the industry or not, and whether we are having more staff than normal, because overstaffing is causing us concern. Secondly, we have to see whether a particular industry is making profits and adding to the general exchequer of the country. I am very sorry to state that this has not happened in any of the industries which have come

[Dr. Kailas]

under his control today. Almost all of them are losing. Hence the challenge is a still bigger. I know that Mr. Pai, as head of the team, will be able to work intelligently, and take the co-operation of his officers. But I want him to see that right from the Minister level to the lowest worker, he takes everybody into confidence so that the production comes to its targeted figure. The methods which the public industries used to follow were that whenever they could not reach the target fixed, they reduced it for the next year, or lowered it. I think he would not allow this and that he would see why the target was fixed so unrealistic and why, after taking into consideration the availability of raw materials and taking into consideration the release of foreign exchange, still, they could not achieve the target and the next year, the officers meet or perhaps they successfully convince the Minister why they have lowered the target or tried to explain that we could achieve only this much as realistic. This should not happen. I hope with the experience gained over so many years, they would base their targets on practical experience gained and see that this sort of lowering is not allowed any more under the charge of the efficient Minister and the efficient Deputy Minister. I am sorry I did not mention the Deputy Minister earlier. I have personally known the working of Prof. Siddhaswar Prasad. He has also worked very nicely and he was doing very well in his previous portfolio under industrial Development.

I would like to give some examples of failures of some industries only. The atomic Energy Commission had placed an order with the Bhopal Heavy Electricals. The ONGC had placed an order with the Ranchi plant for rigs.

Both the public undertakings, whether it be Bhopal or Ranchi, gave certain dates of delivery. The delivery dates went off; even after the due time

passed they have not given delivery as yet. After two years also, they would not give delivery and in the third year even they could not give the date. They are putting into difficulty the Atomic Energy Commission, the ONGC and others. This is the history of almost all public sector undertakings who bank heavily on the promises or assurance given by sister public undertakings. I am afraid that these public undertakings perhaps take orders from private businessmen and complete their jobs earlier than our jobs and give delivery in time.

It has come to my notice that the HMT branch at Ajmer had placed an order for certain parts with Patel and Company at Bombay; they took the order and they said that November 70 would be the delivery date. But no delivery came. When I went there with the Public Undertakings Committee, I came to know that they were exporting those parts instead of supplying H.M.T., Ajmer.

SHRI S. M. BANERJEE (Kanpur): You are a doctor; can you not give us the reason why the delivery did not take place.

DR. KAILAS: I know; but perhaps you know better because you are in labour.

SHRI S. M. BANERJEE: I am not at pains.

DR. KAILAS: I was saying that Patel Company was exporting those parts and not delivering them to HMT Ajmer on schedule. When I went to Bombay with one of the officers and spoke to the Chairman of the Patel Company, they were kind enough to promise delivery within three months and they tried to explain, as businessmen usually do, that they were fulfilling commitments made earlier.

MR. DEPUTY-SPEAKER: Please try to conclude now.

DR. KAILAS: It is unfortunate that the Heavy Electricals (India) Ltd. and the Bharat Heavy Electricals Ltd.

have let down many public undertakings by not delivering machinery contracted for as per the contracted date. It is unfortunate that due to their failures in keeping the delivery schedule they have let down the process of self sufficiency in power generation and oil exploration. I request the Minister to see that delivery schedule of industries under him fulfill their obligation in time. It has been stated in the report of this Ministry that steps have been taken to re-endorse licenses for higher capacities on the basis of capacity installed and that the dependance on single source supply of raw material would be relieved in the foreseeable future.

I would like to know from the Minister as to when was the order placed for one 1600 KVAR series Reactor for Badarpur Thermal Power Project as I am given to understand that Heavy Electricals (India) Ltd. have taken much more time beyond date of delivery and yet there are no signs of getting into shape Badarpur Thermal Power Project.

MR. DEPUTY-SPEAKER: There will be myriads of such cases. Why not pass them on the Minister?

DR. KAILAS: I congratulate the Govt. for the decision of treating cash losses upto 31st March, 1972 as interest free loan for a period of three years and for accepting a moratorium on the repayment of loans for meeting the accumulated cash losses for a period of three years.

This decision will give more support to the management and the workers. I am sure that from next year onwards, their balance sheet will show profits in absolute terms. The Heavy Electric Equipment Plant, Hardwar for the manufacture of thermal sets, hydro-sets, electric machines and associated control gear has done a good job for State Electricity Boards of different States but the delayed de-

livery of imported components and unreliable quality of indigenous castings have been putting this undertaking on sound footing.

It is said that the decision for location of a Foundry Forge Plant is being delayed for last five years. A decision was taken and it was settled. It was again shifted. Again the decision is not being taken. They are going to instal the foundry forging plant taking the public sector undertakings as a whole. You cannot have a forging plant in the South and work in the North—about 1,500 miles or 2,000 miles away. Otherwise the position becomes worse and we will be helpless. Hence I am saying that this should not be repeated again. I am sure that Shri Pai will take the decision immediately. The Public Undertakings Committee was unanimous on this that the forging plant should be located at Hardwar. I visited this plant twice and I was convinced that the H.M.T. which has done a good job must have a Foundry Forge Plant of its own. Small, medium and large industries get from H.M.T. the machines from them. It has come to our personal knowledge that the machines and/or Universal lathes have been manufactured for large and larger houses and they do not lift the machines or lathes. The reason mentioned by all of them is that they could not get loans from I.D.B. or N.I.D.C. and hence they cannot pay and take the delivery. May I ask whether Mahendra and Mahendra, Tatas and Birlas have stated facts of getting the loans correct? Why should they not get the loans? How machines worth about 5 to 6 crores is lying ready for delivery in H.M.T. workshop? Why there are not being lifted? I cannot understand as to why this is happening. Shri Pai has got to talk to the financial institutions like I.D.B., N.C.D.C. and others to give the loan as much as possible. H.M.T. machines are ready for delivery. They should be lifted. I hope the Minister will kindly look into this.

