

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Criminal Law Amendment Act, 1952."

The motion was adopted.

Shri Hathi: Sir, I introduce the Bill.

12.48½ hrs.

INDIAN TARIFF (AMENDMENT)
BILL*, 1965

The Minister of Commerce (Shri Manubhai Shah): Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

Shri Manubhai Shah: Sir, I introduce the Bill.

12.49. hrs.

MOTION RE: DECONTROL OF
CEMENT

Shri S. M. Banerjee (Kanpur): Sir, I beg to move:

"That this House takes note of the statement of the Minister of Industry on decontrol of cement, laid on the Table of the House on the 18th November, 1965."

Sir, I have read with keen interest the statement the hon. Minister and not only Members of Parliament of either House but no sensible person in the country is convinced that decontrol of cement was necessary at this hour.

As the hon. Minister has stated, this Government is not wedded to control. I equally share his views. Even members of the ruling Party, in their meetings, have expressed the fear that they may hoard the cement and the prices may go up. The fear is genuine in the sense that everything will be left in the hands of the industrialists. What are the reasons for the decontrol and the price increase? I read from the statement of the hon. Minister on 18th November, 1965.

"The cement industry has, of late, been representing about the strict control on cement. It has attributed the present tardy growth of the Industry to the 'lamentable lack of internal financial resources' and the inability to pay their shareholders dividends at rates paid by other industries."

So, one of the reasons for increasing the price and for the decontrol, leaving everything in the hands of the industry, is that the condition of their internal financial resources is lamentable and according to the information of the hon. Minister, they have not been able to pay dividends to their shareholders. I speak from memory, in 1962-63 the percentage of profit earned by the cement industry was 9.5 whereas the maximum which was earned by the other industries was 16 or 18.5.

Shri Harish Chandra Mathur (Jalore): Is it crores or lakhs?

Shri S. M. Banerjee: I have given the percentage. So it is quite clear that the cement industry was earning profits. They did not increase the salaries of their employees by mutual negotiations and I am sure that, even the recommendations of the Wage Board will not be implemented by them; that is their attitude, an arrogant attitude towards their employees. The industry is adamant not to pay dividends or equal

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dividends like other industries to their shareholders, but they come before the Government and demand price increase. This is not the only time when there has been price increase. There had been price increases in the past also. The Government granted increases of Rs. 2.75 and Rs. 1.25 per tonne with effect from June 1, 1963, and July 1, 1964, respectively, because of the increased cost of production of cement. Again from 1st June 1965, the Union Government allowed an increase of Rs. 8.35 per tonne (about 42 paise per bag) in the selling price of cement. I am quoting from *The Hindustan Times* of 1st June, 1965:

"The Union Government has allowed an increase of Rs. 8.35 per tonne (about 42 paise per bag) in the selling price of cement with effect from tomorrow. The new f.o.r. selling price of unpacked cement will be Rs. 108.10 per tonne. Excise duty, additional surcharge and packing charges will have to be paid separately."

Now what is the actual price at which a consumer has to buy? The present f.o.r. destination price for cement is Rs. 154.27 per tonne, including Rs. 28.32 for excise duty—Rs. 7.71 per bag of 50 kgs. The industry had demanded an increase of Rs. 29 in the price for the public and Rs. 9 from the Government.

Mr. Somani, who was one of the very able members of this House, in a statement to the president of the Cement Manufacturers Association, admitted that the industry would have to set up a vigilance machinery to guard against blackmarketing. Even Mr. Somani is apprehensive that, even after decontrol, there may be blackmarketing.

What was the price of cement in 1964? The producer's cost was Rs. 73.50 per metric tonne. The consumer's cost in Bombay was Rs. 159.54 per metric tonne. Ex-

stock price for 77.59 is Rs. 83 per metric tonne. The selling price was Rs. 154.27 per metric tonne. It will thus appear that a consumer has to pay through his nose because of the difference between the selling price and the producing price. What does this increase mean to the industrialists? It had been calculated by the various economists and industrial houses, Members of Parliament and the political parties. Some people say that the increase which will go into the pockets of the industrialists is to the tune of Rs. 13 to 16 crores per annum; some sources have revealed that the increase may be to the tune of Rs. 30 to 35 crores a year. What is our target? What is our production today in our country? I speak subject to verification. Today we are producing 11.2 million metric tonnes and on the basis of the present progress of pending schemes, the existing capacity of the cement industry is expected to increase to 13.02 million tonnes by the end of 1965-66, to 14.01 million tonnes by 1966-67 to 15 million tonnes in 1967-68 and to 18.33 million tonnes by the end of 1968-69. When the production figures is about 11 million tonnes, the extra money because of the increase in price, which will go to the pockets of industrialists, is either to the tune of Rs. 16 crores or according to the other calculation, Rs. 30 crores. So, the amount which will go in their pockets when the target for cement is reached by 1968-69, will be practically double, i.e., on the basis of roughly 20 million tonnes. The argument given by the hon. Minister to justify the present price increase is that it will be ploughed back in the industry and new industrial units will be formed. What is our condition today? Out of 38 cement factories in the country, only three are in the public sector—one in U.P., another in Maharashtra and the third in Mysore. Can the hon. Minister deny that there is a monopoly in the country about cement? Can he deny the fact that, whenever Government wants to set up any cement factory in the country, the U.S. mono-

[Shri S. M. Banerjee]

polists, who want to help the private sector, deny any help to the public sector? Was it not possible for the Minister to start some of the cement factories in the public sector? If the cement industrialists were in this lamentable financial condition—according to his own statement—was it not open to the Minister to take over some of the units? After all, cement industry is a growing industry. If he sincerely believes in planning, if he sincerely believes that the construction work should go on in the country, we have also to believe that cement industry is a growing industry, but no attempt has been made in this direction. While agreeing to increase the price, what further assurances have been given to these industrialists? I read from the statement of the hon. Minister:

"Starting from the date of de-control, the average increase in cement f.o.r. price will be restricted to Rs. 13 per tonne over the existing price—Rs. 10 per tonne for Government under the rate contract and Rs. 16 per tonne to the public. The increased prices will be effective for a period of one year, after which they will consult Government for any changes that may be necessary."

Even this increase—this is the third or fourth one in five or six years—is not enough for the industrialists. To pay dividends to their shareholders, to better their own financial condition, to get rid of the lamentable financial condition—according to them and according to the hon. Minister's statement—they say that, if they are not satisfied, after a period of one year they will consult the Government for any changes that may be necessary. Even after that, if the industrialists feel that they want more money to pay back dividends to their shareholders, they can approach Government and say that even this increase has not been adequate. I do not know how a person like Shri T. N. Singh

who is a believer in the public undertakings, who talks socialism and perhaps believes in it, succumbed to the pressure of the big industrialists. I do not know what was agitating his mind. I would like to know whether the Cabinet was divided over it.

13 hrs.

Shri A. P. Sharma (Buxar): No. There is no question of any division.

Shri S. M. Banerjee: My hon. friend Shri A. P. Sharma has yet to become a Cabinet Minister. Let him get returned in 1967 and become a Cabinet Minister and then talk to me about this. I am asking this question of a Cabinet Minister. Was there such pressure? Or was it due to the fact that the 1967 elections were approaching?

I would submit that not only cement, but even sugar is bound to be decontrolled.

Shri M. R. Masani (Rajkot): Hear, hear.

Shri S. M. Banerjee: My hon. friend Shri M. R. Masani says 'Hear, hear'. I do not know what amount will go to his coffers, but surely the Congress will get funds from the cement manufacturers and from the sugar manufacturers.

Shri A. P. Sharma: No.

Shri Vasudevan Nair (Ambalapur): Yes, definitely they will get.

Shri S. M. Banerjee: Those Members who are saying 'No' here may not get a share of it, because they are small Members, but the big people in the Congress will get it.

Shri Bhagwat Jha Azad (Bhagalpur): I may tell my hon. friend that we do not want decontrol; therefore, let him not raise this point and throw the main point into the background; let him not try to spoil the atmosphere. We are for control.

Shri S. M. Banerjee: I agree with my hon. friend Shri Bhagwat Jha Azad. But what I am afraid of is that this decontrol may be due to the fact that political donations may be expected from these cement manufacturers or cement magnates.

Shri K. N. Tiwary (Bagaha): No That is wrong.

Shri S. M. Banerjee: It may be totally wrong, and I wish that it should be wrong.

Shri Bhagwat Jha Azad: How does my hon. friend believe in these things?

Shri S. M. Banerjee: I believe in it because I have seen statements of accounts and audited reports wherein this has been mentioned. I believe in it because in this House when the company law was amended, we requested that the clause relating to political donations should be omitted, but Shri Lal Bahadur Shastri, when he was the Minister in charge of it, defended it, and in fact, it was defended also by our late lamented Prime Minister. That is why I am saying this.

After this decontrol, what is going to be the future of the common man, the consumer? What is happening today? For a bag of cement which costs Rs. 9.50, the man has to pay about Rs. 20. In the cities at least it is available even at that price, but what is happening in the rural areas? Even if they have to reconstruct a well which is necessary at this hour for irrigation purposes, they do not get the cement, and I have seen such instances....

