

## PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

## OFFICIAL REPORT

4701

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## HOUSE OF THE PEOPLE

Wednesday, 14th April, 1954

*The House met at Two of the Clock*

[MR. SPEAKER in the Chair]

## QUESTIONS AND ANSWERS

(See Part I)

2-55 P.M.

## ELECTION TO COMMITTEE

## INDIAN CENTRAL SUGARCANE COMMITTEE

**Mr. Speaker:** I have to inform the House that up to the time fixed for receiving nominations for the Indian Central Sugarcane Committee, two nominations were received. As the number of candidates is equal to the number of vacancies, I declare the following members to be duly elected:

- (1) Sardar Jogendra Singh.
- (2) Shri P. R. Kanavade Patil.

## COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

## PRESENTATION OF SIXTH REPORT

**Shri M. A. Ayyangar (Tirupati):** I beg to present the Sixth Report of the Committee on Private Members' Bills and Resolutions.

## DEMANDS FOR GRANTS—contd.

**Mr. Speaker:** The House will now proceed with the further discussion and voting on the Demands for 28 P.S.D.

Grants under the control of the Ministry of Commerce and Industry, moved on the 12th April, 1954. The cut motions also are under discussion.

**श्री शिवमूर्ति स्वामी (कुपटगी):** अध्यक्ष महोदय, मैं कुछ दिन पहले वर्धा की यात्रा का गया, और वहाँ पर मुझे दो दिन रहने का अवसर हासिल हुआ। वर्धा में महात्मा जी के आश्रम और वहाँ के सेवकों को देखने के बाद जब उनकी सुबह की प्रार्थना हुई तो उसको भी सुना और साथ में उसके बाद जो लेक्चर हुआ उसको भी सुना। लेकिन उस लेक्चर में आज कल की हुकूमत के बारे में खुसून जो घरलू सनत हैं अर्थात् स्माल स्कूल इन्डस्ट्रीज, उसके बारे में उनके खयालात सुन कर ऐसा मालूम होता था कि हालाँकि आज हम आजाद होने के बाद सातवें साल में कदम रख रहे हैं, फिर भी जो घरलू सनत और छोट उद्योगों की तरक्की है वह पहले जमाने से भी जब कि एलियन गवर्नमेंट हमारे ऊपर हुकूमत करती थी, रोज बरोज गिरती जा रही है। हमें मालूम नहीं होता कि उनकी तरक्की का रास्ता भी कुछ हो सकता है। मैं इस सम्बन्ध में ज्यादा वलीलें न दूँगे हुए सिर्फ इतना ही कहता हूँ कि जो आदर्श संघ की प्रकटना है उससे हमको साफ जाहिर होता है कि असल गांधीवाद का क्या आइडिया था और उन्होंने किन खयालात को लोगों के सामने हिन्दुस्तान में रखने की कोशिश की है। जनवरी १९५४ का 'रूल इंडिया' है, वह कहता है :

"In a cheerless and universally depressed state of mind of the

[श्री शिवमूर्ति स्वामी]

people with unemployment assuming alarming proportions and with dacoities, murders and suicides becoming an everyday affair one justifiably questions the wisdom of the administration to call it a Welfare State. People hardly understand the blessings and benefits of this so-called Welfare State where growing poverty of the people is saddled with mounting taxation."

3 P.M.

इसी तरह और भी हम बहुत कुछ इसके बारे में कह सकते हैं। महात्मा गांधी ने 'हरिजन' में ग्रामोद्योग और हिन्दुस्तान के उद्योग के बारे में अपने ख्यालात जाहिर किये हैं। मैं उनको भी आपके सामने रखना चाहता हूँ। उनके ख्यालात यह हैं :

"There is a limit to everything and when that limit is crossed, even intolerable things begin to appear tolerable. Exactly that seems to have been the case in regard to corruption, nepotism, black-marketing, untruth, etc., in India these days. Here, these have reached the stage when persons addicted to them feel proud of these evils instead of being ashamed."

और उसके बाद वह कहते हैं :

"If we must escape from national deterioration to which we are drifting all these seven years, men at the helm of affairs will have to be changed whether democratically or undemocratically."

और फिर फरवरी के 'हरिजन' में लिखा है :

"Why should there be economic depression, growing unemployment and misery in a Welfare State? In what way the glow of Freedom and benefits of Swaraj are felt by all classes of people? Responsible Government Ministers on whom primarily rests the responsibility of satisfying public curiosity on these questions have adopted an atti-

tude of giving evasive and unconvincing replies and leaving the people in the lurch."

इन ख्यालात को हाउस के सामने रखने के बाद मैं यहाँ पर उद्योग के बारे में ज्यादा नहीं कहना चाहता। मैं सिर्फ हैंडलूम इंडस्ट्री को ही लेता हूँ और उसके बारे में जितनी तकलीफें जुलाहों को हो रही हैं उनको आपके सामने रखना चाहता हूँ। मैं रोज बरोज सुनता हूँ कि वहाँ पर खुदकशी का दौर चल रहा है। गवर्नमेंट मिल इंडस्ट्री और हैंडलूम इंडस्ट्री का कॉम्पटीशन देखती हुई चुप बैठी है। अगर राजा जी न जाँ रास्ता बताया था कि हैंडलूम इंडस्ट्री के लिये एक पूरा क्षेत्र छोड़ दिया जाय और कोई मिल धोती और साड़ी न बनावे। उस रास्ते पर चला जाता तो उनको बहुत कुछ मदद मिल सकती थी मैं गवर्नमेंट का शुक्र-गुजार हूँ कि गवर्नमेंट कुछ कर रही है। लेकिन न मालूम टैक्सटाइल कमिश्नर और मिल इंडस्ट्री के बीच क्या हो जाता है कि हैंडलूम वालों को बाजार नहीं मिल पाता। जाँ आपने सेंस की स्कीम निकाली है और जिसके द्वारा आप पैसा लेते हैं उससे आप हैंडलूम इंडस्ट्री की मुश्किलता को दूर नहीं कर सकते हैं। मैंने जुलाहों के ४०, ५० गाँवों में दौरा किया है और मैं खुद जुलाहों के गाँव में पैदा हुआ हूँ और मेरा बचपन उन्हीं के गाँवों में बीता है। आपने जो सेंस लगाया है यह एक स्पून फीडिंग की स्कीम है। यह कोई एंसी स्कीम नहीं है जिससे कि जुलाहों को हमेशा के लिये तसल्ली मिल सके। उनको सिर्फ बाजार की कमी है। गवर्नमेंट बहुत कुछ कर रही है लेकिन उनके लिये अभी बाजार की कमी है। आप उनको जाँ भी माडल दें उसके मुताबिक वह कपड़ा पैदा कर सकते हैं। एक जमाना था १९०० में कि बिदर्शी लोग यहाँ पर कपड़ा पहनें लोगों को नोकड़ कहा करते थे क्योंकि कपड़ा इतना बारीक होता था। लेकिन आज हालत यह है कि हैंडलूम के माल को न गवर्नमेंट खरीदने के लिए आगे आती है और न उनको बाजार बताती है। जाँ लोग पैदा-

वार करते हैं अगर आप उनको बाजार बताने में कासिर हैं तो आप उनकी कोई मदद नहीं कर सकते। हैंडलूम वालों के लिये पैसे का सवाल नहीं है। उनको कुछ पैसे देने से उनकी तसल्ली नहीं हो सकती। उनको तो आपको बाजार बताना चाहिए। आपने हैंडलूम इंडस्ट्री की प्रदर्शनी की है। उसमें मैं तीन चार बार गया हूँ और यह देख कर खुशी होती है कि वह क्या क्या सामान तैयार कर सकते हैं। लेकिन जो आला सामान वह बनाते हैं उसको ज्यादा भिक्कार में वह नहीं बना सकते क्योंकि उनको प्रोत्साहन नहीं मिलता।

[MR. DEPUTY-SPEAKER in the Chair.]

दूसरी बात में यह बताना चाहता हूँ कि बजाय मिल इंडस्ट्री से सेस लेने के अगर आप यार्न की कीमत कम करा दें तो ज्यादा अच्छा होता। २० काउंट के यार्न की कीमत १६ और १७ रुपये हैं। अगर उसका कास्ट आफ प्रोडक्शन देखा जाय तो वह १२ और १२ रुपये पड़ सकता है। और अगर इस कीमत पर सूत हासिल हो सके तो बहुत अच्छा हो। हैंडलूम इंडस्ट्री की तरह मिल इंडस्ट्री के सामने भी काम्पिटेशन है और अगर वह रेशनलाइजेशन नहीं करेंगे तो वह दिन दूर नहीं कि उस इंडस्ट्री की तरक्की रूक जाय। आप उसके लिए चाहे जितना रेशनलाइजेशन कीजिये लेकिन हैंडलूम इंडस्ट्री को भी बचाइये : जो कि १८ या १९ लाख आदिमियों को एम्प्लायमेंट देती है। बहुत से लोग इसको छोड़ रहे हैं। यह न समझिये कि वे लोग आरथोडाक्स स्टाइल पर काम करते हैं इस लिये उनको यह मुश्किलता हो रही है। ऐसी बात नहीं है। आपकी मिल इंडस्ट्री थोड़ी सी जगहों में सेंट्रलाइज्ड है जैसे अहमदाबाद में, बम्बई में और कुछ थोड़ी सी जगहों में। पर इस तरह आपकी इंडस्ट्री की तरक्की नहीं हो सकती। हर जिले में जहाँ कपास होता है और जहाँ कपास से सूत निकाला जा सकता है वहाँ पर छोटी छोटी कोआपरेटिव स्पिनिंग मिल्स की इजाजत देनी चाहिये। आज जितना कंजम्रेशन है आप उतनी मिलें बढ़ायें। मैं आपको एक बात बतलाना चाहता हूँ कि आपको मिल

से जो सूत आता है उसका गलत दाम बताया जाता है। मिल में कम गुँठ का काटन भिक्क करके उसकी कीमत को कम कर दिया जाता है। हालांकि हायर गुँठ का सूत बनना चाहिये मगर नहीं बनता और हैंडलूम इंडस्ट्री को हासिल नहीं होता। यह जरूर है कि जो दो चार साल पहले सूत की कमी थी उसको दूर कर दिया गया है। उसके लिये मैं सरकार को बधाई देता हूँ लेकिन मालूम होता है कि आप इस मसले को नहीं समझ रहे हैं या समझ कर भी कुछ करने की हिम्मत नहीं करते हैं। अगर आपको हैंडलूम इंडस्ट्री को कायम रखना है तो वह इसी तरह हो सकता है कि धोती और साड़ी इसके लिये छोड़ दी जाए। यह जो आपने ६० पर सेंट का प्रबन्ध किया है इससे काम नहीं बनता। अगर ऐसा इन्तिजाम सक्ती से किया जाय कि ४० काउंट से नीचे की धोती और साड़ी कोई मिल नहीं बनायेगी तो हैंडलूम इंडस्ट्री को काफी मदद हो सकती है। बहुत सी मिलों की पैदावार में बहुत सा मैनीफुलेशन हो रहा है इसको भी देखना चाहिए।

इसके बाद मैं आपको अपने ग्रामोद्यांग की एक मुश्किल और बताना चाहता हूँ। आपने एक स्कीम मंजूर की है कि कोआपरेटिव सांसाइटीज बनाने के लिये कैपिटल दिया जायगा। इसमें यह है कि लोगों को दो सौ रूपया दिया जायगा। मगर यह रूपया स्टेट गवर्नमेंटों और उनको अफसरों के तबस्सुत से मिलता है और इसका प्रोसीद्वार ऐसा है कि शायद ही किसी को रूपया हासिल हुआ हो। मैंने खुद अपने हाथ से १०, १२ कोआपरेटिव सांसाइटीज का कायम किया है इस उम्मीद पर कि सेंट्रल गवर्नमेंट या स्टेट गवर्नमेंट हैंडलूम इंडस्ट्री की हालत को ठीक करने में मदद देंगी। लेकिन मेरी कांस्टीट्यूएन्सी में १५, २० लोगों ने खुदकशी कर ली है और हजारों लोग इस उद्यांग को छोड़ रहे हैं। इन कोआपरेटिव सांसाइटीज के बनने के बाद उन्होंने आपसे रूपया उधार मांगा। उन्होंने इसके लिये बार बार गवर्नमेंट को याद दिलाई। उनकी तकरीबन बीस पच्चीस दरख्वास्तें थीं मगर एक को भी मंजूरी

[श्री शिवमूर्ति स्वामी]

नहीं मिली। जब सेंटर से कहते हैं तो कहा जाता है कि स्टेट गवर्नमेंट से कहाँ, जब स्टेट गवर्नमेंट से कहते हैं तो वह कहते हैं कि यह सेंट्रल गवर्नमेंट की स्कीम है हम क्या कर सकते हैं। इस तरह से हर एक चीज को टालते हैं। बहुत कौशिश के बाद भी हमारी हैदराबाद स्टेट में और खुसून रायचूर जिले में कामयाबी नहीं मिली है। इस पर गौर करना चाहिये। मैंने इसके बारे में खास तौर से श्री कृष्णमाचारी जी से निवेदन किया था। यह हालत न सिर्फ हैदराबाद में है बल्कि यही हालत कर्नाटक मद्रास में, मध्य प्रदेश में, बनारस में और दूसरी जगहों में है। मैं कह सकता हूँ कि हर प्रान्त में इस तरह की मुश्किलें हैं। चूँकि घंटी बज चुकी है इसलिये मैं और अब अधिक न कहते हुए सिर्फ यह कहना चाहता हूँ कि यह जो नई स्कीम आपने बनाई है उसमें यह जो ६ करोड़ रुपये तकसीम करने का प्राविजन है तो मैं तो इसका एक तरह से विरोधी हूँ, क्योंकि यहाँ पर सवाल पैसे का नहीं है। मैंने जैसे पहले भी आपको बतलाया कि सवाल सिर्फ बाजार का है कि कहां पर वह अपना माल बेचें ताकि उनको उसकी उचित कीमत मिल सके। मैं चाहता हूँ कि आप हमारे वीवर्स और जुलाहे लोगों को एक डेफ़ीनट स्टैंडर्ड और डिजाइन बतला दें कि इस तरह का कपड़ा तैयार करना है तो मैं वॉलेंज के साथ कह सकता हूँ कि हमारे जुलाहे लोग उस तरह के माल को तैयार कर के दिखा सकते हैं। मैं यहाँ पर यह भी अर्ज कर देना चाहता हूँ कि यह हमारी इंडस्ट्री के लिये कंज्यूमर्स का जो सवाल लाया जाता है कि माल प्रयाप्त मात्रा में पैदा नहीं हो पाता, उनकी जरूरत के लिये वह नहीं बना पाते, यह बिल्कुल गलत और बे-बुनियाद बात है। लाखों आदमी जो इस हैंडलूम इंडस्ट्री में लगे हुए हैं आज काम न होने के कारण इस उद्योग को छोड़ने पर विवश हो रहे हैं, वरना ऐसा कौनसा माल है जो वह न बना पायें। आप सिर्फ कास्ट आफ लिमिंग उनको दें दीजिये और वह आपको आपकी मंशा के म'आफ़िक चीज बना कर दें देंगे, ज्यादा पैसे

देने की जरूरत भी नहीं है। इस सम्बन्ध में मेरे आपके लिये एक दो सर्जेशन हैं। मेरा कहना यह है कि उनको पैसे देने के बजाय आप उसके लिये मार्केट क्रीएट कीजिये और ऐसा प्रबन्ध कीजिये कि धोती, साड़ी हैंडलूम इंडस्ट्री के लिये छोड़ दी जाय कि वे ही इनको बनायें। दूसरे आपको यह जो पैसे मिलता है यह पैसे टैकनिकल रिसर्च वर्गों के कामों में लाखों रूपया बर्बाद होता है और एक जुलाहे को भी उससे फायदा नहीं होता। हैंडलूम इंडस्ट्री को तरक्की देने में आप इस पैसे का बड़ा सदुपयोग कर सकते हैं और हर एक जिले में एक एक कोआपरेटिव हैंडलूम सोसाइटी बनाइयें, हम देखते हैं कि वहाँ पर भी जुलाहों के सम्बन्ध में पैसे का ठीक इस्तेमाल नहीं होता और एंजीपीपी लोग इन सोसाइटीज के मकसद को व्यर्थ कर देते हैं। इसीलिये हमें इधर ध्यान देने की बहुत जरूरत है और हर जिले में एक कोआपरेटिव स्पिनिंग मिल कायम करें। इसके अलावा जरूरत इस बात की है कि हम उनको टैकनिकल पैटर्न की जो बात है उन्हें बतायें, और इसी से उनकी प्रोब्लम हल हो सकती है। इसी तरह दूसरा हमारा चमड़े का उद्योग है जिसमें हमारे लाखों लोग जीविका कमाते थे और आज भी वह काम कर रहे हैं। इस उद्योग में हमारे लाखों हीरजन भाई लोग लगे हुए हैं, आज उनका काम चल नहीं रहा और वे बेकार बैठे हैं। आज तो लोग बाटा के बने जाते और कानपुर का फैशनबल माल इस्तेमाल करते हैं। जरूरत इस बात की है कि आप उधर ध्यान दें और उनके लिये हर जिले में ऐसे सेंटर्स बनायें ताकि उनके उद्योग में तरक्की हो और आज जो यह अनइम्प्लायमेंट बढ़ रहा है, न उनके पास खाने को अनाज रह गया है और न पहनने को कपड़ा है, पैसे ही नहीं मिलता तब कहां से यह सब चीजें खरीदें, सरकार को उनके उद्योग को उन्नत करने का प्रयत्न करना चाहिये और इस तरह हम इस बेकारी की समस्या को बहुत हद तक हल करने में समर्थ हो सकेंगे। यह पंचसाला स्कीम के एसेस करने पर मालूम होता है कि इसमें

ग्राम उद्योगों को जितना हिस्सा मिलना चाहिये था उतना हिस्सा नहीं मिला है। आपने हैंडलूम इंडस्ट्री के लिये जो एक कमेटी अथवा बोर्ड बनाया हुआ है उसमें बड़े बड़े इन्डिया-फैम के शरूस और जिनको एक्सपीरियंस हो उनको इस कमेटी में लें, मसलन् श्री कुमारप्पा सरीखे लोगों की सलाह लें, वह कोई थ्योरिटिकल सलाह आपको देने वाले नहीं हैं, वह इस क्षेत्र में प्रैक्टिकल काम कर चुके हैं और हमें उनके बताए हुए रास्ते पर चलना चाहिये और अपने दश में गृह उद्योगों को बढ़ावा और प्रोत्साहन देना चाहिये ताकि हमारा जो विभिन्न चीजों में लाखों रूपया बाहर चला जाता है वह न जाय और हमारा दश के उन्नति के कामों में वह रूपया लग सके। मैं इस सम्बन्ध में प्राइम मिनिस्टर साहब ने राष्ट्र के नाम जो कृपण योजना रखी है उसका समर्थन करता हूँ और उनकी इस अपील का हार्दिक स्वागत करता हूँ

**Shri Altekar (North Satara):** After the debate on health, it is in the fitness of things that we should turn our minds towards wealth. Commerce and industry are the chief sources of wealth and it is a matter of great satisfaction that during the past year we have wiped out the adverse balance of trade and also stepped up production in several industries. The cotton mill industry has reached the highest figure of 4900 million yards and the cement industry has raised production by 33 per cent. There is also similar progress in various other industries. But mere large production even at cheap rates does not solve all our problems. What is more important is that the purchasing power of the people must be increased. If we look to the history of the last 50 years, we will find that the large output by heavy industries was not also without a large bye-product—I may say, by that process—of larger unemployment. If we look to the cotton mill industry, we shall find that now there are 7,50,000 workers engaged in it, but this is not without displacing about

23 lakhs of workers in that occupation. Then in the case of heavy wool industry, there are now 27,000 labourers, but they have come there by displacing 2 lakhs of labourers who were working by hand. In the case of flour mills and also those which polish rice after separating husk by huller, there are about 72,000 workers, but they are thereby putting out of employment about 12 lakhs of persons. This is a process which is usually seen wherever there has been such great industrial development by means of heavy industries. For instance, in Germany in 1882, there were as many as 55.1 per cent. of workers in small industries, that is, those which employed less than 5 persons. In 1925, the figure was reduced to 22.3 per cent. In the middle industries, that is, those which employed from 6 to 50 workers, there were 18.6 per cent. in 1882, but there were 22.8 in 1925. In heavy industries which employed more than 50 persons, there were 26.3 in 1882, but that figure rose to 54.9 in 1925. Even in America, where industrial production figures are, as it were, astronomical ones, we find that in the year 1933 there were as many as 13 million unemployed persons. Even President Roosevelt's New Deal could not give work to more than half that number. A. D. H. Kaplan says that in the recession after the second world war, there will be as many as 14 million unemployed persons in America. Temporary measures like the New Deal are no permanent solution and therefore, the Americans now think that the proper way of meeting this problem is to give impetus to small-scale industries. Under the community projects in America, these industries are being helped, and it is found that the products of these industries are preferred by the people to the goods that are turned out by factories. But the country where small industries are flourishing well is Japan. There the small industries are, side by side with great industries, making great progress. Fifty-three per cent. of the population of workers is

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in small industries; that is, who are working in cottage industries employing not more than 5 persons only. The product of these industries is so great that as much as 60 to 70 per cent. of the exports of Japan are from the cottage industries. By a proper integration of small and large-scale industries, this problem of unemployment can be solved. That is the position which we can see from the instance of Japan. So far as India is concerned, 87 per cent. of our population lives in more than 5 lakhs of villages. More than 60 per cent. cannot be maintained on agriculture and even quite a large number of that is without employment for a considerable portion of the year. What is to be done in this case is that there should be an implementation of the means of livelihood by small industries. The Khadi and Village Industry Board has proposed a scheme for the next five years and it says that by the various industries it proposes, namely, *khadi*, leather, soap, match, paper, bee-keeping and so on, they can engage as many as 9 million people and give them maintenance. It will be seen that by proper co-ordination of these industries, the problem of unemployment will be solved. Small-scale industries are cosmopolitan in character. They would be able to strengthen other units of our social and economic structure because they can be diffused all over the country.

