

INDIAN CENTRAL OILSEEDS COMMITTEE

Dr. P. S. Deshmukh: I beg to move:

"That in pursuance of clause (s) of Section 4 of the Indian Central Oilseeds Committee Act, 1946, as amended by the Indian Central Oilseeds Committee (Amendment) Act, 1952, the Members of this House do proceed to elect, in such manner as the Speaker may direct, four Members from among themselves to be members of the Indian Central Oilseeds Committee."

Mr. Deputy-Speaker: The question is:

"That in pursuance of clause (s) of Section 4 of the Indian Central Oilseeds Committee Act, 1946, as amended by the Indian Central Oilseeds Committee (Amendment) Act, 1952, the Members of this House do proceed to elect, in such manner as the Speaker may direct, four Members from among themselves to be members of the Indian Central Oilseeds Committee."

The motion was adopted.

INDIAN CENTRAL COCONUT COMMITTEE

Dr. P. S. Deshmukh: I beg to move:

"That in pursuance of clause (g) of Section 4 of the Indian Coconut Committee Act, 1944 as amended by the Indian Coconut Committee (Amendment) Act, 1952, the Members of this House do proceed to elect, in such manner as the Speaker may direct two Members from among themselves to be members of the Indian Central Coconut Committee."

Mr. Deputy-Speaker: The question is:

"That in pursuance of clause (g) of Section 4 of the Indian Coconut Committee Act, 1944 as amended by the Indian Coconut Committee (Amendment) Act, 1952, the Members of this House do proceed to elect, in such manner as the Speaker may direct two Members from among themselves to be members of the Indian Central Coconut Committee."

The motion was adopted.

Mr. Deputy-Speaker: I have to inform Members that the following dates have been fixed for receiving nominations and withdrawal of candidatures, and for holding elections, if neces-

sary, in connection with the following Committee, namely:—

	Date for nomination	Date for withdrawal	Date for election
1. National Food and Agriculture Organisation Liaison Committee.	6-4-1953	7-4-1953	10-4-1953
2. Indian Central Oilseeds Committee.			
3. Indian Central Coconut Committee.	7-4-1953	8-4-1953	14-4-1953

The nominations for these Committees and the withdrawal of candidatures will be received in the Parliamentary Notice Office upto 3-30 P.M. on the dates mentioned for the purpose. The elections, which will be conducted by means of the single transferable vote, will be held in the Deputy Secretary's Room (No. 21) in the Parliament House between the hours of 1-30 P.M. and 4 P.M.

DEMANDS FOR GRANTS

Mr. Deputy-Speaker: The House will now proceed with the discussion of the demands for grants relating to the Ministry of Commerce and Industry. The Demands are Nos. 1, 2, 3, 4 and 110 and I shall formally place them before the House.

DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 66,24,000 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, 1954, in respect of Ministry of Commerce and Industry."

DEMAND NO. 2—INDUSTRIES

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 10,90,93,000 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, 1954, respect of Industries”.

DEMAND No. 3—COMMERCIAL INTELLIGENCE AND STATISTICS

Mr. Deputy-Speaker: Motion is:

“That a sum not exceeding Rs. 47,90,000 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, 1954, in respect of Commercial Intelligence and Statistics”.

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

Mr. Deputy-Speaker: Motion is:

“That a sum not exceeding Rs. 36,90,000 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, 1954, 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

Mr. Deputy-Speaker: Motion is:

“That a sum not exceeding Rs. 5,70,99,000 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, 1954, in respect of Capital Outlay of the Ministry of Commerce and Industry”.

Import and Export Policy

Shri M. S. Gurupadaswamy (Mysore): I beg to move:

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

Competition between the Handloom and Cottage Industries and the large scale Industries.

Shri Sivamurthi Swami (Kushtagi): I beg to move:

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

Present Crises in the Tea Industry

Shri N. Sreekantan Nair (Quilon cum Mavelikkara): I beg to move.

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

Policy towards the Rubber Industry

Shri N. Sreekantan Nair: I beg to move:

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

Policy in regard to the Control of Foreign Trade

Shri T. K. Chaudhuri (Berhampore): I beg to move:

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

Unfair Discrimination in Foreign Owned Firms in India against their Indian Employees

Shri T. K. Chaudhuri: I beg to move:

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

Failure to encourage the Handloom Industry

Shri Veeraswamy (Mayuram—Reserved—Sch. Castes): I beg to move:

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

Protection to Cottage Industry

Shri Veeraswamy: I beg to move:

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

Need for the Revival of the Handloom and Coir Industries

Shri N. P. Damodaran (Tellicherry): I beg to move:

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

Setting up a Coir Board and a Coir Marketing and Improvement Fund

Shri N. P. Damodaran: I beg to move:

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

Encouragement and Protection to Cottage and Small Scale Industries

Shri Kelappan (Ponnani): I beg to move:

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

Nationalisation of Banks and Insurance Companies

Shri Kelappan: I beg to move:

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

Export and Import Policy

Sri C. R. Chowdary (Narasaraopet): I beg to move:

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

Predominance of the British Monopoly Agency system in Commerce and Industry in India

Shri Nanadas (Ongole—Reserved-Sch. Castes): I beg to move:

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

Indiscriminate Tariff Protection given to the Foreign Firms in India

Shri Nanadas: I beg to move:

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

Non-implementation of the Central Pay Commission's Scales in respect of the Employees under the Coffee Board

Shri Nambiar (Mayuram): I beg to move:

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

Non-recognition of the All India Coffee Board Employees Union

Shri Nambiar: I beg to move:

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

Large Scale Retrenchment brought in the Textile Commissioner's Office in Bombay

Shri Nambiar: I beg to move:

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

Discriminatory Treatment meted out to the Staff of the Textile Commissioner's Office in Bombay etc

Shri Nambiar: I beg to move:

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

Failure to alter the Character of Foreign Trade Specially Import Policy

Shri K. K. Basu (Diamond Harbour): I beg to move:

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

Failure to protect the National Industries

Shri K. K. Basu: I beg to move:

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

Import and Export Policy

Shri Tulsidas (Mehsana West): I beg to move:

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

Policy of sending Trade Commissions abroad

Shri Tulsidas: I beg to move:

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

Serious Threat of Fall in Price of Coconuts and Coconut Oil

Shri Nambiar: I beg to move:

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

Favouritism shown in Grant of Licences to certain Merchants of Tuticorin in respect of Export of Onions

Shri Nambiar: I beg to move:

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

Policy regarding Sericulture Industry

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Failure to develop Cottage Industries

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Crisis confronting the Tea and Coffee Industries

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Waste and Inefficiency in the Propaganda Machinery

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Treatment towards Cottage Industries and the Miserable Condition of the Handloom Weavers

Shri Sivamurthi Swami: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Failure to develop Cottage Industries

Shri Veeraswamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Suffering of the Handloom Weavers in Madras State

Shri Veeraswamy: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Policy regarding the Development of Industry in the Five Year Plan

Shri C. R. Chowdary: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Policy of Government in overcoming the Crisis in the Tea Industry

Shrimati Renu Chakravarty (Basirhat): I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Policy of Industrial Development

Shri Tulsidas: I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Appointment of the Secretary to the Rubber Board

Shri V. P. Nayar (Chirayinkil): I beg to move:

"That the demand under the head Industries be reduced by Rs. 100."

Progressive Development of State Trading

Shri Kelappan: I beg to move:

"That the demand under the head Commercial Intelligence and Statistics be reduced by Rs. 100."

The Real Problems of the Handloom Industry

Shri Sivamurthi Swami: I beg to move:

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

Working of the Tariff Commission

Shri Tulsidas: I beg to move:

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

Delay in setting up the Iron and Steel Factory in Orissa

Shri R. N. S. Deo (Kalahandi-Bolangir): I beg to move:

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

Vacillating Policy regarding Setting Up of the Iron and Steel Factory

Shri R. N. S. Deo: I beg to move:

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

Mr Deputy-Speaker: The cut motions are now before the House.

Before the House starts the discussion there is one matter to which I wish to refer. One hon. Member wrote to me yesterday drawing my attention to this that some of the cut motions

[Mr. Deputy-Speaker]

which have been moved or treated as having been moved have not been answered by the hon. Minister. Evidently he wants a direction that in future debates cut motions which are moved, though not referred to in the speeches of any hon. Member, ought also to be replied to by the hon. Minister. I find a practical difficulty in this. When a number of cut motions are tabled, if the particular Groups choose one or two cut motions—even though they may not be formally referred to, because any hon. Member who tables a cut motion need not necessarily be given an opportunity to speak—if they are few in number I have no hesitation in asking the hon. Minister to reply to them. But the cut motions are numerous and unless they are referred to by any hon. Member, it cannot be expected that the Minister ought to reply to them unless he himself chooses to do so. (*Interruption*). Not for all of them. It is not as if any cut motion is tabled and should be replied to. He must have the arguments before him so that they may be refuted. He cannot anticipate them. This is the difficulty that has been felt. Even with respect to those matters which have been referred to by hon. Members the hon. Minister for want of time has not been able to refer to all those matters and give answers. So far as they are concerned the practice has been that whatever he is not able to explain or meet during the course of the debate here for want of time, with respect to those matters, if any Member wants an answer to those matters that have been raised, he will pass on a chit to the Secretary who will forward it to the Minister within twentyfour hours, and the Minister will place a memorandum explaining those matters which have been referred to in the House during the discussion. That is all the practice that has been followed in the House hitherto and I have no objection to follow it.

3 P.M.

Sri Tulsidas: I rise to make a few observations on the working of the Commerce and Industry Ministry. At the outset I would like to say that recently the Ministry has been able to change the atmosphere in the business sphere by having more stability in its policies and I only hope that the Ministry will continue its efforts in this direction. It is gratifying to see that the Ministry is also trying to do whatever possible with regard to the industrial policy of the Government. I hope that better atmosphere which has now been created by the Ministry will continue and that no such steps will be taken or that no incidents

would occur which would spoil this atmosphere in any way.

I would like to refer to a few points. The first point I would like to make is with regard to the working of the Tariff Commission. The idea of having a Tariff Commission originates from U.K. In most of the European and Eastern countries, there is no Tariff Commission or Tariff Board. The Government takes cognizance of the industrial conditions in the country and decides the policy after consulting various interests. I am not going into the question of whether we should have a Tariff Commission or not. Since we have now accepted the idea of having a Tariff Commission in this country, I would like to request the Ministry to see that the Tariff Commission functions properly.

The Tariff Commission is a semi-judicial body and therefore has to conduct several enquiries referred to them. In many cases the Commission has not been able to cope with the work.

In this connection, I would like to refer to the recommendations which the Fiscal Commission has made. The need for adequate and permanent staff was emphasised by the Fiscal Commission. They recommended that the following staff should be provided for the Tariff Commission:

- (1) Technical staff to deal with problems of groups of allied commodities, e.g., metals, engineering, chemicals and ceramics;
- (2) Economic research staff to deal with economic enquiries;
- (3) Accounts staff to be associated with the technical and economic research; and
- (4) Administration staff of good quality.

It does not appear that the present staff of the Tariff Commission has been enlarged commensurate with the work which the Tariff Commission has to shoulder. I know, when I say this, that even when the Tariff (Amendment) Bill was introduced in the House, the Ministry wanted the Parliament to give protection to 29 industries. Out of the 29 industries, referred to the Tariff Commission reports on hardly 3 or 4 have been completed. Some of the industries might have been inquired into by the Tariff Commission before giving protection in the initial stages. In this respect also, it would be better both for the industries and for the Ministry that whenever a protection is given to the industry, it should be done

on a long-term basis and not on a short-term basis. It is better that the Tariff Commission inquires into different industries from a long-term point of view than a short-term point of view so that every time Parliament is not asked to give protection to a number of industries without the Tariff Commission's report. I personally believe that this is entirely due to the inadequate staff of the Tariff Commission. The Tariff Commission has to do a lot of other work and judging from the work which the Tariff Commission has been able to do, it is doubtful whether the Commission will be able to complete all the enquiries referred to them during the year. Therefore, I would request the Commerce Ministry to adequately staff the Tariff Commission so that whenever any application is referred to the Tariff Commission, it is properly gone into. Otherwise, whatever assistance we give will not be a real one in the proper sense.

Whenever protection is asked for in the form of reduced imports of particular goods produced in this country, the usual answer to the industry is that the matter must go to the Tariff Commission and unless the Tariff Commission is fully satisfied over the question of quantitative restriction of imports, protection should not be given to the industry. That is the usual answer. In order to protect the industries properly it is desirable that the inquiry should be expedited, and this can only be done by increasing the staff.

The Fiscal Commission has also suggested in one of their recommendations that there must be an after care organisation in the Tariff Commission. When protection has been given after approved recommendations of the Tariff Commission, there must be an organisation to see that the recommendations are implemented. The after-care organisation should see that the recommendations of the Commission are implemented. I find both from the policy of the Central Government and the State Governments that the recommendations of the Commission are not properly implemented in the spirit in which the Tariff Commission recommends them. When I say this, I refer to the purchases of different State Governments and also the purchases of the Railways and other departments.

Mr. Deputy-Speaker: There is too much of noise.

Shri Tulsidas: I am suggesting this in order to.....

Shri T. K. Chaudhuri: May I make a submission? Just as in other Legislatures, Government should consider providing the Chair with a hammer

to rap the Table with and to enforce silence in the House.

An Hon. Member: So that it can be thrown at the Members.

Dr. S. P. Mookerjee (Calcutta South-East): Ministers should not hold darsbars inside the House.

Shri Tulsidas: An after-care organisation should now be created in the Ministry.

Now, I come to the other point. This Ministry is the friend, philosopher and guide of the whole of the private sector. The whole of the private sector is under the care of one Ministry and therefore, this Ministry has a tremendous responsibility and has to play a very delicate role. The Plan has assigned a certain responsibility to the private sector and in order that the private sector may play its part, this Ministry particularly has to see that the conditions required to allow the private sector to play its part properly, are there. We have one Minister as the head of Commerce and Industry and therefore he has to look at the problems not only from the point of view of industry, but also from the point of view of commerce. He has a very delicate role. He has to find out the needs of commerce as well as industry. He must consider the requirements of both the sections and draw out a balanced plan so that none of the interests would find difficulties in playing its part.

While on this point, I may refer to Khadi and handloom industries. This Ministry deals not only with large scale industries, but also with small scale and cottage industries. It will have to find out ways of co-ordinating the two. I find that the Khadi and Handloom industries Bill has been introduced in the House and it will be taken up for consideration in a few days. While I agree with the principle underlying this Bill, I am very doubtful whether the real interests of Khadi and handloom industries will be benefited by this measure. Of course, the larger industries will pay the tax. Already the Ministry is collecting the tax. This burden of taxation on the larger industry will continue. But, I do not know whether the benefit will properly be given to Khadi or the handloom industries; I am rather sceptical about it. Though the burden has been put upon the larger industries, I still feel that there will be much to say. Therefore, I would request the hon. Minister to go into this question. A committee has been appointed to go into the matter. But, before the Committee gives a decision, the Ministry has made up its mind and

[Shri Tulsidas]

imposed this taxation. Let the Committee go into the matter and make its recommendations. Then, whatever measures they feel necessary, should certainly be taken in the interests of the handloom industry. I have a number of points to make. I am afraid I may have to take a little more time.

Mr. Deputy-Speaker: If the hon. Member wants to take more time, I cannot allow any other Member from his Party.

Shri Tulsidas: I would like to say a few words.

Mr. Deputy-Speaker: He can take all the time.

Shri Tulsidas: Then, I come to Import and Export policy, which is also under the care of this Ministry. In the past, the import policy underwent a lot of changes, different policies were announced and there was a sort of an atmosphere of instability. But, for the present, it is very gratifying to see that there has not been much change, and there has been stability in the import policy. But, in this respect, whenever any interest would like a particular policy to be adopted with regard to the import of certain commodities, the Ministry comes forward and says, apart from what I said just now, namely referring the matter to the Tariff Commission, that we are a signatory to the GATT. Under that Agreement, we have been told several times that we cannot give any directions with regard to quantitative restrictions of imports. In this connection, I would like to invite the attention of the Ministry to the Agreement and the Havana Charter, which lays down certain escape clauses, in section 13 of Chapter III, according to which the countries in the interests of their economic development or reconstruction can resort to quantitative trade restrictions. I am sure the Ministry must have looked into this. I may also point out that in order to make use of these quantitative trade restrictions for development purposes, a case has to be put up before proper international authority stating that one of the four conditions mentioned in para. 7(a) of article 13 for the imposition of quantitative restrictions for economic development is satisfied. Though today we are given protection in the import policy by having quantitative restrictions on account of the balance of payment position of the country, I still feel that under this Agreement also, we can continue to have this protection in these lines. Of course, the Ministry should be satisfied that the industry does require that protection.

In this connection some time ago, there was an Import Control Enquiry Committee, on which I had the honour and privilege to work as a Member. After a careful enquiry, the Committee came to the conclusion that in the interests of the community as a whole an impartial enquiry by a quasi judicial tribunal like the Tariff Commission should precede the grant of protection to an industry whether that protection takes the form of higher protective duties or quantitative restrictions. I am quoting from the Import Control Enquiry Committee's recommendations:

"Import control, by its very nature, is discriminatory in the sense that imports of all commodities and articles cannot be slashed to the same extent in order to balance the anticipated export receipts minus normal requirements. This is to be done according to a list of priorities and goods and articles are to be allocated quotas according to the list. The Committee emphasises that while determining the priority to be accorded to the import of competitive articles, the quality of the domestic product, as well as the quantity and sale price should be taken into consideration."