Shri Harish Chandra Mathur: Therefore, decontrol?

Shri S. M. Banerjee: I shall be happy with decontrol; let there be decontrol, but let there be a proper distribution.

Addressing the members of the Congress party the other day, the hon. Minister had said that he would form a committee and he would even associate Members of Parliament with it. This is what he is reported to have said:

"Although the distribution of cement could be entrusted to the industry itself, it was proposed to have some kind of centralised arrangement so that M.Ps. would also be associated in working out the distribution procedure."

I wish that the Members of Parliament should not associate themselves with it. It is a sort of *kaajal ki Kothri*. It will be difficult for the Members, just before the elections, to avoid temptations; any voter may approach them and ask them for a bag of cement and they will have to say 'Yes' to him. I know the difficulties that would be there before the Members of Parliament.

So, I would suggest this. Let a committee be formed, and let some representatives of the STC also be associated with it. This is what Shri Somani, the chairman or president of this association has himself said. This is what he is reported to have said:

"Announcing the details of the agreement, Mr. G. D. Somani, president of the Cement Manufacturers' Association told newsmen that simultaneously with the lifting of controls on cement on January 1, the STC would also go out of the picture."

Shri Somani is very happy that the STC would go out of the picture. But what is going to be the distribution machinery? Shri Somani himself feels that there may be black-marketing, and I feel that there will be blackmarketing. What is going to be the remedy then? I would like the hon. Minister to give a definite assurance....

An hon. Member: My hon. friend also can approach Shri Somani.

Shri S. M. Banerjee: I am sorry I have no relations with Shri Somani. So, I would request my hon. friend to introduce me to Shri Somani.

I would request the hon. Minister to convince this House so that we shall be able to convince the entire country that this decontrol was inevitable. I could understand it when they talk of more production of sugar and sugar surpluses. But what were the conditions before? Shri S. K. Patil, when he was the Food Minister, had said that we had got six to seven lakhs tons of sugar surplus. He was almost drowning himself in sugar and then he exported also sugar. But after decontrol what happened? There was no sugar.

So, I would like to know what our internal consumption of cement in the country is. What is the requirement of Government, and what is the general average requirement per year, of the other consumers? Will all these requirements be met even after decontrol? If the requirement is more but the production is only 11 million tons, then decontrol may lead to serious results. When there was control, I know how things were working. In the district supply offices and the town rationing offices they had two registers, one for repairs and another for construction of new houses. In my place of Kanpur, the big business houses wanted to construct a big temple, because that was the easiest way to get cement. But what happened was that the moment the temple would be constructed and finished, somebody would die in the family and the construction work always used to go on and cement was thereby always in demand. In the name of constructing temples, people go on having cement, whereas the person who needs even one bag of cement for essential purposes is denied of it.

So, I would request the hon. Minister to give a definite assurance to the House that if after the decontrol, they do not behave properly and they take advantage of this decontrol and hold the country to ransom and sabotage our construction work in the Fourth Plan, then Government will have no hesitation in coming forward before the House and asking for control.

Shri Shinkre (Marmagoa): He will easily give that assurance.

Shri S. M. Banerjee: I do not want the Government to swing between control and decontrol all the time; today they are in favour of control and tomorrow they are in favour of decontrol and this kind of thing goes on, and thereby it becomes a vicious circle. What we find now is that the machinery is set up for control and later it is decontrolled, and immediately somebody asks for control again; if anything is not available or is not easily saleable, then the people go to the hon. Minister and say 'I am unable to sell my articles; please impose controls so that it will become a rare commodity and people will purchase it'. That is also a trend which is going on in this country. So, let not this Government swing between control and decontrol.

I would submit that this price increase is unjustified. Let there be a thorough enquiry into the working of the cement industry.

I would like to draw the attention of the House to another report which has appeared in *The Statesman*, which reads as follows:

"Hoarding of cement feared: The Government's recent decision to decontrol cement from New Year's Day does not seem to have upset the market so far in any way, although there is a fear shared by a section of officials that an attempt may be made by the trade to hold on to the stock immediately before January 1".

This is a warning, not to the hon. Minister, but to the officials and to the Ministry. And who gives this warning? It is not we the Members of the Opposition or of the Ruling Party but a section of the officials, because they know the mechanism of control and decontrol better.

So it is their fear. Once the cement goes underground and an underground machinery is established by the industry with the help of a certain government machinery, that will be much more powerful than the Minister's machinery to operate the distribution properly.

I am sorry that instead of paying compliments to one of my most respected friends, Shri T. N. Singh, our worthy Minister, I have to criticise him because his action seems to have satisfied none, and there is a serious discussion going on in the country about it.

Shri Bhagwat Jha Azad: There are some who are satisfied.

Shri S. M. Banerjee: From what I read in the newspapers, I do not know why the press people should come out with all cock and bull stories about the Congress Working Committee or the Congress Parliamentary Party Committee. Nobody denies that. Fears have been expressed by Shri Mathur. He asked what will be the distribution machinery, whether the commodity would reach the consumer, whether the consumer would be benefited. If such healthy discussion has taken place in the committee, I congratulate all those members who took part in that.

Last but not Least, I would request the Minister to allay the fear in the mind of hon. Members, and through them, the fear of the vast majority of the people in the country who want cement for their own purpose, for the purpose of building a hut, for the purpose of building a well, for the purpose of building a drain and so on. They should be assured that

these industrialists will not be allowed to harvest on this decontrol, because they always pressurise Government with a double-barrelled gun. They say 'We are an uneconomic unit, a marginal unit; either give us rebate on excise duty or increase the profit. This double-barrelled gun, if it has been used against Government pressurising them, let it be turned against the black-marketeers and big industrial houses and let it be made certain that the price will not be increased. Let them be told: 'No increase in price. You may do whatever you like for dividend. You are minting money'. There should be a proper inquiry. A High Power Commission should be appointed to inquire the working of the cement industry.

One word more and I have done. I am sorry I have to go out of Delhi today. I may not be present at the time the Minister replies. Let that not be taken as a disrespect to the House, to you or to the Minister.

Shri Shree Narayan Das (Darbhanga): I had given notice of an amendment....

Mr. Deputy-Speaker: Let me place the motion before the House first.

Motion moved:

"That this House takes note of the statement of the Minister of Industry on decontrol of cement laid on the Table of the House on the 18th November 1965".

Shri Shree Narayan Das's amendment has been received very late.

Shri Shree Narayan Das: Yesterday, it was only a few minutes late. I would seek your permission to move it now.

Mr. Deputy-Speaker: No. Shri A. P. Sharma. Members will please take only ten minutes each.

Shri Harish Chandra Mathur: How are you going to regulate the debate? We must be called.

श्री प्रकाशबीर शास्त्री (बिजनौर) : जो प्रस्ताव के प्रस्तावक हैं उनको पहले समय दिया जाये।

Mr. Deputy-Speaker: Obviously all the Members who have signed the motion cannot get a chance.

Shri Harish Chandra Mathur: But they must catch your eye first.

Mr. Deputy-Speaker: Some of them will get chance.

Shri Harish Chandra Mathur: Mr. Deputy-Speaker, you should understand that they should get a priority right....

Shri M. R. Masani: No.

Shri Harish Chandra Mathur: because they are interested in the subject.

Shri M. R. Masani: On a point of order. I think the hon. Member's contention is altogether unfounded. Surely those who have signed a motion like this cannot have any monopoly of the discussion. They may all belong to one pressure group.

Shri Harish Chandra Mathur: Nobody says that.

Shri M. R. Masani: There are different point of view in the House. The House must have a free discussion.

Mr. Deputy-Speaker: All cannot get chance. Those who catch my eye will get chance.

Shri Harish Chandra Mathur: How to catch your eye is the question.

Shrimati Savitri Nigam (Banda): Those who have signed the motion— they must be called.

Mr. Deputy-Speaker: I will try to accommodate as many as possible.

Shri A. P. Sharma: While speaking on this motion, I fully endorse the policy of decontrol of cement announced by Government and the Minister of Industry. I will give the House the reasons one by one why I endorse this policy.

There are, as the previous speaker has said, 38 cement factories in this country, out of which only 3 are managed by three different State Governments. Today the position regarding cement is that everywhere cement is required and people are not getting as much as they require for their use. On the basis of the present progress, we are going to have 17.6 million tonnes of cement produced in this country by the middle of the Fourth Plan, that is, 1968-69. The target fixed for the Fourth Plan is 25 million tonnes per annum.