Another advantage of these cottage industries is that they are spread all over the country while the big and heavy industries are concentrated in big towns. In these days of aircraft and heavy bombs, there is a great danger of a paralysis of these industries if an attack is made on them. Therefore it is very desirable that there should be decentralisation of industries and that it should be carried to the interior of the country and should be developed there by modern devices. Improvement by research should be made in the tools and implements used by these workers and with advances in these they will produce more.

We have got our great schemes of hydro-electric projects and also multi-purpose projects by which electricity can be carried to distant parts of the country. In Japan, electricity is carried to the various small places and there small industries flourish. We can also do the same thing here. We should also have plans ready for spreading these cottage industries all over the country. We can find that by modern science and standardisation, even parts of automobiles and many other small articles like watches, musical instruments etc., can be made by persons working in those small industries, and these industries can be co-ordinated. In Japan, bicycle industry is carried on by giving the manufacture of parts to the workers in cottage industries. The same is the case with watches in Switzerland, and also the case of musical instruments in Saxony. Here also, we can manufacture such articles and some other articles by giving impetus to the small industries. I do not, in any way, mean that big and heavy industries should be neglected. They should also go on; because we want production on a large scale and there should be proper integration of small and large-scale industries. That is the most important point that has to be taken into consideration.

I would like to point out that the placing of an excise duty of 3 pies on mill-made cotton cloth has also given us a fund of Rs. 6 crores to be utilised for the purpose of Khadi and village industries. That is a good step. I would also like to suggest that a spirit of *Swadeshi* should also be inculcated in the people. Those who are in a position to pay high prices should purchase those goods; it is their duty to give support to these industries.

I would also suggest that those government servants who are drawing more than Rs. 300 per month should spend at least 5 per cent. for purchasing these products because that would be a great help to the industry and a national duty performed.

I take this opportunity to place before the House some of the difficulties of the industries in the Deccan. There many industries had come into existence in the previous States. The Princes of those States gave them various facilities, exemption from income-tax or moderate income-tax, free grants for building up their industrial towns etc. In those days, they made their headway and flourished. But, after merger they have lost all their advantages.

There is another difficulty. While they have raised their own townships, have had their own roads, houses, libraries, water supply, hospitals, schools, lights, etc.—in fact, some of the townships are even better than small municipalities—the position now is that under *Gram Panchayat* Act claim is made that the industrial area comes under the village, although really it does not come within the limits of the village-*gaathan* at all. Therefore, without any sort of advantage to the township, it has the handicap of having to pay taxes to the gram panchayat. We shall have to properly co-ordinate and adjust this particular question so that a proper solution may be found out.

I would like to point out that various products, which are turned out by these industries, should be given preference in the matter of purchase of articles by Government. In the case of the community projects pumps, engines, lanterns etc., should be purchased from them for the purpose of lift-irrigation and other needs.

A ban should be placed on certain foreign articles being imported into India when they are almost similar to those manufactured by these industries. I find that simply because there is a slight difference in the type of the lanterns etc. similar articles from other countries are allowed to come here. Small differences in pattern should not be taken into account and in those cases, the

foreign articles should not be allowed to compete with the products of these industries.

There are many other demands of theirs which were placed before the hon. Minister of Commerce and Industry when he had been on that side, and they should be properly considered and attention paid to them. I would like to submit that in several ways we can give relief to these small industries. There should be an establishment of development corporation in order to give financial help to the small industries, and the proper way is to start an Industrial Development Corporation, so that help may be given to these small industries. There is the question of rebate which is claimed by the All-India *Khadi* and Village Organisation, in the case of cottage-match industry. This industry should be given a rebate on the chemicals used. I would also like to bring to the notice of the Government another important point in connection with rebates, and that is in regard to the plastic industry. So far as the manufacture of plastic powder is concerned, there are only three factories in India—two in Bombay, one of Birla and the other of Thakar, and the third in Satara, which is running on a small scale because it has not the means to produce 200 tons of powder. As the liquid assets in its hands are very small, and its floating capital is not sufficient to produce 200 tons of the powder, it does not get the rebate. Unless its production reaches that extent, namely, 200 tons, it is not entitled to the rebate on the chemicals used, like, phenol, formaldehyde and haxina. This factory is simply being penalised on account of its atrocious crime of being poor. Whenever there is rigidity of law, even courts of law somehow or other find a way by which the principle of equity is applied to give relief to the proper parties, and in this case also, such a way should be found out. The principle should never be “gifts to the rich and hits to the poor”.

[Shri Altekar]

Lastly, I submit that there should be an independent and separate Ministry for small-scale, *khadi* and village industries. It does not in any way mean that I have any sort of disrespect towards, or desire to make any criticism of the hon. Minister. Nothing is farther from my mind than suggesting anything of this kind, but I want that greater and better attention should be paid to small-scale industries. One who has got intimate connection with these industries, one who has got a first-hand knowledge of the difficulties of these industries and one who understands the needs of these industries should be in charge of that Ministry, as that will promote the progress of these industries and he will be in a position to give sole and whole attention to this subject.

Lastly, in the words of our great national poet, I would say:

दियो तोमार जगत्सभाय एदुक मोर स्थान ।

In the creation of your world-famous assembly, let there be a corner reserved—and let me add a soft corner—for these small industries.

**Mr. Deputy-Speaker:** Although they may have already sent in their names, hon. Members may rise in their seats until they catch my eye, and hereafter I will not call any hon. Member to speak unless he catches my eye.

**Shrimati A. Kale (Nagpur):** Sir, I am glad to note the progress made by Government both in the industrial as well as commercial fields during the last two years. Therefore, I have no hesitation in congratulating the Government. However much more has got to be achieved. The task is by no means an easy one. It is found that in the Five Year Plan the private sector is not coming up to the expectations of the Planners. Capital is said to be very shy. But I

do feel that if we put our minds to this problem sufficient capital can be made available for the expansion of the private sector. I have in mind an idea which deserves serious consideration of all concerned. If we restrict the payment of dividends in cash between five to seven per cent. according to the nature of industry or business, including banking and insurance, and plough back surplus profits into the industry, sufficient capital can be made available for the expansion of the industry. Incidentally this will also help in checking inflation, the greatest headache of our financiers of today. To make my point clear, suppose a certain business concern earns a profit which after payment of all taxes is sufficient to declare a dividend of 18 per cent., it should pay to its shareholders a cash dividend of not more than 5 to 7 per cent. The remaining profits must be ploughed back in the concern. Needless to say that this principle should be equally applicable both to Indian and foreign firms.

If a particular industry is not in need of further expansion according to the Plan, then the undistributed profits could be utilised for other industries under the Plan.

This is not a novel idea. I understand that the German Government had already utilised such surplus money for rehabilitating and expansion of their industries after the first World War.

Similarly if payments to managing agents, managing directors, technical staff and other highly paid officials in industrial and commercial undertakings are brought on a level with the highly paid services in the Government there will be a lot of saving. Surely the intellectual attainments required to conduct any business or industry are not superior to those of Judges of the High Courts or Supreme Court or the heads of the Government of India Departments. In U.K. I am told there are very few people



now getting a salary more than £6,000 a year. This pruning will help to make additional savings in industry.

There can be no two opinions in the matter of establishing an automobile industry in India. I do really congratulate the Government for taking a bold step in this direction. However, I am sorry to find that on mature consideration, two or three companies decided to withdraw when they were confronted with the ordeal of submitting a definite programme of manufacturing. I do not know the reasons which led them to take this decision. Either the Government was misled in coming to a decision by the enthusiasm of these manufacturers or they, the intending manufacturers, did not give sufficient thought to the detailed working of the scheme and hence unwittingly accepted the Plan with the result that today the Government is in a quandary. I also understand that there were other people who presented an alternative plan of developing this industry. They had recommended that the best and quickest way of producing a complete car in the country was to encourage factories devoted to manufacturing of certain components of an automobile for all makes of vehicles and when these factories are established the engine block should come the last. But the Tariff Commission turned down this suggestion and recommended the manufacturing of complete cars of different makes in their respective factories.

In Canada the first automobile factory was started in 1904 and even after fifty years of expansion and development Canada is not economically able to manufacture a complete car by itself. According to my information different factories import from 30 to 40 per cent. of component parts of an automobile from U.S.A. because it is cheaper to import them. I therefore venture to make a humble suggestion to the Government that in view of the valuable experience

gained by them during the last ten months they should reconsider the situation and refer the whole question back to the Tariff Commission. It will be remembered that the Minister for Commerce and Industry while addressing a Press Conference in June last year has said that owing to the reduction of import duties on completely knocked down shipments of automobiles the selling price of vehicles would go down between 10 to 12 per cent. and that the Government would watch the situation very carefully. Since there is no appreciable reduction in prices of vehicles imported after 1st of June 1953 it is all the more necessary that the matter should be referred back to the Tariff Commission.

Lastly, I find in the Budget a sum of 6,11,00,000 has been allotted to *khadi*, handloom, cottage and small-scale industries as against 4,13,00,000 allotted last year. This is a very welcome move and it shows the anxiety of Government to help these industries. But in order that the full use of money be made, I would suggest that the burden of marketing the products should be taken off the shoulders of people engaged in the manufacture as they have no retaining power and as such they are likely to undersell their products and thus suffer losses. I know Government is trying its level best to popularise these products. In my opinion, the responsibility of Government does not end by simply providing money as I have already stated above, they will not only have to popularise the use of these products but they will also have to coax and induce Government departments and servants to use *swadeshi* articles even if they are little dearer and crude than the imported ones. People have to realise that in doing so they are not obliging anybody. Because if these articles are not sold the unemployment in the rural areas will go on increasing and ultimately it may cause unrest and disturb the peace and tranquillity of the country which we can ill afford to

[Shrimati A. Kale]

face. The Central Government should see that the State Governments are also active. I find in my State that due to the direct influence of Gandhiji, *Gramodyog* was developed near about Sevagram but it has not even reached Nagpur even when our own Government is functioning there. Industries like *telghani*, *palm-gur* are not at all making any headway. Not only this, but bones which could be utilised as manure are being exported.

**Mr. Deputy-Speaker:** Order, order. I would urge that hereafter no Member, including a Minister, shall come to the Chair. Of course, I will receive chits, though it is not by chits alone I will go. Those who are anxious to speak must go on standing from time to time until they are exhausted, or until I call them. And nobody shall come and whisper anything in my ears. It is embarrassing to me. I would not like anybody coming to me.

**Shrimati A. Kale:** I was shocked to read that under the auspices of the Bharat Sevak Samaj in the village Kalamna, nine miles from Nagpur, they have introduced oil-engine-driven flour mill, oil mill and chaff cutter. All this happened under the nose of our Development Minister, the exponent of Gandhian technique and our Welfare Minister. If this is the spirit of our own Ministers what can be expected from ordinary people?

With regard to handloom, I congratulate the Government for reserving 80 per cent. of *sarees* and *dhoties* for the handloom industry and I do hope that before the end of the present regime 100 per cent. production of *sarees* and *dhoties* for internal consumption will be reserved for handloom. In this way, Government will earn the gratitude of millions of weavers who, at present are on the verge of starvation.

**Mr. Deputy-Speaker:** Shri M. D. Ramasami. The hon. Member must

stand up. Normally, I will be calling one hon. Member from here, two from the front, one from the back-bench and so on.

**Shri Bhagwat Jha Azad** (Purnea *cum* Santal Parganas): And, from this side also.

**Mr. Deputy-Speaker:** Hon. Members must go on standing every time until I call them.

**Shri M. D. Ramasami** (Arrupukkottai): Sir, within the short time allotted to me I shall confine myself to handloom industry alone. The Government would appear to be satisfied, obviously, with whatever help and consideration which they suppose to have given in regard to the rehabilitation of handloom industry. For instance, on page 7 of the report it is said:

“The most important of these is the handloom industry and during the year under review special measures were taken to assist it, and it is pleasant to record that the jute industry, the tea industry and the cotton textile industry which are most important in our export trade recovered from the difficulties which they were facing not so long ago in marketing their products abroad.”

I am however glad that the deplorable condition of the handloom weavers and the need for help to that industry had been in the past sufficiently dinned into the ears of the Government, that the Government had to some extent come to realise the need for their attention being drawn to that industry. The Commerce Minister has been kind enough to say the following words on February 8th 1954, while opening the Andhra Co-operative Mills:

“For years, even after we obtained freedom, we neglected the cause of handloom weavers, now, during the last 18 months, we have been faced with a problem which looked to us almost insoluble. We are definitely commit-

ted to providing necessary financial help to handloom weavers. I do hope the handloom weavers will believe with me that their future is not in jeopardy."

That is what the hon. Commerce Minister said. But, I am sorry that the condition of the handloom weavers is exactly the same as it was in 1952 and 1953. The talk of economic improvement in the country, and the relief which the recent rains are supposed to have afforded to the handloom weavers has absolutely no relation to them. Their condition continues to be the same. The small demand for cloth which has come up after these recent rains is just giving them one gruel meal per day. The case of handloom weavers calls for a long-term solution, and the remedies from which the Government seems to draw satisfaction are of absolutely no value whatsoever.

For example, the reservation of *dhoties* much talked of, has meant nothing at all in practice. The reservation of 60 per cent of *dhotis* was calculated with reference to the peak year of production in the textile industry, so much so, the production as per this reservation is not only actually above the normal production of any year, but is also in excess of the consumption figures in any year. So, the mills are not affected at all whereas the suffering of the handloom weavers continues as before. The other help supposed to have been given is with regard to the cess on mill production. This cess is being distributed to the handloom industry for its relief and rehabilitation.

The main schemes through which this relief is attempted to be given is by enlisting as many weavers as possible under co-operative pool by providing the necessary wherewithal for their share capital by way of loan and by providing necessary working capital to the co-operative societies which enlist the weavers. I wish to impress on the Government that the co-operative societies have not been able to attract the handloom weavers so far. By their endeavours less than

one-fifth of the total number of handloom weavers in this country are in handloom co-operative societies. The reason is that the co-operative societies have not been able to attract the weavers because they have no advantage over the weavers staying outside the co-operative pool, nor do they have continuity of work. The co-operative institutions are not therefore able to induce the weavers to stay in the co-operative pool. When there is a slump and co-operative societies are forced to hold up their stocks in expectation of better sales, weavers have to be turned out and they are not even given distress wages. This being similar to the case of weavers outside the co-operative societies, there is no charm for the weavers to come under the co-operative pool.

When the market is dull, the co-operative central banks are not able to advance to the co-operative weavers' societies sufficient funds so that they can hold on for some time and stock their production waiting for better sales, so much so the weavers are not able to get any work at all and the co-operative societies are forced to sell their products at distress rates. Normally, the co-operative central banks advance loans which work out to about half the amount which has been invested by the co-operative societies themselves, so that when the stocks of production are held up, say, for a month or two, the activities of co-operative societies have necessarily to be brought to a standstill. It is important therefore, that separate co-operative banks to help the co-operative societies should be opened and the cess collections diverted year after year to provide necessary capital. The existing co-operative central banks are more concerned with the agricultural needs and are, therefore, unable to finance the co-operative weavers' societies. With a new organisation specially intended to help the weavers' co-operative societies all the funds invested by these co-operative societies in other banks could be diverted to these newly-opened banks. These can be suppl-

[Shri M. D. Ramasami]

mented with the cess collections invested in these banks year after year, so that the financial position can be strengthened and either loans can be raised on that or deposits can be attracted. This is the best way to finance these co-operative weavers' societies. This will be in line with the industrial co-operative banks started by the Bombay Government for financing cottage and small-scale industries. Provision of working capital alone is not sufficient for encouragement of weavers' societies. There must be a definite advantage to them by way of some addition in wages. This was possible in weavers' co-operative societies during the yarn control days when the societies were supplied with yarn at controlled rates whereas the weavers outside had to pay at market rates. Now, after the control has been lifted both the weavers in co-operative societies and outside have to fight against textile mills who have the advantage of having their own yarn. Therefore, yarn must be supplied to the co-operative societies at cheaper rates and the supply must be subsidised out of this cess fund—say at least by six pies per knot of yarn supplied to weavers. This would enable the societies to give a higher wage to the weavers, while at the same time they are not increasing the price of cloth produced by societies. While the Government has extended similar concession to the weaving textile mills in the form of rebate on import duty levied on cotton used for manufacture of fine and superfine cloth exported abroad, there is no reason why this concession should not be given to the weavers' co-operative societies, namely, subsidising of yarn supply to the societies. Besides this, I wish to impress that the difficulty which stands in the way of the handloom industry is due to competition of weaving mills in the fields of production which, for thousands of years, have been the monopoly of the handloom industry. While the Government are anxious to prevent the textile mills from introducing speedier auto-

matic looms, lest the mill workers should be thrown out of employment and there should be labour trouble, is it not fair that some kind of consideration should be shown to the handloom weavers who are daily being thrown out of employment in thousands on account of production by the mills? I request the Government that the production of *saris* and *dhotis*, grey and coloured, may be reserved for the handloom industry and that the weaving mills should be switched on to other varieties of production which do not come in for competition with the handloom industry.

As a long term measure to help the handloom industry I would like to point out that the handloom industry should be freed from its dependence on the spinning mills for their yarn. On a careful calculation we find that the handloom industry, with its meagre capital investment, is able to produce cloth at about the same price as mill cloth. Only the handloom weaver is paid a very meagre wage. Similarly, we find that the hand-spinner, working on the *charka* is able to produce 10 counts yarn at Rs. 12-8-0 a bundle of 10 pounds. Only he is getting a starvation wage. Seventy five per cent. of the yarn consumed by the handloom industry in our country is below 40 counts. It will be therefore advisable to entrust the production of this variety of yarn to hand spinning on multi-spindle *charkas* which would be able to produce yarn at the same cost if not cheaper. At the same time, this would enable the cottage spinner to earn more. I request the Government to start research in this direction and devise a multi-spindle *charka* which could be worked in the cottages so that the handloom industry can be freed from its dependence on mill yarn.