In my humble opinion, I do not think that even this modest recommendation of this Committee has been fully implemented. This is my view. I request the Ministry to go into this matter and I hope that they will take into consideration this modest recommendation of the Committee.

Coming to Export policy, in the present context of the situation, the international market today is a buyer's market and not a seller's market. Our pattern of trade with regard to exports has considerably changed during the war time. We are now exporting more manufactured goods than raw commodities which we used to do before. First we have to see that we maintain our markets. We have to establish our markets, first. That is a very hard task. With regard to raw materials, it is a very easy matter. The buyers know the commodity and they buy. But, with regard to manufactured goods, we have to compete with countries like Japan, England etc. Therefore, we have got to establish those markets first. I suggest that an Export Promotion department should be established. In the promotion of exports we have to take into consideration the quality and the requirements of the different markets. Of course, we have also to take into consideration internal

production and consumption. But, we cannot, all the time, see from the point of view of the internal position only if we are to continue to have an export trade. We must try to feed the markets in order to increase exports. It is high time that we establish an Export Promotion department. In England, you know, Sir, how exports are promoted. They even assure the different parties in other countries. Export is always open for all the countries.

I next come to Trade Delegations.

Now about trade delegations. After the trade delegation was sent to South East Asia in September 1951, Government has not sent any delegation to foreign countries, and also they have not explored the possibilities of expanding different markets. I feel more trade delegations should be sponsored by the Government, so that the markets are properly established.

Then there are so many bilateral trade agreements which are entered into with different countries. Formerly—I am quite a new Member in this House—there used to be a Standing Advisory Committee, and Parliament used to have some say on the question of these trade agreements and the policy. We have abolished the Standing Advisory Committee. I know that a very large section of the Members are consulted, but especially with regard to Commerce and Industry, the whole House must be taken into confidence. Whether they belong to one party or not, people who, have knowledge of the subject must be taken into confidence whenever any negotiations or important questions are to be decided.

I want to refer, also, in this connection, to the various Committees and Commissions which are appointed by this Ministry. The present policy of the Ministry is that they nominate their own Members to these Committees and Commissions. Formerly, even in the past regime, there used to be Members representing different bodies, sent by different bodies to serve on the different Committees and Commissions. With this new policy, there is always the question of patronage on the part of the Government. When a person sits on a Committee or Commission on behalf of a certain body, he has to give the point of view of that body and nothing else. He does not give his personal point of view. While here, if he is nominated by the Government, he has his personal point of view and no representative character. I would request that in this respect, also, the Government should change their policy.

I personally believe, and I say with all the emphasis at my command, that this policy is not at all desirable. Government can appoint a few members of their own over and above the representative Members.

Then, I would like to refer to one more point, and that is the question of Indians going outside the country for trading or for any other purpose. I would request the hon. Minister to go into this matter carefully because we have allowed a great amount of freedom for foreigners to trade or put up industries as they like. On the question of licensing also, we have instances where the foreign interests have put up their own industries and thereby killed the Indian industries. I may give the example of the match industry. The Wimco has finished the indigenous industry. Lever Brothers now are trying to expand production, and I will not be surprised if within a few years, almost all our soap industries completely vanish. Lever Brothers will be having a trust or a cartel. Thus we have given complete freedom to foreigners to trade as well as to put up industries in India. While, if any Indian goes from here, there is every sort of handicap. In this respect, when I was in Switzerland in 1951, the late Dirubhai Desai who was our Ambassador there, suggested that there should be an Indo-Swiss Chamber, and though he made all efforts to have this sort of body there, there were no Indians to form the chamber as they had no chance to trade there. He was himself feeling, and he told me several times: "Why can we not remove the handicaps? Government should lift these." And I know he did write in this connection to the Government here. I would request the hon. Minister to go into this because Indians go to several countries, not only to neighbouring countries but also to far off countries. You will find in most of the countries not as many foreigners trading as we have in this country. I am not thereby saying that you must completely debar foreigners from coming in. The Commerce Minister said that his present policy was to have a levering effect, that levering effect to a certain extent is all right, but that effect has also to be considered from the point of view whether our indigenous industries are properly carried on or not, or the foreign interests come here and kill most of our industries. Even in trade, similar things are happening. I know the Commerce Minister has very wide experience and is fully cognisant of these facts and I am sure, he does take notice of them. With this Ministry in his hands I am sure he will be able to do much better, but I am just pointing out certain things

{Shri Tulsidas}

that are necessary. I wish he will look into this.

Shri Kanungo (Kendrapara): Looking back into the last five years, I suppose we have completely overcome the period when we were living in a condition of perpetual crisis. Today, we can afford to sit down—not sit back—and think of plans to improve our condition. We are not having that type of shortages that we experienced some time back. Our production in all spheres has touched a higher figure than it did before last year.

In 1952, we had the beginnings of a recession, but fortunately, we have been able to tide over it, and we can say, though we are not in a very normal condition as we would like to be, we are more or less out of sharp dangers. Now, these conditions have not just happened by themselves. Constant vigilance, watch, and shaping of policies at all times has helped to produce these conditions. No doubt, there is much leeway to be made. We are not as full as we wish to be, but provided the line we have started on is kept straight and we do not indulge in sharp jolts, I believe we may be able to achieve the objects which we have set forth in our Plan which this House has adopted. One of the main lines which we are going to explore is the integrated policy of production in all spheres. In the last 200 years' history, our progress, so to say, has been rather lop-sided. The small and cottage industries were entirely forgotten. They were considered as just types of production which would die out, and the sooner they died out the better. It was an attitude of despondence. I do not know whether that was the correct thing or not, but this was the attitude of a large section of the people; that the transition from a particular technological level to another has got to take its logical steps, the change-over should be as smooth as possible. Today we are having an inheritance of the last two hundred years, where no thought has been applied to it. The mistakes committed in the past have got to be corrected. The clock cannot be set back. The wheels of progress cannot be reversed. But we have an uncharted sea before us, and given the goodwill, the industry, and the integrity of all sections of the population, as we should desire, I believe, we will be able to show a pattern of development which will be unique in our country, and for the matter of that, in other countries as well. For this purpose, the experience, skill, and knowledge of all groups of people have got to be pooled together. As the previous speaker has pointed out, the Ministry of Commerce

and Industry is charged with this duty of harnessing all the resources of all sections of the people. It has got a very unenviable job, inasmuch as it cannot force its ways. It has got to carry its work with the largest amount of goodwill. No proposition or policy which it formulates can succeed, unless the people concerned act up to it, with their whole heart.

We know that there are several commercial and industrial organisations in this country. We also know that they have played a vital role in the development of our country, in the past, but with all respect to their ability and achievements, it is felt that they have not played the game at vital moments. They have not considered the economy of the country as a whole. Their point of view has been more sectional, more concerned about themselves, than about the interests of the community or the nation as a whole. Perhaps I am taking a rather pessimistic view of happenings in the past. But judging from the West, from the way in which commercial and industrial bodies elsewhere have always subordinated their section and group interests to the larger interests of the country, I wish I could say that we also had the same record in our country. But I believe, after the Five Year Plan which is before the country has elicited the support of all sections of the people, including our industrial and commercial bodies, we will have a new chapter before us, and a period when the best intellects of the commercial and industrial community will be directed towards the best development of our industry as a whole. Only if that is done, the purpose of the Ministry will be fulfilled, because, without the willing co-operation of everybody, the Government cannot see their policy through, for, the use of punitive methods is certainly not the way of developing commerce and industry. It might be good in a period such as the one which we have just passed, in a period of shortages, in a period of maladjustments, or in a period of crises, where the Government have to enforce rigid controls and take punitive measures. The memories of the last three years are still fresh in our minds, and we have not been able to disabuse ourselves of that idea and feel as if we are in a period where we have got to think for ourselves unhampered by the fears of punitive measures.

The Government owe a duty to the consumers, to the producers, and to the distributors. In the case of the organised industries, this duty is shared by the Government with organised institutions, trade bodies and industrial associations. But there

is a large number of producers, who are spread over the length and breadth of this vast country, whom, we call as small-scale and cottage producers. To organise them, to study their problems and provide solutions for them is the duty of the Government, for, these producers are consumers also. The responsibility of the Government in their case, is higher and more serious. The policies which have been followed for the last few years, and particularly the one which has been inaugurated this year, lay down the ways and means by which the objective can be achieved. We realise that we have to learn by a method of error and elimination. We will make some mistakes, but we learn by experience. Only we hope that the mistakes will be few, while the experience will be greater. The Government have got to play the role of a promoter, an educator and a director, having all the responsibilities, but none of the powers associated with these officers. It is a hard job. I wish the Government could go before the country after a number of years and say that they have done the job successfully. But as I have said earlier, it all depends upon how all of us, producers as well as consumers play the game.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

I believe we are now in a mood to do so. In the year just covered, we have not only increased the production in all the existing organised industries, but we have to our credit the fact that several new items of production have been promoted successfully. I would only wish that we would not go into too many lines. Let us take some items which we have already taken up, and consolidate our technology and production programme, before we step into others. I know the country expects that we should be able to produce all sorts of things. Our capacity, for the moment, we must realise, is limited, and above all, we do not live in isolation. We are in the midst of a world which has become smaller. If we do not buy goods from others, then why should other people buy goods from us? When we talk of restricting this import or encouraging that export, we have to look at the whole question from the other man's point of view.

Shri Velayudhan: Not from an economic point of view.

Shri Kanungo: Our neighbour countries as well as other countries have got their own point of view, and the sooner we realise it, the better. The best way to make them realise ours is to ourselves realise their points of

view. That way international course and good feeling will grow. It is not by threats, it is not by punitive measures that you can build up our international trade. We need not congratulate ourselves that from an entirely importing country of manufactured products we are able to export some manufactured goods. A period of fierce competition in the international markets is coming and unless we consider and concede the other man's point of view, we will not be there. Of course, we will have to consider our interests first and foremost, and I hope in the period to come we will be able to do what we wish to provided that we have the patience and the courage to limit ourselves to our capacities and not expect the world to obey our orders.

Shri K. S. Gounder (Periyakulam): Mr. Chairman, Sir, I thank you for having given me an opportunity to speak. As a maiden speaker, I crave the indulgence of the House.

I rise to express my sense of gratitude to the hon. Minister for Commerce and Industry whose Demands we are discussing today. I think the glorious results that we have achieved during the year under review are entirely due to the keen interest that our Minister is taking in, and the intimate knowledge that he possesses of, this department. It is particularly praiseworthy of our Ministry to achieve these results during last year—a year of recession and depression, a year of rapid transition, a year of comparative poverty.

During this year as the House knows, the industrial production of our country showed a substantial increase. The textile industry, for example, touched the record figure of 4,600 million yards. It broke all the past records. The production of sugar increased by 34 per cent. The production of cycles increased by 72 per cent. and similarly the production of cement, iron and steel and various other products also substantially increased. This increase in production is accompanied by the long desired objective of the fall in prices. As you know, Sir, it is not easy to increase or even to maintain the level of industrial production when the price of such product is falling in the market due to less demand. But thanks to the vigilance of our Minister who followed a dynamic policy, we have tried not only to keep up the production but also to increase it substantially.

At a time when we are busy implementing our Five Year Plan, it is vital for our economic structure to see that our production does not fall. It is

[Shri K. S. Gounder]

also equally important to see that our foreign trade remains favourable so that we may get our capital equipment out of our surplus exports. Here also, as you know, as the tide of trade started turning, the hon. Minister took immediate steps by way of reorienting our export and import policies. More and more restrictions were imposed on the import of goods. The Ministry made it a point to see that we import the minimum quantity of goods and that too only of the essential type. The export policy, on the other hand, was substantially liberalised. Export licences were freely issued and the export duties were appreciably reduced. These measures gave the desired effect in correcting our balance of trade.

I think I would be failing in my duty if I do not mention how much we all appreciate the anxiety of the Ministry to give relief to the handloom weavers. The levy of a cess on cotton textile products for giving relief to handloom weavers is a step not only in the right direction but also at the right time. In this connection, we wholeheartedly welcome the appointment of the Textile Inquiry Committee whose report the House will await with great interest. It is also very heartening to see that the Government has set up a Handicrafts Board to develop cottage and small scale industries. This shows the amount of interest that our Government takes in the small scale enterprises also. This field was hitherto almost neglected by the Government, but now we are sure that this sector would also receive proper attention.

I am not trying to flatter this Ministry when I say that unlike the other Government departments, this Ministry has not followed a rigid policy of controls. Whenever circumstances have warranted, they have relaxed the controls and have provided ready relief to the producers concerned. But for such immediate relief, I am afraid many industrial units would have gone out of production due to stock-piling and want of liquid funds.

Before I conclude, I wish to record our sincere appreciation of the policy that our Minister is following in giving liberal protection to our National industries, but for which the very existence of such industries would be threatened. We are glad that such protection was given to no less than 27 different industries last year. This is not only a bold but a much-desired measure that our Government is implementing. Since our ultimate aim is industrial self-sufficiency, I submit, a policy of liberal protection is highly essential even though it involves some

sacrifice on the part of the Indian consumer for a temporary period of time.

Shri V. P. Nayar: I remember, that on the 27th of last month, while I was raising a discussion on the coconut question, the hon. the Commerce Minister borrowed a title from Shakespeare and characterised it as a 'much ado about nothing'. He also said that he would not provoke me. I know he could not because, he knew that he would get 'measure for measure'. He also wanted to convert a tragedy of facts into a 'Comedy of errors' and was sure of the result that it would raise 'the Tempest'. I would only quote to him, as he seems to be so fond of Shakespeare:

"Some rise by their sins
Others by virtues fall
Some run from brakes of ice
And answer none".

I have perused the summary of the Commerce Ministry's activities and I find that, as is usual with the other Ministers in the present Government, this Minister is also harping on the industrial prosperity in this country. Well, Sir, in a state of industrial prosperity, one should naturally expect a minimum of three or four things: One should expect an increase in production and employment. One should also expect an increase in internal consumption; and one should also see that there is more demand from the people. But in this state of wonderful industrial prosperity, so oft repeated by Members of the Treasury Benches—as if played by gramophones of His Master's Voice type—I do not see that there is anything of industrial prosperity. There is something which I would call industrial panic. There is something to which it is heading on, to a certain industrial paralysis. From the reports, we see that 4 or 5 industries have completed the expeditions of the Everest of production. They have reached their peak and gone beyond that too! What are they? Jute, Sugar, Coal, cotton textiles and then Iron and Steel. I shall confine myself and briefly refer to these 4 or 5 industries in particular and show from the figures supplied by the Government that the peak production is nothing but a myth. It does not affect the people of this country anyway, except in more harm.

I was also glad when Mr. Tulsidas Kilachand said that he considered the Commerce Ministry as a friend, philosopher and guide, the hon. Minister of Commerce was smiling...

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Even now I am smiling.

Shri V. P. Nayar: ...Yes! in token of the appreciation of Mr. Kilachand, is it not? I would only complete the description of the Commerce Ministry by adding that in performing the role of friend, philosopher and guide, as he put it, of the private sector, which means big business and which he rightly represents, they also play a role in which Government is getting increasingly inimical to the interests of the public. That will be a complete description of the Ministry.

Unemployment is increasing even on the admission of the Government. Why should unemployment increase with so-called increase in production? It is not only a question confined to the working classes; there is also increased unemployment in the middle classes. Take and see the reports of the Employment Exchanges. There you will see that the figure is mounting and industry after industry is closing down right from Cape Comorin. In Trivandrum the Titanium factory has been closed down. Hundreds of small factories coir and handloom factories have been closed down and with all that the hon. Minister dares to come before us and represent again and again that we are having a sort of industrial prosperity. I shall take only the cases in which his Government says that there is real increase in production, they have surpassed the peak. I shall first refer to the cotton textile industry.

According to most of us—and I believe you also think so—textiles include all sorts of woven fabric. But to the present Commerce Ministry, textiles include only textiles produced by mills. It is a very curious definition. They have chosen to define textiles or chosen to understand textiles as something produced only by mills. If the mill production alone is taken into consideration, it may show that there has been a production of 4800 million yards. But take the textile position as a whole. Take the production of the handlooms also. What is the position? You find that while in 1939 the average Indian had about a per capita consumption of 17 yards or so, it is only 9.8 yards now. Gradually, we are driven towards a cult of Nudism according to the figures of the Government. I would take up the question of textiles produced in the mills alone. This morning when I had a talk with Mr. Morarka, who sits on the other side and who also represents the textile industry, he told me that the

industry is heading towards a crisis. I asked him, why?

Shri Morarka (Ganganagar-Jhunjhunu): I am sorry I did not say that the industry is heading towards a crisis. I told him the stock position. I told him that as compared with last year there is more stock. That does not mean that the industry is heading towards a crisis or is passing through a crisis. My hon. friend is unnecessarily putting something into my mouth.

Shri V. P. Nayar: Immediately after that I told him that I would refer to him on the floor of the House. He did not raise any objection at all then. I leave my young friend there because I have very little time.