[Dr. Kailas]

I think Triveni Structural has not been able to work well. The steel building structures, hydraulic gates, pen stocks, storage tanks, etc. have not been undertaken in a big way. They constructed a three hundred meter T.V. tower in Bombay. I think they took about months more than the scheduled completion. I believe in Srinagar too Triveni constructed it. Probably it could not withstand the weather. It fell down and the T.V. Station had to be closed down as a result of this. If this happened, we must enquire into the matter as to why the Triveni Structural was not selected by the I & D Ministry and why was the private party given this contract. If Triveni has done it, then also we must enquire as to why this was done in sub-standard way. I understand Triveni is shifting to a new site and it needs expansion at an estimated cost of 104 lakhs.

When will the shifting process be completed and can the present building be utilised as a workers' colony or recreation centre.

MR. DEPUTY-SPEAKER: Will you please cooperate? If you are a Member of the Public Undertakings Committee, you could have put these things to that Committee.

DR. KAILAS: Who reads that. That is my misfortune.

MR. DEPUTY-SPEAKER: If they cannot read, what can the Minister do in a few minutes?

SHRI S. M. BANERJEE: Sir, the convention is that the Members of the Public Undertakings should not speak. And we must follow that.

MR. DEPUTY-SPEAKER: That is what I understand from his speech.

DR. KAILAS: With these words I support the demands of this Ministry

श्री राजबहादुर शास्त्री (पटना):  
उपाध्यक्ष महोदय, मैं दो बातों की और मंत्री महोदय का ध्यान आकर्षित करना चाहता

हूँ। उन दोनों बातों को ले कर बिहार के लोगों में काफी चिन्ता है और तकलीफ भी है क्योंकि वे दो कारखाने वहाँ बन्द पड़े हैं। एक कारखाने का नाम आर्थर बटलर इंजीनियरिंग कम्पनी मुजफ्फरपुर और दूसरे का नाम है ब्रिटानिया इंजीनियरिंग कम्पनी मौकामा। दोनों में रेल के डिब्बे बनते थे और यह सर्वविदित है कि हमारे देश में रेल के डिब्बों की कमी है। उन की ब्यादा से ज्यादा आवश्यकता है। लेकिन अफसोस की बात है कि ये दोनों कम्पनियां महीनों से बन्द पड़ी हैं जिस की वजह से उत्पादन तो बन्द ही है, हजारों मजदूरों के सामने बेकारी की समस्या उपस्थित है। यों आर्थर बटलर कम्पनी को बिहार की सरकार ने सरकारी अधिकार में लेने के लिए भारत सरकार से प्रार्थना भी की है और जहाँ तक मेरी जानकारी है यह सरकार के सामने विचाराधीन भी है। लेकिन सरकार अपने हाथ में लेने में अनावश्यक विलम्ब कर रही है जिस की वजह से वहाँ के मजदूरों की स्थिति दयनीय होती जा रही है और साथ साथ उत्पादन भी बन्द है। वहाँ उम कारखाने को बन्द करने में भी गड़बड़ी उम के मैनेजिंग एजेंट ने की है उन की पूरी जांच सरकार को करवानी चाहिए और अगर उन का दोष उम में पाया जाय तो उन के खिलाफ कार्यवाही भी की जानी चाहिए। अगर ऐसा नहीं किया जाएगा तो जब जिस की मर्जी होंगी कारखाने को बन्द कर देगा, उत्पादन ठप कर देगा और मजदूर बेकार बना दिए जाएंगे। मजदूरों के सामने भारी समस्या इस तरह से उपस्थित हो जाएगी। मैं चाहूंगा कि मंत्री महोदय यहाँ इस बात की घोषणा करें कि

आर्थर बटलर इंजीनियरिंग कम्पनी को कब वह अपने हाथ में ले रहे हैं और वहां का उत्पादन कार्य कब शुरू कर रहे हैं ?

में यह भी जानना चाहूंगा कि जो ब्रिटानिया कम्पनी है उसे भी लेने के लिए, मुनते हैं कि मामला विचाराधीन है, तो इस के बारे में मामला कहां तक बढ़ा है और सरकार इस ब्रिटानिया इंजीनियरिंग कम्पनी को कब से अपने हाथ में लेने का विचार रखती है और कब से वहां काम चालू करना चाहती है ताकि वहां जो बेकार मजदूर पड़े हुए हैं उन को काम मिल सके । बिहार में बेकारी की समस्या बड़ी उग्र है । सब से ज्यादा बेकारों की तादाद जहां तक मुझे मालूम है बिहार में है और बड़े बड़े उद्योग पिछले दिनों में वहां एक भी नहीं खुले हैं । उत्तर बिहार में तो कोई भी भारी उद्योग है ही नहीं । केवल चीनी की मिलें जरूर हैं । लेकिन भारी उद्योग कोई नहीं है । आर्थर बटलर इंजीनियरिंग कम्पनी उत्तर बिहार में ही है । तो उस को तो सरकार शुरू करे ती और भी कोशिश उस को करनी चाहिये कि उस एरिया में बड़े उद्योग धन्धे खड़े हो सके । मजदूरों का जो बकाया पड़ा हुआ है वह बटलर कम्पनी में हो या ब्रिटानिया कम्पनी में हो, उन की तनख्वाएँ पड़ी हुई हैं, ले ग्राफ चल रहा है, उस का पैसा भी उन को नहीं दिया गया है, बोनस जो तमाम मजदूरों को मिला है उस बोनस की राशि भी मालिकों पर बकाया है तो मैं निवेदन करूंगा कि कारखानों को अपने हाथ में लेने के साथ-साथ मजदूरों के बकाया की भ्रदायगी कराने की

तरफ भी सरकार ध्यान दे । ये दोनों बातें मैं आप के सामने उठाना चाहता हूं । एक मंत्री जी तो बिहार से ही आते हैं, उन को तो बहुत कुछ मालूम है, तो मेरी इन दोनों बातों पर वह रोशनी डालें ताकि बिहार की जनता को संतोष हो सके कि सरकार क्या करने जा रही है ।

THE MINISTER OF HEAVY INDUSTRY (SHRI T. A. PAI): Sir, I am grateful to my hon. colleagues on both sides for the very encouraging words they have spoken about me and the hopes they are entertaining about my ability to take up the challenge that has been entrusted to me of making the losing public sector undertakings work. Sir, I accept that challenge. With their goodwill and co-operation and with the help of my Ministry, I am confident that these units need not continue to suffer as they have suffered in the past. Hon. Members have concentrated their attention to the losing concerns and rightly so. All that they have said about the public sector units has been said by me as a Member of Parliament myself. Therefore, I share all their views and it is my responsibility to see that the deficiencies no longer continue.

