

SHRI SHAFI MOHD. QURESHI : Initially this transport system will carry 1.3 million passengers per day. Annually it will be 475 million. The passenger fare structure has not yet been settled, but an average fare of 30 paise per trip may be charged. It will require an annual subsidy of Rs. 9.8 million according to the financial study carried out.

SHRI MANORANJAN ROY : May I ask the hon. Minister to whom the contract for this construction has been given, whether it has been given to a Government of India undertaking or to any private contractor and if it is the latter, who is that contractor? Secondly, I want to know how many persons that contractor will employ and how many the Railway Ministry will employ.

SHRI MOHD. SHAFI QURESHI : We have taken consultancy from the Soviet Union. The preparation of designs, drawings and specifications is in hand. We hope to float construction tenders in August/September, 1972, we will float global tenders. We will see which are the competent parties and it will be allotted accordingly.

SHRI MONORANJAN ROY : I wanted to know whether a Government Corporation will undertake the construction.

SHRI MOHD. SHAFI QURESHI : If the rates are competitive, if they can do it, we have no objection.

SHRI N. G. GORAY : Is the hon. Minister in a position to give us information on one point? There are many other countries besides India which have this underground system of railways. For instance, when they built the underground railway in Russia, did they send out a deputation to visit all the other countries and then they came to some conclusion or did they do it on their own?

SHRI MOHD. SHAFI QURESHI : Even in respect of the underground system in the USSR, they had to send a team of officers to various countries to

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know the latest technical know-how. Similarly, as I have already said, we have sent a team of seven officers to various countries, to the USSR, Sweden, the United Kingdom, France, Germany and others.

SHRI T. V. ANANDAN : May I ask the Minister whether, apart from Calcutta, there are other cities in India where the Railway Ministry contemplates laying underground railways and, if so, which are they?

SHRI MOHD. SHAFI QURESHI : Bombay and Delhi.

SHRI PRANAB KUMAR MUKHERJEE : May I know whether the Railway Ministry will pay special attention, when the construction work begins, in connection with the underground railway in and around Calcutta, to see that local employment is assured and ancillary industries are developed? May I know whether this aspect will be looked into by the Railway Ministry?

SHRI MOHD. SHAFI QURESHI : Whatever labour force is available for this work within Calcutta, that will be utilised. And we are trying to see that the maximum orders are placed with the Indian manufacturing companies.

SHRI PRANAB KUMAR MUKHERJEE : What about employment?

SHRI MOHD. SHAFI QURESHI : It will naturally generate employment when there is work.

OBSERVATIONS OF COMMISSIONER FOR SMALL SCALE INDUSTRIES ON WORKING OF STC AND MMTc

*5. **SHRI CHANDRA SHEKHAR :**
SHRI KRISHAN KANT :†
SHRI KOTA PUNNAIAH :

†The question was actually asked on the floor of the House by Shri Krishan Kant.

SHRI SYED AHMAD :

SHRI M. K. MOHTA :

SHRI K. C. PANDA :

SHRI SUNDAR MANI PATEL :

SHRI CHANDRAMOULI
JAGARLAMUDI :

DR. Z. A. AHMAD :

SHRI D. P. SINGH :

Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether Government's attention has been drawn to the recent criticism made by the Commissioner for small scale industries about the working of the State Trading Corporation and Minerals and Metals Trading Corporation to the detriment of the small-industries; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : (a) and (b) The attention of Government has been drawn to a news item appearing in the issue of 12th June of one of the daily newspapers which contains the criticism stated to have been made by the Development Commissioner. On being contacted, they have denied the Press report to this effect.

SHRI KRISHAN KANT : Do you think that if the hon. Minister threatens the officer, he will deny it? Anyway, I would like to know from the hon. Minister whether it is not a fact that the big houses are allowed to import directly while the small-scale industries have to import through the State trading agencies, for which they have to pay handling charges of 2 per cent plus other charges which come to 10 per cent, making the competitiveness of the small-scale industries worse than the big industries?

SHRI L. N. MISHRA : It is not a fact in this sense that the small-scale industries are catered for in a special way. We have recently set up a special Marketing Organisation Division to as-

sist the small-scale industries to develop operational relationship between the STC and the MMTC and the small-scale industries' organisations. The work has started and it is a two-direction process. The STC and the MMTC give special consideration to the small-scale industries. Even in the issue of licences, the small-scale industries get preference over the private people.