I also admit that there has been a production of 4800 million yards. But look at the position of export. If in last year it was 80 million yards; by the end of December, it was 40 million yards. The export itself is declining. How is it that you say that this has improved the industry? If, as they say, production is improved the stocks are also mounting up. I would say that this year the corresponding increase in textiles will be over a lakh of bales. It is at the expense of the handloom industry that the textile industry has shown such remarkable improvement. A section of the industry which used to produce about 1800 million yards before is now producing only 800 million yards, with the result that millions of our people are thrown out of employment. The textile industry progresses for the benefit of a few people. What is the per capita consumption of cloth today? Looking from this angle, it will be easily seen that the peak of production is nothing but a matter for satisfaction to two sets of people, one the private sector's friend, philosopher and guide, the Commerce Ministry, and the other the mill-owners.

I shall now take up another industry which is said to have touched its peak. That is sugar. I understand, that the peak of production has been reached. But the per capita consumption of sugar in India has also declined by 10 per cent. after 1939. The grandiose Plan speaks of some schemes to improve the yield per acre of sugarcane. But you find that if in 1944-45 the yield per acre was 322 maunds, in 1952-53, it is only 322 maunds. That is, 15 per cent. less in 6 years or so and the stocks of sugar mount up, with the result that the mills owe to the farmers crores of rupees. Even this morning the hon. Minister of Agriculture told us that

[Shri V. P. Nayar]

the stocks with the sugar mills have never before been at such a peak. What about the price of cane itself? It has gone down by about 20 to 25 per cent. Sugar on the one hand touches the peak of production and on the other hand, millions of sugarcane growers who depend upon the production in the factory do not get money for what they supply to the mills. They get 25 per cent. less than what they used to get. You cannot send the sugar outside because the sugar manufactured here is at great cost. You cannot export this with any profit and later on the Commerce Ministry will say—as they said in the case of the tea industry—we have got super-abundance of production and let us therefore curtail production. That would really mean an open declaration or suggestion to the sugar mill owners; come on Messrs. Sugar Mill Owners! Retrench your workers as you please. That is the policy which they want to follow.

Just look at the coal industry. Although it was stated yesterday that out of 19 or 20 crores only 1.5 crores would be British capital, the coal industry, for all practical purposes is an industry, controlled mostly by foreigners. You cannot dispose of the coal in the country. You have transport bottlenecks. Where are the coal consuming industries here? You export coal to South Korea and to Japan to be re-exported to South Korea and pretend that you are a neutral country. Industry in India has already been warned not to switch over from oil to coal hereafter.

I come to iron and steel. May I know, Sir, whether I have 10 minutes or more?

Mr. Chairman: The Communist party has got 25 minutes and they have given the names of two speakers. If the hon. Member just persuades his colleague not to speak, I will allow him the full 25 minutes; otherwise 12 minutes.

Shri V. P. Nayar: Iron and steel industry is the most vital industry for our production and construction. What do I find from the records? In 1952, this country has exported 325,144 tons of iron. The whole of it, of course, is scrap iron. But we also exported other manufactures of 11,352 tons. Here is a country which has abundance of iron ore, abundance of coal and abundance of labour. Labour is also the cheapest here. Then why not start a plant for the manufacture of all iron and steel we require. There was a technical scheme. The Government having

decided that a plant should be started appointed a technical mission. They went into the question and probably they were bribed to say by vested interests that we do not require an iron and steel plant now.

4 P. M.

I would also like to refer briefly to certain appointments or grafts as I would call them. I find a notification in the *Gazette of India*, dated 28th February. "In exercise of the powers conferred under section.....the Government is pleased to appoint Shri Ramasubban as a Member of the Tariff Commission for a period of six months with effect from 16th February." I speak subject to correction and I do request the hon. Minister to correct me if I am wrong. I understand that this Mr. Ramasubban has been long connected with the firm of Mr. Ramnath Goenka of pencil import fame. We do not know what his position is; what his capacity is; what his qualifications are. The hon. Minister has oftentimes stated on the floor of the House that the Tariff Commission is an expert Commission, and I do not know what the qualifications of Mr. Ramasubban are as such an expert to function in it.

Similarly, there is another instance. An Assistant Private Secretary of the Commerce and Industry Minister himself is understood to have been posted as Secretary of the Rubber Board on a higher scale of pay, say Rs. 600 or 700. He was only an ordinary stenographer. I love stenographers, but I do not want stenographers to be double promoted and sent to Travancore-Cochin. In this matter also, I am speaking subject to correction.

There seems to have been another appointment made at the recommendation of this Government. The American wife of an India journalist has been appointed as our Propaganda Officer for Indian tea in the United States of America on a salary of 5000 or 6000 dollars.

In this connection, I cannot help quoting the observations which an hon. colleague who, unfortunately for the country sits there now, has made, and I am sure Mr. Tyagi will support me when he hears the quotation, because Dr. Punjabrao Deshmukh quoted from Mr. Tyagi's speech when he was an ordinary Member and said:—

"Mr. Tyagi told the hon. Minister of Commerce that he must dismiss almost everybody in that Ministry."

I also request the same thing and I hope, that the Minister of Defence

will defend and support me. Dr. Punjabrao Deshmukh went on to say:

"We have a set of people in the Treasury Benches—very nice people—I may not quite agree) but many of them are either abnormal or sub-normal."

The Minister of Defence Organisation (Shri Tyagi): May I know when I said so?

Shri V. P. Nayar: A few months before you were elevated.

Shri Tyagi: Perhaps during the days when I was officiating.

Shri V. P. Nayar: It was not so. This quotation I read from the debates of 31st March 1951. Dr. Punjabrao Deshmukh also said:—

"A little more sense has to be imported into them."

I perfectly agree with him subject to my views on the quantum of sense. He said, a little more sense. I say, instead of a little more sense, a lot more of sense has to be imported into them.

With these words, I conclude.

Mr. Chairman: Shri Viswanatha Reddy.

Shri Tyagi: I rise to a point of order. Is it permissible to quote our speeches?

Shri V. P. Nayar: Here is the speech in my hands. I can give it to him, Sir.

Mr. Chairman: Many times it is inconvenient for hon. Members who have changed their seats to hear what they said before. It is exhilarating and at the same time very instructive to hear what they had said when they were sitting on the other side.

Shri Sinhasan Singh (Gorakhpur Distt.—South): Does the hon. Member hold the same opinion now, or has he changed his opinion? That is the point.

Shri M. S. Gurupadaswamy: After having said so many things against the Ministry, was it in order for them to go to the Treasury Benches themselves?

The Minister of Commerce (Shri Karmarkar): Some day you will have a chance.

Shri Viswanatha Reddy (Chittoor): The year 1952 has been a singularly bad year as far as the Commerce and
48 PSD

Industry Ministry is concerned, and I must congratulate the Ministry on the excellent way in which they have been able to uphold the economic condition of the country in general and the industry and production in particular. The figures show that in spite of the general depression that has affected the whole world, our industrial production has been on the increase, and especially during the latter part of the year 1952 our exports also recovered considerably bringing in more exchange for our needs. Therefore, the Ministry deserves the congratulations of this House and the gratitude of the country as a whole.

Now, I must pick up the thread of my arguments during the railway debate, when I had occasion to emphasise the necessity of having a suitable rates structure so as to make it a handmaid of industrial development in the country. This, I consider, is very important because from a comparative study of the rates structure in different countries, we find how the Governments of those countries deliberately embarked on a policy calculated to give a fillip to the various industries. Nowadays, it has been pointed out by some friends that a coastal town benefits more by the rates structure if it imports raw materials by sea from countries separated by thousands of miles from it than by getting the same raw materials from a few hundred miles in the hinterland. That is a very great anomaly which I am sure the Commerce Ministry will look into and give suitable advice on to the Transport Ministry.

Again, I really cannot understand why we must be so touchy and anxious to see that our products are sold abroad, when we find that our country is teeming with millions of people and it is not necessary for us to think of markets elsewhere. It is all right for small countries which produce a lot of goods like the United Kingdom to have a huge market like India for dumping their products, but when our own country has got a very good capacity for consumption, I do not see any reason why we should think of markets abroad. The problem seems to be to increase the consumption capacity of our own people so that it may serve as a great impetus for the development of industries in our own country. That aspect of the problem does not seem to have received as much emphasis as it should have. Therefore, I suggest that this problem must be looked at from the proper perspective, and to do this, it is necessary to bear in mind that ours is mostly an agricultural country and the

[Shri Viswanath Reddy.]

consumption capacity of our people has to be increased. Wealth should flow more into the rural areas. This means that raw materials should get a fairer price than they do at present. Especially commodities like oilseeds, onions, *gur* and other very essential agricultural commodities do not get their due price. We must think more in terms of injecting purchasing power into rural areas than of trying to find markets elsewhere with great difficulty.

I must also congratulate the Ministry on its bold step in trying to provide great relief to the handloom weaver. It is a well known fact, that for centuries our country has been clothed by the handloom weaver. The mill textile industry is a very recent innovation. But it is unfortunately replacing the handloom weaver. This is a problem not merely of conventional economics, but it has to be viewed, as, for instance, a Gandhian economist would do it, regardless of the fact that possibly for a few decades or few years the mill-made cloth may be cheaper than the handloom cloth. But in the long run, taking all factors into consideration, there is no gainsaying the fact that the handloom products will certainly be a great boon to the country as a whole. The steps taken in this direction, for providing relief to the handloom weaver is a step in the right direction. But a more radical outlook in this regard, and a more radical provision than is envisaged in the present measure is necessary.

Then I also feel that some of the commodities in which we have a world monopoly, so to say, as for instance mica, manganese, etc., are not being utilised to the greatest benefit of the country. That is, we are not using these commodities as a bargaining power for the import of essential key machinery or other things that we need for the development of the country. I feel that the money earned through these very important commodities have been frittered away by importing consumer goods. There is need in this country today for nurturing and sustaining what I may call a 'Swadeshi' feeling, that is, instead of indiscriminately trying to import all sorts of consumer goods which we actually need not have, we must inculcate in the people a feeling that a certain amount of abstinence is necessary if the country is to go forward at a great pace with its constructive activities. Therefore, I appeal to the Ministry and to the Tariff Commission, if I may, that a more stringent attitude should be taken with regard to our import policy.

Lastly, I would like to submit that the provision made for the handicrafts and other cottage industries has been very inadequate and it ought to be much more than what it is now, if rural India is to benefit by this policy. There should not be a half-hearted attitude in this regard. Either we go wholehog with it, or we do not go at all. If we are not bold enough to pursue a policy of decentralisation in the matter of industrial development, let us not attempt it at all. Either we do big things in a big way, as countries like America do, or we go back completely to our rural economy. This sort of dilly-dallying policy is going to be very harmful and it is not going to be good either for the so-called capitalists or for the common people. This vacillating policy will ultimately create economic chaos if I may say so.

Shri Sinhasan Singh: May I know on what cut motions the debates have been going on up till now?

Mr. Chairman: Evidently the hon. Member has not been following the proceedings of the House. All the cut motions moved by hon. Members have been taken, placed before the House and they were being debated.

Shri T. T. Krishnamachari: May I ask for some guidance from the Chair?

The Deputy-Speaker said that any Member who has moved a cut motion may ask for a note to be sent on the subject. I am quite prepared to obey the order of the Chair, but a mere cut motion does not indicate to me on what lines I should supply the information. Unless the matter is referred to by the speaker, I am afraid I will not get the guidance to provide the information.

Mr. Chairman: The hon. the Deputy-Speaker said that if no reply is given by the hon. Minister then the Member concerned will intimate to him that he wants a reply on certain matters, and then also will the Minister be obliged to send the information.

Shri Nambiar: I have already moved several cut motions here. I have written ten several letters to him in advance.

Mr. Chairman: Order, order. This is no occasion for any complaint.

Prof. Agarwal (Wardha): I have gone through the report of the Ministry of Commerce and Industry and it certainly makes an impressive reading, because much progress has been made in regard to production. But I have

been worried about a problem about which I am sure everybody feels with the same intensity and that is the problem of unemployment, especially among the educated youngmen of this country. It is true that the Planning Commission has made some far-reaching recommendations about the solution of this problem and they are contained in the last chapter of the Five Year Plan.

We are also happy to find that in regard to their industrial policy the Government of India is gradually realising the importance of the cottage industries and the small scale industries. I am indeed happy that recently Government have set up an All-India Khadi and Village Industries Board and also a Handloom Board and they have tried to take the help and co-operation of tried constructive workers in this country. I am confident that the labours of these Boards will bear fruit and they will be able to prepare a workable and practicable scheme for the sound and systematic development of small scale and cottage industries in this country. But I must say that so far whatever has been done has not created an impression that there has been any radical change in the industrial policy of the Government. We will have to confess that this problem requires very serious consideration and a few measures to promote the cottage industries will not do.

If we look at the immensity of the problem of unemployment we will find that all these large scale establishments in the country today are able to employ about 30 lakhs of people all told. Even if we multiply these industries it will not be possible to employ more than, say, 50 lakhs. That leaves a very large number of people in this country, educated as well as artisans and the agriculturists, who are totally unemployed and under-employed for a number of months during the year. If we really, therefore, try to solve this problem it will be possible only if we make our policy very clear. And that is this. We will have large-scale industries, key industries of course. I am not against them; nobody has been against them. But so far as the consumer goods industries are concerned they will have to be decentralised on a very large scale. And this policy has far-reaching implications. If we think that without touching the large-scale industries we are going to solve this problem, that we could encourage small-scale, cottage, as well as large-scale industries at the same time, it will be an impossible task. For exam-

ple, if we really want to develop khadi, the mill industry will have to be touched. Of course I am happy that a cess has been levied, three pies per yard, on millmade cloth and that will be utilised for the development of Khadi and other handloom industries. That indeed is a good beginning. But merely that will not be sufficient. We will have to review the whole problem as such. We will have to reserve certain categories of cloth exclusively to the cottage industries, and even if the textile industry' is touched we should not mind it. If we try to satisfy both, the textile industry on a big scale as well as the handloom and the Khadi producers, it will be an impossible task. And the earlier we realize this the better.

So far as small-scale industries are concerned, the Planning Commission in the Five Year Plan have referred specially to the problem of the educated unemployed, and they have said that educated people should be encouraged to set up independently in business. A list will be prepared of small-scale industries which can be started with various amounts of capital ranging from Rs. 500 to Rs. 5,000 and the Government should help them by advancing initial capital as well as by giving them facilities for vocational training. I would very much like to know as to what steps the Ministry of Commerce and Industry have already taken in this direction. And I would suggest that it is now high time for the Central as well as the State Governments to set up workshops for carrying on intensive research for the setting up of small-scale and cottage industries. So far, all the technological colleges, all the departments of the Government for research have been utilised for large-scale industries; hardly anything has been done for promoting, for inventing, for instance, small machines, scientific machines—I do not plead for unscientific and crude instruments. What have we done so far to invent these small machines which we can give in the hands of our educated young men, with an investment of, say, ranging from Rs. 1,000 to Rs. 10,000 even? We might have done something, but it is not known. I therefore plead with all the earnestness at my command that the Central Government as well as the State Governments must set up information centres and workshops where any young man, educated or otherwise, could go, obtain all the information and also obtain cheap credit so that he might make a start with his own business. And if we are able to do that, we will be able to check the growing menace of

[Prof. Agarwal]

unemployment. I regard this unemployment as a political question. It is a very serious question and it is leading to all sorts of anti-social activities. And if we are not able to check it, it will lead to disaster, economic as well as political. Therefore, this has to be tackled both as an economic as well as a political question, and with a sense of urgency.

I was interested to read some time ago about a new type of handloom invented in America by Mr. Nedo. We read that this new type of handloom is very popular in America. It weighs only about 17 lbs. and costs about Rs. 700. In England also it is being advertised, and can be obtained for £ 10.

Shri T. T. Krishnamachari: I would like to correct my hon. friend. It is not available in England. We asked our High Commissioner to find out and he said it is not available in England. And that advertisement is wrong.

Prof. Agarwal: I would only like to know whether the Ministry of Commerce and Industry have been able to place an order for it.

Shri T. T. Krishnamachari: Yes. We have asked for six prototypes. They have not come yet.

Prof. Agarwal: Well, I am very glad to know. I would therefore urge that in regard to samples like this, for example if this handloom is procured we would like the Government to give all possible information. If it is possible to manufacture it in India with the help of Americans we should try to do it. We are told that this handloom can be installed in a kitchen so that every household could have this handloom and spin and also weave all the cloth necessary for our requirements. Similar machines can be obtained from other countries. They have been obtained, I know, from Japan. If the Government pools all these resources and tries to give ready information to our young men they will have done a very great work indeed.

Now, we are often told, especially by the big industrialists that these cottage, village industries are not economic, they are not efficient. We also hear this from a number of people among the public. When we ask them that they should try to patronise these goods the question of cost is raised. I would humbly suggest that it is for us to understand very clearly that no progressive or civilised country in the world today can afford to treat

their unemployed with scant courtesy. We cannot ask them to be on the streets. In all the western countries they have a system of doles, maintenance allowances. In Germany I found that everybody who was unemployed was entitled to a kind of unemployment or maintenance allowance, and this was charged to the employed. That is, every employed person had to pay about 25 per cent. unemployment tax. That unemployment tax was used for giving maintenance allowance to these unemployed persons. Now, in India we cannot say that this problem is stupendous and we cannot solve it. We will have to take some measures for maintaining these unemployed. One way of doing it is by doles, which I do not like very much; because, if we give people doles without taking any work from them it leads to demoralisation, physical, mental and moral also. Therefore a very good way of employing and maintaining these people is to give them these small, cottage industries. Now the extra cost that we pay, I submit, should be regarded by all of us as a sort of voluntary unemployment tax that we pay to maintain these people. Always to say that it is costlier, the charge is more, is not a very wise argument and I would plead with all the Members here and also the Ministry to view this problem from this point of view; and we must be willing to pay this unemployment tax voluntarily because from the canons of taxation, it is a sound proposition, it is equitable and it is a direct tax.