While going through the working of these public sector units, I was aware that the emphasis laid on the profit and loss in terms of money did not matter very much to the country. What shocked me was that while we had created the capacity, there were failure to utilize it which was a total loss that the country suffered all these years. We had obviously created this capacity with certain objectives. In fact, we created this capacity because the private sector was not able to do it. We created this in strategic sectors because we intended to lead the country to self-reliance by helping other industries also to come up and we wanted to give up reliance on foreign countries as early as possible.

[Shri T. A. Pai]

All this was already provided. Year after year, plan after plan, the emphasis has been to achieve the capacity. I do not think that we have laid sufficient emphasis on utilising the capacity that we have created. So, the first task of the Ministry is to see why this capacity could not be utilized as fully as we could, because if this capacity is utilized not only the losses would be reduced but we would be able to provide goods for the other public sector undertakings and reduce their costs also. If we do not utilize our capacity, as a result of our faulty costing, we increase the cost of our own products and give it to the captive markets of other public sector units, our children and grand children would be permanently committed to paying higher for the goods that are produced in this country. This is one aspect that we in the public sector will have to take note of.

Secondly, everybody says that the public sector does not work on account of Parliament criticising the people who work in the public sector and they become nervous and do not take any decisions. I have been myself an executive in the public sector. Nobody came in my way of doing anything good. In fact, the very image of that public sector was changed when that unit started functioning. So, I have told all those who are working in the public sector not to bother about these criticisms because I am alone responsible for the failure of any unit and if they succeed, the credit for that will go to them alone. With this assurance, I think they should not have one more alibi for failure that because of the criticisms in Parliament, they could not function properly.

Thirdly, if they have suffered for want of raw materials, I do not think the public sector could have any excuse for it. If the public sector units with the mighty backing of this government could not get the raw material, it must be only on account

of faulty planning in getting them, and I think we should not allow it any more.

Again, I have found in many public sector units that financial control only meant checking some entries, being very particular about travel bills and other small things. They are not very particular to pay their bills in time, or to collect the dues which run into crores of rupees. Their financial control of management is entirely different. It may be good for a government department but not necessarily for a business undertaking, where the management of financial resources make up for either efficiency or losses.

14 hrs.

Well, again take the question of labour relations. Strangely enough in this country we have two sets of public sector institutions—one which we took over from the private sector; the other we ourselves have created in this country for strategic reasons. Now, what is the attitude of those who work in this? The same as in the private sector—the culture continues to be the same. The objectives are forgotten in the public sector and people who work in the public sector, unless they are committed to solve the problems of the country through the instruments of this public sector in which the hopes of the poor people rests so much in this country, nothing could be achieved and that is why I find we require continuous dialogue between the management and the labour. We are required to talk of participation of the labour in management. The same concepts which are good enough in the private sector are being transferred to the public sector. I would like to make it clear, in the public sector there is nothing like the management where the manager is a boss over the employees who are going to be managed. It is an old concept where different people keep different positions and discharge different responsi-

bilities. Now without the co-operation and working of all of them together for a common objective, they will not be able to succeed at all. So, here participation is no longer a concession that we give to the worker. It is an inherent right in him to be a participant in the working processes. The public sector belongs to him as well, as much as to anyone else. Here, I am appealing to all the labour leaders to help me to bring about this re-orientation in this attitude and its results to continue. That attitude—on one part of the public sector representing the so-called management and the other part the so-called labour and endless dialogue how one should behave with the other, which means we are trying to perpetuate feudalist attitude in the country and forgetting that the public sector employee is a very important soldier in fighting the battle of our economic and social transformation in this country; unless change in this attitude is brought about, let us ask them what do they want, what sort of machinery should be constituted to look after their interest. I am not holding labour alone responsible. I am holding responsible those who are in the management and whose attitude and culture is not different from the private sector management where they think that they are managing the concern. To-day the most successful management is one which is concerned with managing the people. I think they are talking of industrial relationship. I for one would consider human relationship much more important than industrial relationship, application of common sense much more important than in scientific management. Ultimately, we will have to get the results, and how exactly we can achieve it.

In the public sector I find so many unions, each one trying to assert itself, fighting with each other and I do not know how we can say, even if law or some Government machinery says that this is a majority union, we are faced with the problem that it is not. Somebody raises a dispute and

it has been suggested to us why do you not get over this problem by resorting to system of ballot? I have had the benefit of discussion with these leaders. I find one thing to evolve—the solution in consultation with them. While it looks, I think, quite a favourable solution to resort to balloting, the other group says what we want to build up is not a political organisation within a public sector, what we want to build up is an organisation of the employees, and, therefore, elections must not be resorted to but only membership should be resorted to. But I do not know how I can solve it. But nevertheless, I am going to give instructions to all the units working under me in the public sector that if any worker gives in writing that he should agree to deduct his membership fee and remit it to any union, we are prepared to undertake that so that once for all we know who is represented by whom. I think that is fair enough. We are prepared to undertake that responsibility. Let all the members decide everything to see that this will expose the labour to the risk of victimisation. The trade union movement has come to study. The right of the labour for bilateral discussion with employer on terms of equality and not on terms of charity has come to stay. If ever we talk of victimisation, we should also give up the talk of going on strike, paralysing production, because today unless we produce, we are not going to remove the poverty in this country. I, therefore, appeal to all labour leaders of this House and outside to cooperate with us in evolving a machinery which will remove all sense of injustice of labourers, which will give them a sense of participation. I am raising this point of participation because—if people are satisfied with only representation on the Board of Directors, I can simply say, 'Allright; I will give you representation on the Board'—I am myself convinced that mere representation on the Board is not going to solve the problem of labour or ourselves. It must be a total participation from the lowest level to the highest level.