One of the schemes for the utilisation of the cess fund is the opening of co-operative textile mills in certain States. In the Madras State two mills have been opened in Guntakkal and Tinnevely. I have been requesting the

Madras Government that the next co-operative textile mill should be opened at Arruppukkottai, which is a big handloom centre and also a cotton centre. I request the Government to remind the State Government that the request of mine be remembered, when the next cess allocation is made for this purpose.

Another important point is about securing markets for the handloom products internally and abroad, markets that the industry has lost in the recent past. An effort has been made in this behalf by opening a Central marketing organisation with branches in Bombay, Madras and Banaras, and there is a proposal to open three more in Nagpur, Gwalior and Calcutta shortly. External marketing is attempted to be promoted by marketing officers stationed at Rangoon, Singapore, Baghdad and Colombo. Above all, it is gratifying to note that there is a proposal with the Government to start a State Trading Corporation for the export of handloom cloth. I hope the Government will pursue the proposal to a successful end and finalise measures which would ensure a stable and permanent market inside India and abroad for handloom products.

**Shri R. K. Chaudhuri (Gauhati):** I have a peculiar way of judging a Ministry on any particular subject. I judge according to the sympathy which a particular Ministry shows towards my State of Assam. Judged by this standard, I have a mixed opinion about this Ministry. On the one hand, I praise this Ministry in respect of particular matters which they have done; on the other hand, I have rather adversely to express my opinion about them so far as the handloom industry is concerned.

I take it that the hon. Members of this House know that Assam is mainly depending on the handloom industry. In every household in Assam,—I am not tired of saying it in this House—there is one loom at least if not more than one, in which the wife and also the daughter and daughter-in-law take turns in weaving. But, a large majority of these looms are

lying idle because there is not enough yarn. We do not get enough yarn. I must say,—I will be glad if I am corrected—that nothing has been done for the State of Assam to help these people,—they are all women-folk—to utilise their looms. In this brochure no mention of Assam has been made with regard to the handloom industry. I have approached several people. I have gone from door to door, from pillar to post, making the request that at least one spinning mill should be established in Assam. The Government were pleased to make, sometime ago, a certain number of spindles available to Assam. But, because the Government of Assam could not furnish the requisite security, these spindles were sold to people outside the State of Assam. That, I consider, is a very regrettable state of affairs. Yarn is in so much demand there; the looms are lying idle. We do not have the ambition to have a full-fledged textile industry. We had that ambition at one time. Immediately after the war, some private people wanted to start a textile mill. But, the Government said, we ourselves will start a mill, you need not bother about it. Ultimately, the Government failed to do anything in the matter. The grant which was given by the Government of India was withdrawn and the Government of Assam says that it cannot start any textile mills. Private enterprise was checked at that time; now a State enterprise is said to be out of the question. I have not been tired of bringing this matter to the attention of the Ministry both in my interviews with the hon. Minister for Commerce and Industry as well as on the floor of this House, and I have repeatedly mentioned this regrettable indifference, to this vital matter.

In this connection, I would like to bring to his notice another important matter, which must be well known to him, that in Assam there is not one jute mill although jute is grown there in abundance and although that jute is of number one class and that jute is being exported. Of course, Pakistan grows better quality jute. But,

[Shri R. K. Chaudhuri]

in India the Assam jute is the first class one. All that jute has to be parted with by the producers at a nominal price because we have not got a mill there. There is the bottleneck of communications and the jute could not be exported easily and quickly and therefore most of the jute is not being utilised or is not getting a proper price which they would be getting if a jute mill had been established there. On this point I want a specific reply from the hon. Minister. There was a suggestion some time ago that the Government of Assam would be given ample finances so that they may start a jute mill, with 51 per cent. of the shares held by the Government of Assam and the remaining 49 per cent. by private shareholders. But, I do not know if the proposal is still there or whether the Government is going to do anything in the matter. I have said more than once, that unless you make Assam prosperous, unless you bring Assam up to the level of the other States, India will always remain vulnerable. India will not get that protection which it would get if it made Assam healthy, vigorous and economically sound. That should be the first duty of the Government of India. The British Government had realised it too late during the war.

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**Mr. Deputy-Speaker:** I have asked even Ministers not to come to the Chair. Hereafter, even Ministers may send chits to me, if they want to convey anything.

**Shri R. K. Chaudhuri:** I now come to the silk industry. We have plenty of silk yarn in our State, and our womenfolk used to make first-class silk cloth, some of which used to fetch very high prices; for instance, their *riha* and *mekhala* used to be sold at Rs. 700 even. I know of several families and several widows who have lived on their craftsmanship in regard to the silk industry; not only were they able to make a living out of it, but they were even able to provide for the education of their children outside the State. I know of several ins-

tances like that, but all those looms are practically at a standstill, on account of the insufficiency of silk yarn. In this connection, I am glad to say that the attention of the Government of Assam has been drawn to one particular invention which has been made by Shri Nidhi Ram Das, who was a lawyer and who had given up his everything, after the non-co-operation movement, in order to make a suitable invention of a spinning machine. I do not know whether the hon. Minister has visited the All-India *Khadi* and Village Industries Exhibition, which is going on at present in Delhi. If he had gone there, he would himself have seen this machine at work.

**Shri A. M. Thomas (Ernakulam):** It was reported in the Press the other day that he had visited it.

**Shri R. K. Chaudhuri:** It was reported, and he has also mentioned it here.

I would respectfully and most hopefully invite both the hon. Ministers to visit Assam once. They have been avoiding it all along. They are the only Ministers who have not visited Assam so far; while all the other Ministers have gone there, these Ministers have been studiously avoiding going there, for obvious reasons.

**Shri C. D. Pande (Naini Tal Distt. cum Almora Distt.—South West cum Bareilly Distt.—North):** Because Kamakshi is there.

**Shri K. P. Tripathi (Darrang):** Because they may not return back.

**Dr. Lanka Sundaram (Visakhapatnam):** What are the reasons?

**Shri R. K. Chaudhuri:** They are afraid of being entangled.

My hon. friend here reminds me of Manipur. If the hon. Minister goes to Manipur, he will have a very happy time there, a happy time in no other sense than this, namely, that he will see first-class weaving there. In Manipur, the women-folk make not only *dhotis* and *saris*, but also quilts,

mosquito nets etc. These mosquito nets will beat any other mosquito net manufactured in any mill, so far as quality is concerned. But yet, only a small sum of Rs. 40,000 has been set apart for the improvement of industries in Manipur. A larger sum should be allotted for them.

While I am on this point, I would once again request the hon. Minister to go and visit the All-India Khadi and Village Industries Exhibition now being held in Delhi. There he would himself see at work the spinning machine, of which mention has been made in the Ministry's report. I would request the hon. Minister to spend some time on this particular subject. On page 47 of the Ministry's report, it is stated:

"India produces about 8 lakh lbs. of non-mulberry raw silk. The Board is carrying out demonstrations and experiments with improved type of spinning machines, invented by Shri Nidhi Ram Das of Gauhati. The result so far has been encouraging and these machines are gaining popularity in places where such silk is being produced. A number of improved reeling and spinning machines have also been purchased by the Board who has appointed demonstrators to popularise their use in these areas."

But no assistance worth the name has been given to this inventor, who has spent his whole time on this, and who has mortgaged his house, property etc. in order to carry on these inventions, and who is unable to make both ends meet. He has also invented a loom which would work automatically, and which does not need the flying shuttle to be operated by the hand.

I would request the hon. Ministers to visit Assam in the near future, and if I happen to know at what particular time they are coming, I shall also try to be present there myself.

Lastly, I would like to say a word about the tea industry. The tea in-

dustry has turned the corner and is getting on well. I am neither a tea planter nor have I got any share in any tea estate, but I would like to submit one thing—and this I have done before also—namely, that in order to enable the tea industry to prosper really in the long run, we must have an expanded market in India itself, rather than export all our tea to the foreign countries, where they are getting tea at 49 d. per lb. whereas in India, ordinary consumable tea is sold at Rs. 4 per lb. Why should there be this enormous difference, when really what we are consuming in India is not tea of the best quality, but only tea dust? We do not get tea of good quality here, and actually that is one of the reasons why tea is not becoming popular in North India. There is a lot of prejudice against tea, because only very low quality tea is being sold here. I would, therefore, suggest that the price of tea in India should be controlled. Why should we in India pay Rs. 4-8-0 or Rs. 3-12-0 per lb., while in foreign countries, they pay only Rs. 3 or so per lb.? I would request the hon. Minister to do the needful in this matter.

**The Minister of Commerce (Shri Karmarkar):** I rise to intervene in order to dwell on some of the important points that have been raised during the debate so far. I should say that the task on this side is fairly easy this time, because most of the important points largely veer round two or three broad questions.

To start with, I might join issue with my esteemed friend Shri Kelappan, who wanted to make the employment factor the only criterion for judging the soundness or otherwise of our economic policies. No doubt, employment is one of the factors. He referred us to the President's speech in that regard and quoted the President's words as follows:

"Freedom is not only the end of foreign domination, but also employment, food, shelter, education and medical aid for everyone in this country."

[Shri Karmarkar]

Ultimately, full employment is one of the accepted policies of any enlightened country. In India also, we have to develop that policy of full employment. But in judging the economic measures we have to take today, we could not make the employment factor the only criterion. It goes without saying that the measures that we take should not add to the human suffering, by increasing unemployment.

In the abnormal times which we have been living in, since the attainment of freedom in 1947, and the aftermath of the war, with all the abnormalities that were bequeathed to us as a result of the war, we could not just content ourselves with asking the question, how much more employment have our economic measures resulted in? We had to contend against many difficulties. As a result of the Partition, for instance, we were cut off a portion of certain of our raw materials like cotton and jute.

We had to make up as far as possible for the production which we had lost. Then again, immediately after the war, as my friend doubtless knows, there was a dearth of consumer articles. There was a sort of pent-up demand for everything, right from machinery or capital goods down to very normal consumer goods. Then again, we had huge problems of development. We had to step up production. If we were to stand back in the year 1947 and look forward to the seven years that had succeeded, I think very few would be the hearts which would have thought of the situation with courage.

I will just confine myself to that section of the economic policy which concerns commerce and industry. Let us travel five years back. What was the state of the supplies of essential raw materials, of capital goods and of consumer goods then and now? Does not my friend, Mr. Kelappan, find today an easier market? Does he not find that the man who goes round is able to satisfy himself so far

as consumer goods are concerned with a greater sense of satisfaction? No doubt, it will be retorted—what about the price factor? That is another question. But there also there is comfort in the fact that prices are showing signs of stabilisation at somewhere round about 380 to 400 as compared to pre-war. Inflation has come on account of causes beyond our control. All that we could do was to check the forces of inflation so that we could travel on sure ground. So I think if we are to judge of the commercial or industrial policy, we have to ask ourselves about the conditions over these 7 years of achievement, according to us, and utter failure, according to Mr. Nayar. I am quite sure that with him ten years hence the same speech that he made the other day would serve as well, for he does not know of anything but failure. I do not belong to that temperament or to that school of thought.

Supposing we ask ourselves the question, how does industry stand today, whether we had to stint in respect of the supply of necessary capital goods in spite of odd situations like the food situation and adverse trade balances? The only answer that could be there would be 'no'. There is every comfort to draw from it. The figures of import of capital goods year by year have been a little more or a little less, but we have never stinted for a moment in respect of the supply of capital goods. Over all that, we had the problem of food. We sometimes tend to have a fairly short memory, because situated as we are in the midst of such changing times, we tend to forget sometimes as to what has been our situation in respect of food, for instance. Ultimately, our foreign exchange resources are nothing as compared to the population of India and the needs of India. In 1947-48, we had to import food to the tune of Rs. 55.41 lakhs; in 1948-49 we had to import food to the value of Rs. 127.12 lakhs; in 1949-50, the value was Rs. 156.44 lakhs; in 1950-51, it



was Rs. 110,61 lakhs; in 1951-52 food imports amounted to as much as Rs. 262,05 lakhs; and in 1952-53 it is Rs. 175,64 lakhs. Happily for us, the food situation has improved and we have had to import far less this year and maybe, again to a lesser extent next year also.

**Shri Meghnad Saha** (Calcutta—North-West): May I interrupt? Was not the food situation the creation of the Government's own policy?

**Shri Karmarkar**: Creation of the previous Government.

**Shri Meghnad Saha**: Have you looked into the Maitra Report?

**Shri Karmarkar**: He wants to go in one line track which I regret I cannot follow.

Now, here are these import figures. Food accounted for a substantial expenditure of our foreign exchange resources. Well, we stood by it and we never stinted by way of imports of food. The next thing in our order of priority was capital goods. Industry cannot complain at any stage that we stinted in the matter of import of capital goods. We gave it a high priority. We stopped the import of normal consumption goods like razor blades and things like that, but we wanted to satisfy industry with these capital goods.

About raw materials, for instance, we were in the midst of great difficulties in these years. We struggled hard—the country struggled hard—and today we are in a position to say 'Well, our industrial production is 134 and odd per cent.' Here, Sir, I should like to make a small correction of what my esteemed friend, Shri Saha said. I am afraid in his other pre-occupations he had no time to refer to our publications regarding industrial production. We always give figures in terms of quantity and of value. When we said 134 per cent. we did not say in terms of value but in terms of quantity. So, Sir,

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industry has progressed thus far; it may not be to our satisfaction; it is not to our satisfaction—we would like to do more. But what has already been achieved certainly redounds to the credit of the country as a whole. When we on this side say something, the other side thinks that we have the monopoly of credit. My friend, Mr. Nayar, said 'Well, the improvement has been due to something else'. We never claim monopoly of credit for everything. We do admit that sometimes there are some other factors involved. We have never stinted regarding raw materials and happily for us, our foreign exchange resources have improved for the time being. We cannot say that they are comfortable but certainly they allow us to be a little liberal in respect of import of essential consumer goods also. So if we view the whole matter objectively and look at the question as a whole—not merely a small loophole here or a loophole there—and not view it piecemeal—no human agency is beyond error; we may have committed errors and immediately we have had occasion to correct them also—we have reason to be satisfied. If we have made a little under-import here and a little over-import there, we have corrected it. But by and large, any objective observer is bound to come to the conclusion that so far as it lay in Government's power in very difficult times—times like the Korean war when prices boomed up both for exports and imports, when our volume of foreign trade rose like anything and then came down—we have done our best. My friend, Mr. Nayar, said ultimately the terms of trade have varied, sometimes in our favour, at other times against us. But there are causes beyond our control. Last year, tea was in a very bad condition. Ultimately, the position depends upon foreign markets also. We are not the arbiters of the world's destiny. So looking at the question in a broad manner, if we study the whole events and figures properly, we see that today after seven years of difficult times, we are in a position to tell ourselves that, by and large, our foreign trade shows a condition of creditable satisfaction. I

[Shri Karmarkar]

do not say that we are dripping with foreign exchange. Still there are difficulties. We have still to ration our resources.

Then, another point was made by Mr. Nayar. He appears to be always suffering from an obsession somehow or other that this side of the House always prefers one bloc. He always has that on his mind. For instance, he quoted something and I should not like that misunderstanding to remain uncontradicted. He referred to an answer that I gave in the other House. Now, the question that was asked was whether our representative in the Ceylon meeting of the ECAFE said such and such a thing. In fact, I said that the Press reporter was almost all the time absent from the meeting, and on the basis of his report something occurred in the newspapers here. Then, during the course of my reply I said that our representative said that for an agreement to be successful, something more than mere agreement had to come in. And I made it clear that our representative there urged for more information and knowledge on the part of importers and exporters of what Russia had to offer and what Russia required, provision for payment in the case of supply of capital equipment and provision to extend the scope of a bilateral agreement to provide for multi-lateral trade especially in case exports failed to balance the imports. Now, if my friend had taken care to read my reply as a whole he would have seen that the explanation was quite right. Certainly, an agreement by itself will not result in any sort of good unless efforts are made by both sides to see to it that the purpose of the agreement is fulfilled. I say there is no restriction on our side. We make only a broad distinction between soft currency areas and hard currency areas. Licences available for soft currency areas are available for any country in that area. In the case of exports goods can be sent anywhere in that area and in import licences, subject to this demarcation of soft and hard currency

areas, goods can be imported from any country. There is absolutely no bondage; our exporters and importers are completely free to export or import to and from wherever they like. Ultimately, it requires a sort of agreement between two customers, in the sense you may offer your goods but somebody else must be taking it. If my friend wants any particular country or any particular bloc to be brought in, let him take steps to bring out what things are available and what things are not available. In fact, he referred to the point in a manner as if we are absolutely unwilling to get our requirements from those countries. I will not take up the time of the House; but I will say, for my friend's information that the debate in the other House on a resolution on this subject was of a fairly exhaustive nature, influenced by which the leader of his group there ultimately felt himself compelled to withdraw the resolution which he had brought forward in that House asking the Government to enter into an agreement with certain countries. I shall not dilate on that point.

The third point that I would like to refer to is the GATT. Time is short and I do not like to be unfair to the House by taking longer time than is necessary. About three years ago, we had brought forward—and it is available for sale—a publication regarding GATT. This subject has been rather of some technical interest and people sometimes do not grasp the essentials. Someone asked me one day, how much are we losing on the GATT. Ultimately, GATT is simply this. The General Agreement on Tariffs and Trade is an agreement voluntarily entered into by certain countries, the foreign trade of which countries, if I remember right, amounts to 90 per cent. of the world trade. They came together and said, we come together and form this general agreement. It provided for mutual reduction in tariffs on some mutually agreed commodities. Now, to put it shortly, if we make a reduction of a certain percentage on particular

commodities, then normally we see to it that the other party also loses as much, that is to say, it should be easier for our goods to go into that country to the extent to which the tariffs are reduced. My hon. friend, Mr. Nayar, is smiling. He has kindly promised to spend a lot of time with me on the GATT. Broadly speaking, GATT only amounts to this. We could not exactly calculate how much more tea or coir we could export. We look at the agreement as a whole. One important factor which we are likely to miss is this. We are likely to believe that we must calculate in terms of rupees, annas and pies the advantages. It is not exactly that. The broad assessment made in 1948 showed that at that time the total trade affected was roundabout Rs. 32 crores of our imports. To this extent, to a small extent relatively, we would lose on the customs tariff. That is to say, we are denying ourselves a small portion of our tax earnings because ultimately import duty is a tax on the consumer. The considerations that were before us were much more important than the concessions or the increased volume of exports. Two years back we had a small difficulty about jute, for instance.

**Shri Meghnad Saha** rose—

**Mr. Deputy-Speaker:** The hon. Minister does not give in.

**Shri Karmarkar:** In short, one of the principles before us was that in the case of a country which is developing its industry and therefore, developing its export potential, in the case of such a country, it is always advantageous to be a party to an agreement which prevents or which largely discourages—any artificial barriers like import control set up by any other party. Hon. Members will easily appreciate the importance of this thing during the next ten years of our development. We want the imports to be free. We do not want any country to artificially put up any barriers of import control

or discriminatory treatment shutting our goods to the advantage of some other countries. That was one of the principal considerations that was before us when we became parties to the GATT, the cardinal principle being that we give no concessions to any country in respect of any particular item where we have taken it under the wings of protection or which are likely to be protected in future.

**Shri Meghnad Saha:** We impose 37½ per cent. on scientific goods brought from other countries except the British Empire and from the British Empire we impose only 25 per cent.

**Shri Karmarkar:** So, the whole point is that in respect of our economic policies as well, we find it of advantage to be in the GATT. The whole agreement is under review. I do not like to urge any view now. An opportunity, I hope, will be given to the House when it will be discussed threadbare. We have already requested the various organisations to give their views and by roundabout June or July, we shall have to finalise our views and send them to that organisation. It is open to any Member to say that it is useless to be in the GATT. It is now premature for us to say one way or the other. We are considering the whole matter.