Dr. Ram Subhag Singh (Shahabad South): Some avenue should be found by the Government to utilise labour free of cost.

Prof. Agarwal: That also could be done.

Shri G. P. Sinha (Palamau cum Hazaribagh cum Ranchi): You can have cheap machinery for cottage industry but wherefrom will you find the market?

Prof. Agarwal: I am coming to that. Do not be impatient. The next point is, as my friend raised, about the markets for such goods. So far as the market is concerned, I am very sorry to find—and I mentioned that on some previous occasion also in this House—that the Swadeshi spirit is fast disappearing. We find in the market all sorts of foreign goods, goods which are not exactly foreign but made in India I am told but labelled as foreign goods because people like to pur-

chase foreign things. This is a matter over which we cannot express any satisfaction. I would, therefore, plead with the Government of India to patronise swadeshi goods in all their stock purchases and also, if possible, to arrange a Swadeshi Exhibition on an all-India basis, especially of these cottage and village industries. If that is done, it will create a healthy atmosphere, a favourable atmosphere for these industries and the Government also will be able to focus attention on the need for developing such industries.

A word about the vanaspati industry or the oil industry. We have been able to levy a cess, rather it is proposed to levy a cess, on cloth. I propose that a similar cess should be levied on oil and vanaspati for the improvement of oil in village industry. About vanaspati there has been a lot of controversy but I find to my amazement that in the Planning Commission's Report on the development of industries, instead of trying to decrease it, they have pleaded for expansion of this industry also. Now there may be many doubts regarding the proposition whether it is good for health or not but this is very clear that it is not more useful than ghee and all this expansion is very much at the cost of our oil and ghee industries. I was amazed to know a few days ago that the State Government of Rajasthan has banned the import of vanaspati—I would like the hon. Minister to enquire into this—and I am told that the Central Government, the Ministry of Commerce and Industry, has been almost forcing the Rajasthan Government to import this vanaspati into that State. This I cannot understand that even though a State Government tries to encourage a local industry, a village industry, the Central Government should try to come in the way. I am sure this will be enquired into and steps will be taken to see that no policy of the Government of India tries to kill the small-scale and cottage industries and throw many people out of employment. I therefore hope that there will be a radical change in the policy of the Government of India towards small-scale and cottage industries and every attempt will be made to patronize them.

Shri Kelappan: I have been always feeling that the Congress Government is following a policy which is heading towards a crisis and a crash. My friend here a little before said that those industries which had reached their peak were heading to a crisis. Now it is in the very nature of things that as

long as you believe in industrialism, it must ultimately lead to a crisis. So I really pity the one and sympathise with the other. In Planning the economic life of the country, commerce and industry are very important factors. India was a very prosperous country when the Britishers and other European nations came here to trade and as a result of the foreigners' commercial and industrial policy, we were reduced to utter misery and destitution.

We have been free now for five years. It is true old industries have expanded, new industries have come into being, large development schemes are undertaken, rich people have become richer, millionaires have become multimillionaires but what about the villagers?

When I speak of the villagers, I mean the whole country because about 90 per cent. of our people are living in the villages. I do not think the Government have succeeded in finding a solution for the chronic poverty and unemployment of the villagers. If any thing, their condition has become worse and the Government will also admit that over 50 per cent. of the villagers are unemployed and half-starved. The same is the case in different States. The other day I went to the Pusa Institute and I visited one of the villages there. I found they were as ignorant and as poor near this magnificent capital of India as the villagers elsewhere. Most of those houses were one room tenements and the family and their cattle were living in the same room. There was not even a partition. Half of the room was occupied by the cattle and the other half by the family. That is a sort of equality which I did not see elsewhere but there also a Harijan woman complained that the Harijans are not allowed to draw water from the only well in the neighbourhood. A caste Hindu protested. Perhaps both are right and both are wrong. When the officers of the Government or Members of Parliament go there, these Harijans are allowed to draw water from that well, and when they leave, probably these Harijans are frowned upon. That is by the way.

I am saying we are neglecting our villages. We have our Five Year Plan. We have undertaken large irrigation and hydro-electric works. Some of them when completed, will be the largest in the world. The foreigners who visit this country are full of praise for the wonderful advance that we are mak-

[Shri Kelappan.]

ing. I warn you that at the end of the Five Year Plan also the villagers will continue more or less the same.

The Five Year Plan has really no programme to tackle the unemployment problem. Our unemployment problem will become worse and poverty also will increase. I admit, that our production will go up, we will have more electric power, even the per capita income will increase. Even when we had plenty of foodgrains in the country and there was no rationing, people used to die of hunger and starvation. The problem is how to put a few more annas into the hands of the starving people. How are we going to provide work for the unemployed? When we really speak of unemployment, we usually mean the organised industrial labour and not the poor people in the villages who have been driven almost to fatalism and feel that their condition cannot be improved and that it is their lot to suffer and die.

The industrial labour of the country is about 25 lakhs. It does not come even to 1 per cent. of the population. It is not even 2 per cent. of the working classes. Every year, 50 lakhs of people are added on to the population of this country. Large industries can never provide work for these people.

The Five-Year Plan says that no reliable data of unemployment and employment are available. It gives some figures of additional employment. It says that industry including small-scale industries will be able to provide work for about 4 lakhs of people annually. Cottage industries will provide work for another 20 lakhs. Building construction, road work, major irrigation and power projects etc. will provide work for say, 20 lakhs. It is said that these figures are approximate and may fall wide of the mark. Let us grant that industry including small-scale industries will provide work for about 4 lakhs of people. Mr. S. P. Jain, presiding over the Federation of Indian Chambers of Commerce says that from 1945 to 1950, with an investment of about 500 crores in industry, they could provide work for about 4 lakhs of people. With our increase of population at the rate of 50 lakhs per year, what the Five-Year Plan will be able to do, will only be a drop in the ocean. Government has no plan to tackle this unemployment problem. This is our main problem. It is my contention that

self-sufficiency scheme for the villages based on Khadi and cottage industries to provide for the basic needs of the people is the only scheme which could tackle the problem of unemployment. That was really the programme of the Congress. The Congress did not believe in industrialism. Let me quote what Gandhiji has to say about industrialisation. Gandhiji says:

"Extinction of village industries would complete the ruina of the 700,000 villages in India.

I have seen in the daily Press criticism of the proposals I have adumbrated. Advice has been given to me that I must look for salvation in the direction of using the powers of nature that the inventive brain of man has brought under subjection. The critics say that water, air, oil, and electricity should be fully utilised as they are being utilised in the go-ahead west. They say that control over the hidden powers of nature enables every American to have thirty three slaves.

Repeat the process in India and I dare say that it will thirty three times enslave every inhabitant of this land instead of giving every one thirty three slaves."

About mechanisation, he says:

"Mechanisation is good when the hands are too few for the work intended to be accomplished. It is an evil if there are more hands than required for the work as in the case of India. Strange as it may appear, every mill is a menace to the villagers. I have not worked out the figures. But, I am quite safe in saying that every mill hand does the work of at least 10 villagers doing the same work in their villages. In other words, he earns more than he did in the village at the expense of ten fellow villagers. The Spinning and weaving mills have deprived the villagers of a substantial means of livelihood. It is no answer in reply to say that they turn out cheap and better cloth, if they ever do it. If they have displaced thousands of village workers, the cheapest mill cloth is dearer than the dearest Khadi woven in the villages."

He has something very pertinent to say about the duties of our Ministers also. Gandhiji says about the Congress Ministers,

"The Ministers have experts at their disposal through the AISA and AIVIA."

Now we are going to America and other foreign countries for experts. He says:

"It is possible to clothe the whole of India in Khadi on the smallest outlay and in the shortest time possible. Each provincial Government has to tell the villagers that they must manufacture their own Khaddar for their own use. This brings in automatic local production and distribution. And there will undoubtedly be a surplus for the cities at least to a certain extent which in its turn will reduce the pressure on the local mills."

Let us see what our Congress leaders thought and think even now. Rajen Babu presiding over the 48th session of the Indian National Congress said, referring to khadi,

"It rules out in one sweep the four-fold curse of modern humanity namely, imperialism, militarism capitalism and industrialism."

He further added:

"Remove the khadi clause and you snap the living link between the cities and the villages."

Now that we are free and we are our own masters, it might be modified thus:

"Neglect khadi and village industries and you snap the living-link between the people and the Government."

Mr. Chairman: The hon. Member has already taken more than 15 minutes. He must conclude in a minute or two.

Shri Kelappan: According to me, industrialism will never solve our problem. You will have to depend upon your agriculture and the cottage industries.

About cottage industries, Government seem to have some curious views. By cottage industries they mean some industries for making certain novelties and other things for which they have to find a market. The gentleman over there, asks Mr. Agarwal, how to find a market. You cannot certainly find a market outside. Here-

after, you will have to produce for home consumption. If you depend upon markets outside, you are sure to come to grief.

About trade and small industries, Government is following a suicidal policy. I shall just refer to that and finish. We are importing luxury articles, toilet articles, soap dental cream, and so many other things. We are allowing the foreign concerns which are manufacturing these articles to start these industries here. We can certainly reserve this sphere for home production. These are industries which do not require any outside capital or even outside expert advice. Therefore, if you allow these foreign industries with their superior technique and their unlimited resources to compete with the home industries, what will happen is that these indigenous industries will be driven out of the trade and all these small industries will die out.

Just a word about State trading. I really want...

Mr. Chairman: May I just request the hon. Member to conclude? He has already taken 17, 18 minutes. If he begins a new subject, he will at least take two or three minutes, more

Shri Kelappan: I will just take five seconds.

Mr. Chairman: Five minutes.

Shri Kelappan: Five seconds.

I want really the Government to take up the export trade. There is a general complaint that the articles that we send to foreign countries do not tally with the samples that we send, and for this and other reasons we find our articles do not fetch the same price in foreign markets as the articles from other countries. Now, Government can certainly go to the help of these industries by State trading and by taking up export trade. Similarly, they will do well to nationalise some of the important industries also—for instance, coal, banking and insurance. It is the duty of the Government to do these things in the interest of the country.

Shri Achuthan (Cranganur): This is a very important subject, and I may not be able to make even a cursory review of all its aspects within the short time at my disposal. The present hon. Minister in charge of Commerce and Industry is well-experienced, and he is doing the job well. One test I can set is this, that you

[Shri Achuthan]

cannot satisfy both producers and consumers. So, generally, when both parties, so to say, are not prepared to pour encomiums on him, he should be supposed to have satisfied the test I set.

Now, with regard to the general balance of payments position, we see from the report that towards the close of 1952 we are having a better position. The credit goes to the Ministry for so managing or arranging imports and exports to see that more articles are exported and less articles are imported.

From the list appended at the end of the report, we find that number of luxury articles are being imported. As was observed by Prof. Agarwal, who is one of the General Secretaries of the Congress, these luxury articles must be put an end to, and their import into our country should be stopped. Some austerity we must adopt. Unless the Swadeshi movement is popularised, and the Government take whatever steps are possible and adopt some master piece device, I do not think it may be possible for our country to have a suitable economy in the near future. So, I take exception to that. A number of articles are seen in the market nowadays, and the common man, without understanding the responsibility with regard to the economy as a whole, purchases a lot, and the money goes to other countries. So also, with regard to other matters.

We are having a good beginning in the reduction of food imports. That gives us a relief, so to say, to import more of capital goods and goods necessary for key industries. That is a good sign.

I want to impress upon the hon. Minister also another thing. As was observed by the hon. Member from Malabar, there must be quality. In regard to all articles that we export from India, no country should complain that the thing actually received is poorer than the sample shown to them. According to me, honesty is the best policy under any regime, and the best is always the cheapest. So, Government must see by any methods, by legislation—even now, we have some sort of legislation—that quality is also scrupulously observed, and then only we can capture the markets in foreign countries.

Then, I do not know what particular benefits we are now deriving by having some preferential treatment with Commonwealth countries. The Minister must explain and convince

us, stating that these are the advantages that India is now deriving out of having some preferential treatment with Commonwealth countries.

I am glad that the present Ministry is having trade agreements with almost all countries. That is but natural also, for all countries want to see that they import less and export more. So, naturally, during the last four or five years, we are having trade agreements with almost all countries. And I feel really glad that recently an agreement has been entered into with Pakistan and there is some easing of the position with regard to jute import. That ought to be our mentality. We must see that all nations are, so to say, our buyers.

I have to say one word about publicity. According to me, we have not come up in possession of that market which is required of this vast country to give up publicity in foreign countries about our handicrafts, about our products, about so many other rare things that we are in good fortune to possess. All Embassies and other trade channels must be always entrusted and with this publicity, and no occasion should be lost in any country when it is suitable for having publicity of these industrial products.

With regard to internal industrial policy and trade, really we are in a difficult position now. The policy has been adumbrated in 1948 by our Prime Minister, of mixed economy, the public sector and the private sector; and just a few weeks back, I read the presidential address by Mr. Jain, the President of the Federation of Indian Chambers of Commerce and Industry, that the private sector welcomes the Five Year Plan and are very ready, eager, to discharge their part of the job. And this gave the suspicion that there must be something—I do not blame him—because they are very extra ordinarily eager, and he said: "We will do our duty". And in that speech, they have stated with regard to foreign capital that they are not very much pleased with the foreign capital coming to India, and they said that some conditions should be attached if foreign capital is to come to India.

I agree with the hon. Member from Kerala in saying that in the industrial sector, the cottage industries, Khadi and the small scale industries must find a place. I really appreciate the view taken by the hon. Chief Minister of

Madras, Mr. Rajagopalachari, about strict demarcation with regard to the production in handloom and textile goods. We are not to be afraid when we take a strong position. Even though we ought to have taken it earlier, considering the situation in the whole country, the position of the handloom weavers and unemployment, we must be courageous enough to take steps to see that, as far as possible, in the future at least these handloom industry men do not become a problem to the States and the Centre, and that they are not exploited by a number of political parties. It is really serious. When unemployment grows, when the question of the belly and stomach comes, no ideology will have any effect. Hon. Members from the other side will exploit the situation. That is what we have seen actually in the last election in Travancore-Cochin. Because people were unemployed and because their position was so deplorable, these parties, with their slogans and other things, almost captured them; just like beasts or animals are taken to cowsheds, they were taken to the polls. So, unless we have strong views about these matters, unless we realize what is the position of cottage industries in our country, and are not sophisticated or enamoured of these large-scale industries as in the U.S.A. or Russia, we will somehow or other, have to face some catastrophe in the near future.

I really appreciate the policy of the Tariff Commission. It is a competent body which really knows where protection is to be given and where production is not to be given.

5 P. M.

I would just like to say one word about the two and half annas import duty raised on betelnuts. It was a serious problem for the arecanut growers in the south. As a result of the representation made to the hon. Commerce Minister, and the hon. Finance Minister, at least some temporary relief has been given to them. In the case of the arecanut imported from Ceylon and other places, they do not spend anything for cultivation, because it is a wild growth there. But here we have to grow the crops, water them for a period of six months or so, and unless an economic price is made available to them, the industry will not be able to stand on its own feet, and it will perish.

Then I come to the Industrial Finance Corporation. According to me, the work turned out by them is not satisfactory. Considering the demand for more industrialisation, I would say that

they must invite people saying 'Come along. Money is here. We will advance you money and without incurring much risk for the capital, you start your industry in an enterprising spirit.' And we must see that in all parts of the country, on an even scale, small industries should rise up.

Some two or three years ago, the Government had sent out a committee to Japan, and they have made a report. I have gone through that report, and I do not know why the Government have not adopted the Japanese methods of industrialisation in our country. While going through that report, I felt that there is much that can be copied and introduced in our country. We are having sufficient power in almost all parts, on account of our big projects, and we should see that specialists should be invited here, to give more encouragement and to develop these cottage industries.

In Travancore-Cochin as the hon. Minister has remarked, the coir industry is just coming up. Even then, we have got the handloom question there. We have got the arecanut question also. The arecanut situation, however, is improving. Unless the Central Government pay more attention to Travancore-Cochin and the unemployment problem there, I think it may be very difficult for our Government to cope up with the situation. The position now is that in Travancore-Cochin there are about 20 lakhs of excess people, and the population density is about 2000 per square mile. A good many of the people have to migrate to other parts. I would request the hon. Minister and the hon. Members from Central and North India to go to Travancore-Cochin and see for themselves, how they live there, and how impossible it is for them to carry on there. Unless something is done in the nature of migration or equitable distribution of the population in this area, I am afraid it will not be possible to solve the problem, and I fear difficult complications are likely to arise.

As has been observed by my hon. friend Mr. Agarwal, I would suggest that there must be a special department for encouragement of swedeshi goods and cottage industries. My hon. friend Mr. Kelappan reminded us of what Mahatma Gandhi said, but we have not yet passed that stage. The United States of America or the United Kingdom or other countries may have "advanced" in many respects but considering the length and breadth of our

[Shri Achuthan]

country, and the scant industrialisation of the country, we must see that swadeshi is encouraged, cottage industries are developed, decentralisation is adopted, and also the private sector is not too much relied upon. As far as possible, we should see that all key industries or basic industries are taken over by the Government. Some move may be begun even now. That is the only way we can expand our economy.

Dr. Ram Subhag Singh: I am not going to make any big speech. I have just to state only two or three points. I think they are vital, so far as the self-respect and economic opportunities of the citizens of this country are concerned.