[Shri T. A. Pai]

Therefore, how it could be achieved is a problem which all of us concerned with the success of the public sector in this country should be worried about.

I visited a public sector unit the other day. The Union members came to me and said, 'This unit of ours has made a loss of Rs. 5½ crores; we want an inquiry to be made'. It looked irritating to those who are in the management that labour should insist on this kind of thing. But I have thought over the problem. I want to assure the House that any information concerning the working of any unit will be available to all the workers working in that unit and nothing will be withheld, because the worker must know why that unit is making a loss. He is not only a worker but is also a citizen of this country as much as you are and I am. If any public sector unit has made a loss, I would myself have raised the question, how did it make a loss. So, he has also the right to know. The conclusion may be that the loss would not have been there, if he had also cooperated. It would help us a great deal. Therefore, I hereby declare that no information will be withheld, it will be kept every year before them—all the details they want—and I would place the same information before the House. If any public sector makes a loss, I would come to you and tell you what are the reasons for it, who has been responsible for it and what steps we are going to take to make it up.

Now, let me take up the biggest unit, the Heavy Engineering Corporation at Ranchi. This year it is going to make a loss of Rs. 14 crores. I think, we are reaching a century of losses so far as this unit is concerned. This is, perhaps, the biggest challenge I have—how to make it work. It was created to be a mother-plant to solve the problem of industrial development not only in this country but in all the developing countries around us, and, therefore, if we have not looked for opportunities to make use of this

—for want of orders and all that—I think, our vision was very limited and very restricted. As against this, our production is worth about Rs. 48 crores this year. We have now targeted and I assure my hon. colleague that we shall not be a party to reduce any of the targets once fixed. I shall charge all the executives responsible to stick to them and I hope one day this House will accuse me of over-production....

DR. KAILAS: No, No.

SHRI T. A. PAI: So far as the public sector is concerned, I would like to be in that enviable position of over-production rather than getting the accusation of under-production because I do not want to make any difference between the public and private sectors. The machinery is the same. The question is one of using it with a proper planning. Why we suffer in the public sector is because we think and we depend that this capacity has been created to serve the needs of several public sector undertakings and the decisions do not come in so quickly and very often, the specifications change from plant to plant with the result that the capacity created for a particular manufacture of a particular capacity is not utilised. Now, take for instance, the blast furnace. Our expertise has developed for manufacturing blast furnaces of 2,000 cubic metre. Somebody says that the steel industry has advanced so much that it is better to have a 2,700 cubic metre blast furnace. All right, we shall have it, we shall have it in the Sixth Plan. But, meanwhile, whatever we can do, with advantage do, we must be able to do that and we must go ahead. Therefore, we now propose to concentrate and standardise the plants that we want to manufacture, whether it be chemical plants, fertilizer plants or cement plants. I do not think that the country can have the luxury, each one having different types of specifications and ourselves trying to manufacture different things. What is needed is production in plenty of these machinery and also in time.

Now, that brings me to your complaint that whatever orders we take we may not implement it in time. I entirely agree with you. This is one of our shortcomings. I think whatever orders we accept we should be able to carry them out. If there are problems, we should try to overcome them. Of course the delays are mostly due to failure of power and other difficulties might be there. Everyone is writing to forgive us for our shortcomings if they are really genuine.

With its programme of production in the Heavy Engineering Corporation next year estimated at Rs. 60 crores, we expect to break-even. It has been pointed out that the capacity in the forge plant and the capacity in the machine tools plant is so heavily under-utilised. We are fully aware of it and we are trying to see that taking orders does not mean that we are going to fulfil them as we have seen it in the past. But I feel now that we will not suffer for want of orders. But it is our duty to fulfil them as quickly as possible.

As against this, the MAMC which has been another losing unit about which some years ago the Committee on Public Undertakings recommended that it may be closed down, I may tell you, has been revived this year where from a loss of Rs. 1 crore, our present turn-over was Rs. 9.38 crores and next year we expect a turn-over of Rs. 13 crores and we are going to break-even.

As against these series of failures, perhaps, I would like to bring to your notice that the Heavy Electricals, Bhopal and Bharat Heavy Electricals have done exceedingly well. Yesterday, my colleague had given the examples of successful public undertakings. I am giving you an instance to show that the public sector can also succeed, losing organizations also can make a profit. The Bhopal Heavy Electricals is likely to make a profit

of about Rs. 3 to 3.5 crores this year as against losses all these years. The Bharat Heavy Electricals which had a targeted figure of Rs. 82 crores is going to reach Rs. 85 crores this year and will be making a profit of Rs. 5.75 crores. The Heavy Engineering Corporation which was targeted for a production of Rs. 51.9 crores has actually reached Rs. 54 crores and probably will make a profit of Rs. 3 crores. It only shows that even the targets have been exceeded in some cases. But it does not mean that the capacity has been fully utilised to meet the needs of all power plants. You have pointed out that the Heavy Electricals India and the Bharat Heavy Electricals have not been delivering their plants in time. There have been occasions also where they delivered the plants in time and in advance but again the problem is that Rs. 30 crores and odd is due to them from the various Electricity Boards. I think we will have to manage our affairs in a businesslike manner and collect money that is due to us.

This year we have supplied to the country generators of 1.1 million kilowatts and next year we shall be supplying to the country 2 million kilowatts of generating sets. In the course of the Fifth Five Year Plan, I have drawn up the schedule of delivery for every six months and I hope that we will be able to keep up to those commitments and fulfil the programmes of the Fifth Five-Year Plan, as orders are placed with us for 10 million kilowatts of generating sets. We even look forward to forward planning so far as the Sixth Plan is concerned so that our plants are not idle at any time. We are also exploring the possibilities of trying to see that the requirements of the developing countries around us are also fully utilised. In the past production was undertaken only on the basis of orders. Now I have given instruction that since 60 per cent of our production is for thermal, I have requested the management to see that we go ahead with the manufacture of

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standard sets of 110 and 200 M.W. whether they are ordered or not, because, even if there are no orders for them, we can look forward for marketing outside. As 40 per cent of the capacity is hydro-electric, I have said that we must develop the consultancy agency within the Heavy Electricals. With the cooperation of the State Governments and with the advanced designs, I am sure, we will be able to assess their requirements and produce them.