One word Sir, and I have done. Much has been said about the development of foreign trade. Whenever we consider all these matters, in addition to the other factors we must realise that we have now come to a time when we must think in more and more aggressive terms of export promotion. Many people ask us what is the use of our foreign exchange resources. Why should we not be self-sufficient? I think we do not go to the root of the implication of that thing. Shall we deny ourselves food; shall we deny ourselves machinery; shall we deny ourselves absolutely of the raw materials that are required? Where is the foreign exchange to come from unless we

[Shri Karmarkar]

develop our exports to a larger extent than we are doing now? We have our traditional items of export, we have jute, tea, mica and so many of the conventional articles, things that have helped us during the last so many years. But, it will not be sufficient to meet our requirements in foreign exchange resources unless we try to develop things. I was happy to note that even those people who do not read the reports published, nor are those who are able to follow the proceedings of the House and, so, have not the advantage of knowing the sort of discussion that takes place here, are doing their little bit for this promotion. I myself was surprised at this. Two years back the export of Banarsi brocades was to the extent of Rs. 12 lakhs but it went up to Rs. 22 lakhs or Rs. 24 lakhs last year and that too, much of it to the dollar area. There is large scope for exporting sewing machines. Many of our people sneer at our own products. Those which we import may cost a bit extra and our costs may be much less. Time was not very long ago when they used to ask us whether our bicycles become monicycles within a month's time. We sneer at our own things. Other people are taking our sewing machines. I may give a rough idea; a thousand machines a month are exported abroad. Ultimately we have to take aggressive steps for the promotion of export.

**Shri P. N. Rajabhoj** (Sholapur—Reserved—Sch. Castes): What about the leather industry?

**Shri Karmarkar:** I am happy to tell him that if a good shoe is manufactured it is bound to find an export. We have been exporting leather goods also.

But, there has been one distasteful feature of these attempts at export promotion. The moment some of us seem to get a good market, then there is deterioration. I am very sorry to say that. For instance about the Banaras brocades much attention has been paid to step up exports,

but complaints have come that the colouring of the silk is not fast and so on.

I have taken a long time in an unexpected and, to me, an unwanted elaboration of our foreign trade policy. But, I thought that in view of the misapprehension that appeared to be there over this, I might take the opportunity of utilising that much time of the House and I content myself, at this stage, with these observations.

**Dr. Lanka Sundaram:** The House has just listened to a very interesting speech from the Minister for Commerce, in the course of which he had the dexterity to answer some of the points so far made in the debate. He asked this House and the country to stand back in 1947 and look forward, and having said that he made a series of general propositions. I happen to have noted them down and I hope I am not doing him any injustice. He spoke about the manner in which import promotion was made. I wish his fact is correct. It will not be obviously possible for me to answer him on all points. Here are certain facts which I happen to have in front of me, published in the *Journal of Industry and Trade* published by his own Ministry for the month of March. At page 415 is a tale of woe relating to the import of machinery of all kinds including betting. There are the figures:—

1948-49	Rs. 81.56	crores
1949-50	Rs. 105.51	"
1950-51	Rs. 93.00	"
1951-52	... Rs. 104.31	"
1952-53	... Rs. 87.87	"

The figure for April-

October, 1953 is Rs. 42.72 "

I wish the hon. Minister could have sustained the broad generalisation he has sought to make. I have only quoted one case because I happen to have the figures before me. This is the

manner in which our capital goods or major industries are starved of replacement machinery, and I repeat that these figures are issued in the name of the Ministry.

**Shri Bansal (Jhajjar-Rewari):** A number of capital goods are manufactured in the country now and their value is about Rs. 15 crores to Rs. 20 crores.

**Dr. Lanka Sundaram:** My hon. friend has a propensity to be the spokesman of the Government, but I will come to him presently. I am only talking of the statement made by the Commerce Minister about promotion of import trade for machinery, and this is the record as far as it goes. Now, I would come back to my hon. friend Shri Bansal. Opening the debate day before yesterday—I wish to draw your attention formally that the convention of this House as of many other Houses is that debates are opened by the Opposition through the medium of cut motions, which only the Opposition gives notice of, but I do not grudge my friend a chance—Shri Bansal referred to a cut motion standing in my name and made a complaint of it. According to the Order Paper, to date there are 1329 cut motions given notice of. My cut motion was about lack of an integrated trade policy which has led to an all-round reduction of our overseas trade, and this is what Mr. Bansal said:

“Therefore, instead of congratulating the Government on this achievement of making the country self-sufficient in these very essential materials, which has been the policy of this august House, my friend tables a cut motion.”

A cut motion, I may inform my friend, is intended to raise a specific point for discussion and it has necessarily no element of censure. Actually, there are three forms of cut motions.

**Shri V. P. Nayar (Chirayinkil):** Hereafter, he will not make the mistake.

**Dr. Lanka Sundaram:** I would rather examine the content of his observations. Mr. Bansal admitted that there was shrinkage in trade, but there are several extenuating factors like fall in food imports, imports of raw jute, etc., and that it may be that the terms of trade have gone against our country during the course of the year under review, a point which my hon. friend the Commerce Minister also made just now. I am here precisely raising the point, and if the hon. Minister considers the point worth while he may reply to it. I am fortified by the report of the Ministry for the year 1953-54, circulated to this honourable House, and it is at page 2 where it speaks of the stability in foreign trade:

“The value of export was lower than before, but it showed a healthy upward trend towards the close of the year. On the whole the deficit in the country's trade balance during 1953 was a very small one and with a favourable balance on the other side, it was possible to meet our requirements of foreign exchange out of current earnings and without drawing upon our sterling reserves.”

My point is this: Is it or is it not a function of the Ministry to correct the terms of trade? Why have the terms of trade gone against us? My hon. friend was talking of a seller's market becoming a buyer's market and so on. The country is entitled to know in what manner the terms of trade has gone against this country, and what were the steps taken by the Government in the light of the admissions made by the report quoted by me.

**Shri Bansal:** I am sorry I have to refer.....

**Dr. Lanka Sundaram:** Unfortunately his statement has not been looked into by the hon. Minister as he belongs to his side.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** Why should not I?

**Dr. Lanka Sundaram:** It is not necessary for you to answer him; he wants only the headlines for tomorrow's paper and here are the headlines.

**Shri T. T. Krishnamachari:** It is a falling that I share with my hon. friend.

**Dr. Lanka Sundaram:** You will have your fill presently.....

**Mr. Deputy-Speaker:** Will the hon. Member kindly address the Chair?

**Dr. Lanka Sundaram:** The Chair must protect me.

**Mr. Deputy-Speaker:** The hon. Member need not sit down, and if he gives in, hon. Members will interrupt him.

**Dr. Lanka Sundaram:** Here are certain figures which I have got analysed. There is a fall in imports in this country and I have tabulated the results from the *Journal of Industry and Trade*, March Issue:

Machinery Rs. 104·31 crores in 1951-52, as against Rs. 87·87 crores in 1952-53, and Rs. 42·72 crores for April-October 1953.

Metals Rs. 20·66 crores in 1951-52, as against Rs. 19·30 crores in 1952-53, and Rs. 8·63 crores for April-October 1953.

Chemicals Rs. 19·20 crores in 1951-52, as against Rs. 12·68 crores in 1952-53, and Rs. 7·25 crores for April-October 1953.

Now, I come to exports, and let us see how the trend of trade is. In 1950-51, cloth exports were of the order 1224 million yards, valued at Rs. 112·17 crores. In 1951-52, they became 388 million yards and Rs. 42·95 crores; in 1952-53, they were 565 million yards and Rs. 53·19 crores. So, in these

three years, the quantum and value have been almost halved. I have got figures for gunny bags and tea, and the story is the same there also. My friend, Mr. Bansal, spoke about index figures for exports and imports. I have got the analysis of the index of imports for 1951-52—quantum 108, price 147. For 1952-53, it is 74 and 128, and for November 1953, it is 48 and 110. As regards the index of exports, the figures for 1951-52 are 89 and 178; for 1952-53, 94 and 116; and for 1953 November, the provisional figures are 106 and 107. Here is a point which I would like my hon. friend, the Commerce and Industry Minister to answer. How is it that there is a uniform fall? I think the country is entitled to an answer from the hon. the Commerce and Industry Minister, and I am sorry these points were not made earlier by those who preceded me.

In this debate, something was mentioned about private sector of industry. My hon. friend, Mr. Bansal, I thought, with his special position as Secretary of the Federation of Indian Chamber of Commerce would do something in this regard when he spoke, but I am sorry he has not done so. Here is the annual report for 1953-54 and at page 8, there is this important statement:

"As the ownership and management of the industries, which comes within the purview of the Ministry, are in private hands, the role which Government can play in influencing their development and extension is an intricate one."

Then, it says at page 5:

"No doubt, it has extensive powers of control. As a rule, however, the exercise of such controls is negative in character. They can prohibit certain acts, but they cannot in the manner in which they are customarily exercised, be expected to achieve positive results."

Here, I have figures worked out as to the manner in which planned finance

has been allotted to the public and private sector.

Expansion of industries	Rs. 233 crores
Modernisation and re- placement	Rs. 150 „
Working Capital	Rs. 150 „
Depreciation, not cov- ered	Rs. 80 „
Total	<u>Rs. 613</u> crores

The resources are also listed:

Foreign investment	Rs. 100 crores
Corporate Savings	Rs. 200 crores
New Issues	Rs. 90 crores
Assistance from public sector	Rs. 5 crores
Refund from excess profit tax deposits	Rs. 60 crores
Industrial Finance Corporation	Rs. 20 crores
Banks and other resources of	
Short term finance	Rs. 158 crores
Total	Rs. 633 crores

I would ask a question of the hon. Minister of Commerce and Industry, Mr. Krishnamachari. Up to this moment, this House and the country in general has no authoritative account as to the manner in which these targets have been sought to be reached during the preceding three years of the Plan, and also the resources that have been raised or not raised. I think this information is very necessary for this House before it can judge the activities of the Commerce and Industry Ministry, which I am sure, will not continue to be negative in its approach, even as admitted in the annual report, but will be more positive.

There is a lot made about increasing production. I have analysed very carefully the production figures indicated in the appendices of the Annual Report of the Commerce and Industry Ministry for 1953-54, dealing with the calendar years 1952 and 1953. Here is my analysis: that is to say in the third year of the Plan period, there

is progressive reduction in output of existing units. I have grouped here, as much as possible, all the information contained in the appendices.

In the Chemicals Group, creosote, pitch, road tar and naphthelene industries have produced less; in the Drugs Group caffeine, strychnine, shark liver oil and gallenicals repeat the same story; in the Soaps Group production of soaps in organised units has fallen precipitately; in the Cosmetics Group, tooth powders, face powders and face creams have been produced less; in the Cigarettes Group there has been a fall of two thousand million numbers in one year; in Paints Group, paints of standard type; in Glass and Glassware Group, bottles, laboratory glassware and lampware; in Pottery, excluding refractories—*asbestos* cement sheets, crockery, electrical porcelain and refractories; in Plastics Group injection moulding and compression moulding; in Leather Group, vegetable tanning of hides and western type footwear; in Ebonite Group there has been less production; in Plywood Group, tea chest quality and commercial quality; in Food Industries Group, biscuits, confectionary, cocoa, chocolates and flour milling.

In all these industries production has fallen in 1953, as compared to 1952. Yet, my hon. friend asks me to believe that everything is all right. Sir, I do not belong to that type of people who would like to cut their nose to spite the face. I have nothing to gain by running down my country, or running down my Government. But this is the record in the third year of the Plan. Is it a certificate of health which this hon. House should give to the Ministry of Commerce and Industry? The country is entitled—the House is entitled—to a tabular statement of the results achieved in the private sector in consequence of the ministrations of the Ministry, to whose care the private sector is entrusted.

Sir, I do not wish to take much time, but I would like the hon. Minister to reply to three brief points which

[Dr. Lanka Sundaram]

I am making, during the course of his reply to the debate.

Times out of number this House, and I have also taken some part in this particular question, has asked for a balance-sheet of the operation of Imperial Preference. My hon. friend has just quoted a book of 1949 dealing with the GATT. We are in the year 1954. I am sure I am not misquoting my hon. friend, Mr. Krishnamachari, when I say that he has given us an assurance on the floor of this House that an examination is under way and a report is being drafted which will be made available. Of course, in the current financial year there is a little dent made in Imperial Preference on account of lowering of preference on certain types of imported motor cars. I also know that a few weeks back the GATT had given permission to this country to negotiate on tariffs with a limited number of countries to which my hon. friend has referred. But that is not the point at issue, the point at issue being a complete analysis of the operation of the import and export schedules with Imperial Preference, so that the country can know exactly as to how it is operating. Very wide, sometimes extremely wide, statements are made that the balance of payments is not against our country. But that is not the answer which this country is entitled to, and I hope the hon. Minister will make a statement in reply to the debate as to what happened to that enquiry, where that report is and when that report will see the light of day.

My second point is this. Here is a report called the Report of the Working Party on the Cotton Textile Industry, presided over by Shri Ramaswami Mudaliar. The Committee was appointed on the 13th of November 1949. The Committee signed its report on the 22nd April 1952. The report was printed on the 28th of January 1953. The report runs into 613 pages. It contains 92 recommendations. But even before the Report was made available to the

Public, the Government of India have appointed the Kanungo Committee on the 29th November 1953. I have before me the terms of reference of both the committees, and I make bold to say that there is hardly any material difference in the terms of reference. But what happened to this report? It is priced at Rs. 14-10-0 each. Has the Government considered the recommendations of this Report? If so, what action have they taken? Why should another committee be appointed now in November 1953? And when its report comes what happens to this report? The country is confused about this, and is anxious to know how much of the tax-payer's money it has cost to produce the report. The House will recollect that a similar attempt was made in regard to the Central Tractor Organisation. I deprecate very strongly the tendency on the part of Government to appoint committees light-heartedly and not to say anything about the recommendations. I hold no brief for any committee or its recommendations. But enormous money of the tax-payer is involved in the activities of the enquiry committees and the publication of their reports. I would like to know from the hon. Minister as to what happens.

And finally, I will give you the story of this fountain-pen. It is a pen which is manufactured, hundred per cent, in Rajahmundry in Andhra State. Two years back I had written to my hon. friend the Minister that this firm wanted a licence for Rs. 10,000 worth of material to be imported from Germany. This firm has been in existence for the past thirty years, to my personal knowledge. Mahatma Gandhi visited this factory twenty years ago and gave a most eloquent certificate. The President of the Republic, Dr. Rajendra Prasad, purchased several pens a few months ago for presentation purposes. Two years ago, I wrote to the Minister about this industry. It is a cottage industry; it is an industry which is well known. There are two or three other



units. I got a reply from one of his functionaries a few days after that it is being attended to. I have had no further reply. I am not cavilling at anybody. I have no interest in this firm. I make a reference to this because there is a lot made in Chapter X of the Annual Report about the assistance given by this Ministry to cottage industries. Here is a letter from this firm:—I will not give the name of the firm, because I am not interested in publicising the firm.

"We were granted an import licence No. 999632/53/AU/MDR, dated the 11th June 1953 to import Cellulose Nitrate fountain pen tubes in the period July-December 1953. As the period of validity is small, it was extended to 31-12-53 as desired by the suppliers. Accordingly the suppliers despatched the goods on the last date of the expiry of the renewed licence, leaving a balance of 46 lbs. of fountain pen tubes out of the order of 50 lbs., since rejected by the Examiners of the suppliers. We once again applied to the Deputy Chief Controller of Imports, Madras, for the sanction of a licence to the balance quantity of 43 lbs."

From pillar to post these industries are going now. This is one of the very important industries in the industrial development under the Five Year Plan. Papers publish reports as to the manner in which licences are given for assembling Waterman's and Parker fountain pens. This fountain-pen industry has been in existence for a number of years on a cottage basis. I shall not read this paper—every hon. Member knows it—which speaks of licences being granted to relatives and friends of people in high offices. I am not here to speak against any officer of Government. But I think the country is entitled to an answer. This is the story of this fountain-pen.

**Shri G. D. Somani (Nagaur-Pali):** Mr. Deputy-Speaker, the remarkable and continuous increase in industrial production bears ample testimony to the very positive and helpful policy

of the Ministry of Industry and Commerce in assisting the industries to tide over their immediate difficulties. In textile and cement industries production during the last year was record production and even exceeded the target laid down in the Five Year Plan. Sir, it had been the experience of industries to find that Government Departments used to act in a belated manner under the sheer burden of circumstances when sufficient injury was done, but recently we have found that the Ministry, so far as the immediate problems of industry are concerned, have taken certain prompt decisions which have enabled the industry to tide over their difficulties, not only to maintain, but even to expand their production in various fields.

Speaking specially about the textile industry we find that the Government of India took prompt decisions in the matter of adjustment of export duties and excise duties at a time when the industry was faced with a critical situation and was in a position where several units would have had to curtail their production. These measures had helped in restoring the industry to its normal working. The measures which the Government took in October really indicate how our export trade in textiles—about which my friend Dr. Lanka Sundaram was just now referring—has been restored and how it is possible to hope today, looking to the figures of the last quarter, that the textile industry may be expected to achieve its target of export of 1000 million yards during the current year. All this is due to the prompt measures about which I referred and in this connection I also welcome the initiative which the hon. Minister took some time ago in sponsoring the establishment of an Export Promotion Council, which when finally established, I have no doubt, will go a long way in keeping our export trade on the basis on which we have developed during the last few years.

Having said so much about the immediate troubles of the industry, I

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wish I could say the same thing about the long-term needs of the industry about which, I think, the Ministry should devote more attention and take more positive measures if the ground that we have gained in the production of various industries is to be maintained. Now, coming to the various problems which face the industry from the long-term point of view, I would like, firstly, to draw the attention of the hon. Minister to the important problem of rationalisation and rehabilitation. I am aware of the controversy that has been aroused about this rationalisation and I say that nobody connected with the industry does want that a large body of workers should be thrown out of employment by any drastic plans of rationalisation measures. What is however wanted is that with the goodwill on both sides, some sort of a scientific and long-term formula can be worked out which would enable the industry to introduce rationalisation measures which will not only benefit the industry and the consumer, but in the long run will also benefit the labour as well. It has been the experience of other countries who have adopted these rationalisation measures, and here I am giving a brief extract published by the United States Chamber of Commerce of America which clearly shows how in that country, these rationalisation measures added to the income and prosperity of the working class itself. The review says:

"The industrial history of the United States shows no basis for the belief that the overall effect of new inventions and new machinery is the displacement of workers, the U.S. Chamber of Commerce pointed out in a recent news bulletin. On the contrary, the Chamber said, new inventions and new machinery over a span of years have created new jobs, greater national and per capita income, and higher standards of living."

The review continues further:

"Adoption of new inventions and displacement of old products by new ones has sometimes caused local unemployment, or loss of jobs in particular industries. But over a span of years, the end result has been one of increasing mechanisation, followed by higher standards of living for more people, and more and better jobs.

Our industrial history has shown that workers must produce more for per capita income to rise, and that labour must have more and better tools and machinery to increase its productive power."

I do not want to give further extracts, but the fact remains that rationalisation is as much from the long-term point of view in the interest of labour as in the industry and consumer. The problem of rationalisation which has now come to the forefront should certainly be discussed in a dispassionate manner, and I, in this connection, also welcome the suggestion that a comprehensive enquiry may be made into the pros and cons, into the advantages and disadvantages of this rationalisation move.

Linked with this is also the question of rehabilitation and here I am sorry to say that the Ministry has not given any attention as to how our various industries which have now attained such high production, will be able to maintain the same in view of the very deplorable condition of their machinery and plant.

Again, speaking about the textile industry, I can say from personal knowledge that most of the mills have got machineries which are very old, almost twenty-five years and even beyond, and unless the industry is to be enabled to replace its worn-out plant, the time is not far off when it certainly will not be able to compete not only in the internal market, but specially in the export market where we have been able to build a

valuable export trade which in the current year is expected to reach the target laid down for the industry. It is, therefore, very vital for our economy that this question of rehabilitation should be properly examined by the Ministry and prompt measures should be taken well before in hand so that this process of modernization is taken in a scientific manner and sufficiently before-hand without injury being done to the industry by these old machineries and plants which have been working in most of the mills, not only of the textile industry, but also of various other industries.