Between this target and the present expectation of cement to be produced in the country, there will be a gap of 7.4 million tonnes. How are we going to meet this shortfall? Today the question is—I am dealing with production of cement first—whether we should produce this extra cement required in the public sector or in the private sector. If I have understood them aright, most of the people who are opposed to this policy are not opposed only to decontrol, but they raise the controversy whether the cement should be produced in the private sector or in the public sector. Here I would like to say very respectfully that so long as this Government is wedded to the policy of mixed economy in this country, this question of private sector vs. public sector is redundant. This bogey of public sector vs. private sector, should not be raised time and again. Personally, I am a firm supporter of public sector. There may be some shortcomings in their working, but still I am an ardent supporter of public sector. But when we are going to have both the public and private sectors in all other

industries in this country, we do not raise this hue and cry and say that expansion of cement factory should not be in the private sector. Moreover, we are faced with a difficult foreign exchange situation. It has been made abundantly clear time and again by Government that it will be difficult for them to find the foreign exchange content required for the expansion of the cement industry in the public sector. That foreign exchange can be utilised for some other purposes. Therefore, there was no alternative before Government but to agree to the expansion of the cement industry in the private sector. As long as we follow a policy of mixed economy, I do not see any reason why should we raise this controversy at all now. This is nothing but a bogey. Today what we are concerned in this country is how to produce the cement required; whether it is produced in the public sector or in the private sector is not the main concern. Therefore, I support the policy announced.

Coming to distribution and prices under decontrol, about which our friends have been talking too much. Just now Shri Banerjee imputed motives to the Congress Party and said that they will be raising funds for political benefit out of the production of cement and all these things. I want to say you that some of the Opposition Party members are more associated or they connive more, with the capitalists in this country than the members of the Congress Party. People call themselves progressive; they talk something outside, and they do something inside. At least the Congress Party does not do that. The Congress Party does everything openly, whatever it wants to do. The Congress Party has stated that as a political party they accept donations, they accept moneys from people when they give it.

Shri Shinkre: There are all shades within the Congress Party. They do not require to make any show because all shows are within the Congress.

Shri A. P. Sharma: I do not know to what party my hon. friend belongs. If he tells the name of the party, I am prepared to talk about him, but I think he does not belong to any party.

An hon. Member: He is a free lancer.

Shri A. P. Sharma: He is a free lancer, so he has no responsibility.

I was talking about decontrol. I am primarily a labour worker, and my constituency is a rural area. It consists of villages. I claim that at every interval I have the occasion to visit my Constituency. I do not know how many hon. Members do that. I do not compare myself with anybody, but wherever I go in the villages, I find the difficulty of the people unaccountable because of this control. I want you to believe and this House to believe, and anybody who knows the reality will believe, that for getting a bag of cement, people have to run several times from one place to another, from the panchayat office to the BDO's place, from this place to that place, and I am not talking about the illegal money that they spend, I am talking about the legal money that they have to spend for coming and going, for staying there days together, spending their time, a number of days. Apart from that, they have to spend illegal money some times too. Cement is always available in the market if you pay more price for cement through black market. Therefore, this decontrol is a boom for the poor section of the people. I do not understand how anybody in this House who has got real appreciation of the difficulties of the people in this country can at all oppose this decontrol of cement. If I have my way, and I want to request the Government that most of the difficulties for the Congress Party and this Government can be removed if everything is decontrolled in this country and no control is maintained. This is the difficulty with food also.

Shri N. Sreekantan Nair (Quilon):
Join the Swatantra Party.

Shri A. P. Sharma: I do not know, last session and this session I have got my personal experience. We did not get rice in Delhi. Therefore, I am in favour of decontrol.

Now I come to the prices. The prices, no doubt, have to be controlled by the Government, and the Government has also to see that they have to evolve a suitable machinery to see that the people get cement according to their requirements.

My hon. friend Shri Banerjee wanted an assurance from this Government. Who is he to ask for an assurance from this Government? This Government is a responsible government, responsible to the people of the country. The Government knows the difficulties of the people. The other day the Prime Minister said that he personally knows the difficulties of the people, because he comes from the ranks of the common people, and therefore there is no need of asking for an assurance from this Government. The Government is always alive to the situation.

One thing more and I finish. In the statement the Minister has said that this is going to be on an experimental basis for a year, and after that the Government will take the stock of the situation and if necessary the Government will not hesitate to resort to control again, if that is in the interests of the people.

With these words, I strongly support this motion, and I do not like that anybody should be carried by the phobia of this ism and that ism; so long as we have accepted the present economic policy in this country, we have to work sincerely.

Shri M. R. Masant: I think there is a great deal of weight in what has fallen from the lips of the hon. Member who has just taken his seat. He has spoken from experience, and his

bitter experience of the black market and the evils that have attended the control of cement are very convincing.

In my constituency, the peasants of Rajkot have been grievously suffering from the abuses that have come under the so-called system of control of cement. In fact, there is no need arguing this any more, because the hon. Minister in his statement to the House on the 18th November, himself said:

"Government have been receiving reports that the consumers at the retail end have to pay much more than the control prices and that the present system of distribution and price control is, therefore, not quite effective."

And he went on to say:

"Government are conscious of the evils that sometimes follow in the wake of control involving a large body of administrative personnel who may, in the course of exercising their powers, be exposed to temptations of various kinds."

Therefore, what Shri Sharma said was perfectly correct.

We, on these benches, believe that the real cause of high prices and corruption are shortages. So long as an article is in short supply, there is no law, no government, no system, that can help the prices going up, and if the price is controlled, the thing breaks out in a black market. This is the reality. In other words, what this country needs predominantly is more cement. That is the perspective in which we should set our problem.

Look at the amount of cement we consume in our country. The per capita consumption of cement in our country is 18 Kg., a miserable quantity. Let me give corresponding figures to show how we lag: Italy 191 Kg; UK 200 Kg; Japan 226 Kg; USA 272 Kg; West Germany 295 Kg;

Switzerland 386 Kg; and we have 181 In other words, instead of worrying about the price and distribution, the first thing is to produce a quantity of cement worth mentioning.

If the main thing is to produce more cement, it must be made possible for the Industry to expand and grow. Unfortunately, thanks to over-taxation, rising costs and controlled prices, the cement industry has been stagnating for the last few years. It has been paying miserable dividends. Shri Banerjee spoke more from ignorance and prejudice than from understanding. The dividends paid by the cement industry are terribly low.

Shri Harish Chandra Mathur: What are they?

Shri M. R. Masani: The return on the paid up capital, as the Minister's own statement will show, is on average 9 per cent. Even my friend Shri Asoka Mehta, an ardent socialist and anti-capitalist, has gone on record as saying that no industry is worth while unless it gives a minimum of 10 per cent on paid up capital. So, even the low standards set up by my ardent socialist friend Shri Asoka Mehta have not been satisfied for the cement industry. It has not been allowed to earn a fair return, and the result is therefore it is not able to expand. This inhibition on expansion is the main problem, and the Government have acted perfectly rightly in taking a step in the right direction because, with the step taken, it may be possible for the industry to reach the target of 10 million additional tons on top of the 11 million tons that are being produced today.

Let me say right away that this is a very niggardly and unfair price that has been allowed. At this rate, the industry is not being given even the funds to plough back to reach the target of 10 million tons. Let me give the figures. The decontrol and the price increase under it give the industry about Rs. 24 to Rs. 25 crores of additional capital to re-invest. They already had Rs. 50 crores which

they could get out of depreciation and the development rebate that is available.

In other words, Rs. 50 crores available and this Rs. 25 crores more, on a generous calculation, given to the industry make Rs. 75 crores on a tally. In order to reach the target of 10 million additional tons in five or six years what is required is Rs. 150 per ton of fresh capacity installed. That means that the cement industry needs Rs. 150 crores of fresh investment over the next five or six years. As I have pointed out, the present step only gives fifty per cent of what is required. There is a shortfall of Rs. 75 crores and all that the government have been able to do in their mercy is to tell the industry: "we shall put in a good word for you with financial institutions like the ICICI and so on. If I may say so, with all respect to the Minister, this is not good enough. If we are serious about giving the country the cement that it needs, then I think that the quantum of price rise is altogether inadequate.

What is the quantum given? The quantum is on an average Rs. 13 per ton. Let me explain. The government is about half the market and the other private consumers are the other half of the market. Under the scheme that government have imposed, they have made a discrimination in their own favour: they have allowed a rise of Rs. 16 per ton for others but only Rs. 10 for them selves! This averages out to Rs. 13 per ton. Here may I enter a caveat against this discrimination? When the government goes into the market to buy articles produced by the people, surely it has no right to priority over the rest of us. If a small kisan wants to build a hut or a little silo, he has to pay more. I think this is unfair to the consumer and there should be a free market and a fair price for all.

Shri Sonavane (Pandharpur): Why should the industry demand more prices?

Shri M. R. Masani: I am pointing out that the industry did its duty and demanded a higher price because it pointed out that unless it got a higher price it could not reach the target of ten million tons of additional cement that is needed by the country. It is a pity that their very fair demand was turned down and only about half of it has been granted. I must record my dissent against this niggardly and unfair treatment to an industry which has done well by this country.

There are two things in this measure. One is decontrol of distribution and the other is the raising of the price. Let me make it clear that there is no decontrol of the price. The decontrol is on the distribution alone because a kind of informal control has again been imposed on prices. But even so, since it will be done by consultation, it is an improvement on the present rigid control of a statutory nature. I do welcome that change as a change in the right direction.