With regard to forward planning, I am trying to remove the bottlenecks and I shall see that the management is held responsible for performance. Mr. Banerjee said that retired people must not be taken up for important posts. I entirely agree with him. I will also add that there is no question of people within the organisation itself behaving like retired people also. I want to add that those who are in the public sector are also accountable for performance. Everybody has been asking as to what has happened. Certainly, there is accountability for the performance, for the responsibility that you have taken. I do not think anybody should have any sense of security provided except on the basis of that performance alone. I propose to do something in this regard and to bring up certain measures and I sincerely hope that I will have the fullest support of the honourable House.

The essence and the merit of the public sector lies on the question whether they are able to remove the poverty of this country. The investment in the public sector units under my Ministry and in the heavy industry comes to the order of Rs. 3,600 crores. I would like to see that day, very early, when I will be able to get a return of ten per cent on these investments, rather than to come to the House and say that it is inevitable that public sector has to incur losses. We must build up the social infrastructure. The social infra-structure needs scarcely one per cent of the

capital invested and we have had the benefit of interest also. I want to take the House into confidence and say that this is a challenge which we have to face. I request hon. Members not to think that these characteristics apply only to the public sector. In the private sector also there are very many deficiencies. We must not forget that. We find deficiency in regard to management. Various capacities have been created out of borrowing for which our children and grand-children are committed to repay. Not to realise this would be a sin. We are now trying to see that the various capacities under my ministry and various ministries are properly assessed and we take into consideration the requirement of the country not only in the Fifth Plan but in the Sixth Plan as well. The technique used in this country unfortunately had been of not producing for plenty, but of producing for shortages where the sellers' market is perpetuated for all time to come, where profit is the only motive, where production and profitability have been identified to mean the same thing. To me profitability does not mean only productivity. Production very often may not be profitable. It may be high when there is low production also. But what the country requires now is plentiful production of essential requirements of the people so that within a reasonable period of time the people's needs could be satisfied that they can have their essential requirements, rather than only money income being made available to them. Nobody will be satisfied with mere money income alone. They will ask, what that money income is going to do for them.

So far as the private sector is concerned, we are going to take the same attitude. I will now deal with the private sector industries which are of major importance to us.

On the one hand I am concerned with the mother industries which are responsible for manufacturing of other machines for other industries.

We are, therefore, trying to assess our capacity for manufacture of cement plants, paper plants, etc. so that we build up sufficiently early plan targets of production of all these is not impeded. Because this machinery is not available in the country there is a powerful import lobby in this country which is trying to convince us it is better to import rather than building. I would very much like to go into the question of import of capital machinery whether we could have made it here and thus could have used the foreign exchange for different purpose. Some tell me that the Indian machinery is costly while the imported machinery is cheaper so why produce the same in India. All of you are aware that the raw-material cost is higher in our country. We have taxed at every stage of production with the result the cost of raw-material is higher. We want it to be encouraged because we wanted to export elsewhere making loss and those losses are going to be subsidised by this country. Let us encourage our people to use our machinery. Let us improve and perfect. That is the first obligation.

Let me now go into one of the important industries, namely, automobile industry in the country. Everybody is worried about the automobile industry. So far as government is concerned there should be a policy for this industry also. Now, automobile industry represents commercial vehicles, motor cars, scooters and three-wheelers which are the vehicle of the common man. With the limited resources we have, either of money or the physical resources, what should we encourage to be built in this country? The only answer is to build an efficient public transport system. Therefore, if you are producing vehicles your Metropolitan system must be looked after. Its difficulties must be solved first. Therefore, I would like to lay very much emphasis on the production of commercial vehicles which, at present we are producing about 40,000 as against our requirement of 80,000. As a result

thereof the prices of commercial vehicles are very high. There is lot of black-market and premium. It is necessary that we must build up a sufficient transport system both through railways and roadways. If every item attempted to be produced in the Fifth Five Year Plan has to find a market throughout the country and be made available to the people at reasonable prices I expect that this production which is now hardly 40,000 should be raised to 50,000. We are now taking up the matter with the Defence Ministry under whom the Shaktiman unit comes, to encourage this unit to produce commercial vehicles so that the deficit of 30,000 should be made up and the requirements of the country could be taken care of.

AN, HON. MEMBER: What about having 'small bus' instead of having 'small car'?

SHRI T. A. PAI: Regarding cars the Hindustan has the capacity of 30,000 cars Premier has got the capacity of 14,000 cars and Standard has the capacity for 3,400 cars. As against this the Hindustan manufactured 30,000 cars; Premier manufactured 14,000 cars and Standard manufactured 1,400. Now they expected to go upto 2,400 by this September. This industry has suffered on account of shortage of power in Madras because the parts are manufactured by other industries in the State itself. There is a proposal to increase the production of Premier Automobile by another 4,000 and ultimately it might go up to 22,000. We are looking into this problem. I would like to tell the House that the government has substantial control through the financial institutions in all these units either as equity share-holders or as lenders and it is necessary that we must see that this capacity is used in the best interests of the country. Therefore, my first concern is to see how best existing capacity could be made use of.

Well, so far as the small....

SHRI VASANT SATHE (Akola): What about quality?

SHRI T. A. PAI: I will come to that.

We have given letters of intent to six persons, to produce this small car. So far, 5 people have registered. I do not know—except perhaps one or two, most of them might not have taken any steps to go ahead. But, I do hope that this House will agree that it is necessary that the country cannot depend entirely on foreign designs. The fact remains that these three manufacturers, though they started ten or fifteen years earlier, did not apply their mind to research and development, to do something on their own for improving the designs or improving the cars as such. Even at this stage, the proposals that come to us, are only to seek foreign collaboration for the improved model. This only shows that steps necessary to improve the quality or to have even a better model in the interest of the country have not been taken.

