

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): No please. Then I will have to allow others also.

SHRI SUBRAMANIAN SWAMY: I shall be very brief, very brief.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): No, no.

SHRI SUBRAMANIAN SWAMY: I just want to say that in view of the mood . . .

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): I am not allowing you

SHRI SUBRAMANIAN SWAMY: But you have allowed everybody else. I just want to say that in view of the mood of the House, the Minister should come and tell the House before we adjourn for the day what action he has taken against the Lt. Governor.

श्री श्याम लाल यादव (उत्तर प्रदेश) .
मान्यवर, मेरा केवल एक प्वाइन्ट आफ
इन्फार्मेशन है . . .

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): I will not allow you.

श्री श्याम लाल यादव : आपने एक परपरा डाल दी सदन में। आपने एक सदस्य को बिना किसी आदेश के आज्ञा दे दी है। दूसरे सदस्य को आप कैसे रोक सकती हैं आप यह बताने की कृपा करें।

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): If you speak without my permission, nothing of what you say will be recorded.

(Shri Shyam Lal Yadav continued to speak).

(Interruptions)

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): I use my discretion. Please co-operate. Please sit down.

श्री राजनारायण : मैडम, आपकी व्यवस्था अनुचित है। मैं तो जा रहा हूँ, लेकिन मैं कहता चाहता हूँ आपने बिहार के मामले पर यहाँ पर रौशनी नहीं डालने दी। आज बिहार में कल्ले-आम शुरू है . . .

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Do not create this kind of disturbance

(Interruptions)

श्री राजनारायण : हमारे दल के नेता कर्पूरी ठाकुर का इस्तीफा आ चुका है। बिहार में पुलिस की गोली से लोग मर रहे हैं। आप की व्यवस्था के विरोध में मैं सदन में उठ कर जा रहा हूँ।

[At this stage the Hon'ble Member left the House.]

DISCUSSION ON THE WORKING OF THE MINISTRY OF INDUSTRIAL DE- VELOPMENT AND THE DEPARTMENT OF SCIENCE AND TECHNOLOGY— contd.

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): Madam, Vice-Chairman, I hope after this storm there will be calm to listen to my reply. I am really grateful to the hon. Members for having raised a discussion on the working of the Ministry under my charge. Certainly, I did not expect the hon. Members to give up their ideological postures. But apart from that, I could confidently say it was a very constructive and critical discussion which took place here with regard to the industrial development of the country as a whole.

First there was a refreshing contrast with regard to the ideological approach in the maiden speech of my good friend Shri Subramanian Swamy. I do not know how his senior leaders react to his speech. He almost tried to steal the thunder from Shri Bhupesh Gupta and Shri Raj Narain.

SHRI A. G. KULKARNI (Maharashtra): He is a Young Turk in Jan Sangh.

SHRI C. SUBRAMANIAM: Naturally, the House as well as everybody else outside

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the House is greatly concerned about the state of the health of the industrial economy and, as a matter of fact, the general economy of the country and it is in that context that the honourable Members dealt with the industrial production during 1973-74 and it has already been admitted that as far as the growth during 1973-74, is concerned, the traditional industries have not shown any increase over the production during 1972-73. But, in looking at the prospects for 1974-75, many honourable Members took objection to the trend we had predicted in the Annual Report of my Ministry and wanted to say that it is in contradiction to the statements that have been made in the Economic Survey.

SHRI NIREN GHOSH (West Bengal): Yes.

SHRI C. SUBRAMANIAM: Since this statement came from quite a few Members, I tried to go through the Economic Survey and also the Annual Report of my Ministry and I respectfully submit that this contradiction is rather apparent than real.

SHRI NIREN GHOSH: So, you admit that contradiction is there?

SHRI C. SUBRAMANIAM: If the honourable Members would look at the statement that we have made there in the Report, they will find that the statement made is this:

"An adequate and timely monsoon has presaged a welcome revival in the production of a number of agriculture-based industries such as cotton textiles, jute manufactures, sugar and vanaspathi."

So, the word here used is "presaged" and it is not that it has already happened. I am sure the honourable Members would have read this. Again at page 10, under the heading "The Prospects for 1974" it has been mentioned that the present uncertainties in regard to crude oil prices, prices of other imported raw materials and currency and other uncertainties facing the world community, any projections of industrial production during the year 1974 must necessarily be subject to several assumptions at this stage". This has been categorically stated and then again, it has been stated here:

"Fortunately, the current prospects for the availability of agriculture-based raw materials are good."

I still stand by this statement because with regard to the production of agricultural raw materials during 1972-73

SHRI NIREN GHOSH: One point, Mr. Subramaniam.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Let him complete the answer first.

SHRI C. SUBRAMANIAM: Madam, he may get an opportunity to put questions later on. First, let me finish my reply.

Production during 1973-74 is certainly better with regard to many of these raw materials like oil seeds, cotton, jute, sugar-cane, etc. and, on that basis, naturally we thought, the industries which would be using these raw materials would pick up and that is the statement that has been made here. In addition to this aspect, there is the performance of the public sector projects which gave satisfaction to a large number of Members in this House and it is really a thing about which we can derive some satisfaction and particularly in regard to the growth in 1973-74, when compared to the production in 1972-73, taking the public sector projects as a whole, there has been a growth of 5.8%. If we exclude IOC where it has gone down slightly, we find that it would be much more than about 12% and this is the sort of increase that has taken place in the public sector projects. And, in these projects, the heavy industries have taken a big share in improving production and that is mainly due to the fact that we have taken measures to see that the top management has been properly revamped. Whenever it has been possible to put the proper man at the top, we always have found the results to be very encouraging and that has been demonstrated in more than one unit.

I think Mr. Mariswamy mentioned that if the projects under the Ministry of Heavy Industry could improve their performance, why the projects under my Ministry could not do like that.

Evidently, you have not looked into the facts. The performance of public sector

projects has considerably improved. We have taken care to see that top management persons are placed in position.

I would like to illustrate this with regard to a few projects under my charge. For example, take NEPA. Quite a few persons brought to my notice the reports with regard to NEPA. But after the change of the management in NEPA six months back, the whole trend of production has changed and today it is producing at a level of 4000 to 4500 tonnes per annum, whereas in the past it never exceeded 3000 or 3200 tonnes.

SHRI HARSH DEO MALAVIYA (Uttar Pradesh): I have brought to your notice the reports of the Public Accounts Committee and the comments upon the working of NEPA. . .

SHRI C. SUBRAMANIAM: I am dealing with this. I do not know why the hon. Member should be so impatient, because I am on the subject. I am glad the hon. Member identified himself and mentioned about the reports of the Public Undertakings Committee, perhaps under your chairmanship, and he wanted to know what steps have been taken. What are those recommendations for? For the purpose of improving the performance of NEPA. That's why I am saying that with the change in the top management, the whole trend has changed; the whole atmosphere has changed, and today we are poised for reaching the figure of 60,000 to 65,000 tonnes in NEPA, and with the expansion going it would soon reach our target.