In so far as distribution is concerned, we can now look forward to lessening of the black market and to a fairer deal for the consumer. I say that because the record of the STC and the State authorities has been a very poor one in this regard. The STC was the biggest profiteer in this country, charging a high margin of profit on cement for doing nothing at all. That was true about two or three years ago until it stopped..... (Interruptions.) It was a parasite; for some time it forced the cement industry to sell to it low and it sold at a very high price....

Shri K. D. Malaviya: There are no bigger parasites than your major industrialists.

Shri M. R. Masani: The fact remains that according to Mr. Sharma and according to the Minister, distribution has broken down and black-marketing has ensured.... (Interrup-

tions.) Why do I say that the black-market will diminish and we may look forward to a better deal for the consumer? That is because the scheme that the Industry have put up to the Minister which he has accepted is there. The scheme to put up a Cement Manufacturers' Sales Co-ordination Organisation for the purpose of ensuring fair supply is a very good one. Let me mention for the benefit of the hon. Members some of the features of the scheme which the Industry has worked out and which the government has, quite rightly, approved. These are the features: first, to ensure the supply of cement at all States in India at a uniform price and in such manner that no areas are starved. The second is to receive regionwise allocations from the Ministry of Industry and Supply for Central and State government demands. The third is to see that the cement requirements of the Central and the State Government indentors are met to the extent of at least fifty per cent. There are many other things. One more is to ensure adequate supplies to quasi-government bodies, agricultural requirements, small scale industries and cement processing industries. Another is to rush supplies to areas where pockets of acute shortage arise. And then there are two more aspects: to fix the stockists' margin of profit and ensure overall supplies to each State. With this kind of self-discipline by the Industry which is an industry which has served the discipline by the Industry which is country well, we may look forward to very much better conditions for the consumer than government controls have been able to give. Therefore, half-hearted as this measure is, I welcome it as a step in the right direction.

Shri Harish Chandra Mathur: Mr. Deputy-Speaker, to put the whole thing most mildly, I would say that the step taken by the Minister is the most ill-advised. He has walked into a damned dirty trap. If he found some comfort and consolation

in the company of my hon. friend Mr. Masani, then I will have very little to say. But so long as he sits on this side of the House, he will have to do a little bit of rethinking in this matter. It is not in any doctrinaire manner that I speak. There are very serious implications.

The first thing is that this statement which was made in this House on the 18th November was made by the Chairman of the cement industry on the 13th. It was given all out to the Press. I do not mind what the cement industry says so far as their side is concerned but if they tell the Press and the country that this is the decision of the government regarding cement policy, price of cement, decontrol of cement, and this House is ignored, then it has every right to complain. I would rather like the Minister to tell us whether he communicated this decision to the industry before he laid the statement on the Table of the House. I understand that the industry is quite free; the press is free to give out and do anything. But the crucial point which I want to make out is whether the Minister gave that out and said that this was the decision. Because if you read, in inverted commas, what has appeared in the Press, it is that the Chairman of the cement industry has said that the decision of the government was this and this. Then it is highly objectionable. I wonder how the House has not taken any notice.

The next thing is a matter of deep policy. We want to know whether cement has been selected to be a favoured child for certain favoured treatment or the government has chalked out a different policy from what they have been following to this day.

Shri M. R. Masani: It has been a Cinderella so far.

Shri Harish Chandra Mathur: Has the Minister developed cold feet for

the cement corporation which was established with fanfare, with all sorts of notions and promises. What has happened to it? Why have they left it in the lurch? Has it any support or not from the government? Why do they not leave the matter of distribution to a centralised agency like the State Trading Corporation? Is it going to be wound up?

Shri M. R. Masani: I hope so.

Shri Harish Chandra Mathur: That is the hope of my hon. friend Mr. Masani and that is why he supports him. I would like to know whether the hon. Minister endorses the policy which Mr. Masani gave out....

The Minister of Heavy Engineering and Industry in the Ministry of Industry and Supply (Shri T. N. Singh): Certainly not.

Shri Harish Chandra Mathur: If he says certainly not, he has got to justify, why STC has ceased to play the role in the matter of distribution of those articles which are scarce in the country and which have got to be distributed fairly and properly? This is not only a deviation but it is a complete reversal of the policy and we should get fair and clear answers from the hon. Minister. No reasons have been placed before the House for the rise in the price by Rs. 13 on an average. We have not been given any facts and figures to justify this. Out of Rs. 13 or 14 crores a year which will go to the industry....

Shri M. R. Masani: Only Rs. 6 crores.

Shri Harish Chandra Mathur: 11 million tons is production and the price is Rs. 13.

Shri M. R. Masani: Government takes away more than half of it in taxes.

Shri Harish Chandra Mathur: The total which is going to the industry, even according to the chairman of the industry, is Rs. 15 crores.

Shri M. R. Masani: Not to the industry.

Shri Harish Chandra Mathur: Of these Rs. 15 crores, something will be absorbed by the companies by a rise in the cost of production in the year 1966 of which they have taken notice even now. Note has been taken of the rise in prices that will be there in 1966. Rs. 4 crores of course would be over and above all this expenditure on taxation, dividend, profits, etc.

Shri M. R. Masani: Not dividend or profits.

Shri Harish Chandra Mathur: Everything is paid; Rs. 4 crores are there so that the industry will plough it back for the expansion and for the setting up of new units. May I know why this tax on me, on the poor agriculturist, so that the industry may expand and grow richer and richer and fatter? What is the sense of your making an enquiry into monopolies? What was the Monopoly Commission for? Inherent in your scheme of things is the monopolistic tendency.

What is inherent in this measure? What is inherent is, those who are getting fat will be getting fatter. If you want an expansion of the industry, I can quite understand; levy a cess of Rs. 5 per ton which will mean Rs. 5 crores to Rs. 8 crores, which will come to the Government's exchequer because I am paying it, but why should the industry grow fat on my account? You can have a Rs. 5 cess and that cess could be given, and the industry is not in that state of affairs as has been painted by him. Let us look at the facts. During the third Five Year Plan, the industry was to invest about Rs. 50 crores, and they have done it. There is no reason for us to think that the private industry will not be able to do it in the future.

But this is a hoax and a strategy, a sort of race, so that you go and

levy further taxes on the consumer by the industry; this is not a tax by the exchequer. I see no reason why this amount of Rs. 5 crores should not go to the exchequer, and if you want to help the industry, certainly give to the industry an interest-free loan if you like and whatever assistance you wish to.

Therefore, this rise in the price has got to be gone into by a Parliamentary Committee. Whatever is meant for expansion must come to the exchequer of the country, and may be given then, to the private sector or the public sector. I very much resent this tax on my pocket to fatten the industries.

The third thing is about the decontrol and distribution. My hon. friends have said that controls mean corruption. We have all the time been saying this: I do not follow any doctrinaire attitude, and as proof positive of that, I would submit to the House that, as Chairman of the two study teams on the organisation of the Controller of Imports and Exports, I have made various recommendations which give a complete relaxation both to the public sector and the private sector, wherever the relaxation is required and demanded. But we never want the private sector to ride me and strangle me. The private sector must be kept in its proper place. They must be given all the freedom, of course, to expand, but freedom to expand does not mean that I should contribute to its expansion. The Government have found so many institutions. As a matter of fact, the small scale sector and the agricultural sector have all the time been saying and pointing out an accusing finger against this Government that they have set up half a dozen financial institutions to help the large scale sector but that the Government have done jolly well very little for other purposes. I say, go a step further, if need be, towards expansion, but you cannot ask me to contribute like that and impose a

jazzia on the poor, private consumer to fatten the industrialists.

Mr. Deputy-Speaker: The non-Member's time is up.

Shri Harish Chandra Mathur: I shall finish in two or three minutes. There is another inherent mischief in the present arrangement. What is that inherent mischief? My hon. friend has been refusing certain licences for the expansion and the setting up of new industries to certain people. If he thinks that those industries are good enough, I would like to give that, in spite of all that may be said by anybody, by the front door. But now the industrial licences for expansion and industrial licences for the setting up of new industries are given by the backdoor method. What is that backdoor method? Because this industry will earn about a crore of rupees for expansion, licences for expansion must be given. If you do not give licences for setting up a new unit, what does the industry do with this amount? Take Dalmia Jain; they have refused the licences. I am not one of those who will say, "Refuse those licences." If I feel that one should be given licences, I will give the licence in open day by the front door. I will say, "Here is the licence, you get that for setting up the industry in the national interest and you can go and set it up. I do not mind." But, on the one hand, they cancel the licence for an industry which they were to set up near Abu; by this backdoor method they are giving him a licence, because he will have earned a crore of rupees for expansion and for expansion purposes you must give him a licence! That is the backdoor method.