So far as the quality is concerned, I am very much concerned about the quality of cars that are manufactured in this country. I have decided to do one thing now. So far, Government was insisting that new cars manufactured in this country or new scooters manufactured in this country, must be sent to the Vehicle Research and Development Organisation at Ahmednagar and should be checked up. This did not apply to the old cars like Hindustan, Premiers, Standard or Escorts. The argument was that this was a foreign design, and therefore, must be necessarily superior. Sir, whatever the design is, I know the very content of the car has undergone a change so much that every year the quality also has undergone a change. Therefore, it would be proper that all vehicles, including proto-types, should be subjected to similar tests. What are the tests?

One is that all cars should conform to the specifications held out by the manufacturers—that it runs so many miles per gallon, that it accommodates

so many persons etc. Secondly, it should be seen whether the car is safe enough for those who travel in it or the people at large. Well, I propose to see that an order is passed making it compulsory on all manufacturers to conform to these tests. Checking only the proto-type is not enough. It would be of no use if only one car is tested. The Government will take powers to see that it has the right to pick up at random from any car in the line and send it to that organisation and see that it is tested. Once this is decided, I hope and I am sure the manufacturers will be concerned with improving the quality of the spare parts. How can I impose control on the quality of spare parts? We have an Inspecting Wing. We are now trying to see that 100 to 140 spare parts are subjected to the ISI standards and specifications. I hope by these steps, we should be able to control the entire car industry and impose these quality control tests. I hope the House will appreciate this.

I would like to point out another thing. So far as private cars in this country are concerned, they are now becoming more or less a status symbol. The price of Rs. 25,000 or Rs. 30,000 is enough to complete a house by an individual or celebrate three marriages of his daughters or educate his two sons in the college. But, people are very much concerned only about having a car. In the city of Bombay, 25 lakhs of people are transported every day by the suburban railway traffic, 25 lakhs of people are transported by BEST, 80,000 private cars are responsible for transporting 10 lakhs of people and 15,000 taxis are responsible for transporting ten lakhs of people. The problem before the country is this. Do we have to over-crowd our streets by providing cars? Should we provide it for a taxi or should we provide it to a private individual? A car owned by any one of us, is used hardly for 2½ hours out of 24 hours. A car owned as a taxi can be used for 16 hours out of 24 hours. The question is, whether

in a poor country like ours, we can afford non-use of our essential resources. This will have to be taken care of. Strangely enough, so far, out of 47,000 cars that we manufacture in this country, hardly 4,000 used to be given for the purpose of providing taxis throughout the country and in a city like Bombay, hardly 300 to 400 a year. I have decided to change this pattern. I have decided to raise this quota from 3,000—4,000 to 14,750. Thirty-five per cent of the cars manufactured in this country, over a period of two years, are going to provide taxi service throughout the country including cities. Not only that. Out of this, I am specifically providing for 5 per cent, that is 2256 cars to be allotted to matriculates and above, who want to be self-employed and who are prepared to take taxi driving as a career. This would be given to them on a priority basis and this could be financed by our banking system and this will help them to have a career and also availability of cars.

Sir, I have decided also to withdraw the management quota of cars from the management and make five per cent of the cars available to doctors and nurses and other occupations socially desirable in this country and whose occupation requires them to move about. This quota will be made available to this profession. I hope the House will endorse this move.

AN HON. MEMBER: What about banks?

SHRI T. A. PAI: So far as I am concerned, I shall certainly do my best to use my influence with the banking system to see that the individual owner drivers are encouraged to build up their work. I would certainly take it up with the Posts and Telegraphs Department and my colleague in charge of the Posts and Telegraphs Department to provide telephone facilities also in cities like Bombay so that the taxis are easily available to people who would like to use them.

SHRI DINEN BHATTACHARYYA (Serampore): What about bringing down the cost of the cars? That is the main thing.

SHRI T. A. PAI: About costs, they cannot be brought down. I can only say that the cost can be brought down by a better utilisation of the vehicle. We are responsible for the taxis. On this point, so long as we see that the excise and other taxes on cars remain high, it is impossible for me to think of other things unless the order of manufacture of two lakhs to three lakhs of cars by a single unit. Therefore, why do we have to worry about the cost? It is only those who can afford will pay for it. But I am trying to see that we concentrate on the scooters.

SHRI DINEN BHATTACHARYYA: As you are giving preference to the taxis, why don't you bring down the price, the cost, also?

SHRI T. A. PAI: I do not want to be very popular by making a false commitment that the prices will be brought down. I would like to make my statement clear that I would like to help the taxi-drivers by giving more cars than ever before it was possible for them to have, without influence.

AN HON. MEMBER: Is there any proposal to reduce the excise duty on taxis?

SHRI T. A. PAI: This question of taxation on cars is not only a problem before the States as well as the Centre, but I hope some efforts will be taken to see that it is reduced. I am all for looking into the essential problems of the travelling public. (*Interruptions*).

The problem today is, even the taxi-drivers, to get a car, have to pay a heavy premium, to get a loan even if he be the owner. Cars are owned by a few individuals and the taxi-drivers have to hire them out and

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These people are still living as taxi-drivers. Let me first of all try to solve the problem of making the taxis available to them and let us all work for ideal condition to be brought about where everybody will make it a point to bring down the prices not only of motor-cars but of other essentials of life also.

**SHRI KRISHNA CHANDRA HALDER (Ausgram):** My question is, whether you will be able to supply the equipment to Bokaro Steel Plant in time or not.

**SHRI T. A. PAI:** I am very happy that people have now become very anxious to see that all our public sector units become....

**SHRI KRISHNA CHANDRA HALDER:** The heavy industries in general.

**SHRI T. A. PAI:** I am very happy that I can assure everybody, and I assure the House, on behalf of the Ministry of Heavy Industry, that Bokaro's working will not suffer for want of any material being supplied in time by us.

Now, at present, 61,000 scooters are being manufactured in this country. I expect that, with many of the units making a greater effort, by 1973-74 this production will be going up to 97,000. In 1974-75, we should be able to reach at least 1,50,000, and by the end of the fifth Plan we shall be able to reach the figure of about three lakhs in respect of the production of scooters. I hope this will bring about general satisfaction to the common-people who may be able to get a scooter rather than a car.