In this connection I may also draw attention to one of our major industries like jute, where again the competition from Pakistan and various other countries will place the industry in a most awkward position unless this question of rehabilitation is tackled satisfactorily. So, I want our Ministry to give more attention. I know the hon. Minister made some reference about this in his speech in Bombay recently, when he said that he would like to examine and discuss this matter. Sir, mere discussions in absence of a concrete announcement of the Government's policy as to how and in what manner they propose to deal with this matter, will not lead us any further. This question has been hanging fire for a long time and I would, therefore, once more take this opportunity of inviting the prompt attention of the hon. Minister that this vital problem should not be ignored.

Now, another difficulty about which I would like to draw attention is about the policy of the Ministry in fixing the prices for controlled goods. Here again, I have got a study made by the Association of Indian Trade and Industry Bombay during the last year about two important industries of steel and cement. I am not talking here about the representations which the industry might have made to the Ministry, but the way in which the Ministry even turned down the recommendations of their own body, the Tariff Commission, a scientific and a

high-power body, clearly indicate that the policy of the Government is not realistic to the development which we all desire. Here are certain figures which the study reveals:

"A recent study of the financial trends of the iron and steel industry, made by the Association of Indian Trade and Industry show that Government's pricing policy, based upon a return of 8 per cent. on gross block left practically nothing for dividends and allocation to free reserves.

Thus, for instance in 1951, in the case of the iron and steel industry, of the 8 per cent. allowed on the gross block, tax provision absorbed 5.7 per cent., profit sharing bonus to labour absorbed about 1.5 per cent. and managing agents' remuneration about 1 per cent. In the case of the cement industry, tax provision absorbed 5.4 per cent., profit-sharing bonus to labour 1.1 per cent. and managing agents's remuneration 1.7 per cent. of the 8 per cent. return on gross block. In the case of both the industries nothing was left for dividends and for allocation in reserves."

5 P.M.

This policy of fixing the prices for controlled goods in a manner which leaves nothing not only for dividend but also for certain reserves for rehabilitation and other development purposes, leaves much to be desired. Specially, when the Tariff Commission, appointed by the Government themselves, after elaborate and scientific enquiries, have made their considered recommendation, there is no reason to just ignore them and turn down those recommendations, in view of the facts revealed that these prices do not leave a fair return to the industry.

Coming to certain other difficulties of a minor nature, I would like to draw the attention of the hon Minister to the working of the Industries (Development and Regulation) Act. When the amending Bill was under discussion, an assurance, I think, was

[Shri G. D. Somani]

given by the hon. Minister that it is not the policy of his Ministry to interfere in the day-to-day working of the industries and that proper measures will be taken to ensure that the industries are not handicapped. On a recent reference to the Ministry, it has been made clear to the textile industry that if any mill wants to change a label or a trade mark or the number, that mill must apply to the Ministry for a licence. The 400 and odd textile mills in the country have to change their sorts, labels and numbers every now and then. It certainly cannot be the intention of the Ministry to insist on each and every mill to apply to the Ministry and wait for the licence for producing any new variety, or for changing any number or label of an existing variety. We were really surprised to find this interpretation being put by the Ministry. Certainly this is a matter which the hon. Minister should look into. Otherwise, it is bound to cause dislocation and interference in the day-to-day working of the industry. Our Prime Minister also said the other day in the Federation meeting that if the private sector is to develop, it should be allowed to function properly, subject, of course, to certain overall restrictions. This is certainly of no real economic significance. If the Ministry should choose to insist on the mill to apply for a licence everyday when it wants to change a certain variety or a certain mark, it is something beyond what was intended. There must be some misunderstanding somewhere and it is desirable that the hon. Minister should clarify the position so that the mills may not be harassed in their day-to-day working.

**Shri Heda (Nizamabad):** In my opinion, the problem that our country faces today is the problem of unemployment. I am glad to see that many friends from this side of the House as well as from the other have expressed their views on that. This unemployment problem, again, has two aspects, one of production and the other of marketing or consump-

tion. So far as production is concerned, we are not hard-hit. In fact I am one with the hon. Minister for Commerce when he said that the position in regard to production and availability of goods has eased. In spite of the assertion by my hon. friend Dr. Lanka Sundaram, the fact remains that today in the market, whether it is consumer goods or goods of other types, they are available freely and no hardship is felt. Therefore, the main problem that remains today is the problem of marketing these goods, or consuming these goods. For the consuming of these goods, various measures have been adopted. One of them is the raising of the standard of living of the people or increasing the purchasing capacity of a large section of our people. With that end in view, Government have taken up many welfare activities. Another measure, which is a very commendable one, is the great fillip given to handicrafts and village and cottage industries.

I should like to take this opportunity of advocating the cause of one of such village industries, with which I happen to be associated myself: I mean the industry of bee-keeping. This industry has got a speciality of its own. Firstly, unlike the other industries, it does not come into clash with any other industry, large-scale or small-scale. This industry is such that it increases production without harming or coming into conflict with others. There is another aspect also. It is an auxiliary industry to agriculture. It increases the yield of agricultural produce by 10 to 25 per cent. on an average. Many food crops, particularly, oilseeds need direct assistance from bees, to give us the maximum yield. To the orchards, these are more than boons. In certain cases, they have been responsible for increasing the yield by 200 per cent. Not very much progress could be envisaged in agriculture without a full-fledged bee industry as its integral part. When we think of development of agriculture on scientific lines, I think the time will come when like other advanced countries,

we will have to accept bee-keeping as an integral part of agriculture.

With this view, I make a humble suggestion here. This industry of bee-keeping should have been under the charge of the Agriculture Ministry and not under the charge of the Commerce and Industry Ministry. In the meeting of the All-India Bee-keepers Association that was held on the 2nd of last month, in this very city, we had passed a resolution urging on the Government to hand over this subject of bee-keeping to the Agriculture Ministry from the Commerce and Industry Ministry. I hope the Government will sympathetically consider this matter.

The other point that I would like to make is this. Because the other village industries come into conflict with the large-scale machine industries, the Khadi and Village Industries Board which is also in charge of this bee-keeping industry is not able to devote the proper time or energy to this particular industry.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

We have noted that in spite of the very high personnel that are there in the Khadi and Village Industries Board, particularly its Chairman, whose patriotism and sincerity nobody can doubt,—he is one of our A men—I feel that things would have been much better if this bee-keeping industry had not been under the Village Industries Board, but rather under a separate Board—though a small one. If there had been a separate Board, this industry would have made very great progress. I take this opportunity to express the gratitude that the All-India Bee-Keepers Association felt at the fact that for the first time, the Five Year Plan has accepted this industry as one of the important industries and thereby has done it some justice.

This All-India Bee-Keepers Association was established in 1937. It has done, in its own humble way, many things in this connection by holding different bee exhibitions. The first exhibition was held in 1939 and the

15th in this very year. I think that if the Government, instead of relying solely upon their own personnel, upon their own high salaried officers, accept the voluntary co-operation that is offered by the workers who are in the field for more than 20 or 25 years, things could be done with less money and better results could be achieved. In this regard, the problems that we face are very few. I think there are only three problems which need to be attended to by the Ministry. The first and the most important thing is about obtaining bee colonies. Rearing of bee nurseries cannot be taken up as an occupation in our country because of the particular nature of the industry and the novelty of it. Moreover, in the beginning, it cannot be an economic proposition. Therefore, the Government or the Agriculture Ministry and their experimental farms should come forward and rear bee nurseries and thereby make a free supply of bee colonies to the prospective bee keepers and agriculturists. If this is done, a very big thing would have been achieved and the first and foremost hurdle in the way of the agriculturists and bee-keepers would have been removed.

I would also like to say a word in regard to the manufacture of the beehives as well as the other implements which are needed by this industry. The Labour Ministry had taken one good step in this connection, by asking their training centres to manufacture beehives, but I do not know for what reasons they have stopped it now. The result is that the people are not able to get them.

The second point I would like to deal with in regard to this industry is in regard to marketing. Honey has got no proper market, and therefore, Government should come forward with some sort of marketing scheme, and assure the people that the honey that is supplied under a particular label is pure honey; if this is done, there will be greater market for honey, and the prices of honey will also come down; at the same time, the consumption will also increase,

[Shri Heda]

and the promotion of this industry will have a further fillip.

Thirdly, Government should undertake some sort of publicity or propaganda work, as is done in countries like the U.S.A., by having documentaries etc. or some other propaganda literature, whereby they could create a consciousness among the agriculturists to take up bee-keeping as a hobby and auxiliary industry.

These are the few suggestions that I wanted to make on behalf of the All India Bee-keepers' Association, of which I happen to be the Chairman this year. I hope that Government will consider these suggestions in right earnest, and do the needful.

**Shri K. K. Desai** (Halar): In the very short time at my disposal, it will be very difficult for me to touch the various problems that are handled by this massive Ministry. This Ministry has got to handle so many problems, and on the way in which this Ministry handles them depends the prosperity or economic growth or development of this country. Within the short time at my disposal, I shall try to touch some of the points only.

The latest report of the National Income Committee, which has been published recently, gives us certain glaring facts, which everyone should take into consideration. Up till now, we have been discussing the relative importance of the various industries, and whether the small-scale or large-scale industries have got any substantial importance in the economy of our country. Various views have been expressed by persons looking at the question from various angles. Some people are actuated by outdated colonial economic notions of the nineteenth century, regarding large-scale production a means to raise the economic level of the country.

In spite of the fact that the Government of India in their Ministry of Commerce and Industry have given exclusive attention to the develop-

ment of large-scale industries and big business let us see what the National Income Committee says. It says that the net output or national income which we derive from these large-scale industries is only Rs. 550 crores. As against this, in spite of the various handicaps placed by our theorists, the large-scale industries, and also the import and export policies, the small-scale industries give to the nation a national income to the tune of Rs. 900 crores. If I had said this a fortnight ago, people would have said that it is all presumption, assumption or something in the air. But fortunately, I am supported now by the latest report of the National Income Committee.

Now, let us see what employment is given by these two types of industries. The large-scale industries are employing about 29,69,000 workers, whereas the industries which are classed as small-scale or cottage industries are giving employment to about 1,15,00,000 workers, who are either partially or fully employed. I do not mean to say that the Government of India have entirely neglected the cottage industries, during the last five or six years. Those of us who have had occasion to see the Exhibition which is now being held in Delhi, were able to find that the small-scale and cottage industries are in a position not only to raise the economic level of the country substantially, but are also capable of raising the social and cultural level of our countrymen. Therefore, I would very humbly suggest that instead of giving their exclusive attention to these large-scale industries, let the thousands of persons working in the Commerce and Industry Ministry, who are very intelligent, very able, and have learnt their economics also very thoroughly, devote their attention to the small-scale and cottage industries. Let them allow the private enterprise or the larger industries to take care of themselves. They will do much better, even if the whole of the Ministry of Commerce and Industry is not able to look after them, because they have

grown up now. Let these small-scale industries, which are contributing a national income of Rs. 900 crores, be now exclusively attended to by the hon. Minister, and his hundred officers working in the Ministry. Of course, the natural reply which I am bound to get from the hon. Minister is, "look here, that is not my problem, that is the problem of the States". But we all know now that any economic activity in this country is bound to be affected one way or the other by the policy that is followed by the Commerce and Industry Ministry at the Centre. So, let the Ministry of Commerce and Industry here pay more attention to the employment aspect, and expand these industries which are already employing 1,15,00,000 people, so that they can employ double the number; if that is done, the question of unemployment would not at all arise and the country will get prosperous.

I had no intention to speak on anything else today, excepting village industries. But my hon. friend Shri G. D. Somani has made certain statements, harping as usual on the difficulties of the large-scale industries.

That is a perennial question on the floor of this House. He has made a reference to the rehabilitation etc. of the various industries including the textile industry. May I ask: who comes in their way of rehabilitating the textile industry? May I just place before him and this House certain facts concerning the war and post-war periods. The textile industry which was running in a capital debt in the year 1939 of roughly Rs. 20 to Rs. 25 crores has got at its disposal today nearly Rs. 75 crores liquid. Now, why should they come every now and then to the Government and say: 'Give us money'? They have already got at their disposal Rs. 75 crores of rupees, if they want to rehabilitate their industry. Still they say: 'No, you must give us more money'. After all, where is that money going to come from? That money has to come either from the producers of industrial raw materials or the consumers or the

wage-earners. Is it wise, is it equitable, when they have got already Rs. 75 crores at their disposal to rehabilitate that industry, that they should come before the people of this country for more money? May I remind him that during the last seven or eight years, this Government has raised the depreciation allowance from 5 per cent. to nearly 25 per cent. in the case of three shifts and to 20 per cent. in the case of two shifts? In addition to that, there is 20 per cent. initial allowance, as it is called. So if somebody during the last five or seven years has put in new capital goods, that is, new plant straightway, within three or four years he gets all this money back, and that capital is available today for rehabilitation, if they want to. So that money is made available to them, for putting in a plant which is three times the original value of the plant—Now, the plant is worth about three times.

Then he also raised the question, the pertinent question, of rationalisation. Well, that question is in the air and I think we would have some other time on the demand of some other Ministry to discuss about that. I do not want to go into details, but there is one thing. What is rationalisation? It means the rational utilisation of the resources of the country, both human and material, for the welfare of the community as a whole. It is with a view to see that the product becomes cheaper and also better. May I suggest that comprehensive rationalisation of the industry is required to be taken up—I mean the rationalisation of the administration and management? Can Mr. Somani tell us that everything which they are managing is A1? The Working Part's report, to which my friend, Dr. Lanka Sundaram, made a reference, has exhaustively dealt with the question of the textile industry. There is good food there not only for thought but for implementation by the Government. Let the Government take these recommendations into consideration and then they would have rendered a rationalised service not only to the textile industry and to other

[Shri K. K. Desai]

industries but also to the community as a whole. That is all I would like to say at this juncture on the point which my friend, Mr. Somani, has raised.

Now, Sir, with regard to the question of rehabilitation. I would like to make a humble suggestion to the hon. Minister. Let the time of this House now not be wasted on this issue. Let him appoint an entirely official committee of technicians and an auditor and let them place before this House and before the country what are the requirements of all the industries so that the present production can be maintained. I want that to be done, so that we may know one way or the other. In my opinion, the Working Party have made certain technical suggestions. They say to what extent the textile industry requires to be attended to. Then there is the jute industry. It is no use talking in the air. Let us collect the data and facts and then we will know—the country will know—how to rehabilitate the industries in the interests of the country. That is a suggestion which I would place before my friend, the Minister of Commerce and Industry.

There is one more point and I have done. My friend, Mr. Somani, and most of his colleagues of his way of thinking, in season and out of season, straightway refer us to the USA. From our present economy and from our present industrial development, he would like straightway to take us to the stage of development of the United States of America's economy. May I say that even wiser people than us, a fairly industrially developed country like U.K., sent a Mission about six or seven years back to America to see if some of their techniques could be utilised in the United Kingdom? The report that they have submitted is that there is no use going in for the USA type of production. That is the conclusion they have reached. The result is that UK decided that its industries should develop according to its own

environments. In the same way, we should not look at what others have done. Of course, if there is some advantage, we may adopt it. But what is necessary for our progress,—human, economic and material—is that we have to cut our coat according to cloth, and make progress in our own way, and not to get miserable by placing before us certain aspirations which cannot be fulfilled, unless along with it you desire to bring in exploitation and human misery.

With these few words, Sir, I would say that the Commerce and Industry Ministry has shown some good results as far as the industrial development is concerned; because the hon. Minister of Commerce said that we have made an advance of 34 per cent. production. That is fairly good. Leave it at that and let the Ministry devote itself to the development of small-scale and cottage industries.

**Shri Morarka** (Ganganagar-Jhunjhunu): I propose to speak on the cut motions which concern the industrial policy of our Government. Sir, I have chosen this subject because I find one particular cut motion which is tabled by the hon. leader of the Communist Party and his two faithful followers to say that the effect of the present industrial policy is more or less anti-national.

Now, Sir, before I come to examine the implications of our industrial policy or its success, I would like to state briefly what our industrial policy is. You know our present policy is based on the Resolution of April 1948 which was later adopted by the Planning Commission as the basis for formulating the policy of industrial development.

About foreign capital, it is laid down in the Planning Commission's report that since the resources in our country are limited, since the resources of our country are not enough, we are going to permit free import of foreign



capital and for that they have laid down three conditions which, if you like, you may call concessions. The first is that there would be no discrimination as far as the application of the broad industrial policy is concerned between foreign capital and Indian capital. The second is that reasonable facilities would be given for the repatriation of such capital or for the remittance of profits. The third is that whenever there is nationalisation of any undertaking, fair and equitable compensation would be given for the industries nationalised. I do not think anybody can say that any of these conditions are unfair or unreasonable or that we have made any special concession.

In our industrial policy, the Planning Commission as well as the resolution to which I have referred have allowed the existence of two sectors, the private sector and the public sector. There are certain industries which are definitely included only in the public sector and there are others which are left to the private sector. Even in the private sector, the policy of *laissez-faire*, the policy of non-regulation or the policy of non-control is no more permitted. It is made very clear that even in the private sector, there would be control, there would be supervision and whenever Government finds that any private enterprise is not working according to the expectations, in the public interests, the Government could always step in and intervene. The House will remember that for this purpose the Parliament enacted an Act in 1951 which was further amended by this hon. House last year. Under that Act, the Government has a right to investigate and, whenever necessary, even to take over the management of a concern. Not only that; the existing industries have to be registered with the Govt.; for starting new industries or for expanding the existing industries a licence has to be taken. There is also a provision in the Act for the establishment of Development Councils. On these Development Councils will be represented all the interested parties, namely, the pro-

ducer, the consumer and the labourer. The main idea behind these Industrial Development Councils is to further the interests of the industry.

This being our industrial policy, I would like to examine whether this policy has been successful or not, and whether it has achieved its object or not.

For this, I would suggest five main tests. The first test I would like to apply is whether there has been an increase or decrease in the overall production of the industries concerned. If you apply this test, we would find that in the year 1953, our industrial production index number came to 134 as against 128.7 for the year 1952. Even the figure of 128.7 in the year 1952 was the highest ever since the war.

The second test which I would apply is whether there has been improvement only in the existing industries or whether new industries have also been started. If you apply this test, we will find that many new industries have been started and for the first time in the year 1953, we have produced new articles.

The third test, which according to me is the very important test, is the character of our foreign trade. If the character of our foreign trade has changed in such a way that we have started exporting more of manufactured goods or importing less of manufactured goods, then it is a sure indication of the success of our industrial policy.

The fourth test which you can apply to see whether the policy has been successful or not is to see whether employment in the industrial sector has increased or whether it has gone down. This I must confess is very difficult to say because we have not got the exact figures, but, it cannot be said that it has gone down or decreased.

The last test which I would like to apply is that of the cost of production. Here again, all other factors being equal and unchanged, if industrial pro-

[Shri Morarka]

gress takes place then the efficiency of the industrial units gets the benefit of research and the cost of production goes down. Unfortunately again we have not got definite data and, in the absence of such data whether all the other factors have remained unchanged or not we cannot say, and therefore definite conclusion on this point cannot be drawn.

But, one thing is clear. After applying all these tests you have to come to the conclusion that the industrial policy of this country, particularly in the year 1953, has been nothing but a success. Those hon. Members who think that this policy is anti-national, either do not understand anything of the 'industrial policy' or they do not know what is good in our national interests.

Another set of cut motions are about nationalisation. These hon. Members have blamed the Government for not following a policy of nationalisation. I say a word about nationalisation, I would remind the House about what the Planning Commission have said in respect of nationalisation. The Planning Commission, in their report, says, "nationalisation of the existing enterprises, which means the acquisition by Government of all the existing private assets has, in our view, only a low priority especially as most of the purposes of such transfer of ownership can be served by judicious regulation".

For nationalisation, there are two things which are vital. Firstly, we must have sufficient surplus funds with us to pay compensation for those industries and, secondly, we must have sufficient technical staff to take over the management. Under the present circumstances, when we have no sufficient funds even for urgent works like the development projects, one cannot suggest that these should be diverted for the purpose of acquiring the existing concerns. In my humble opinion, it is not wise, at this stage, to resort to the policy of nationalisation and

lock our resources in acquiring the existing assets rather than spending them for renting new ones. When it becomes necessary, in the interests of the country to nationalise these industries, I am sure the Government would not hesitate nor would there be any hesitation on the part of the private interests concerned to surrender their interests. Sir, there is an example before the House. Last year, when there was the nationalisation of the Air Companies, there was no heart-burning or agitation on any side and the Government took over the Air Companies and fixed compensation. The transfer if I may say so, was very smooth. This is all I could say about nationalisation as my time is up.