So much has been talked about distribution. I do not for one moment see how this distribution of cement is going to improve now. What is the mechanism of decontrol? Instead of the Collector or the Panchayat Samiti doing anything, it is the private industry which will do some-

thing now. What is the behaviour of the private industry? Let me tell you the behaviour of the cement industry. The behaviour of the private cement industry is this: on the 16th August, when the Prime Minister gave an inkling about this decontrol, the cement factories saw to it that though their manufacturing programme was quite there, though the production was all the time there, their despatches completely fell down. This is their record. They would not take the wagons; they had indented for the wagons, and those indented wagons which had gone to them were refused, because they wanted to earn more profit.

Even where the question of food and starvation is concerned, where people are starving, how is the trade behaving? Don't you think there is enough of foodgrains in the country. We said that 88 million tons of foodgrains were produced last year; it was a record production for this country. And this year we are facing all the trouble. Is it due to the controls? You are now asking for procurement; where are the controls? There is no need for control for food; as a matter of fact, all the trouble is absolutely due to the misbehaviour of the large farmer who is just profit-minded, and the behaviour of the trade which is responsible for this starvation in the country and our difficulties in the country. Do you think they will behave in a better manner when charged with the distribution schemes?

Yesterday, a man in the village or the town, at least a man who wanted to repair the well or to put up a new well or to repair a leaking house, had the opportunity of going to the Collector and asking for a bag of cement. To whom is he to go now? I think I may get even 200 bags to repair my house but I will also have to make an application to one of the industrialists to whom I will give a ring and say, "Please make 200 bags available to me." This is the scheme of things

[Shri Harish Chandra Mathur]

which my hon. friend has brought here, and therefore, every right-thinking man who wants integrity to be maintained in this country will oppose it tooth and nail, and I do so.

श्री बड़े (खारगोन) : उपाध्यक्ष महोदय, सीमेंट के डिक्ट्रोल का जो प्रस्ताव हमारे सामने आया है उसके बारे में बहुत से माननीय सदस्य भावनाओं में आकर अपने विचार व्यक्त कर रहे हैं, जैसे श्री मेरे मित्र श्री माथुर ने बहुत जोर जोश से कहा कि यह जजिया कर है और उन्हीं भावनाओं में आकर कह दिया कि शासन जो कुछ कर रहा है वह गलत कर रहा है। मेरा यह कहना है कि हमारी पार्टी और हम इस कण्ट्रोल के पहले से विरुद्ध हैं, लेकिन एक दफे कण्ट्रोल करने के बाद फिर शासन डिक्ट्रोल करने जा रहा है और शासन का इसका राष्ट्रीयकरण करने का हेतु नहीं है। पता नहीं मन्त्री महोदय प्लैनिंग कमीशन में काम करने के बाद यहाँ आकर एक वम से डिक्ट्रोल के पक्ष में कैसे हो गये। इस प्रकार से मन में सन्देह होता है कि उन्होंने पूंजीपतियों को फायदा पहुंचाने के लिये यह कदम उठाया है। इस देश में समाचार पत्रों में ही नहीं, पार्लियामेंट के मेम्बरों के मन में भी यह बात आ चली है जो लोग आज चीजों को पैदा कर रहे हैं उनको पूरा प्राफिट नहीं मिलता है, और चूक प्राफिट नहीं मिलता है इसलिए इंडस्ट्रीज बहुत नहीं हैं। लेकिन यह सब बिल्कुल बोगस बात है, यह केवल मन की कल्पना है कि पूंजीपतियों को लाभ नहीं हो रहा है। मैं तो समझता हूँ कि टु मक बि रिच रिचर एण्ड पुअर पुअरर की जो धाप की नीति है उसी के कारण आपने यह डिक्ट्रोल किया है। नहीं तो डिक्ट्रोल से कंट्रोल और कंट्रोल से डिक्ट्रोल की नीति समझ में नहीं आती है like ladies' hair—bobbed hair, long hair then bobbed hair—like a pendulum which moves. एक दफे धाप लांग हेअर रखते हैं फिर बॉन्ड हेअर रखते हैं फिर लांग हेअर रखते हैं।

लेडीज फैशन पेन्डुलम की तरह भ्रुव करता है। उस तरह से कंट्रोल और डिक्ट्रोल धाप क्यों करते हैं। इस सम्बन्ध में धाप भावना में क्यों बहते हैं। दरअसल हमें देखना चाहिये कि इसमें शासन की नीति क्या है। जब हम यह सुनते हैं कि जो सीमेंट इंडस्ट्री है वह प्राफिट में नहीं चल रही है तो उनकी धप्रोच यह मालम होती है कि पूंजीपतियों को प्राफिट नहीं होता है इसलिये वह पूंजी नहीं लगाना चाहते हैं। प्राफिट्स इस प्रकार हैं :

ब्लन टैक्सटाइल्स	17.4 परसेन्ट
आयरन एण्ड स्टील	12.8 परसेन्ट
सीमेंट	0.4 परसेन्ट

उनका कहना है कि प्राफिट्स कम होने की वजह से यह फैक्ट्रीज नहीं बढ़ रही हैं।

ध्रब ध्राप कैपिटल फार्मेशन देखिये :

इंजीनिअरिंग	77.51 परसेन्ट
केमिकल्स	24.13 परसेन्ट
पेपर	15.34 परसेन्ट
सीमेन्ट	5.05 परसेन्ट

तो यह मैं माथुर साहब से पूछना चाहता हूँ कि यह फिगर्स गलत हैं क्या ? कैपिटल फार्मेशन कम होता है और प्राफिट भी कम होता है और इसलिये इंडस्ट्री बड़ नहीं रही है यह जो शासन का कहना है और यह जो फिगर्स उसने दिये हैं, वह गलत हैं क्या ? और ध्रगर गलत हैं तो फिर ध्रापको कहना चाहिए था कि यह फिगर्स गलत हैं और मेरी फिगर्स ये हैं ध्रपनी फिगर्स देनी चाहिए थी। यदि शासन ने जो एथोराइज्ड फिगर्स दिये हैं वह गलत नहीं हैं, ठीक हैं तो फिर कुछ नयी पालिसी ध्रक्तियार करनी चाहिए और उस पर शासन को विचार करना चाहिए।

शासन की पालिसी गलत है या सही है इस पर ध्रब मैं ध्राता हूँ। क्यों ज्यादा प्राफिट इसमें नहीं कर सकते उसका कारण एक्साइज इयूटी है। एक्साइज इयूटी बहुत ज्यादा है। ध्रगर चार रुपये पर टन एक्साइज इयूटी कम

कर दें तो वन मिलियन टन ज्यादा प्रोडक्शन हर साल हो सकता है। सीमेंट का जो बुलेटिन आता है उसके ईश्यू को मैं पढ़ कर आया हूँ। उसमें उन्होंने कहा है कि यदि चार रुपये पर टन एक्साइज ड्यूटी में कम कर दें तो एक मिलियन टन ज्यादा प्रोडक्शन हो सकता है और प्राफिट ज्यादा हो सकता है।

इसके बाद मैं इनका यह कहना है कि हम डीकंट्रोल कर रहे हैं। मैं कहता हूँ कि यह डीकंट्रोल आप केवल कन्स्यूमर्स के वास्ते कर रहे हो या पूंजीपतियों के लिए कर रहे हो? अगर डीकंट्रोल करना है तो पूरे का पूरा करो। इसके परमिट और लाइसेंस पर कंट्रोल है, जो कोई इनके लिए परमिट या लाइसेंस लेने जाता है, वह चक्कर खा कर लौट आता है, जब कांग्रेस के किसी नेता और वह भी छुट-मंथे कांग्रेस के नहीं, बल्कि बड़े बड़े मिनिस्टर के पास पहुंच हो, तब कहीं जाकर कंक्ट्री का निर्माण करने के लिए परमिट मिलता है। उसके प्राइस के ऊपर कंट्रोल है, उसके पयूज के ऊपर कंट्रोल है, यानी कोयले पर कंट्रोल है, तेल पर कंट्रोल है, पीकिंग पर कंट्रोल है, इतने कंट्रोल होने पर भी यह कहते हैं कि डीकंट्रोल कर रहे हैं। आप डीकंट्रोल केवल सीमेंट का कर रहे हो, अगर डीकंट्रोल करना है तो इन सब चीजों का भी डीकंट्रोल करो। एक पालिसी भ्रष्टियार करो आइडर कंट्रोल की या डीकंट्रोल की।

फिर मैं आता हूँ डिस्ट्रीब्यूशन पर। आप कहते हैं कि डिस्ट्रीब्यूशन की जवाबदेही हमारी है और यह कहते हैं कि 25 मिलियन टन हम फोरबिड पैदा करने वाले हैं। उसके अनुसार 115 करोड़ रुपये का उनको सीधे चेक दिया जा रहा है, आपके अनुसार ही यह मैं कह रहा हूँ, जो पालियामेंट्री सुप की मीटिंग में अपनी पार्टी में आपने कहा है। उसमें है :

'One of the points made during the discussion was that the industry would gain nearly Rs. 115 crores over a five year period if

production were to rise to 25 million tonnes as proposed.'