It is rather strange and paradoxical that despite the fact that the Government of India have given a free hand to all the foreigners, including Americans, to trade and flourish in this country as much as possible, our citizens are not allowed to enjoy any reciprocal status in foreign countries, particularly in certain parts of America. Indians who want to establish themselves there or go to visit that country are not even permitted to stay there even for a period of twelve months, despite the fact of their being having valid visas. At times, they are asked to execute bonds to the tune of about 500 dollars or so, and they are put to enormous hardship. So, it becomes very difficult for them to remain there on the money that is granted to them by the Reserve Bank, and it is very difficult for them to get exchange permission. I would request the hon. Minister who is having a keen interest in this matter, to see that this anomaly is ended without any further delay.

My second point is about the employment of Indians in foreign firms. Recently I came across a paper, which was supplied to me through the courtesy of the hon. Minister, which indicates that the Government of India had asked all the foreign firms in July 1952, to supply information to the Government regarding the number of Indians employed in foreign firms. About one-fourth, numbering about 300 firms did not even care to supply that information to Government, may be because they are not having any Indians in their service.

Shri T. T. Krishnamachari: Probably no business.

Dr. Ram Subhag Singh: The information supplied by the rest shows that

very few of the foreign firms are having about 25 per cent of Indians in higher posts, and about 10 per cent only in posts carrying a salary of more than Rs. 1500. The very same firms having offices in Pakistan, Burma and Ceylon have been forced to close their doors to foreign employees. They could employ only a Pakistani, or a Burmese, or a Ceylonese as the case may be, and they cannot go on inviting or employing 75 per cent of Britishers or other foreign nationals.

Shri T. T. Krishnamachari: Ceylon has not enforced that.

Dr. Ram Subhag Singh: It may be because Ceylon is totally dependent on the British Government. But Burma has done this, and Pakistan also has asked them to restrict the quota to about 50 per cent. But it is a very deplorable situation here in India. These firms are neither paying any heed to the Government circular, nor are the Government asking them to employ Indians as much as possible.

Even those Indians who are employed by them are subjected to various disabilities. Differential treatment is accorded to them, in respect of pay, allowances, leave, travel facilities etc., simply because they are Indian nationals. I would like that this differential treatment is put an end to. I would request the hon. Minister to see that adequate measures are taken against these firms, and to see that Indians and foreign nationals are employed on the same conditions, in respect of pay, allowance and all other facilities. When we are now entering into the seventh year of our independence, in this very territory of ours, we find that Indian employees are being discriminated against by certain firms, simply because the Government want that some foreigners should come and try to open certain industries here. If the Government go on allowing this thing, then it would not be long before a stage is reached when we would not know what will happen. As was stated by my hon. friends, Shri Agarwal, Shri Achuthan and other friends, because of employment scarcity, people are becoming very desperate, and nobody knows what will happen. I would like therefore that the Government should pay special attention towards this question.

Thirdly I want to emphasize that handloom products and cottage industry products should be encouraged. But they should not be encouraged at the cost of the poor people. Government

are fond of raising all sorts of taxes, and they go on taxing each and every thing. The distribution of the taxes collected can be explained in two ways. Actually very little of it goes to the people or to the purpose for which it has been raised. Therefore, I would like to say that the Government should not indulge in too much taxation. I am opposed to any new tax—may be vanaspati tax or cloth cess or anything. Thirdly, I would also like that the chewing tobacco tax should be lowered. These are my points I do not want to take any more time of the House.

Shri N. R. M. Swamy (Wandiwash): I do not propose to deal with this Ministry in respect of all its aspects. I propose to deal with only one or two aspects which I find very important.

I propose to discuss first the tanning industry. The tanning industry, I wish to say in this respect, is prevalent only in south India. Leather and leather goods industries play a large part in the national economy by providing employment to thousands of workers and also by earning valuable foreign exchange by export of the hides and skins. We are all aware that since the last 100 years or so this industry has come into existence in big cities, but the bulk of the production is in villages and towns. This industry is now going backward instead of rising up. I find for the last six to seven years—barring the period during the war time when there was a great boom—has been slowly going down. The reasons are many. But I only wish to state a few which, I hope, the hon. Minister will take into consideration. I shall deal with country tanning—by country tanning I mean vegetable tanning of leather goods. Ordinarily, we call it 'East India kips or East India tanned skins'. What I wish to say is that the 500 or 600 tanneries which we have concentrated only in South India produce a total of about 10 million tanned hides and about 20 to 30 million tanned skins. Most of them are exported to U.K., barring some skins which are needed for domestic purposes. I wish to say that in this trade very many businessmen are now ruined because of the specification which the foreigners quote to the businessmen in South India. South India alone supplies leather goods to the whole world on a scale which no other country does. What happens is that when the contracts are entered into, they supply certain specifications. After delivery of the goods they re-assort them according to their whims and fancies and say there is so much of short-fall, and they ask

the businessmen to pay the difference. In this way, I know for certain about half a dozen businessmen have been ruined. They were asked to pay about 70 to 80 lakhs of rupees by one single individual. Now I learn that three or four businessmen have crashed because there is no standardisation organisation in India itself to ask the foreigner to enter into the contract with a certain specification, and if the standard specification is carried out, to pay cash and carry it away. Such a thing can never be done after the goods have gone to the other countries. Therefore, I only wish that the hon. Minister should pay some attention to this, and to start something like a standardisation organisation here by the aid of which we could avoid such claims by the foreigners. The present practice is not only a loss to the private sector but also to the country.

We all appreciate the steps taken by the Ministry to encourage the private sector. But if they are left to ruin themselves by the foreigners making claims against short-falls in this manner, in the long run the valuable foreign exchange we earn will have gone back to the pockets of the foreigners. What we get with one hand would pass back through the other. So I suggest that a standardisation organisation should be established in India itself or at least a Marketing officer should be posted in the United Kingdom to whom these goods may be sent. He will examine and assort them and deliver to the buyers there for money paid thereafter.

I understand that there are standardisation organisations in other industries dealing with other articles and commodities. So far as the leather industries are concerned, dressed hides are not brought under that standardisation.

In order to improve this business, I would make a few suggestions. The raw material for this tanning industry are mostly hides and skins and wattlebark. So far as the others are concerned, they are indigenously available. So far as hides and skins are concerned, after partition the main centres which supplied a good deal for India, have now fallen within Pakistan. So we have now to have contract with the Pakistan Government to import all these hides and skins. I quite welcome such agreements entered into with other countries provided our interests are safeguarded. Therefore, I would say that in order to give an impetus and fillip to this industry, we must see that raw hides are not exported. As

[Shri N. R. M. Swamy]

regards wattlebark, we get them from East Africa and Kenya. But there are supplies in India, especially in hill tracts and other places where wattlebark can be grown. Wattlebark plantations could be started in wide areas, as a result of which we would not have to depend on other countries for its supply. This is one of the main items in the production of this tanning industry.

The other aspect which I wish to state is this. It relates to the handloom industry. I need not say anything much about it, because we have been reading about it in newspapers. It is mostly in South India and for want of yarn they have been left with nothing and driven to beggary. I am told that so many families are living on the pavements in Madras City and many of them are absorbed in the beggar's homes. There has been some exodus also. Some people left the Ramnad district and went to some other district. But the Government has taken care to say: 'If you run up to other districts, we shall not make any arrangements.' As a result of this they have to be going hither and thither.

What we should do to improve this handloom industry is this. Recently legislation has been introduced in this House for levying a cess by which we get 6 crores of rupees for rendering help to this particular industry. But what I wish to suggest is that yarn should be supplied to all the weavers. We must get cotton straightway from the cultivators instead of it going elsewhere. The Government itself can do this by stages, subsidise it and supply the thread at a lower cost. Not only that, we have to standardise the production of the handloom cloth. If we standardise that, we will be able to find markets for it.

What I find is that there is a large stock of cloth available in some parts of India. What I want to suggest is the appointment of a Marketing Officer in Eastern Asia, Indonesia, Thailand and Siam and Ceylon and ask him to find out what varieties of cloth they really need so that our people may be asked to produce those varieties. We can certainly find a market for their sale. A responsible Minister in the Madras State has said that there should be demarcation of varieties of cloth for production by the mills. We can sell by cutting the production from the mills. They have fixed two varieties of cloth, the *saries* and the *dhoties*. They are strictly ear-marked for production by the handloom weavers.

Certainly they can find a market. After having produced so much, we find that they are piled up, in which case also we have difficulties. For that only, I am suggesting that there should be Marketing Organisations. If there is a marketing organisation, they can straightway dump the products. They will find a market for the goods produced. If we cannot find any sale there there will be unemployment.

As regards the import policy I must say a few words. The import policy seems to be somewhat speculative so far as the Government of India is concerned. Sometimes they liberalise the import policy, sometimes they restrict a great deal. Nobody can find out the mind of the Government. When they want to liberalise it, all of a sudden they do it. Sometimes they put heavy restrictions.

Recently the Tariff Commission was asked to make some recommendations. Before the recommendations could be submitted, they have been permitted to import automobiles. Cars have been imported. They could have waited for some time and seen what the recommendations of the Tariff Board are. They could have done that; instead of doing that they have precipitated the matter in permitting automobiles to come in.

Another thing which I wanted to speak about is the import of radios. I was told that there is an import duty of 50 to 60 per cent. on these radio sets. The radio sets are intended to educate the people, mostly villagers and to tone up their mental activities and cultural needs. Instead of advocating the import of these, if we levy an import duty of 50 to 60 per cent. the net result would be the raising of the prices of the radio sets. If it costs only Rs. 100/- it sells at Rs. 200 or Rs. 250. The dealers takes his share and ultimately the man who buys pays more. Because radios are intended to educate the public, if we impose a heavy duty on them, the people may not be able to purchase and they will not be able to know the developments in the world.

My friend, Dr. Ram Subhag Singh, was saying about the employment of Indians in foreign firms. I quite agree with him. I endorse fully what he said. Everywhere I find that the Indians have not been given as much facilities as are ordinarily given to the foreigners. Not only that, there is discriminatory treatment meted out to the Indians. I do not mean to say that

foreigners should not be appointed. In some posts, where technical knowledge is required an Englishman may be appointed. But the rest of the appointments should go to Indians.

I wish to say a few words about the recent Indo-Pakistan agreement. Although we had half-an-hour discussion yesterday, with regard to this, there was not much said on both sides. I really see that in jute we are not only self-sufficient, but we are able to save something also. But, in the recent agreement I find that for jute we are exporting coal. I do not mean that we should not enter into an agreement with any foreign country. But, when we enter into an agreement, there are two canons to be observed. The interests of the community should be safeguarded and the bargaining power should not be neutralised. So far as coal is concerned, India is in a position to bargain with any country. When such is the case, if you barter away the bargaining power by getting things which we are ordinarily in possession of, which we have in plenty, it will not help us. Therefore, in selling away a rare commodity which Pakistan is needing—coal—we can just dictate terms to them. We have not done that.

Another thing is regional industrialisation. There are several industries which should be regionally concentrated. Industrialisation should not be concentrated in one particular locality. It should give employment to the people. Otherwise, we will be doing more injustice, for many of them will be unemployed.

Shri Jhunjunwala (Bhagalpur Central): Before I take up the point on which I wanted to speak after I heard the Commerce Minister yesterday on the jute question, I cannot get over the idea of impressing upon the House the question which was asked by one of my young friends from Bihar, 'where is the market for cottage industry goods and other things?' I want to impress upon the House that if we have got any respect for human value and the teeming millions, we must sacrifice and this is the least sacrifice which we can do that is to undergo inconvenience—whatever inconvenience we may have to undergo—and to pay more for the cottage industry goods in preference to any other goods, may it be foreign goods or mill goods.

Shri G. P. Sinha (Palaman) *cum* Hazaribagh *cum* Ranchi): On a point of order, Sir, I never criticized that cottage industry.....

Mr. Chairman: Order, order. The

hon. Member has not specifically referred to this Member or that. He mentioned in general friends from Bihar.

Shri Jhunjunwala: I was just trying to impress upon the House that if we have got respect for the teeming millions and if we want to give them employment, there is nothing in the Five Year Plan and we do not see anything in the present or in the future as to how we can give employment to them except by means of cottage industries and for this we must create market for cottage industry goods. After we have found some better solution for it, of course, it becomes a different question.

Now, I come to the point on which I wanted to speak mainly. That is this. It is not with a view to criticise that I am taking up this point. But, I do not understand what policy our Government is following in big industries. I have spoken several times on the floor of this House that in private industries, they have taken control of some of those industries. I have spoken several times about the sugar industry. It is 21 years since the Government has been giving protection to this industry. Up till now this industry has not been able to stand on its own legs. We may say that we have produced more sugar; but if we go to the root of the matter, we might have produced more sugar by giving more price to the cultivator. We have given them Re. 1/9 and even Rs. 2/- per maund. They were tempted to produce more of sugar-cane. More sugarcane came to the factories; they crushed more and we got them a free market for sale. They made good money; the consumers had to pay a very high price. But what is the position of Sugar Industry? Are we in a position to produce and sell sugar at a competitive rate in the world market? Price of raw materials forms major parts of cost of sugar. Have we ever tried to see that we get our raw materials at a cheap rate? One hon. Member was pointing out today that the produce per acre—produce of sugarcane—in our country has gone down from 450 maunds per acre to something like 400 maunds per acre. Unless we go to the root of that, unless we produce sugarcane, the raw material at a cheap rate, which we can, we cannot say our Sugar Industry has made any progress. The main criterion is as to whether our sugar is produced at world competitive. An exhibition was held in Bihar of sugarcane growers and 3000 maunds per acre was produced there. Of course, that is an exceptional case. If Government and those who want to give more price to the

[Shri Jhunjunwala]

cultivators try to see that the cultivators adopt methods by which they get more yield per acre even if they get Re. 1 per maund their whole income from one acre will be much more than if they get Rs. 2 per maund on the present yield per acre. This is not the point of view which is being considered by the Government, and I request Government to take steps towards this.

Similarly, on the question of jute, the hon. Minister said yesterday.

"...It must also be recognised in saying that the cost of manufacture, labour charges and other things are stationary and unfortunately, as it happens, the prices of jute goods have been undergoing a depression. It is the raw jute price that suffers."

It means that it is only the growers who will suffer. I ask the hon. Minister, if the growers are made to suffer in that fashion, how are you going to produce manufactured goods? If the growers are not going to get even their daily wages, how does our Minister expect that we would be able to carry on our industry?

Dr. M. M. Das (Burdwan—Reserved Sch-Castes): Buy from Pakistan.

Shri Jhunjunwala: This is what I have not been able to understand. Similar is the position with regard to sugar and other industries. Yesterday, when there was the half-an-hour discussion, I expected the hon. Minister would offer some solution whereby the growers will get something better this year, so that it will improve the prospect for future years. So far as Bihar is concerned, he said there were transport difficulties and unless transport facilities were given, they should be asked not to grow more jute. This is no reply. When we can afford—and I say we can afford—to give higher prices to the jute growers, why should they be deprived of the profession of producing jute even only because of transport difficulties? The lack of transport is a question which should be treated quite independently. The jute growers in Bihar should not be asked to grow less jute but more jute, and some solution must be found to see how they can produce it at an economical price. Have Government taken any steps to see that the jute production per acre is increased by giving better seeds, more manure and other facilities? That is the most important thing, which Government are not doing at present. They are always

tackling the problem from a short-term point of view. Some difficulty arises. The millowners come and say that they cannot produce the manufactured goods at such and such a cost, and the Government says that if they cannot manufacture at such and such a cost, then they cannot export at such and such a cost, and they let the growers suffer, by offering less price to them. I am not criticising, but this my difficulty. How are you going to solve the long-term problem.

Shri T. T. Krishnamachari: That is also my difficulty.

Shri Jhunjunwala: It is you who has to solve it. Otherwise, if you cannot solve it, you leave it to the parties concerned. They know how to solve it. But you intervene, and yet you say that you cannot solve the difficulty, and you let the growers suffer. You say that the labour charges should remain the same, because if they are reduced my hon. friend Mr. Khandubhai Desai will raise a hue and cry. If some other charges are reduced, other people will suffer. So, all these charges are to be stationary and should not be touched. Then I ask you, why should only one section of the people be asked to sacrifice?

Yesterday I asked a question as to whether there was any market for export of jute and whether jute was not exported at a higher price in the beginning and whether it cannot be exported even now. I understand that the growers have in their hands still some 10 lakh bales. If Government will allow export of jute, they can get some Rs. 1 crore more. I was talking to a jute businessman who had been to my place today. He said that they could export at least at a higher rate of Rs. 5 per maund. But the Minister in pointing out the difficulties in the way of the export said yesterday:

"The question of export of jute is a matter which is being constantly urged...It is a very short-sighted policy indeed I understand that the exigencies of the present may warrant our exporting raw jute, whether we have a demand or not, and so let us export, but if we do export, we are cutting the tree, standing on its top."

I do not agree with this exposition. If we could so organise things that we export only such quality of jute as is not required by our manufacturers here and for which there is a good market outside, where is the difficulty

in exporting jute? The hon. Minister said that if we export *mestá* and *bimla*, they will mix them up with better qualities and will produce such qualities of manufactured jute goods which will be able to compete with our manufactured jute goods. That is not the position. The position is that our produce has become unpopular in the foreign market due to their mixing low quality jute with good quality jute and even then charging a very high price for it. I had a talk with the manufacturers. They are now charging Rs. 92 for 100 yards of hessian. But they can very well afford to charge only Rs. 78 or at the maximum Rs. 82, and keep a good margin to themselves. If we sell this jute outside, it is not going to affect them at all; rather, it will improve their quality. It is all a question of looking at the problem from all points of view.