In the same way, if you take the Cement Corporation, we have brought in a technocrat who has got full knowledge and experience with regard to cement industry, and the whole picture has changed. In the same way, if you take the Hindustan Paper Corporation, we have brought as Chairman and Managing Director one of the top men in the field of paper industry, and the whole picture is changing. We took up the Mandia Paper Mill, which is a traditionally sick mill, which has been losing for the last seven or eight years continuously and was some time even closed down. Now, during the last three months, after we had taken over

the management, because of the various steps taken, it has started making profits. In the same way, take the Hindustan Cables. With regard to the Hindustan Photo-Films, it has also been a sick baby. But I want to assure this House that various steps are being taken there also. They are also turning the corner. The National Instrumentation Limited, which is located in Calcutta, with which Mr. Bhupesh Gupta should be familiar, this was also continuously losing and never reached the capacity production. But during the last year its increase was of the order of 150% or 250%; it is making profits now, instead of losing. Of course, still there are a few sick babies under my charge, and we are trying to see that they are also restored to proper health and they also contribute to the industrial development of the country.

SHRI BHUPESH GUPTA (West Bengal): What about the 'babies' of B.B. Lal?

SHRI C. SUBRAMANIAM: After all, we learn by experience. Mistakes have been committed in the past. And if we recognize those mistakes, we try to rectify them. I am not prepared to say even now that my Ministry is functioning in a perfect way, without any defects or deficiencies. Therefore, we are trying to improve. And I am prepared to make this claim that we are improving and there is a significant improvement with regard to our performance. (*Interruptions*).

SHRI BHUPESH GUPTA: But you cannot satisfy even a reasonable man like me.

SHRI C. SUBRAMANIAM: Madam, there is another peculiar feature with regard to our index which we put forward for industrial production. This is based on the industrial structure that existed in 1960 and all the improvements that have taken place in the giant public sector industries do not get reflected in the industrial production index. That is why, we are now trying to bring about a new base for providing the index, that is the 1968 base. That is perhaps the latest year to which we can go. When that comes, perhaps the production developments that are taking place in the various industries which have come into existence since 1960 would also get reflected.

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Apart from this, many hon. Members expressed concern with regard to the pattern of industrial development in our country. The Government is also seriously concerned with this pattern of development. I do agree that large houses have become larger and a few medium houses have become larger. Instead of 25 larger houses, we have 75 larger houses now and most of the crucial industries are in their charge now. There is no doubt about it. Therefore, this has led to a certain amount of economic concentration. Apart from this economic concentration with reference to individuals and individual houses, there is geographical concentration of industries also. For example, I do not know how West Bengal is claimed to be a backward State. Shri Bhupesh Gupta also subscribes to this view.

SHRI BHUPESH GUPTA: I have never been parochial. I said that in comparison to other States, West Bengal is backward. But there are regions in West Bengal which are not backward.

SHRI NIREN GHOSH: I do not agree with Bhupesh Gupta in this respect. You satisfy me on this point. In 1947, West Bengal was equal to Maharashtra and Gujarat together. Now, if you look at the registered workers, West Bengal is 50% of Maharashtra alone. This is happening because of the policy of the Government.

SHRI C. SUBRAMANIAM: The hon. Member should not provoke me to say unpleasant things. Who is responsible for spoiling the industrial climate? To blame the Government is very uncharitable.

(Interruptions)

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Please sit down, Mr. Niren Ghosh.

SHRI C. SUBRAMANIAM: Not only Niren Ghosh, but Members on this side also claimed that West Bengal is a backward State and, therefore, preference should be given to West Bengal in regard to licences. I wish they look into the industrial structure which has been created in West Bengal not only now but much earlier also. I am sure it would be established that West Bengal is one of the better industrialised States. I am not sav-

ing that it has reached the development which is absolutely necessary to solve its problems.

(Interruptions)

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): There should be no running commentary. You may not agree with his point of view, but he has every right to say it.

SHRI C. SUBRAMANIAM: Mr. Niren Ghosh, you can put any question later on and I will answer.

(Interruptions)

I am not yielding place.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Mr. Niren Ghosh, you are not allowing him to speak.

SHRI NIREN GHOSH: 23 has become 46. It has doubled. Can you say that Bihar is an industrially-developed State?

SHRI C. SUBRAMANIAM: Therefore, Madam, I am just mentioning not that West Bengal does not require further industrialization but I am stating just a fact that it is a State better developed when compared to most of the other States in the country. That is a plain fact that I am stating. That does not mean the whole of West Bengal is very well developed. On the other hand, there also, within West Bengal, there is concentration in Calcutta and round about Calcutta. But in the same way, if you take Maharashtra, you will find that even though developments are taking place in a dispersed way just now, but till recently, the concentration was in Bombay and round about Bombay.

SHRI A. G. KULKARNI: And Poona.

SHRI C. SUBRAMANIAM: And may be Poona. In the same way, if you take Tamil Nadu, there also the concentration is round about a few big towns. Therefore, I do agree that even in what we call the better industrialized States in the country, there are imbalances within the States. All these will have to be taken into account for the purpose of seeing that these imbalances are removed.

Madam, I will now deal first with the larger houses and the foreign monopolies as they are called. How have they come into existence? If it is a question of putting up small factories with ordinary technology, anybody can put them up. But when we want to put up industries with heavy investment, with complicated and complex technologies, certainly it requires not only resources but expertise and experience. And if you look into the development in the private industry, particularly of these heavy industries and basic industries with heavy investment, long gestation periods and complicated technology, naturally, it cannot be given to anybody and said, "You better put it up".

SHRI NIREN GHOSH: What about the Colgate and the Cadbury-Fry?

SHRI C. SUBRAMANIAM: I will also come to that, please. There are, whenever heavy industries have to be put up, we have to naturally look up to the houses which had the experience and the expertise and also the resources. This is how, I say, unfortunately, big houses have been growing bigger and bigger. And I have no doubt in my mind that some steps will have to be taken for the purpose of curbing this tendency. And about how they have to be taken, naturally I am prepared to take the guidance of the hon. Members. But the Government also have certain views about it and we are trying to work out some formula for this purpose. But now, when we are in a state of stagnation, when there are scarcities developing, when we want immediate production, what do you want me to do? For example, take the case of cement, which I illustrated in the other House. We took a decision and in my view, perhaps, we are justified in taking that decision. Cement technology is almost now a common technology. Therefore, anybody with some resources could establish a cement factory. Therefore, not by any statutory resolution or even a policy formulation—we took a decision in the Cabinet that the cement industry need not go to the large houses. But what has happened during the last three years? Unfortunately, nobody has come forward to put up cement factories because of the heavy investment involved and the long gestation period. Therefore, whereas we were in a comfortable position with regard to

cement production, we have now reached a stage of scarcity. And when the scarcity is created, naturally, even the existing producers get the benefit out of it in the sense that it becomes a sellers' market. Therefore, we have to reverse that decision so that this could be taken up by the larger houses also. But at the same time we took the other positive decision that, first of all, it is not as if we will give the priority to the larger houses; we wanted to see what the capacity of the Cement Corporation in the public sector is to put up projects . . .