ऐसा आपने कहा है। (व्यवधान) लेकिन उनको फायदा तो हो जायगा डीकंट्रोल की वजह से और केवल पूंजीपतियों को फायदा पहुंचाने के वास्ते यह किया है नहीं तो न्यूज पेपर में ऐसा निकला था 1964 में कि बि सीमेंट डिस्प्रिपियर्ड क्राम बेहली मार्केट, 1964 के नवम्बर के महीने में वह डिस्प्रिपियर हो गया था और अभी जो आपने यह कहा कि स्टेट ट्रेडिंग कारपोरेशन प्राफिट नहीं कमाता है तो मैं आपको बताता हूँ कि 73.51 रुपया उनको पर टन पड़ता है और 159.54 रुपया पर टन वह बंचते हैं, और उस पर यह कहते हैं कि फायदा नहीं होता है... (व्यवधान)... तो मैं कहना चाहता हूँ कि इस प्रकार का फायदा वह उठाते हैं।

डिस्ट्रीब्यूशन की बात मैं कहना चाहता हूँ और मैं मिनिस्टर साहब से कहना चाहता हूँ कि मन्त्री जी इधर ध्यान दें कि ऐंप्रीकल्चर के लोगों को सीमेंट की ज्यादा जरूरत पड़ती है। कहते हैं सीमेंट नहीं है तो ब्लैक मार्केटिंग में जो सीमेंट मिलता है वह कहां से आता है, इसके बारे में कोई जवाब नहीं। बड़ी बड़ी बिल्डिंग्स बनती हैं उनको पचास पचास, साठ साठ बोरीयां मिलती हैं, वह कहां से सीमेंट लाते हैं, इसका कोई जवाब नहीं। लेकिन एक कास्तकार को एक या दो बोरी लेना हो तो पहले उसे कारकुन को दो रुपये प्रति बोरी देना पड़ता है। वहां जाता है, घबके खाता है, बाहर चपरासी घबके देता है, तीन तीन रोज पड़ा रहना पड़ता है, उसके बाद सीमेंट की एक बोरी मिलती है। इस प्रकार से बहुत से कुर्ग केवल सीमेंट न मिलने से गिर चड़े हैं और मैंने यह फिगर्स मध्य प्रदेश गवर्नमेंट को दी हैं। आपकी यह जो डिस्ट्रीब्यूशन की मशीनरी है यह बिस्कुन बेकार है। इसका किसी चीज के डिस्ट्रीब्यूशन पर कोई कंट्रोल नहीं है। अगर मुगर पर कोई इसका कंट्रोल नहीं है, घनाज पर कोई कंट्रोल नहीं

[श्री बड़े]।

हे, आज सस्ते घनाज की दूकान से बाहर कितना घनाज महंगा बेचा जाता है, यह आप देख सकते हैं, घासलेट तेल पर आपका कोई कण्ट्रोल नहीं है और फिर भी आप कहते हैं कि डिस्ट्रीब्यूशन हमारे हाथ में है। तो आपकी जो यह मशीनरी है यह ठीक नहीं है एकदम यह मशीनरी फेल हो गई है, और गरीब लोग इससे मारे जायेंगे।

तो मैं ऐसा कहता हूँ कि अगर कण्ट्रोल रखते हैं तो कण्ट्रोल रखा जावे या अगर डीकंट्रोल करना है तो पूरा का पूरा डीकंट्रोल करिये और इसमें ऐसा होना चाहिए कि काश्तकारों को सस्ता सीमेंट मिलना चाहिए। यदि आपने ऐसा नहीं किया तो मैं यह कहूँगा कि केवल पूँजीपतियों को 115 करोड़ रुपये देने के लिए आपने उनको यह एक ब्लैक चेक दिया है और दूसरा कुछ नहीं है। मैं जानता हूँ कि कौन कौन से इंडस्ट्रियलिस्ट्स आपके पास पहुँचे हैं और जिन्होंने आपके ऊपर जोर डाला है, उनकी लिस्ट मैं दे सकता हूँ। इंडस्ट्रियलिस्ट्स ने आप से यह कहा था कि अगर सब चीजों पर से रस्ट्रिकेशन हटा लिया जाय तो हम भी अपनी फेक्ट्रीज इसके लिए खोलेंगे। माधुर साहब ने जो कहा कि वह भी इंडस्ट्रियलिस्ट्स हैं, पूँजीपति हैं जिन्होंने कि सीमेंट के कारखाने खोले हैं, मैं माधुर साहब से सहमत हूँ। मुझे कहना है कि यदि सरकार को कंट्रोल हटाना है तो धन्य हटाएँ, हमारी पार्टी इसके फेवर में है। लेकिन साथ साथ में डिस्ट्रीब्यूशन ठीक करना है और एक्साइज ड्यूटी को कम करना चाहिए। और यह जो आपने भाव बढ़ाने का माजिन दिया है, इसमें 16 रुपये पर टन जो आपने प्राफिट भाव बढ़ा कर दिया है इसका कारण क्या है, यह क्यों बढ़ाया। इसके बारे में कोई रीजन आपने नहीं दिया। कन्वूमर्स के लिए और ज्यादा महंगा कर दि। आपको तो एग्जीक्यूटिवलिस्ट्स को बढ़ावा देना चाहिए, उनको सीमेंट ज्यादा मिलना चाहिए, इसके लिये कोशिश नहीं

की है। यह जो डीकंट्रोल है इसके बजाय मन्त्री महोदय यह करदें कि नये नये कारखाने जो इसके लिए खोलेंगे उनको सबसिडी दें, उसको कुछ फायदा दे दें या कुछ एक्साइज ड्यूटी कम कर दें तो इंडस्ट्रियलिस्ट्स और ज्यादा आयेंगे। लेकिन जो प्रालरेडी हैं केवल उन्हीं को फायदा देने से क्या आपको मिलेगा और प्राचीरी निवेदन है कि यह डीकंट्रोल करने के बाद फ्यूएल और तेल बगैरह पर तथा पैकिंग पर जो कण्ट्रोल है उसको भी हटायें तथा नये कारखाने खोलने के ऊपर जो रेस्ट्रिक्शन लगा रहे हैं वह भी हटायें और इसके साथ में आप डिस्ट्रीब्यूशन की मशीनरी को अपनी ठीक करें। यह जो बाहर बिकेगा उसमें वह काश्तकार से प्राइस ज्यादा न लेवें, यही मेरी बिनती है। इस तरह डीकंट्रोल करेंगे तो फिर कोई हर्जा नहीं है। लेकिन यह डीकंट्रोल आउट होना चाहिए। केवल सीमेंट के लिए यह पालिसी हो, यह ठीक नहीं है। अगर केवल सीमेंट के लिए आप डीकंट्रोल करेंगे तो लोग जरूर ऐसा कहेंगे कि आपने चुनाव के चन्दे के लिए ऐसा किया है।

Shri P. C. Borooah (Sibsagar): Sir, if the quantum of utilisation of cement is any indication of a country's social and economic progress, then it must be said, India stands at a miserably low level. I think Mr. Masani was justified in telling that our per capita consumption of cement is only 18 Kg. per annum as against 386 kg of Switzerland, 296 kg of Germany, 272 kg. of USA, 226 kg of Japan and 204 kg. of Britain and France. Therefore, it is absolutely necessary that we should have more production of cement.

Our third Plan target for production of cement was 13.2 million tons and the same for the fourth Plan is going to be fixed at 25 million tons. But we are already down by 2 million tons in the third Plan target. So, we are in a very difficult position and unless we step up our production, a

very serious situation is inevitable. In these circumstances, to tide over the difficulties, the government wanted that both the public and private sectors should join hands and come to the rescue. As a result, decontrol of prices and decontrol of distribution have been announced. The public have hailed this announcement. May be the politicians have a different view, but the public have hailed this decision. They have felt greatly relieved, particularly in remote places like Assam, Manipur, Tripura, Nagaland and NEFA where we have known that the cost of cement used to be Rs. 10 to Rs. 15 per bag. At least now we have heard that from the date of this de-control the price of cement is going to be fixed at Rs. 8.80 per bag everywhere in the whole country. The people in my part of the country are hailing this decision. If after de-control cement is made available to them at Rs. 8.80 per bag, the people would find it hard to believe. They do not mind paying a little more price if they get it. Cement is very scarce and if it is going to be made available to them at Rs. 8.80 a bag certainly they will hail this decision.

14 hrs.

Shri K. D. Malaviya (Basti): But the question is whether they will get it.

Shri P. C. Borooah: We have to believe it.

Shri K. D. Malaviya: The hon. Member, Shri Borooah, knows that the people will never get it.

Shri P. C. Borooah: The people are asking, after this, when we are going to decontrol C. I. sheets. Next to food and clothing people want cement and C.I. sheets. Definitely, the people, not only in the eastern region but in the whole country, are hailing this announcement. If we are successful in this, I dare say no power on earth will be able to dislodge the present regime for many many years to come.