SHRI KRISHAN KANT : The hon. Minister has completely evaded the question. I have asked something (a) and he has replied something (b) I have asked specifically whether it is not a fact that the big houses can import directly while the small-scale industry has to canalise through the State trading agencies and that the handling and other charges come to between 10 and 20 per cent. Also, when the small-scale industries import they get only 25 per cent of their requirements while the big industries get 70 to 80 per cent of their requirements. If it is so, is it not against the policy of the Government against the creation of monopolies and unhealthy practices? If it is so, will the Government do something in the matter? I hope he will not avoid the question as he did in reply to my first supplementary.

SHRI L. N. MISHRA : Nothing can be further from truth than to say that I am avoiding the question especially coming from my friend, Shri Krishan Kant. I will say one thing that so far as the small scale industries are concerned we give them priority. If there is any case like this where private people have been given preference over the small-scale industries, I will look into it and I will assure the House and Shri Krishan Kant that small-scale industries will always get preference; whether it is a big house, a monopoly house; a private house, small-scale industries will get preference. However, I will look into it.

SHRI KRISHAN KANT : I am not, Mr. Chairman, referring to any individual case. It is a question of general policy. I am not interested in any individual case. Is it not a fact that the big industrialists are allowed to import directly and smaller industries have to canalise through the State Trading Corporation because of which their charges increase by 10-20 per cent? These small scale industries are only given 25 per cent. . .

MR. CHAIRMAN : You have said this.

SHRI KRISHAN KANT : These points he must clear. Either he should agree or he should not agree.

MR. CHAIRMAN : Please answer this general question.

SHRI L. N. MISHRA : Generally the position is this. Our policy is to give first preference to the public sector units. After that come co-operatives and small-scale industries owned by private people. The big industries or the monopoly houses come in the last. So far as the policy is concerned, the policy is that small scale industries get preference over private or monopoly people. Mr. Krishan Kant is complaining that they get only 25 per cent. He was referring to import and handling charges. I will look into it. I must tell you one thing. There is something like "actual user's licence". If the small scale industries are actual users they will get the licence. If they are not actual users, they will have some difficulty. But licence is given to all the people.

So far as treatment is concerned, our policy is to help the small scale industries as against the big industries. If there is any lacuna anywhere I will try to look into it.

SHRI KOTA PUNNAIAH : May I know, Sir, from the hon'ble Minister the opinion of the Government whether

the working of the State Trading Corporation is detrimental to the small scale industries?

SHRI L. N. MISHRA : No, not at all. They are public agencies to hold the Government, to implement the policy of the Government.

SHRI M. K. MOHTA : May I ask the hon'ble Minister what is the commission charged by these two agencies, the S.T.C. and the M.M.T.C. while supplying raw materials and other imported items to the small scale industrialists? If the opinion may not be readily available, may I request him to place it on the Table of the House as soon as it is ready?

SHRI L. N. MISHRA : So far as the opinion is concerned, the opinion that I have with me is this that the small-scale industry is not discriminated; rather it is favoured. But if there is anything anywhere, I have assured Mr. Krishan Kant I will look into it and come to the House and reply to the hon'ble Member or lay a statement on the Table of the House.

SHRI M. K. MOHTA : I have not repeated the question of Mr. Krishan Kant. What I want to know specifically is what is the rate of commission or profit charged by the S.T.C. and the M.M.T.C. while supplying raw materials and other imported items to the small-scale industries because this report says they are working like Lalajis; they are charging huge profits while supplying materials to small-scale industrialists. I would like to know what is the profit that is being charged.

SHRI L. N. MISHRA : So far as Lalaji part is concerned, this has been denied by the Commissioner that he never said anything like that. About huge profits, I think the S.T.C. does not make huge profits. Its account books and statement of account is in the Library. As for the profit that they are making, they make marginal, normal profit. . .

SHRI M. K. MOHTA : Fifty per cent may be normal for the S.T.C. . .

SOME HON'BLE MEMBERS : What is the profit?

SHRI L. N. MISHRA : It would be unfair to the S.T.C. and the M.M.T.C. to ask about their profit. But I have said. . . (*Interruptions*)

MR. CHAIRMAN : I am entitled to hear him.

SHRI L. N. MISHRA : I am also entitled to reply.

SHRI A. P. JAIN : Sir, we want your protection. These are vaguest replies. He should say that they charge so much commission.

SHRI L. N. MISHRA : Mr. Ajit Prasad's Jain is an experienced person and he knows that no business house discloses what is the percentage of profit that it is charging. And I must say in the first place that the information is not with me. Secondly,...

SHRI A. G. KULKARNI : On a point of order, Sir. A public sector agency is answerable to Parliament. He cannot take the protection that he cannot disclose it, because these are public sector organisations and he has to disclose it in the interest of the people themselves.