We have at present the capacity for manufacturing 35,000 tractors. This year on account of power shortage we shall be able to manufacture only 20-25,000 tractors. HMT has taken upon itself the responsibility for the manufacture, ultimately, of 12,000 tractors

in the public sector; around 4,000 will be manufactured this year. Hindustan Tractors private limited company in Baroda has been taken over by the Government under the Industrial Development and Regulation Act; it had a capacity to manufacture 7,000 tractors; it had come down to the manufacture of 500 tractors. I hope this capacity will be fully utilised. The licensed capacity at present is 1,20,000. In order to see that the installed capacity in the country is fully utilised. I should like to see the import of tractors stopped forthwith so that the local manufacturers do not suffer. Yesterday it was said that due to land ceiling the demand is stagnating or slackening. If it is so I do not know why anybody should be tempted to import tractor at all.

I agree that individual big farmers may not be able to go in for tractors. The solution lies in the Agro Industries Corporation starting service centres; the tractors will be owned by them and made available to farmers on hire so that even the poorest farmer could use it.

The drought affected areas are bound to face problems because of the depletion of bullock-power. We are told that in many places bullocks had been permitted to die and even if there are rains now it would be difficult to carry on cultivation as usual. I have directed that power tillers and small tractors should be immediately made available to the Agro Industries Corporation in Gujarat, Bihar, Mysore, and Maharashtra so that they might be made available to the farmers in time.

**SHRI B. K. DASCHOWDHURY (Cooch-Bihar):** What about the farmers of others states?

**SHRI T. A. PAI:** This should be done so that they may be ready to make use of a good season, God willing; and we may take the best advantage of it.

If there is equal enthusiasm in other areas or if there is scarcity reported from elsewhere, I shall certainly help others to get these things.

DR. KARNI SINGH (Bikaner): We are also a drought affected area in Rajasthan.

SHRI T. A. PAI: I am sorry I forgot to mention Rajasthan. If there are any lapses on my part, please bring to my notice so that it may go on record and it will be set right.

I should like to tell my friends in the private sector that very often we go on accusing each other and say how you are more efficient and so on; it is not going to take us very far. Looking into the automobile industries, the world Bank team had recently classified some of these institutions and given summary rating which indicates overall efficiency, financial, technical, managerial, etc; Bajaj tempo—85.4 per cent, Telco 81.6 per cent, Premier Automobiles—57.8 per cent; Asok Leyland—46.2 per cent. Mahindra 33 per cent and Hindustan Motors 26.4 per cent.

So far as tractors are concerned, the figures are as follows:—

T.A.F.E. 75.6 per cent.

Eicher Tractors 71.5 per cent and so on.

In the private sector, many of the units will have to go a long way before they are able to hold their head and say that their products are as good as any other product. Whichever sector it may be, the first concern should be that we become quality conscious. Ultimately, we have to produce these things which we can manufacture. You can say that there is no demand. What is the demand? The demand is at what price the people can afford to buy. A pair of legs and hands do not make the purchasing power. Ultimately, the country will have to manufacture them within the

country. Most of the people both in the private and in the public sectors do not identify the things required in abundance. Take for example application of science and technology. This has to be improved so as to satisfy the people. Socialism does not mean distribution of money. The people must have the satisfaction in their consumption. In some of the commodities, the prices are so high that they have become only a status symbol in this country. The prices are so high in this country that you cannot bring about an artificial class distinction in this country.

We propose to set up in our ministry what is called a Data Bank to have an assessment of capacity already created. We would like to find out from the people as to the requirements of this country in the Fifth Plan and Sixth Plan period so that the needs of these industries are continuously looked after and production is continuously assured and the bottlenecks that we have are removed as quickly as possible.

As a Minister in charge of Heavy Industry I find one thing that though it is not related to me, I find that there is some kind of aversion to develop ancillary industries in the private sector as well as in public sector. I do not know how the ordinary people in this country could be brought up unless we are in a position to give them encouragement, finances, technical know-how etc., etc. so as to coordinate their activities and allow the ancillary industries too to come up. I admit that within the limitation I will have to see that a considerable effort is made to bring it up. If necessary, I shall pressurise the Commercial Banks also to come into the picture. With a coordinated effort I think this lacuna would be removed.

Another problem is this. I find that because of the sectoral distinction that we have made in regard to small-scale, medium and large industries, in spite of the fact that the

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small scale industry with machinery worth Rs. 7 lakhs, by its efficiency, when it grows into an industry worth 9 lakhs of machinery, it ceases to get all the privileges that a small industry is entitled to get. There is no concession given in the matter of foreign exchange or in the matter of raw materials. As a result other people refuse to allow them to grow. I would like to see that that monopoly is broken.

I think when the small scale industry becomes a medium scale industry, it deserves all support and encouragement because that is necessary in our country not only to build up industries but it is necessary also to build up entrepreneurship in all classes—middle as well as lower middle classes—because this is the only way by which the monopoly can be broken up in this country.

श्री लाल जी भाई (उदयपुर) : मैं यह जानना चाहूंगा कि एलाटमेंट और रैगलराइजेशन ये दो तरीके सरकार अपना रखे हैं जमीन के एलाटमेंट के लिए। लेकिन उस के उपर भी फी वीधा 12 सौ 13 सौ रुपये किसानों से प्रीमियम फीस के रूप में बूल किए जाते हैं। ऐसी हालत में ट्रैक्टर का क्या उपयोग हो सकता है।

SHRI T. A. PAI: Though this does not concern me, if you could bring it to my notice, I shall take that up with my colleague so that this difficulty is got over.

The H.M.T. is under me. It has got various units. We club the figures of the profits or losses of all units. Still, I am not satisfied. I would like each unit to produce its own profits. I do not want a balance sheet to show them. Each unit has come into existence for a specific purpose. If they run into losses, since in this country our resources is scarce, the management will have to take care to see that the resources are not invested

into a venture without any idea of getting a return on it. The resources could have been alternatively used. Though in principle we have taken a decision that we could have a holding company, I would rather convert my ministry itself into a holding company....