Dr. M. M. Das: Is there a ban on the export of jute now?

Shri T. T. Krishnamachari: Yes, there is a ban.

Mr. Chairman: The hon. Member should conclude now.

Shri Jhunjhunwala: Then the Minister said in the end:

"If it is the intention of the hon. Member that we should become a pure raw jute exporting country, and the jute mills should be closed, it is a different matter."

If at all it is a different matter, if we can export jute outside in preference to manufactured goods, what is there to be afraid of? Let us export jute. Let us make some foreign exchange by means of that. Let us consider this problem also from that point of view, so that if there is going to be sacrifice, it would be sacrifice by all sections and not merely one section of the people.

Shri Bansal (Jhajjar-Rewari): When I look back on the rather anxious days when the slump was looming large at the time the present hon. the Commerce and Industry Minister took charge, I cannot help congratulating him on the able handling of his portfolio. Ever since he took charge his Ministry has not only become a well-knit Secretariat, but also a Ministry in the genuine sense of the term. It is remarkable that notwithstanding the rough exterior which he has presented to a number of hon. Members in this House and people outside, there has been a growing feeling of responsiveness between the industry and Government during his tenure of office.

In my opinion this responsiveness must be capitalised not in the narrow sectional interest of any section of the community, but in the interest of the country at large and I am sure that if the Ministry goes on working as it has been we will see a day when whatever hesitation and vacillations are still there in the relations between Commerce and Industry on the one hand and Government on the other will disappear and both will emerge together hand in hand for the betterment of the country.

The year 1952 has a proud record both in internal production and our foreign trade. I would not bore the House by quoting figures because these have already been given in the masterly report which is before the House. The Minister deserves congratulation for this record. But there are certain industries in which production has fallen and it behoves this House to take note of the causes which are responsible for the fall in production in those industries. I refer to Diesel engines, automobiles, power-driven pumps, lamps, dry batteries, blades, superphosphates and such important chemicals as soda ash, bleaching powder, glycerine, etc. Now there must be some reasons why production in these lines has gone down and I think it would be in the fitness of things if the development councils attached to the Ministry will go into these causes, investigate them and assist the industry in overcoming the difficulties which are responsible for decline in the production of these industries.

Although the Ministry has a very well-staffed Development Wing, I cannot help pointing out that so far only two Development Councils have been formed. I do not know what is the reason behind this. I should have thought that within this year more Development Councils would have come into being, so that the difficulties of industries would have been looked into by the Government of India, in consultation with the industries concerned. I have wholehearted admiration for the personnel that mans the Development Wing of the Ministry. They are all very young people, very capable and talented. But I must suggest to the hon. the Commerce and Industry Minister that he has to give some thought to having one or two more senior persons in the Development Wing so that they are able to take decisions quickly and more promptly, without shunting of files between this Department and that.

I referred just now to the decline in production. Among the causes

[Shri Bansal]

which, in my opinion, are responsible for this decline are: (1) the import policy of Government as far as some items are concerned.

(2) the foreign aid programmes to which Government have been committing themselves from time to time. This has been particularly noticeable in the case of Diesel engines, fertilisers, bore-hole pumps and automobiles. and

(3) fall in both home and foreign demand.

Now some of these causes are remediable, while others are not so easily remediable. But I would stress that it will be a tragedy, as far as the country is concerned, if production goes down, if industry is not made to produce to the fullest capacity, because that amounts to wastage of resources both human and material. Therefore every step should be taken to see that production is not only kept up but the full capacity which is available in the country is utilised.

As regards import policy, I am glad to say that during the year as the Minister was getting possession of the Ministry he went on modulating the policy in such a manner that the local industry did not suffer and it goes to his credit that import policy by and large does not impede industrial production in the country now. But there are a number of other difficulties. One of them is the policy of licensing so far followed by Government. No cut and dried licensing policy has so far been formulated with the result that the applicants, the prospective industrialists, who want to enter new lines, are not quite sure as to whether they must spend all the money in exploring the avenues of starting a new industry, because they are not quite sure whether they will be granted the necessary licenses or not. Therefore I would suggest that Government should come out with a definite policy and announce that licenses will be granted to every industry, provided production is kept somewhat ahead of actual consumption at present. In my opinion production capacity must always remain 25 per cent to 50 per cent ahead of actual consumption, and therefore, wherever in an industry, even if it is producing to the full requirements of the country, a new industrialist wants to come in and start another unit, he must be given permission, provided that the increase will be between 25 to 50 per cent. additional. I will have one exception to this and that will be as regards foreign capital.

As long as an indigenous industry is there and is producing more or less up to the extent of consumption requirements, no new foreign capital should be allowed to come in. I say this because recently a number of cases have taken place where despite indigenous capacity, foreign manufacturers have been allowed to instal themselves and offer not only competition but a menace to indigenous industry.

Last time when I spoke on the same subject the hon. the Deputy Speaker who was occupying the Chair at that time asked me if I had any such instances. At that time I remembered only two instances, namely of batteries and type-writers. Recently a number of other instances have come to my notice. Permission was given to Lever Bros. to expand their capacity for producing soap; then permission has been given recently to I. C. I. to produce nitrocellulose and certain other items, including synthetic resin. There are one or two other examples, for instance of wood-screws. Now, in this line, as is well known, the indigenous capacity is already far above local consumption. Even then one of the leading manufacturers of the world, namely Guest, Keen Netfolds have been allowed to put up a big plant here. Now, wood-screw manufacturers are very small manufacturers. It is not a big industry at all. They are about half a dozen small concerns, producing—or having capacity to produce—about 3,000 tons of wood screws in a year. Our demand is some what less than that. But even then this huge octopus has been permitted to come into this country. I am one of those who do not fight shy of foreign capital at all. In fact I have always taken my stand on the floor of this House that if we want any large scale development we will have to welcome foreign capital. But I must qualify this statement by saying that we will welcome foreign capital only in lines where it is likely to serve the best interests of the country and not where it is going to compete with local enterprise and particularly with small-scale local enterprise which after great sacrifice has come forward to put up those industries. As far as foreign capital coming in a big way is concerned, I would say that whenever Indian capital is not forthcoming for a big venture like the steel plant or like the sinking of wells for oil—if we are able to find out some oil in our country—and for other such big works, I will welcome foreign capital. And foreign capital in its own in-

terest must be willing to come forward in those lines. But when it threatens existing Indian industries I will most humbly suggest to the hon. the Commerce and Industry Minister that he must think twice before granting permission to such foreign enterprises.

Although I have a number of other points to make I will straightway come to the balance of trade position as you have rung the bell already and I do not want to take much longer time. It is heartening to note that during the year our balance of trade position has greatly improved. But we cannot be sure even now that this position has come to be stabilised because the terms of trade have been going against us in recent months. The index was 120 in July-September 1951, it came down to 88 in April-June 1952, then it began to go up again and was 102 in October, but in November it again came down to 93, a rather serious drop. I would therefore request the hon. the Commerce Minister to view our foreign trade in a broader perspective. During the last five years we have had an adverse balance of trade of about Rs. 700 crores. Our food imports were of the order of Rs. 781 crores and, according to my calculation, the capital goods imported amounted to about Rs. 450 crores. My concrete suggestion to the hon. the Commerce and Industry Minister is this, that he must adjust our foreign trade in such a way that whatever we are able to import (of food, consumer goods and raw materials), must be balanced by our normal exports; and whatever adverse balance of trade is there must be accounted for by the imports of durable capital goods, that is permanent assets which are likely to remain in the country for some time and go on yielding us results. Therefore I will suggest that there must now be two accounts, account A and account B. Account A must show our imports of food, consumer goods and raw materials and our exports, and account B the import of capital goods; and whatever adverse balance we incur must be just sufficient to import capital goods from foreign countries. And the formula which I will suggest to the hon. the Commerce Minister is that we must have a policy under which we must export what we can and import only what we must. Only if we follow this will we be able to keep up our trade and foreign exchange position in such a way that we are able to see our developmental schemes through on which so much depends. Also, after a few years, when we have to begin to repatriate the fore-

ign loans that we are taking, we will have to export much more than we are able to export at present. We have therefore to take some steps to forestall that position from now. Only then we will be able to make our economy stand on a sound keel.

Shri K. K. Basu: I have moved quite a number of cut motions on these Demands of the Commerce and Industry Ministry, but in view of the shortness of time I do not intend to deal with all of them. I shall first try to discuss the policy of our Government so far as foreign trade is concerned, and specially the import of capital goods. If I may quote one passage from the Report of the Fiscal Commission, they say: that one of the aims of short-term foreign trade policy should be "to achieve a pre-determined programme of investment in essential replacements, restocking and in essential new lines of manufacture." We all know that in our country attempts are being made to industrialise and to increase the national wealth. But if we look to the figures that are available we will find that the import of capital goods in our country has practically decreased below what it was even just before the war. As compared to 1923 when it was nearly about 24 per cent it went up to 30 per cent in 1947-48. We can get that from the Fiscal Commission Report. Subsequent to that, as I have tried to work out, upto 1950-51 it does not exceed more than 18 per cent of our total imports. When today in our country our main aim is to industrialise, and we also know that there is a large volume of demand with respect to replacement of machinery of whatever industrial units we have got, and they have also a programme of new industries being set up, we only import capital goods to the extent of 18 per cent of our total imports. Therefore I feel that the Government should consider the position if they seriously mean to industrialise.

In this connection I might also give an example of our neighbouring countries. In China today—it is not from Chinese sources, but even from the United Nations sources it can be found—they have increased the percentage of their import of capital goods to nearly 35 to 40 per cent in the last three years. I would therefore urge upon the Government to consider this aspect of their import policy.

The next point I would like to suggest is about the particular set of countries with which we have our international trade.

[Shri K. K. Basu]

The Government in their own report say:

"There has been fluctuation in our international trades due to certain factors, the most important of which is stock piling in the U.S.A. In view of our dependence on United Kingdom and U.S.A. mainly for our foreign trade, we have seen repercussions of it in our internal economy".

Let us take the example of jute which is one of our main industries. When America went on stock piling we found we had a very favourable balance. When the stock piling was over, it worked adversely against us. As a result of it there is recession in trade and there was certain depression in the mills and the jute goods could not get a very remunerative price. Subsequently the workers were affected. The mills had to cut down their production and there were retrenchment and Government could not take any steps. We only got an assurance from our Minister that an Expert Committee is going to be appointed. I do not know when.

I would now like to come to shellac. We know at one time shellac was a good earner of our foreign exchange. There were large exports outside and most of our export was to the United States and the United Kingdom. When they stopped taking our shellac, we had an adverse effect on this industry. This shellac industry was run more or less as a cottage industry in Bihar, in Madhya Pradesh and in some other States. It had a very adverse effect and a large number of agriculturists and ordinary workers were retrenched and they are suffering. Indian manufacturers are not wealthy. They cannot compete strongly against their British counterparts. They had to close down and they are facing a crisis. I hope my hon. friend the Commerce Minister will not deny it. We find that two years ago Soviet Russia purchased nearly two crores worth of shellac. They have ceased to do it now. I do not know why. The Commerce Minister might say "Why does the Soviet Government not send a representative with a portfolio and a canvas bag to move round the country and enter into a contract?" We should not depend on a particular set of countries who have a capitalistic and an imperialistic policy. We find no attempts being made by our Government to open out new avenues.

Similar also is the case of mica. I am told there is a possibility of a mar-

ket for this in Eastern democracies of Europe, especially Hungary and Czechoslovakia—I do not know for what reasons we are depending on a particular set of countries. It will have an adverse effect and the Government is making no sincere effort to open out new avenues so that our foreign trade may have a stabilising effect and that our economy is not disturbed; because of our dependence on any country. And therefore naturally the purchasing capacity of the community is decreased and it ultimately shrinks the internal market.

There are some figures given in the journal "Industry and Trade". It is really surprising that while we have trade Commissioners in foreign countries, there is not a single one in countries like Soviet Russia, Hungary, Czechoslovakia and China who themselves have their own agents here. We do not say that we should sever our connections with America or the United Kingdom. So long as they are favourable to us it is all right. But they should not be against the interests of our economy. We must have a stabilising foreign trade. We feel that a country which wants to develop should have long-term trade agreements with those countries who are willing to help us. We were told some time back that countries like Czechoslovakia, Hungary, Soviet Russia were willing to give capital goods. I would like to know why they were not taken? The Minister says, "Why do they not come?" I want to know what efforts we have made to get these goods in exchange for some of our goods. The world is shifting to the buyers' market. Therefore it is to our interest. If we have long-term trade agreements with those countries, it will be most helpful to us because we can get capital goods from those countries.

One more point. Many Members have already referred to foreign domination in the foreign trade of this country. Due to the shortage of time, I cannot give you figures but I can say with emphasis that not more than 15 per cent. of our trade is controlled by us. Most of the foreign trade is controlled by foreign agencies and with foreign capital. Therefore I would suggest that in view of our planned economy, we must have control over the export trade to develop our industries in such a way that we may have the benefit of the foreign trade.

I would like to refer to the protective duties. My friend Mr. Bansal referred to them. We have found that

our Government has given help and protection to an industry which is controlled by the foreigners either by their men or by their money. We are here to protect our national interests whatever manufacturers we have in our country. We have the Lever Brothers and big battery factories of USA or U. K. If the intention of the Government is to develop our national industry, there is no point in our saying, when British capital comes here and incorporates a company under the Indian Companies Act, that it is an Indian company. They get equal advantage along with our Indian industries. During the last debate, Mr. Chacko referred to the ball-bearing industry and the foreign interest thereon. I hope the time has come for Government to reconsider our position so far as our participation in the Havana Charter or the Imperial Preference is concerned. It is for us to consider whether we should get away from it. We must have independent trade relations which will be to our best advantage.

One of the Congress Members said that we must inculcate the spirit of Swadeshi. I trust and believe that patriotism will not be lacking in our country and people will be willing to share the burdens and suffering today to build up prosperity of tomorrow provided a beginning is made in the right way. I trust Government will consider these points.

Shri Bhagwat Jha (Purnea *cum* Santal Parganas): At this fag end of the hour, when the stumps are to be drawn and surviving the bumper of Mr. Nayar and the nasty and mischievous googly of Mr. Nambiar in the offing, I feel that there is not much interest left in the debate but I feel that all the time I was hearing the speech, day in and day out the same criticism was being repeated. I am reminded of a line in Shakespeare?

Tomorrow, tomorrow and tomorrow,

It is a tale told by an idiot,
Full of sound and fury,
Signifying nothing.

I am sorry that it is not the policy of the Government that is being criticised but the Members go out all their way to attack the Members of the Tariff Commission. If we, Members sitting in this House feel that it is not the policy of the Government but some other personal references are

to be brought into the debate, I do not know what for this Parliament sits.

Now, I come to the cut motions. I feel that quite a large number of them have been tabled on Demands 1 and 2, to discuss the failure of the industrial policy of the Government of India. Dr. Lanka Sundaram, who is not now in the House, said that this Government has utterly failed in the industrial policy. It is very clear that the industrial policy has been laid down in the policy statement of 6th April 1948, and very clearly elucidated by the Prime Minister on 6th April 1949.

Shri Nambiar: It is all very old.

Shri Bhagwat Jha: If you want to speak, speak clearly. I am prepared to meet your challenge. Of course, you are incorrigible. (*Interruption*).

Our friends opposite say that they speak for the common man. The real test of the Government's industrial policy lies in the positive achievements in the field of production. It is true, as a man coming from an ordinary farmer's family, I understand the implications of this statement and I endorse it. Let us see by this test if our friends opposite have any criticism affecting the policy of the Government in the field of industrial production. In the year 1952, in spite of the many difficulties and set-backs experienced by particular industries, the general index of industrial production was 128.7 compared to 117.2 in 1951 and 105.0 in 1950. The most significant increase in production was in the industry which most directly interests the common man, and I hope Mr. Nambiar remembers that it is the textile industry. It hardly needs emphasising that a common man first wants bread and clothes. I feel that in so far as clothes are concerned, the 1952 production was a record one providing a 25 per cent. increase in the *per capita* availability of cloth over 1951. In the field of other industries also, we find that the production was higher than in the previous year: I refer to steel, cement and other important industries that affect the average man. If these facts are wrong, my friends may contradict me. A significant increase has been achieved in the production of sugar, bicycles, sewing machines, electric lamps, plywood and chemicals. The increase being over 15 per cent., 34 per cent., 71.1 per cent., 12.5 per cent., 33.9 per cent. and 48.3 per cent.

Shri Nambiar: What about shaving blades and sets?

Shri V. P. Nayar: There have been decreases also; let them also be mentioned.

Mr. Chairman: Let there be no interruption. The hon. Member may proceed.

Shri Bhagwat Jha: A man who is actually asleep can be woken; but to a man who is pretending to sleep, it is impossible to show anything.

Production in 1952 has marvellously increased in comparison to the production in 1951 and 1950. If my friends feel that these figures are all wrong in the field of sugar, bicycles, textiles and other things, then, I plead helplessness before my friends.

Shri V. P. Nayar: Who denies that?

Shri Bhagwat Jha: From this it is clear that the industrial policy of the Government of India has been successful in the field of production.