SHRI A. P. JAIN : On a point of order, Sir. Is the Minister in order in giving me a homily that I am an experienced person? The point is, it is a public sector undertaking and he has a responsibility to tell the House what commission or what rates they are charging.

SHRI DWIJENDRALAL SEN GUPTA : On a point of order, Sir.

MR. CHAIRMAN : How many points of order? This is Question Hour.

SHRI DWIJENDRALAL SEN GUPTA : This is arising out of that.

MR. CHAIRMAN : Your point of order may not arise. Let him answer. Yes, Mr. Minister.

SHRI L. N. MISHRA : Sir, this has been going on in this House and in the other House also that the STC and the MMTC are making exorbitant or fabulous profits. They are not doing so.

SHRI A. G. KULKARNI : We did not say that.

MR. CHAIRMAN : Let him finish.

SHRI A. P. JAIN : He is saying nothing, only vague things.

MR. CHAIRMAN : He is not being allowed to say anything.

SHRI L. N. MISHRA : Sir, what are the commodities that the STC and the MMTC supply? The commodities that they supply are mainly imported raw materials which they take from a number of countries. If the margin of profit charged by the STC and the MMTC is divulged, this will weaken the bargaining power of the STC and the MMTC.

(*Interruptions.*)

SHRI A. P. JAIN : What a wonderful reply!

MR. CHAIRMAN : Order, please.

SHRI L. N. MISHRA : Sir, with no disrespect to the House, so far as the Public Accounts Committee and the Estimates Committee are concerned, the Foreign Trade Secretary will go and give all the figures. But if you give it publicly, it will not be in the public interest. This much I can say that the Public Accounts Committee and the Estimates Committee can get these figures.

SHRI DWIJENDRALAL SEN GUPTA : On a point of order, Sir. The hon. Minister in the course of his reply has said that the STC and the MMTC are business houses and the ratio of profit of a business house cannot be divulged. I want a ruling from you, Sir, whether this statement of the Minis-

ter is correct to the extent that the STC and the MMTC are business houses. I want your ruling, Sir.

SHRI KRISHAN KANT : Mr. Chairman, Sir, before you give your ruling, I would like to bring one fact before you and before the House, that is, the hon. Minister has himself said in this House that the handling charges are two per cent. He could disclose that. But other charges he is not disclosing. Is that in order?

SHRI A. P. JAIN : On a point of order, Sir. This has raised a very important question, i.e. the accountability of the public sector enterprises to the Parliament. You have to give your ruling on the point whether these public undertakings are accountable to this House. If they are accountable, then, are we entitled or are we not entitled to enquire as to what profits they are making on a particular item? We will not enquire what profit they may be making from a particular person. But the rates must be made public. They must say on this item they charge 2 per cent, on another item they charge 4 per cent, on the third item they charge 6 per cent, and these are the rates. And they must be made public.

MR. CHAIRMAN : This is the same point.

SHRI S. D. MISRA : Sir, I also wanted to know exactly on the same lines as Mr. Jain put it.

MR. CHAIRMAN : Then, it is not necessary to put that question again.

SHRI S. D. MISRA : If the Government can share this thing with a Parliamentary Sub-Committee like the Estimates Committee or the Public Accounts Committee on a particular item like profit or handling charges, then, how is it that when we as Members of

Parliament put this question here, we are denied the same matter? I want your ruling.

MR. CHAIRMAN : I will give my ruling. The Minister says it is not in public interest to disclose the rates of profit or the information which is demanded from him. I cannot compel him to disclose what is not in public interest.

SHRI S. G. SARDESAI : When joint stock companies have got to publish their accounts, how can he say this?

SHRI KRISHAN KANT : The information is published and is available in the Public Accounts Committee and the Estimates Committee reports. Can he deny us here a thing which is available to Parliament otherwise? Mr. Chairman, you will permit us to table a motion of privilege in this House and you will kindly admit it.

MR. CHAIRMAN : You may do whatever you like. I have given my ruling.

SHRI KRISHAN KANT : This is a privilege issue.

SHRI SITARAM KESRI : Then you are going to challenge the ruling of the Chair. How is it possible?

MR. CHAIRMAN : Mr. K. C. Panda.

SHRI K. C. PANDA : Is the Government aware of the fact that the STC and the MMTC are charging unusually high commission on profit and in addition to that they have stocked the raw materials in places from where the small-scale industrialists are unable to take them in time and the officers are bargaining with them in order to provide some stocks to certain privileged groups?