SHRI HIMMAT SINH (Gujarat): On a point of information, I would like to say that the difficulty about the cement industry is not that new entrepreneurs are difficult to attract; but the difficulty, in my opinion, is that the installed capacity is never reached. The installed capacity is something, and the actual production from year to year is falling. When the Ministry has not been able to ensure maximum production a deletion of extra capacity to defaulting producers will not help.
1 P.M.

SHRI C. SUBRAMANIAM: I got your point. Madam, if you look into the production in the cement industry just two years ago you will see that we cannot say that there was not better utilisation of capacity. But, with the present power shortage, coal not reaching the cement plants and in addition to that the difficulties on account of fuel oil wherever it was being used, further problems have arisen. Therefore, instead of producing round about 14 to 15 lakh tonnes every month, the production has come down to about 10 lakh tonnes. Therefore, that is a completely different matter. It is an entirely different situation which is not only applicable to cement industry but applicable to most of the other industries also. I will try to deal with it if the hon. Members would permit me to do so as briefly as possible because the time is limited. That is why we loaded the Cement Corporation as much as possible and we organised 3 million tonnes of production in the public sector. Then, we also tried to give licences to whichever State Development Corporations applied for it. We are giving licences to all the State Development Corporations who have applied for the purpose. It is only after

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that, that we loaded the balance on the larger houses. Madam, I would like to know whether we should continue this shortage and scarcity or utilise the larger houses for producing scarce materials.

SHRI NIREN GHOSH: We think the Cement Corporation of India should fill in the vacuum.

SHRI C. SUBRAMANIAM: This is the decision which we are called upon to take and some hon. Members may not agree with it. We should rather starve than give licences to the larger houses—that is quite a different matter altogether. But we took a different decision. I am sure some hon. Members would agree with me though there may be some who may be critical about it. This is how we have looked at it. Therefore, today we have to look at this problem. How do we tackle this concentration? A concentration which leads to greater concentration because once this concentration takes place, greater expertise gets into it, more resources are available with them and therefore whenever you want greater production, you have to make use of them. This is where we have to see as to how far.

SHRI NIREN GHOSH: Madam, can I seek one clarification?

SHRI C. SUBRAMANIAM: Let me finish this point. I wish the hon. Member allows me to proceed further and complete the point. I do not know why he should get up every time and try to disrupt the trend. Kindly allow me to go on as I would like to.

So, it is from this aspect that we have to look at it now as to what we are objecting to with regard to these larger houses. With these resources there is concentration of economic power leading to all sorts of abuses in the society as a whole. Concentration itself, however good the men might be, because of the system lends itself to very many abuses. What is the source of this economic power? If you look into the sources of economic power alone and not in production as such, you will see that it lies in the purchasing policies, purchasing policies with regard to raw materials, equipment and spare parts; it lies in the selling policies and in

the policies of recruitment and personnel and lastly in the investment policies of the surpluses which they generate. Unfortunately, all these are utilised not for the promotion of the industrial enterprises as such but for the promotion of the interest of the Houses concerned. This is the real abuse which is coming up. Can we tackle this problem? In my view it can be tackled particularly in view of the trends which are taking place in the industrial sector both in the capitalist countries as well as in the socialist countries.

There need not be a connection between ownership and management. And, if we are able to dissociate, delink this ownership and have professional management with loyalties not to the house but loyalties to the industrial enterprise, to the industrial project as such, I think to a certain extent we can solve this problem. It is on these lines that we are looking at it. It is here that professionalisation of management becomes very important. Now there is no use saying that no large House should come into the picture. We should have alternative sources of entrepreneurship. That is why we are taking positive steps for the purpose of encouraging medium entrepreneurs particularly new entrepreneurs, technocrats, scientists, technologists etc. to come into the field. As hon. Members are aware we have appointed a Committee under the Chairmanship of Mr. A. R. Bhatt—or perhaps it is Mr. R. S. Bhatt; I am sorry because there are two Bhatt—and they have produced a very useful report with regard to the various steps to be taken not only at the national level but at the State level and with regard to the various financial institutions for the purpose of giving not only financial assistance but technical assistance to the new entrepreneurs of medium size. We have already launched upon a programme of identifying...

SHRI NIREN GHOSH: Madam, that point he has finished.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Let him continue.

SHRI NIREN GHOSH: Just an elucidation from him.

SHRI C. SUBRAMANIAM: The hon. Member can never be patient. All right; come on, what do you want?

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Mr. Ghosh, you are not the only Member present in the house. Every time you are getting up and interrupting. Let the Minister finish and if the time permits I will allow you.

SHRI NIREN GHOSH: He has finished that point. I had said that over the last three years there have been fantastic growth rates in the assets of the larger Houses but not in production. How do you equate this point with the speech that you have made about the larger Houses? 300 per cent growth in their assets but not production.

SHRI C. SUBRAMANIAM: Madam, I would like to go in my own way. Therefore for the purpose of new impetus for new entrepreneurs to come forward we are taking various steps and it is in that connection that I would like to deal with small-scale industries also. I am sorry the Professor there took a very narrow view with regard to small-scale industries and said only competitive small-scale industries should be encouraged and then immediately he put his own rider to that and said competitive to the larger Houses. It is not so. If a certain commodity can be produced in the small-scale sector economically then we reserve that commodity completely for the small-scale sector. The hon. Member is a little bit new; even though he is Professor of Economics perhaps he may not be conversant with these details. If the hon. Member looks at this carefully he will find that progressively we have been increasing the number of industries reserved for the small-scale sector. Starting from 47 in 1969 or so now 177 industries are completely reserved for the small-scale sector. We periodically examine and try to find out how far certain industries could be reserved for this purpose.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): But...

SHRI C. SUBRAMANIAM: Let me finish and then you can put your ques-

tion. Professors also should not become impatient.

SHRI SUBRAMANIAN SWAMY: My silence should not be interpreted as approval of what you are saying.

SHRI C. SUBRAMANIAM: I never expect approval from you because you have joined a Party which can never approve whatever we say from this side. I am sorry you are getting infected by that. I leave that alone.