**Shri Gadilingana Gowd (Kurnool):**  
Sir, some of the schemes of the Government to give relief to the handloom weavers are really very good but they are not being properly implemented. Several instances have come to my notice about the misuse of powers by the officers in charge of the implementation of these schemes. I do not want to take up the time of the House in narrating all these things. I confine myself to one or two instances of which I have personal knowledge.

I come from a village where there are about 1600 handlooms. The weavers have been very anxious to form themselves into a Weavers' Co-operative Society and get the benefit of the Government schemes. But, unfortunately the Registrar of Co-operative Societies has refused to register the Society. For the last three years they have been making repeated requests but he refused to register the Society. The matter was taken to the notice of the Government of the composite State of Madras and after one year's correspondence with the Registrar, the composite State of Madras directed the Registrar to register the Society. But, the Registrar who was very much annoyed with this order, directed his Deputy Registrar to supersede all the

co-operative institutions of which I was the President, because I brought this case to the notice of the Government. He was not satisfied with that. He took a petition from a friend of his, whom he wanted to support, objecting to the registration of such a society and started fresh correspondence with the Government requesting them to revise their previous orders. On the 18th of January, 1954, the Andhra State Government passed another order saying that it saw no reason to revise its previous orders. Three months have already passed and up till now the society has not been registered. When such is the case, how can the weavers take advantage of the schemes sponsored by the Central Government, enabling the weavers to be admitted and providing work for the co-operative societies in respect of the new weavers who have joined them and so on. Therefore, the Central Government must have the power to see that the schemes sponsored by them are implemented by the States effectively. If for any reason the Government are not in a position to enforce such orders, they must come forward before the House with the necessary legislative measures to have power to direct the State Governments.

Secondly, there is no uniform policy of granting licence to power-looms in the country. There are several instances but I will tell you only one. Two merchants, one from Adoni and the other from Yemmiganur, in Andhra State, applied simultaneously for permission for installation of 10 power-looms each. Permission was refused on the ground that there was shortage of yarn in the country. The merchant from Adoni, however, purchased ten power-looms and installed them without permission from the Government. The Government, instead of taking drastic action against him, permitted the son-in-law of that merchant to work four power looms on silken yarn. The other man, who was a law-abiding citizen, applied again after two years and he was told that the position of yarn was still acute and

that of yarn was scarce in the country. At the same time, Government permitted some of the mill-owners to export yarn on the ground that there was excess yarn in the country. Very recently, I understand, he again submitted an application and he has now been told that the Government is awaiting the report of the Textile Enquiry Committee. God alone knows when the report is expected to reach the Government and when the Government is expected to take a decision on it. Therefore, I request the Government to take necessary steps to see that all their schemes are implemented properly. Otherwise, the schemes will remain only on their files and that is the reason for the Five Year Plan not being successful.

**Shri L. N. Mishra (Darbhanga cum Bhagalpur):** On an examination of the industrial policy of the Government and the results that have been achieved. I say that there has been a marked increase in production all round in the country. Although there has been a fall in the production in certain individual industries, the general index number of production has risen from 128.7 to 134. There has been visible improvement on all fronts and the Government have come to the assistance of important industries like tea and jute. There has been a reduced volume of trade since we had decreased in exports, and this decrease in exports has been balanced by corresponding decrease in imports. I feel that the Government have followed a rational policy in the matter of foreign trade and it is because of that policy that our foreign trade position has not been adversely affected in spite of the fact that the world market has been rapidly transforming itself from seller's market to the buyer's market. I would like to thank the Government for their initiative in having another Development Corporation of private interests of the country and outside. From an examination of the progress made in industrial development, it appears that our country's resources are not proving adequate to

[Shri L. N. Mishra]

meet the requirements of our expanding economy. There is dearth of capital and there is inadequate investment also. The interest of a development economy cannot be served without increase in the level of investment. India's economy will stagnate if we do not have an increased level of investment. Therefore, I am glad to see that efforts have been made for establishment of another Development Corporation with the help of private interests in this country and outside. I hope this Corporation, with the requisite help from the World Bank, will be able to promote new industries and help in the expansion and modernisation of existing industries, and also in having some new industries.

While speaking of the Development Corporation, I would like to say a word about the desirability of having foreign capital also. I think foreign capital for a country like ours is but imperative. Our indigenous resources are too limited and capital savings are also inadequate. In that background we have wedded ourselves to a programme of expansion and development and wish to increase the national income and improve the standard of living of the population. In these circumstances, rapid development of our industries is the only way. Any rapid development of industries of a backward country and a poor country like ours is impossible without foreign aid—both financial and also in know-how. Indian capital has got to be supplemented by foreign capital. We have got to invite finance, scientific, technical and industrial knowledge and capital equipment from outside. For that, a particular atmosphere has got to be created. Irresponsible talk would make foreigners shaky and no foreigner would like to invest money unless he is assured of profit and security of his capital.

I would, therefore, suggest that a cordial atmosphere should be created. We need not get panicky unnecessarily since foreign capital invested in India would become Indian capital for all practical purposes and it will

be governed by the regulations common to all Indian businessmen. Therefore, I would say that the cry of certain interested sections against foreign capital is baseless.

I will next say a word about the GATT. Dr. Lanka Sundaram and a few others have spoken about GATT and their arguments are more sentimental than objective. The House is aware of the fact that GATT has been in operation for well over five years and it is an international organisation like the International Bank or the International Monetary Fund, with certain differences in its method and field of working. It has been helpful in having expansion of the international trade and also in the restoration of economic equilibrium. It is an assurance of the automatic extension of tariff concessions to all its members and a safeguard against discriminatory treatment in the commercial world. We are aware of its help in the difficulties experienced by the low tariff countries and, I think it has brought stability in the world market and solved many international disputes. I may refer in particular to its help in settling our dispute with Pakistan in the matter of jute.

I do not accept that any harm has been done to our economy by it and I want to know which of the protected industries has suffered as a result of the policy of GATT. I do not think that imports made under the policy pursued by the Government in consultation with GATT have affected our industries adversely in any way. I do not know if our Government has lost in revenue on account of our being its member. I admit that it has not been as successful as some of the international organisations like the International Monetary Fund and the World Bank, but we should be aware of the limitations put by certain international developments since its very birth, like the Korean War, etc. Any arithmetical calculation of its achievements or failure is absurd and any hasty conclusion about the utility of this organisation is also not desirable.

If we walk out of GATT, we should think of our international trade position in the absence of an international agreement.

Sir, the safety of the free world lies in multilateralism and any step in any other direction, I think, will be harmful for us. We must bear in mind that membership of any international organisation will certainly put some limitations upon our individual liberty and independence of action; we cannot help it if we are to remain in this age of internationalism. Therefore, I would appeal to the Government not to be carried away by sentiments expressed by certain quarters that India should withdraw from GATT.

Now I will say a few words about jute. I would like to thank the Government for the policy it has followed. With the knowledge that I have about the jute industry, I can say that but for the keen interest and active intervention of Government, the plight of raw jute would have been far worse than it is today. I have studied the situation and I have seen that the price that has been made available to the growers has been Rs. 19 or 20 whereas the cost of production is reported to be Rs. 17. Therefore, I should like to thank the Government for the policy it has pursued. I feel that because of the Government's policy we have been able to hold the foreign market in spite of the competitions that are growing. The growers are particularly thankful to the Government for the appointment of the Jute Enquiry Commission. I understand the Commission has submitted its report. We are anxious to know its recommendations and I hope the Commission must have suggested something concrete to meet the problem of raw jute. I would appeal to the Government to implement those recommendations of the Commission without any further delay.

Last year, I had tried to draw the attention of the Government to the impending danger to jute industry. The House is aware of the fact that in the jute industry we had almost a mono-

polistic position till very recently. That position is changed today. We are facing competition not only from continental mills but from countries like Philippines, South Africa, Brazil, Egypt and, last but not the least, from Pakistan. Our position has been challenged and we have to arm ourselves to fight this battle. Pakistan is having a number of modernised jute mills with at least 6000 looms and it will be a great competitor to our industry. Pakistan having superior quality of raw jute and distinct advantage of modernised manufacturing mills, will try to drive us out of the world market. Therefore, I feel the only way to fight it out would be—I would like to give two suggestions: (1) to implement the recommendations of the expert committee to improve quality of our raw jute, and (2) modernisation of our plants. Modernisation is the only way to save this industry. I admit modernisation would mean additional investment, but we have no other alternative; we must find out money for it. I may also accept that it will bring some adverse effect on the employment potentiality of this industry. It is for the State and industrialists to find out some alternative employment and guarantee employment to the industrial labourers. As a representative of the growers my interest is to see that the growers get economic prices for the jute. The interest of crores of growers and agricultural labourers cannot be sacrificed for the interest of a few thousand industrial labourers.

I must say, therefore, that to bring down the cost of jute production, modernisation is the only way and if we have to compete in the world market we have to modernise our jute mills. Therefore, I would once again suggest that jute mills should be modernised and any delay in modernisation would be suicidal for our industry.

**An Hon. Member:** Mr. Chairman....

**Mr. Chairman:** Sardar Akarpuri,

**Several Hon. Members rose—**

**Mr. Chairman:** I am very sorry the Chair is quite helpless in giving every Member a chance to speak.

**Shri S. S. More (Sholapur):** Two persons are standing up at one and the same time. (Interruption)

**Mr. Chairman:** I find that some hon. Members are shouting at me, but I do not know how to help them. After all, the time is limited and I am ringing the bell after eight or nine minutes. Many hon. Members are anxious to speak and I am here to select.

**Shri Bhagwat Jha Azad:** Mr. Chairman.....

**Mr. Chairman:** I have called Sardar Akarpuri.

**सरदार अकारपुरी (गुरदासपुर):** सभापति जी, मैं देखता हूँ कि हाऊस में बड़े बड़े कारखाने-दारों और सरमायंदारों ने इस डिमान्ड के हक में और मुखालफत में कहा है। मेरा जैसे एरिग्यूलचीस्ट के वास्ते इस पर कहने की बहुत गुंजाइश नहीं है, लेकिन मैं चन्द एक बातों को आनरबुल मिनिस्टर साहब के गोश-गुजार करना जरूरी समझता हूँ।

जहां तक इन्डस्ट्री की तरक्की का ताल्लुक है, रिपोर्ट्स से साफ जाहिर होता है कि पिछले चन्द सालों में जितनी तरक्की इन्डस्ट्री ने की है वह हैरतअंगेज है। इतने थोड़े समय में इतनी ज्यादा तरक्की, और उस दश में जिस में कि हजारों बरस की गुलामी की वजह से कमजोरी आ चुकी हो, हैरान करने वाली चीज है। जिस मुल्क में सुर्ख तक नहीं बनती थी, वहां अब रेलवे इन्जन, मोटर और साइकिलें और अनगिनत चीजें बनती हैं। वह सस्ती भी हैं और अच्छी भी हैं। जो चीजें रिपोर्ट में दर्ज की गई हैं, उन में से एक चीज की तरफ मैं आनरबुल मिनिस्टर की तवज्जह दिलाना चाहता हूँ। वह चीज दश में अब बननी शुरू हो गई है लेकिन वह ऐसी चीज है जो कि हमारा दश में बनते हुए भी मंहगी पड़ रही है। मेरा मतलब बाल बंअरिंग से है। सन् १९५२ से

पहले बाल बंअरिंग जापान से आती थी और उन की दरआमद पर कोई पाबन्दी नहीं थी। जापान हिन्दुस्तान से लोहा लेता था और बाल बंअरिंग बना कर हिन्दुस्तान भेजता था। यह वही बाल बंअरिंग है जो कि स्विसा और चैफ कटर (डोका) में लगती है जिस का नम्बर होता है ६२०५ और ६२०६। यहां आ कर उस का दाम २ रू० १५ आ० पेंअर पड़ता था। जापान उस के लिये ६४ रू० १२ आ० ड्यूटी भी अदा करता था, फिर भी सारा अखराजात बर्दाश्त करने के बाद वह हिन्दुस्तान में २ रू० १५ आ० पेंअर पड़ती थी। उस की मानोपौली सन् १९५२ में एक बड़े सरमायंदार को दे दी गई और उस की दरखास्त पर उस की इम्पोर्ट बन्द कर दी गई। काबिल तवज्जह बात यह है कि जब उस की इम्पोर्ट बन्द हुई, हर दफतर में सरमायंदारों का कोई न कोई आदमी होता है, उस से पता कर लिया कि कब इस की इम्पोर्ट बन्द होगी, जितनी बाल बंअरिंग हिन्दुस्तान में थी वह ६, ७, ८ रू० तक में इस कम्पनी ने खरीद ली और इम्पोर्ट बन्द होने के बाद उन्हीं को १२, १२ रू० में बेचा। उन लोगों ने इस तरह से लाखों नहीं करोड़ों रुपये पैदा किये। अब जो मानोपौली बाल बंअरिंग को दी हुई है वह नेशनल बाल बंअरिंग कम्पनी, जंपुर के पास है, वह कम्पनी बाल बंअरिंग का एक पेंअर १० रू० ४ आ० में देती है। अगर यह बाल बंअरिंग बड़े बड़े कारखानों में इस्तेमाल होती तो कोई बड़ी बात नहीं थी, जो आदमी इतना सरमाया कमाता है वह ज्यादा पैसा भी दे सकता है, लेकिन जो लोग बाल बंअरिंग खरीदते हैं वह ज्यादातर गरीब लोग रिकशा वाले और जर्मींदार लोग होते हैं। जब कि पहले एक बाल बंअरिंग की कीमत उस को २ रू० १५ आ० पड़ती थी, उसी के लिये अब उस को १० रू० ४ आ० देने पड़ते हैं यानी उस की कीमत ६ रू० ५ आ० बढ़ जाती है। इसी तरह से जो गरीब रिकशा वाले हैं जो कि एक दिन में २, २ २, २ रू० कमाते हैं उन को भी इसी तरह से मंहगी बाल बंअरिंग खरीदनी पड़ती है। मैं समझता हूँ कि हमारा हिन्दुस्तान में किसी भी चीज के लिये दो पालीसियां नहीं होनी चाहियें।

में ने सुना है कि कोई इन्कवायरी कमेटी बँठी थी इसलिये कि वह बताये कि यह बाल बँडरिंग इतनी मंहगी क्यों पड़ती है। उन्होंने कहा कि नहीं अभी इससे उनका खर्चा पूरा नहीं होता है। घानी अभी यह सस्ती बिक रही है, इस को और मंहगी होना चाहिये। मैं कहता हूँ कि अगर बाल बँडरिंग बनाने वालों को बचत नहीं है, उन को तकलीफ है, तो आप उन को तकलीफ क्यों दते हैं? इस को इम्पोर्ट करने की इजाजत दूँ, मॉनोपोली बन्द कीजिये, और लोगों को भी बनाने की इजाजत दीजिये। मैं अक्सर सुनता हूँ कि हाऊस में कहा जाता है कि गन्ने की कीमत १ रू० ७ आ० मुकरर की गई है। टैरिफ कमिशन ने ऐसा खयाल करके चीनी की कीमत २७ रू० मन मुकरर की अब चीनी २० रू० से २५ रू० मन तक बिक रही है। हमारे मिनिस्टर साहब का इस पर कहना यह है कि दस्ता भाई, गन्ना बोना है तो बाँजो, नहीं बोना है तो न बाँजो, अगर हमें चीनी बाहर से सस्ती मिलती है तो हम बाहर से ले लेंगे। चीनी चीक सस्ती पड़ती है इसलिये बाहर से लेते हैं क्योंकि उस से कारखानों को पैसा ज्यादा मिलता है, लेकिन चीक बाल बँडरिंग मंहगी बँच कर सरमायदारों को फायदा पहुंचता है, इसलिये बाहर से बाल बँडरिंग मंगाने से हालाँकि सस्ती पड़ती है, लेकिन उस को मंगाने को तैयार नहीं है। मैं कहता हूँ कि अगर बाल बँडरिंग भी बाहर से लेना सस्ता पड़ता है तो लेना चाहिये। मॉनोपोली वालों का हिसाब भी देखना चाहिये मैं समझता हूँ कि देश का रूपया देश में रहना ठीक है, लेकिन गरीबों का रूपया इस तरह से सरमायदारों के घर में जाना ठीक नहीं है।

दूसरी बात मैं यह अर्ज करना चाहता हूँ कि मंग कांस्टिट्यूएन्सी में छोटी छोटी इन्डस्ट्रीज भरी पड़ी हैं उन में भी यह चीज इस्तेमाल होती है। वह इन्डस्ट्रीज वाहरे पर पड़ती हैं, और वहाँ पर ५० फीसदी इन्डस्ट्री रिफ्यूजीयों के पास हैं, पहले वह मुसलमानों की थीं। मैं ने एक दफा आनरबुल मिनिस्टर साहब से अर्ज

किया था, जैसे चौधरी साहब को शिकायत है कि आसाम में हमारे मिनिस्टर साहब नहीं जाते क्योंकि वह बहुत दूर है, उसी तरह से वह पंजाब में भी नहीं जाते हैं, कि एक दफा हमारे यहाँ चल कर तो देखिये कि वहाँ पर इन्डस्ट्रीज में क्या हो रहा है। मैं यह अर्ज करना चाहता हूँ कि जो वाहरे की इन्डस्ट्रीज हैं, उन की तरफ ज्यादा तब्ज्जह देना चाहिये। आखिर बटवार के बाद जो अमीर लोग थे, वह तो बम्बई, कलकत्ता और दिल्ली चले गये, वहाँ जो छोटे छोटे, गरीब लोग बच गये, जो कि इन्डस्ट्रीज को चला रहे हैं, उन को रूपया देना चाहिये, उन की मदद करनी चाहिये। उन को बहुत तकलीफ है। छोटी छोटी बातों को देखिये। उन के क्लैम्स की तस्दीक हो चुकी है, लेकिन वह उन को मिले नहीं हैं, जितने कारखानेदार हैं उन को वह किराया देते हैं। मैं ने एक कारखाने का हिसाब लगाया, बटाला में उस कारखाने की कीमत लागू २५ हजार नहीं देते, लेकिन अगर उस का हिसाब किताब देखा जाय तो ५, ७ साल में वह ५० हजार के करीब किराया दे चुके हैं। उस की जायदाद सरकार के पास जमा है, उन के क्लैम तस्दीक हो चुके हैं, तो क्या वजह है कि उनको कारखाने एलाट करके उनका किराया बन्द नहीं किया जाता।

अब मैं प्लेस एक्स्ट्रा आन आयरन एंड स्टील के बारे में कहना चाहता हूँ। यह पंजाब, पंज्द और हिमाचल प्रदेश में कराची से आता था। उस वक्त कराची, बम्बई, मद्रास और कलकत्ता यह चार पोर्ट्स थे। तो जब कराची से यह आता था उस वक्त इस का २५ रू० टन किराया देना पड़ता था, लेकिन इस वक्त वह कलकत्ते से आता है जिस के लिये वहाँ के लोगों को ५७ रू० टन किराया देना पड़ता है। बम्बई से अहमदाबाद को जो प्लेस एक्स्ट्रा आन आयरन एंड स्टील जाता है उस पर उन को किराया बहुत थोड़ा देना पड़ता है, क्योंकि बम्बई से किराया ज्यादा नहीं लगता। कलकत्ते से अहमदाबाद उतनी ही दूर है जितनी दूर कलकत्ते से अमृतसर है। अमृतसर के

[सरदार अकरपुरी]

लोगों को तो ८७ ५० टन किराया देना पड़ता है और अहमदाबाद को बम्बई से बहुत कम किराया देना पड़ता है। तो इस के मुताबिक में दरखास्त करूंगा कि अमृतसर को भी पोर्ट डिक्लेयर कर दिया जाय ताकि पेंस, पंजाब और हिमाचल प्रदेश वालों को इस के मुताबिक 6 P.M.