Whether we take up the line of control or decontrol, it is essential to remember that they are only a means to an end. We must be clear about our ultimate objective. What is our objective? Our objective is that cement should be produced, our people get cement, our people do not pay any blackmarket price for cement and there is no harassment in their getting the cement that they require. They want only cement. We have to root out blackmarketing in cement. We should not allow any profiteering in cement. We have to see that our developmental, defence and consumer requirements are met in full. Politics should not be mixed up here. Whether it is control or decontrol, whatever method is more effective we must choose it, we should be bold enough to accept it.

We have so far controlled both production as well as price. But it seems we have failed and we have not been able to do much there. Production did not reach the target, cement shares have fallen, investment in cement industry proved less attractive and the industry came to be burdened with higher cost of production and less return. The result was, fall in production to the extent of two million tons. Our distribution machinery equally broke down. Consumers could not get cement in time. They had to pay blackmarket price and they had to bribe the officials to get cement.

Therefore, when control failed, we had to take to some alternative method which could serve the purpose. The industry assured the Government that if cement was decontrolled they could produce more. The Government considered their suggestion and after a good deal of consideration they have come to this decision and they have announced decontrol of cement only as an experimental measure for a period of 12 months.

It has been said that decontrol in cement is a reversal of the policy of expansion of public sector undertakings in consumer industries. No

[Shri P. C. Borooah]

policy could be permanent. Policy must change according to conditions of the dynamic society. It is not correct to say that because the Government said something some time ago, it must stick to it till doomsday. Public sector expansion, no doubt, is kept in view, but the decision to enter into new fields always depends on the extent to which conditions are favourable.

In fact, the present decontrol is not decontrol in the real sense of the term. 50 per cent of production is earmarked for Government and public sector undertakings and the balance is left for the consumers. The price at which cement should be sold to Government and to consumers has been fixed. The industry has assured that it will not exceed the price ceiling. It has accepted the condition that the surplus arising from the price increase would be ploughed back into the industry. Similarly, they have undertaken to make their own distribution arrangements and charge more or less uniform rate throughout the whole country. Therefore, this is a peculiar decontrol with so many built-in controls. The only difference is that instead of the STC the industry will be the distributor. Distribution is going to be taken up by the industry itself. But a more important advantage is that if the STC fails we have to burden the tax-payer whereas if the industry mismanages they run the risk of reverting to a much more stringent system of control. Therefore it is a conditional decontrol subject to many strings. Government hold the strings on production, on price, on profits and on dividends. Hence it is not a departure from the logic of mixed economy and the dynamics of controls and prices.

It has been suggested that interest-free loans could have been given to the industry; their shares could have been purchased; their demand for price increase could have been met even without decontrolling. No doubt, there is force in this argument.

But, of late, we have accepted the principle of flexibility in our policy of controls. We have already decontrolled certain commodities probably with good results. Decontrol may be less costly than giving interest-free loans. Now under decontrol they would pay the normal interest rate on institutional finance. Therefore, interest-free loans cannot be a better alternative to decontrol.

With these incentives I am sure the industry will concentrate on expansion and produce enough of cement which it is unable to do at present.

Sir, the country is in an emergency. It is aggedged by its two unfriendly neighbours. Added to our misfortune is the fact that we are facing a food crisis, we are apprehending a famine condition. The only way by which we can extricate ourselves from these troubles is by increasing production. Production is the only slogan now. In such a state of affairs we cannot indulge in quarrels over the question of public and private sectors. Both sectors are as dear to us as the other. Our policy of mixed economy upholds this. The people, in general, are not mindful of sectors. Whether the articles are produced in the public sector or in the private sector it does not matter to them. It is only we, the politicians, who are giving this quarrel a long life just to meet our own political ends. If it is found that the private sector, after the emergency, has exploited the people, there is enough power with us to deal with it.

With these words, Sir, I offer my congratulations to the Minister and his Ministry for taking this bold step and I wholeheartedly support this policy of decontrol.

Dr. L. M. Singhvi (Jodhpur): Mr. Deputy-Speaker, Sir, before I comment on the merits of the proposed decontrol I should like, first of all, to say that we find in this statement of the

Minister very little to persuade us. It is another thing that there might be other considerations which might lead us to lend a very cautious support to the move, but the statement remains an exercise in reticence, in tight-lipped taciturnity. It seems that it is not without deliberation that the hon. Minister made this statement which is perhaps the last word in brevity, though not in appreciation or in what it seeks to convey. I am afraid, if the Minister had hoped that this brief statement would convince the Parliament to agree to such a radical measure he was very much mistaken. I think that part of the misunderstanding, the apprehensions that arise in our minds are due to the fact that here is a statement which is utterly unsatisfactory. In this respect, I should also like to make a comment on one aspect of the matter which is very distressing, and that is that Parliament is being progressively reduced to a merely advisory capacity. It appears that the Government and the industry were able to settle the terms of this whole important matter without even so much as the courtesy of consultation at any stage. It seems that bureaucracy, which has always been very powerful in our country, as indeed in other countries, has become far more powerful in the years after independence. This I mention particularly because it affects the importance of Parliament. When measures like this come up without any consultation whatever in any form, it appears that Parliament is no longer the pivot of political governance of this country. The brevity of this statement and the fact that it lacks in its capacity to communicate may also be responsible perhaps for the various forays that many of my colleagues have taken into motivation as to what actually prompted the hon. Minister, a one-time critic of the private enterprise, to launch on this experiment which in itself may be a welcome experiment. It seems that it could be said that those who reflect on this motivation are somewhat struck either by what they think is the gullibility of the hon. Minister or what they think

as perhaps the transformation which the hon. Minister has undergone. But I think that to reflect or to impute motives or to cast aspersions on the motives which prompted that move would really not rest at casting aspersions on the hon. Minister of Industries. The statement, you would recall, came from the Prime Minister himself to this House and it seems that he considered it sufficiently important to bring it to the House himself as the first communication. Therefore, I think those hon. Members who have cast aspersions, particularly from the Congress Benches would have perhaps to review as to what they are doing. I have a feeling, a lurking suspicion, that they did not perhaps know what they were saying.

It seems that the real reason for decontrol is the fact that the Cement Corporation of India has itself developed cold feet. The real reason, it seems to me, is that the Cement Corporation of India is not able to, and will not be able to, fulfil the kind of target that this country's requirement would cause and necessitate. It seems that it is in this context that the decontrol measure has been considered by the Government. I hope that the Minister would be candid enough to come to this House and say that but for the increase in prices, but for somewhat more lenient outlook in these matters he would have to consign the Cement Corporation completely to the limbo of inactivity or very unprofitable activity.

The hon. Minister has only today laid a statement on the Table of the House, the Report of the Cement Corporation of India Limited and review of the Government. The review, as usual, does not contain anything meaningful, but a brief glance at the Report would show that the Cement Corporation of India, with whatever fanfare it might have been launched, is not capable of, and will not be capable of, delivering the goods.

Shri T. N. Singh: How many months does that Report cover?

Dr. L. M. Singhvi: This is the Report we have available so far. This Report of the few months that it covers does not give a blueprint of the very ambitious plan that the Government seems to have had in mind at one time about cement production in the country.

I would not like to say that a doctrinaire approach is good and those who have their antipathy towards this measure of decontrol on account of doctrinaire reasons are, I think, sadly enmeshed in clichés and slogans which have dominated economic thinking in our country. It is a good thing. But it is also an irony of fate that slogans and clichés have come to boomerang. It seems that the Government have now come to realise that mere slogans and clichés will not produce cement, that something more effective would have to be done in respect of production of cement.

It is viewed in this context, one would not be led to question so much the motivations of this move but one would still not be able to say that his apprehensions are allayed. It is in respect of these apprehensions particularly that I wish to make some comments because the popular mistake...

Shri K. D. Malaviya: May I know from the hon. Member whether the process of decontrol will lead to an increase in production? I want this to go on record.

Dr. L. M. Singhvi: It can conceivably lead to an increase... (Inter-ruption). Give me the government of this country and I will show that it will. It is not in my hands or in the hands of the private sector. It depends very much on the political direction that you are able to give to the affairs of the country. It is not merely an ivory tower thinking or textbookish thing. I have also read economics.

Shri K. D. Malaviya: Have conviction and say, "Yes, it will lead to increased production".

Dr. L. M. Singhvi: It may and it may not. If it is not properly executed.....

Shri K. D. Malaviya: Say, "It will or it will not".

Dr. L. M. Singhvi: I think, sometimes persons are fortified in their convictions which are passionately held but not really justified. I am glad that the ex-Minister at least has this ivory tower to take refuge in and, therefore, he can always say with passionate conviction that this will not and this will.

Shri Bhagwat Jha Azad: Nobody knows who is in the ivory tower.

Dr. L. M. Singhvi: Things are always not as categorical as this in real life, I am afraid.

Sir, the apprehensions that I sought to voice are the apprehensions in respect of adequate and proper distribution of cement. The prices are being revised within a system of controls, as a matter of fact; but, this price revision must lead to increased production and better availability of cement over a period of time. I want the Minister to tell us for sure whether he has convinced himself that the voluntary scheme that has been devised by those who are in the field of cement manufacture is convincing enough, is satisfactory enough, is fool-proof enough to obviate the evils and the pitfalls that characterise the system of controls and to which a reference has been made in his own statement.