Now hon. Members may know that in 1968 the number of small-scale sector units registered with the State Directorate of Industries for various purposes was 1.7 lakhs and by the end of 1972 it has gone up to 317 lakh units. Then there are other units which have not been registered also. In 1973 it has further increased and in 1974 also it is going to increase. With regard to investment in the small-scale sector if the hon. Member looks into it, whereas Rs. 37 crores were allotted to the small-scale sector during the Fourth Plan, now Rs. 140 crores have been allocated for the small-scale sector in the Fifth Plan. In addition to that, there will be investments from the State Governments also. Therefore, as far as small-scale industries are concerned, we have taken various steps to give a new orientation, a new dynamism. With regard to small-scale industries, I would like to inform hon. Members that it is not that I am quite satisfied with the pattern of development. Even in the small-scale sector you will find that these developments have come round about the already developed areas. They have not penetrated the rural areas. That is why we appointed seven task forces for the purpose of looking into it and we are trying to find out how far we can drive the small-scale industries into the rural areas and the agricultural sector. The task forces have already identified 400 types of industries which could be established in the rural and agricultural sector. We are taking various steps to see that the small-scale sector not only comes round about the urban areas for the purpose of serving the urban community. For the purpose of providing a new dynamism to agriculture and the rural areas the small-scale sector should go into the rural areas utilising the indigenous agricultural raw

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materials and various other raw materials available indigenously.

SHRI HARSH DEO MALAVIYA: May I ask him this? In spite of your encouragement, why do not these small-scale industries grow?

SHRI C. SUBRAMANIAM: You have an illusion that it is not growing. Unfortunately, simply because we are going through economic difficulties, hon. Members seem to think that nothing is growing. On the other hand, there are areas which are growing and growing well and one of them is the small-scale sector. If the hon. Member goes round the country, particularly where the small-scale industries are located, sees the various industrial estates and sees the developments that have taken place so far, he will not say that it is not growing.

SHRI G. LAKSHMANAN (Tamil Nadu): Prices are growing and it is a fact.

SHRI C. SUBRAMANIAM: I am sure the hon. Member also knows why the prices are growing and particularly whether it is not justified.

SHRI G. LAKSHMANAN: According to the Minister production has increased and that is why prices are going up. Then, they say that we do not know economics.

SHRI C. SUBRAMANIAM: Madam, I was on the point that we have given a positive encouragement to small-scale industries and we have got a policy towards the development of small-scale industries. I am hoping that during the Fifth Plan not only it will grow, but it will grow in such a way that it will penerate into the agricultural and rural areas thus providing a new dynamism to the rural economy.

Then, there is the other category of industries which belong to the Khadi and village industries. There also we have taken various steps for the purpose of modernising it. Even though they may be cottage industries, modern science and technology should be made available to them and we are taking various steps in that direction. Therefore, if hon. Members would look into the policy aspect...

SHRI A. G. KULKARNI: What about raw materials to the small-scale industries?

SHRI C. SUBRAMANIAM: I am coming to that. In the policy aspect we are taking into consideration the large-scale industries, heavy industries, medium industries, small-scale industries and then Khadi and village industries and with regard to each we have got a specific policy and programme. We are trying to promote them as best as possible.

Now, a question was raised about the availability of raw materials. It can be divided into two. One relates to scarce raw materials, whether imported or indigenous, and the other relates to raw materials which are available indigenously. An analysis has been made of 4 lakh units. The hon. Member is aware that a census is being undertaken with regard to capacity and the types of raw materials required. We find only about 30,000 units require imported raw materials. Another 15,000 or 20,000 units require perhaps scarce indigenous raw materials like steel, aluminium, etc. If we look into the allocations—I have given the figures some time back—the hon. Member will find that continuously the allocation of raw materials for small-scale industries has been increasing. Foreign exchange, for example, for small-scale industries during 1969-70 amounted to Rs. 65.5 crores. In 1970-71, it was Rs. 83.26 crores, in 1971-72 it was Rs. 155 crores and in 1972-73 it was Rs. 144 crores when compared as a ratio with the allocation for the bigger industries, the small-scale industries' ratio has been growing. I do agree that still there are bottlenecks and we shall try to rectify them as soon as the census is over.

SHRI A. G. KULKARNI: Mr. Subramaniam, I do not want to disturb you, but only for a second I want a clarification. When you point out about the scarce raw materials as regards the requirements of production, you also know—you are a better informed person—about the discrimination between the small-scale industries and the organised sector even in priority items. In the case of the small-scale industries, they give on the basis of the installed capacity and the value of the installed machinery, while in the case of the organised sector, they given on the basis of two-shifts—Rs. 100 crores or Rs. 200

crores. What is required by them and what is the consumption by them is more important.

SHRI C. SUBRAMANIAM: As I have already stated, in the organised sector, there is the licence and the capacity is indicated; we know definitely that this is the capacity for one or two or three shifts. Here it is not known. And I am sure that the hon. Member is aware that there are so many ghost small factories which take the scarce raw materials and sell them outside in the black market. And that is why a census has been organised, and it will be over within a few months. And once the census figures are available with regard to capacity, I am sure we may be able to take more positive measures to remove this imbalance between the small-scale sector and the large-scale sector. I want to give this assurance to the hon. Member particularly because he is a persistent questioner with regard to this in this House that I will give, if anything, a weightage to the small-scale sector as compared to the large-scale sector.

SHRI NIREN GHOSH: Hold it in the basket.

SHRI C. SUBRAMANIAM: It is in this context that the hon. Members should look at the policies framed. Shri Bhupesh Gupta has other ideas as to how we should develop and Shri Niren Ghosh, according to him, has more radical ideas with regard to this. Unfortunately, this is not the time to indulge in ideologies and radicalism. We have got to see now how to remove the scarcity, how to increase the production. And in this, as hon. Members are aware, there are certain bottlenecks and the Government are trying to remove them. The serious bottlenecks are power, coal and transport. Unless these basic infrastructures are available, whatever might be the investment and whatever other steps we might take, we will not be able to improve the industrial production in the country. About power, as the hon. Members are aware, the new Minister is trying to identify the various defects and deficiencies in the functioning of the State Electricity Corporations because this is a State subject mainly, and with the cooperation of the State Governments, we are trying to improve their

functioning and get the maximum out of the existing capacity available. (*Interruptions*). But unfortunately, while we are taking steps for improving it, we hear of large-scale sabotage. In Punjab, one tower has been blown up. Of course, that is a visible sabotage. But subtle sabotage also is being done at various points. Who is responsible for this? I am sure hon. Members—some of them at least—will be able to answer this. While on the one hand, we are taking measures to improve it, there are other sections which are trying to pull this down, and in the process pull down the democratic structure itself. And this is the real trouble today. And unless all of us, particularly those who have faith in democracy...

SHRI NIREN GHOSH: Have you?