SHRI L. N. MISHRA : Sir, I may tell the House that I did not mean any disrespect to the House; such a thing is far from my mind. I am answerable

to this House. You have given the correct ruling. I must say that the Public Accounts Committee and the Estimates Committee are different from the whole House. Here the press is there. In those Committees all the secret documents are presented. Sir, I want your protection. If all the papers and documents are to be brought and produced here, we cannot do that. This is a choice between the public sector agency and a private person. (*Interruption*) It does not make fabulous profits. It makes reasonable profits and in certain cases it makes losses also. You will see this if you have a look at the statements of the STC and the MMTC. Certain things have to be purchased from outside. For example in the case of stainless steel some chemicals etc., it is not 20 per cent. It has to be purchased from outside countries. If the figures are to be given, it will weaken our bargaining position. We have entered into a trade agreement with Bangla Desh in regard to coal. We do not like to give out the price of coal to Bangla Desh.

SHRI K. C. PANDA : Sir, my question has not been answered. He is giving a very good explanation no doubt.

SHRI M. P. SHUKLA : Sir, if a matter can be disclosed to a Committee of Parliament like the Public Accounts Committee or the Estimates Committee the same cannot be withheld as being against public interest when it is demanded in the House...

MR. CHAIRMAN : This is the same question. I have already given my ruling.

SHRI K. C. PANDA : What about my question, Sir?

MR. CHAIRMAN : Mr. Minister, are you answering his question?

SHRI L. N. MISHRA : I have already answered that.

SHRI SUNDAR MANI PATEL : I would like to know categorically the reaction of the honourable Minister to the observations made by no less a person than the Development Commissioner working under the Government of India. I would just like to quote his observations. Mr. Nanjappa said—“These institutions. . .”—“these institutions” means MMTC and STC—“. were functioning like modern *lalajis* and were busy fleecing industrialists.” I want to know the reaction of the honourable Minister to this observation.

SHRI L. N. MISHRA : I have already said it earlier. Mr. Nanjappa has denied having said so. He said he did not say that.

SHRI SUNDAR MANI PATEL : What action have you taken against that particular officer?

DR. Z. A. AHMAD : In view of the fact that there is a wide-spread opinion in the country...

AN HON. MEMBER : The Minister is getting all the protection.

MR. CHAIRMAN : Please do not make such observations.

DR. Z. A. AHMAD : In view of the fact that there is a wide-spread feeling in the country that the STC and MMTC are not really helping small scale industries to the extent it is necessary and are actually favouring bigger interests, despite the priority order that we have placed, I would like to ask the Minister whether he can make an attempt to enquire into the functioning of these two institutions and remove the genuine complaints of the smaller industries. For that purpose is he prepared to institute an inquiry?

SHRI L. N. MISHRA : I will look into it myself and if necessary I can set up an official committee to go into the matter and find out whether small scale industries are treated in a step-motherly way by these organisations.

SHRI D. P. SINGH : It is not a question of Government trying to find out the difficulties of small scale industries. Have not they been directly complaining to the hon. Minister or the Government about discriminatory treatment meted out to them by the STC and MMTC and other hardships they experience?

SHRI L. N. MISHRA : I do not remember having received any letter of that type. If I have received any, it must have been passed on to STC or MMTC, as the case may be. So far as my memory goes, I have not received any such letter. But I cannot be sure about that.

SHRI A. G. KULKARNI : Leave aside what has been said by the Development Commissioner. But it has been said in a resolution of the Small Scale Industries Board. They are not big enough to get big licences. They are getting fragmented licences and these fragmented licences are collected together and brought to the State Industries Corporation through STC and MMTC and as a result they are getting things at higher prices than otherwise if they had obtained them directly. It is alleged specifically in the Small Scale Industries Board that small scale industries are not getting adequate supplies proportionate to their production and consumption capacity. Would you, as suggested by Shri Ahmad, appoint a Committee? You said you would appoint an official Committee. Hundreds of official committees have been appointed in the past. They will report what you have in mind. Are you prepared to appoint a Parliamentary Committee?

SHRI L. N. MISHRA : I have stated the priority earlier and said that small scale industries should get preference over private or big industries and whether in the matter of supplies or price they should get preferential treatment. This is our policy. . .

SHRI A. G. KULKARNI : He is reciting Gita; it has no relevance.

SHRI L. N. MISHRA : The feeling apparently in the House is that small scale industries and cottage industries are not getting fair deal. I said I would look into the matter. An hon. Member said that we should set up a Parliamentary Committee. There is no objection to that either because there is nothing to hide so far as STC and MMTC are concerned. But let me first of all come to the House with the report of an official committee and after that if it is necessary I will have no objection to Parliamentary Committee. There is nothing to hide about these organisations. They are meant to serve the society.