कोई दिक्कत न हो इसके अलावा मैं एक बात और अर्ज करना चाहता हूँ आज कल में एक डिप्टेशन शायद फाइनेंस मिनिस्टर साहब से और इंडस्ट्री मिनिस्टर साहब से मिला होगा उन्होंने उनके सामने को आर्टीसलक के मुताबिक रिप्रेजेंटेशन किया है वह बहुत वाजिब है। सार हिन्दुस्तान में आर्टीसलक को १०,००० खोड्डियाँ हैं उनमें से २६७५ अमृतसर में हैं और १५,००० आदमी इन पर काम करते हैं जिनमें ज्यादातर रिफ्यूजी हैं। वह बहुत अच्छी तरह से अपना काम चलाते हैं। जो माल इम्पोर्ट होता है उस पर वह काफी ड्यूटी भी देते हैं। अब उन पर एक्साइज टैक्स लगाने वाला है। वह इस बात से डरते हैं और वह कहते हैं कि चाहे आप खोड्डियाँ पर और टैक्स बढ़ा दें लेकिन हमें एक्साइज मुहकमे के सुपुर्द न करें नहीं तो यह हमको लूट कर खा जायगा। उनको एक यही तकलीफ है और मैं समझता हूँ कि वाजिब तकलीफ है। मैं तो देखता हूँ कि जिस इमानदारी से हमारे मिनिस्टर और डिप्टी मिनिस्टर काम करते हैं उस तरह मुहकमा नहीं करता। अगर मुहकमा भी उनको इसी तरह मदद करे तो मैं समझता हूँ कि बड़ी मुश्किल हल हो जाय। तो उन लोगों को एक ही शिकायत है कि हमें एक्साइज वालों के सुपुर्द न किया जाय, वह हमारी एक भी पेश नहीं चलने देंगे। इसीलिये मैं फाइनेंस मिनिस्टर साहब से और इंडस्ट्री मिनिस्टर साहब से जो कि यहाँ इस वक्त मौजूद हैं, यह अर्ज करना चाहता हूँ कि इस इंडस्ट्री को खत्म न होने दें। यह बार्डर का इलाका है और यहाँ पर इस काम से लोग थोड़ा पैसा कमा लेते हैं।

एक बात मुझे और अर्ज करनी है। वह यह कि पंजाब में चीनी का कोई कारखाना नहीं है, सिर्फ पेंस में हमीरा में एक चीनी का कारखाना है उसको भी आपने शिफ्ट करने की इजाजत दे दी है। वहाँ गन्ने के लिए जमीन भी बहुत अच्छी है और पानी भी है। वहाँ काफी गन्ना हो सकता है और वहाँ गन्ने का कारखाना होना चाहिए। मैं समझता हूँ कि जबतक गवर्नमेंट मदद नहीं करेगी वहाँ चीनी कारखाना नहीं खुल सकता।

एक बात और कह कर खत्म करता हूँ। पंजाब में इतनी कपास होने लगी है कि आप लायलपुर, सरगोधा और मांटगोमरी को भूल जायेंगे। यहाँ कपास की फसल इतनी अच्छी होती है कि जहाँ पहले पंजाब में १६ मन फी एकड़ कपास निकलती थी वहाँ अब २० मन निकलती है। लेकिन रूई का सिर्फ एक ही कारखाना खन्ना में है। मैं अर्ज करूंगा कि हमारे बहुत से लोग पाकिस्तान में रूई के कारखाने चला रहे थे, हर मंडी में रूई के कारखाने थे। अब आप उन लोगों को कम्पेंसट करने वाले हैं। आप उनके लिए यह शर्त लगावें कि गवर्नमेंट उनको मदद करेगी और वह रूई के कारखाने खोलें। अगर पंजाब में यह कारखाने खुल जायें तो अकेले पंजाब ही से आपको इतनी रूई मिल जायगी कि आपको बाहर से मंगाने की जरूरत ही नहीं रहेगी। मुझे इतना ही कहना है।

Mr. Chairman: Shri Tulsidas.

Shri Tulsidas (Mehsana West): I thank you for calling me.....

Shri Ramananda Das (Barrack-pore): I have been standing all the time; but I have not been called.

Mr. Chairman: What does it matter?

Shri Ramananda Das: I have been standing; they have got five chances.

Mr. Chairman: I have told the hon. Member that he cannot be called.

Shri Ramananda Das: You should have told me before-hand.



**Mr. Chairman:** There is no question of informing before-hand. How could this be done. It is impossible to behave like this.

**Shri Tulsidas:** I would like to make a few observations with regard to the administrative set-up of this Ministry. I know that at present, by and large, the problems confronting the Commerce and Industry Ministry are not as many and as complex as they were before. I also know that there is a certain amount of better understanding between the commerce and industry of the country and this Ministry and if I may say so, this is due to the increased understanding and recognition on the part of the Government that the private sector has both an honourable and an effective role to play and that it should not be unduly hampered in its working.

With regard to the basic problems, I find that we have not made progress as much as we would have liked. Even the Ministry in the report admits that the progress has not been as rapid as one would like to see in this country. I would like to ask the Minister for Commerce and Industry what the reasons are, why the pace of industrialisation is not rapid, as rapid as he and the industry itself would like to see. Whether it is due to shyness of capital as has been mentioned in the report or whether that is due to other causes, I do not know. The hon. Minister is more qualified to tell me what the reasons are. If it is a question of shyness of capital, I do not know why it should be shy. Whether it is due to less saving among the people or whether it is due to other causes, I would like it to be clarified, because, that is a point on which I feel that the country would like to have some explanation from the hon. Minister.

I would also like to say that the Commerce and Industry Ministry has to play a very important part, because it consists of commerce and industry. It has got a number of problems; it has got interests which are sometimes complementary to each other, sometimes contradictory. Therefore, it has

a delicate role to play. Look at the set-up. It is called the Commerce and Industry Ministry of the country. You see a number of other industries related with the different Ministries. Take, for example, sugar and *vanaspati*. They are under the Ministry of Agriculture. Take coal mining; it is under the Production Ministry. Shipping is under the Transport Ministry, Banking and insurance, which play a complementary part to commerce and industry of the country, are under the Finance Ministry. I do not know how all these Ministries co-ordinate matters when any question comes with regard to the proper functioning of the industries of the country. We know and we have several times read in the Press that some factories have closed down on account of lack of coal or other materials. Often, it has happened that manufactured goods could not be moved as rapidly as we desired. I do not know how this co-ordination takes place. I would like to know whether this lack of co-ordination—to my mind the co-ordination is not there as it ought to be—is any reason why a certain amount of progress is not being made. If that is so, then something definite has to be done about it. Either we should reshuffle these Ministries, according to their importance, or we should have some co-ordinating authority, under which all these Ministries can function as a whole.

Even the present Commerce and Industry Ministry has under its care, not only the private sector—the entire private sector has to rely on this Ministry—but also the cottage and small-scale industries, which are a problem by themselves. It seems to me that if this Ministry is going to confine itself only to the large-scale industries and the cottage and small-scale industries, there may even be required a co-ordinator for the co-ordinating authority. Otherwise, I do not know how this Ministry is going to function.

The other day, when I saw the Exhibition, I was really surprised to see some of the placards that were exhibited there. I would like to bring to the

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notice of the hon. Minister one or two of them, just to show how things are being propagated and illustrated. One of the placards is to the effect that the woollen industry gives employment to 27,000 persons, but creates unemployment in the cottage industries, for about two lakhs of persons.

**Shri K. P. Tripathi** (Darrang): Do you contradict this?

**Dr. Lanka Sundaram**: Is it the placard?

**Shri Tulsidas**: Yes, the placard is there. Another placard is to the effect that the silk industry employs eighteen thousand persons, and 'unemploys' two hundred thousand persons.

**Shri K. P. Tripathi**: Very correct.

**Shri Tulsidas**: Similarly, there is a placard which says that the cotton spinning and weaving industry employs 750,000 persons, but creates unemployment for twenty-three lakhs of persons. So, there is a confusion worse confounded. I do not know what it means.

**Pandit K. C. Sharma** (Meerut Distt.—South): Are they not entitled to have their view?

**Shri Tulsidas**: I am coming to that point. I am not saying that I am against the cottage industries. I wish that we must do whatever we can to encourage the cottage and small-scale industries. We should do all that is possible to see that these industries are put on a permanent and stable footing in the best manner possible. But this is not the way to say that the organised industries are the enemies of the country. That is not the fact. The fact is that this very Exhibition is being held by a Board, which gets a lot of money from the Ministry, and also from the bigger industries by way of taxes and cesses.

**An Hon. Member**: The consumers also.

**Shri Tulsidas**: And the consumers also. The middle-class man or a man

belonging to the lower income group, who consumes mill-made cloth has to pay a higher price.

**Shri K. P. Tripathi**: The question I would like to ask you is this. Do you contradict this?

**Shri Tulsidas**: I do not contradict it, but what I say is that it makes the confusion even worse confounded.

**Shri K. P. Tripathi**: How can you say that, unless you are in a position to contradict it? (*Interruptions.*)

**Shri Tulsidas**: It gives an entirely wrong picture. I am sorry that my hon. friend does not understand what I am saying. I am trying to make him understand, but he is a little impatient. By these placards they are trying to make out that a lot of unemployment is created by these organised industries. If these cottage and small-scale industries are to produce as much as an individual industry employing a certain number of people, they would require a greater number of people. The presumption here is that only a certain number of people are employed in the bigger industries, while a larger number in the cottage and small-scale industries are unemployed as a result. In my opinion, this is entirely a misconception, which makes confusion worse confounded.

As I said earlier, I have no hesitation in saying that the cottage and small-scale industries must be properly encouraged. I would like to explain what I mean by that. We do not want mere spoon-feeding, as we are trying to do now, but we would like to see these industries placed on a proper and permanent footing. That cannot be done by spoon-feeding only; it requires a certain amount of administrative organisation which can ensure that their products are sold. In most other countries, these industries function as complementary to the bigger industries, or they have their own original markets. In the same way, here also, we must have them as

complementary to the bigger industries, or we must provide them their own markets.

I shall just give you one instance. In my constituency, a well-known product known as *patola* used to be produced formerly. In any marriage, the wearing of this *sari* by the bride was considered to be an essential part of the marriage. It used to be sold at Rs. 200 or so before, and people used to buy it. But during the war, the cost of production went up, and the price of this *patola* rose so high, that very few people could buy it. And what has happened now? These very manufacturers have switched over to the production of pillow-cases, table-cloths, curtains etc. which find an easy market. If only you could give them some guidance to produce something which would be having its own market, they will be in a position to market their products much more easily, and without any necessity to have a sort of spoon-feeding, as is the case at present.

As my time is short, I shall wind up by saying that the private sector has to play its part, and since the Commerce and Industry Ministry is the only Ministry which is to take care of this sector, we would like to see that there is greater co-ordination in the Ministry. Unless proper co-ordination is there, no matter what we say, the difficulties of the private sector, or even these small-scale and cottage industries are bound to remain, and the Ministry cannot function properly.

**Shri T. T. Krishnamachari:** I must express my gratitude to the House for the indulgence and tolerance it has shown to my Ministry. Of the twenty-two Members who have spoken, there were only two or three who threw brickbats at us; and we had our fair share of bouquets to compensate the injury that we sustained from these brickbats.

Before telling the House some of my problems, I would like to deal with one matter that was raised by my non-friend Dr. Lanka Sundaram. I was

rather agreeably surprised that Dr. Lanka Sundaram did pin-point the discussion to one particular aspect of the work of this Ministry. In fact, if hon. Members of the Opposition had selected about four or five points, on which they could have raised a discussion, as Dr. Lanka Sundaram himself has mentioned, we might perhaps have been able to explain the policy of Government. From that point of view, when I saw Dr. Lanka Sundaram's cut motion, I was really agreeably surprised.

I shall deal with some of the points he has mentioned. But I must refer first to a matter in which an insinuation was made by him by the flourish of a journal, that this Government indulges in granting licences to friends and relatives of Ministers.

I have got a cutting here of the Journal that he mentioned. In fact, I also saw this journal and got two copies—one at home and the other in the office. I sent a copy to the Prime Minister asking him to make inquiries.

**Shri S. V. Ramaswamy (Salem):** What is the name?

**Shri T. T. Krishnamachari:** I would rather not mention the name.

**Dr. Lanka Sundaram:** Do not bother.

**Shri T. T. Krishnamachari:** It happened that one of the matters mentioned there was within the cognisance of the Prime Minister and not of mine. In the event, it happens that we have a convention that if either for reasons because we are interested in or because we have a prejudice against any particular party or we have expressed our view in regard to any particular party who comes to Government for the grant of a favour, we send it to the Prime Minister who either decides it himself or sends it some other Ministry of his choice. So it does happen sometimes that even a person who, I think, is as much a *Sanyasi* as anybody could possibly be without putting on the saffron robes like myself, has relations, and you could cut yourself off altogether. But nevertheless, relations

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are relations until you die. Sir, it did happen that at the time that I entered this Ministry, I did mention to the Prime Minister that I happen to have a background, which is a business background, and I do happen to have two sons who are doing business. He said this convention would seek to protect, namely, that instructions could be given to the office that in case of a discretion exercised by the Ministry at ministerial level, the matter would be referred to the Prime Minister. Sir, this is a case in point which has been referred to the Prime Minister and dealt with by him. But the question was raised by us whether we should contradict it. Sir, if any statement—any responsible statement—was made, naturally it would have been contradicted.....

**Shri V. P. Nayar:** What is that article or commodity involved.

**Shri T. T. Krishnamachari:** I would rather not mention the name of the paper.

**Shri V. P. Nayar:** There is some complaint about import licences being granted for soda ash. I was just asking.....

**Shri T. T. Krishnamachari:** That is a different matter altogether. If the hon. Member wants an answer for that, I shall give him.

**Shri V. P. Nayar:** Certainly.

**Shri T. T. Krishnamachari:** But in this particular case, we felt that it was not worthwhile contradicting what appeared in that particular paper.

**Shri S. S. More:** Why?

**Shri V. P. Nayar:** The House is entitled to know what that article is. Perhaps the hon. Minister may keep the name of the paper to himself.

**Mr. Chairman:** The hon. Minister is not yielding. Moreover, it is not legitimate to ask the name when it was not even mentioned in the statement of Dr. Lanka Sundaram.

**Shri T. T. Krishnamachari:** In regard to the other matter, I shall satisfy my hon. friend. As for this, he and his group may write a letter to the Prime Minister and the Prime Minister would answer. I think the hon. Member who has access to the Prime Minister can obtain this from him. In fact, if he wants, I have got the entire correspondence here with the Prime Minister and I think that will satisfy him or if he is not satisfied, the Prime Minister will be able to give him satisfaction.

**Shri V. P. Nayar:** We will write to the Prime Minister. We do not want your advice on that matter.

**Shri T. T. Krishnamachari:** I never offer advice gratuitously to people who deserve to be advised.

So that was the point that I wanted to mention, because it is rather embarrassing for me. Undoubtedly, since the question was raised by the hon. Member, I mentioned that the matter was taken up with the Prime Minister and the Prime Minister said that no contradiction was called for.

Now, Sir, since I was dealing with the hon. Member, Dr. Lanka Sundaram, I can perhaps deal with the other aspects of his question, which, I think, is really important, though even he went off the track. He had taken a number of figures in regard to imports of machinery and felt that my hon. colleague who spoke before me had misrepresented facts. There is no misrepresentation of facts at all. If my hon. friend really feels on the basic issue, that industrialisation in this country has not gone as much forward as it ought to, as was voiced by my hon. friend, Mr. Bansal—it was also repeated by the hon. Prof. Saha—I do not deny it. I accept the charge. If I do not accept the charge that industrialisation in this country is lagging behind, the Planning Commission would not have gone to the trouble of revising their Plan and we would not go to the trouble of devising ways and means by which we can perhaps do

something to stimulate industrialisation in this country. That is what we feel. It has been mentioned by my hon. friend, Mr. Khandubhai Desai that the reports that we have furnished—three reports—indicate a certain degree of complacency. I have no complacency at all. I am one of those, as I have said on a previous occasion, profoundly discontented with the existing state of affairs, and I do wish it were possible, as my hon. friend, Mr. Saha, said, to industrialise this country 15 times what it is today. On that, there is no issue at all. So what is the object of my hon. friend, Dr. Lanka Sundaram, preaching to the convert?

**Dr. Lanka Sundaram:** My short point was this: after the third year of the Plan, there is a fall in production. How do you explain that?

**Shri T. T. Krishnamachari:** There is no fall in production. Otherwise, statistics must lie. The overall index figure does show that there is a rise in production. So far as individual items are concerned, they do vary. For instance, take this question, of sulphuric acid and superphosphates. Unfortunately, consumption of superphosphates has gone down for various reasons. It may be due to the fact that the agriculturist does not take much of it. There are various other items like that and my hon. friend need not say that we have not reported about it. The Planning Commission has reported. There are two reports of the Planning Commission. It may be that he does not find the reports satisfactory, but, nevertheless, they are factual reports, and there is no use isolating an instance here. Actually, I do get monthly returns of production both in the chemical and engineering industries. I watch them very carefully. The overall results may be good; individually, there are cases where production is not as satisfactory.

I will mention another case. Take the case of diesel engines. Prior to 1952, diesel engines were on the OGL, merely because the Food and Agriculture Ministry insisted that these diesel engines must be imported as other-

wise the grow-more-food campaign would be stultified. So it was for that reason that they were put on the OGL. The net result was that most of the diesel engine factories which had started here had to close down. Then in the second half of 1952, we put a ban on the import of these engines, excepting those of 25 H.P. It takes a long time for the stocks to be absorbed and for these people to start again. In regard to our 8 factories which produce diesel engines—the bigger ones—only one has really produced much above its capacity, because it has taken advantage of the conditions and has produced with its capacity of 3,000, 3,800 a year—if the monthly averages are any indication.

The other factor is coming up. This is a factor which does happen in private industry. It is a question of the private personnel finding the money, finding the inclination as well as the organisation to get the goods to sell. So there are various ways mentioned when we think that the industrial production is satisfactory. The overall production is satisfactory. I do admit in all conscience that in a country with such low standards of production, the mere fact that we are 32 points above the basis of the index figure is nothing to congratulate oneself on. I do not want any congratulations. On the other hand, I feel that hon. Members here should commiserate with me about the present position.

**Shri Meghnad Saha:** Try to find out the cause.

**Shri S. S. More:** He himself is the cause.

**Shri T. T. Krishnamachari:** The trouble with my hon. friend, Mr. Saha, is that he is a very eminent person, a very clever man; unfortunately, he is a little above the *terra firma*; he sees confusion in others when he has got confused in himself that is the main trouble.

Sir, the other point that my hon. friend, Dr. Lanka Sundaram, mentioned was about imperial preference. He-

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asked: 'What have you done? You have been promising almost from 1952 that you will do something about it'. I know. I am not unalive to that fact that I have been making promises to have the matter examined. I have had the matter examined by a departmental committee and the examination has merely revealed to me that the position is not as bad as my hon. friend would like to put it.

**Dr. Lanka Sundaram:** Let us have copies of the report.

**Shri T. T. Krishnamachari:** Actually any departmental investigation has got to go through a certain procedure. The Government has got to make up its mind and in due course we propose to publish the facts. But I really wanted to absolve myself of that charge that my hon. friend levelled at me that I have not made an examination of that.

**Dr. Lanka Sundaram:** You said that you have made an examination and the preliminary survey shows that the balance is not against us. Give me the report.

[MR. DEPUTY-SPEAKER *in the Chair*]

**Shri T. T. Krishnamachari:** It will be given in due course, after we have chewed it up completely.

Sir, in regard to the Working Party, my hon. friend—without meaning any disrespect to him—has been trying to score a debating point. My hon. friend is young. I am older. I have had the days when I hit the headlines and he wants to hit the headlines now and it is a perfectly legitimate ambition. In trying to do that, I would suggest to my hon. friend, take a *bona fide* case and flag it. I do say that there are many things in the armoury here with which you can pierce—I am not armour-proof, I am not bullet-proof....