SHRI C. SUBRAMANIAM: I do not know. You do not have. do not pledge ourselves to see that a proper atmosphere is created for the purpose of the functioning of the economy, all the measures we may take may prove futile. In this connection we have the threat in the Railways of a nation-wide strike. Of course, it is easy for any body to organise a strike. But what would happen to the country? What would happen to the economy of the country?

SHRI BHUPESH GUPTA: Mr. Subramaniam, I think this is not fair. Now you are asking: What would happen to the country. Can I not put the same question to the Government? Why is the Railway Board sitting in confrontation with the workers instead of coming to a negotiated settlement for which the railwaymen are ready?

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): I do not think we are discussing railway strike at the moment.

SHRI NIREN GHOSH: We are going to mention it tomorrow.

SHRI C. SUBRAMANIAM: It is not merely strike, Madam, but continuous deterioration in the functioning of the Railways that stands in the way of moving coal and various other commodities. And, therefore, it becomes difficult. That is

[SHRI C. SUBRAMANIAM]
 why we are trying to take all measures possible for the purpose of improving the power position, the coal production and so on. I am glad to say, though some Members may not agree with me, that because of nationalisation of coalmines the production has considerably improved and there is further scope for improvement. I am sure some hon'ble Members will not agree with this. But this has to be linked with the transport also. Merely production of coal has no meaning unless it is carried to the consuming point. That will have to be taken into account.

Another point was made—and I think it was a very relevant point—by Mr. Subramanian Swamy. Of course, he used figures not like a Professor but like a lawyer with regard to some of the production figures. I am a lawyer and that is why I am saying that.

SHRI SUBRAMANIAN SWAMY: You have been calling me a liar. You have been calling me this and this. You have been abusing me. But since I like you I will forgive you.

SHRI C. SUBRAMANIAM: I said lawyer, not liar. I am a lawyer. If I abuse you I will abuse myself. Our production is elite-consumption-oriented, I do agree. And this is the positive new direction which we want to give that instead of producing for elite consumption we should produce for mass consumption. However, in addition to that production for mass consumption will have to be given consideration because production for the masses has no meaning unless the masses have the purchasing power also. This is one of the fundamentals which we have to keep in mind while formulating the Fifth Plan. How far we have succeeded is a different thing. This is the goal which we have accepted for formulation and for implementation. And it is in that context that Mr. Mariswamy should look into the demand for nylon production. How far the production of nylon is justified in the context of our scarce resources? Just like that there are quite a few other commodities also. How far nylon would get preference? When we are proceeding to issue licences for the various commodities for the various State Industrial Development Corporations the Plann-

ing Commission would put a query. What priority should be given to nylon production in that context? We have taken a final decision. I am sure hon'ble Mr. Mariswamy will agree that this requires some consideration when we want to have production for mass consumption purposes. And it is in that light that we are trying to see. Although some people think that nylon is a commodity of elite consumption, we have to consider whether it should be used for mass consumption. This is still under consideration.

SHRI S. S. MARISWAMY (Tamil Nadu): You may not agree that nylon is a commodity of mass consumption being used by everybody in the country. It is the poor man's garb now.

SHRI C. SUBRAMANIAM: I do not agree it is poor man's cloth. It is so highly priced. The duties we have put on nylon cloth...

SHRI BHUPESH GUPTA: You must concede to our D.M.K. friends coming from Tamil Nadu. They are very well dressed in silks.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): What has this got to do with industrial development?

SHRI C. SUBRAMANIAM: Mr. Bhupesh Gupta is trying to emphasise the valid point. The D.M.K. considers nylon as the poor man's garb. This will have to be looked into.

SHRI S. S. MARISWAMY: Your own Ministry and the Ministry of Petroleum and Chemicals have said that nylon is becoming popular and, therefore, the capacity should be increased to 35,000 tonnes in the Fifth Plan...

SHRI C. SUBRAMANIAM: Why don't you fully listen to me before you interrupt me? Therefore, there are two points of view. I do agree that the Petroleum and Chemicals Ministry may take a position that, no, this could be used for mass consumption also and, therefore, we should encourage it; we should not merely take into account the present difficulties, but we should take a long-term view of things and so we should encourage the produc-

tion of nylon also. And that is why we have not rejected it. With the view of the P & C Ministry and with the view of the Planning Commission, it is now before the Committee of Ministers dealing with Industry and Trade and I hope very soon a decision will be taken because the whole matter has been completely processed.

SHRI S. S. MARISWAMY: How soon?

SHRI C. SUBRAMANIAM: I shall try to expedite it as quickly as possible. Within a month or two, we shall try to take a decision, if not earlier. But to make use of this and say that we want to favour the monopoly houses is very uncharitable. Perhaps Mr. Mariswamy cannot look at it from any other point of view because any decision has to favour somebody or disfavour somebody. That is the philosophy under which they are functioning. Therefore, let us not go into that.

SHRI S. S. MARISWAMY: Do not go deeper into it. I have got certain facts which will embarrass you.

SHRI C. SUBRAMANIAM: In this connection, I would like to refer to the figures given by Mr. Subramanian Swamy with regard to two articles, the TV and air-conditioners. The TV industry started only recently. If you look at their production in 1969, it was only 1,200. Two years hence they were producing 7,790. Taking advantage of the fact that it is a new industry, it is wrong to say that it has increased by 1,000 per cent or that we are positively encouraging only this industry for elite consumption. If you take the actual number, it is even now round about 27,800 only; that is all. Therefore, I said you use a lawyer's argument, not a professor's argument. It is the same with regard to air-conditioners also if you look into the absolute numbers. Perhaps somebody gave him the figures and he did not look at the figures but looked only at the percentage increase.

SHRI RABI RAY (Orissa): What is the amount of investment in TV and air-conditioners?

SHRI C. SUBRAMANIAM: The other point made was with regard to the workers' participation in management of the industry which, in my view, is a very relevant and important matter which will

have to be considered not only by the House but by labour and industry as well. As far as I am concerned, I want to give this assurance not only on behalf of the Government but personally also that I am a believer in workers' participation in management of the industry. Without that we cannot bring about a healthy atmosphere in industrial relations. *(Interruption)* When I am making a point, I do not want to be interrupted.

SHRI G. LAKSHMANAN: The Tamil Nadu Government has passed a legislation for workers' participation in the transport industry. But no reply has been received from the Government of India so far. I shall be thankful if the Minister can tell us why a reply has not been sent to the Tamil Nadu Government.

SHRI C. SUBRAMANIAM: I know hon. Members there think that the Tamil Nadu Government is the model government for all the others to follow. But unfortunately others take a different view of it. Therefore, let us not bring that into this debate.

SHRI G. LAKSHMANAN: You must be happy over this scheme.