DR. K. MATHEW KURIAN : Sir, the hon. Minister made a very heroic statement that the small-scale industries will be preferred to the big monopolies etc. I would like to know from the hon. Minister whether he is aware that ever since Shri P. L. Tandon took over charge of the STC, the entire managerial cadre has been reordered to suit the interests of the private monopolists and people from M/s Hindustan Lever have been brought to be in charge of important sections of this public sector enterprise which has been run and reordered to suit the interests of the private sector. Will the hon. Minister take this into account and order a parliamentary inquiry into the whole process of how the public sector. . . (Interruptions). . . has been utilised in the interest of the private monopolists?

MR. CHAIRMAN : All right.

SHRI L. N. MISHRA : Sir, so far as Shri Tandon is concerned, it is unfortunate that his name has been brought in. He is retiring today and he will not be the Chairman of the STC tomorrow. I must say, Sir, that I am not in the habit of praising anybody. But, under his stewardship, the STC has made commendable progress and he has put India on the trade map of

the world. But, Sir, so far as the allegation is concerned, I do not accept it. But, it has been made by an hon. Member of the House. I will look into it. But, Sir, I must pay my tribute to Shri Tandon. He has really done a very good job for the country.

MR. CHAIRMAN : Yes, Mr. Banarsi Das.

श्री बनारसी दास : क्या विदेश व्यापार मंत्री कृपा करके बताएंगे कि क्या यह सच है कि एस० टी० सी० रा मेटेय्रियल स्माल स्केल यूनिट्स को प्राइवेट इम्पोर्टर के मुकाबले 20 परसेंट ज्यादा कीमत लेकर देती है।

श्री एल० एन० मिश्र : स्माल स्केल इंडस्ट्री पबलिक सेक्टर कहां से हो गया, स्माल स्केल इंडस्ट्री भी प्राइवेट इंडस्ट्री है। हां, यह बात कहिए कि बड़ी इंडस्ट्रीज से छोटी इंडस्ट्रीज को मदद होनी चाहिए। यह हम भी मानते हैं लेकिन अगर पबलिक सेक्टर और स्माल स्केल सेक्टर का सवाल है तो पबलिक सेक्टर को पहले दिया जायगा। जहां तक 20 परसेंट की बात है, कहीं प्राफिट हो सकता है तो कहीं लास भी हो सकता है। बहुत से आइटम हैं जहां एस० टी० सी० और एम० एम० टी० सी० लास पर भी बेचती है और कहीं प्राफिट भी लेती हैं जहां गुंजाइश होती है।

श्री बनारसी दास : अध्यक्ष महोदय, मेरे प्रश्न का उत्तर नहीं आया। मेरा स्पेसिफिक सवाल यह है कि एस० टी० सी० रा मेटेय्रियल स्माल स्केल यूनिट्स को प्राइवेट इम्पोर्टर के मुकाबले 20 परसेंट ज्यादा कीमत पर सप्लाय करती है, यानी प्रोफिटियरिंग करती है।

श्री एल० एन० मिश्र : मुझे पता नहीं है कि प्राइवेट इम्पोर्टर बेचते हैं। अगर वे सस्ता बेचते हैं तो लोग उनसे ले लिया करें, उसमें शिकायत किस बात की है।

BAN ON PRODUCTION OF COLOURED SAREES BY POWERLOOMS

*6. SHRI PRANAB KUMAR MUKHERJEE† :

SHRI M. K. MOHTA :

SHRI SUNDAR MANI PATEL :

SHRI LOKANATH MISRA :

SHRI K. C. PANDA :

SHRI CHANDRAMOULI

JAGARLAMUDI :

Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether Government have taken any decision to impose a ban on the production of coloured sarees by the Powerloom sector;

(b) if so, what are the reasons for such a ban; and

(c) whether this has caused a rise in the prices of such sarees, if so, to what extent?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) : (a) and (b) Yes, Sir. The ban which was imposed in 1966 was intended to protect the handloom industry from the developing powerloom industry by reserving the production of coloured sarees exclusively in the handloom sector.

(c) No report about rise in prices of such sarees on account of the said ban has been received by Government.

SHRI PRANAB KUMAR MUKHERJEE : Sir, may I know from the hon. Minister whether it is a fact that because of this ban some of the powerloom factories have become economically losing concerns and whether any arrangement is being made to make up the loss by way of substituting any other item for their production?

SHRI L. N. MISHRA : So far as substitution is concerned, it is for the powerloom factories to choose, Sir. I

†The question was actually asked on the floor of the House by Shri Pranab Kumar Mukherjee.