The statement of the Minister is a clear confession, a candid confession of the fact that in the system of controls there was widespread corruption. Perhaps he could not say that it was rampant, but I could say and most hon. Members in this House and most people in this country would say that corruption was rampant. The

assurance we want is that corruption will not be equally rampant and widespread in the system of decontrol. It is well known that the existing bureaucratic institutions for distribution of cement so far led to corruption, bribery illegal gratification, political pressures and political patronage. The point is whether it is not merely shifting the centre of power, the centre of corruption, the source of patronage from one point to another. It is on this point that I particularly want the hon. Minister to give an assurance.

The second thing—and I would have concluded—is in respect of the total figure that would be available to the industry and the precise figure that would be available to the industry after paying taxes, bonus and all that. If the Minister is able to satisfy us that this entire amount will be ploughed back into the industry for better manufacture of cement, there would be some ground for considering this a satisfactory move.

One more sentence and I would have finished. I would like to know in particular whether the Minister has come to an understanding that no dividend should be paid over a period of time because if there is a large increase in dividends to be paid, then, of course, this would be a self-defeating device. That would mean that money would not really be ploughed back into the manufacture of cement. That would mean that this would really redound only to the benefit of a few favoured persons in this country. But if all this money is going to go into the increase of additional capacity for manufacture of cement, I think, there would be reason for the House to be satisfied that this move may well read to an increase in the production of cement in this country, an increase which would almost be of the same magnitude that was covered by almost 50 years of cement production in this country. It is on this that the hon. Minister must give precise and correct information as well as a categorical assurance of his own satisfaction that this would be so.

Shrimati Savitri Nigam: Mr. Deputy-Speaker, Sir, as far as Shri Masani and Dr. Singhvi are concerned, we know their views. They have put their case and advocated it very successfully.

Dr. L. M. Singhvi: I have no case.

Shrimati Savitri Nigam: Shri Masani is the representative of rajas and maharajas and of industrialists and capitalists and he has done well; but I am very sorry that some of our Congress Members, specially Shri Sharma, have made such arguments which are not convincing and which go against our policy of socialism.

Decontrol of cement is another unfortunate example as to how the capitalists are still very powerful and can have their own way defying our policies and our accepted stands. Unfortunately, our Government, in spite of its idealistic policies and socialistic nature, yields to their pressures and techniques. It is most unfortunate.

I agree entirely with the arguments placed by the hon. Member, Shri Harish Chandra Mathur, and I would like to emphasise that in spite of scarcity and shortage of cement, cement has been decontrolled. The result is obvious. Capitalists are minting money and cement which used to be available with difficulty has now become a forbidden factor for the common man. It is beyond the reach of their purchasing power.

Prices of cement are soaring. It has become very obvious now that it has also disturbed the house building activity to a very great extent. I want to know from the hon. Minister how these policy decisions are taken. I would also like to know what is their value in the eyes of the people, what would be the value if such steps are taken. On the one hand, we proclaim that we are going towards nationalisation and we claim that we want to strengthen the public sector, on the other hand, such steps are taken

[Shrimati Savitri Nigam]

which only benefit the private sector in filling their pockets.

Shri Shankre: To the detriment of the poor consumers.

Shrimati Savitri Nigam: On the one hand, whenever we have placed these arguments regarding food control and rationing, we have always been told by Government spokesmen that because there is scarcity, because there is shortage of food, that is why we are bringing in controls as a sort of necessary evil. But, on the other hand, it is found that it is not only in the case of cement that Government has yielded to the pressure of the capitalists. The same thing happened in the case of vanaspathi oil. When vanaspathi oil was de-controlled, on the floor of this very House many Congress Members expressed doubts and misgivings whether this de-control may not bring about a rise in prices and result in very great shortage and scarcity of all edible oils. But all our requests fell into deaf ears. And what was the result? Within six months the price of vanaspathi oil increased by two rupees per tin. I am not an expert and I have not got a capitalist to supply me figures but I know that crores of rupees have gone into the pockets of the vanaspathi oil producers. Not only that, thousands of gallons of groundnut oil, which is the base for vanaspathi oil, was purchased by them and oil almost vanished from the market altogether.

Yet, the same thing has been done in the case of cement in spite of the fact that there is scarcity and shortage of cement, a fact which has been proclaimed and announced all the time, a fact about which so many questions were asked on the floor of this very House. In spite of all that, cement has also been decontrolled without even giving us a chance to have our say or express our views and doubts in the matter.

I would like to mention one thing here. Since we have accepted the pattern of mixed economy, I am all for giving freedom and support to the private sector to expand itself. But, at the same time, I would like to submit that this freedom should not be to the extent of devouring the public; the freedom should not be to the extent of weakening the public sector altogether.

People sometimes say that when an officer makes a mistake or the Head of the Department makes a mistake, he is given a national award, and when the Minister makes a mistake he is given a Cabinet rank. I never believed it, but I have now come to this conclusion that there is some truth in that criticism. Whenever I think of Heavy Electricals, Bhopal, and the enormous losses incurred by that undertaking year after year, about Rs. 6 crores or 7 crores per year, and its pathetic condition then I come to this conclusion that there is some truth in it. So, I would request the hon. Minister to pull up his Ministry and re-organise and re-orient its working and to handle the whole of the public sector undertakings which are under him in such a way that our trust in public sector and our trust in his Ministry and in him may be re-strengthened.

People talk of exploitation. Unfortunately, there is no class which is more exploited in this country than the class of consumers. Whenever any mention is made about any exploitation, Government spokesmen always stamp their feet and try to defend themselves, but when exploitation by the private sector in an organised manner goes on Government give their support to it, Government give their protection to it. I would request the hon. Minister to set up an enquiry committee to find out the evils, failings and failures pointed out not only by me but by other hon. Members. They should be enquired into thoroughly. I would also like to

know what has happened to the Report of the Monopoly Commission. Why is it being delayed.

Lastly, I would say that even now it is not too late for the hon. Minister to go into the entire question again and take such steps as are in consonance with our accepted policy of Socialism.

Mr. Deputy-Speaker: We will now take up the Calling Attention Notice.

Shri Indrajit Gupta (Calcutta South West): When will this discussion continue?

Mr. Deputy-Speaker: It will be taken up on some other day.

14.30 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE—contd.

(ii) REPORTED CONCENTRATION OF PAKISTAN ARMY IN BARMER SECTOR OF RAJASTHAN

श्री हुकम चन्ध कडवाय : उपाध्यक्ष महोदय, मैं दखिल-बनीय लोक महत्व के निम्न विषय की झोर प्रतिरक्षा मंत्री का ध्यान दिलाता हूँ; झोर प्रार्थना करता हूँ कि वह इस बारे में एक बतलाव दें :—

“राजस्थान के बाड़मेर क्षेत्र में पाकिस्तानी सेना का भारी तोपों और टैंकों के साथ जमाव”

Shri Y. B. Chavan: Mr. Deputy-Speaker, Sir, at the time of the cease-fire, India had occupied 150 sq. miles of area of Pakistan beyond the border of Rajasthan, around Gadra. Pakistan had occupied Munabao in Indian territory. Immediately with the announcement of the cease-fire, however, Pakistan made desperate efforts to make intrusions into Rajasthan so as to be able to lay claim to occupation of Indian territory in this area, to offset the loss of face caused

by Indian occupation of large areas in Pakistan and Pakistan-occupied Kashmir. As hon. Members are aware, the border between Rajasthan and West Pakistan is uninhabited desert area with dispersed, small hamlets here and there. The intrusions by Pakistan, after the cease-fire, resulted in occupation of a number of isolated posts and hamlets and this was made possible because, unlike the Punjab etc., Rajasthan is sparsely populated. Though Pakistan thus reached a number of isolated points, our troops have all along been patrolling right up to the border, i.e. apart from the actual points physically occupied by Pakistan the rest of the area has always been under our control.

As has been made clear by our Prime Minister, the cease-fire agreement cannot stand in the way of our troops regaining territory treacherously occupied after the cease-fire came into effect. A number of Pakistani intrusions have been cleared by us. Pakistan which made the intrusions in order to save some loss of face about the results of the Indo-Pakistan hostilities, has lately stepped up its efforts to encroach into certain areas here and there.

A sizeable Pakistani build-up, consisting of infantry, tanks and artillery has come to notice on the Pakistani side, opposite the Barmer sector. Pakistan has also moved up troops against a few of our positions. During the last 48 hours there have been some patrol clashes in the Tanot region.

It is difficult to guess the motives of Pakistan in starting these activities. Probably, as Gen. Murambio is arriving shortly in this country, it is trying to encroach into our areas. It is probably trying to obstruct our patrols to go forward right up to the border, so as to substantiate its claims to occupation of a compact area and thus be in a better bargaining position for withdrawal negotiations. Probably, maybe, it also is building up a case