SHRI C. SUBRAMANIAM: I am not going to be provoked into going into the D.M.K. administration. Therefore, I agree that workers' participation should be there. But when you have so many trade unions within one industry and within one shop, and as Malaviyaji put it—and when Malaviyaji puts it, it will have a greater appeal to some of our friends—when there is politicalisation of the trade unions, how do you expect to bring about a healthy participation? It will be just like here. To which party does he belong? To which trade union does he belong? And if all the other trade unions become Opposition members within the factory, what will happen? The same thing that we find here. *(Interruptions)* I am on my legs and Mr. Niren Ghosh is interrupting me and somebody else is interrupting me. The same thing will happen. And that is why I have attempted this for the last two or three years and all the party members belonging to the various groups here have participated in it. And if you bring any formula for workers' participation, a unanimous decision by at least the

major trade unions, I underwrite it in the industries with which I am concerned. I am prepared to introduce it...

SHRI NIREN GHOSH: If you want a formula, here and now I give you...

SHRI C. SUBRAMANIAM: Not you, you and three others who are concerned with it. I know you can give a formula. You will come and say, we are not having the power, you give us the power and let the rest of them go to dogs.

SHRI NIREN GHOSH: Since you want me to give you a formula, I say workers must be elected to the board of directors, and more than 50 per cent of controlling production, sales, purchases and everything should be in their hands.

SHRI C. SUBRAMANIAM: Mr. Niren Ghosh has a different philosophy altogether. It is my view that it is waste of my time and perhaps the House's time also if I start arguing with him with regard to the proposals he puts forward. And I am sure he will have to wait till eternity for the purpose of putting his policies into action because it is never going to happen...

SHRI NIREN GHOSH: That is your hope.

SHRI C. SUBRAMANIAM: Therefore, workers' participation is necessary and it is where a healthy trade union movement is definked from political objectives will have to come about and if honourable Members would contribute to bring about such a trade union movement. I will be the happiest person. I can give instances here of where we have given participation to workers to the maximum. You go to Kotah Instrumentation Limited. You have their participation from the shop floor to the top-most level. I went there to see the plant. I was received not by the General Manager first. I was received by the labour leader there first. And when I was taken round the various shops, it is not the Manager in charge of the particular floor who accompanied me; along with him the labour leaders also of that particular floor accompanied me and as a matter of fact, it is the labour leader who explained to me what was happening. Therefore, wherever conditions existed,

we have not hesitated to bring in workers' participation in an effective manner and that is why they are functioning in an efficient way. But the moment you allow all and sundry traditional unions to come into that Instrumentation Limited, I am sure, within a few days the whole thing will collapse. This is the real difficulty. Therefore, workers' participation as a policy we subscribe to it. But the necessary conditions will have to be created at the trade union level and also at the management level. And as far as public sector projects are concerned, I give you this assurance that any unanimous decision taken by the major trade unions, I am prepared to underwrite it with regard to workers' participation. Then, fortunately at least one Member, the Member who spoke last, the honourable Babubhai Chinai, dealt in some detail with regard to science and technology. On the basis of the twentyfive years of experience of industrial development I want to place before this House that if any country should think that on the basis of imported technology—I will come to the junk technology immediately—the country can advance industrially, it is sadly mistaken. No dynamism can be inducted into the industrial development of any country. Unless we develop our scientific and technological competence, we will not be able to improve the functioning of even the industries which exist today. Even with regard to the utilisation of full capacity even when conditions were favourable, why were we not able to do it? Because, we have not absorbed that technology, we have not digested that technology, we have not adopted that technology to suit our conditions, to suit our raw materials. We still continue to look to the mother firm to go on supplying further improvements in that technology. And that is why we have now taken a positive decision that science and technology should play a very crucial role. In agriculture, of course, it has been playing a crucial role and it should continue to play in industry also; in industry also science and technology will have to play a crucial role. I am in full agreement with Mr. Subramanian Swamy, we have some junk equipment from various parts of the world. Why? Because, we did not have the competence to judge the merits of that technology. And therefore, we were

guided by various countries and various concerns and we have imported it and we are paying a high price for it. That is why we pay a high price for it. Therefore, even if we import technology, we should have scientific and technological competence to use it properly. That is why we are now emphasizing with regard to the aspect of science and technology. I have to refer to Shri Subramanian Swamy again because he brought his own personal experience in IIT. I would appeal to him not to be frustrated by his personal experience. We have a new dynamism in the field of science and technology. I wish he is associated with this new dynamism instead of party politics and I am sure he will have a stimulating experience with regard to that...

SHRI SUBRAMANIAN SWAMY: Here, Madam, I must object. I did not bring in party politics.

SHRI C. SUBRAMANIAM: I said personal experience and personal frustration.

SHRI SUBRAMANIAN SWAMY: When there is an absolutely third-rate man as Director of IIT here how can you develop science and technology? When the Directors of CSIR and IIT's are all people who happen to be toadies, how can you have research and development of science?

SHRI NIREN GHOSH: Suggestions from eminent scientists are not entertained.

SHRI C. SUPRAMANIAM: I did not accuse Shri Subramanian Swamy of Party orientation. I accused him of bringing his personal frustration in the field.

SHRI BHUPESH GUPTA: What is that? I have no personal frustration...

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): It is already 1.35. We will have to break for our lunch. Please sit down.

SHRI BHUPESH GUPTA: I have no personal frustration in this matter. You know very well the situation in Kharagpur IIT. You did not bring Shri A. N. Haksar, but before you came, Shri Haksar of the Indian Tobacco or Imperial Tobacco had been brought in and put in charge

of the Institute. How can a tobacco man run an Institute of this kind? He had built up a coterie around him. He brought one Shri A. Sharma as Chief Personnel Officer on a salary of Rs. 1,800 per month...

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Please allow the Minister to continue.

SHRI C. SUBRAMANIAM: Now that the hon Member has said that I shall pass on this information to the Education Minister who is in charge of it. I will ask him to look into it. I am not prepared to answer either way just now. I will give this assurance that I will pass on this information to the Education Minister and try to find out what are the facts and ask him also to communicate with you with regard to the facts.

In the field of science and technology we are making a breakthrough. We have the National Committee on Science and Technology and we have formulated a draft Five Year Plan to correspond with the socio-economic Five Year Plan. A few days back I had placed two volumes with regard to the Science and Technology Plan. I am sure some hon. Members at least will take interest and go through it. I am not claiming that it is a perfect document. It could be improved. It is only at the draft stage. Even after finalisation—there is no question of finalisation as far as science and technology is concerned—it will have to be periodically reviewed and upgraded. It is on that basis that we will have to go forward and it is when we develop science and technology with proper management and with proper equipment fabricated within the country, we will be able to have a new dynamism in the industrial field. I have always been saying that industries have got three components. One is technology and equipment; the second is management and expertise and the third is to absorb and further develop science and technology. That is why we have formulated proposals not only for the purposes of future, but for purposes of improving the existing plants in the public and private sectors so that we are able to improve the technology we have and improve the functioning of the various plants we have already. This is how we look at the problem. I am

[Shri C. Subramaniam]
 sure many points were made by Mr T. N. Singh and it is not as if they are all irrelevant points. Many relevant points have been made. But the time already taken is more than an hour and it is not because I do not attach importance to many of the points made by the honourable Members that I did not deal with them, but it is only because of want of time. But I can give the assurance that I have taken note of all the points that have been made and I hope to be benefited by the various suggestions that have been made.