• AN HON. MEMBER: Private or public?

SHRI T. A. PAI: Public and belonging to all of you. Therefore, the very management aspects which a holding company is expected to look into will be looked into by the ministry because we have more of technical problems to handle and very little of civilian service. So, we could be eminently organised into a holding company answerable to Parliament for all the deeds and misdeeds of the units working under us. Therefore, instead of going into a new format, we shall see that the existing units are made answerable for total production. We shall see that the Central Manager, the Financial Controller and the Production Manager are jointly held responsible for fulfilling the objectives they have undertaken, after a full and frank discussion with us. All these exercises we are starting.

Mr. Ramavatar Shastri spoke about the wagon industry. As Railway Minister I have said that we have placed orders with the wagon manufacturers in the country. They were complaining that these orders were being placed on an annual basis and the Railway Board itself does not know its own mind. I have sorted out the problem and said that orders should be placed on a three year or five year basis, so that sure orders might be given. But I have now realised that placing orders does not mean getting wagons. We have 14 wagon manufacturing unit in this country of which 6 or 7 are sick. Most of them are closing down. The Railway Convention Committee had advised the railways that they should be careful in increasing their own

capacity in disregard of the capacity of the private sector we had created. In all these units, the public financial institutions have considerable stake. In the past I placed orders. Now I will have to take orders. Already about one or two units about which my hon. friend spoke, orders are being passed under the Industries Regulation Act to take them over. We are also considering the case of two or three units in Calcutta under the Burn & Company and ISW and with Jessops and Braithwaite coming under our ministry, we shall have to constitute a Wagon Authority to see that after the wagon capacity in each of these units is properly assessed, and standardised and we give them every assistance by way of raw materials and also orders from the Railway Board at economic prices in order that this industry might be sustained. Very often there has been conflict between our export commitments as well as domestic requirements. I think even the export requirements will have to be planned regularly by this Wagon Authority; An early decision will be taken on this subject so that the problems he has raised can be solved.

**SHRI VASANT SATHE:** While talking of ancillary industries, would you also take into consideration the development of backward areas of that the problem of regional imbalance can be tackled?

**SHRI T. A. PAI:** It is a pertinent point. In the case of many ancillary industries like the automobile ancillary industries, their location in a backward area does not handicap anybody. We shall certainly take into consideration this aspect.

The problem of adivasis working in HEC, Ranchi was raised. I feel deeply concerned that we have failed to provide housing for the people who have been displaced as a result of the starting of this project and rehabilitate all of them. There are 300 or 350 still remaining. I assure the House that

the problem will be solved before the end of the year and they will be rehabilitated by provision of work. More than that, I have found that people belonging to the Scheduled Castes and backward classes of this country, given the facilities, can show talents which are absolutely as much as the talents found elsewhere, particularly in making use of their hands and working machines. I would certainly take up the responsibility of providing special training for these people so that they might be properly equipped to take up the job in terms of equality with the rest. This is a human problem and I would concede this is of great importance.

Another point that strikes me is the development of managerial talent within the public sector itself. If I am asked this question in how many ways the Heavy Engineering has failed, to me one of the most important fields is in producing its own managers. After 15 years of existence, if you take that all the people you have taken at the time of its starting were brilliant people, how is it that you could not provide opportunities for them to come to the top? So, I propose to have an incentive scheme to see that all people drawing a salary of Rs. 1,000 and above in all the units working under my Ministry are properly screened and they are provided with development opportunities, management training facilities, so that they may have the hope that provided they play their parts also, they will have a chance to go not only to the top in their own organisation but in any of the public sector undertakings. This is the only way that I can build up a cadre of our own for the public sector undertakings without continuously depending upon either keeping their vacancies as they are, or trying to borrow somebody who cannot be grafted into an organisation. It is not that he is not more efficient but the problem is of human acceptance within an organisation which will treat him as its own so

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that the frictions which are usually found are avoided.

SHRI KRISHNA CHANDRA HALDER: Are you going to appoint technocrats at the top level?

MR. DEPUTY-SPEAKER: That is what he was saying.

SHRI KRISHNA CHANDRA HALDER: Then, will the workers be included in the incentive scheme? In my speech I raised a specific case of corruption to which I want a categorical answer.

SHRI T. A. PAI: It is very difficult for me to answer one case of corruption that has been brought up. If the hon. Member brings it to my notice, I shall certainly get it investigated and send him a reply. Whether in public sector or private sector it is high time that we put down corruption.

MR. DEPUTY-SPEAKER: Individual cases cannot be discussed in this House.

SHRI T. A. PAI: My hon. friend, Shri S. M. Banerjee, yesterday referred to the recent appointment of a Managing Director for Braithwaite. I may inform him that I had a chance to have a discussion with this gentleman. He is progressive in his outlook. He was found to be one of the most efficient managers at Avadi where the production during his time was the highest. I am saying this because Shri Banerjee would not make a remark without knowing the facts. I want to bring it to his notice in fairness to the gentleman who has taken up this responsibility. I expect that all those people who have now been posted to these responsibilities will certainly come up to the expectations of the House in every way.

SHRI B. S. MURTHY (Amalapuram): In view of the fact that land ceiling is coming, is he thinking of smaller tractors?

SHRI T. A. PAI: Over a number of years we have created a museum of tractors in this country of all sizes. In the drought affected areas the smaller tractors available within the country and the power tillers would be made available in larger numbers. (Interruptions).

MR. DEPUTY-SPEAKER: I would like to ascertain from you whether you were here in the House during the speech of the Minister. Most of the questions come from those members who were not here and they want him to repeat the same thing that he has dealt with in his speech.

There is no cut motion to these demands. I will put the demands to the House. The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the order paper be granted to the President 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, 1974, in respect of the heads of demands entered in the second column thereof against Demands Nos. 44 and 45 relating to the Ministry of Heavy Industry.

*The motion was adopted.*

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

DEMAND NO. 44—MINISTRY OF HEAVY INDUSTRY

"That a sum not exceeding Rs. 10,50,000 on Revenue Account 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, 1974, in respect of 'Ministry of Heavy Industry'."