So far as expansion programme is concerned, I think the Planning Commission has provided the Five-Year Plan 94 crores for industrial projects and 50 crores for the development of basic industries. I think that the total investment to be made in the field is about 327 crores, out of which 94 crores will be in the public sector and the rest in the private sector. About two years of the Five year period have already passed. From what I have said and from what I have quoted above, I feel that production and expansion in the industrial field have been successful so far as the present circumstances are concerned. No doubt we feel that there is much to be achieved now.

Shri Nambiar: Why?

Shri Raghunath Singh (Banaras Distt.—Central): To meet you.

Shri Bhagwat Jha: The Planning Commission envisages an annual capacity of 20,000 tons of aluminium at the end of 5 years. I shall quote more figures to convince my friends.

Shri Nambiar: Confuse?

Shri Bhagwat Jha: At present we are having 4000 plus 3500 tons of aluminium. If this rate goes on, we feel that at the end of five years, we will definitely be able to achieve the targets laid down by the Planning Commission. The expansion programme in the

case of the cement industry will also be realised by 1955 as the figures show. In the field of iron and steel also, negotiations are being made and we hope that we will be able to reach the targets fixed.

Our friends have criticised our import and export policy. Before going to that, I would like to say that in respect of many items, we were previously depending on imports. We have now reached a stage of self-sufficiency. The items in this field, my hon. friends may note, include hurricane lanterns, storage batteries, electric lamps, bicycles, small diesel engines, certain types of farm motors, most varieties of electric wires and such other things. Several other new items are also now being manufactured on a commercial basis. They are in the field of Engineering: varied types of machine tools, cylinders and plugs for automobiles, etc.; in the field of chemicals also, we produce things on a commercial basis. In my humble opinion, these achievements, that I have quoted just now sufficiently prove that our industrial policy has been successful. For this our Ministers deserve our congratulations. In the eyes of my friends who believe in a different economic set up, I agree that in a totalitarian regime, the chariot of economic salvation can be dragged swiftly than what we are capable of in our democratic set up. But I can say that where people conveniently die in their beds, where dissenting thinkers,—I do not say, are kidnapped—disappear overnight, it is not very difficult to carry out a programme. What we want to do in this democratic set up is this. We want to learn by the experiences of two Mookerjees sitting in the House, we want to benefit by the knowledge of two Kripalanis, one a Member of this House and one outside. Within this democratic set up, if we do not want any dissenting thinkers to disappear or be kidnapped or to conveniently die in their beds, we feel the progress will be definitely slow as compared to a totalitarian set up or a totalitarian regime.

Shri Nambiar: What is your suggestion?

Shri Bhagwat Jha: I am reminded of a proverb in Hindi which runs as follows:

‘सूची रामारण्य गये,
सीता विसकी बीवी पता नहीं’

I am sorry, I have been quoting these figures and I have spent the time at my disposal. What I suggest is this. These figures show the results of our industrial policy and expansion. In our production we have achieved these targets in 1952 as compared to 1950 and 1951. Further, we have this self-sufficiency in a number of items that I have mentioned just now. Still if you feel otherwise, God help you.

Shri M. S. Gurupadaswamy: What does the common man say?

Mr. Chairman: Do not mind the interruption.

Shri Bhagwat Jha: You represent the common man, but we also represent the common man, and definitely better than you as your Party scored only 17 per cent.

Now, I turn to the question of employing Indians in foreign-controlled firms. My hon. friend Dr. Ram Subhag Singh, who is not in the House was very critical of Government policy. I feel that it is our right that Indians should be employed in the foreign-controlled firms. In other countries more than 50 per cent. of the country's nationals are employed in foreign-controlled concerns, and I think that should be done here also. A Press Note which has been just circulated by the Commerce Ministry points out that in 1,060 predominantly foreign controlled concerns, more than 75 per cent. of the superior posts carrying a salary of Rs. 1,000/- and above, were occupied, in 1952, by non-Indians. Of course, Indians predominated in the two lower salary groups, viz., Rs. 300 to Rs. 499 and Rs. 500 to Rs. 999, getting 99 per cent. of the posts in the former, and 85 per cent. in the latter. While we express satisfaction for the employment in the two lower groups, we regret that up till now—it was but 7.5 per cent. in 1947—the employment of Indians in posts above Rs. 1,000/- has been only 24.3 per cent. We are aware of the nature of the work. We appreciate the efforts done by the Commerce and Industry Minister in this field, but, nonetheless we desire that this percentage should be increased. Of course, I am not in favour of any hasty legislation to be put forward before this Parliament to see that this is done. What we want is this: that this percentage of 24.3 must be increased. No foreigners should be employed in these firms, and efforts should be made to employ more and more Indian nationals in these firms.

And one word by way of suggestion to the Commerce and Industry Minister about the fourth report of the Public Accounts Committee. I draw his attention to Para. 23 in which it has been suggested by the Public Accounts Committee that a judicial enquiry should be made, and officers who are responsible for the mishandling of State trading, thereby putting the Government to a loss of the tune of Rs. 55 lakhs, should be brought to book. I know when this bungling was done, the hon. Minister was not in office but now, it is his bounden duty to bring to book those officers who have played ducks and drakes with the public money.

If I had more time, I would have replied to the point about imperial preference that had been raised by my hon. friend Mr. K. K. Basu and others, but I feel, on the whole, the industrial policy of the Government of India has been successful, and we feel under the able guidance of the Commerce and Industry Minister, ably supported by the Deputy Minister Mr. D. P. Karmarkar, it will be more successful in the near future.

Shri V. P. Nayar: On a point of explanation, Sir, the hon. Member who was just speaking—I did not want to interrupt him—said that I was personally attacking the Members of the Tariff Commission. It is entirely wrong. I said that a Member has been appointed in the Tariff Commission, and I brought it to the notice of the Minister, because this morning I made efforts to get the details of his qualifications etc., from the Research Section, and I was directed to contact the Ministry. I immediately telephoned Mr. H. V. R. Iengar, Secretary to the Ministry and he told me that he just did not know. That is why I referred to it.

Shri Bhagwat Jha: If it is not touching the nose this way, it is that way. That is what my friend is explaining.

Shri V. P. Nayar: If the hon. Member has understood that I was personally ridiculing any Member of the That is what my friend is explaining.

सठ अचल सिंह (जिला सागरा—पश्चिम):
अध्यक्ष महोदय, कामर्स और इंडस्ट्री का विषय हमारे भारत वर्ष के वास्ते, उतना ही जरूरी है जितना कि कृषि का मसला। यह बहुत बड़ा देश है और इस की खुशहाली तभी

[सेठ अब्दुल सिह]

रह सकती है जब कि इस का वाणिज्य व्यवसाय ठीक ढंग से चलाया जाय ।

हम ने देखा है कि अंग्रेजों के समय में यहां से तमाम कच्चा माल विदेशों की जाता था और उस के एवज में वहां से तैयार माल बन कर आता था और यहां बिकता था । इस तरह से विदेशी लोग भारत वर्ष से कई गुना फायदा उठाते थे । लेकिन बाद में हिन्दुस्तानियों में जाग्रति हुई और उन्होंने आन्दोलन किया तो हिन्दुस्तानियों के व्यवसाय और वाणिज्य को बढ़ाने की कोशिश की गई । दूसरी लड़ाई से पहले हमारे देश में काफ़ी मंदी थी । हर चीज काफ़ी तादाद में मिलती थी । चीनी सात रुपये मन मिलती थी, लोहा ६ या ७ रुपये मन मिलता था, सीमेंट की बोरी दो रुपये में मिलती थी, गेहूं और दूसरा गल्ला दो रुपये मन बिकता था । कपास तीन रुपये मन मिलती थी, रुई दस रुपये मन बिकती थी, कपड़ा दो आने से चार आने गज तक मिलता था । इस तरह से हर चीज काफ़ी मंदी थी । लेकिन दूसरी लड़ाई के दौरान में जो हमारे जखीरे थे उन को अंग्रेज काम में लाये और उस को लड़ाई पर भेजा और वह लड़ाई करीब ६ बरस चली । यह मानी हुई बात है कि लड़ाई के दौरान में जितने जखीरे होते हैं वह काम में लाये जाते हैं और अंग्रेजों ने हिन्दुस्तान का जितना माल था, कपड़ा, सूत, लोहा, खाद्य वस्तुएँ आदि जितनी दीगर चीजें थीं उन को लड़ाई के काम में लगाया । यहां तक कि यहां के जितने स्टाक थे खत्म हो गये और यहां पर बहुत कमी पैदा हो गई । इस वजह से यहां पर कंट्रोल वगैरह लागू किये गये । बहर हाल जब १५ अगस्त १९४७ को अंग्रेज लोग गये और हम लोगों के हाथ में हिन्दुस्तान आया उस समय की हालत जो हमारे देश की थी वह किसी से छिपी नहीं है । उस वक्त रिफ़्यूजीज का मसला,

काश्मीर का युद्ध, अनाज की कमी और साम्प्रदायिक झगड़े और रजवाड़ों का आन्दोलन यह तमाम चीजें बेचैनी पैदा कर रही थीं । तो यह एक ताज्जुब की बात है कि किस तरह से हमारी सेंट्रल गवर्नमेंट ने ऐसी हालत में इन पांच छः बरसों में हमारे देश की स्थिति को बनाया । यह मामूली बात नहीं है । देश की स्थिति सदियों में बनती है । लेकिन जो कुछ हमारी भारत वर्ष की सरकार ने किया है वह एक ताज्जुब की बात है । अगर हम आंकड़ों को देखते हैं तो हमें मालूम होता है कि जो कपड़े की कमी थी, रुई की कमी थी, जूट की कमी थी, लोहे की कमी थी, सीमेंट की कमी थी वह बहुत हद तक पूरी हो गई है और हमारी पंचवर्षीय योजना के अनुसार कोशिश की जा रही है कि और तमाम कमियां पूरी हो जायं । लेकिन यह उसी हालत में हो सकता है जब कि देश के लोग इस में सहयोग दें । होता यह है कि जो कांग्रेस के खिलाफ़ पार्टियां हैं वे आज कल सत्याग्रह और आन्दोलन कर रही हैं और इस काम में रुकावट डालती हैं और तरक्की में बाधा डालती हैं । ज़रूरत इस बात की है कि सब पार्टियों को सरकार को सहयोग देना चाहिये और देश की तरक्की में हाथ बटाना चाहिये । उसी हालत में हम अपने देश की पूरी तरक्की कर सकते हैं ।

टैक्सटायल इंडस्ट्री के बारे में हमारी सरकार ने बहुत कुछ किया है । अब कपड़े की कमी कतई नहीं है । हमारे देश वासियों को १४ गज पर कैपिटा (per capita) के हिसाब से कपड़ा मिल सकता है और उस के अलावा यहां से बाहर भी भेजा जा सकता है ।

अब दूसरा प्रश्न यह उठता है कि जो हमारे पड़े लिखे नौजवान हैं और जो हमारे देहात के मजदूर हैं उन को किस तरह से काम पर लगाया जाय । काश्त का पेशा तो साल भर

में चन्द महीने चलता है। बाक़ी समय में हमारे खेतिहर मज़दूर बेकार रहते हैं और उन के पास कोई काम नहीं रहता। उन का और शहर के नौजवानों की बेकारी का मसला हमारे सामने है। इस के वास्ते तीन बोर्ड बनाये गये हैं, हैंडलूम बोर्ड, हैंडी क्राफ्ट बोर्ड और खादी और विलेज इंडस्ट्रीज़ बोर्ड। यह बहुत उपयोगी संस्थायें हैं और अगर इस काम को ठीक ठीक चलाया गया तो उम्मीद है कि हमारे यहां की बेकारी बहुत कुछ हद तक दूर हो सकती है। हमारे ८० फ़ी सदी लोग देहातों में रहते हैं उन की बेकारी इस तरह दूर हो जायगी। हमारे जो शहरों के विद्यार्थी हैं उन को एम्प्लायमेंट नहीं मिलता है। अगर विलेज इंडस्ट्री और काटेज इंडस्ट्री का काम ठीक ढंग से चलाया जाय तो बहुत कुछ हमारा अनएम्प्लायमेंट का मसला हल हो सकता है और इसके वास्ते मैं यह सजेस्ट करूंगा कि छोटी छोटी मशीनों, मैन पावर की हों या इलेक्ट्रिक पावर की हों, वह देहातों में और शहरों में मंगानी चाहियें जिस से कि लोगों को काम मिल सके और अपनी जीविका पैदा कर सकें।

एक बात मैं माननीय मंत्री जी के ध्यान में और लाना चाहता हूँ। वह यह कि हम देखते हैं कि हमारे माल का स्टैंडर्ड गिरता जा रहा है। नमूने का मुआफ़िक़ माल नहीं बनता। जब कि चन्द वर्ष कन्ट्रोल रहा उस समय हमारे कारखाने वाले नमूना कुछ देते थे और कपड़ा और दीगर सामान कुछ और बनाते थे और तमाम इंडस्ट्री में यह हालत थी कि नमूने के मुताबिक़ माल नहीं होता था। इस बात पर अब काफ़ी गौर करना चाहिये और ध्यान देना चाहिये कि स्टैंडर्ड को क़ायम रखा जाय और माल जैसा दिखलाया जावे वैसा ही मिले।

अन्त में मैं आगरे के सम्बन्ध में माननीय मंत्री महोदय का ध्यान आक़षित करना चाहता

हूँ। आगरा विलेज इंडस्ट्री के लिये बहुत मशहूर है। वहां पर तीन चार इंडस्ट्रीज़ हैं, एक जूते की इंडस्ट्री है, दूसरी ताज माडल इंडस्ट्री है, तीसरी बेगिल इंडस्ट्री है और चौथी कारपेट और दरी इंडस्ट्री है। लड़ाई के ज़माने में वहां की जूते की इंडस्ट्री ने इतनी तरक्की की थी कि एशिया का कोई ऐसा देश नहीं था जिस का मुकाबला आगरा न कर सके। लड़ाई के ज़माने में ४५ हजार जोड़ा जूते रोजाना बनते थे और इस में लोगों ने काफ़ी पैसा पैदा किया और काफ़ी माल यहां से ईराक़, ईरान, ईजिप्ट और दूसरी जगहों को भेजा जाता था। लेकिन जब से लड़ाई ख़त्म हो गई है और पाकिस्तान बन गया है तब से इस काम में बहुत तनज़ुली होती जाती है। इस वक्त मुश्किल से १५ हजार जोड़े बनते हैं और जो कारीगर लोग हैं उन के मकान बिक गये हैं ज़ेवरात बिक गये हैं और वह बहुत ख़राब हालत में हैं। इस इंडस्ट्री के बारे में कोशिश होनी चाहिये। और उस की उन्नति और सुधार होना चाहिये। उस की देख भाल के लिये कोई इकानामिस्ट या टैकनिकल मैन भेजा जाना चाहिये जो कि इस का सर्वे (survey) करे और उस के फलस्वरूप सरकार को इस इंडस्ट्री की रक्षा और सहायता करनी चाहिये ताकि यह होम इंडस्ट्री ज़िन्दा रह सके।

दूसरी इंडस्ट्री चूड़ियों की है जो कि फ़ीरोजाबाद में होती है। पहले कुछ चूड़ियां जापान और जैकोस्लावेकिया से आती थीं लेकिन वह अब बन्द हो गई हैं क्योंकि जो चूड़ी फ़ीरोजाबाद में बनती है वह बहुत सस्ती होती है। यहां चूड़ियों के ६० कारखाने हैं उन में से चालीस पैंतालीस चल रहे हैं। लेकिन अफ़सोस है कि उन कारखानों को कच्चा माल नहीं मिलता है। लड़ाई के ज़माने में बहुत ही ऊंचे दामों पर मिलता था लेकिन अब भी कुछ माल मुश्किल से मिलता है। उन को लिक्विड गोल्ड और कोयला बहुत कम मिलता

[सेंट अचल सिंह]

है। हमारी सरकार ने लिक्विड गोल्ड का लाइसेंस इंग्लैंड को दिया हुआ है। लेकिन वहाँ से पूरा लिक्विड गोल्ड नहीं आता है पाकिस्तान के लोग और दूसरे लोग उस को ब्लैक मारकेट में यहाँ लाकर बेचते हैं। लिक्विड गोल्ड की दो आउंस की शीशी जिस का दाम कि ड्यूटी देने के बाद अड़तीस रुपया होता है यहाँ ब्लैक मारकेट में पचास रुपये तक बिकती है। अगर माननीय मंत्री महोदय इस तरफ ध्यान दें तो इस में काफ़ी सुभीता हो सकता है।

इसी प्रकार कोयला भी बहुत कम मिलता है। इस से भी काम बन्द रहता है। मैं इस प्रश्न को कई मर्तबा हाउस में ला चुका हूँ। लेकिन कभी यह कह दिया जाता है कि वेगन नहीं मिलते और कभी कुछ और कह दिया जाता है। लेकिन हम देखते हैं कि मध्य भारत में लोगों को काफ़ी कोयला मिलता है। समझ में नहीं आता कि उन को किस तरह से इतना कोयला मिल जाता है। फ़ीरोजाबाद के लोग मध्य भारत से कोयला लाते हैं और काम करते हैं।

क्या वजह कि मध्य भारत को ज्यादा कोयला दिया जाता है। तो मैं कहूँगा कि फ़ीरोजाबाद को पूरा कोयला इस इंडस्ट्री के लिये मिलना चाहिये। इस इंडस्ट्री में करीब ४०-४४ हजार आदमी लगे हुए हैं और इस में करोड़ों रुपया लगा हुआ है।

दूसरा विषय जो है वह एम्ब्रायडरी का है, ताज माडल्स का है, कारपेट्स और दरियों का है। इस से लाखों रुपयों के डालर अमेरिका से आते हैं। इस वक्त टूरिस्ट्स आगरे में बहुत काफ़ी आ रहे हैं और वे लोग यहाँ के एम्ब्रायडरी के काम को, ताज माडल्स और कारपेट्स को बहुत पसन्द करते हैं और खरीद करते हैं। इस के वास्ते भी काफ़ी

कोशिश करनी चाहिये जिस से कि लाखों रुपयों के डालर वहाँ से आ सकें।

अन्त में मैं तो यही कहूँगा कि जो हमारी सरकार ने इंडस्ट्री के सम्बन्ध में उन्नति व काम किया है वह वाकई में बहुत ही सन्तोषजनक है और हम आशा करते हैं कि जो पंच-वर्षीय योजना है उस के अनुसार हम कार्य पूरा करेंगे तो हमारा देश मालामाल होगा।

Dr. M. M. Das: I rise to discuss the present jute policy of our Government. Frankly speaking, I think I must admit that I can make out neither the head nor the tail of this policy. After aevaluation, when our trade relations with Pakistan were severed, when Pakistani jute could no longer be imported into this country, the jute producers of this country were the mainstay of our jute mills as well as the Government. The jute producers then were pampered, lured and inspired to produce more and more jute, even by conversion of paddy lands into jute fields. The west Bengal Government were asked to inspire the cultivators to convert their paddy lands into jute fields and the Food Ministry gave the West Bengal Government their word that they would compensate for the loss of grain. A vigorous campaign was raised throughout the jute growing areas of this land, for more and more production of jute; it was called the integrated self-sufficiency, self-sufficiency not only in food-grains, but in agricultural raw materials like cotton and jute. Crores of public money were spent on this. As a result of this encouragement from Government and the price incentive offered, the production of jute in this country increased very rapidly.