SHRI BHUPESH GUPTA: I want to put one question only.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): No, please.

SHRI BHUPESH GUPTA: This is not fair. One question only I want to ask.

SHRI S. S. MARISWAMY: Madam, I have made certain specific points.

Will he at least answer those points in a letter?

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): It is already late and we would not have lunch hour if we go on like this.

SHRI BHUPESH GUPTA: I know you are very hungry although hunger does not seem to have affected you very much. I want to put only one question, an important question.

SHRI S. S. MARISWAMY: One minute. Madam. I am grateful to the honourable Minister . . .

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): No, please.

S. S. MARISWAMY: . . . that in spite of his not doing well, he took a lot of trouble in answering all the points. But I have raised certain specific points. Would the honourable Minister kindly see that at least those points are answered in a letter?

SHRI C. SUBRAMANIAM: I have taken note of all the points including Bhupesh Gupta's and Niren Ghosh's.

SHRI S. S. MARISWAMY: No. I raised a specific question about the Indian Aluminium Co.

SHRI C. SUBRAMANIAM: It does not concern the Industrial Development Ministry. So, I have passed it on to the other Ministry.

SHRI S. S. MARISWAMY: Kindly write to us at least about it.

SHRI BHUPESH GUPTA: I want to put my question.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Only one question.

SHRI BHUPESH GUPTA: Only one question, a big question. I do not ask many questions because I know what he will say.

SHRI C. SUBRAMANIAM: If you know what I would say, why do you put the question at all?

SHRI BHUPESH GUPTA: I know Mr. Subramaniam is a soft-spoken man and he is a plausible speaker although his subject is not always plausible.

Now, in this connection, I made certain criticism about your Ministry, Mr. Subramaniam, and I mentioned about Mr. B. B. Lal. Only today there was a question. But it could not be reached. It is Question No. 100 and in the reply you have said that the inquiry was not against a particular officer. This is with regard to a particular officer who, when he was in your Ministry, opposed the illegal expansion of M/s. Mohan-Meakin Breweries. At that time, Mr. Moinul Haque Choudhury was there as your predecessor and he agreed with the statement of the officer and he did not like to allow expansion by M/s. Mohan-Meakin Breweries. What happened, you know? You know it very well. You should have inquired into it. Mr. B. B. Lal, the Secretary at that time—he is no longer there now and that is why I say you should look into these things—was actually supporting the expansion by M/s. Mohan-Meakin Breweries—it is Mr. B. B. Lal's baby—when actually a "show-cause" notice was pending against them for illegal expansion. The then Minister, Mr. Moinul Haque Choudhury, agreed with the other officer who was subjected to an inquiry later and did not agree with Mr. B. B. Lal's point of view and expansion was not given to them. After that, the house of that officer

was searched—and you have said about it today in the reply to the question I mentioned. You have said that the inquiry was with regard to the leakage of noting and not against any particular officer. Even in replying to questions, Mr. Subramaniam, I would request you to be a little fair. You have said that the inquiry was ordered not against any particular officer. Yet you have admitted that only his house was searched. The house of the officer was searched in this connection and he was transferred from the Ministry. You should have also admitted that the Government, after the CBI inquiry and search, came to the conclusion—I am giving it for you—that there was no evidence in support of the allegation. You have also not mentioned as to who made the allegation against that officer. M/s. Mohan-Meakin Breweries made that allegation and Mr. Lal was responsible for these proceedings. You know very well what happened. When the inquiry was over and when the officer was exonerated, nothing is done. Madam, I have got a resolution here passed by the Indian Civil Service and Administrative Officers' Association on 25-2-73...

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Is it a clarification?

SHRI BHUPESH GUPTA: ... in which they have pointed out the injustice done to the man and reminded the Government that Mr. Swaminathan, at that time the Cabinet Secretary, had promised that amends would be made for the wrong done to the officer and nothing has been done. These are the things in your Ministry Mr. Subramaniam. I am not questioning the personal *bona fides* of Mr. Subramaniam at all. I would like you to re-open this case yourself, because I know it for a fact that Mr. V. R. Mohan, who was a Member of this House, was telling his friends, and I came to know it, that the officer who had opposed his application for expansion of Mohan Meakin Breweries would be taught a lesson, and he was taught a lesson. I do hope that Mr. Subramaniam, the hon. Minister, will look into this case personally. We are prepared to submit to him all the material that we have got in this connection. Here was a case of sheer

victimisation, sheer vendetta, sheer persecution of an officer who did not oblige a certain business house of Mohan Meakin Breweries.

SHRI C. SUBRAMANIAM: I have looked into the case and whatever injustice was done to that officer had been set right... (*Interruptions*). I have looked into the case. I have looked into the file; I am speaking from memory. Whatever injustice had been done to him has been set right...

SHRI BHUPESH GUPTA. How? In what manner? ... (*Interruptions*).

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): Mr. Rabi Ray.

श्री रबी राय : महोदय मेरा सवाल यह है कि सुबह जब मंत्री महोदय बोल रहे थे तो उन्होंने कहा था कि जो पिछड़े हुए इलाके हैं उनको सहायता दी गई लेकिन उन्होंने उस को न लेकर लौटा दिया। मैं जानना चाहता हूँ कि वे कौन-कौन इलाके हैं, कौनसे पिछड़े राज्य हैं जिन्होंने उस सहायता को लौटा दिया ?

SHRI BHUPESH GUPTA: I want a discussion on it. It is a matter of privilege ... (*Interruptions*).

SHRI C. SUBRAMANIAM: I am prepared to look into it again and show you the case...

SHRI BHUPESH GUPTA: If you show it, I will be very happy.

श्री रबी राय : दूसरा सवाल यह है कि जब मंत्री महोदय बोल रहे थे तो उन्होंने कहा था कि मास कर्जगणन पर ज्यादा पैसा खर्च हो रहा है। मैं पूछना चाहता हूँ कि एयर-कण्डीशनिंग और उद्योग पर पांचवी पंचवर्षीय योजना में कितना रुपया इनवेस्ट करने का सरकार का इरादा है ?

SHRI C. SUBRAMANIAM: He can look into the draft Plan, which is available.