**Dr. Lanka Sundaram:** Tell us what it is.

**Shri T. T. Krishnamachari:** But the Working Party Report is the wrong end of the stick.

**Shri S. S. More:** Is he not suggesting violence against himself, Sir?

**Mr. Deputy-Speaker:** The hon. Minister trusts the good sense of the hon. Members.

**Shri T. T. Krishnamachari:** The Working Party Report is the wrong end of the stick. That report was made at a time, as my hon. friend Mr. Khandubhai Desai also bore me out when the conditions were slightly different. The working of controls, the modernisation, rationalisation and all these problems have been dealt with by the Working Party Report, but there were certain other matters which wanted a further evaluation of the factual position, the relationship between the three sectors, the handloom, the power-loom and the mill industry. So, we did feel, after a very deep consideration of the Working Party Report that we wanted further details on these and that was why the Kanungo Committee was appointed. While many of the recommendations of the Working Party Report are now beside the mark, because all the controls have now been dropped, in due course, when the Kanungo Committee gives its report, it would itself refer to some of the recommendations of the Working Party Report and we should be able to take such decision as will be possible at that time.

I must also make a personal explanation. I do not remember having received Dr. Lanka Sundaram's letter. It may be that a Minister does not remember these things. I do remember many things and I have not been guilty, of not answering any letter received from a Member of Parliament I might have been guilty of many other acts but I have not been guilty of discourtesy to a Member of Parliament.

**Dr. Lanka Sundaram:** I will send the reply of the Under Secretary.

**Shri P. N. Rajabhoj:** I have sent several letters regarding the leather industry and all that. (*Interruption.*)

**Shri T. T. Krishnamachari:** Dealing with the various problems confronting this Ministry, the House must have realised that there are different points of view, from the point of view of different persons. For instance, there is the question of rationalisation. There is one point of view expressed by my friend Mr. Somani, by Mr. Morarka and my friend, Mr. Mishra.....

**An Hon. Member:** They are capitalists.

**Shri T. T. Krishnamachari:** ...and also by people like Shri Gandhi, who is not a capitalist, I am sure, and Shri Jhunjunwala, nor even Shri Bansal, who is not a capitalist. There are the viewpoints represented by the opposite section. The only conclusion that I can draw is that there is a growing awareness in this House of the complexity of the problems concerning the matters for which the Ministry is responsible. On this question of industrialisation itself, there are very many good examples. For instance, there is this charge generally of Government not having promoted rapid industrialisation. I acknowledge it and I am glad that there is an impatience which would help us in moving forward.

Again, on the methods to be adopted, contradictions appear. Mr. Tulsi-das Kilachand asks me, why is capital shy? I am not a capitalist; I never had very much of capital. Probably, if I had, I won't be here (*Interruption.*) But, my hon. friend, who knows the Bombay market must provide the answer instead of asking the question of me. There are some people who would like more foreign aid; there are some others who do not want foreign aid at all; they have got an increasing dislike for it. But, the real point about it is this. This is a subject on which I do not want to dilate. But, something was mentioned by one hon. Member—I do not remember exactly who it was—about the various figures and he asked me, 'What is the other side of the medal?' I agree that un-

til last year the disinvestment was more than the investment. But there is also reason for drawing some satisfaction that there has been an investment and the investment has been in sources which produce new goods, whereas disinvestment has been in regard to industries which are already established. This disinvestment has taken place merely because the Indian capitalist has found money to invest in those other industries. It is not because capital is shy. The capital is shy so far as I am concerned, but it is not shy so far as the tea garden is concerned or a jute mill is concerned. It seems to woo those people who own that capital and purchase it. (*Interruption.*)

Again, there is this question of nationalisation. Though there have been cut motions about nationalisation, luckily, there has not been any talk about it, about increasing the Government sector in regard to industries. We are asked often, why do not Government run these industries? At the same time, Dr. Lanka Sundaram is one of the rigid critics of the governmental manner of running these industries. He would not allow us to start an industry, run it for some time and make a profit, or a loss. He would say, it is all wrong, everything must be ripped open. Actually, the House must have some patience if it really wants the Government to run the industries. Government are liable to make mistakes as the private capitalists are. After all, we know that for every successful concern there have been two which have gone under, of which we do not know. If we want to embark on industrialisation, which is more or less the monopoly of private enterprise, we are bound to succeed in a large measure but we must face also failures. But, if the House is prepared to face failures, I am prepared to throw in my lot, as much as possible; with my colleague the Minister of Production, we will start industries and transfer them to the Ministry of Production for management. There is no point in saying

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this is wrong, that is wrong, it must be run on the highest administrative lines and some losses are being made there and so on. Actually, in so many private industries today no dividend has been paid for so many years, even in successful industries. (*Interruption*). Government monopoly means flogging the consumer.

**Shri K. P. Tripathi:** It means monopoly failure.

**Shri T. T. Krishnamachari:** The point has been rightly dealt with by my colleague the Finance Minister in explaining the Budget about our general project of industrialisation. The very fact that we have embarked on a policy of moderate deficit financing is indicative of the fact that we propose to put a little more money in the hands of the people so that it may be made available for investment. But it would not be easy for Government to spend money in unproductive ways. I am perfectly sure that next year when my accounts are audited, in regard to the six crores and odd of rupees which I have spent in the handloom and khadi and other things, the hon. Members of this House will again tell me so and so has produced only so much and so much has been wasted. Why did you do that? Actually, this year, I have embarked upon a more cautious project of planning for Rs. 10 crores on small-scale industries, Khadi and handloom and cottage industries. There is no use applying a very critical eye, seeing it through a microscope and saying that there are wastages. There are wastages there will be wastages but the only thing we are entitled to know is that somebody who is needy has been benefited by it, some poor man has been benefited by it. The real trouble about it is this...

**Shri P. N. Rajahoj:** On the Committee which has been appointed, all the capitalist people are there and no representative from the poor people...

**Shri T. T. Krishnamachari:** My hon. friend must buy a new glass. The posi-

tion really is this, I am asking Parliament for a straightforward decision in this matter. You ask us to decentralise; you ask us to delegate responsibility more and more to the officers so that decisions may be taken quickly. If we take some decision in this matter, at some time, some five years hence, the Public Accounts Committee may say, 'You have taken a wrong decision'. There have been cases in which the officers concerned have been asked to be hauled up for a lose even though the officers were not aware of it, but also in cases where profit could have been made and no profit has been made. It is increasingly difficult. In my own Ministry—I am not claiming any credit for it—I have been telling my officers, to whom we have delegated responsibilities at medium levels, that I shall stand responsible provided any action they have taken is wrong because of a *bona fide* mistake. After all, there is this difference between me and an officer of the Ministry. I am a political adventurer, and if I lose my job, nothing happens; but a poor officer, who has put in about 20 years of service, cannot afford to risk his pension and future prospects, and, therefore, he is very rightly afraid. This is a thing in which the Minister must take the responsibility. It is worth while for the Minister to take that responsibility rather than making them not work, and these are the increasing difficulties which we have to face.

**Mr. Deputy-Speaker:** Was there no Public Accounts Committee in the previous regime?

**Shri T. T. Krishnamachari:** The Deputy-Speaker should not misunderstand me as criticising the Public Accounts Committee. What I am saying is that there is always a risk. It is not a question of the Public Accounts Committee carping; it is anyhow a risk, and wherever a loss is incurred, there is a risk involved and the officer is really afraid of taking the risk.



The question of trade, which was mentioned by my hon. friend, Shri V. P. Nayar, has been dealt with by my colleague, but I would like to mention one particular point—and again I come back to Dr. Lanka Sundaram, Dr. Lanka Sundaram said that “the terms of trade are against you; why are they against you and what have you done for it”?

**Dr. Lanka Sundaram:** I said “Why don’t you control it?”

**Shri T. T. Krishnamachari:** Dr. Lanka Sundaram probably studied economics outside India and perhaps he has an advantage over me in the matter of international economics. But I would like him to understand that the terms of trade are not easily controlled, and when they are adverse to us, the question of dealing with is more or less in the same way as you deal with a skid when you are driving an automobile. When you are driving an automobile, you have not really any control and the skid occurs. It occurs because of certain surface conditions. You control your automobile by going with the skid and ultimately you succeed in controlling your automobile. Similarly, the terms of trade are against you because of a certain degree of prosperity in another country; the terms of trade are against you because the price of goods may go up in that country. In a managed economy, the adverse terms of trade are temporary. We stimulate our exports and reduce our imports, but it is not a matter in which we can control the terms of trade. I am afraid my knowledge of economics is perhaps limited. I thought of reading a particular passage to Dr. Lanka Sundaram but our library was not able to pick up that particular book from which I could define him adequately...

**Dr. Lanka Sundaram:** What is the name of the book?

**Shri T. T. Krishnamachari:** There are a few things here, but they do not explain them adequately. So far  
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as the question of foreign trade is concerned, there is no use saying that something has happened here or there. We can meet the situation by negotiation. The only resource ultimately available for us is to contract our imports and that is in our hands. So far as stimulating our exports is concerned, we must adopt conventional methods. One point mentioned by Shri V. P. Nayar is the business in countries with which we have not so far been dealing with. There are certain difficulties. Those countries deal on a government-to-government basis. We here deal with private people, and it takes time. I do not mind telling the House that the present Ambassador of the U.S.S.R. is a very active gentleman unlike the previous people. He comes very often to the Ministry and is very anxious to promote trade. He has suggested certain directions in which we might proceed. These things are not done in a day. It is not that we have any resistance. Some opening has to be made.

**Shri Meghnad Saha:** You are not serious about it.

**Shri T. T. Krishnamachari:** How could I convince persons like my hon. friend. Who have certain qualities which are possessed by an unnamed animal? How could I convince him that I am ever serious?

**Shri V. P. Nayar:** What about ECAFE?

**Shri T. T. Krishnamachari:** If my friend just goes to an international conference, he will find what is being done at ECAFE. In any international conference, these big blocks go on exchanging words and sometimes, incidentally, they drive a few stray shots at poor countries like India...

**Shri K. K. Basu (Diamond Harbour):** Why not utilise that fight?

**Shri T. T. Krishnamachari:** We sometimes do. On the one occasion that I had to go to an international conference, I did utilise the fight, but

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it is not often that it can be done. My own colleague mentioned—it is a matter of argument—that the officer who went was the most senior officer, was one of the most knowledgeable officers and in fact was one of the best officers, and there was nothing wrong in what he had said. I am not prepared to apologise for it. I am prepared to stand by what he had said. What he said was correct. It represents my own view and the view of my Government. I am not going to apologise to him or to anybody else. It is not a matter where even the U.S.S.R. is offended. After all, that officer and the officer of the Embassy are very good friends, and there is no point in taking isolated matters. If Dr. Lanka Sundaram says something against me here, I give him back, but when I see him outside, should I turn my face a way and not look at him even? My friend, Shri V. P. Nayar, says the choicest things about me here, but when I take my cup of coffee with him, he has got a pleasant smile outside—only in the House he frowns upon me. These things do happen. My hon. friend said that the report was incorrect. Granting that it is incorrect, there is nothing wrong about it. The trade is available for you; you can come and do the trade yourself. Actually, the Ambassador of the U.S.S.R. stepped further. He is in contract with us and says "Send somebody along and let your people know what we are doing." It is possible that ultimately something will result, but it takes time.

There is no point in my going into details very long, but I would like to say something generally about our policy, which, I think, the House expects me to do. The fact really is that our major objective must be development, which will increase both production and consumption, and that is the point that, I want to make today. After all, there must be a substantial increase in consumption standards all over the country and the standard of living has to be raised. If that is so, we must try for more pro-

duction, better and varied production, greater employment and maximum trade. There is no use of our saying that the production must be higher even if there is no consumption. It is possible that in some of those industries which were pointed out by my friend Dr. Lanka Sundaram, consumption has dropped and there can be no production without consumption; the two things have got to go together. On that issue, I think there is some room for a degree of comfort. In spite of the fact that some hon. Members must hold the view that there is unemployment distress and lack of purchasing power, we do feel that there is a certain amount of increased purchasing power in the hands of the people. Last year the season was fairly good in Northern India. The season has been fairly good all over India this year. This has reflected itself in the demand for cloth, demand for sugar etc. It may be that we do not like the sugar price, but there is no denying the fact that the demand has increased. I have mentioned on a previous occasion in the House that when I went to Agra in July last I made enquiries about sugar consumption and I was told that their normal off-take of 30 tons has risen to 80 tons.

**Shri Meghnad Saha:** There is a great demand for glass goods. We are not...

**Shri T. T. Krishnamachari:** I am trying to give people enough sugar, something which would raise their standard of living—house, curtains etc.—and glassware will come later.

Sir, the other factor, which the House has to realise and which I think has been very well brought out by my hon. friend from Punjab, is about what the consumer will pay.

**An Hon. Member:** He spoke in Hindi.

**Shri T. T. Krishnamachari:** He spoke in Hindi and I understood what he wanted to say. He has raised the

question of chaff-cutter made in Batala for which they were using ball-bearings of 2" size. They were getting these ball-bearings at Rs. 4-8-0. We had to protect this industry and therefore we raised the duty. Naturally the price went up and they were now paying Rs. 9 or near about that about which my friends did complain. I quite agree that there is a very sound and solid basis for their complaint. If you want an industry here, it will have to be protected. We have to import special type of steel; we have to pay higher labour cost, pay for special technical advise; we have also to get new machinery on which there is overhead tax, and the economic cost which the Tariff Commission decided was somewhere about Rs. 9. This is the difficulty that we have. Whenever we started an industry, often times the members have told us to give protection. I cannot make the consumer pay for all time and we have to make some reconciliation somewhere. I am very glad and happy that some section of the House did really clap when my hon. friend sat down.

On the question of rationalisation, I think my friend Shri K. K. Desai really struck a right note. I think in trying to advise us he, probably, gave us the advice that an elderly person, an elderly colleague of mine can give. But, there are certain factors which Mr. Somani and other people must realise. We are not against rationalisation. We believe that rationalisation and modernisation are necessary. I was very happy to hear speech of my friend Mr. Mishra who spoke about the jute industry. He acknowledged that something has been done for the jute industry. He said that so far as jute industry is concerned rationalisation is a necessity. Otherwise what will happen is, Pakistan has got 6000 looms this year, they will have 7250 looms next year, and 13250 looms with three shifts they will have 39 thousand and odd looms as against six thousand here. Therefore, they will produce more than what we do. It is a question of fighting the export mar-

ket. We have to fight, but at the same time it is not a question which we can decide unilaterally. There is no question of the industry considering it in its own light, forgetting the other important factors. I have mentioned on various occasions and I have also mentioned in three or four public meetings that this is a 'must' and that we should deal with it. Of course, we must establish priorities. I can give the instance of one particular mill which wanted permission, whose case we considered in detail. After discussion across the table, we found that even in that particular mill, which had done rationalisation and modernisation up to the limit of weaving,—when it wants automatization in weaving, it has already got a certain number of looms—the period of training, transference, and all that will take four or five years. So, dimensionally, the problem is not a big one. There is no use of my hon. friend Shri G. D. Somani speaking about it vehemently or somebody saying no rationalisation. If a matter is going to be a problem of 10 or 15 years, surely there is commonsense among us to sit across the table and hammer out a programme so that we will have rationalisation, but at the same time we will not allow labour to be thrown out.

The other fact is that if we have to consider about rationalisation and modernisation, we have to consider it now and not later. Now, we are thinking in terms of a Development Corporation for the Government. We are thinking in terms of other Finance Corporations for the private industries. We are thinking of giving more money to the private sector for starting industries. We are thinking ourselves of starting industries. So that, there is the tempo of industrial expansion. This is the time to rationalise because if we rationalise now, we can take up the frictional unemployment and make provision for it, provided the labour is mobile. There is no use of Dr. Lanka Sundaram saying that labour from Visakhapatnam will not go to

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other places. They will have to go and we have got to provide for them. This is a time to consider that question. Let us consider it dispassionately and not make an issue of it. Do not think you are putting us in the wrong by saying that this Government stands for rationalisation and you stand for the people who are thrown out. I am not going to accept that position. I stand for the people as much as anybody else stands. I am not going to allow any labourer to be thrown out because it is my responsibility. I am prepared to ask my colleague to consider the question of creating a fund. We will loan some money to that fund. If there is a mill or a unit which cannot provide against frictional unemployment, the fund will advance loans and when they make money, they can return the money. We are quite prepared to consider all ways and means. We are quite prepared to discuss it across the table, with anybody who is interested. But, don't blame us because we do not pay service to rationalisation. We realise the imperativeness of rationalisation. We cannot continue with no rationalisation for a period of 10 years.

**Dr. Lanka Sundaram:** Between the devil and the deep sea.

**Shri T. T. Krishnamachari:** That is true. But I do not propose to skip between the devil and the deep sea and still remain on *terra firma*. This is a problem with which I am not going to deal at great length. It is a manageable problem. It is a problem that the Government can manage. We can give that assurance to labour that labour will not suffer in the bargain.

**Shri K. K. Basu:** But people may differ in opinion.

**Shri K. P. Tripathi:** What is your position: rationalisation with unemployment or without unemployment.

**Shri T. T. Krishnamachari:** Rationalisation without tears.

**Shri S. S. More:** Of blood.

**Shri T. T. Krishnamachari:** I think there is no point in going on with this point.

I am sorry I have not dealt with many of the points raised. But I will give this assurance to hon. Members. If anybody wants any particular information, I shall only be too glad to supply that to him.

**Shri Muniswamy (Tindivanam):** May I know...

**Shri T. T. Krishnamachari:** I know what the hon. Member wants.

**Some Hon. Members rose—**

**Shri P. N. Rajabhoj:** The hon. Minister has not mentioned about the leather industry.

**Shri T. T. Krishnamachari:** I am prepared to give that information to him.

**Mr. Deputy-Speaker:** I have to apply the guillotine.

**Shri Meghnad Saha:** He has not replied to many of the points.

**Mr. Deputy-Speaker:** I have to apply the guillotine.

Regarding the cut motions, is there any particular cut motion that the hon. Members would like me to put to the House separately?

**Some Hon. Members:** 1298.

**Mr. Deputy-Speaker:** I shall now put cut motion No. 1298 to the vote of the House.

The question is:

"That the demand under the head 'Ministry of Commerce and Industry' be reduced by Rs. 100."

As the voices of 'Aye' are few, I would like those hon. Members to stand in their seats.

The number of 'Ayes' is nineteen. Those against may kindly rise now.

I find that the 'Noes' are in an overwhelming majority. So, the cut motion is lost.

*The motion was negatived.*

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**Mr. Deputy-Speaker:** I shall now put the other cut motions to the vote of the House.

*The cut motions were negatived.*

**Mr. Deputy-Speaker:** I will now put all the demands together.

The question is:

"That the respective sums not exceeding the amounts shown in the third column of the Order Paper in respect of Demands Nos. 1, 2, 3, 4 and 110 be granted to the President to complete the sum necessary to defray the charges which will come in course of payments and Expenditure under the 31st day of March, 1955, in respect of the corresponding heads of Demands entered in the second column thereof."

*The motion was adopted*

[*The motions for Demands for Grants which were adopted by the House are reproduced below.—Ed. of P.P.*]

**DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY.**

"That a sum not exceeding Rs. 66,19,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Ministry of Commerce and Industry'."

**DEMAND NO. 2—INDUSTRIES.**

"That a sum not exceeding Rs. 13,11,80,000 be granted to the President to complete the sum necessary to defray the charges

which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Industries'."

**DEMAND NO. 3—COMMERCIAL INTELLIGENCE AND STATISTICS.**

"That a sum not exceeding necessary to defray the charges Rs. 46,88,000 be granted to the President, to complete the sums necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Commercial Intelligence and Statistics'."

**DEMAND NO. 4—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY.**

"That a sum not exceeding Rs. 40,15,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

**DEMAND NO. 110—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY.**

"That a sum not exceeding Rs. 19,77,28,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1955, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'."

*The House adjourned till Two of the Clock on Thursday, the 15th April 1954.*