When the stockpiling in America and some other countries of the world came to an end, the price of jute goods as well as jute came down because of the depression that set in. The seller's market was converted into a buyer's market, and the price came down. The final blow has been dealt to the jute growers by the recent trade agreement with Pakistan. I ask this House to consider the condition of the jute growers of this country. Having been inspired and lured by Government, they have produced more jute. But now Government have imposed a ban on the export of jute. So, this jute cannot be sold outside India nor are the Indian

jute mills buying Indian jute, because they prefer to buy Pakistani jute. What will the poor peasants do with the jute? What is their holding capacity? My information is that the comparatively poorer section of peasants have sold their jute at about Rs.8 or 9 per maund, very much below the economic price. Only the comparatively well-to-do peasants have still got the jute with them, and they have not sold it yet. And the Indian mill-owners are waiting for the holding power of these peasants to be completely exhausted. The hon. Minister of Commerce and Industry on more than one occasion, has refuted the charge that this recent agreement with Pakistan is a potent contributory factor to the present slump in the raw jute market.

But am I to tell our hon. Minister of Commerce and Industry that in an already existing depressed market of a certain commodity, the import of even a small amount of that commodity—nay, the very talk of import—is liable to cause more depression in that market? There may be potent factors, justifications and desirability for having a trade agreement with Pakistan. But the fact remains that our Government have let down the jute producers of this country very very badly. This Government of ours cannot absolve themselves of the charge that they have sacrificed—rather murdered—the jute producers of this country at the altar of political expediency. (*Interruption*). The Minister said yesterday that the IJMA had been requested to buy Indian jute, and that the IJMA had given their word of honour that they would buy Indian jute. I know that the Indian jute mills will buy Indian jute. But when? Their policy is, as I have said before, to wait till the holding power of the Indian peasants who are proverbially poor exhausts completely. Then and then alone these mills will buy Indian jute at a much lower price than the economic price.

You have given this opportunity to me and I have been able to ventilate a grievance which I genuinely feel in my heart. I am grateful to you, Sir, for this opportunity which I do not like to take undue advantage of by extending my time.

Shri Karmarkar: I have been very closely watching the points that were raised by the various speakers, and though the amount of observations has been very large, I find that the points raised have been comparatively very few. I should observe that apart

from vehement observations on one or two subjects, all the other observations—important observations—were more in the nature of suggestions than of any vigorous comment. I am very happy, Sir, that today's debate has revealed one fact more clearly than another—that this year has again shown continuous improvement in the working of the Ministry and the working out of our policies.

I shall between now and the time of our rising for today dwell on some aspects regarding two principal questions that were touched upon in today's observations—firstly, about the import and export policies and, secondly, about cottage industries. When we judge of import and export policies, I think we have to take into consideration not a short period but a fairly long period. We are now in a position to assess objectively the results of the working of our policies during the last three or four years. When we recall to our own minds the various shortages in consumers goods, in capital goods and in raw materials that were obvious about four years ago and compare the position then with the position now, I think it will be obvious that our foreign trade policies have very substantially produced results healthy to the economic interests of the country. The task was difficult because ultimately what we import naturally depends exactly upon what we are able to export. And in the world of the last four or five years with its changing vicissitudes, one could never foretell with any measure of certainty as to what trends the prices would take or what trends the various policies of other countries to whom we exported our goods would result in. I find, for instance, that during 1948-49 our exports amounted to 453 crores and the next year it was 506 and odd crores. During 1950-51, it was 601 crores and during 1951-52, it was 732 crores. Now, we have to adjust our import policy according to our foreign exchange earnings. We have all along been following a consistent policy. Naturally, in regulating our imports, as we have to regulate if we do not want to let the country go to chaos, we have to frame an order of priorities. In that order, food requirements had to come first. Whatever else we imported or not, we had to have our imports of food to keep the country going, to prevent starvation. Then we saw that however difficult our foreign exchange position might be, our production, industrial production must have a high place in the order of priority. There we had given sufficient importance to the

[Shri Karmarkar]

raw materials for industry, for instance, cotton and jute and other raw materials.

We had also to pay very great importance to the import of capital goods. The consumer requirements came last. In fact, an assessment of last year's imports will show that our consumer requirements hardly exceeded about 10 per cent. of our total imports. If we compare this year with our position 4 years back, we do not see any complaint on behalf of any industry that we have in any way starved it of capital goods or raw materials. In very difficult times we stood by them—both the private sector and the public sector—and saw to it that they got the raw materials and the capital goods that were necessary. If for instance, this year capital goods has shown a decrease, it is because we had capital goods sufficient for the industrial progress. As even my friend Mr. Basu will agree, apart from the import of capital goods there is the financial investment, the technical know-how and capital goods come only as a means and only one of the means of industrial development. Ultimately, you cannot increase the pace of industrialisation by mere indiscriminate import of capital goods. I note that there has been sufficient import of capital goods. In 1949-50, for instance, we imported 108 crores worth. In 1950-51, 82 crores worth, in 1951-52, 99 crores worth and during the period April to December 1952, nine months,—they call this period one of depression—it is again 63 crores.

Now apart from the single and singular complaint from my hon. friend Mr. Basu. I have not heard any complaint from any industrial sector whatever that we have denied to that sector or to that concern a legitimate import of capital goods. As I said, some observations were made—I thought they were a bit hasty—about our import policies. We have all along followed consistently the policy of keeping to the minimum what we call luxury goods. Now, under the increased import duties, which we think will keep the imports just to the required minimum, we have recently permitted the import of what might be called—they are certainly not—by some people as luxury goods. In view of that position. I think the House will appreciate that by and large—there might be an omission here and there might be an omission there—our import policies have fairly worked to meet the needs of the country.

Something was said for coaxing our exports. As our industrial development proceeds, our exports also naturally change. Just as they change in volume they also change in their character. As this House is aware, we were exporters of raw materials and importers of finished goods. Now our foreign trade has changed. We have been increasing the volume of the export of finished goods; we have been decreasing the export of our raw materials and also decreasing the import of finished goods.

[MR. DEPUTY-SPEAKER in the Chair]

We have been decreasing progressively our exports of raw materials and exporting more and more of our finished products. I think the House will agree that that is a very healthy trend. We have been also trying to see that export promotion is done as effectively as possible. I think there is some misapprehension in some quarters as to the function of Government in the matter of export promotion. For instance, a friend once asked me, "why, for instance, do you not take up the advertisement of our goods in foreign countries?" There is something to be said for it as far as the exports of our cottage industry products which are vulnerable and which are in need of our specific aid are concerned, but supposing tomorrow we go on putting up advertisements on behalf of the Government of India in respect of products which are manufactured and which we are in a position to export, I think that that would be a thing certainly uncalled for from Government. We are anxious to give, and we have all along been giving, all possible aid to private industry to push its goods. We have our various trade offices who are always eager and anxious to render the best possible aid to enterprising exporters. We have a trade promotion section here. In fact we have various sections dealing with various territories. We have a section for America, for Europe, and so on. I would not be able to give the exact figure, but the number of enquiries received by our office at Calcutta runs into some tens of thousands. All these enquiries have been regularly attended to, as also the enquiries made from our trade offices abroad.

Something was said about care being taken about the quality of our exports. There again, we are in entire agreement that we should take good

care of our quality, but I hope the House will appreciate that governmental effort in that direction is bound to be limited, unless it wants to arm itself with powers of saving that such and such goods shall not be exported. It may be that in certain sectors we may have to take such powers, but largely at the present moment, it depends much upon the industrial producers to see that their exports are helped by their own efforts. When I was recently in some of the South East Asian countries, complaints were made to me by some of our own countrymen about our textiles, for instance. They said that supplies were not according to samples or else they said that supplies were easy to obtain from Japan, because they could quote a particular number for a particular type of textiles and you would get exactly what you want. They had other minor complaints, for instance, that our packings were defective, with the result that half a yard of cloth went waste. All these complaints were there, but as I said, they were minor. But from the point of view of our long-term interest, I think our industrialists will do well to see to it that our export promotion does not suffer on account of any remissness on their part.

Then something was said about the employment of Indians in foreign firms. Time is running against me and I would not take the House through any figures. I am quite sure that it knows and will definitely appreciate the steps being taken by my colleague in respect of this question. In fact there is a double way of dealing with this question. One is regulation, taking powers by law, and saying that no foreign firm from tomorrow shall employ any foreign personnel. There is also another way of doing it, that of applying a little pressure or persuasion, so that in course of time the employment of foreign personnel will go down and down to a satisfactory extent. Something was said about some firms not giving the information asked for. That is a fact, but if we do not get the information, we have our own way to see that they do give the information. We have no doubt that not a single foreign firm will remain uncovered by our request. Any firm that is found to be irresponsible will be persuaded to give the information we have asked for. Most of them have given it willingly, and it is found that in the higher posts the proportion of Indians to foreigners is at the present moment near about 25 and 75 per cent. It is not possible all of a sudden to eliminate this, unless tomorrow we take the

power to say through the goodwill of this House that no foreign firm shall do business here. We do not think that that action is called for today. We are hopeful that the present measures now being taken will prove effective and will prove sufficiently and effectively persuasive so as to achieve the results year by year within a measurable period of time. On the essentiality of it we have no difference of opinion.

Shri K. K. Basu: Why not try to give the break-up of that also? Over Rs. 1,000 is too wide a term.

Shri Karmarkar: We believe a little in a wider term, not a narrower term. It suits people in the Opposition to believe in narrower terms, because it is easy.

Then something was said about agreements. I am quite sure that the friend who raised this point will not expect me to give a detailed reply. The same point was raised in the other House by the same section when a resolution was brought forward asking us to enter into long term agreements with certain parties. After listening to the arguments of Government, though there was not full satisfaction, the Member of the group to which my hon. friend who referred to this point belongs, thought it reasonable to withdraw that resolution. He was apparently satisfied that the Government were in their own doing about the best they could.

One point I should refer to: that is in respect of our foreign trade. According to them we appear to be making a distinction. My hon. friend Mr. Basu asked us: "Why is it that we always rely upon the U.K. and the U.S.A.?" In foreign trade, as is obvious, it is not a question of reliance at all. We have our goods; we put them before the world market. We want some goods: they are to be had in the world markets. Now, when we issue an export licence it is up to the exporter to export his goods to any country whatever. We do not demarcate it. We do not say: go to U.K. or Soviet Russia. He is free to enter into a favourable bargain anywhere.

When it is an import from soft currency area, we say: "Here is a licence for you; go to the best possible market in the soft currency area; wherever favourable terms obtain, go and buy your requirements." In these conditions, we have thought it advisable in the interest of the country not

[Shri Karmarkar]

to bind ourselves by bilateral agreements in a quantitative manner. In the first two years after freedom we thought that that might be advantageous. But many a time it proved disadvantageous. Whereas we were committed to export a particular quantity, we were not able to import the whole lot stipulated. Ultimately you cannot coerce an agreement into execution. Last year in respect of a particular country where we had expected our exports to go to a particular quantum we found that ultimately they imported from us about one-fourth of what we had expected. Under those conditions we have come to the conclusion that a general exchange of letters indicating the lines, the items which we could send out, and which we want to import is much more advantageous to us than entering into a definite agreement quantitatively as also in value.

Now, my hon. friend will be interested to learn—he was very modest in mentioning the countries to which he wanted to draw our attention, though we could make out what he meant—that with Czechoslovakia—I am sure he knows that—all along we have had the best of trade relations. Though it belongs to a particular bloc, it does not make any difference in the cordiality which has all along existed between Czechoslovakia and us. We have got the best from Czechoslovakia; Czechoslovakia has taken from us the best. Conclusion of some of these agreements takes some time. There was a talk of an agreement with Soviet Russia also and may be he may consult his own sources why that proposal has not materialised into an agreement.

Shri K. K. Basu: There is no question of verifying from any sources. What I wanted to know was what was the special effort made.

Shri Karmarkar: That is the point I am on. I have wasted the last five minutes, if my hon. friend has not understood me. With a mere agreement it is not possible to develop effective trade with a country. We have no agreement with U.K. apart from preference on a few items which are beneficial to us both. We have no agreement with the U.S.A., or with the Soviet Russia. Now the fact that we have little trade with Soviet Russia has no bearing upon the absence of an agreement, because in spite of the absence of an agreement with U.K. and U.S.A.; any binding or committing agreement, trade is free with them. Normally we export whatever is possible. My hon. friend will

know from statistics that a major part of our trade is with these two countries, in spite of the fact that there is no agreement with either of them. He may perhaps retort that it is due to vested interests and all that. That is not the point. Replying at this late hour, I should not like to keep the Members for a longer time.

Shri K. K. Basu: Why could not something be done at Governmental level? The Planning Commission accepts the possibility of getting capital goods from Czechoslovakia. The point we want to know is what efforts are being made by Government to get capital goods.

Shri Karmarkar: I may assure my hon. friend that if there is anything useful coming from Czechoslovakia we will struggle to get it; they will also get goods from us—there is no doubt about that. But my hon. friend has somewhere at the back of his mind an unreasonable assumption that we look askance at certain countries. That is the fundamental error which vitiates all his further judgment. That is the difficulty. In that matter, as my friend will appreciate, that is a malady in which the patient has to be his own doctor, and certainly my friend will not accept that.

7 P.M.

In conclusion I should like to say that something has been said with regard to cottage industries. Our friend Prof. Agarwal said that the swadeshi spirit has to be developed. I think that whenever it is said that the swadeshi spirit needs to be developed the one party that is normally addressed is the Government, about its stores purchases. I think the House is doubtless aware that in our stores purchase we always give preference to indigenous products. Recently the Government of India have also resolved to give a price preference to cottage industry products, quality being assured. It has been the Government's policy not only now but for a long period of years. There is no doubt about that. Government agreed that the swadeshi spirit needs to be encouraged. Not in a wrong sense of the word. We are not in a position to say whatever be the quality, if it is a swadeshi razor blade cut yourself with it. That is not the point. Government will support and Government are aware of the strides made by indigenous industry during the last few years. But in the interest of the nation we have to take care that

this policy does not lead to deterioration of indigenous industries. If that position is accepted and if after these debates hon. Members of this House, including our friends from the Opposition Group, also devote a little time I think Government's work also will be lightened. It is not Government that creates an atmosphere. Ultimately, as our friends opposite also know, government is the creation of the people. If an atmosphere is to be created we do not look up to the Government. Of course for setting an example it must take the lead. But ultimately the whole lead has to come from the people themselves and from the leaders of the people which this hon. House represents. With regard to cottage industries we have taken a positive attitude. As my esteemed friend knows we have had three Committees. These Committees are constituted with the best personnel available and Government are quite sure that the efforts of these Committees will result in fruition and good success.

Mr. Deputy-Speaker: I have to make an announcement about the work on the 8th, 9th, 14th and 15th. On the 6th and 7th the Demands relating to the Ministry of Finance will be discussed and they will be over on the 7th. The Budget will conclude on that day. That day evening possibly the Appropriation Bill may be introduced. But if hon. Members would like to discuss it I shall allow it; I would like the consideration to be taken on the 8th. After that is over, the 8th, 9th, 14th and 15th will be devoted for the Finance Bill. If any portion of the time on the 8th is taken up for the Appropriation Bill, to that extent the time will be extended for the Finance Bill on the 15th, but it will close on that day. All the stages of the Finance Bill will be finished in those four days. The House now stands adjourned till 2 P.M. on Saturday.

The House then adjourned till Two of the Clock on Saturday, the 4th April, 1953.