SHRI NIREN GHOSH: I would like to know why international concerns

[Shri Niren Ghosh]
designed and fabricated the entire fertilisers technology. Mr. K. R. Chakravarty was eased out of office because of the foreign vested interest. He had developed indigenous technology for this. What about the foreign firms? What about Colgate? What about CIBA? What about Cadbury? They are cutting away crores of rupees. That is the position about Colgate, CIBA, Union Carbide; they are entering other industries.

SHRI C. SUBRAMANIAM: As far as foreign companies are concerned, I am sure hon. Members are aware that we have just passed the Foreign Exchange Regulation Act, as also the guidelines. I am sure that Colgate and other foreign companies would be properly taken care of under the regulations which we have already passed. I do not know whether the hon. Member was referring to Dr. A. Lahiri.

SHRI NIREN GHOSH: Dr. Lahiri and Dr. K. R. Chakravarty of the Fertiliser Corporation.

SHRI C. SUBRAMANIAM: I won't be able to deal with Dr. Chakravarty. You have to put the question to the appropriate Ministry. About Dr. Lahiri, I would say that the Director-General (Vigilance) CSIR had on 31st January, 1974, forwarded to the C.S.I.R. his Investigation Report containing allegations of nepotism and favouritism against Dr. A. Lahiri, Director, CFRI, Jealgora, as a result of the inquiry conducted by him on the basis of complaints received by him. The allegations referred to favouritism shown by him in the matter of appointment/promotion of four of his relatives in the CFRI, Jealgora, during the period 1952-69 when Dr. Lahiri was functioning as the Assistant Director/Director in the CFRI. According to the Director General (Vigilance), the facts of the four cases taken together would indicate that Dr. Lahiri was in the habit of indulging in favouritism and nepotism and, in consultation with the Central Vigilance Commission, it was recommended that proceedings as for a major penalty may be initiated against Dr. Lahiri.

The case was being processed for initiating disciplinary proceedings against Dr.

Lahiri, as advised by the Central Vigilance Commission. In the meantime, Dr. Lahiri submitted an application dated 26-2-74 seeking permission for voluntary retirement from CSIR service on 26-5-74 giving three months' notice. His normal date of retirement is 24-8-76. While seeking permission for voluntary retirement, Dr. Lahiri also requested for permission to accept a UNDP assignment from 15-3-74 as an Expert on Fuel & Power for an Iron & Steel Plant to the Government of Chile for a period of six months.

The entire matter was considered in the larger interests of science and reputation of CSIR as an organisation. It was proposed that disciplinary proceedings against him need not be pressed in view of Dr. Lahiri's notice of voluntary retirement and that he may be allowed to voluntarily retire from CSIR service with effect from 26-5-74. It was also proposed that he may be permitted to accept the UNDP assignment in Chile. The Central Vigilance Commission was consulted in the matter and they agreed to the above proposal. The Commission, however, felt that Dr. Lahiri was trying to extricate himself from a difficult situation by offering to voluntarily retire without having to face departmental action. In view of this background, the Commission did not find it desirable to agree to further concessions like granting of terminal leave, etc. to Dr. Lahiri and was of the opinion that any period of leave that can run concurrent with the period of notice may only be granted to him.

The above recommendation of the Central Vigilance Commission was accepted and accordingly Dr. Lahiri was allowed to hand over charge at the CSIR Headquarters with effect from 30-3-74 with permission to retire from CSIR service with effect from 26-5-74, the intervening period being treated as leave due and admissible to him. He was also permitted to accept the foreign assignment.

Having sought permission to voluntarily retire from CSIR service and to accept the UNDP assignment, it would appear that just before his departure from India, Dr. Lahiri has sought to give an erroneous impression through Press interviews/statements that he is leaving the country on

account of his differences with the Government's policies on Fuel and also due to his disappointment over the numerous foreign collaboration agreements on coal technology which India had signed, although most of these technologies had been developed at CFRI in the last 20 years. This is to be interpreted more as the outburst of a scientist who has had to vacate his post under unsavoury circumstances, rather than a cool and objective assessment of either past trends or of future programmes in this field.

I can assure Mr. Ghosh that Dr. Lahiri was most generously treated taking into account the services he has rendered to science.

SHRI SUBRAMANIAN SWAMY: I think that the central point of what the Minister has read out is that Dr. Lahiri appointed four of his relatives during 1952-69 in the various establishments associated with CSIR. The problem is with scientists. Here I am speaking out of personal frustration and on behalf of the frustration of the entire scientific community of which you do not know anything. You are protected and padded. You have no contact with them. I have much more contact with scientists than you have. For example, the Chairman of the I.I.T., Dr. Nag Chowdhury, has appointed his own son to the Radar School of the I.I.T. The present Secretary of the Ministry of Science and Technology was the Director of I.I.T., and was a professor there, when his father was the Chairman of the Board of Governors.

SHRI C. SUBRAMANIAM: I.I.T. does not come under my charge at all. The hon. Member is aware of this.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): You can put questions to the Minister only with regard to the Ministry of Industrial Development.

SHRI SUBRAMANIAN SWAMY: Madam, please listen to me. I am not asking him to take action. I am bringing to his notice because he is isolated or what shall I call, insulated from the scientific community by this group of clear politicians, who call themselves as

scientists and occupy positions like Secretaries... *(Interruptions)* I am trying to bring this to his knowledge to keep him better informed. The only objection raised against Mr. Lahiri is that he has appointed four of his relatives. I want to point out to him that there are so many others, whose relatives have been appointed and are now enjoying the patronage of the Government. And something should be done about it in general.

SHRI C. SUBRAMANIAM: I would not like this to go uncontradicted. Might be, the hon. Member is more familiar with some of the frustrations of the scientists. I have come into contact with thousands of scientists, particularly the younger and the loyal scientists. And I know their enthusiasm and their dedication to the country and to the cause of science. And I have got full confidence that they are going to deliver the goods to take the country forward.

THE VICE-CHAIRMAN (SHRIMATI PURABI MUKHOPADHYAY): The House stands adjourned till 2.15 p.m. today.

The House then adjourned for lunch at fifty-seven minutes past one of the clock.

The House reassembled after lunch at eighteen minutes past two of the clock. **The Vice-Chairman (Shri V. B. Raju)** in the Chair.

DISCUSSION ON THE WORKING OF THE MINISTRY OF TOURISM AND CIVIL AVIATION

SHRI LOKANATH MISRA (Orissa): Mr. Vice-Chairman, Sir, the Ministry of Tourism and Civil Aviation, as we find from the name is divided into two parts, one is the Tourism and the other is the Civil Aviation. I would deal with the Tourism Department in a few words because the Department of Tourism, more or less, has been doing its job, even though I cannot call it satisfactory, it is not far below the level of satisfaction. I am told that the I.T.D.C., a financing institution, has restricted the loan to the hotel industry only to those who ask for Rs. 20 lakhs